

**INDEPENDENT AUDITOR'S REPORT**  
**on the financial statements**

**Člověk v tísní, o.p.s.**  
**(PEOPLE IN NEED)**

**as of 31 December 2019**



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 2019 – 31 December 2019</b>
<b>Date of the execution of the Report:</b>	<b>29 June 2020</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 2019, the profit and loss account from 1 January 2019 to 31 December 2019, and cash flow statement for the period from 1 January 2019 to 31 December 2019, and notes to the financial statements (hereinafter 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 point 1 in the notes 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 2019, and of its expenses, revenues and profit/loss and its cash flows for the accounting period from 1 January 2019 to 31 December 2019 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, 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 and Supervisory Board 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 the statutory body determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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.

The supervisory board is responsible for the supervision of the Company's financial reporting process.

### **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 notes to the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

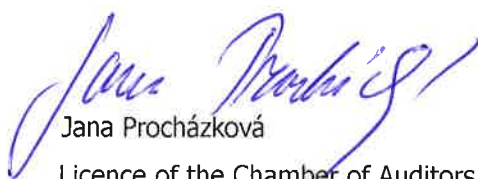
We communicate with the statutory body and supervisory board, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

In Prague on 29 June 2020

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

As of 31 December 2019

(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 1.1.2019	As of 31.12.2019
		No.	(Thousands of CZK)	(Thousands of CZK)
a		b	1	2
<b>A.</b>	<b>Fixed Assets</b>	<b>01</b>	<b>42 500</b>	<b>52 672</b>
<b>A. I.</b>	<b>Intangible assets</b>	<b>02</b>	<b>24 433</b>	<b>40 283</b>
1.	Intangible results from research and development (012)	03	0	0
2.	Software (013)	04	19 046	23 629
3.	Valuable rights (014)	05	1 684	1 834
4.	Low-value intangibles fixed assets (018)	06	14	14
5.	Other intangibles (019)	07	3 366	7 348
6.	Intangible fixed assets under construction (041)	08	323	7 458
7.	Advances for intangible assets (051)	09	0	0
<b>A. II.</b>	<b>Tangible fixed assets</b>	<b>10</b>	<b>81 893</b>	<b>88 365</b>
1.	Land (031)	11	2 639	2 639
2.	Artworks and collections (032)	12	0	0
3.	Buildings and structures (021)	13	26 399	26 399
4.	Movable fixed assets (022)	14	52 792	59 213
5.	Perennial crops (025)	15	0	0
6.	Breeding and draught animals (026)	16	0	0
7.	Low-value fixed assets (028)	17	63	63
8.	Other tangible fixed assets (029)	18	0	0
9.	Tangible fixed assets under construction (042)	19	0	51
10.	Advances for tangible fixed assets (052)	20	0	0
<b>A. III.</b>	<b>Financial assets</b>	<b>21</b>	<b>3 118</b>	<b>0</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 (063)	24	3 118	0
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>-66 944</b>	<b>-75 976</b>
1.	Depreciation of research and development (072)	30	0	0
2.	Depreciation of software (073)	31	-16 281	-18 516
3.	Depreciation of valuable rights (074)	32	-1 608	-1 703
4.	Depreciation of low-value intangibles fixed assets (078)	33	-14	-14
5.	Depreciation of other intangibles (079)	34	-1 021	-2 377
6.	Depreciation of buildings and structures (081)	35	-5 688	-6 631
7.	Depreciation of movable fixed assets (082)	36	-42 269	-46 672
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	-63	-63
11.	Depreciation of other tangible fixed assets (089)	40	0	0



ASSETS		Line	As of 1.1.2019	As of 31.12.2019
		No.	(Thousands of CZK)	(Thousands of CZK)
	a	b	1	2
<b>B.</b>	<b>Current assets</b>	<b>41</b>	<b>717 725</b>	<b>737 022</b>
<b>B.I.</b>	<b>Inventories</b>	<b>42</b>	<b>64 423</b>	<b>44 537</b>
1.	Materials in store (112)	43	63 064	41 951
2.	Materials in transit (119)	44	0	1
3.	Work-in-progress (121)	45	0	778
4.	Semiproducts (122)	46	0	0
5.	Finished products (123)	47	0	0
6.	Livestock (124)	48	0	0
7.	Merchandise in stock (132)	49	262	444
8.	Merchandise in transit (139)	50	0	0
9.	Advance payments for inventory (314)	51	1 097	1 363
<b>B.II.</b>	<b>Receivables</b>	<b>52</b>	<b>141 657</b>	<b>144 866</b>
1.	Customers (311)	53	1 828	8 539
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	60 465	41 654
5.	Other receivables (315)	57	417	2 349
6.	Receivables from employees (335)	58	2 076	1 980
7.	Receivables from social security and health insura (336)	59	0	0
8.	Income taxes (341)	60	737	299
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	3 712	2 848
18.	Estimated receivables (388)	70	72 422	87 197
19.	Depreciations to receivables (391)	71	0	0
<b>B.III.</b>	<b>Short-term financial assets</b>	<b>72</b>	<b>451 533</b>	<b>292 700</b>
1.	Cash (211)	73	14 314	13 905
2.	Stamps and vouchers (213)	74	7	0
3.	Bank accounts (221)	75	417 890	267 692
4.	Shares and similar securities for trading (251)	76	0	0
5.	Bonds, debentures and similar securities for tradin (253)	77	0	0
6.	Other bonds, debentures and securities (256)	78	7 629	0
7.	Cash in transit (259)	79	11 693	11 103
<b>B.IV.</b>	<b>Other assets</b>	<b>81</b>	<b>60 112</b>	<b>254 919</b>
1.	Deferred expenses (381)	82	4 618	7 137
2.	Accrued revenue (385)	83	55 494	247 782
	<b>TOTAL ASSETS</b>	<b>85</b>	<b>760 225</b>	<b>789 694</b>

