AUDIT SERVIS, spol. s r.o.

INDEPENDENT AUDITOR´S REPORT

on the financial statements

of Člověk v tísni, o.p.s. (PEOPLE IN NEED)

as at 31 December 2010

Identification data:

Name of the accounting entity:	**Člověk v tísni, o.p.s.**
Registered office:	**120 00 Prague 2** **Šafaříkova 635/24**
ID number:	**257 55 277**
Legal status:	**Public Benefit Organization**
Executive Board:	**Kristina Taberyová** Chairwoman of the Executive Board **Jan Pergler** Member of the Executive Board **Petr Jančárek** Member of the Executive Board
Auditing firm:	**AUDIT SERVIS, spol. s r. o.** **140 00 Praha 4, Kloboučnická 14** **Licence of the Chamber of Auditors of the Czech Republic no. 10**
Auditor:	**Ing. Květoslava Vylet'alová** **Licence of the Chamber of Auditors of the Czech Republic no. 256**
Verified period:	**1 January 2010 – 31 December 2010**
Date of the execution of the Report:	**29 June 2011**

INDEPENDENT AUDITOR´S REPORT

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

Report on the Financial Statements:

We have audited the accompanying financial statements of Company Člověk v tísni, o.p.s. (PEOPLE IN NEED), which comprise the balance sheet as of 31 December 2010, the profit and loss account from the 1 January 2010 to 31 December 2010 and cash flow statement for the year then ended as of 31 December 2010, and notes to financial statements including summary of significant accounting policies and other explanatory notes. Information about Company Člověk v tísni, o.p.s. is presented in Note 1.1. to these financial statements.

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

The statutory body of Company Člověk v tísni, o.p.s. is responsible for the preparation of 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.

Auditor´s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Act on Auditors and International Standards on Auditing and the related application guidelines issued by the Chamber of Auditors of the Czech Republic. Those laws and regulations require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view 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 the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Company Člověk v tísni, o.p.s. as of 31 December 2010, and of its financial performance and its cash flows for the year then ended as of 31 December 2010 in accordance with Czech accounting regulations.

Audited Financial Statements of the Company of the year 2010 (i.e. Balance Sheet, Profit and Loss Account, Notes to Financial Statements incl. Cash Flow Statement) are enclosure to this report.

In Prague on 29 June 2011

Auditing firm: AUDIT SERVIS, spol. s r.o.
140 00 Praha 4, Kloboučnická 14
Licence of the Chamber of Auditors of the Czech Republic no. 10

AUDIT SERVIS spol. s r.o. * Oprávnění číslo 10 * Komory auditorů ČR

Auditor: Květoslava Vyleťalová
Licence of the Chamber of Auditors of the Czech Republic no. 256

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 2010

(In thousands of CZK)

Name and address of
the accounting unit
Člověk v tísni, o.p.s
PEOPLE IN NEED
Šafaříkova 635/24
120 00 Praha 2

Organization Identification Number (IČ)
25755277

The accounting unit is to
deliver 1 copy hereof to the Tax
Administration of competence

ASSETS			Line No.	As of 1.1.2010 (Thousands of CZK)	As of 31.12.2010 (Thousands of CZK)
	a		b	1	2
A.	**Fixed Assets** line 02 + 10 + 21 + 29		01	**29 544**	**29 018**
A. I.	**Intangible fixed assets** subtotal line 03 through 09		02	**3 604**	**5 318**
1.	Research and development	(012)	03		
2.	Software	(013)	04	3 498	4 834
3.	Royalties	(014)	05	85	162
4.	Small intangible fixed assets	(018)	06	21	21
5.	Other intangible fixed assets	(019)	07		
6.	Acquisiton of intangible fixed assets	(041)	08		121
7.	Advance payments for intangible fixed assets	(051)	09		180
A. II.	**Tangible fixed assets** subtotal line 11 through 20		10	**44 589**	**44 703**
1.	Land	(031)	11		
2.	Fine art & collections	(032)	12		
3.	Buildings, halls and structures	(021)	13	306	306
4.	Property, plant and equipment	(022)	14	25 896	26 763
5.	Cultivated area	(025)	15		
6.	Livestock	(026)	16		
7.	Small tangible fixed assets	(028)	17	3 780	3 735
8.	Other tangible fixed assets	(029)	18		
9.	Acquisition of tangible fixed assets (constructions)	(044)	19	14 046	12 301
10.	Advance payments for tangible fixed assets	(052)	20	561	1 598
A. III.	**Long-term investments** subtotal line 22 through 28		21	**5 070**	**4 047**
1.	Investments in group undertakings	(061)	22	1 262	1 212
2.	Investments in associated companies	(062)	23		
3.	Other long-term securities and ownership interests	(063)	24	3 808	2 835
4.	Intercompany loans	(066)	25		
5.	Other long-term loans	(067)	26		
6.	Other long-term investments	(069)	27		
7.	Acquisition of financial investment	(043)	28		
A. IV.	**Adjustments to fixed assets** subtotal line 30 through 40		29	**-23 719**	**-25 050**
1.	Adjustments to research and development	(072)	30		
2.	Adjustments to software	(073)	31	-2 055	-2 474
3.	Adjustments to royalties	(074)	32	-85	-98
4.	Adjustments to small intangible fixed assets	(078)	33	-21	-21
5.	Adjustments to other intangible fixed assets	(079)	34		
6.	Adjustments to buildings, halls and structures	(081)	35	-158	-197
7.	Adjustments to property, plant and equipment	(082)	36	-17 620	-18 525
8.	Adjustments to cultivated area	(085)	37		
9.	Adjustments to livestock	(086)	38		
10.	Adjustments to small tangible fixed assets	(088)	39	-3 780	-3 735
11.	Adjustments to other tangible fixed assets	(089)	40		

