

**INDEPENDENT AUDITOR'S REPORT**

**on the financial statements**

**Člověk v tísní, o.p.s.**

**(PEOPLE IN NEED)**

**as of 31 December 2017**



Identification data:

<b>Name of the accounting entity:</b>	<b>Člověk v tísni, o.p.s.</b>
<b>Registered office:</b>	<b>120 00 Praha 2, Šafaříkova 635/24</b>
<b>ID number:</b>	<b>257 55 277</b>
<b>Legal status:</b>	<b>Public Benefit Organization</b>
<b>Director:</b>	<b>Šimon Pánek</b>
<b>Auditing firm:</b>	<b>AUDIT SERVIS, spol. s r. o. 150 00 Praha 5, Nádražní 61/116 Licence of the Chamber of Auditors of the Czech Republic no. 10</b>
<b>Auditor:</b>	<b>Ing. Jana Procházková Licence of the Chamber of Auditors of the Czech Republic no. 2094</b>
<b>Verified period:</b>	<b>1 January 2017 – 31 December 2017</b>
<b>Date of the execution of the Report:</b>	<b>25 June 2018</b>



## **INDEPENDENT AUDITOR'S REPORT**

**Recipient: Executive Board and founders of the Člověk v tísní, o.p.s. (PEOPLE IN NEED)**

### **Opinion**

We have audited the accompanying financial statements of Company Člověk v tísní, o.p.s. (PEOPLE IN NEED), prepared in accordance with accounting principles generally accepted in the Czech Republic, which comprise the balance sheet as of 31 December 2017, the profit and loss account from 1 January 2017 to 31 December 2017, and cash flow statement for the period from 1 January 2017 to 31 December 2017, and notes to the financial statements (hereafter referred to as "financial statements"), including a summary of significant accounting policies and other explanatory notes. For details of the Company Člověk v tísní, o.p.s. (PEOPLE IN NEED), see Note 1 to the financial statements.

**In our opinion, the financial statements give a true and fair view of assets, liabilities and equity of the Company Člověk v tísní, o.p.s. (PEOPLE IN NEED) as at 31 December 2017, and of its expenses, revenues and profit/loss and its cash flows for the accounting period from 1 January 2017 to 31 December 2017 in accordance with accounting principles generally accepted in the Czech Republic.**

### **Basis for Opinion**

We conducted our audit in accordance with the Act on Auditors, and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application clauses. Our responsibilities under this law and regulation are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Other Information in the Annual Report**

In compliance with the Section 2 b) of the Act on Auditors, the other information comprises the information included in the Annual Report other than the financial statements and auditor's report thereon. Management of the Company Člověk v tísní, o. p. s. (PEOPLE IN NEED) is responsible for the other information.

Our opinion on the financial statements does not cover the other information. However, in connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is not materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable law or regulation, in particular, whether the other information complies with



law or regulation in terms of formal requirements and procedure for preparing the other information in context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

Based on procedures performed, to the extents we are able to asses it, we report that:

- the other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements, and
- the other information is prepared in compliance with applicable law or regulation.

In addition, our responsibility is to report, based on the knowledge and understanding of the Company Člověk v tísni, o. p. s. (PEOPLE IN NEED) obtained in the audit, on whether the other information contains any material misstatement of fact. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement of fact.

### **Responsibility of the Statutory Body of the accounting entity for the financial statements**

The statutory body of Company Člověk v tísni, o. p. s. (PEOPLE IN NEED) is responsible for the preparation and fair presentation of the financial statements that give a true and fair view in accordance with Czech accounting regulations and for such internal control as statutory body determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. Hereafter the statutory body is responsible for the selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

In preparing the financial statements, the statutory body of the Company Člověk v tísni, o. p. s. (PEOPLE IN NEED) is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the statutory body either intends to liquidate the Company Člověk v tísni, o. p. s. (PEOPLE IN NEED) or to cease operations, or has no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with above mentioned regulations will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the above law or regulation, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error,



as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control of the Company Člověk v tísní, o. p. s. (PEOPLE IN NEED).
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the statutory body in the notes to the financial statements.
- Conclude on the appropriateness of the statutory body's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company Člověk v tísní, o. p. s. (PEOPLE IN NEED) to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company Člověk v tísní, o. p. s. (PEOPLE IN NEED) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

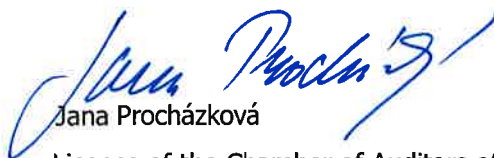
We communicate with the statutory body and executive board, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

In Prague on 25 June 2018

Auditing firm: AUDIT SERVIS, spol. s r. o.  
150 00 Praha 5, Nádražní 61/116  
Licence of the Chamber of Auditors of the Czech Republic no. 10



Auditor:

  
Jana Procházková

Licence of the Chamber of Auditors of the Czech Republic no. 2094

Ministry of Finance CR

Approved by MF CR

in accordance with decree No. 504/2002 Coll.

Applies to accounting units

using tax forms applicable

to non-profit organizations

## FINANCIAL BALANCE SHEET

Úč NO 1 - 01

As of 31 December 2017

(In thousands of CZK)

Člověk v tísni, o. p. s.

Šafaříkova 635/24

120 00 Praha 2

Organization Identification Number (IČ)

25755277

### ASSETS

		Line	As of 1.1.2017	As of 31.12.2017
		No.	(Thousands of CZK)	(Thousands of CZK)
a		b	1	2
<b>A.</b>	<b>Fixed Assets</b>	<b>01</b>	<b>42 351</b>	<b>43 469</b>
<b>A. I.</b>	<b>Intangible assets</b>	<b>02</b>	<b>17 621</b>	<b>20 381</b>
1.	Intangible results from research and development (012)	03	0	0
2.	Software (013)	04	15 572	15 970
3.	Valuable rights (014)	05	1 533	1 684
4.	Low-value intangibles fixed assets (018)	06	21	14
5.	Other intangibles (019)	07	151	1 672
6.	Intangible fixed assets under construction (041)	08	217	1 041
7.	Advances for intangible assets (051)	09	127	0
<b>A. II.</b>	<b>Tangible fixed assets</b>	<b>10</b>	<b>74 048</b>	<b>80 661</b>
1.	Land (031)	11	2 647	2 952
2.	Artworks and collections (032)	12	0	0
3.	Buildings and structures (021)	13	26 540	27 010
4.	Movable fixed assets (022)	14	44 460	49 456
5.	Perennial crops (025)	15	0	0
6.	Breeding and draught animals (026)	16	0	0
7.	Low-value fixed assets (028)	17	172	93
8.	Other tangible fixed assets (029)	18	0	0
9.	Tangible fixed assets under construction (044)	19	229	1 150
10.	Advances for tangible fixed assets (052)	20	0	0
<b>A. III.</b>	<b>Financial assets</b>	<b>21</b>	<b>4 687</b>	<b>2 725</b>
1.	Investments in subsidiaries (061)	22	0	0
2.	Investments in associates (062)	23	0	0
3.	Bonds, debentures and similar securities held until maturity (063)	24	4 687	2 725
4.	Loans to organizational units (066)	25	0	0
5.	Other long-term loans (067)	26	0	0
6.	Other financial assets (069)	27	0	0
<b>A. IV.</b>	<b>Accumulated depreciation on fixed assets</b>	<b>29</b>	<b>-54 005</b>	<b>-60 298</b>
1.	Depreciation of research and development (072)	30	0	0
2.	Depreciation of software (073)	31	-14 140	-15 169
3.	Depreciation of valuable rights (074)	32	-1 392	-1 533
4.	Depreciation of low-value intangibles fixed assets (078)	33	-21	-14
5.	Depreciation of other intangibles (079)	34	-38	-255
6.	Depreciation of buildings and structures (081)	35	-3 857	-4 890
7.	Depreciation of movable fixed assets (082)	36	-34 385	-38 344
8.	Depreciation of perennial crops (085)	37	0	0
9.	Depreciation of breeding and draught animals (086)	38	0	0
10.	Depreciation of low-value fixed assets (088)	39	-172	-93
11.	Depreciation of other tangible fixed assets (089)	40	0	0