LIABILITIES AND EQUITY		Line No.	As of 1.1.2019 (Thousands of CZK)	As of 31.12.2019 (Thousands of CZK)
	a	b	1	2
<b>A.</b>	<b>Own resources</b>	<b>86</b>	<b>615 999</b>	<b>560 533</b>
<b>A.I.</b>	<b>Equity</b>	<b>87</b>	<b>616 019</b>	<b>560 154</b>
1.	Own equity (901)	88	38 449	43 765
2.	Funds (911)	89	577 610	516 389
3.	Gains or losses from the revaluation of assets and (921)	90	-40	0
<b>A.II.</b>	<b>Profit or loss</b>	<b>91</b>	<b>-20</b>	<b>379</b>
1.	Profit and loss for account (+/-963)	92	0	379
2.	Profit or loss to be approved (+/-931)	93	-20	0
3.	Retained earnings, accumulated losses from previot (+/-932)	94	0	0
<b>B.</b>	<b>Liabilities</b>	<b>95</b>	<b>144 226</b>	<b>229 161</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>592</b>	<b>1 007</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	592	1 007
<b>B.III.</b>	<b>Short-term liabilities</b>	<b>106</b>	<b>138 461</b>	<b>225 348</b>
1.	Suppliers (321)	107	59 518	137 032
2.	Bills of exchange to be paid (322)	108	0	0
3.	Advance payments received (324)	109	589	593
4.	Other payables (325)	110	1 073	3 962
5.	Employees (331)	111	18 708	19 802
6.	Other payables to employees (333)	112	1 583	1 156
7.	Social security and health insurance institutions (336)	113	8 202	10 305
8.	Income taxes (341)	114	0	0
9.	Other direct taxes (342)	115	2 992	3 820
10.	Value added tax (343)	116	500	240
11.	Other taxes and fees (345)	117	1 286	1 051
12.	Payables to national budget (346)	118	3 327	11 704
13.	Payables to local authorities' budgets (348)	119	0	0
14.	Payables to unpaid subscribed securities and shar (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	34 067	28 835
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	6 616	6 848
23.	Other short-term financial assistance (249)	129	0	0
<b>B.IV.</b>	<b>Other liabilities</b>	<b>130</b>	<b>5 173</b>	<b>2 806</b>
1.	Accrued expenses (383)	131	4 953	2 595
2.	Deferred revenues (384)	132	220	211
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>134</b>	<b>760 225</b>	<b>789 694</b>

Company stamp:

Signature of statutory representative:

Prepared by:

Date of creation:  
29.06.2020

*Simon Pacumek*

*[Signature]*

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

As of 31 December 2019

(In thousands of CZK)



Člověk v tísni, o. p. s.

Šafaříkova 635/24  
 120 00 Praha 2

Organization Identification Number (IČ)
25755277

	Name of indicator	No.	Activity		
			Main	Supplem.	Total
<b>A.</b>	<b>Expenses</b>	<b>01</b>			
<b>A.I.</b>	<b>Consumed purchases</b>	<b>02</b>	<b>723 930</b>	<b>1 588</b>	<b>725 518</b>
1.	Consumed materials, energy and other non-inventory items (501,502,503)	03	82 562	56	82 618
2.	Merchandise sold (504)	04	389	508	897
3.	Repairs and maintenance (511)	05	3 743	349	4 092
4.	Travel expenses (512)	06	51 328		51 328
5.	Entertainment expenses (513)	07	4 585	235	4 820
6.	Other services (518)	08	581 323	440	581 763
<b>A.II.</b>	<b>Change in work-in-progress and capitalisation</b>	<b>09</b>	<b>-2 580</b>	<b>0</b>	<b>-2 580</b>
7.	Change in work-in-progress (561,562,563,564)	10			0
8.	Capitalization of material, goods and internal services (571,572)	11			0
9.	Capitalization of fixed assets (573,574)	12	-2 580		-2 580
<b>A.III.</b>	<b>Personnel expenses</b>	<b>13</b>	<b>451 336</b>	<b>2 057</b>	<b>453 393</b>
10.	Wages and salaries (521)	14	366 965	1 603	368 568
11.	Mandatory social security (524)	15	80 533	454	80 987
12.	Other social insurance (525)	16	40		40
13.	Mandatory social security expenses (527)	17	2 938		2 938
14.	Other social security expenses (528)	18	860		860
<b>A.IV.</b>	<b>Taxes and fees</b>	<b>19</b>	<b>5 494</b>	<b>13</b>	<b>5 507</b>
15.	Taxes and fees (531,532,538)	20	5 494	13	5 507
<b>A.V.</b>	<b>Other expenses subtotal</b>	<b>21</b>	<b>1 148 093</b>	<b>65</b>	<b>1 148 158</b>
16.	Contractual fines, interest on late payments, other fines and penalties (541,542)	22	197		197
17.	Write-off irrecoverable receivables (543)	23	4 210		4 210
18.	Interest expenses (544)	24	5		5
19.	Foreign exchange losses (545)	25	54 284		54 284
20.	Donations to beneficiaries (546)	26	669 668		669 668
21.	Shortages and damage (548)	27	56	4	60
22.	Other expenses (549)	28	419 673	61	419 734
<b>A.VI.</b>	<b>Depreciation, sold property, additions to provisions</b>	<b>29</b>	<b>23 721</b>	<b>0</b>	<b>23 721</b>
23.	Depreciation of tangible and intangible fixed assets (551)	30	11 981		11 981
24.	Net book value of sold tangible and intangible fixed assets (552)	31			0
25.	Securities and shares sold (553)	32	11 739		11 739
26.	Materials sold (554)	33	1		1
27.	Additions to provisions (556, 559)	34			0
<b>A.VII.</b>	<b>Membership fees</b>	<b>35</b>	<b>2 384</b>	<b>5</b>	<b>2 389</b>
28.	Membership fees and contributions paid to operational units (581,582)	36	2 384	5	2 389
<b>A.VIII.</b>	<b>Income tax</b>	<b>37</b>	<b>970</b>	<b>169</b>	<b>1 139</b>
29.	Income tax (591)	38	970	169	1 139
	<b>EXPENSES TOTAL</b>	<b>39</b>	<b>2 353 348</b>	<b>3 897</b>	<b>2 357 245</b>