ASSETS			Line No.	As of 1.1.2010 (Thousands of CZK)	As of 31.12.2010 (Thousands of CZK)
	a		b	1	2
B.	**Current assets** line 42 + 52 + 72 + 81		41	**196 094**	**248 330**
B.I.	**Inventory** subtotal line 43 through 51		42	**5 472**	**8 419**
1.	Inventories	(112)	43	4 752	6 525
2.	Inventrory in transit	(119)	44		
3.	Work-in-progress	(121)	45		
4.	Semi-finished own production	(122)	46		
5.	Finished goods	(123)	47	92	134
6.	Livestock	(124)	48	42	182
7.	Merchandise in stock	(132)	49	586	1 418
8.	Merchandise in transit	(139)	50		
9.	Advance payments for inventory	(314)	51		160
B.II.	**Receivables** subtotal line 53 through 71		52	**55 700**	**62 082**
1.	Trade receivables	(311)	53	10 277	13 658
2.	Receivables from bills of exchange	(312)	54		
3.	Receivables from discount securities	(313)	55		
4.	Advance payments for operational expenditures	(314 except the line 51)	56	3 304	4 990
5.	Other receivables	(315)	57	265	483
6.	Receivables from employees	(335)	58	2 599	2 137
7.	Receivables from social security	(336)	59		
8.	Income tax	(341)	60		265
9.	Other direct taxes	(342)	61		
10.	VAT	(343)	62	412	1 117
11.	Other taxes & fees	(345)	63		
12.	State subsidies & other budgetary contributions	(346)	64		
13.	Local administration budgetary contributions	(348)	65		
14.	Intercompany accounts	(358)	66		
15.	Purchased options	(373)	67		
16.	Bonds issued	(375)	68		
17.	Other different receivables	(378)	69	15 650	18 655
18.	Estimated receivables	(388)	70	23 193	20 777
19.	Adjustment to receivables	(391)	71		
B.III.	**Financial assets** subtotal line 73 through 80		72	**120 548**	**161 753**
1.	Cash	(211)	73	6 187	6 764
2.	Valuables	(213)	74	4	
3.	Bank accounts	(221)	75	112 103	148 567
4.	Equity shares	(251)	76		
5.	Bonds & Debentures	(253)	77		
6.	Other securities	(256)	78	2 537	6 422
7.	Acquisition of financial assets	(259)	79		
8.	Cash in transit	(261)	80	-283	
B.IV.	**Other assets** subtotal line 82 through 84		81	**14 374**	**16 076**
1.	Prepaid expenses	(381)	82	1 710	1 634
2.	Accrued revenue	(385)	83	11 746	13 526
3.	Unrealised exchange rate losses	(386)	84	918	916
	TOTAL ASSETS line 01 + 41		85	**225 638**	**277 348**

LIABILITIES AND EQUITY			Line No.	As of 1.1.2010 (Thousands of CZK)	As of 31.12.2010 (Thousands of CZK)
	a		b	1	2
A.	**Equity and Funds** line 87 + 91		86	**179 530**	**208 522**
A.I.	**Funds** subtotal line 88 through 90		87	**179 515**	**208 346**
1.	Equity	(901)	88	13 940	14 370
2.	Funds	(911)	89	165 639	194 073
3.	Gains and losses from the revaluation of assets	(921)	90	-64	-97
A.II.	**Operating results** subtotal line 92 through 94		91	**15**	**176**
1.	Profit & loss for account year	(+/-963)	92	15	176
2.	Profit/loss under approval	(+/-931)	93		
3.	Retained earnings/losses from previous years	(+/-932)	94		
B.	**Liabilities** line 96 + 98 + 106+ 130		95	**46 108**	**68 826**
B.I.	**Provisions** line 97		96	**0**	**0**
1.	Tax deductible provisions	(941)	97		
B.II.	**Long-term liabilities** subtotal line 99 through 105		98	**0**	**0**
1.	Long-term bank loans	(951)	99		
2.	Bonds issued	(953)	100		
3.	Leasing payables	(954)	101		
4.	Long-term advances received	(955)	102		
5.	Long-term bills of exchange payable	(958)	103		
6.	Estimated payables	(389)	104		
7.	Other long-term liabilities	(959)	105		
B.III.	**Short-term liabilities** subtotal line 107 through 129		106	**40 828**	**61 292**
1.	Trade payables	(321)	107	5 112	9 293
2.	Payables of exchange	(322)	108		
3.	Prepayments received	(324)	109	3 480	7 138
4.	Other payables	(325)	110	698	6 621
5.	Payables to employees	(331)	111	5 321	6 548
6.	Other payables to employees	(333)	112	259	297
7.	Social security & health insurance institutions	(336)	113	2 443	2 613
8.	Income tax	(341)	114	198	
9.	Other direct taxes	(342)	115	790	747
10.	VAT	(343)	116		
11.	Other taxes and fees	(345)	117	45	213
12.	State budget payables	(346)	118	4 290	1 728
13.	Local administration budgets payables	(348)	119		
14.	Subscriptions & deposits payable	(367)	120		
15.	Payables to partners and consortium members	(368)	121		
16.	Financial derivates payables	(373)	122		
17.	Other payables	(379)	123	17 081	24 496
18.	Short-term bank loans	(231)	124		
19.	Credits for discounted securities	(232)	125		
20.	Short-term bonds issued	(241)	126		
21.	Own bonds issued	(255)	127		
22.	Estimated payables	(389)	128	1 111	1 598
23.	Other short-term borrowings	(249)	129		

LIABILITIES AND EQUITY			Line No.	As of 1.1.2010 (Thousands of CZK)	As of 31.12.2010 (Thousands of CZK)
	a		b	1	2
B.IV.	**Other liabilities** subtotal line 131 through 133		130	**5 280**	**7 534**
1.	Accrued expenses	(383)	131	2 200	2 333
2.	Deffered revenues	(384)	132	2 338	3 660
3.	Unrealised exchange rate gains	(387)	133	742	1 541
	TOTAL LIABILITIES AND EQUITY line 86 + 95		134	**225 638**	**277 348**

Company stamp:	Signature of statutary representative:	Prepared by: Frišon A. Telephone: 226 200 402	Date of creation: 28th June, 2011

ČLOVĚK V TÍSNI, o.p.s.
Šafaříkova 24, 120 00 Praha 2
IČO: 25 75 52 77, DIČ: CZ25755277

AUDIT SERVIS spol. s r.o. Oprávnění číslo 10 Komory auditorů ČR

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 2010

(in thousands of CZK)

Name and address of
the accounting unit
Člověk v tísni, o.p.s
PEOPLE IN NEED
Šafaříkova 635/24
120 00 Praha 2