ASSETS		Line No.	As of 1.1.2017 (Thousands of CZK)	As of 31.12.2017 (Thousands of CZK)
	a	b	1	2
<b>B.</b>	<b>Current assets</b>	<b>41</b>	<b>693 928</b>	<b>689 155</b>
<b>B.I.</b>	<b>Inventories</b>	<b>42</b>	<b>65 005</b>	<b>42 519</b>
1.	Materials in store (112)	43	60 638	41 090
2.	Materials in transit (119)	44	0	0
3.	Work-in-progress (121)	45	0	0
4.	Semiproductions (122)	46	0	0
5.	Finished products (123)	47	66	64
6.	Livestock (124)	48	5	0
7.	Merchandise in stock (132)	49	38	139
8.	Merchandise in transit (139)	50	0	0
9.	Advance payments for inventory (314)	51	4 258	1 226
<b>B.II.</b>	<b>Receivables</b>	<b>52</b>	<b>98 023</b>	<b>134 806</b>
1.	Customers (311)	53	8 873	7 806
2.	Bills of exchange to be collected (312)	54	0	0
3.	Receivables for discounted securities (313)	55	0	0
4.	Operational advance payments made (314 except the line 51)	56	28 639	71 323
5.	Other receivables (315)	57	594	1 293
6.	Receivables from employees (335)	58	2 524	1 861
7.	Receivables from social security and health insurance institutions (336)	59	0	0
8.	Income taxes (341)	60	696	1 186
9.	Other direct taxes (342)	61	0	0
10.	Value added tax (343)	62	0	0
11.	Other taxes and fees (345)	63	0	0
12.	Grants receivable from national budget (346)	64	0	0
13.	Grants receivable from local authorities' budgets (348)	65	0	0
14.	Receivables from participants in an association (358)	66	0	0
15.	Receivables from fixed-term financial transactions (373)	67	0	0
16.	Receivables from issued bonds (375)	68	0	0
17.	Sundry receivables (378)	69	5 961	3 066
18.	Estimated receivables (388)	70	50 736	48 271
19.	Depreciations to receivables (391)	71	0	0
<b>B.III.</b>	<b>Short-term financial assets</b>	<b>72</b>	<b>454 168</b>	<b>395 955</b>
1.	Cash (211)	73	14 703	16 292
2.	Stamps and vouchers (213)	74	6	4
3.	Bank accounts (221)	75	420 607	312 938
4.	Shares and similar securities for trading (251)	76	0	0
5.	Bonds, debentures and similar securities for trading (253)	77	0	0
6.	Other bonds, debentures and securities (256)	78	7 544	7 492
7.	Cash in transit (259)	79	11 308	59 229
<b>B.IV.</b>	<b>Other assets</b>	<b>81</b>	<b>76 732</b>	<b>115 875</b>
1.	Deferred expenses (381)	82	4 393	4 665
2.	Accrued revenue (385)	83	72 339	111 210
	<b>TOTAL ASSETS</b>	<b>85</b>	<b>736 279</b>	<b>732 624</b>



LIABILITIES AND EQUITY		Line No.	As of 1.1.2017 (Thousands of CZK)	As of 31.12.2017 (Thousands of CZK)
a		b	1	2
<b>A.</b>	<b>Own resources</b>	<b>86</b>	<b>632 340</b>	<b>582 093</b>
<b>A.I.</b>	<b>Equity</b>	<b>87</b>	<b>630 789</b>	<b>581 880</b>
1.	Own equity (901)	88	35 662	34 983
2.	Funds (911)	89	595 124	546 905
3.	Gains or losses from the revaluation of assets and liabilities (921)	90	3	-8
<b>A.II.</b>	<b>Profit or loss</b>	<b>91</b>	<b>1 551</b>	<b>213</b>
1.	Profit and loss for account (+/-963)	92	0	213
2.	Profit or loss to be approved (+/-931)	93	1 551	0
3.	Retained earnings, accumulated losses from previous years (+/-932)	94	0	0
<b>B.</b>	<b>Liabilities</b>	<b>95</b>	<b>103 939</b>	<b>150 531</b>
<b>B.I.</b>	<b>Provisions</b>	<b>96</b>	<b>0</b>	<b>0</b>
1.	Tax deductible provisions (941)	97	0	0
<b>B.II.</b>	<b>Long-term liabilities</b>	<b>98</b>	<b>203</b>	<b>842</b>
1.	Long-term bank loans (951)	99	0	0
2.	Own bonds issued (953)	100	0	0
3.	Payables of lease (954)	101	0	0
4.	Long-term advances received (955)	102	0	0
5.	Long-term bills of exchange payable (958)	103	0	0
6.	Estimated payables (389)	104	0	0
7.	Other long-term liabilities (959)	105	203	842
<b>B.III.</b>	<b>Short-term liabilities</b>	<b>106</b>	<b>96 727</b>	<b>142 949</b>
1.	Suppliers (321)	107	50 171	73 466
2.	Bills of exchange to be paid (322)	108	0	0
3.	Advance payments received (324)	109	539	578
4.	Other payables (325)	110	406	1 136
5.	Employees (331)	111	14 862	17 889
6.	Other payables to employees (333)	112	503	1 356
7.	Social security and health insurance institutions (336)	113	6 413	6 742
8.	Income taxes (341)	114	0	0
9.	Other direct taxes (342)	115	2 126	2 413
10.	Value added tax (343)	116	947	342
11.	Other taxes and fees (345)	117	681	967
12.	Payables to national budget (346)	118	2 067	8 761
13.	Payables to local authorities' budgets (348)	119	0	0
14.	Payables to unpaid subscribed securities and shares (367)	120	0	0
15.	Payables to participants in association (368)	121	0	0
16.	Payables to fixed-term financial transactions (373)	122	0	0
17.	Sundry payables (379)	123	12 951	23 510
18.	Short-term bank loans (231)	124	0	0
19.	Credits for discounted securities (232)	125	0	0
20.	Short-term bonds issued (241)	126	0	0
21.	Own bonds issued (255)	127	0	0
22.	Estimated payables (389)	128	5 061	5 789
23.	Other short-term financial assistance (249)	129	0	0
<b>B.IV.</b>	<b>Other liabilities</b>	<b>130</b>	<b>7 009</b>	<b>6 740</b>
1.	Accrued expenses (383)	131	6 450	6 347
2.	Deferred revenues (384)	132	559	393
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>134</b>	<b>736 279</b>	<b>732 624</b>

Company stamp:

Signature of statutory  
representative:

Prepared by:

Date of creation:  
25.06.2018



Telephone: 226 200 402



Ministry of Finance CR  
 Approved by MF CR  
 in accordance with decree No. 504/2002 Coll.  
 Applies to accounting units  
 using tax forms applicable  
 to non-profit organizations

# PROFIT & LOSS ACCOUNT

Úč NO 2 - 01

As of 31 December 2017

Člověk v tísni, o. p. s.

(In thousands of CZK)



Šafaříkova 635/24  
 120 00 Praha 2

Organization Identification Number (IČ)

25755277

	Name of indicator	No.	Activity		
			Main	Supplem.	Total
	<b>Expenses</b>	<b>01</b>			
<b>A.</b>					
<b>A.I.</b>	<b>Consumed purchases</b>	<b>02</b>	<b>605 407</b>	<b>1 888</b>	<b>607 295</b>
	1. Consumed materials, energy and other non-inventory items (501,502,503)	03	100 049	158	100 207
	2. Merchandise sold (504)	04	112	371	483
	3. Repairs and maintenance (511)	05	3 747	630	4 377
	4. Travel expenses (512)	06	52 425	0	52 425
	5. Entertainment expenses (513)	07	4 552	0	4 552
	6. Other services (518)	08	444 522	729	445 251
<b>A.II.</b>	<b>Change in work-in-progress and capitalisation</b>	<b>09</b>	<b>2</b>	<b>0</b>	<b>2</b>
	7. Change in work-in-progress (561,562,563,564)	10	2	0	2
	8. Capitalization of material, goods and internal services (571,572)	11	0	0	0
	9. Capitalization of fixed assets (573,574)	12	0	0	0
<b>A.III.</b>	<b>Personnel expenses</b>	<b>13</b>	<b>375 466</b>	<b>1 588</b>	<b>377 054</b>
	10. Wages and salaries (521)	14	310 447	1 240	311 687
	11. Mandatory social security (524)	15	64 753	348	65 101
	12. Other social insurance (525)	16	41	0	41
	13. Mandatory social security expenses (527)	17	215	0	215
	14. Other social security expenses (528)	18	10	0	10
<b>A.IV.</b>	<b>Taxes and fees</b>	<b>19</b>	<b>4 571</b>	<b>90</b>	<b>4 661</b>
	15. Taxes and fees (531,532,538)	20	4 571	90	4 661
<b>A.V.</b>	<b>Other expenses subtotal</b>	<b>21</b>	<b>1 041 577</b>	<b>32</b>	<b>1 041 609</b>
	16. Contractual fines, interest on late payments, other fines and penalties (541,542)	22	638	0	638
	17. Write-off irrecoverable receivables (543)	23	792	7	799
	18. Interest expenses (544)	24	5	0	5
	19. Foreign exchange losses (545)	25	58 239	0	58 239
	20. Donations to beneficiaries (546)	26	677 321	0	677 321
	21. Shortages and damage (548)	27	352	3	355
	22. Other expenses (549)	28	304 230	22	304 252
<b>A.VI.</b>	<b>Depreciation, sold property, additions to provisions</b>	<b>29</b>	<b>20 102</b>	<b>0</b>	<b>20 102</b>
	23. Depreciation of tangible and intangible fixed assets (551)	30	9 105	0	9 105
	24. Net book value of sold tangible and intangible fixed assets (552)	31	239	0	239
	25. Securities and shares sold (553)	32	9 928	0	9 928
	26. Materials sold (554)	33	830	0	830
	27. Additions to provisions (556, 559)	34	0	0	0
<b>A.VII.</b>	<b>Membership fees</b>	<b>35</b>	<b>1 755</b>	<b>0</b>	<b>1 755</b>
	28. Membership fees and contributions paid to operational units (581,582)	36	1 755	0	1 755
<b>A.VIII.</b>	<b>Income tax</b>	<b>37</b>	<b>0</b>	<b>507</b>	<b>507</b>
	29. Income tax (591)	38	0	507	507
	<b>EXPENSES TOTAL</b>	<b>39</b>	<b>2 048 880</b>	<b>4 105</b>	<b>2 052 985</b>

