

INDEPENDENT AUDITOR'S REPORT

on the financial statements

Člověk v tísní, o.p.s.

(PEOPLE IN NEED)

as of 31 December 2020



Identification data:

Name of the accounting entity: Člověk v tísni, o.p.s.

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

ID number: 257 55 277

Legal status: Public Benefit Organization

Director: Šimon Pánek

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: Ing. Jana Procházková
Licence of the Chamber of Auditors of the Czech
Republic no. 2094

Verified period: 1 January 2020 – 31 December 2020

**Date of the execution
of the Report:** 21 June 2021



INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of Company Člověk v tísni, 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 2020, the profit and loss account from 1 January 2020 to 31 December 2020, and cash flow statement for the period from 1 January 2020 to 31 December 2020, 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 tísni, 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 tísni, o.p.s. (PEOPLE IN NEED) as at 31 December 2020, and of its expenses, revenues and profit/loss and its cash flows for the accounting period from 1 January 2020 to 31 December 2020 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 tísni, 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 tísní, 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 tísní, 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 tísní, 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 tísní, 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 21 June 2021

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*
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 2020

(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 1.1.2020	As of 31.12.2020
		No.	(Thousands of CZK)	(Thousands of CZK)
a		b	1	2
A.	Fixed Assets	01	52 672	57 303
A. I.	Intangible assets	02	40 283	56 222
	1. Intangible results from research and development (012)	03	0	0
	2. Software (013)	04	23 629	43 843
	3. Valuable rights (014)	05	1 834	1 834
	4. Low-value intangibles fixed assets (018)	06	14	14
	5. Other intangibles (019)	07	7 348	9 833
	6. Intangible fixed assets under construction (041)	08	7 458	698
	7. Advances for intangible assets (051)	09	0	0
A. II.	Tangible fixed assets	10	88 365	90 845
	1. Land (031)	11	2 639	2 639
	2. Artworks and collections (032)	12	0	0
	3. Buildings and structures (021)	13	26 399	26 452
	4. Movable fixed assets (022)	14	59 213	61 539
	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	51	152
	10. Advances for tangible fixed assets (052)	20	0	0
A. III.	Financial assets	21	0	0
	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	0	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
A. IV.	Accumulated depreciation on fixed assets	29	-75 976	-89 764
	1. Depreciation of research and development (072)	30	0	0
	2. Depreciation of software (073)	31	-18 516	-22 718
	3. Depreciation of valuable rights (074)	32	-1 703	-1 753
	4. Depreciation of low-value intangibles fixed assets (078)	33	-14	-14
	5. Depreciation of other intangibles (079)	34	-2 377	-4 805
	6. Depreciation of buildings and structures (081)	35	-6 631	-7 532
	7. Depreciation of movable fixed assets (082)	36	-46 672	-52 879
	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 1.1.2020	As of 31.12.2020
		No.	(Thousands of CZK)	(Thousands of CZK)
a		b	1	2
B.	Current assets	41	737 022	1 142 275
B.I.	Inventories	42	44 537	43 049
1.	Materials in store (112)	43	41 951	39 634
2.	Materials in transit (119)	44	1	0
3.	Work-in-progress (121)	45	778	0
4.	Semiproducts (122)	46	0	0
5.	Finished products (123)	47	0	1 074
6.	Livestock (124)	48	0	0
7.	Merchandise in stock (132)	49	444	217
8.	Merchandise in transit (139)	50	0	0
9.	Advance payments for inventory (314)	51	1 363	2 124
B.II.	Receivables	52	144 866	167 283
1.	Customers (311)	53	8 539	22 570
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	41 654	71 087
5.	Other receivables (315)	57	2 349	1 957
6.	Receivables from employees (335)	58	1 980	4 316
7.	Receivables from social security and health insura (336)	59	0	0
8.	Income taxes (341)	60	299	1 051
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	2 848	7 510
18.	Estimated receivables (388)	70	87 197	58 792
19.	Depreciations to receivables (391)	71	0	0
B.III.	Short-term financial assets	72	292 700	789 426
1.	Cash (211)	73	13 905	14 825
2.	Stamps and vouchers (213)	74	0	0
3.	Bank accounts (221)	75	267 692	767 061
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	0	79
7.	Cash in transit (259)	79	11 103	7 461
B.IV.	Other assets	81	254 919	142 517
1.	Deferred expenses (381)	82	7 137	4 171
2.	Accrued revenue (385)	83	247 782	138 346
TOTAL ASSETS		85	789 694	1 199 578