Organization Identification Number (IČ)
25755277

The accounting unit is to
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	Name of indicator		No.	Activity Main	Supplem.	Total
A.	**Costs**		01			
A.I.	**Consumption** subtotal line 03 through 06		02	**28 460**	**30**	**28 490**
1.	Material consumption	(501)	03	25 207		25 207
2.	Energy consumption	(502)	04	2 137	20	2 157
3.	Consumption of other not-for-stock materials	(503)	05	623	10	633
4.	Costs of goods sold	(504)	06	493		493
A.II.	**Services** subtotal line 08 through 11		07	**145 707**	**3 876**	**149 583**
5.	Repair & maintenance	(511)	08	1 818		1 818
6.	Travel expenses	(512)	09	24 617		24 617
7.	Entertainment expenses	(513)	10	1 367		1 367
8.	Other services	(518)	11	117 905	3 876	121 781
A.III.	**Personnel expenses** subtotal line 13 through 17		12	**144 395**	**790**	**145 185**
9.	Wages & salaries	(521)	13	116 035	653	116 688
10.	Mandatory social security expenses	(524)	14	28 179	137	28 316
11.	Other social security expenses	(525)	15	166		166
12.	Mandatory social expenses	(527)	16	15		15
13.	Other social expenses	(528)	17			0
A.IV.	**Taxes & fees** subtotal line 19 through 21		18	**346**	**0**	**346**
14.	Road tax	(531)	19	9		9
15.	Real estate tax	(532)	20			0
16.	Other fees and taxes	(538)	21	337		337
A.V.	**Other expenses** subtotal line 23 through 30		22	**177 285**	**4**	**177 289**
17.	Contractual penalties & late inerest	(541)	23	1		1
18.	Other fines & penalties	(542)	24	15		15
19.	Write off bad receivables (tax deductible)	(543)	25	894		894
20.	Interest	(544)	26	2		2
21.	Currency exchange loss	(545)	27	9 125		9 125
22.	Gifts	(546)	28	161 753		161 753
23.	Deficits & damages	(548)	29	87		87
24.	Other expenses	(549)	30	5 408	4	5 412
A.VI.	**Depreciation, assets sold, additions to provisions & adjustments** line 32 through 37		31	**6 233**	**0**	**6 233**
25.	Depreciation of tang. & intang. fixed assets	(551)	32	5 300		5 300
26.	Net book value of disposed tang. & intang. fixed assets	(552)	33	763		763
27.	Net book value of securities & deposits sold	(553)	34	114		114
28.	Net book value of material sold	(554)	35	56		56
29.	Additions to mandatory provisions	(556)	36			0
30.	Additions to mandatory adjustments	(559)	37			0
A.VII.	**Contributions** subtotal line 39 through 40		38	**758**	**0**	**758**
31.	Intercompany contributions	(581)	39			0
32.	Membership contributions	(582)	40	758		758
A.VIII.	**Income tax** line 42		41	**0**	**0**	**0**
33.	Additional income tax	(595)	42			0
	TOTAL COSTS line 02+07+12+18+22+31+38+41		43	**503 184**	**4 700**	**507 884**

Name of indicator			Line No.	Activity Main	Supplem.	Total
B.	**Revenues**		44			
B.I.	**Revenues from production and goods sold** subtotal line 46 through 48		45	37 295	5 071	42 366
1.	Sale of own products	(601)	46	64		64
2.	Sale of own services	(602)	47	36 425	5 071	41 496
3.	Sales of goods purchased for resale	(604)	48	806		806
B.II.	**Change in inventory** subtotal line 50 through 53		49	41	0	41
4.	Change in work-in-progress	(611)	50			0
5.	Change in semi-finished product inventory	(612)	51			0
6.	Change in finished product inventory	(613)	52	41		41
7.	Change in livestock	(614)	53			0
B.III.	**Capitalization** subtotal line 55 through 58		54	121	0	121
8.	Capitalization of material & merchandise	(621)	55			0
9.	Capitalization of intercompany services	(622)	56			0
10.	Capitalization of intangible fixed assets	(623)	57	121		121
11.	Capitalization of tangible fixed assets	(624)	58			0
B.IV.	**Other revenues** subtotal line 60 through 66		59	461 217	0	461 217
12.	Contractual penalties & late interest	(641)	60			0
13.	Other fines & penalties	(642)	61			0
14.	Payments for written-off receivables	(643)	62	35		35
15.	Interest	(644)	63	660		660
16.	Exchange rate gains	(645)	64	10 410		10 410
17.	Accounting for funds	(648)	65	422 419		422 419
18.	Other revenues	(649)	66	27 693		27 693
B.V.	**Revenues from assets sold, accounting for provisions & adjustm.** line 68 through 74		67	1 873	0	1 873
19.	Sale of intang. & tang. fixed assets	(652)	68	802		802
20.	Revenues from securities sold	(653)	69			0
21.	Revenues from material sold	(654)	70	814		814
22.	Revenues from short-term financial assets	(655)	71	97		97
23.	Accounting for mandatory provisions	(656)	72			0
24.	Revenues from long-term financial assets	(657)	73	160		160
25.	Accounting for mandatory adjustments	(659)	74			0
B.VI.	**Contributions received** subtotal line 76 through 78		75	2 455	0	2 455
26.	Intercompany contributions received	(681)	76			0
27.	Contributions received (gifts)	(682)	77	2 455		2 455
28.	Membership contributions received	(684)	78			0
B.VII.	**Operating subsidy** line 80		79	0	0	0
29.	Operating subsidy	(691)	80			0
	TOTAL REVENUES line 45+49+54+59+67+75+79		81	503 002	5 071	508 073
C.	Profit/loss before tax line 81minus 43		82	-182	371	189
	Income tax	(591)	83		13	13
D.	**Profit/loss after tax** line 82 minus 83		84	-182	358	176

Company stamp:	Signature of statutory representative: Šimon Pánek	Prepared by: [signature] Telephone: 226 200 402	Date of creation: 28th June, 2011

ČLOVĚK V TÍSNI, o.p.s.
Šafaříkova 24, 120 00 Praha 2
IČO: 25 75 52 77, DIČ: CZ25755277

AUDIT SERVIS spol. s r.o. * Oprávnění číslo 10 * Komory auditorů ČR

Notes to Financial Statements as of December 31, 2010

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 Organization, kept with the Municipal Court in Prague, Section O., insert 119

Statutory bodies of the Organization as of the date of drawing up of the financial statements (i.e. as of June 28, 2011) are:

Executive Board:	Kristina Taberyová – Chairwoman Jan Pergler Petr Jančárek
Supervisory Board:	Jan Urban Vlasta Lajčaková Václav Mazánek
Director of the Benevolent Society:	Šimon Pánek
Founders:	Česká televize (Czech Television) Ing. Jaromír Štětina Šimon Pánek

In the period from December 31, 2010 to the date of Financial Statements drawing up the following changes took place:

In accordance with the amendment of the law about the public benefit organizations the change in representing the company externally was made. The company is further represented by the director, Mr. Šimon Pánek. The change was entered in the Register of Public Benefit Organizations on the January 10, 2011.

Benevolent services:

- 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 to minorities both abroad and in the Czech Republic
- Social consultancy
- Public education
- Organization of workshops and trainings
- 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 the 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 the gender, racial or ethnic origin, religion, world view, handicap, age or sexual orientation
- Operating in the field of protection of rights and justified interests of consumers.