	Name of indicator	Line No.	Activity		
			Main	Supplem.	Total
B.	Revenues	40			
B.I.	Operating subsidies	41	0	0	0
1.	Operating subsidies (691)	42	0	0	0
B.II.	Contribution received total	43	12 264	0	12 264
B.II.2	Received operating contributions (681)	44	0	0	0
3.	Received donations (682)	45	12 264	0	12 264
4.	Received membership fees (684)	46	0	0	0
B.III.	Revenues from sales of own products and services (601, 602, 603, 604)	47	44 909	4 837	49 746
B.IV.	Other revenues total	48	1 979 927	2	1 979 929
5.	Contractual fines, interest on late payments and other fines and penalties (641, 642)	49	84	0	84
6.	Revenue from written-off irrecoverable receivables (643)	50	9	0	9
7.	Interest revenues (644)	51	107	0	107
8.	Foreign exchange gains (645)	52	24 002	0	24 002
9.	Accounting for funds (648)	53	1 797 105	0	1 797 105
10.	Other revenues (649)	54	158 620	2	158 622
B.V.	Revenues from disposal of assets	55	11 259	0	11 259
11.	Revenues from sales of intangible and tangible fixed assets (652)	56	632	0	632
12.	Revenues from sale of shares and ownership interests (653)	57	9 738	0	9 738
13.	Revenues from sales of materials (654)	58	826	0	826
14.	Revenue from short-term financial assets (655)	59	2	0	2
15.	Revenue from long-term financial assets (657)	60	61	0	61
	<b>TOTAL REVENUES</b>	61	<b>2 048 359</b>	<b>4 839</b>	<b>2 053 198</b>
C.	Profit/loss before tax	62	-521	1 241	720
D.	Profit/loss after tax	63	-521	734	213

Company stamp:	Signature of statutory representative:	Prepared by:	Date of creation:
			25.06.2018
		Telephone:	226 200 402

**ČLOVĚK V TÍSNI, o.p.s.**

Šafaříkova 24, 120 00 Praha 2

IČ: 25 75 52 77 DIČ: CZ25755277



# **Notes to Financial Statements as of December 31, 2017**

## **1. General data**

### **1.1. Company headquarters – Czech Republic**

**Accounting entity:** Člověk v tísni, o.p.s. (PEOPLE IN NEED)

**Registered office:** Šafaříkova 635/24, 120 00 Praha 2

**ID Number:** 25755277

**Tax ID Number:** CZ25755277

**Legal status:** Public Benefit Organization

**Date of the foundation of the Benevolent Society:** April 16, 1999

**Registration:** The Organization has been entered in the Register of Public Benefit Organizations kept at the Municipal Court in Prague, Section O., insert 119

#### **Statutory bodies of the Organization as of December 31, 2017 are:**

**Executive Board:** Kristina Taberyová – Chairwoman  
Jan Pergler  
Petr Jančárek

**Supervisory Board:** Vlasta Lajčáková - Chairwoman  
Václav Mazánek  
Jan Urban

**Director of the Benevolent Society:** Šimon Pánek

**Founders:** Česká televize  
Ing. Jaromír Štětina  
Šimon Pánek

Change of statute of the organization concerning extension of the Executive Board by further 3 members was approved on March 13, 2018. On the same day, new members of the Executive Board and its chairman were chosen. The composition of the Executive Board as at the data of drawing up of the financial statement is the following:

Jan Pergler – chairman  
Kristina Taberyová  
Petr Jančárek  
Petr Kostohryz  
Daniel Münich  
Jana Straková

#### **Benevolent services as of December 31, 2017:**

- Organizing humanitarian and development aid both abroad and in the Czech Republic
- Providing assistance to politically, racially or otherwise persecuted persons both abroad and in the Czech Republic
- Providing assistance to young journalists and independent press both abroad and in the Czech Republic
- Providing assistance to local governments and other local organizations
- Organizing assistance for minorities both abroad and in the Czech Republic
- Social consultancy

- Public education
- Organization of workshops and training
- Organization of cultural and sports events
- Providing social services
- Community planning and organization
- Organization of education and leisure activities for children and youth
- Supporting and operation of work-therapeutic and re-socialization workshops including sales of products manufactured in these workshops both abroad and in the Czech Republic
- Publishing activities
- Providing consultancy and assistance in the field of protection against discrimination based on gender, racial or ethnic origin, religion, world view, handicap, age or sexual orientation
- Operations in the field of protection of rights and justified interests of consumers
- Operation of a multicultural centre
- Research activities.

#### **Supplementary activities:**

Apart from the basic scope of activities specified in the previous section of this article, for the purpose of which the Organization was founded, the Organization also pursues additional activities that are provided on principle as a paid service. These **supplementary activities** include:

- Creation and distribution of audio-visual programs
- Advertising activities
- Brokerage in the field of advertising and promotions
- Production, trade and services not listed in annexes 1-3 of the Trade Act
- Rental of properties, apartments and commercial spaces
- Catering services.

The Organization pursues these supplementary activities exclusively with the aim to make more efficient use of the property and at the same time these activities must not affect the quality, scope or availability of its benevolent services. Any profit made on these supplementary activities may be used only for the improvement and extension of benevolent services.

Members of the organization's corporate bodies, i.e. the executive and supervisory boards, have not been paid any remuneration for their activity in the corporate bodies. The organization neither has provided any advance payment or credit nor any guarantee for the liabilities of members of the statutory bodies. Family members of the members of statutory bodies do not have any employment or similar relationships with regard to the accounting entity. Neither members of the statutory bodies nor their family members are part of a legal entity with which the accounting entity concluded a business contract or other contractual relationships in the respective period and have no ownership interest in these subjects.

## **1.2 Organizational unit in another country of the EU**

Under the decision of the Ministry of Internal Affairs of Slovakia of August 2, 2004, the organizational unit of the company was founded in Slovakia, which is entered in the Register of Public Benefit Organizations kept at the Municipal Court in Prešov.

**Name:** Člověk v tísni, o.p.s.

**Registered office:** Palešovo námestie 34, 053 04 Spišské Podhradie

ID Number: 35562617

Tax ID Number: 2021920923

**Statutory representative:** Šimon Pánek

The sphere of business of the organization unit is identical to the activities of the company in the Czech Republic. The activities of the organisation unit of the Company in Slovakia were ended in 2016. As at July 12, 2016 all of the assets, liabilities and equity of the organisation unit were transferred to the partner organisation Člověk v ohrožení, n.o., with registered office: Požiarňická 17, 08001 Prešov, IČO: 50082001, that was founded by the organisation Člověk v tísni, o.p.s. and which was entered in the Register of Public Benefit Organizations of Slovakia at January 5, 2016.

## **1.3. Founding of an Endowment Fund**

Based on the decision of the Municipal Court in Prague, the Endowment Fund was established as at June 25, 2015, of which the company Člověk v tísni, o.p.s. (PEOPLE IN NEED) is a co-founder. The Endowment fund has been entered in the Endowment Register under the file number N1251.

**Name:** Prague Civil Society Centre, nadační fond (Endowment fund)

**Registered office:** Politických vězňů 1272/21, Nové Město, 110 00 Praha 1

ID Number: 04190815

Aim and purpose of the Endowment Fund is the support of civic society especially in the countries of the former Soviet Union with exception of countries of the EU (Estonia, Lithuania and Latvia).