LIABILITIES AND EQUITY		Line No.	As of 1.1.2020	As of 31.12.2020
			(Thousands of CZK)	(Thousands of CZK)
a		b	1	2
A.	Own resources	86	560 533	996 743
A.I.	Equity	87	560 154	994 196
1.	Own equity (901)	88	43 765	39 346
2.	Funds (911)	89	516 389	954 850
3.	Gains or losses from the revaluation of assets and (921)	90	0	0
A.II.	Profit or loss	91	379	2 547
1.	Profit and loss for account (+/-963)	92	0	2 547
2.	Profit or loss to be approved (+/-931)	93	379	0
3.	Retained earnings, accumulated losses from previous periods (+/-932)	94	0	0
B.	Liabilities	95	229 161	202 835
B.I.	Provisions	96	0	0
1.	Tax deductible provisions (941)	97	0	0
B.II.	Long-term liabilities	98	1 007	435
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	1 007	435
B.III.	Short-term liabilities	106	225 348	190 519
1.	Suppliers (321)	107	137 032	100 647
2.	Bills of exchange to be paid (322)	108	0	0
3.	Advance payments received (324)	109	593	905
4.	Other payables (325)	110	3 962	3 080
5.	Employees (331)	111	19 802	21 168
6.	Other payables to employees (333)	112	1 156	731
7.	Social security and health insurance institutions (336)	113	10 305	12 699
8.	Income taxes (341)	114	0	0
9.	Other direct taxes (342)	115	3 820	4 864
10.	Value added tax (343)	116	240	458
11.	Other taxes and fees (345)	117	1 051	1 191
12.	Payables to national budget (346)	118	11 704	9 445
13.	Payables to local authorities' budgets (348)	119	0	0
14.	Payables to unpaid subscribed securities and shares (367)	120	0	0
15.	Payables to participants in association (368)	121	0	0
16.	Payables to fixed-term financial transactions (373)	122	0	0
17.	Sundry payables (379)	123	28 835	27 517
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	6 848	7 814
23.	Other short-term financial assistance (249)	129	0	0
B.IV.	Other liabilities	130	2 806	11 881
1.	Accrued expenses (383)	131	2 595	11 745
2.	Deferred revenues (384)	132	211	136
TOTAL LIABILITIES AND EQUITY		134	789 694	1 199 578

Company stamp:

Signature of statutory representative:

Prepared by:

Date of creation:
21.06.2021

Karel Pávek

Jana Pávková

Telephone: 226 200 402



PROFIT & LOSS ACCOUNT

As of 31 December 2020

(In thousands of CZK)


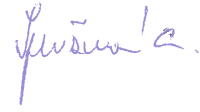
Člověk v tísni, o. p. s.

Šafaříkova 635/24
 120 00 Praha 2

Organization Identification Number (IČ)
25755277

Name of indicator	No.	Activity		
		Main	Supplem.	Total
Expenses	01			
A.				
A.I. Consumed purchases	02	639 274	1 400	640 674
1. Consumed materials, energy and other non-inventory items (501,502,503)	03	58 527	86	58 613
2. Merchandise sold (504)	04	296	211	507
3. Repairs and maintenance (511)	05	3 156	260	3 416
4. Travel expenses (512)	06	31 894	0	31 894
5. Entertainment expenses (513)	07	1 388	143	1 531
6. Other services (518)	08	544 013	700	544 713
A.II. Change in work-in-progress and capitalisation	09	-2 459	0	-2 459
7. Change in work-in-progress (561,562,563,564)	10	0	0	0
8. Capitalization of material, goods and internal services (571,572)	11	-1	0	-1
9. Capitalization of fixed assets (573,574)	12	-2 458	0	-2 458
A.III. Personnel expenses	13	477 124	1 195	478 319
10. Wages and salaries (521)	14	386 757	937	387 694
11. Mandatory social security (524)	15	86 423	258	86 681
12. Other social insurance (525)	16	77	0	77
13. Mandatory social security expenses (527)	17	3 516	0	3 516
14. Other social security expenses (528)	18	351	0	351
A.IV. Taxes and fees	19	5 400	24	5 424
15. Taxes and fees (531,532,538)	20	5 400	24	5 424
A.V. Other expenses subtotal	21	1 157 639	77	1 157 716
16. Contractual fines, interest on late payments, other fines and penalties (541,542)	22	130	0	130
17. Write-off irrecoverable receivables (543)	23	383	0	383
18. Interest expenses (544)	24	8	0	8
19. Foreign exchange losses (545)	25	138 676	0	138 676
20. Donations to beneficiaries (546)	26	665 991	0	665 991
21. Shortages and damage (548)	27	184	0	184
22. Other expenses (549)	28	352 267	77	352 344
A.VI. Depreciation, sold property, additions to provisions	29	14 683	0	14 683
23. Depreciation of tangible and intangible fixed assets (551)	30	14 654	0	14 654
24. Net book value of sold tangible and intangible fixed assets (552)	31	0	0	0
25. Securities and shares sold (553)	32	0	0	0
26. Materials sold (554)	33	29	0	29
27. Additions to provisions (556, 559)	34	0	0	0
A.VII. Membership fees	35	2 416	0	2 416
28. Membership fees and contributions paid to operational units (581,582)	36	2 416	0	2 416
A.VIII. Income tax	37	207	72	279
29. Income tax (591)	38	207	72	279
EXPENSES TOTAL	39	2 294 284	2 768	2 297 052

