



NADAČNÍ FOND
MODERNÍ LÉČBA ARYTHMIÍ



**2006 Annual Report of the
MODERN TREATMENT OF ARRHYTHMIAS
Endowment Fund**

I. INTRODUCTION

In 2006, its eleventh year of activity as a non-profit organization, the Modern Treatment of Arrhythmias Endowment Fund continued its progress in accordance with its statutes. Started in 1995 as a Foundation, its status was later changed to that of an endowment fund with the same name, which title clearly indicates its whole medical priority.

The Endowment Fund's statutory book-keeping, record-keeping and documentation were carried out in accordance with Internal Revenue procedures, with the gift tax-return showing both monetary and non-monetary donations. The Fund's Board of Trustees decided on a fresh audit-procedure for 2006 in order to gain a second critical and objective overview of its finances. The firm chosen for this further assessment of the Fund's financial management was PKM AUDIT Consulting s.r.o., which has appropriate experience in the financial management of non-profit organizations.

Other Fund-activities were carried out in strict compliance with both Commercial Code and Foundation/Endowment Fund legislation.



II. ACTIVITIES OF THE BOARD OF TRUSTEES

During this reporting-period, the Fund's Trustees also operated under the guidance of its statutes. The Board held four scheduled meetings (19th April, 12th September, 12th October and 14th December), and one ad hoc session of its executive committee to assess the expediency of a minor investment in equipment for the catheterization-theatre in IKEM's Department of Cardiology.

At its meetings, the Board discussed topical issues concerning the running of the Fund. It decided on the distribution of financial resources and monitored the completion of tasks dictated by the Fund's priorities. Throughout this programme, due concern was accorded to the contents of the Auditor's Report on the previous year. The Trustees also lay great importance on the Fund's membership of the Forum of Donors Association of Endowment Funds which it had joined in 2003. Representatives are sent to relevant events organized by the Association, which include educational/training projects, and observations are carried back and applied to the Fund's administration.

During this last year, the Board of Trustees implemented some of its ideas on widening its scope of advertising of the Endowment Fund's activities. An own Internet

website is about to be launched with the help of Limemedia a.s.; the firm will then administer and develop the website. As well as a document-display, it will show up-to-date information on the Fund's itinerary. This step should make a significant contribution to public awareness of the Fund's work! Also, an information-brochure planned for this year will shed some light on the Fund's industry for those interested in working for it or otherwise supporting it.

Written minutes were kept during all meetings convened by the Trustees, and set tasks followed up on a regular basis. In order to heighten the level of professional fund-management in 2006, double-entry bookkeeping became the key-note, and members of the Board provided responsible and stimulating contributions to the Fund's curriculum --- as far as their busy schedules allowed! More systematic leadership was promoted in this quest for greater professional management, and gathered knowledge has been pooled in a search for a more effective management-structure. This is considered to be the highway to realising the embryonic plan of securing EU financial resources to bolster the Fund's projects. To this regard, initial consultations have taken place with economic specialists!

There was no change of personnel among the Trustees until the end of 2006 when Mrs. A. Chmelíková resigned

as Inspector. Her resignation was discussed at the Board-meeting of the 26th April, 2007, when Dagmar Vlčková was appointed as the new Inspector. At the same meeting, the entire Board was re-elected with a mandate for four further years. This is in keeping with the Fund's statute.

III. ACTIVITIES AND FINANCIAL MANAGEMENT OF THE ENDOWMENT FUND

The ninth Prague Workshop on Catheter-Ablation was held at IKEM between the 5th/7th March, 2006. The Endowment Fund continued its now established tradition of providing significant organizational and material support for this event, which was attended by almost 200 specialists. 60% of these delegates came from abroad. Financial support for the Workshop amounted to 1.381 million crowns; well worthwhile when considering the importance and high esteem it carries throughout Europe. The Fund's contribution was enough to finance the whole preparatory phase of the event.

The main theme at the Workshop was catheter-ablation treatment of atrial fibrillation, with a robotic navigation-system (Hansen Medical) being demonstrated in a live broadcast. The whole experience was well-received by the delegates with many of the regular, foreign



participants professing the event's top status in its field in the European theatre. While this outcome is gratifying for the organizers, it also means that they are faced with a difficult challenge and major commitment in "upping the ante" for the following year! But, safe in the knowledge that the Fund's status ensures a financial guarantee for the landmark 10th Annual Workshop in 2007, IKEM's staff are left free to concentrate fully on its preparation....