## 2. Breakdown of personnel costs for the accounting period 1.1 to 31.12.2017

### Number of employees, Personnel expenses:

	Average number of employees	Gross wages, total in CZK	Average monthly gross wages in CZK	Social, health and other funds contributions, in CZK	Personnel costs, total in CZK
Afghanistan	169,67	22 523 200,83	11 062,26		22 523 200,83
Angola	80,33	9 880 647,65	10 250,06	713 311,57	10 593 959,22
Armenia	3,00	617 484,59	17 152,35		617 484,59
Bosnia and Hercegovina from February 1, 2017	2,00	419 214,91	19 055,22	111 519,98	530 734,89
DR Congo	56,75	6 654 011,29	9 770,94	387 775,05	7 041 786,34
Ethiopia	119,67	11 667 923,87	8 125,07	972 575,52	12 640 499,39
Philippines	25,00	5 331 282,02	17 770,94	211 321,34	5 542 603,36
Georgia	26,33	8 077 281,08	25 564,25		8 077 281,08
Cambodia	56,08	13 930 189,62	20 699,88	29 231,58	13 959 421,20
Kosovo	5,50	1 312 703,31	19 889,44	132 584,16	1 445 287,47
Costa Rica	5,83	2 705 947,27	38 678,49	626 828,95	3 332 776,22
Iraq	48,91	17 600 796,67	29 988,97		17 600 796,67
Moldova	7,58	1 996 297,47	21 946,98	757 683,23	2 753 980,70
Mongolia	8,25	1 618 236,63	16 345,82	213 017,71	1 831 254,34
Myanmar from July 1, 2017	23,17	1 333 383,02	9 591,30		1 333 383,02
Nepal	61,67	8 814 188,00	11 910,42		8 814 188,00
Serbia	1,92	178 805,58	7 760,66	16 964,85	195 770,43
Sri Lanka	1,42	448 206,14	26 303,18	63 348,66	511 554,80
Turkey (excluding September 1 to October 31, 2017)	35,30	10 480 115,71	29 688,71	3 443 954,45	13 924 070,16
Ukraine	170,92	25 412 373,21	12 389,99	5 565 071,52	30 977 444,73
Zambia from September 1, 2017	12,75	250 067,53	4 903,28	14 728,86	264 796,39
<b>Missions total</b>				<b>13 259 917,43</b>	<b>164 512 273,83</b>
<b>Employments – including agreement on working activity in the Czech Republic and EU and abroad according to the Czech law</b>	<b>473,37</b>	<b>153 667 141,00</b>	<b>27 051,98</b>	<b>52 107 054,00</b>	<b>205 774 195,00</b>
Of this executive	10,8	6 516 328,00	50 280,31	2 215 574,00	8 731 902,00
	<b>Number of Contracts of services</b>	<b>Total amount paid for Contracts of services</b>			
<b>The Czech Republic – Contract of Services</b>	<b>2053</b>	<b>6 767 670,00</b>			<b>6 767 670,00</b>

The breakdown of the personnel costs and number of employees according countries only reflects long-term working relationships concluded based on local legislatives.

In war and post-war countries, e.g. Syria, such attitude is not possible. The local collaborators are reported as services suppliers.

The total amount of people who worked for the Company Člověk v tísni, o.p.s. (PEOPLE IN NEED) on missions abroad is higher and is stated in the info-graphic of the annual report, which reflects the average number for the whole calendar year.

### 3. Information on used accounting methods and general accounting principles

The company has been processing its accounting records using computer equipment with the utilization of the Microsoft Dynamics NAV 5.0 software with the required modifications for the company needs. The client's modifications were made by AUTOCONT a.s.

Accounting documents are archived in the form of hard copies in the archive at the registered office of the Organization, Šafaříkova 24, 120 00 Praha 2 and partly in the object owned by the organization –Koněvova 182/1945, Praha 3.

At the missions abroad, where the local legislation requires archiving of accounting documents in the country of origin, these accounting documents are archived in local archives at the registered offices of foreign branches of the entity. Accounting records are also filed in electronic form on a separate server and simultaneously on an external storage medium deposited outside the Organization's business premises. DMS system ELO has been used for archiving documents since 2011.

The Company maintains its accounting according to Accounting Act no. 563/1991 Coll., as amended, and according to Regulation no. 504/2002 Coll. as amended (hereafter referred to as the "accounting principles").

#### 3.1. Tangible, intangible fixed assets and log-term investments

Tangible and intangible fixed assets are assets with a useable life exceeding one year and starting from the following valuation limit:

• Tangible fixed assets	CZK 40 000
• Intangible fixed assets	CZK 60 000
• Technical tangible fixed asset improvement	CZK 40 000
• Technical intangible fixed asset improvement	CZK 40 000
• Valueable rights	CZK 60 000
• Breeding and draught animals – regardless of purchase price	

Buildings, land and artworks are considered as tangible fixed assets regardless of purchase price and useable life.

Long-term financial assets are assets with a due period longer than one year regardless of evaluation.

Fixed assets are valued on the basis of the purchase cost, i.e. including secondary acquisition costs (cost of transport, installation, etc.), or replacement cost (assets acquired free of charge).

Depreciation of tangible and intangible fixed assets is regulated by the depreciation plan. The organization applies the method of depreciation evenly. Unless stipulated otherwise in individual cases, the period of depreciation of fixed assets is based on the table below:

<u>Description of assets</u>	<u>Period of depreciation (months)</u>
Software without time limitation	36
Intangible assets with time limitation	According to the validity of the license
Computers and other computer technology	36
Mobile phones and other telecommunication technology	24
Other tangible fixed assets	36
Passenger cars and other motorized vehicles unless stated otherwise	48
Passenger cars and other motorized vehicles acquired used	Individually, usually 24 or 36 months
Passenger cars and other motorized vehicles Afghanistan and the front line in Ukraine	Individually, usually 24 or 36 months
Passenger cars Angola, Ethiopia, Congo, South Sudan, Zambia	36
Motor bikes Angola, Ethiopia, Congo, South Sudan, Zambia	24
drones	24

Appreciable rights	18
Breeding and draught animals	36
Buildings including temporary ones	Individually (currently 360 months or for the expected duration of use)
Technical improvements of leased assets	for the duration of the lease agreement in force at the time of putting into use
Technical improvement of assets put into operation that have not been depreciated *)	Remaining period of depreciation of assets with technical improvement
Technical improvement of assets put into operation that have been already depreciated	Intangible assets – 18 months Tangible assets – individually according to the type of assets

\*) in individual cases, the Company may decide that after the technical improvement the depreciation period is extended to the maximum amount which is valid for the purchase of new property.

Minor intangible and tangible fixed assets acquired by December 31, 2002 have been recorded in the Organization's assets and are valued at the purchase cost. These assets are registered in asset accounts until their retirement.

The assets acquired after January 1, 2003, that are below the above-given valuation limit and with a usable life longer than 1 year are reflected in the Organization's expenses at the time of acquisition. However, these assets are registered during the whole period of use in the operational inventory records.

In case of bookkeeping of the depreciation of assets acquired from subsidies and grants or donated assets, the amount of equity will decrease after posting the depreciation against the depreciation reserves account by the depreciation amount, and at the same time the other revenues account will increase.

Since 2006, the organization has purchased securities, namely, obligations with and without coupons, and intends to hold them till their maturity. The company has also purchased realizable securities (allotment certificates of the bond unit trust). In the company bookkeeping, the following principles are applied:

- Purchased realizable securities are recorded within short-term financial assets. Realizable securities as of the balance sheet date are revaluated to the real value and the evaluation differences are debited or credited to account no. 921 under ČÚS (Czech Accounting Standard) no. 406, point 3.2.
- At the end of the balance sheet day bonds are valued at the purchase price increased or decreased by interest revenues or costs
- Current coupon yields and the dissolution of discounts with bonds which are not settled by the end of the year, are entered in books by the company annually,
- Upon the calculation of the accruing of discount with securities (bonds) held till maturity the company uses the actual number of days from the day of purchase to the maturity date from convention 30E/360 of the international standard,
- Upon maturity, the organization accounts for the sales of securities in the balance sheet; with securities registered in foreign currencies the exchange difference on the clearing day is accounted at the same time,
- Securities (bonds) in foreign currencies which are not settled by the end of the year are recounted by the rate of exchange applicable on December 31 of the respective year; these exchange rate differences are accounted to the accounts of group 54 and 64.
- The division of securities into short-term and long-term securities is made on the date of the financial statements depending on the total time of bond "holding" (i.e. from purchase to their maturity).

### 3.2. Inventories

The purchased inventory is valued at the purchase cost, which includes the cost of purchase of inventory and costs relating to the purchase.

Own products are valued at own costs (i.e. direct expenses and the part of indirect expenses related to the production).

Finished goods and goods purchased for resale are recorded in a separate module of SW Navision.

Inventory received free of charge and intended for humanitarian and development aid is registered in the operational records.

### 3.3. Cash and valuables

Cash and valuables are valued at their respective nominal values.

For funds received from collections and grants, separate bank accounts are opened in which these resources are filed and recorded.



### 3.4. Receivables

Receivables are valued at their initial nominal value. The Organization does not have receivables transferred from other entities.

### 3.5. Payables

Payables are valued at their initial nominal value. The Organization has not assumed any payables of other entities.

### 3.6. Use of foreign currency in accounting

#### 3.6.1. Use of foreign currency in the course of the accounting period

During the accounting period, receivables and payables registered in foreign currencies declared by ČNB (Czech National Bank) are converted into the Czech currency at the ČNB exchange rate declared on the first day of the calendar month after 2:30 p.m. On the first working day of the month till the declaration of the exchange rate at 2:30 p.m., the exchange rate of the previous month is used.