	Name of Indicator	Line No.	Activity		
			Main	Supplem.	Total
<b>B.</b>	<b>Revenues</b>	<b>40</b>			
<b>B.I.</b>	<b>Operating subsidies</b>	<b>41</b>	<b>0</b>	<b>0</b>	<b>0</b>
1.	Operating subsidies (691)	42			0
<b>B.II.</b>	<b>Contribution received total</b>	<b>43</b>	<b>1 280</b>	<b>0</b>	<b>1 280</b>
<b>B.II.2</b>	<b>Received operating contribuitons</b> (681)	<b>44</b>			<b>0</b>
3.	Received donations (682)	45	1 280		1 280
4.	Received membership fees (684)	46			0
<b>B.III.</b>	<b>Revenues from sales of own products and services</b> (601, 602, 603, 604)	<b>47</b>	<b>43 253</b>	<b>4 785</b>	<b>48 038</b>
<b>B.IV.</b>	<b>Other revenues total</b>	<b>48</b>	<b>2 295 311</b>	<b>55</b>	<b>2 295 366</b>
6.	Contractual fines, interest on late payments and other fines and penalties (641, 642)	49	181		181
6.	Revenue from written-off irrecoverable receivables (643)	50	191		191
7.	Interest revenues (644)	51	773	2	775
8.	Foreign exchange gains (645)	52	52 831		52 831
9.	Accounting for funds (648)	53	1 898 383		1 898 383
10.	Other revenues (649)	54	342 952	53	343 005
<b>B.V.</b>	<b>Revenues from disposal of assets</b>	<b>55</b>	<b>12 940</b>	<b>0</b>	<b>12 940</b>
11.	Revenues from sales of intangible and tangible fixed assets (652)	56	873		873
12.	Revenues from sale of shares and ownership interests (653)	57	12 005		12 005
13.	Revenues from sales of materials (654)	58	6		6
14.	Revenue from short-term financial assets (655)	59			0
15.	Revenue from long-term financial assets (657)	60	56		56
	<b>TOTAL REVENUES</b>	<b>61</b>	<b>2 352 784</b>	<b>4 840</b>	<b>2 357 624</b>
<b>C.</b>	<b>Profit/loss before tax</b>	<b>62</b>	<b>406</b>	<b>1 112</b>	<b>1 518</b>
<b>D.</b>	<b>Profit/loss after tax</b>	<b>63</b>	<b>-564</b>	<b>943</b>	<b>379</b>

<p>Signature of statutory representative:</p> <p>Company stamp:</p>		<p>Prepared by: </p> <p>Date of creation: 29.06.2020</p> <p>Telephone: 226 200 402</p>
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# **Notes to Financial Statements as of December 31, 2019**

## **1. General data**

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

<b>Accounting entity:</b>	<b>Člověk v tísní, o.p.s. (PEOPLE IN NEED)</b>
<b>Registered office:</b>	<b>Šafaříkova 635/24, 120 00 Praha 2</b>
<b>ID Number:</b>	<b>25755277</b>
<b>Tax ID Number:</b>	<b>CZ25755277</b>
<b>Legal status:</b>	<b>Public Benefit Organization</b>
<b>Date of the foundation of the Benevolent Society:</b>	<b>April 16, 1999</b>
<b>Registration:</b>	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, 2019 are:**

<b>Executive Board:</b>	Jan Pergler – Chairman Kristina Taberyová Petr Jančárek Jana Straková Daniel Múnich Petr Kostohryz
<b>Supervisory Board:</b>	Václav Mazánek - Chairman Ondřej Blažek Ondřej Matyáš
<b>Director of the Benevolent Society:</b>	Šimon Pánek
<b>Founders:</b>	Česká televize Ing. Jaromír Štětina Šimon Pánek

#### **Benevolent services as of December 31, 2019:**

- 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 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 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
- Providing debt relief services

#### **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**

The Organization has no organizational unit in European Union.

## **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).

## **1.4. Founding of a charity in Great Britain**

Based on the decision of the Registration Court in Great Britain, the partner organization PEOPLE IN NEED (PIN) UK was established as at December 21, 2018 under the register number 1181344.

**Name:** PEOPLE IN NEED (PIN) UK

**Registered office:** 49-51 East Road, London, N1 6AH

Executive director: Camila Garbutt

Members of the Executive Board: David Chirico, Helen Cibinda Ntale, Jan Mrkvička, Petra Vránová, Šimon Pánek, John Walker, Klara Skrivankova

The aim and purpose of the organization is supporting the victims of wars, natural disasters and other disasters all over the world and developing programs focused on education, health, the fight against poverty and support of human rights.

## 2. Breakdown of personnel expenses for the accounting period 1.1. to 31.12.2019

### Number of employees, Personnel expenses:

The breakdown of the personnel expenses 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 Organization 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.

	Average number of employees*	Gross wages, total in CZK	Average monthly gross wages in CZK	Social, health and other funds contributions in CZK	Personnel expenses, total in CZK
Afghanistan	99,17	11 824 687,61	9 936,38		11 824 687,61
Angola	70,67	5 484 186,97	6 466,90	401 353,15	5 885 540,12
Armenia	11,00	2 806 282,62	21 259,72		2 806 282,62
Bosnia and Hercegovina	1,92	609 108,29	26 436,99	131 960,83	741 069,12
DR Congo	104,83	12 325 892,42	9 798,32	1 428 874,22	13 754 766,64
Ethiopia	204,08	21 920 863,23	8 950,94	1 882 414,85	23 803 278,08
Philippines	27,67	5 760 804,25	17 349,73	262 737,39	6 023 541,64
Georgia	23,58	6 734 774,75	23 801,15	183 876,98	6 918 651,73
Cambodia	34,33	10 563 869,71	25 642,95	93 838,53	10 657 708,24
Kosovo	4,00	994 307,43	20 714,74	89 913,81	1 084 221,24
Costa Rica	7,08	3 385 489,69	39 848,04	784 252,81	4 169 742,50
Iraq	65,58	27 202 238,04	34 566,23	1 920 764,65	29 123 002,69
Moldova	7,92	2 909 207,69	30 610,35	744 777,01	3 653 984,70
Mongolia	11,58	2 519 102,06	18 128,25	408 501,19	2 927 603,25
Myanmar	54,00	7 026 572,86	10 843,48		7 026 572,86
Nepal	62,04	9 684 992,98	13 009,07	1 898 032,66	11 583 025,64
Serbia	2,00	452 380,87	18 849,20	77 385,29	529 766,16
Ukraine	129,33	28 412 822,97	18 307,70	6 220 641,60	34 633 464,57
Zambia	20,50	2 043 674,01	8 307,62	117 704,53	2 161 378,54
<b>Missions total</b>		<b>162 661 258,45</b>		<b>16 647 029,50</b>	<b>179 308 287,95</b>
<b>Employments – including agreement on working activity in the Czech Republic and EU and abroad according to the Czech law</b>	<b>537,23</b>	<b>199 604 331,00</b>	<b>30 961,96</b>	<b>68 177 550,97</b>	<b>267 781 881,97</b>
Of this executive (members of the executive board)**	21,42	12 893 790,00	50 162,58	4 371 093,00	17 264 883,00
	<b>Number of Contracts of services</b>	<b>Total amount paid for Contracts of services</b>			
<b>Contract of Services</b>	<b>1 802</b>	<b>6 303 198,00</b>			<b>6 303 198,00</b>