Name of indicator	Line No.	Activity		
		Main	Supplem.	Total
B. Revenues	40			
B.I. Operating subsidies	41	0	0	0
1. Operating subsidies (691)	42	0	0	0
B.II. Contribution received total	43	1 453	0	1 453
B.II.2 Received operating contribuitons (681)	44	0	0	0
3. Received donations (682)	45	1 453	0	1 453
4. Received membership fees (684)	46	0	0	0
B.III. Revenues from sales of own products and services (601, 602, 603, 604)	47	49 146	3 322	52 468
B.IV. Other revenues total	48	2 245 443	107	2 245 550
5. Contractual fines, interest on late payments and other fines and penalties (641, 642)	49	630	0	630
6. Revenue from written-off irrecoverable receivables (643)	50	87	0	87
7. Interest revenues (644)	51	621	2	623
8. Foreign exchange gains (645)	52	125 764	0	125 764
9. Accounting for funds (648)	53	1 925 828	104	1 925 932
10. Other revenues (649)	54	192 513	1	192 514
B.V. Revenues from disposal of assets	55	128	0	128
11. Revenues from sales of intangible and tangible fixed assets (652)	56	112	0	112
12. Revenues from sale of shares and ownership interests (653)	57	0	0	0
13. Revenues from sales of materials (654)	58	16	0	16
14. Revenue from short-term financial assets (655)	59	0	0	0
15. Revenue from long-term financial assets (657)	60	0	0	0
TOTAL REVENUES	61	2 296 170	3 429	2 299 599
c. Profit/loss before tax	62	2 093	733	2 826
d. Profit/loss after tax	63	1 886	661	2 547

Signature of statutory representative: 	Prepared by:  Date of creation: 21.06.2021 Telephone: 226 200 402
Company stamp:	



Notes to Financial Statements as of December 31, 2020

1. General data

1.1. Company headquarters – Czech Republic

Accounting entity:	Člověk v tísni, o.p.s. (PEOPLE IN NEED)
Registered office:	Šafaříkova 635/24, 120 00 Praha 2
ID Number:	25755277
Tax ID Number:	CZ25755277
Legal status:	Public Benefit Organization
Date of the foundation of the Benevolent Society:	April 16, 1999
Registration:	The Organization has been entered in the Register of Public Benefit Organizations kept at the Municipal Court in Prague, Section O., insert 119

Statutory bodies of the Organization as of December 31, 2020 are:

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

Benevolent services as of December 31, 2020:

- 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 organizing
- Organization of educational 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, belief, world view, disability, age or sexual orientation
- Operations in the field of protection of rights and justified interests of consumers
- Operation of a multicultural centre
- Scientific-research activities
- Providing debt relief services
- Operations in the field of sustainable development, climate change, nature, landscape and environmental protection

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 31.12.2020

Number of employees, Personnel expenses:

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

In war and post-war countries, e.g. Iraq, 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	59,58	7 819 152,79	10 936,49		7 819 152,79
Angola	97,75	6 873 351,62	5 859,63	496 192,54	7 369 544,16
Armenia	17,08	4 368 084,84	21 311,89		4 368 084,84
Bosnia and Hercegovina	3,00	981 007,50	27 250,21	213 761,83	1 194 769,33
DR Congo	103,25	11 726 340,98	9 464,36	1 278 088,60	13 004 429,58
Ethiopia	217,33	19 814 789,11	7 597,81	1 766 751,03	21 581 540,14
Philippines	25,33	6 286 369,68	20 681,57	288 749,04	6 575 118,72
Georgia	22,75	6 265 214,38	22 949,50	165 527,03	6 430 741,41
Cambodia	25,08	8 387 489,65	27 869,12	71 183,42	8 458 673,07
Kosovo	5,33	2 038 716,13	31 874,86	374 613,25	2 413 329,38
Costa Rica	10,50	4 907 842,04	38 951,13	1 159 022,38	6 066 864,42
Iraq	59,00	26 585 109,99	37 549,59	2 106 831,72	28 691 941,71
Moldova	10,17	3 833 614,60	31 412,77	1 049 346,73	4 882 961,33
Mongolia	9,33	1 925 842,95	17 201,17	137 776,72	2 063 619,67
Myanmar	72,83	12 678 027,80	14 506,42		12 678 027,80
Nepal	55,15	9 848 165,29	14 880,88	2 020 808,48	11 868 973,77
Serbia	7,50	2 312 728,88	25 696,99	311 402,06	2 624 130,94
Turkey (since 1.7.2020)	0,50	379 261,01	63 210,17	65 973,74	445 234,75
Ukraine	131,25	27 634 995,20	17 546,03	6 104 522,06	33 739 517,26
Zambia	35,42	3 516 642,05	8 273,67	183 466,31	3 700 108,36
Missions total		168 182 746,49		17 794 016,94	185 976 763,43
Employments – including agreements on working activity in the Czech Republic and EU and abroad according to the Czech law	553,06	215 177 333,00	32 422,24	72 830 792,98	288 008 125,98
Of this executive (members of the executive board)**	19,43	12 240 707,00	52 499,17	4 127 882,00	16 368 589,00
	Number of Contracts of services	Total amount paid for Contracts of services			
Contract of Services	1 179	4 333 968,00			4 333 968,00

* 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 2020

** there were other persons in the management of the Organization during 2020 who were no longer active employees at the time of preparing the Notes to the financial statements: Jiří Beran

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 2018 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 operating 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
Navision 2020 accounting software	60
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 *)

Technical improvement of assets put into operation that have been already depreciated

Remaining period of depreciation of assets with technical improvement

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.

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 were converted to the Czech currency at the official middle exchange rate declared by central bank of that respective country, or the current interbank exchange rate to USD or EUR.

In cases where there is no central bank in the country, the exchange rate that ensures the true and fair view of accounting is used.

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

At the end of 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 December 31, 2020.

Receivables, payables, subsidies and grants according to the indent 3.7 that are recorded in other currencies not declared by ČNB were converted to the Czech currency at the official middle exchange rate declared by central bank of that respective country, or the current interbank exchange rate to USD or EUR.

In cases where there is no central bank in the country, the exchange rate that ensures the true and fair view of accounting is used.

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, 2020 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, 2020 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, 2019	Increase	Decrease					Advance payment accounting/classification	Status as of December 31, 2020
			Liquidation	Sale	Donation	Deficits/damages	Revaluation of assets		
Intangible assets	40 283	38 638	0	0	0	0	0	22 699	56 222
Of which:									
Software	23 629	20 214							43 843
Valuable rights	1 834								1 834
Low-value intangible fixed assets	14								14
Other intangibles	7 348	2 485							9 833
Intangible fixed assets under construction	7 458	15 939						22 699	698
Advances for intangible assets	0								0
Tangible fixed assets	88 365	6 593	339	340	188	0	0	3 246	90 845
Of which:									
Land	2 639								2 639
Artworks and collections	0								0
Buildings and structures	26 399	53							26 452
Cars and motorcycles	44 445	2 685	211	340	188				46 391
Other movable fixed assets (*)	14 768	508	128						15 148
Low-value fixed assets	63								63
Tangible fixed assets under construction (buildings)	0								0
Tangible fixed assets under construction (other)	51	3 347						3 246	152
Advances for tangible fixed assets	0								0
Financial assets	0								0
Of which:									
Securities (**)	0								0
Total	128 648	45 231	339	340	188	0	0	25 945	147 067

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, 2019	Increase	Decrease				Status as of December 31, 2020
			Liquida- tion	Sale	Dona- tion	Deficits/ dama- ges	
Intangible assets	22 610	6 680	0	0	0	0	29 290
Of which:							
Software	18 516	4 202					22 718
Valuable rights	1 703	50					1 753
Low-value intangibles fixed assets	14						14
Other intangibles	2 377	2 428					4 805
Tangible assets	53 366	7 975	339	340	188	0	60 474
Of which:							
Buildings and structures	6 631	901					7 532
Cars and motorcycles	34 636	5 474	211	340	188		39 371
Other movable fixed assets	12 036	1 600	128				13 508
Low-value fixed assets	63						63
Total	75 976	14 655	339	340	188	0	89 764