Receivables and payables in other currencies not declared by ČNB on a daily basis were converted to the Czech currency at the exchange rate declared by the ČNB as the exchange rates of other currencies except the following examples, when the actual exchange rate is as follows:

- Exchange rate of the Cuban Convertible Peso (CUC), which is determined by the rate of exchange to EUR declared by the European Commission (InforEuro) for the month and converted to CZK
- Exchange rate of the Cuban Peso (CUP), which is determined by the rate of exchange to EUR declared by the European Commission (InforEuro) for the month and converted to CZK
- Exchange rate of Transnistrian Ruble (PDR) to EUR, converted to CZK, declared by the Dniester Republican Bank as the first one in the month
- Exchange rate of the Myanmar Kyat (MMK), which is determined by the rate of exchange to USD declared by the Central Bank of Myanmar for the month and converted to CZK
- Exchange rate of the Syrian Pound (SYP), which is determined by the rate of exchange to USD declared by the Ministry of Finance of UN for the month and converted to CZK
- Exchange rate of Afghan Afghani (AFN) to EUR, converted to CZK as follows:
  - a) Calculated average of the exchange rates announced by the Afghan National Bank to EUR on the first working day of the month
  - b) Calculation of the exchange rate to convert to CZK: the numerator is exchange rate to EUR announced by ČNB, the denominator is the calculated average of exchange rates AFN to EUR

#### 3.6.2. Use of foreign currency at the end of the balance sheet day

Exchange differences identified at the end of the balance sheet day or at another moment during the drawing up of the financial statements, are specified according to their nature in the Profit and Loss Account in the item "A.V.19 Foreign exchange losses", or in the item "B.IV.8 Foreign exchange gains".

The value of financial means, payables and receivables reported as of December 31, 2017 and recorded in foreign currency declared by ČNB is converted by the ČNB exchange rate valid as of December 31, 2017. If the foreign currency is not declared by ČNB daily, the exchange rate declared by the ČNB as of December 31, 2017 as the exchange rate of other currencies with the exception of the below-mentioned examples, the exchange rate as of December 31, 2017 is used:

- The rate of exchange of the Cuban Convertible Peso (CUC), calculated for a given accounting period as of December 31, 2017
- The rate of exchange of the Cuban Peso (CUP), calculated for the given accounting period as of December 31, 2017
- The rate of exchange of the Transnistrian Ruble (PDR), calculated for a given accounting period as of December 31, 2017
- The rate of exchange of the Myanmar Kyat (MMK), calculated for a given accounting period as of December 31, 2017
- The rate of exchange of the Syrian Pound (SYP), calculated for a given accounting period as of December 31, 2017
- The rate of exchange of the Afghan Afghani (AFN), calculated for a given accounting period as of December 31, 2017

### 3.7. Funds and equity

In compliance with the valid accounting principles, the items are accounted for in the funds on public collections announced pursuant to Act no. 117/2001 Coll.; furthermore, funds received by the Organization from other persons and companies for the purpose of implementation of the Organization's main mission: subsidies, gifts, grants, reserve fund and operating reserve fund.

In the equity accounts the company accounts for assets acquired from grants, and donated assets and material. A part of the balance also are economic results to 2003.

A list of important donors is part of the company annual report.

The company divides funds to the bound and free:

- Bound funds are funds whose use is primarily in terms of the purpose of regulating the conditions of a service, or it is covered by other legislation.
- Free funds are funds whose use is in full charge of PIN and is not covered by any other legislation, eventually is covered only very generally.

The Company opened synthetic accounts 914 (funds- assets under constructions) and 919 (funds- inventory in transit) in the account classification within the account group 91 (funds). In account 914 part of the financial resources of funds for the coverage of assets under construction as of December 31, 2017 is reported and in account 919 part of the financial resources of funds allocated for the coverage of purchased inventories and inventories in transit as of December 31, 2017 is reported. Drawdown (accounting) of funds reported in accounts 914 and 919 will be made in the next accounting period upon the physical handover of inventories or completion of assets in compliance with the respective contracts.

On September 20, 2012, the Executive Board of the organization decided to establish a Fund of operating reserves. The fund will consist of net profit after tax based on the decision of the Executive Board on accounting of the profit. Resources from the fund will be used for the co-financing of projects if their operating result is a loss that cannot be covered by the project resources, or stability, sustainability and development of the Company. The fund of operating reserves is recorded in account 917.

## Additional information to data from the company financial statement

### 4. Fixed assets (thousand CZK)

All numeral values specified below are in thousands of CZK, unless specified otherwise in the text.

#### 4.1.1. Fixed assets (thousand CZK)

##### Fixed assets – purchase costs – assets A. I. to A. III.

	Status as of December 31, 2016	Increase	Decrease					Advance payment accounting/sumsum-tion	Status as of December 31, 2017
			Liquida-tion	Sale	Dona-tion	Deficits/ dama-ges	Revalua-tion of assets		
<b>Intangible assets</b>	<b>17 621</b>	<b>5 123</b>	<b>86</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2 277</b>	<b>20 381</b>
Of which:									
Software	15 572	477	79						15 970
Valuable rights	1 533	151							1 684
Low-value intangibles fixed assets	21		7						14
Other intangibles	151	1 521							1 672
Intangible fixed assets under construction	217	2 974						2 150	1 041
Advances for intangible assets	127							127	0
<b>Tangible fixed assets</b>	<b>74 048</b>	<b>19 245</b>	<b>1 216</b>	<b>1 211</b>	<b>394</b>	<b>206</b>	<b>0</b>	<b>9 605</b>	<b>80 661</b>
Of which:									
Land	2 647	313		8					2 952
Artworks and collections	0								0
Buildings	26 540	470							27 010
Cars and motorcycles	33 910	4 916	626	1 203	394	44			36 559
Other tangible fixed assets (*)	10 550	3 020	547			126			12 897
Low-value fixed assets	172		43			36			93
Tangible fixed assets under construction (buildings)	0								0
Tangible fixed assets under construction (non-attached property)	229	10 425						9 504	1 150
Advances for tangible fixed assets	0	101						101	0
<b>Financial assets</b>	<b>4 687</b>	<b>1 382</b>	<b>0</b>	<b>3 344</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2 725</b>
Of which:									
Securities (**)	4 687	1 382		3 344			0		2 725
<b>Total</b>	<b>96 356</b>	<b>25 649</b>	<b>1 302</b>	<b>4 555</b>	<b>394</b>	<b>206</b>	<b>0</b>	<b>11 781</b>	<b>103 767</b>

Note: \* line in Other tangible fixed assets – liquidation value is also included property that was used for spare parts;

\*\* in the Securities line, in the decrease-sales column also settlement values at the time of bond sheath or bond coupon maturity are reported.

## Fixed assets – accumulated depreciation – assets A.IV.

	Status as of December 31, 2016	Increase	Decrease				Status as of December 31, 2017
			Liquida- tion	Sale	Dona- tion	Deficits/ dama- ges	
<b>Intangible assets</b>	<b>15 591</b>	<b>1 466</b>	<b>86</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>16 971</b>
Of which:							
Software	14 140	1 108	79				15 169
Valuable rights	1 392	141					1 533
Low-value intangibles fixed assets	21		7				14
Other intangibles	38	217					255
<b>Tangible assets</b>	<b>38 414</b>	<b>7 932</b>	<b>1 216</b>	<b>1 203</b>	<b>394</b>	<b>206</b>	<b>43 327</b>
Of which:							
Buildings	3 857	1 033					4 890
Cars and motorcycles	27 024	5 044	626	1 203	394	44	29 801
Other tangible fixed assets	7 361	1 855	547			126	8 543
Low-value fixed assets	172		43			36	93
<b>Total</b>	<b>54 005</b>	<b>9 398</b>	<b>1 302</b>	<b>1 203</b>	<b>394</b>	<b>206</b>	<b>60 298</b>

## Assets – depreciated price

	Status as of December 31, 2016	Status as of December 31, 2017
<b>Intangible assets</b>	<b>2 030</b>	<b>3 410</b>
Of which:		
Software	1 431	801
Valuable rights	142	151
Low-value intangibles fixed assets	0	0
Other intangibles	113	1 417
Intangible assets under construction	217	1 041
Advances for intangible assets	127	0
<b>Tangible assets</b>	<b>35 634</b>	<b>37 334</b>
Of which:		
Land	2 647	2 952
Buildings	22 683	11 120
Cars and motorcycles	6 886	6 758
Other tangible fixed assets	3 189	4 354
Low-value fixed assets	0	0
Tangible fixed assets under construction (buildings)	0	0
Tangible fixed assets under construction (non-attached property)	229	1 150
Advances for tangible fixed assets	0	0
<b>Financial assets</b>	<b>4 687</b>	<b>2 725</b>
Of which:		
Securities	4 687	2 725
<b>Total</b>	<b>42 351</b>	<b>43 469</b>

#### 4.1. Detailed information on financial assets – assets A. III. 3.

Number of bonds as of December 31, 2016	Value as of December 31, 2016 according to the financial statements (in thousands of CZK)	Number of bonds as of December 31, 2017	Value as of December 31, 2017 according to the financial statements (in thousands of CZK)
158	4 687	127	2 725

These are mainly government bonds issued by creditworthy banking institutions.