\* we present an average number of employees recalculated on the term of the employment relationship for missions where employment relationships were concluded or terminated during 2019

\*\* there were other persons in the management of the Organization during 2019 who were no longer active employees at the time of preparing the Notes to the financial statements: Jiří Beran, Tereza Freidingerová, Sylva Horáková, Olena Ivantsiv, Tereza Pelechová, Dominika Plochová, Lucie Rydvanová

### 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 2009 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 (hereinafter referred to as the "accounting principles").

#### 3.1. Tangible, intangible fixed assets and financial assets

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
• Valuable 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 usable 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 straight-line method of depreciation. 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 technologies	36
Mobile phones and other telecommunication technologies	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	Individually according to the product specification
Valuable 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 Organization 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 and they are subject to inventory.

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 to 2019, 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 CAS (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 or in the register in a separate module of SW Navision.

### 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, payables, subsidies and grants according to the indent 3.7 that are recorded 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, where 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 on the first day of the month and converted to CZK
- Exchange rate of the Myanmar Kyat (MMK), which is determined by the rate of exchange to USD declared by the Central Bank of Myanmar on the first working day of 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 Iraqi Dinar (IQD), which is determined by the average rates of EUR buy and sell declared by the Central Bank of Iraq on the first working day of the month and converted to CZK
- Exchange rate of Venezuelan Bolivar (VES), which is determined by the rate of exchange to USD declared by the Banco Central De Venezuela on the first working day of the month and converted to CZK

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

Exchange differences identified at the end of the balance sheet date 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, receivables, subsidies and grants according to the indent 3.7. reported as of December 31, 2019 and recorded in foreign currency declared by ČNB is converted by the ČNB exchange rate valid as of December 31, 2019. If the foreign currency is not declared by ČNB daily, the exchange rate declared by the ČNB as of December 31, 2019 as the exchange rate of other currencies with the exception of the below-mentioned examples, the exchange rate as of December 31, 2019 is used:

- The rate of exchange of the Cuban Convertible Peso (CUC), calculated for a given accounting period as of December 31, 2019
- The rate of exchange of the Cuban Peso (CUP), calculated as of December 31, 2019
- The rate of exchange of the Transnistrian Ruble (PDR), calculated as of December 31, 2019
- The rate of exchange of the Myanmar Kyat (MMK), calculated as of December 31, 2019
- The rate of exchange of the Syrian Pound (SYP), calculated as of December 31, 2019
- The rate of exchange of the Iraqi Dinar (IQD), calculated as of December 31, 2019
- The rate of exchange of the Venezuelan Bolivar (VES), calculated as of December 31, 2019

### 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 subsidies, 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.

- 1) The Company divides funds to the bound and free:
  - a) 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.
  - b) Free funds are funds whose use is in full charge of PIN and is not covered by any other legislation, eventually it is covered only very generally.
- 2) The Company also records received subsidies and grants by currency and by the conversion rate determined by provider.
  - a) Subsidies and grants which are settled with the provider in foreign currency by rates that company uses during the reporting period.
  - b) Subsidies and grants which are settled with the provider at the rate set by the provider.
  - c) Other subsidies and grants recorded in the Czech currency.

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, 2019 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, 2019 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 Organization. The fund of operating reserves is recorded in account 917.

## Additional information to the Balance Sheet and Profit and Loss Account

### 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, 2018	Increase	Decrease					Advance payment accounting/ classification	Status as of December 31, 2019
			Liquidation	Sale	Donation	Deficits/ damages	Revaluation of assets		
<b>Intangible assets</b>	<b>24 433</b>	<b>25 573</b>	<b>504</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9 219</b>	<b>40 283</b>
Of which:									
Software	19 046	5 087	504						23 629
Valuable rights	1 684	150							1 834
Low-value intangible fixed assets	14								14
Other intangibles	3 366	3 982							7 348
Intangible fixed assets under construction	323	16 354						9 219	7 458
Advances for intangible assets	0								0
<b>Tangible fixed assets</b>	<b>81 893</b>	<b>18 657</b>	<b>680</b>	<b>487</b>	<b>1 325</b>	<b>602</b>	<b>0</b>	<b>9 091</b>	<b>88 365</b>
Of which:									
Land	2 639								2 639
Artworks and collections	0								0
Buildings and structures	26 399								26 399
Cars and motorcycles	38 603	7 675	48		1 183	602			44 445
Other movable fixed assets (*)	14 189	1 416	632	63	142				14 768
Low-value fixed assets	63								63
Tangible fixed assets under construction (buildings)	0								0
Tangible fixed assets under construction (non-attached property)	0	9 566		424				9 091	51
Advances for tangible fixed assets	0								0
<b>Financial assets</b>	<b>3 118</b>			<b>3 118</b>					<b>0</b>
Of which:									
Securities (**)	3 118			3 118					0
<b>Total</b>	<b>109 444</b>	<b>44 230</b>	<b>1 184</b>	<b>3 605</b>	<b>1 325</b>	<b>602</b>	<b>0</b>	<b>18 310</b>	<b>128 648</b>