Assets – depreciated price

	Status as of December 31, 2019	Status as of December 31, 2020
Intangible assets	17 673	26 932
Of which:		
Software	5 113	21 125
Valuable rights	131	81
Low-value intangibles fixed assets	0	0
Other intangibles	4 971	5 028
Intangible assets under construction	7 458	698
Advances for intangible assets	0	0
Tangible assets	34 999	30 371
Of which:		
Land	2 639	2 639
Buildings and structures	19 768	18 920
Cars and motorcycles	9 809	7 020
Other movable fixed assets	2 732	1 640
Low-value fixed assets	0	0
Tangible fixed assets under construction (buildings)	0	0
Tangible fixed assets under construction (other)	51	152
Advances for tangible fixed assets	0	0
Financial assets	0	0
Of which:		
Securities	0	0
Total	52 672	57 303

5. Current assets

5.1. Inventories – assets B. I.

Inventories (thousand CZK)	As of December 31, 2019	As of December 31, 2020
Materials in store	41 951	39 634
Materials in transit	1	0
Work in progress	778	0
Finished products	0	1 074
Livestock	0	0
Merchandise in stock and in stores	444	217
Advance payments for inventory	1 363	2 124
Merchandise in transit	0	0
Total	44 537	43 049

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 and material aid in the Czech Republic

Livestock present guard docks.

Merchandise in stock consists mainly of:

- Goods in Café Langhans and stock sold as charity items.

Finished products consist 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, Angola, Armenia, Mongolia and Zambia.

	Status as of December 31, 2019	Status as of December 31, 2020
5.2. Receivables (thousands of CZK) – assets B. II.		
<i>Matters in italics relate to the year 2020</i>		
Trade receivables total	52 542	95 614
Of which		
Receivables from customers	8 539	22 570
Receivables overdue more than 365 days	0	0
Receivables overdue 181 up to 364 days	9	0
Receivables overdue 91 up to 180 days	2	0
Receivables overdue 0 up to 90 days	1 363	6 222
Receivables prior maturity	7 165	16 348
<i>Amount of outstanding receivables as of the date of drawing up of the financial statement: 4 645</i>		
Operational advance payments made	41 654	71 087
<i>The most important amounts are the advances to suppliers who implement part of the project mostly in Czech Republic, Congo, Ukraine, Burma, Philippines, Ethiopia, Nepal. Another significant part consists of advance payments for services (electricity, gas, rent) in the Czech Republic.</i>		
Other receivables	2 349	1 957
<i>The most important amounts are receivables from suppliers of services, for credited performance, unpaid refunds from accounted prepayments and overpayments.</i>		
Receivables from employees	1 980	4 316
<i>Advance payments for unfinished long-term business journeys; prepayments to employees charged in 2021</i>		
Income taxes	299	1 051
<i>Advanced payments of corporation tax 2020 reduced by the tax liability</i>		
Sundry receivables	2 848	7 510
<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 and the receivables from the donor Unitel S.A. Angola.</i>		
Estimated receivables	87 197	58 792
<i>These are estimated receivables on the outstanding revenue grants used by the company under a valid contract in 2020, 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 Ukraine, Burma, Iraq and Philippines. These projects are financed from resources of the United Nations agency, European Commission, resources of foreign governments (USA, Great Britain, Armenia, Netherlands and New Zealand) and of non-profit organizations.</i>		
Total receivables	144 866	167 283

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

Short-term financial assets

	As of December 31, 2019	As of December 31, 2020
Cash	13 905	14 825
Stamps and vouchers	0	0
Bank accounts	267 692	767 059
Other bonds, debentures and securities	0	79
Cash in transit	11 103	7 461
Total	292 700	789 424

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, 2019	Value as of December 31, 2019 (in thousands of CZK)	Number of securities as of December 31, 2020	Value as of December 31, 2020 (in thousands of CZK)
0	0	1/9 from 701 shares	79

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

**Status as of
December
31, 2019** **Status as of
December
31, 2020**

Deferred expenses

7 137 **4 171**

A significant part is made up of the expenses of the year 2021 paid in 2020, mainly for regular administrative services of economic and accounting software, for air tickets and insurance.

The accounting unit accounts for current expenses there related to accrued expenses.

Accounting for accrued expenses for the respective expenses account will be performed by the accounting unit in the accounting period to which the expenses are factually related.

Accrued revenues

247 782 **138 346**

These are contractually assured and received incomes in the following accounting period for projects that were partially realized in 2020.

The most significant part of revenues comes from the USA government through U.S. Agency for International Development, from EU and UN OCHA agency.