For the second year running, the Endowment Fund also supported another important, specialist joint-event; the 2nd Czech/Austrian Round Table Conference at Retz, Austria (13th/14th October, 2006). The subject was "Advances in the Prevention and Therapy of Atrial Fibrillation, Heart Failure and Sudden Cardiac Death". Contributions to the programme were made by the Austrian Society of Cardiology (on Rhythmology) and the Czech Society of Cardiology (on Arrhythmias and Cardio-stimulation). Data was published from both national registers on implantable cardioverter-defibrillator (ICD) treatment, cardiac resynchronization-therapy and catheter-ablations. There was a significant participation of IKEM specialists at the Conference who gave six of the sixteen lectures.

This reporting-year also saw provision by the Fund of two scholarships; for Doctors L. Riedlbauchová and L. Popová, in a total sum of 300,000 crowns. This



provision enabled both to work, on placement, at a prominent American cardiology clinic in Cleveland, Ohio. These placements played a role, too, in the further development of relations and co-operation between IKEM and the Clinic on joint research-projects in arrhythmia and, especially, catheter-ablations of atrial fibrillation.

The Endowment Fund can also be called upon to promote the cohesive working of the Arrhythmia Unit specialists at IKEM; this, in turn, depends on a high level of team-work among all other professional staff-members --- doctors, nurses and lab-technicians. Support is, thus, made available for in-house training-sessions where doctors, nurses and technicians from all Units get to meet and know each other. This serves to encourage harmony and morale, and to enhance the already sound standards in this centre of Czech cardiology.

2006 saw an improvement in the Fund's finances, and it ended the year with a profit of 186,985 crowns. All of the Fund's transactions were carried out in full compliance with its legally-registered roles. Donations were provided on a basis of "Deed of Covenant", and were duly recorded in the books. Donations and other contributions amounted to 1.840 million crowns.

The largest corporate donors were GUIDANT, HANSEN MEDICAL, MERKUR CASINO and BIOTRONIC. The largest individual donation was received from MUDr. Schöttnerová and Mgr. Šimíčková. A detailed sponsorship-list appears in an annex to this report.

Total assets as at the 31st December, 2006, were 4.274 million crowns. A summary of the Fund's assets, and management details, are contained in the Auditor's Report, shown as a separate annex, and which confirms in its comments that the accounts represent an accurate reflection of the Fund's assets, liabilities and financial status. Medical instruments owned by the Fund are lent to the Cardiology Department under a loan-agreement. An overall picture of the Fund's management in 2006 confirms a responsible attitude and an effective use of financial resources!

In addition to the financial support provided for the previously-mentioned events, the Fund also purchased equipment for the treatment of serious disturbances in cardiac rhythm. Software was acquired capable of analysing the 12-lead ECG LIFECARD CF RECORDER; an outpatient ECG machine; a SEER MC recorder; a cardiological tilt-test bed, and a trolley for transferring patients after catheter-treatment or implants of cardiac pace-makers/cardioverter-defibrillators. Smaller sums were channelled into the replenishment of out-patient

facilities in the Arrhythmia Unit which is reporting a rising trend in the numbers and complexity of check-ups on patients with clinically-serious disturbances in cardiac-rhythm.

The Board of Trustees also released limited funds for the purchase of reference-literature for the staff of the Arrhythmia Unit. In conjunction with the relevant IKEM committee, the Board continued to write-off items of equipment no longer functional or usable.



While remaining within the scope of the Board's competence, the Trustees decided to pay bonuses to the staff of the Cardiology Department in return for keeping data-bases, creating national registers of implantable cardioverter-defibrillators and, particularly, of catheter-ablations; and for their help in compiling a national register of pace-makers. Other bonuses were provided for exceptional staff-effort in Endowment Fund duties and meeting its targets, which included the organizing of the Catheter-ablation Workshop!

The cost of the 2006 audit amounted to 29,750 crowns.

IV. SIGNIFICANCE OF THE ENDOWMENT FUND'S PROGRAMME AND CONTRIBUTIONS TO THE DEPARTMENT OF CARDIOLOGY

The benefits of the previously-mentioned deployment of financial resources were soon noticeably reflected in improved working-conditions and patient-care in the Arrhythmia Ward of the Department. This is a direct result of the Trustees' decision to purchase up-to-date equipment for the diagnosis and treatment of arrhythmia.