Supplementary activity:

Apart from the basic scope of activities specified in the previous section of this article, for the purpose of which the Organization has been founded, the Organization pursues also 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 promotion

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

Number of employees, Personnel costs:

	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	133,33	14 550 068,48	9 094,02		14 550 068,48
Angola	23,50	1 727 341,80	6 125,33	123 475,40	1 850 817,20
Armenia	24,58	2 023 205,91	6 859,26	287 339,95	2 310 545,86
DR Congo	27,92	1 039 094,81	3 101,41	51 742,78	1 090 837,59
Ethiopia	40,58	2 196 716,78	4 511,08	165 969,08	2 362 685,86
Georgia	23,67	2 902 944,44	10 220,20		2 902 944,44
Cambodia	4,00	355 387,13	7 403,90		355 387,13
Namibia – mission till August 31, 2010	7,88	1 035 437,82	16 425,09	7 494,36	1 042 932,18
Pakistan – mission from September 1, 2010	81,25	1 343 689,50	4 134,43		1 343 689,50
Slovakia	12,75	1 825 567,62	11 931,81	572 400,31	2 397 967,93
Sri Lanka	27,83	1 556 573,21	4 660,96	235 741,55	1 792 314,76
Missions total	**407,29**	**30 556 027,50**		**1 444 163,43**	**32 000 190,93**

The Czech Republic: - employments	**273,28**	**79 980 225,00**	**24 388,97**	**27 053 726,00**	**107 033 951,00**
Of this executive	8,8	3 974 254,00	37 634,98	1 351 335,00	5 325 589,00

	Number of Contracts of services	Total amount paid for Contracts of services			
The Czech Republic – Contract of Services	1 468	6 151 133,00			6 151 133,00
Personnel costs, total in CZK					**145 185 274,93**

*Missions not lasting 12 months in 2010 have adjusted average according to the amount of months of real operating

Members of the organization's corporate bodies, i.e. the executive and supervisory boards, have not been paid any remuneration for the activity in corporate bodies. The organization neither has provided any advance payment or credit nor any guarantee for the liabilities of members of 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 statutory bodies nor their family members are part of a legal entity, with which the accounting entity concluded a business contract or other contract relationships in the respective period.

1.2 Organization unit in another country of the EU:

Under the decision of the Ministry of Internal Affairs of Slovakia of August 2, 2004 the organization unit of the company was founded in Slovakia, which is entered in the Register of Public Benefit Organization, kept with 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 with activities of the company in the Czech Republic.

1.3 Shares in other accounting entity:

In 2007 the Company established its subsidiary in Jordan. The share in the subsidiary at the time of acquisition was valued at the acquisition price and at the date of financial statements it is valuated by the equivalence.
The date of registration: October 3, 2007
The name of the organization: People in Need Jordan
Registered by the institution: The Hashemite Kingdom of Jordan, Ministry of Commerce, Department of company inspections,
The registered capital: 50.000 JOD
Representative: The director - Mrs. Lucía Pavelová
The registered office: Wasti Al Tal St.80 (of.303), P.O.Box 930 478
Other information about Company is noted in chapter 3.1.1.1.

2. Information on used accounting methods and general accounting principles

The company has been processing its accounting records using the computer equipment with the utilization of the Microsoft Dynamics NAV 5.0 software with required adjustments for the company needs. Client´s adjustments have been made by AUTOCONT a.s.

Accounting documents are archived in the form of hard copies in place of archiving in registered office of the Organization, the address Šafaříkova 24, 120 00 Praha2. 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 in registered offices of foreign branch of the entity. Accounting records are also filed in the electronic form on a separate server and simultaneously on an external storage medium deposited outside the Organization's business premises.

The Company keeps the accounting according to the Accounting Act no. 593/1991 Coll. as amended and according to the Regulation no. 504/2002 Coll. as amended (hereafter referred to as "accounting principles").

2.1. Tangible, intangible fixed assets and long-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 assets improvement — CZK 40,000,-
- Technical intangible fixed assets improvement — CZK 40,000,-
- Appreciable rights — CZK 60,000,-
- Livestock and draught animals – regardless the purchase price

Buildings are considered as tangible fixed assets regardless the purchase price and useable life.

Long-term financial assets are the assets with the due period longer than one year regardless the 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. 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:

Description of assets	period of depreciation (months)
Software without time limitation	36
Intangible assets with time limitation	according to the validity of the licence
Computer and other computer technology	36
Mobile phones and other telecommunication technology	24
Other tangible assets	36
Passenger cars and other motorized vehicles	48
Passenger cars Angola	24
Passenger cars Ethiopia	36
Motor bikes Angola, Ethiopia	24
Appreciable rights	18
Livestock and draught animals	36
Buildings	individually
Technical improvement of the leased assets	during the lease contract duration valid at the time of including in beneficial property
Technical improvement of assets brought into operation, that had not been depreciated	remaining period of depreciation of assets with technical improvement
Technical improvement of assets brought into operation, that had been already depreciated	intangible assets – 18 months tangible assets – individually according to the type of assets

Small 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 on asset accounts until their retirement.

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

In case of bookkeeping of the depreciation of assets acquired from subsidies and grants 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.

At the account 044 expenses incurred for humanitarian buildings, which have not been completed and commissioned to end recipients by December 31, 2010, are recorded.

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

- Purchased realizable securities are recorded within the short time financial assets. Realizable securities as of December 31, 2010 are revaluated to the real value and the evaluation differences are debited or credited to the account no. 921 under ČÚS (Czech Accounting Standard) no. 406 point 4.4.
- In the end of the balance sheet day bonds are valuated 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 the maturity the company uses the actual number of days from the day of the purchase to the maturity date from convention 30E/360 of international standard,
- Upon the maturity the organization accounts for the sales of securities in the balance sheet; with securities registered in foreign currencies the exchange difference at 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 accounts of the group 38.
- The division of securities to short-term and long-term securities is made at the date of the financial statements depending on the total time of the bond "holding".(i.e. from the purchase to their maturity).

2.2. Inventory

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

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

Inventory received free of charge and intended for the core activity of the Organization is registered in the operational records specifying the person and place of their handing over to other entities.

2.3. 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, on which these resources are filed and recorded.

2.4. Receivables

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

2.5. Payables

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

2.6. Use of foreign currency in accounting

2.6.1. 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 to the Czech currency at the ČNB exchange rate declared at 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 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) to EUR, converted to CZK declared by the Cuba National 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 and using the rules below (as a rule only movements at cash desks are accounted):
  - The exchange rate for the given month is bound to real exchange from USD to MMK currency, the exchange rate of every real exchange from USD to MMK currency is determined

- Conversion of USD to CZK is based on the ČNB monthly exchange rate
- The exchange rate for the conversion of CZK to MMK currency: the real exchange rate of USD to MMK currency is divided by the monthly exchange rate of USD (according to the exchange rate of ČNB) and the result is round to 3 decimals
- The exchange rate for the conversion of MMK to CZK: 1 CZK is divided by the calculated exchange rate of CZK to MMK currency, then multiplied by 100 and rounded to 3 decimals
- Calculation of the exchange rate for the next months: all exchange rates of real exchange of the given month are added to the calculated exchange rate of the previous month and this is divided by the number of the exchanges and 1 is added. The result is rounded to 3 decimals. The result is the exchange rate for the next month.