Note: \* in the Other movable fixed assets line, liquidation column is also included the value of 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, 2018	Increase	Decrease				Status as of December 31, 2019
			Liquida- tion	Sale	Dona- tion	Deficits/ dama- ges	
<b>Intangible assets</b>	<b>18 924</b>	<b>4 190</b>	<b>504</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>22 610</b>
Of which:							
Software	16 281	2 739	504				18 516
Valuable rights	1 608	95					1 703
Low-value intangibles fixed assets	14						14
Other intangibles	1 021	1 356					2 377
<b>Tangible assets</b>	<b>48 020</b>	<b>8 016</b>	<b>680</b>	<b>63</b>	<b>1 325</b>	<b>602</b>	<b>53 366</b>
Of which:							
Buildings and structures	5 688	943					6 631
Cars and motorcycles	31 737	4 732	48		1 183	602	34 636
Other movable fixed assets	10 532	2 341	632	63	142		12 036
Low-value fixed assets	63						63
<b>Total</b>	<b>66 944</b>	<b>12 206</b>	<b>1 184</b>	<b>63</b>	<b>1 325</b>	<b>602</b>	<b>75 976</b>

## Assets – depreciated price

	Status as of December 31, 2018	Status as of December 31, 2019
<b>Intangible assets</b>	<b>5 509</b>	<b>17 673</b>
Of which:		
Software	2 765	5 113
Valuable rights	76	131
Low-value intangibles fixed assets	0	0
Other intangibles	2 345	4 971
Intangible assets under construction	323	7 458
Advances for intangible assets	0	0
<b>Tangible assets</b>	<b>33 873</b>	<b>34 999</b>
Of which:		
Land	2 639	2 639
Buildings and structures	20 711	19 768
Cars and motorcycles	6 866	9 809
Other movable fixed assets	3 657	2 732
Low-value fixed assets	0	0
Tangible fixed assets under construction (buildings)	0	0
Tangible fixed assets under construction (non-attached property)	0	51
Advances for tangible fixed assets	0	0
<b>Financial assets</b>	<b>3 118</b>	<b>0</b>
Of which:		
Securities	3 118	0
<b>Total</b>	<b>42 500</b>	<b>52 672</b>

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

Number of bonds as of December 31, 2018	Value as of December 31, 2018 according to the financial statements (in thousands of CZK)	Number of bonds as of December 31, 2019	Value as of December 31, 2019 according to the financial statements (in thousands of CZK)
221	3 118	0	0

These are mainly government bonds issued by creditworthy banking institutions.

The Company holds a maximum conservative investment strategy.

In 2019, all of the held securities were sold.

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

### 5. Current assets

#### 5.1. Inventories – assets B. I.

Inventories (thousand CZK)	As of December 31, 2018	As of December 31, 2019
Materials in store	63 064	41 951
Materials in transit	0	1
Work in progress	0	778
Merchandise in stock and in stores	262	444
Advance payments for inventory	1 097	1 363
<b>Total</b>	<b>64 423</b>	<b>44 537</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
- Food aid in the Czech Republic

Merchandise in stock consists mainly of:

- Goods in Café Langhans and stock sold as charity items.
- The materials in transit consists of rulers for a school project in Zambia, which was delivered in 2020

Work in progress consists of website development in Mongolia.

Advance payments for inventory consist mainly of advance payments for the purchase of inventory for humanitarian and development aid, especially in Ukraine, Armenia and Zambia.



	Status as of December 31, 2018	Status as of December 31, 2019
<b>5.2. Receivables (thousands of CZK) – assets B. II.</b>		
<i>Matters in italics relate to the year 2019</i>		
<b>Trade receivables total</b>	<b>62 710</b>	<b>52 542</b>
<b>Of which</b>		
<b>Receivables from customers</b>	<b>1 828</b>	<b>8 539</b>
Receivables overdue more than 365 days	0	0
Receivables overdue 181 up to 364 days	17	9
Receivables overdue 91 up to 180 days	1	2
Receivables overdue 0 up to 90 days	87	1 363
Receivables prior maturity	1 723	7 165
<i>Amount of outstanding receivables as of the date of drawing up of the financial statement: 0</i>		
<b>Operational advance payments made</b>	<b>60 465</b>	<b>41 654</b>
<i>The most important amounts are the advances to suppliers who implement part of the project mostly in Burma, Ethiopia, Congo, Nepal, Iraq, Ukraine 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>417</b>	<b>2 349</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>2 076</b>	<b>1 980</b>
<i>Advance payments for unfinished long-term business journeys; prepayments to employees charged in 2020</i>		
<b>Income taxes</b>	<b>737</b>	<b>299</b>
<i>Advanced payments of corporation tax 2019 reduced by the tax liability</i>		
<b>Sundry receivables</b>	<b>3 712</b>	<b>2 848</b>
<i>There are the receivables from partner organizations on this line that cover mainly loans; the largest loan is the loan to the partner organization Člověk v ohrožení, n.o. that is due at the end of the balance sheet date.</i>		
<b>Estimated receivables</b>	<b>72 422</b>	<b>87 197</b>
<i>These are estimated receivables on the outstanding revenue grants used by the company under a valid contract in 2019, but the donor funds had not been paid by the date of preparation of the financial statements. A major part of the estimated receivables is the performance of the project of humanitarian and development aid in Iraq, Burma, Ethiopia, Georgia, DR Congo, Philippines and Afghanistan. These projects are financed from resources of the United Nations agency, European Commission, resources of foreign governments (USA, Italy, Afghanistan, Netherlands, Switzerland and New Zealand) and of non-profit organizations.</i>		
<b>Total receivables</b>	<b>141 657</b>	<b>144 866</b>

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

#### Short-term financial assets

	As of December 31, 2018	As of December 31, 2019
Cash	14 314	13 905
Stamps and vouchers	7	0
Bank accounts	417 890	267 692
Other bonds, debentures and securities	7 629	0
Cash in transit	11 693	11 103
<b>Total</b>	<b>451 533</b>	<b>292 700</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, 2018	Value as of December 31, 2018 (in thousands of CZK)	Number of securities as of December 31, 2019	Value as of December 31, 2019 (in thousands of CZK)
7 673 756	7 629	0	0