In the ever-changing conditions of modern health-care provision, the Endowment Fund represents a certain buttress in ensuring the continuation of up-to-date diagnosis and treatment of arrhythmia. With the modernisation process in mind, and through cost-effective, medical projects, the Board of Trustees is constantly seeking new opportunities for finding, and ways of working with, financially-stronger partners. A good example of this quest is where, thanks to the initiative of Professor J. Pirk, the Fund was able to link up with Unilever on one joint-project, and to become partner in another project called "For Your Heart and the Heart of Others". Through this scheme, and after a resultant media-campaign in April/May of this year, a donation of 25 hellers will be made to the Fund for each tub of Flora margarine sold!



Thanks to the business-nature of its partner in this project, the Fund also now enjoys greater communication opportunities with the public, through advertising and PR, and thus a greater chance of raising awareness of its existence. Thanks to other contacts cultivated by the Board, the Fund may soon have information-access to the public through a network of private radio-stations. It is encouraging to note that, through interest garnered by Professors Pirk and Kautzner via a press-conference and radio/television exposure, publicity was gained for the work of the Department in modern, non-pharmaco-

logical treatment of atrial fibrillation as well as of other complex atrial and ventricular tachy-arrhythmias. IKEM is one of only a handful of centres in the Czech Republic which specialize in this field.

Funds obtained through this health-motivated, commercial enterprise with Flora will be used to purchase equipment for the 7-day Holter monitoring-system used by the Cardiology Department. This system provides a more accurate assessment of the results of treatment for atrial fibrillation, but which, so far, has not been covered by public health-insurance!

In summary, it can be said that through its significant financial support for educational/training schemes, the Endowment Fund is making a marked contribution to the promotion and development of new forms

of treatment for arrhythmias; and not only in the Czech Republic, but in other neighbouring, central-European countries. Sponsorship of such events also brings invaluable publicity to the work of IKEM; this keeps its cause in the public eye, and its work in the forefront of cardiological practice. It is considered that one of the Fund's most indispensable duties lies in the provision of on-going training for doctors, nurses, technical- and other support-staff of the Cardiology Department through local, national and international courses, meetings, symposia and placements.

It can be concluded with some justification, that the above summation indicates the way forward to constant improvement in professional standards, and thereby keeping the Department's level of work at the highest. Indeed, the Department remains the only centre in the Czech Republic that provides highly-specialized treatment for certain complex types of tachy-arrhythmia. This expertise is willingly shared with other cardiology centres both within and without the Czech borders. Thus, the supporting role of the Endowment Fund could be more far-reaching than appears at first glance and, while remaining within the boundaries of its statutes, would seem to be more than fulfilling its aim!



V. TASKS FOR 2007

In this year, the Board of Trustees will continue to focus rigorously on fulfilling the targets set out in the Fund's statutes. It will continue to use financial resources effectively, and will seek other potential donors through a pro-active presentation of the Fund's programme: its website must be launched, and then constantly updated. The Fund also aims to acquire at least limited European Union funding. The Trustees will maintain, even increase, contributions to the agenda of the Donors`

Association, which should help to reinforce the Endowment Fund's status and assist in the search for further resources to stimulate its work. One of the specific tasks for 2007 will be to ensure the routine, fluent operation of the website!

Previous experience has shown that as the diversity and number of activities grow, it will be necessary to improve and expand the Endowment Fund's managerial structure in order to cope with the already extensive administrative burden, as well as with additional contact with partners. The Board will endeavour to be more flexible in seeking organizational solutions within set parameters, and in establishing the contacts necessary to the development of the Fund and an expansion of its role. More urgent attention will be focused on a strategy of "rapid reaction" to opportunities

for enhancing and enlarging the Fund's financial status. Past experience has also shown that success in the Fund's activities is directly essential to maintaining a top-class level of medical care in the Arrhythmia Unit, and indirectly to enhancing the standard of cardiology and cardiac surgery through-out the Czech Republic.

Prague, 26th April 2007

MUDr. Jan Bytešník, CSc.

Chairman of the Board of Trustees of the Modern Treatment of Arrhythmias Endowment Fund

VI. AUDIT OF THE ENDOWMENT FUND ACCOUNT

The generally favourable financial results for 2006 were confirmed in the report by the auditor PKM AUDIT Consulting s.r.o., which firm carried out an audit of the Fund's account in accordance with legal requirements. The auditor examined all the account-records and the correctness of the accounting-procedures. It examined the entire account and carried out a random check on entries in the books together with their supporting documentation. The internal checking-system of the account was also inspected, and pronounced wholly satisfactory. The correctness of the account was confirmed as was the level of expenses incurred in its administration: it was lower, in this reporting-period, than the permitted 10% of the value of assets as at the 31st December, 2006.