2.6.2. 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 of financial statements drawing up, with the exception of interim financial statements, are specified:

a) According to their nature in the Profit and Loss Account in the item "A.V.21 Currency exchange losses" or "B.IV.16. Exchange rate gains", if these exchange differences relate to accounts of groups of accounts 21, 22 and 26,

b) According to their nature in the Balance Sheet in assets under "B.IV.3. Unrealised exchange rate losses" or in liabilities item "B.IV.3. Unrealised exchange rate gains", if these exchange differences relate to accounts of the group of accounts 05, 06 and to the accounts of receivables, payables, loans and financial assistance.

The value of financial means, payables and receivables reported as of December 31, 2010 and recorded in foreign currency declared by ČNB is converted by the ČNB exchange rate valid as of December 31, 2010. If the foreign currency is not declared by ČNB daily, the exchange rate declared by the ČNB as of December 31, 2010 as exchange rate of other currencies with exception of the under-mentioned examples, the exchange rate as of December 31, 2010 is used:

- The rate of exchange of Cuban Convertible Peso (CUC), calculated for a given accounting period as of December 31, 2010
- The rate of exchange of Myanmar kyat (MMK): for the conversion as of December 31, 2010 the way of determination mentioned above for the conversion during the accounting period will be used, for the conversion of USD to CZK, the rate of exchange declared by the ČNB as of December 31, 2010 will be used.

2.7. 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 the implementation of the Organization's main mission: gifts and grants.

At the equity accounts the company accounts for the economic result, assets acquired from grants, and donated assets and material.

The list of important donors is a part of the company annual report.

The company opened synthetic accounts 912 (funds-provided advance payments for structures), 914 (funds - construction in process or non-commissioned structures), 916 (funds – animals in transit) and 919 (funds - inventory in transit) in the account classification within the account group 91 (funds). The account 912 contains the part of financial resources allotted for the coverage of funds for advance payments for structures in process as of December 31, 2010. At the account 914 part of resources of funds allocated for the coverage of expenses incurred for structures in-process or non-commissioned structures are recorded as of December 31, 2010. At the account 916 a part of resources of funds allocated for the coverage of purchased animals and animals in transit as of December 31, 2010 is recorded. At the account 919 a part of financial resources of funds allocated for the coverage of purchased inventories and inventories in transit as of December 31, 2010 is reported. Draw down (accounting) of funds reported at accounts 912, 914, 916 and 919 will be made in the next accounting period under the physical handover of completed structures, animals or inventories in compliance with respective contracts.

3. Additional information to selected data from the company financial statement

The Organization's assets are not encumbered with any lien.
The Organization does not register any payables not included in the financial statements.
All numeral values specified below are in thousands CZK, unless specified otherwise in the text.

3.1. Balance sheet

3.1.1. Fixed assets (thousand CZK)

Fixed assets - purchase costs

	Status as of December 31, 2009	Increase	Decrease						Status as of December 31, 2010
			Liquida -tion	Sale	Donation	Deficits / damages	Revalua- tion of assets	Advance payment accounting	
Intangible fixed assets	**3 604**	**4 649**	**425**	**0**	**0**	**0**	**0**	**2 510**	**5 318**
Of this									
Software	3 498	1 761	425						4 834
Royalties	85	77							162
Small intangible assets	21								21
Acquisition of intangible fixed assets	0	1 958						1 837	121
Provided advances for the fixed intangible assets	0	853						673	180
Tangible fixed assets	**44 589**	**30 380**	**341**	**1 986**	**2 652**	**413**	**0**	**24 874**	**44 703**
Of this									
Buildings	306								306
Technical improvement of building	0								0
Cars	10 925	5 680		1 864	1 169	413			13 159
Other tangible fixed assets	14 971	534	296	122	1 483				13 604
Livestock	0								0
Small tangible fixed assets	3 780		45						3 735
Acquisition of tangible fixed assets (constructions)	14 046	19 222						20 967	12 301
Provided advances for the fixed tangible assets	561	4 944						3 907	1 598
Long term investments	**5 070**	**1 869**	**0**	**2 842**	**0**	**0**	**50**	**0**	**4 047**
Of this:									
Securities *	3 808	1 869		2 842					2 835
Investments in group undertakings	1 262						50		1 212
Total	**53 263**	**36 898**	**766**	**4 828**	**2 652**	**413**	**50**	**27 384**	**54 068**

* 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 - depreciation reserves (adjustments to fixed assets)

	Status as of December 31, 2009	Increase	Decrease				Status as of December 31, 2010
			Liquidation	Sale	Donation	Deficits / damages	
Intangible fixed assets	**2 161**	**857**	**425**	**0**	**0**	**0**	**2 593**
Of this							
Software	2 055	844	425				2 474
Royalties	85	13					98
Small intangible assets	21						21
Tangible fixed assets	**21 558**	**6 291**	**341**	**1 986**	**2 652**	**413**	**22 457**
Of this							
Buildings	158	39					197
Technical improvement of building	0						0
Cars	5 486	4 249		1 864	1 169	413	6 289
Other tangible fixed assets	12 134	2 003	296	122	1 483		12 236
Livestock	0						0
Small tangible fixed assets	3 780		45				3 735
Total	**23 719**	**7 148**	**766**	**1 986**	**2 652**	**413**	**25 050**

Fixed assets - depreciated price

	Status as of December 31, 2009	Status as of December 31, 2010
Intangible fixed assets	**1 443**	**2 725**
Of this		
Software	1 443	2 360
Royalties	0	64
Small intangible fixed assets	0	0
Acquisition of intangible fixed assets	0	121
Provided advances for the fixed intangible assets	0	180
Tangible fixed assets	**23 031**	**22 246**
Of this		
Buildings	148	109
Technical improvement of building	0	0
Cars	5 439	6 870
Other tangible fixed assets	2 837	1 368
Livestock	0	0
Small tangible fixed assets	0	0
Acquisition of tangible assets (construction)	14 046	12 301
Provided advances for the fixed tangible assets	561	1 598
Long-term investments	**5 070**	**4 047**
Of this		
Securities	3 808	2 835
Investments in group undertakings	1 262	1 212
Total	**29 544**	**29 018**

3.1.1.1 - Detailed information on the long-term investments

Equity shares (thousand CZK)

Company name	Share in registered capital in %	Purchase price of equity share	Revaluation on the equivalent price			Equity share – as of December 31, 2010
			Differences in valuation as of December 31, 2009	Revaluation on the equivalent price for the year 2010	Difference in valuation as of December 31,2010	
People in Need Jordan	100	1 358 (50.000JOD)	- 96	-50	-146	1 212

People in Need Jordan (indication in JOD currency):

Status as of	January 1, 2010	Change in 2010	December 31, 2010
registered capital	50 000,00	0,00	50 000,00
Retained earnings/losses from previous years	-1 424,00	0,00	-1 424,00
- of this allocation to the statutory reserve fund	5,00	0,00	5,00
Profit/loss under approval*	0,00	-2 849,00	-2 849,00
Equity	48 576,00		45 727,00

The amount of operating results and statutory funds according to the financial statements of the PIN Jordan for the period from January 1, 2010 to December 31, 2010. In the year 2010, the operating result amounts to - 2.849 JOD.