Total other assets

254 919 **142 517**

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
Status as of January 1, 2020	8 176	35 589	0	43 765
Increase – acquisition of fixed assets and material gifts accepted		4 049		4 049
Decrease – disposal of fixed assets, depreciation, material gifts to other parties		- 8 468		- 8 468
Status as of December 31, 2020	8 176	28 530	0	39 346
		39 346		

The increase in equity consists mainly of the purchase of part of the Beneficiary Management System software application (CZK 1 122 thousand), purchase of an audio-visual work "Mediální ring 2" (CZK 925 thousand) and methodological manual "V digitálním světě" (CZK 165 thousand) within the One World in Schools project, audio-visual spot "Real gift" (CZK 482 thousand) and audio-visual works focused on COVID-19 prevention within the Ukraine mission (CZK 193 thousand).

The decrease in equity consists mainly of depreciation of assets from grants for own activities (CZK 8 468 thousand).

6.2. Funds – accounting group 91 (in thousand 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, 2020	Increase – donations accepted, gifts	Decrease – utilization, provision of gifts	Decrease – refunds of unused resources	Balance for utilization in 2021
Funds total	516 389	2 396 771	1 930 236	28 073	954 850

Of which:

6.2.1. Funds – bound

	Initial status as of January 1, 2020	Increase – donations accepted, gifts	Decrease – utilization, provision of gifts	Decrease – refunds of unused resources	Balance for utilization in 2021
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Collections (number / name)

S-MHMP/578034/2013 Support for education in Africa	3 160	953	2 765	0	1 348
S-MHMP/352276/2013 Banat (Romania)	43	35	78	0	0
Total collections	3 203	988	2 843	0	1 348

	Initial status as of January 1, 2020	Increase – donations accepted, gifts	Decrease – utilization, provision of gifts	Decrease – refunds of unused resources	Balance for utilization in 2021
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State and local administration budgetary contributions, budgetary contributions from EU and subsidies from other foreign governments

State budget subsidies	4 257	164 523	151 472	8 019	9 289
Local administration subsidies	536	80 218	76 405	3 802	547
EU funds subsidies	124 822	722 981	455 165	1 617	391 021
Subsidies from operational programs	39 894	55 103	53 855	13 579	27 563
Subsidies from funds of other foreign governments	74 410	939 006	875 707	389	137 320
Subsidies from UN Agencies	54 756	124 688	142 144	667	36 633
Total subsidies	298 675	2 086 519	1 754 748	28 073	602 373

	Initial status as of January 1, 2020	Increase – donations accepted, gifts	Decrease – utilization, provision of gifts	Decrease – refunds of unused resources	Balance for utilization in 2021
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Funds – bound gifts (grants)

Bound gifts (grants) - NGO	17 732	45 051	38 052	0	24 731
Total funds (grants)	17 732	45 051	38 052	0	24 731

	Initial status as of January 1, 2020	Increase – donations accepted, gifts	Decrease – utilization, provision of gifts	Decrease – refunds of unused resources	Balance for utilization in 2021
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Other funds

Other	17 873	51 429	28 462	0	40 840
Non-monetary gifts	6 732	7 213	9 980	0	3 965
Total Other funds	24 605	58 642	38 442	0	44 805

Total bound funds	344 215	2 191 200	1 834 085	28 073	673 257
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6.2.2. Funds – free

Initial status as of January 1, 2020	Increase – donations accepted, gifts	Decrease – utilization, provision of gifts	Decrease – refunds of unused resources	Balance for utilization in 2021
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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)	48 171	52 548	34 830	0	65 889
S-MHMP/1230014/2012 Long-term humanitarian collection:					
„Povodně“ (Flood) in the Czech Republic	188	24	101	0	111
Syria and Iraq	293	16 891	5 142	0	12 042
Nepal	49	63	0	0	112
Ukraine	2 625	413	0	0	3 038
Venezuela	22	75	0	0	97
Czechia	0	30 539	6 252	0	24 287
World	0	2 570	1 149	0	1 421
Lebanon	0	1 424	1 297	0	127
S-MHMP/1551858/2014 "Lepší škola pro všechny" (Better school for everyone)	17 617	9 385	4 943	0	22 059
Total collections	68 965	113 932	53 714	0	129 183

Initial status as of January 1, 2020	Increase – donations accepted, gifts	Decrease – utilization, provision of gifts	Decrease – refunds of unused resources	Balance for utilization in 2021
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Other funds

Fund created from resources of: Charles Stewart Mott Foundation, The Ford Foundation, Šimon Pánek - Prize Qudriga, Unilever prize - purchase of securities, change of conversion method	9 259	0	0	0	9 259
Club of Friends	78 551	79 119	31 877	0	125 793
Reserve fund and operating reserve fund (created from profit from previous periods)	7 053	379	0	0	7 432
Other	8 346	12 140	10 560	0	9 926
Total other funds	103 209	91 638	42 437	0	152 410

Total free funds	172 174	205 570	96 151	0	281 593
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7. Profit/Loss

7.1. Profit/Loss and tax calculation as of December 31, 2020

The economic result of the Organization for 2020 is an accounting profit in the amount of CZK 2.547 thousand (after tax).