	Status as of December 31, 2018	Status as of December 31, 2019
<b>5.4. Other assets (thousands of CZK) – assets B. IV.</b>		
<b>Deferred expenses</b>	<b>4 618</b>	<b>7 137</b>
<i>A significant part is made up of the expenses of the year 2020 paid in 2019, mainly for regular administrative services of economic and accounting software, for air tickets and insurance.</i>		
<i>The accounting unit accounts for current expenses there related to accrued expenses.</i>		
<i>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>55 494</b>	<b>247 782</b>
<i>These are contractually assured and received incomes in the following accounting period for projects that were partially realized in 2019.</i>		
<i>The most significant part of revenues comes from the USA government through U.S. Agency for International Development, from British government through Department for International Development, from EU and OSN UNICEF agency.</i>		
<b>Total other assets</b>	<b>60 112</b>	<b>254 919</b>

## 6. Equity

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

account 901 - Equity

	Equity from previous years	Assets from grants acquired for own activities	Material gifts	Total
<b>Status as of January 1, 2019</b>	<b>8 176</b>	<b>30 271</b>	<b>2</b>	<b>38 449</b>
Increase – acquisition of fixed assets and material gifts accepted		11 895		<b>11 895</b>
Decrease – disposal of fixed assets, depreciation, material gifts to other parties		- 6 577	-2	<b>-6 580</b>
<b>Status as of December 31, 2019</b>	<b>8 176</b>	<b>35 589</b>	<b>0</b>	<b>43 765</b>
		<b>43 765</b>		

The increase in equity consists mainly of the purchase of two cars in Nepal (CZK 2 248 thousand), 14 motorcycles in the DR Congo (CZK 1 897 thousand), cars in the Czech Republic within the social integration programmes (CZK 649 thousand), cars in the Philippines (CZK 552 thousand), the purchase of the audiovisual spot "Reklama na debilno" within the One World in Schools project (CZK 487 thousand) and the purchase of part of the Beneficiary Management System software application (CZK 524 thousand).

The decrease in equity consists mainly of depreciation of assets from grants for own activities (CZK 6,153 thousand).

### 6.2. Funds – accounting group 91 (in thousands 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, 2019	Increase – donations accepted, gifts	Decrease – utilization, provision of gifts	Decrease – refunds of unused resources	Balance for utilization in 2020
<b>Funds total</b>	<b>577 610</b>	<b>1 875 187</b>	<b>1 909 855</b>	<b>26 554</b>	<b>516 389</b>

Of which:

## 6.2.1. Funds – bound

	Initial status as of January 1, 2019	Increase – donations accepted, gifts	Decrease – utilization, provision of gifts	Decrease – refunds of unused resources	Balance for utilization in 2020
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### Collections (number / name)

S-MHMP/578034/2013 Support for education in Africa	2 921	3 285	3 046	0	3 160
S-MHMP/352276/2013 Banat (Romania)	27	75	59	0	43
<b>Total collections</b>	<b>2 948</b>	<b>3 359</b>	<b>3 105</b>	<b>0</b>	<b>3 203</b>

	Initial status as of January 1, 2019	Increase – donations accepted, gifts	Decrease – utilization, provision of gifts	Decrease – refunds of unused resources	Balance for utilization in 2020
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### State and local administration budgetary contributions, budgetary contributions from EU and subsidies from other foreign governments

State budget subsidies	2 547	142 027	127 484	12 833	4 257
Local administration subsidies	658	68 806	65 583	3 345	536
EU funds subsidies	198 780	404 403	476 859	1 502	124 822
Subsidies from operational programs	27 249	77 188	62 374	2 169	39 894
Subsidies from funds of other foreign governments	112 374	787 135	819 582	5 517	74 410
Subsidies from UN Agencies	17 620	182 506	145 106	264	54 756
<b>Total subsidies</b>	<b>359 228</b>	<b>1 662 065</b>	<b>1 696 988</b>	<b>25 630</b>	<b>298 675</b>

	Initial status as of January 1, 2019	Increase – donations accepted, gifts	Decrease – utilization, provision of gifts	Decrease – refunds of unused resources	Balance for utilization in 2020
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### Funds – bound gifts (grants)

Bound gifts (grants) - NGO	25 180	34 208	40 755	901	17 732
<b>Total funds (grants)</b>	<b>25 180</b>	<b>34 208</b>	<b>40 755</b>	<b>901</b>	<b>17 732</b>

	Initial status as of January 1, 2019	Increase – donations accepted, gifts	Decrease – utilization, provision of gifts	Decrease – refunds of unused resources	Balance for utilization in 2020
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### Other funds

Other	18 999	21 304	22 429	1	17 873
Non-monetary gifts	30 669	12 802	36 739	0	6 732
<b>Total Other funds</b>	<b>49 668</b>	<b>34 106</b>	<b>59 168</b>	<b>1</b>	<b>24 605</b>

<b>Total bound funds</b>	<b>437 024</b>	<b>1 733 739</b>	<b>1 800 015</b>	<b>26 533</b>	<b>344 215</b>
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## 6.2.2. Funds – free

	Initial status as of January 1, 2019	Increase – donations accepted, gifts	Decrease – utilization, provision of gifts	Decrease – refunds of unused resources	Balance for utilization in 2020
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### Collections (number / name)

S-MHMP/166354/2008					
S-MHMP/204638/2011					
S-MHMP/284758/2014 Long-term collection "Skutečná pomoc" (Real Help)	32 176	51 608	35 613	0	48 171
S-MHMP/1230014/2012 Long-term humanitarian collection:					
„Povodně" (Flood) in the Czech Republic	182	6	0	0	188
Syria and Iraq	1 456	2 784	3 947	0	293
Nepal	506	95	552	0	49
Ukraine	2 345	658	378	0	2 625
Venezuela	0	141	119	0	22
Bangladesh	0	68	68	0	0
S-MHMP/1551858/2014 "Lepší škola pro všechny" (Better school for everyone)	15 086	8 458	5 927	0	17 617
<b>Total collections</b>	<b>51 751</b>	<b>63 818</b>	<b>46 604</b>	<b>0</b>	<b>68 965</b>