The Company holds a maximum conservative investment strategy.

Long-term securities are managed by ČSOB Asset Management, Inc., investiční společnost.

### 5. Current assets

#### 5.1. Inventories – assets B. I.

Inventories (thousand CZK)	As of December 31, 2016	As of December 31, 2017
Materials in store	60 638	41 090
Materials in transit	0	0
Finished products	66	64
Livestock	5	0
Merchandise in stock	38	139
Advance payments for inventory	4 258	1 226
Merchandise in transit	0	0
<b>Total</b>	<b>65 005</b>	<b>42 519</b>

Material in store consists mainly of:

- Unsent supplies of humanitarian and development aid which will be donated in the next period
- Unsent supplies of human rights projects which will be donated in the next period
- the publication "Normalizace" and the books "Katalog příběhy bezpráví" and "Moskva posílá tanky"

Finished products are stocks of the book "(Ne)bolí (Does (not) hurt)" and publication "Mýty o soc. časech"

Livestock comprises mainly dogs and hamster.

Merchandise in stock are goods in coffee Langhans

Advance payments for inventory are mainly advance payments for the purchase of inventory for humanitarian and development aid, especially in Ukraine and in Angola.

## 5.2. Receivables (thousands of CZK) – assets B. II.

*Matters in italics relate to the year 2017*

	Status as of December 31, 2016	Status as of December 31, 2017
<b>Trade receivables total</b>	<b>38 106</b>	<b>80 422</b>
<b>Of which</b>		
<b>Receivables from customers</b>	<b>8 873</b>	<b>7 806</b>
Receivables overdue more than 365 days	0	0
Receivables overdue 181 up to 364 days	7	2
Receivables overdue 91 up to 180 days	9	8
Receivables overdue 0 up to 90 days	4 056	1 069
Receivables prior maturity	4 801	6 727
<i>The amount of outstanding receivables as of the date of drawing up of the financial statement: 83</i>		
<b>Operational advance payments made</b>	<b>28 639</b>	<b>71 323</b>
<i>The most important amounts are the advances to suppliers who implement part of the project mostly in Cambodia, Ukraine, Mongolia, Ethiopia Georgia, Syria, Angola, and in the Czech Republic. Another part consists of advance payments for services (electricity, gas, rent) in the Czech Republic.</i>		
<b>Other receivables</b>	<b>594</b>	<b>1 293</b>
<i>The most important amounts are receivables from suppliers of services, for credited performance, unpaid refunds from accounted prepayments and overpayments.</i>		
<b>Receivables from employees</b>	<b>2 524</b>	<b>1 861</b>
<i>Advance payments for unfinished long-term business journeys; prepayments to employees charged in 2018</i>		
<b>Income taxes</b>	<b>696</b>	<b>1 186</b>
<i>Advanced payments of corporation tax 2017</i>		
<b>Sundry receivables</b>	<b>5 961</b>	<b>3 066</b>
<i>The most significant part are receivables from uninvoiced advance payments paid to the partners of particular common projects realized from grants of the European Commission. Related received advance payments for common projects are recorded in the balance sheet on line no. 123 Sundry payables.</i>		
<b>Estimated receivables</b>	<b>50 736</b>	<b>48 271</b>
<i>These are estimated receivables on the outstanding revenue grants used by the company under a valid contract in 2017, but the donor funds had not been paid by the date of preparation of the reports. A major part of the estimated receivables is the performance of the project of humanitarian and development aid in Afghanistan, Iraq, Georgia, Mongolia, Ukraine and in the Czech Republic; these projects are financed from resources of the European Commission, United Nations agency and resources of foreign governments (USA, Moldavia) and of non-profit organizations.</i>		
<b>Total receivables</b>	<b>98 023</b>	<b>134 806</b>

### 5.3. Short-term financial assets (thousands of CZK) – assets B. III.

#### Short-term financial assets

	As of December 31, 2016	As of December 31, 2017
Cash	14 703	16 292
Stamps and vouchers	6	4
Bank accounts	420 607	312 938
Other securities	7 544	7 492
Cash in transit	11 308	59 229
<b>Total</b>	<b>454 168</b>	<b>395 955</b>

#### 5.3.1. More detailed information on Other securities – assets B. III. 6.

Realizable securities (allotment certificates of investment funds)

Number of securities as of December 31, 2016	Value as of December 31, 2016 (in thousands of CZK)	Number of securities as of December 31, 2017	Value as of December 31, 2017 (in thousands of CZK)
33 519	7 544	7 497 502	7 492

### 5.4. Other assets (thousands of CZK) – assets B. IV.

	Status as of December 31, 2016	Status as of December 31, 2017
<b>Deferred expenses</b>	<b>4 393</b>	<b>4 665</b>
<i>A significant part is made up of the expenses of the year 2018 paid in 2017 for insurance and air tickets. There, the accounting unit accounts for current expenses related to accrued expenses. Accounting for accrued expenses for the respective expenses account will be performed by the accounting unit in the accounting period to which the expenses are factually related.</i>		
<b>Accrued revenues</b>	<b>72 339</b>	<b>111 210</b>
<i>These are contractually assured and received incomes in the following accounting period for projects that were partially realized in 2017. The most significant part of revenues comes from the USA government through Department for International Development and from the WFP – the OSN organization concerned with the food security, furthermore from the European Union, from the British and German government.</i>		
<b>Total other assets</b>	<b>76 732</b>	<b>115 875</b>



## 6. Equity

### 6.1. Equity (CZK) – liabilities and equity A. I. 1.

account 901 - Equity

	Equity from previous years	Assets from grants for own production	Material gifts	Total
<b>Status as of January 1, 2017</b>	<b>8 176 418,90</b>	<b>27 484 481,82</b>	<b>1 500,00</b>	<b>35 662 400,72</b>
Increase – acquisition of fixed assets and material gifts accepted		3 895 272,19	355 085,63	<b>4 250 357,82</b>
Decrease – disposal of fixed assets, depreciation, material gifts to other parties		-4 574 427,94	-355 085,63	<b>-4 929 513,57</b>
<b>Status as of December 31, 2017</b>	<b>8 176 418,90</b>	<b>26 805 326,07</b>	<b>1 500,00</b>	<b>34 983 244,97</b>
		<b>34 983 244,97</b>		

Major additions include: purchase of generators (CZK 1 098 thousand) and half of the house in Lázně Libverda through the testament (CZK 784 thousand), purchase of cars in Zambia through donations (CZK 719 thousand).

Major decreases include: depreciation of assets from grants for own activities (CZK 4 567 thousand)

### 6.2. Funds – accounting group 91 (CZK) – liabilities and equity A. I. 2.

In compliance with the valid accounting principles, the following items are accounted for in the funds:

- Public collections announced pursuant to Act no. 117/2001 Coll.
- Funds received by the Organization from other persons for the purpose of implementation of the Organization's main mission: donations, subsidies and grants,
- Creation and utilization of the reserve fund
- Creation and utilization of the operating reserve fund

Bound funds are funds whose use is primarily in terms of the purpose of regulating the conditions of a service, or is covered by other legislation.

Free funds are funds whose use is in full charge of PIN and is not covered by any other legislation, eventually is covered only very generally.

	Initial status as of January 1, 2017	Increase – donations accepted, gifts	Decrease – utilization, provision of gifts	Decrease – refunds of unused resources	Balance for utilization in 2018
<b>Funds total</b>	<b>595 124 142,23</b>	<b>1 779 061 207,31</b>	<b>1 799 774 724,90</b>	<b>27 505 965,76</b>	<b>546 904 658,88</b>

Of which:

### 6.2.1. Funds - bound

	Initial status as of January 1, 2017	Increase – donations accepted, gifts	Decrease – utilization, provision of gifts	Decrease – refunds of unused resources	Balance for utilization in 2018
--	---	--	--	---	---------------------------------------

#### Collections (number / name)

S-MHMP/578034/2013					
Support for education in Africa	2 306 254,13	2 158 604,72	1 987 640,52	0,00	2 477 218,33
S-MHMP/352276/2013					
Banat (Romania)	24 619,64	87 549,00	71 161,53		41 007,11
<b>Total collections</b>	<b>2 330 873,77</b>	<b>2 246 153,72</b>	<b>2 058 802,05</b>	<b>0,00</b>	<b>2 518 225,44</b>

	Initial status as of January 1, 2017	Increase – donations accepted, gifts	Decrease – utilization, provision of gifts	Decrease – refunds of unused resources	Balance for utilization in 2018
--	---	--	--	---	---------------------------------------

#### State and local administration budgetary contributions, budgetary contributions from EU and subsidies from other foreign governments