The Profit and Loss Account includes revenues and expenses 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 broken down by the centres.

Tax liability for the 2020 taxation period relating to corporate income tax is CZK 279 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 CZK)

Revenues total	2 299 599 539,71
Expenses total (except for 591)	2 296.773 743,25
Taxable income	2 825 796,46
Adjustment of the tax base	1 295 861,94
Total tax base	4 121 658,40
Deduction of the tax base under § 20 of the Income Tax Act	1 000 000,00
Final tax base	3 121 658,40
Tax base after rounding	3 121 000,00
19% tax	592 990,00
Tax discount	314 460,00
19% tax after discount	278 530,00

In 2019, 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 2020.

7.2. Approval of the financial statements for 2019

The Executive Board at its meeting in June 2020 approved the financial statements of the Organization for the 2019 accounting period, showing a profit after tax in the amount of CZK 379 129,58 that was in compliance with the decision of the Executive Board accounted on June 29, 2020 as an increase in the company operating reserve fund.

8. Liabilities

8.1. Liabilities (thousand of CZK) B. III.	Status as of December 31, 2019	Status as of December 31, 2020
<i>Matters in italics relate to the year 2019</i>		
Liabilities (suppliers, advances received, other payables) – total	141 587	104 632
Of which		
Suppliers total	137 032	100 647
Payables overdue more than 365 days	0	0
Payables overdue 181 to 364 days	2 671	31
Payables overdue 91 to 180 days	496	20
Payables overdue 0 to 90 days	14 097	18 158
Payables prior to maturity	119 768	82 438
<i>Amount of unpaid payables as of the date of the drawing up of the financial statements: 3 886.</i>		
Advance payments received	593	905
<i>The most significant part are advance payments and deposits received from the tenants of the block of flats in the Koněvova street, Prague; payments received from partner organizations</i>		
Other payables	3 962	3 080
<i>of which retentions on purchase of construction works in Ethiopia, Syria and Iraq, retentions in Ukraine</i>	1 836	1 251
<i>of which mainly outstanding liabilities to partner organization L'Office Français de l'Immigration et de l'Intégra within the project Reintegration assistance program through employment in Georgia, and other</i>	2 126	1 829
Payables to employees	20 958	21 899
<i>Amount of unpaid payables as of the date of the drawing up of the financial statements: 18</i>		
Payables to social security institution (Czech Republic)	5 221	6 038
<i>As of the date of the drawing up of the financial statements, none of these liabilities was overdue.</i>		
Payables to health insurance institutions (Czech Republic)	2 258	2 597
<i>As of the date of the drawing up of the financial statements, none of these liabilities was overdue.</i>		
Payables to social and health insurance institutions	2 826	4 064
Armenia, Bosna, Ethiopia, Philippines, Georgia, Iraq, Cambodia, DR Congo, Kosovo, Costa Rica, Moldova, Nepal, Ukraine, Zambia		
<i>Amount of unpaid payables as of the date of the drawing up of the financial statements: 2 806</i>		
<i>of which liabilities to institutions in Iraq in the amount of CZK 2 805 thousand due to the incomplete registration due to the poor security situation</i>		
State budget payables (Czech Republic)	14 323	12 399
<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>		
State budget payables	2 492	3 559
Afghanistan, Angola, Armenia, Bosna, DR Congo, Ethiopia, Philippines, Georgia, Iraq, Cambodia, Costa Rica, Moldavia, Myanmar, Nepal, Serbia, Turkey, Ukraine, Zambia		
<i>Amount of unpaid payables as of the date of the drawing up of the financial statements: 1 814</i>		

of which liabilities to institutions in Iraq in the amount of CZK 1 532 thousand due to the incomplete registration due to the poor security situation

Sundry payables	28 835	27 517
<i>The majority is formed by payables from partner organizations and refunds of unused received subsidies.</i>		
Estimated payables (personal line insurance, supplies of services to the leased property)	6 848	7 814
<i>These are costs of the accounting period that have not been invoiced to the company yet.</i>		
Total liabilities	225 348	190 519

	Status as of December 31, 2019	Status as of December 31, 2020
8.2. Other liabilities (thousand of CZK) – liabilities and equity B. IV.		
* Accrued expenses	2 595	11 745
<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.</i>		
Deferred revenues	211	136
Total other liabilities	2 806	11 881

9. Profit and loss account – expenses

Item A.I.6 "Other services" has a value of CZK 544 713 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 665 991 thousand, and mainly includes financial donations and inventories provided in the context of humanitarian and development aid mainly in Syria, Ukraine, Iraq and Ethiopia. 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 352 344 thousand, and mainly includes costs of partners spent during implementation of joint projects through "partnership agreement".