Securities (long-term) held to maturity

Issuer name	**Bond currency**	**Date of maturity**	**Number of pieces (bonds) as of December 31, 2010**	***Amount in (thousand CZK) (according to evaluation in financial statements) as of December 31, 2010***
TOYOTA MTR CRED 5,125	USD	25.10.2011	10	390
GEN ELEC CAP CRP 6	USD	15.6.2012	20	403
REP OF POLAND 6,25	USD	3.7.2012	40	821
DENMARK KINGDOM (bond with coupon)	USD	15.11.2011	64	1 221
Total				**2 835**

3.1.2. Inventory

inventory (thousand CZK)	as of December 31, 2009	as of December 31, 2010
Inventories	4 752	6 525
Finished goods	92	134
Animals	42	182
Merchandise in stock	586	1 418
Advance payments for inventory Angola, Ethiopia	0	160
Total inventory	**5 472**	**8 419**

Inventories especially consist of:
- inventory in transit within the humanitarian and development aid, which will be donated in the next period
- educational DVD and VHS cassettes "Jednoho světa na školách", manual GRV, T-shirts

Finished goods consist of stock of "Nebolí (Does not pain)" book and publications "Mýty o socialistických časech" (Myths about socialistic times).

Animals consist of inventory in transit within the development and humanitarian aid, which will be donated in the next period
Merchandise in stock consists of products from Namibia, which have been transferred to the warehouse in Prague.

3.1.3. Receivables (thousands CZK)

Matters written in the cursive relate to the year 2010

	Status as of December 31, 2009	Status as of December 31, 2010
Trade receivables total	**13 846**	**19 131**
of this		
receivables from customers	**10 277**	**13 658**
Receivables overdue more than 365 days*	45	1 470
Receivables overdue 181 up to 364 days	34	258
Receivables overdue 91 up to 180 days	1 477	3
Receivables overdue 0 up to 90 days	6 442	11 344
Receivables prior to maturity	2 279	583
The amount of outstanding receivables as of the date of drawing up of the financial statement: 755 *A significant part of the amount is outstanding receivable from Afghan Ministry of Rural Rehabilitation and Development, Afghanistan, incurred based on the contract for work of July 1, 2010.*		
Advance payments for operational expenditures	**3 304**	**4 990**
The most significant amounts are advance payments for services (electricity, gas, rent).		
Other receivables	**265**	**483**
Receivables from employees	**2 599**	**2 137**
advance payments for not finished long term business journeys.		
Receivables from the state budget	**412**	**1 382**
unreturned value added tax overpaid		
Other different receivables (row 69 of balance sheet)	**15 650**	**18 655**
The most significant part are receivables from not invoiced advance payments paid to the partners of particular common projects realized from the grants of the European Commission. Related received advance payments for common projects of the European Commission are recorded in the balance sheet on the line no.123 other payables.		
Estimated receivables	**23 193**	**20 777**
These are performance in 2010, invoiced in 2011, as of the date of drawing up of the financial statements *these invoices have not been paid.* *A major part of the estimated receivables is the performance of the project of development of regional communities in Afghanistan* *(this program is financed from resources of the World Bank by Afghan Ministry of Rural Rehabilitation and Development) and project financed by the Czech Development Organization.*		
Total receivables	**55 700**	**62 082**

3.1.4. **Financial assets (thousands CZK)**

Short-term financial assets	Status as of December 31, 2009	Status as of December 31, 2010
Cash	6 187	6 764
Valuables	4	0
Bank accounts*	112 103	148 567
Other securities	2 537	6 422
Cash in transit **	-283	0
Short-term financial assets - total	**120 548**	**161 753**

** balances increase of bank accounts was caused due to public collection "Povodně 2010" (floods 2010), Haiti and "Skutečná Pomoc" (Real Help) and also due to pre financing of projects from EU resources.*
*** balance consists of the difference between lower debiting of means from the bank account and higher crediting of means to the bank account in Afghanistan at the turn of the year 2009/2010.*

3.1.4.1 – More detailed information on "Other securities"

a) securities (short-term) held to maturity

Issuer name	Bond currency	Date of maturity	Number of pieces (bonds) as of December 31, 2010	*Amount in (thousand CZK) (according to evaluation in financial statements) as of December 31, 2010*
BMW US CAP LLC 4,25	USD	22.12.2011	10	388
CITIGROUP INC 6,5	USD	18.1.2011	20	387
DEUTSCHE BAHN FIN 5,125	USD	5.1.2011	20	394
Total Amount				**1 169**

b) purchased realizable securities (allotment certificates of the investment funds)

The name of the issuer	Currency	--	Number of securities as of December 31, 2010	Value as of December 31, 2010 (in thousand CZK)
ČSOB INSTITUTIONAL – STATE BONDS	CZK	--	974 184,00	999
Allotment certificates of the unit trust KBC MONEY CZK ALPHA DIV	CZK	--	89,91	900
Allotment certificates of the unit trust KBC MONEY CZK OMEGA DIV	CZK	--	210	2 090
Allotment certificates of the unit trust KBC MONEY CZK OMEGA KAP	CZK	--	119,93	1 264
Total Amount				**5 253**

Sum "other securities" – total	**6 422**

3.1.5. Other assets (thousands CZK)

	Status as of December 31, 2009	Status as of December 31, 2010
Prepaid expenses	**1 710**	**1 634**

A significant part is made of the expenses of the year 2011, paid in 2010, for air tickets and insurance.
There, the accounting unit accounts for current expenses related to the accrued expenses.
Accounting for accrued expenses for the respective expenses account will be performed by the accounting unit in the accounting period, to which expenses are factually related.

Accrued revenues	**11 746**	**13 526**

These are contractually assured and received incomes in the following accounting period for projects that were partially realized in 2010. The most significant part of revenues comes from: the European Commission, ACTED, US Agency for International Development, State Fund o the Czech Republic for Support and Development of Czech Cinematography.

Unrealised exchange rate losses	**918**	**916**

These are unrealized exchange rate differences which will be accounted for at the payment of payables or collection of receivables and liabilities in the next accounting period in compliance with regulations.
Amount of unrealized exchange rate losses that is related to securities and is included in above mentioned amount, is noted in chapter of financial assets.