AUDITOR'S COMMENTS

In the opinion of the Audit Board, the financial accounts and subaccounts of the Modern Treatment of Arrhythmias Endowment Fund give a true and accurate summary of the assets, liabilities, equity and financial status of the Fund as at the 31st December, 2006, and of the expenditures and revenues pertaining to its activities during the year ending on that date. The Audit was carried out in accordance with Accounting Regulations in force in the Czech Republic. The Auditor's Report shows the accounts as being

SATISFACTORY

Prague, 28th March 2007

PKM AUDIT Consulting s.r.o.

Praha 1, Národní třída 43/365, PSČ 110 00

Certificate of registration in the list of the Chamber of Auditors of the Czech Republic No. 454



Ing. Luboš Marek

Responsible auditor

FINANCIAL DETAILS FROM THE ANNUAL REPORT OF THE MODERN TREATMENT OF ARRHYTHMIAS ENDOWMENT FUND

Simplified balance-sheet for the year ended
31st December, 2006

Assets

| A. Account | (Thousands of CZK) |
|--|--------------------|
| Intangible fixed assets | 715 |
| Individual portable assets | 2 328 |
| Low-value tangible fixed assets | 477 |
| Accumulated depreciation/writes-off of software-items | -347 |
| Accumulated depreciation/writes-off of individual portable assets | -1 807 |
| Accumulated depreciation/writes-off of low-value tangible fixed assets | -477 |
| Cash in hand (CZK) | 47 |
| Cash in bank | 3 338 |
| Assets total | 4 274 |

Liabilities

| B. Account | (Thousands of CZK) |
|--------------------------|--------------------|
| Suppliers | 94 |
| Other liabilities | 11 |
| Other direct taxation | 55 |
| Equity | 4 114 |
| Liabilities total | 4 274 |

CONTRIBUTIONS / DONATIONS IN 2006

The Endowment Fund's Board of Trustees appreciates very highly the support the Fund received in 2006 from firms and individuals in 2006, and expresses its acknowledgement and thanks to the persons and organizations listed below:

| Corporate contributions | (CZK) |
|--------------------------------------|--------------|
| GUIDANT – Praha 4 | 800,000 |
| HANSEN MEDICAL – Německo | 426,353 |
| MERKUR CASINO – Praha 7 | 400,000 |
| BIOTRONIK – Berlín | 113,340 |
| MAPES s.r.o. – Jakub 47, Církvice | 20,000 |
| Johnson & Johnson – Praha 5 - Zličín | 20,000 |
| Wypasek Adolf – Real - INVEST | 10,000 |
| Ing. Honz Josef CSc. – Písek | 7,000 |
| Ing. Honz Josef – Lnáře | 7,000 |
| Třemšinská ekofarma – Písek | 6,000 |
| Individual contributions | (CZK) |
| MUDr. Schöttnerová Iva – Liberec | 10,000 |
| Mgr. Šimíčková Hana – Praha 10 | 8,458 |
| Ing. Kratochvíl Jan – Praha 4 | 3,000 |
| Mgr. Jičínská Jarmila – Brno | 3,000 |
| Ing. Stoklasa Jaroslav – Praha 3 | 2,000 |
| Starchová Stanislava – Praha 2 | 1,500 |
| Ing. Kramerius Petr – Praha 4 | 1,000 |
| Ondráček Jaroslav – Průhonice | 1,000 |
| Nováček Bohumil – Praha 6 | 500 |

BOARD OF TRUSTEES

(there were no changes from the previous year)

Lenka Augustinová

Jan Bytešník, M.D., PhD
Chairman, Board of Trustees

Robert Čihák, M.D., PhD

Vladana Fišerová

Jitka Homolová

Jan Hubáček, LL.D.

Professor Josef Kautzner, M.D., PhD
Head, Department of Cardiology, IKEM

Helga Klozová

Renata Krausová, M.D.

Helena Lásková

Kateřina Lefflerová, M.D., PhD

Eva Nováková

Professor Jan Pirk, M.D., DsC
Chief Physician, Cardiocentre IKEM

Professor Vladimír Staněk, M.D., PhD

Iva Valtrová

Vlastimil Vančura, M.D.

Markéta Vlnasová

MODERN TREATMENT OF ARRHYTHMIAS ENDOWMENT FUND

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