10. Profit and loss account – revenues

Item B.IV.8. "Foreign exchange gains" has a value of CZK 125 764 thousand, and includes foreign exchange gains arising mainly from revaluation of short-term financial assets registered in foreign currency (cash and banks), from currency exchanges and from funds revaluation.

Item B.IV.9. "Accounting for funds" has a value of CZK 1 925 932 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 192 514 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 2020, 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 2020.

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 2020. For other verification services was invoiced CZK 304 thousand in 2020, 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 at November 24, 2017,

- the credit limit of 20 000 thousand CZK in the period until 22.10.2020
- the credit limit of 35 000 thousand CZK in the period from 23.10.2020

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 guarantee was provided in 2017 by the same bank:

- Amounting to 735.831 EUR at December 19, 2017 (due date November 16, 2020 was extended to December 31, 2020). This bank guarantee is also covered by the above-mentioned collateral.

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

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

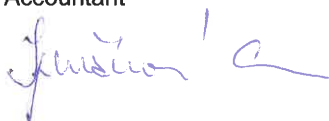
During 2020, coronavirus COVID-19 spread worldwide, including the organization's countries of operation. The Organization's management continues to monitor and evaluate the impact of COVID-19 both on the side of the organization's resources and project implementation side.

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 2020.

In Prague, June 21, 2021

Prepared by: Anna Spružinová
Accountant



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

Člověk v tísni, o. p. s.
PEOPLE IN NEED
 Id Number: 25755277

Cash flow statement
 as of 31 December 2020
 (In thousands of CZK)

		current period	prior period
P.	Cash and cash equivalents, beginning of year	292 700	451 533
Net operating cash flow			
Z.	Accounting profit (loss) before taxation	2 826	1 518
A.1.	Non-cash transactions	14 310	14 814
A.1.1.	Depreciation of fixed assets	14 654	11 981
A.1.2.	Change in provisions and other adjustments		
A.1.3.	Profit(-) Loss(+) on sale of fixed assets	-112	-873
A.1.4.	Expense and revenue interests accounted for	-615	-770
A.1.5.	Other non-cash transactions	383	4 250
A.1.6.	Gifts (buildings)		226
A.*	Net operating cash flow before taxation, changes in working capital and extraordinary items	17 136	16 332
A.2.	Current assets	66 088	-97 521
A.2.1.	Change in receivables and other temporary assets	90 354	-201 927
A.2.2.	Change in short-term liabilities and other temporary liabilities	-25 754	84 520
A.2.3.	Change in inventory	1 488	19 886
A.2.4.	Change in short term financial assets	0	0
A.**	Net operating cash flow before financial balances, taxation and extraordinary items	83 224	-81 189
A.3.	Interest paid excluding amounts capitalised	-8	-5
A.4.	Interest received	623	775
A.5.	Income tax paid on ordinary income and income tax relating to prior periods	-1 031	-1 438
A.***	Net operating cash flow	82 808	-81 857
Investment activity			
B.1.	Acquisition of fixed assets	-19 285	-25 497
B.1.1.	Acquisition of tangible fixed assets	-3 346	-9 142
B.1.2.	Acquisition of intangible fixed assets	-15 939	-16 355
B.1.3.	Acquisition of long-term investments		
B.2.1.	Proceeds from sales of fixed assets	112	873
B.2.2.	Proceeds from sales of long-term investments		3 118
B.***	Net cash flow from investment activity	-19 173	-21 506
Financial activity			
C.1.	Change in long-term liabilities and bank loans	-572	415
C.1.1.	Increase and decrease in long-term loans		
C.1.2.	Increase and decrease in other long-term payables	-572	415
C.2.	Increase and decrease in equity	433 663	-55 885
C.2.1.	Change in own equity	-4 798	5 336
C.2.2.	Change in funds	438 461	-61 221
C.***	Net cash flow from financial activity	433 091	-55 470
F.	Net increase or decrease in cash balance	496 726	-158 833
R.	Cash and cash equivalents, end of period	789 426	292 700

Spisovatelka: Lenka Pávek