	Initial status as of January 1, 2019	Increase – donations accepted, gifts	Decrease – utilization, provision of gifts	Decrease – refunds of unused resources	Balance for utilization in 2020
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### Other funds

Fund created from resources of: Charles Stewart Mott Foundation, The Ford Foundation, Šimon Pánek - Prize Quoriga, Unilever prize - purchase of securities, change of conversion method	9 259	0	0	0	9 259
Club of Friends	65 647	67 283	54 379	0	78 551
Reserve fund and operating reserve fund (created from profit from previous periods)	7 301	0	228	20	7 053
Other	6 628	10 347	8 629	0	8 346
<b>Total other funds</b>	<b>88 835</b>	<b>77 630</b>	<b>63 236</b>	<b>20</b>	<b>103 209</b>

<b>Total free funds</b>	<b>140 586</b>	<b>141 448</b>	<b>109 840</b>	<b>20</b>	<b>172 174</b>
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## 7. Profit/Loss

### 7.1. Profit/Loss and tax calculation as of December 31, 2019

The economic result of the Organization for 2019 is an accounting profit in the amount of CZK 379 thousand (after tax).

The Profit and Loss Account 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 organization separately according to the centres.

Tax liability for the 2019 taxation period relating to corporate income tax is CZK 1.139 thousand. The Company has used the option of exemption pursuant to § 20, par. 7 of Income Tax Act no. 586/1992 Coll.

#### **Tax calculation (in thousands CZK)**

Revenues total	2 357 624 351,60
Expenses total (except 591)	2 356 106 022,02
Taxable income	1 518 329,58
Adjustment of the tax base	6 950 021,75
<b>Total tax base</b>	<b>8 468 351,33</b>
Deduction of the tax base under § 20 of the Income Tax Act	1 000 000,00
Final tax base	7 468 351,33
Tax base after rounding	7 468 000,00
19% tax	1 418 920,00
Tax discount	279 720,00
<b>19% tax after discount</b>	<b>1 139 200,00</b>

In 2018, 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 2019.

### 7.2. Approval of the financial statements for 2018

The Executive Board at its meeting in June 2019 approved the financial statements of the Organization for the 2018 accounting period, showing a loss in the amount of CZK 20 303,69 after tax that was in compliance with the decision of the Executive Board accounted on June 24, 2019 as an decrease in the company operating reserve fund.



## 8. Liabilities

	Status as of December 31, 2018	Status as of December 31, 2019
<b>8.1. Liabilities (thousands of CZK) B. III.</b>		
<i>Matters in italics relate to the year 2019</i>		
<b>Liabilities (suppliers, advances received, other payables) – total</b>	<b>61 180</b>	<b>141 587</b>
<b>Of which</b>		
<b>Suppliers total</b>	<b>59 518</b>	<b>137 032</b>
Payables overdue more than 365 days	0	0
Payables overdue 181 to 364 days	36	2 671
Payables overdue 91 to 180 days	3 199	496
Payables overdue 0 to 90 days	3 726	14 097
Payables prior to maturity	52 557	119 768
<i>Amount of unpaid payables as of the date of the drawing up of the financial statements: 3 999.</i>		
<b>Advance payments received</b>	<b>589</b>	<b>593</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>1 073</b>	<b>3 962</b>
<i>of which retentions on purchase of construction works in Ethiopia, Iraq and Syria</i>	998	1 836
<i>of which mainly outstanding liabilities to partner organization L'Office Français de l'Immigration et de l'Intégration within the project Reintegration assistance program through employment in Georgia</i>	75	2 126
<b>Payables to employees</b>	<b>20 291</b>	<b>20 958</b>
<i>Amount of unpaid payables as of the date of the drawing up of the financial statements: 11</i>		
<b>Payables to social security institution (Czech Republic)</b>	<b>5 068</b>	<b>5 221</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>2 183</b>	<b>2 258</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>951</b>	<b>2 826</b>
<b>Angola, Armenia, Bosna, Ethiopia, Philippines, Georgia, Iraq, Cambodia, DR Congo, Kosovo, Costa Rica, Moldova, Mongolia, Nepal, Serbia, Ukraine, Zambia</b>		
<i>Amount of unpaid payables as of the date of the drawing up of the financial statements: 2 125</i>		
<i>of which liabilities to institutions in Iraq in the amount of CZK 1,423 thousand due to the incomplete registration due to the poor security situation</i>		
<b>State budget payables (Czech Republic)</b>	<b>6 092</b>	<b>14 323</b>
<i>These are refunds of unutilized parts of subsidies from the state budget, employment tax for employees.</i>		
<i>Amount of unpaid payables as of the date of the drawing up of the financial statements: 0</i>		
<b>State budget payables</b>	<b>2 013</b>	<b>2 492</b>
<b>Afghanistan, Angola, Armenia, Bosna, DR Congo, Ethiopia, Philippines, Georgia, Iraq, Cambodia, Costa Rica, Moldavia, Myanmar, Nepal, Serbia, Turkey, Ukraine, Zambia</b>		
<i>Amount of unpaid payables as of the date of the drawing up of the financial statements: 1 042</i>		

of which liabilities to institutions in Iraq in the amount of CZK 779 thousand due to the incomplete registration due to the poor security situation

<b>Sundry payables</b>	<b>34 067</b>	<b>28 835</b>
<i>The majority is formed by payables from partner organizations and refunds of unused received subsidies.</i>		
<b>Estimated payables (personal line insurance, supplies of services to the leased property)</b>	<b>6 616</b>	<b>6 848</b>
<i>These are costs of the accounting period that have not been invoiced to the company yet.</i>		
<b>Total liabilities</b>	<b>138 461</b>	<b>225 348</b>

	<b>Status as of December 31, 2018</b>	<b>Status as of December 31, 2019</b>
<b>8.2. Other liabilities (thousands of CZK) – liabilities and equity B. IV.</b>		
<b>Accrued expenses</b>	<b>4 953</b>	<b>2 595</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>220</b>	<b>211</b>
<b>Total other liabilities</b>	<b>5 173</b>	<b>2 806</b>

## 9. Profit and loss account – expenses

Item A.I.6 "Other services" has a value of CZK 581 763 thousand, and includes mainly the costs of purchases from suppliers of services in the provision of project realization (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 "Donations to beneficiaries" has a value of CZK 669 668 thousand, and mainly includes financial donations and inventories provided in the context of humanitarian and development aid mainly in Syria, Ethiopia, Ukraine, Iraq and Afghanistan. Financial donations and inventories were used for securing accommodation, food and wintering for inhabitants in war zones and refugees in Syria, Iraq and Ukraine.