State budget subsidies	4 889 545,84	148 541 132,00	141 316 808,11	5 998 678,96	6 115 190,77
Local administration subsidies	912 269,00	43 520 849,09	39 839 283,04	3 576 215,96	1 017 619,09
EU funds subsidies	229 861 334,64	583 482 290,14	594 666 746,71	181 055,85	218 495 822,22
Subsidies from operational programs	33 597 434,89	54 814 788,98	62 867 676,24	3 537 031,32	22 007 516,31
Subsidies from funds of other foreign governments	65 288 369,11	659 976 556,65	649 390 263,89	1 000 384,27	74 874 277,60
Subsidies from UN Agencies	28 567 244,18	106 528 258,95	107 465 637,91	11 211 554,95	16 418 310,27
<b>Total subsidies</b>	<b>363 116 197,66</b>	<b>1 596 863 875,81</b>	<b>1 595 546 415,90</b>	<b>25 504 921,31</b>	<b>338 928 736,26</b>

	Initial status as of January 1, 2017	Increase – donations accepted, gifts	Decrease – utilization, provision of gifts	Decrease – refunds of unused resources	Balance for utilization in 2018
--	---	--	--	---	---------------------------------------

#### Funds – bound gifts (grants)

Bound gifts (grants) - NGO	11 285 769,69	42 768 857,47	31 066 058,39	1 424 826,38	21 563 742,39
<b>Total funds (grants)</b>	<b>11 285 769,69</b>	<b>42 768 857,47</b>	<b>31 066 058,39</b>	<b>1 424 826,38</b>	<b>21 563 742,39</b>

	Initial status as of January 1, 2016	Increase – donations accepted, gifts	Decrease – utilization, provision of gifts	Decrease – refunds of unused resources	Balance for utilization in 2018
--	---	--	--	---	---------------------------------------

#### Other funds

Other	24 987 643,58	23 056 002,18	25 606 330,40	0,00	22 437 315,36
Non-monetary gifts	479 053,37	2 248 901,34	1 036 169,78	0,00	1 691 784,93
<b>Total Other funds</b>	<b>25 466 696,95</b>	<b>25 304 903,52</b>	<b>26 642 500,18</b>	<b>0,00</b>	<b>24 129 100,29</b>

<b>Total bound funds</b>	<b>402 199 538,07</b>	<b>1 667 183 790,52</b>	<b>1 655 313 776,52</b>	<b>26 929 747,69</b>	<b>387 139 804,38</b>
--------------------------	-----------------------	-------------------------	-------------------------	----------------------	-----------------------

## 6.2.2. Funds – free

Initial status as of January 1, 2017	Increase – donations accepted, gifts	Decrease – utilization, provision of gifts	Decrease – refunds of unused resources	Balance for utilization in 2018
--------------------------------------	--------------------------------------	--	--	---------------------------------

### Collections (number / name)

S-MHMP/166354/2008 S-MHMP/204638/2011 S-MHMP/284758/2014 Long-term collection "Skutečná pomoc" (Real Help)	48 645 607,16	39 089 428,44	49 783 536,26		37 951 499,34
S-MHMP/1230014/2012 Long-term humanitarian collection:					
„Povodně“ (Flood) in the Czech Republic	1 851 044,19	45 072,00	831 524,61	0,00	1 064 591,58
Philippines - typhoon Haiyan	215 226,14	27 903,42	222 840,99	0,00	20 288,57
„Povodně“ (Floods) in Bosnia and Hercegovina and Serbia	60 590,47	0,00	60 590,47	0,00	0,00
Syria and Iraq	9 501 013,89	3 171 965,92	10 941 406,23	0,00	1 731 573,58
Nepal	7 733 900,04	473 060,44	3 679 289,78	0,00	4 527 670,70
Ukraine	2 638 521,67	791 956,69	1 267 808,09	0,00	2 162 670,27
Library in Mosul	0,00	191 361,94	1 505,67	0,00	189 856,27
S-MHMP/1551858/2014 "Lepší škola pro všechny" (Better school for everyone)	3 995 381,47	7 094 935,05	2 347 623,86	0,00	8 742 692,66
<b>Total collections</b>	<b>74 641 285,03</b>	<b>50 885 683,9</b>	<b>69 136 125,96</b>	<b>0,00</b>	<b>56 390 842,97</b>

Initial status as of January 1, 2017	Increase – donations accepted, gifts	Decrease – utilization, provision of gifts	Decrease – refunds of unused resources	Balance for utilization in 2018
--------------------------------------	--------------------------------------	--	--	---------------------------------

### Other funds

Fund created from resources of: Charles Stewart Mott Foundation, The Ford Foundation, Šimon Pánek - Prize Qudriga, Unilever prize - purchase of securities	9 676 718,09	158 933,00		576 218,07	9 259 433,02
Club of Friends	81 768 699,52	51 251 377,08	53 488 329,46	0,00	79 531 747,14
Reserve fund and operating reserve fund (created from profit from previous periods)	21 417 021,62	1 550 813,64	15 079 811,23		7 888 024,03
Other	5 420 879,90	8 030 609,17	6 756 681,73		6 694 807,34
<b>Total other funds</b>	<b>118 283 319,13</b>	<b>60 991 732,89</b>	<b>75 324 822,42</b>	<b>576 218,07</b>	<b>103 374 011,53</b>

<b>Total free funds</b>	<b>192 924 604,16</b>	<b>111 877 416,79</b>	<b>144 460 948,38</b>	<b>576 218,07</b>	<b>159 764 854,50</b>
-------------------------	-----------------------	-----------------------	-----------------------	-------------------	-----------------------

## 7. Profit/Loss

### 7.1. Profit/Loss and tax calculation as of December 31, 2017

The economic result of the Organization for 2017 is accounting profit in the amount of CZK 213 thousand (after tax).

The Income statement includes revenues and costs for:

- Implementation of activities which are in compliance with the company mission – in the main activity column
- Implementation of additional activities – supplementary activity column

In compliance with Act no. 248/1995 Coll. on Public Benefit Organizations, costs and revenues related to the administration of a public benefit organization are recorded in the bookkeeping of the company separately according to the centres.

Tax liability for the 2017 taxation period relating to corporate income tax is CZK 507 thousand. The Company has used the option of exemption pursuant to § 20, par. 7 of Income Tax Act no. 586/1992 Coll.

#### Tax calculation

Revenues total	2 053 198 556,97
Expenses total (except 591)	2 052 478 234,18
Taxable income	720 322,79
Adjustment of the tax base	3 690 454,03
<b>Total tax base</b>	<b>4 410 776,82</b>
Deduction of the tax base under § 20 of the Income Tax Act	1 000 000,00
Adjusted tax base	3 410 776,82
Tax base after rounding	3 410 000,00
19% tax	647 900,00
Tax discount	140 820,00
<b>19% tax after discount</b>	<b>507 080,00</b>

In 2016, the deduction under § 20 within the income tax of corporate bodies in the amount of CZK 1.000.000 was applied. Resources acquired by the attained tax obligation saving under § 20 of Act no. 586/92 Coll. from previous years were used to cover costs related to activities, the incomes generated from which were not subject to tax in 2017.

### 7.2. Approval of the financial statements for 2016

The Executive Board at its meeting in June 2017 approved the financial statements of the Organization for the 2016 accounting period, showing a profit in the amount of CZK 1 550 813,64 after tax that was in compliance with the decision of the Executive Board accounted on June 28, 2017 as an increase in the company operating reserve fund.

## 8. Liabilities

	Status as of December 31, 2016	Status as of December 31, 2017
<b>8.1. Liabilities (thousands of CZK) B. III.</b>		
<i>Matters in italics relate to the year 2017</i>		
<b>Liabilities (suppliers, advances received, other payables) – total</b>	<b>51 116</b>	<b>75 181</b>
<b>Of which</b>		
<b>Suppliers total</b>	<b>50 171</b>	<b>73 466</b>
Payables overdue more than 365 days	0	1 413
Payables overdue 181 to 364 days	134	10 192
Payables overdue 91 to 180 days	206	2 022
Payables overdue 0 to 90 days	5 563	15 975
Payables prior to maturity	44 268	43 864
<i>Amount of unpaid payables as of the date of the drawing up of the financial statements: 9 906</i>		
<b>Advance payments received</b>	<b>539</b>	<b>578</b>
<i>The most significant part are advance payments and deposits received from the tenants of the block of flats in the Koněvova street, Prague.</i>		
<b>Other payables</b>	<b>406</b>	<b>1 136</b>
<i>This is essentially a restraint on purchase of construction works in Ethiopia and Cambodia</i>	354	491
<i>Other (credit notes, overpayment of received advances)</i>	52	645
<b>Payables to employees</b>	<b>15 365</b>	<b>19 245</b>
<i>Amount of unpaid payables as of the date of the drawing up of the financial statements: 134</i>		
<b>Payables to social security institution (Czech Republic)</b>	<b>3 537</b>	<b>4 216</b>
<i>As of the date of the drawing up of the financial statements, none of these liabilities was overdue</i>		
<b>Payables to health insurance institutions (Czech Republic)</b>	<b>1 521</b>	<b>1 815</b>
<i>As of the date of the drawing up of the financial statements, none of these liabilities was overdue</i>		
<b>Payables to social and health insurance institutions</b>	<b>1 355</b>	<b>711</b>
<b>Angola, Bosna, Ethiopia, Philippines, DR Congo, Cambodia, Costa Rica, Moldova, Mongolia, Nepal, Serbia, Ukraine, Zambia</b>		
<i>As of the date of the drawing up of the financial statements, none of these liabilities was overdue</i>		
<b>State budget payables (Czech Republic)</b>	<b>4 203</b>	<b>10 492</b>
<i>These are refunds of unutilized parts of subsidies from the state budget, employment tax for employees.</i>		
<i>As of the date of the drawing up of the financial statements, none of these liabilities was overdue</i>		
<b>State budget payables</b>	<b>1 618</b>	<b>1 991</b>
<b>Afghanistan, Angola, Armenia, Myanmar, Bosna, DR Congo, Ethiopia, Philippines, Georgia, Iraq, South Sudan, Cambodia, Kosovo, Costa Rica, Moldavia, Mongolia, Nepal, Serbia, Turkey, Ukraine, Zambia</b>		
<i>This is essentially a tax on employment and other taxes.</i>		
<i>Amount of unpaid payables as of the date of the drawing up of the financial statements: 25</i>		