Total other assets	**14 374**	**16 076**

3.1.6. Liabilities (thousands CZK)

Matters written in cursive relate to the year 2010

	Status as of December 31, 2009	Status as of December 31, 2010
Liabilities (trade payables, prepayments received, other payables) - total	**9 290**	**23 052**
Of this		
Trade payables total	**5 112**	**9 293**
Payables overdue - more than 365 days	1	0
Payables overdue - 181 to 364 days	151	155
Payables overdue - 91 to 180 days	14	85
Payables overdue - 0 to 90 days	2 977	1 546
Payables prior to the maturity	1 969	7 508

Amount of unpaid payables as of the date of drawing up of the financial statements: 13

prepayments received	**3 480**	**7 138**

The most significant part is formed by received advance payables from the Czech Development Agency for realization of the project "Support of the primary education in distant districts of the Bié province, Angola" and received advance payables from the European Social Fund for providing social service in Pilsen region.

other payables	**698**	**6 621**
The balance consist of the pre-financing of so called individual projects financed by the particular regions as end recipients of the grant program OPLZZ. These funds were accounted for as advance payments, but were not fully drawn out in 2010.		**2 842**
These are retainers related to building of schools and water source in Afghanistan.		**1 434**
Payable of the PIN to the subsidiary in Jordan. The subsidiary has been functioning in the lower regime for a long time, so that its cash is kept by the PIN because of the safety.		**1 241**

Payment from the ČLR to the account "Povodně 2010" (floods 2010). Validity of this payment to the account has been still object of investigation.

		1 104
Payables to employees	**5 580**	**6 845**
Amount of unpaid payables as of the date of drawing up of the financial statements: 2		
Payables to social security institution (Czech republic)	**1 635**	**1 730**
As of the date of drawing up of the financial statements no of these liabilities are overdue		
Payables to health insurance institutions (Czech republic)	**734**	**719**
As of the date of drawing up of the financial statements no of these liabilities are overdue		
Payables to social and health insurance institutions (Angola, Armenia, Ethiopia, Congo, Namibia, Slovakia, Sri Lanka)	**74**	**164**
As of the date of drawing up of the financial statements no of these liabilities are overdue		
State budget payables	**5 323**	**2 688**
These are refunds of unutilized parts of subsidies from the state budget.		
Other payables (row no. 123 of the balance sheet)	**17 081**	**24 496**
Majority is formed by advance payments received from the European Commission that are intended for partners of common projects. These resources are transferred to partners of particular projects by means of advance payments. After approval of the final financial report by the European Commission, advanced payments received and advance payment paid are accounted for and settled. *Related advance payment of partners are recorded in the balance sheet on the line no.69 other receivables.*		
Estimated payables (electricity, gas, sewage charges)	**1 111**	**1 598**
These are the costs of the accounting period that have not been invoiced to the company yet.		
Total liabilities	**40 828**	**61 292**

3.1.7. Other liabilities (thousands CZK)	**Status as of December 31, 2009**	**Status as of December 31, 2010**
Accrued expenses	**2 200**	**2 333**
Through this account, the company accounts for expenses, which are related to the current accounting period but payments were made in the following period, especially travel expenses.		
Deferred revenues	**2 338**	**3 660**
These are received resources used for building activity in Angola and for development of local communities in Afghanistan during the current period and performance will be in 2011.		
Unrealised exchange rate gains	**742**	**1 541**
These are unrealized exchange rate gains, which will be accounted at the payment of payables or collection of receivables in the next accounting period in compliance with regulations.		
Total other liabilities	**5 280**	**7 534**

3.1.8. Equity (CZK)

Account 901 - Equity

	Equity from previous periods	Acquisitions from grants for own production	Material gifts	Total
Status as of January 1, 2010	**8 176 418,90**	**5 761 815,54**	**2 000,00**	**13 940 234,44**
Increase - acquisition of fixed assets and material gifts accepted		5 159 108,39	155 290,20	**5 314 398,59**
Decrease - dispose of fixed assets, depreciation, material gifts to other parties		-4 728 956,22	-155 540,20	**-4 884 496,42**
Status as of December 31, 2010	**8 176 418,90**	**6 191 967,71**	**1 750,00**	**14 370 136,61**
	14 370 136,61			

Approval of the financial statements for 2009

The Executive Board at its meeting on October 12, 2010 approved the financial statements of the Organization for the accounting period 2009 showing a profit in the amount of CZK 15.013,81 after tax that was in compliance with the decision of the Executive Board accounted as the increase of the company general reserve.

3.1.9. Funds - accounting group 91 (CZK)

In compliance with 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 Organization from other persons for the purpose of the implementation of the Organization's main mission: donations, dotation and grants,
- Creation and utilization of the reserve fund

Summary of accounts 91x FUNDS for 2010 (CZK)

Collections (number/name)	**Initial status as of January 1, 2010**	Increase - donations accepted, gifts	Decrease - utilization, provision of gifts	Decrease – refunds of not used resources	**Balance for utilization in 2011**
S_MHMP/123708/2006 Loss of immunity (Namibia)	8 716,85	0,00	8 716,85	0,00	0,00
S-MHMP/301654/2007 Let's build a school in Africa 2007 - 2010 (Ethiopia)	1 000,00	438 245,23	439 245,23	0,00	0,00
S-MHMP/166354/2008 Collection "Skutečná pomoc" (Real Help)	8 095 036,16	18 817 211,68	10 473 951,65	0,00	16 438 296,19
S-MHMP/292449/2009 SOS "Povodně" (Flood) (Czech Republic)	22 641 084,56	41 568 357,23	42 843 523,97	0,00	21 365 917,82
SOS Burma (Burma)	0,00	10 765,00	9 565,00	0,00	1 200,00
SOS Sumatra (Sumatra)	0,00	341 704,00	340 310,92	0,00	1 393,08
SOS "Povodně" (Flood) in Pakistan	0,00	3 888 023,23	2 474 596,83	0,00	1 413 426,40
SOS Haiti	0,00	45 633 442,55	24 424 669,80	0,00	21 208 772,75
SOS Tibet	0,00	1 557 848,04	1 425 240,85	0,00	132 607,19

S-MHMP/610953/2010 Support education in Africa 2010-2013 (Ethiopia)	0,00	1 203 914,16	281 379,91	0,00	922 534,25
S-MHMP/294050/2010 SOS Banat	0,00	17 002,00	599,82	0,00	16 402,18
Total collections	**30 745 837,57**	**113 476 513,12**	**82 721 800,83**	**0,00**	**61 500 549,86**