Item A.V.22 "Other expenses" has a value of CZK 419 734 thousand, and mainly includes costs of partners spent during 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 48 038 thousand, and mainly includes sale of services connected with ensuring access to drinking water for inhabitants in Ethiopia, community development projects in Afghanistan, Philippines and Moldova.

Item B.IV.9. "Accounting for funds" has a value of CZK 1 898 383 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 Organization.

Item B.IV.10. "Other revenues" has a value of CZK 343 005 thousand and relates to the main business of the Organization; it mainly includes revenue estimates for outstanding grants that the Organization benefited by a valid contract in 2019, but the funds from the donor have not been 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 2019.

## 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 2019. For other verification services was invoiced CZK 170 thousand in 2019, for advisory services CZK 24 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 was extended to December 31, 2020).

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

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

First reports concerning COVID-19 (coronavirus) appeared at the end of the year 2019. In the first months of 2020 the virus spread practically to the whole world including the countries where the Organization operates. The Organization's management responded to the Government Regulation in the Czech Republic and also in the foreign countries where the Organization operates by quick transition of employees to the home office mode with an online connection to the central data. This transition went smooth and with an acceptable impact on both Organization's management and project implementation thanks to the timely strengthening of the key IT structure.

The Organization's management continuously monitors and evaluates the impacts of COVID-19 on both sides Organization's resources and projects implementation. According to all these observations, it is unlikely that there will be a significant decrease in private or institutional resources, nor a significant decrease in projects implementation in 2020. The impact of the expected economic damage especially on public budgets in the Czech Republic and abroad in 2021 cannot be reasonably predicted as of the date of publication of the 2019 financial statements. The Organization's management therefore continues to monitor, evaluate and quickly respond if necessary. The Organization's management states that the effects of COVID-19 do not have a significant impact on the company's going concern assumption.

There were no other events after the balance sheet date and until the date of drawing up of the financial statements that would significantly affect the reported values of assets and liabilities, the financial situation and the economic result of the company in the financial statements as at 31 December 2019.

In Prague, June 29, 2020

Prepared by: Anna Spružinová  
Accountant



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

**Cash flow statement**  
as of 31 December 2019  
(In thousands of CZK)

		current period	prior period
<b>P.</b>	<b>Cash and cash equivalents, beginning of year</b>	<b>451 533</b>	<b>395 955</b>
<b>Net operating cash flow</b>			
<b>Z.</b>	Accounting profit (loss) before taxation	1 518	892
<b>A.1.</b>	<b>Non-cash transactions</b>	<b>14 814</b>	<b>10 882</b>
A.1.1.	Depreciation of fixed assets	11 981	10 099
A.1.2.	Change in provisions and other adjustments	0	0
A.1.3.	Profit(-) Loss(+) on sale of fixed assets	-873	-1 383
A.1.4.	Expense and revenue interests accounted for	-770	-1
A.1.5.	Other non-cash transactions	4 250	1 400
A.1.6.	Gifts (buildings)	226	767
<b>A.*</b>	<b>Net operating cash flow before taxation, changes in working capital and extraordinary items</b>	<b>16 332</b>	<b>11 774</b>
<b>A.2.</b>	<b>Current assets</b>	<b>-97 521</b>	<b>20 253</b>
A.2.1.	Change in receivables and other temporary assets	-201 927	48 212
A.2.2.	Change in short-term liabilities and other temporary liabilities	84 520	-6 055
A.2.3.	Change in inventory	19 886	-21 904
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>-81 189</b>	<b>32 027</b>
A.3.	Interest paid excluding amounts capitalised	-5	-42
A.4.	Interest received	775	43
A.5.	Income tax paid on ordinary income and income tax relating to prior periods	-1 438	-1 644
<b>A.***</b>	<b>Net operating cash flow</b>	<b>-81 857</b>	<b>30 384</b>
<b>Investment activity</b>			
<b>B.1.</b>	<b>Acquisition of fixed assets</b>	<b>-25 497</b>	<b>-11 636</b>
B.1.1.	Acquisition of tangible fixed assets	-9 142	-6 079
B.1.2.	Acquisition of intangible fixed assets	-16 355	-4 051
B.1.3.	Acquisition of long-term investments	0	-1 506
B.2.1.	Proceeds from sales of fixed assets	873	2 009
B.2.2.	Proceeds from sales of long-term investments	3 118	1 113
<b>B.***</b>	<b>Net cash flow from investment activity</b>	<b>-21 506</b>	<b>-8 514</b>
<b>Financial activity</b>			
<b>C.1.</b>	<b>Change in long-term liabilities and bank loans</b>	<b>415</b>	<b>-250</b>
C.1.1.	Increase and decrease in long-term loans	0	0
C.1.2.	Increase and decrease in other long-term payables	415	-250
<b>C.2.</b>	<b>Increase and decrease in equity</b>	<b>-55 885</b>	<b>33 958</b>
C.2.1.	Change in own equity	5 336	3 253
C.2.2.	Change in funds	-61 221	30 705
<b>C.***</b>	<b>Net cash flow from financial activity</b>	<b>-55 470</b>	<b>33 708</b>
<b>F.</b>	<b>Net increase or decrease in cash balance</b>	<b>-158 833</b>	<b>55 578</b>
<b>R.</b>	<b>Cash and cash equivalents, end of period</b>	<b>292 700</b>	<b>451 533</b>