<b>Sundry payables</b>	<b>12 951</b>	<b>23 510</b>
<i>The majority is formed by advance payments received from the European Commission that are intended for partners of common projects.</i>		
<i>These resources are transferred to partners of particular project by means of advance payments.</i>		
<i>After approval of the final financial report by the European Commission, advance payments received and advance payments paid are accounted for and settled.</i>		
<i>Related advance payments of partners are recorded in the balance sheet on line no. 69 other receivables.</i>		
<b>Estimated payables (electricity, gas, warm supply, water and sewer rates)</b>	<b>5 061</b>	<b>5 789</b>
<i>These are costs of the accounting period that have not been invoiced to the company yet.</i>		
<b>Total liabilities</b>	<b>96 727</b>	<b>142 949</b>

	<b>Status as of December 31, 2016</b>	<b>Status as of December 31, 2017</b>
<b>8.2. Other liabilities (thousands of CZK) – liabilities and equity B. IV.</b>		
<b>Accrued expenses</b>	<b>6 450</b>	<b>6 347</b>
<i>Through this account, the company accounts for expenses which are related to the current accounting period but payments were made in the following period. These are mainly costs of partners and travel expenses of employees and costs of audit of projects.</i>		
<b>Deferred revenues</b>	<b>559</b>	<b>393</b>
<b>Total other liabilities</b>	<b>7 009</b>	<b>6 740</b>

## 9. Profit and loss account – costs

Item A.I.6 "Other services" has a value of CZK 445 251 thousand, and includes mainly the costs of purchases from suppliers of services in the provision of project mostly abroad, focusing on the promotion of education and healthcare, social services, improving access to water and improving sanitary conditions, securing livelihoods, poverty reduction and environmental protection and the costs of rental and office running.

Item A.V.20 "gifts" has a value of CZK 677 321 thousand, and mainly includes financial donations and inventories provided in the context of humanitarian and development aid mainly in Syria, Ukraine, Nepal, Iraq and Georgia. Financial donations and inventories were used for securing accommodation, food and wintering for inhabitant in war zones and refugees in Syria, Iraq and Ukraine, for people affected by earthquake in Nepal.

Item A.V.22 "Other expenses" has a value of CZK 304 252 thousand, and mainly includes costs of partners in the implementation of joint projects through "partnership agreement".

## 10. Profit and loss account – revenues

Item B.III "Revenues from sales of own products and services" has a value of CZK 49 746 thousand, and mainly includes sale of services connected with distribution of food and material in Syria and insuring access to drinking water for inhabitants in Ethiopia.

Item B.IV.9. "Accounting for funds" has a value of CZK 1 797 105 thousand, and includes revenues associated with the use of the funds reported under liabilities and equity item A.I.2. "Funds" on the main activities of the company.

Item B.IV.10. "Other revenues" has a value of CZK 158 622 thousand and relates to the main business of the company; it mainly includes revenue estimates for grants still outstanding when in 2017 the company benefited by a valid contract, but the funds from the donor were not paid by the date of the drawing up of the financial statements; There are also contracted and received incomes in the next financial year for projects that have already been partially implemented in 2017.

## 11. Remuneration for audit company

The remuneration of CZK 455 thousand belongs to the audit company for the statutory audit of the annual financial statement for the year 2017. For other verification services was invoiced CZK 136 thousand in 2017, for advisory services CZK 59 thousand by the audit company.

## 12. Other important facts

The organization concluded overdraft credit contract with the Československá obchodní banka a.s. with the credit limit of 20 000 thousand CZK at November 24, 2017. The credit was not drawn as at the balance sheet date. Following this contract, the pledge agreement was concluded at November 27, 2017. The subject of the collateral is real estate listed in the property sheet LV 239, cadastral area Žižkov, Praha.

The following bank guarantees were provided in 2017 by the same bank:

- Amounting to 1.730.787,30 EUR at November 30, 2017 (due date May 27, 2019),
- Amounting to 735.831 EUR at December 19, 2017 (due date November 16, 2020).

Other Organization's assets are not encumbered with any lien.

The Organization does not register any payables not included in the financial statements.

Between the balance sheet date and the date of drawing up the financial statement, no other important facts or unusual changes in the status of the assets and liabilities occurred which would significantly influence the values of assets and liabilities, the financial situation or economic result of the company stated in the financial statement as of December 31, 2017.

In Prague, June 25, 2018

Prepared by: Anna Spružinová  
Accountant



Šimon Pánek  
Director  
Člověk v tísni, o.p.s.



Člověk v tísni, o. p. s.

PEOPLE IN NEED

Id Number: 25755277

Cash flow statement

as of 31 December 2017

(In thousands of CZK)

		current period	prior period
<b>P.</b>	<b>Cash and cash equivalents, beginning of year</b>	<b>454 168</b>	<b>387 583</b>
<b>Net operating cash flow</b>			
<b>Z.</b>	Accounting profit (loss) before taxation	720	2 384
<b>A.1.</b>	<b>Non-cash transactions</b>	<b>9 453</b>	<b>14 872</b>
A.1.1.	Depreciation of fixed assets	9 171	14 425
A.1.2.	Change in provisions and other adjustments	0	0
A.1.3.	Profit(-) Loss(+) on sale of fixed assets	-404	-649
A.1.4.	Expense and revenue interests accounted for	-102	-108
A.1.5.	Other non-cash transactions	788	1 204
A.1.6.	Gifts (buildings)	0	0
<b>A.*</b>	<b>Net operating cash flow before taxation, changes in working capital and extraordinary items</b>	<b>10 173</b>	<b>17 256</b>
<b>A.2.</b>	<b>Current assets</b>	<b>-7 800</b>	<b>19 096</b>
A.2.1.	Change in receivables and other temporary assets	-76 239	9 456
A.2.2.	Change in short-term liabilities and other temporary liabilities	45 953	-27 604
A.2.3.	Change in inventory	22 486	37 244
A.2.4.	Change in short term financial assets	0	0
<b>A.**</b>	<b>Net operating cash flow before financial balances, taxation and extraordinary items</b>	<b>2 373</b>	<b>36 352</b>
A.3.	Interest paid excluding amounts capitalised	-5	-1
A.4.	Interest received	107	109
A.5.	Income tax paid on ordinary income and income tax relating to prior periods	-993	-1 529
<b>A.***</b>	<b>Net operating cash flow</b>	<b>1 482</b>	<b>34 931</b>
<b>Investment activity</b>		<b>0</b>	<b>0</b>
<b>B.1.</b>	<b>Acquisition of fixed assets</b>	<b>-13 855</b>	<b>-9 523</b>
B.1.1.	Acquisition of tangible fixed assets	-9 632	-7 245
B.1.2.	Acquisition of intangible fixed assets	-2 847	-1 110
B.1.3.	Acquisition of long-term investments	-1 376	-1 168
B.2.1.	Proceeds from sales of fixed assets	632	723
B.2.2.	Proceeds from sales of long-term investments	3 338	839
<b>B.***</b>	<b>Net cash flow from investment activity</b>	<b>-9 885</b>	<b>-7 961</b>
<b>Financial activity</b>			
<b>C.1.</b>	<b>Change in long-term liabilities and bank loans</b>	<b>639</b>	<b>203</b>
C.1.1.	Increase and decrease in long-term loans	0	0
C.1.2.	Increase and decrease in other long-term payables	639	203
<b>C.2.</b>	<b>Increase and decrease in equity</b>	<b>-50 449</b>	<b>39 412</b>
C.2.1.	Change in own equity	-2 230	-14 285
C.2.2.	Change in funds	-48 219	53 697
<b>C.***</b>	<b>Net cash flow from financial activity</b>	<b>-49 810</b>	<b>39 615</b>
<b>F.</b>	<b>Net increase or decrease in cash balance</b>	<b>-58 213</b>	<b>66 585</b>
<b>R.</b>	<b>Cash and cash equivalents, end of period</b>	<b>395 955</b>	<b>454 168</b>