State and local administration budgetary contributions, budgetary contributions of EU and subsidies of other foreign governments	**Initial status as of January 1, 2010**	Increase - donations accepted, gifts	Decrease - utilization, provision of gifts	Decrease – refunds of not used resources	**Balance for utilization in 2011**
State budget subsidies	7 369 428,50	93 505 107,38	92 097 855,74	1 936 652,66	6 840 027,48
Local administration subsidies	243 586,92	11 382 698,33	5 038 510,25	32 214,20	6 555 560,80
EU funds subsidies	59 044 290,64	119 169 256,92	131 692 846,17	16 096,50	46 504 604,89
Subsidies from funds of other foreign governments	11 014 299,68	67 994 706,17	59 863 351,56	321 938,66	18 823 715,63
Total subsidies	**77 671 605,74**	**292 051 768,80**	**288 692 563,72**	**2 306 902,02**	**78 723 908,80**

Funds - grants	**Initial status as of January 1, 2010**	Increase - donations accepted, gifts	Decrease - utilization, provision of gifts	Decrease – refunds of not used resources	**Balance for utilization in 2011**
Grants - UN Agencies	4 490 265,49	12 827 090,62	10 748 264,31	0,00	6 569 091,80
Grants - funds of other foreign governments	723 037,03	1 749 861,81	1 726 299,44	534 039,65	212 559,75
Grants - NGO	13 402 790,01	14 098 100,13	21 374 067,59	21 000,00	6 105 822,55
Total funds (grants)	**18 616 092,53**	**28 675 052,56**	**33 848 631,34**	**555 039,65**	**12 887 474,10**

Other funds	**Initial status as of January 1, 2010**	Increase - donations accepted, gifts	Decrease - utilization, provision of gifts	Decrease – refunds of not used resources	**Balance for utilization in 2011**
Fund created from resources of: Charles Stewart Mott Foundation, The Ford Foundation, Šimon Pánek - Qudriga prize, Unilever prize - purchase of securities	9 259 433,02	0,00	0,00	0,00	9 259 433,02
Club of Friends	20 056 616,98	18 998 205,23	16 279 864,32	0,00	22 774 957,89
Other donations	5 245 011,58	5 590 281,77	5 981 392,86	46 674,00	4 807 226,49
Reserve fund (created from profit from previous periods)	4 044 861,77	15 013,81	0,00	0,00	4 059 875,58
Non-monetary gifts	0,00	61 486,00	1 486,00	0,00	60 000,00
Total of Other funds	**38 605 923,35**	**24 664 986,81**	**22 262 743,18**	**46 674,00**	**40 961 492,98**

TOTAL FUNDS	**165 639 459,19**	**458 868 321,29**	**427 525 739,07**	**2 908 615,67**	**194 073 425,74**

3.2 Profit/Loss and tax calculation as of December 31, 2010

Economic result for 2010 is the accounting profit in the amount of CZK 176 thousand. The balanced economic result has been caused due to a good budgetary discipline in all section of the company.

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 - column supplementary activity

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

Tax liability for 2010 taxation period relating to corporate income tax is CZK 13 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	508 072 969,38
Costs total (except 591)	507 884 154,44
Taxable income	188 814,94
Tax base from main activity	0,00
Tax base from additional activity	370 870,60
Total tax base	**370 870,60**
Adjustment of the tax base under §20 of the Income Tax Act	300 000,00
Adjusted tax base	70 870,60
Tax base after rounding	70 000,00
19 % tax	13 300,00

In 2009 the deduction under § 20 within the income tax of corporate bodies in the amount of CZK **626.591,98** was applied. Resources acquired by the attained tax obligation saving under § 20 of the Act no. 586/92 Coll. from previous years were used to cover costs related to activities, the incomes generated from which were not tax subject in 2010.

3. 3 Important facts which occurred in the company after December 31, 2010

Between the balance sheet date and the date of drawing up the financial statements, no important facts and unusual changes in the status of assets and liabilities occurred, which would significantly influence values of assets and liabilities, financial situation and economic result of the company stated in the financial statement as of December 31, 2010.

In Prague, June 28, 2011

Prepared by: Anna Spružinová
Accountant

Šimon Pánek
Company 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 2010
(In thousands of CZK)

		current period	prior period
P.	**Cash and cash equivalents, beginning of year**	**120 548**	**57 094**
Net operating cash flow			
Z.	accounting profit (loss) before taxation	189	307
A.1.	**Non-cash transactions**	**21 192**	**59 502**
A.1.1.	Depreciation of fixed assets	6 385	5 386
A.1.2.	Change in provisions and other adjustments	0	0
A.1.3.	Profit(-) Loss(+) on sale of fixed assets	-39	-94
A.1.4.	Expense and revenue interests accounted for	-818	-703
A.1.5.	Other non-cash transactions	911	750
A.1.6.	Gifts (buildings)	14 753	54 163
A.*	**Net operating cash flow before taxation, changes in working capital and extraordinary items**	**21 381**	**59 809**
A.2.	**Current assets**	**10 789**	**-8 498**
A.2.1.	Change in receivables and other temporary assets	-8 991	-17 631
A.2.2.	Change in short-term liabilities and other temporary liabilities	22 727	8 357
A.2.3.	Change in inventory	-2 947	776
A.2.4.	Change in short term financial assets	0	0
A.**	**Net operating cash flow before financial balances, taxation and extraordinary items**	**32 170**	**51 311**
A.3.	Interest paid excluding amounts capitalised	-2	-12
A.4.	Interest received	660	504
A.5.	Income tax paid on ordinary income and income tax relating to prior periods	0	0
A.* **	**Net operating cash flow**	**32 828**	**51 803**
Investment activity			
B.1.	**Acquisition of fixed assets**	**-24 050**	**-43 276**
B.1.1.	Acquisition of tangible fixed assets	-20 260	-41 528
B.1.2.	Acquisition of intangible fixed assets	-2 138	-531
B.1.3.	Acquisition of long-term investments	-1 652	-1 217
B.2.1.	Proceeds from sales of fixed assets	802	201
B.2.2	Proceeds from sales of long-term investments	2 776	4 508
B.***	**Net cash flow from investment activity**	**-20 472**	**-38 567**
Financial activity			
C.1.	**Change in long-term liabilities and bank loans**	**0**	**0**
C.1.1.	Increase and decrease in long-term loans	0	0
C.1.2.	Increase and decrease in other long-term payables	0	0
C.2.	**Increase and decrease in equity**	**28 849**	**50 218**
C.2.1.	Change in own equity	415	-3 390
C.2.2.	Change in funds	28 434	53 608
C.***	**Net cash flow from financial activity**	**28 849**	**50 218**
F.	**Net increase or decrease in cash balance**	**41 205**	**63 454**
R.	**Cash and cash equivalents, end of period**	**161 753**	**120 548**

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