

INDEPENDENT AUDITOR´S REPORT

on the financial statements

Člověk v tísní, o.p.s.

(PEOPLE IN NEED)

as of 31 December 2022



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 Organisation
Director:	Šimon Pánek
Auditing firm:	AUDIT SERVIS, spol. s r. o. 150 00 Praha 5, Grafická 3365/7a 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 2022 – 31 December 2022
Date of the execution of the Report:	26 June 2023



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 2022, the profit and loss account from 1 January 2022 to 31 December 2022, and cash flow statement for the period from 1 January 2022 to 31 December 2022, 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 2022, and of its expenses, revenues and profit/loss and its cash flows for the accounting period from 1 January 2022 to 31 December 2022 in accordance with accounting principles generally accepted in the Czech Republic.

Basis for Opinion

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

Other Information in the Annual Report

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

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

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



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

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

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

In addition, our responsibility is to report, based on the knowledge and understanding of the Company Člověk v tísni, o. p. s. (PEOPLE IN NEED) obtained in the audit, on whether the other information contains any material misstatement of fact.

Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement of fact.

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

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

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 tísni, 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 tísni, 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 tísni, 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 26 June 2023

Auditing firm: AUDIT SERVIS, spol. s r. o.
150 00 Praha 5, Grafická 3365/7a
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 2022

(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 1.1.2022	As of 31.12.2022
		No.	(Thousands of CZK)	(Thousands of CZK)
			1	2
A.	Fixed Assets	01	66 167	78 784
A. I.	Intangible assets	02	73 806	90 184
1.	Intangible results from research and development (012)	03		
2.	Software (013)	04	58 045	69 195
3.	Valuable rights (014)	05	1 548	1 471
4.	Low-value intangibles fixed assets (018)	06	14	14
5.	Other intangibles (019)	07	12 370	18 178
6.	Intangible fixed assets under construction (041)	08	1 829	1 326
7.	Advances for intangible assets (061)	09		
A. II.	Tangible fixed assets	10	93 027	106 649
1.	Land (031)	11	2 639	2 638
2.	Artworks and collections (032)	12		
3.	Buildings and structures (021)	13	26 452	26 670
4.	Movable fixed assets (022)	14	63 842	75 589
5.	Perennial crops (025)	15		
6.	Breeding and draught animals (026)	16		
7.	Low-value fixed assets (028)	17	63	63
8.	Other tangible fixed assets (029)	18		
9.	Tangible fixed assets under construction (042)	19	31	635
10.	Advances for tangible fixed assets (052)	20		1 054
A. III.	Financial assets	21	0	0
1.	Investments in subsidiaries (061)	22		
2.	Investments in associates (062)	23		
3.	Bonds, debentures and similar securities held until maturity (063)	24		
4.	Loans to organizational units (066)	25		
5.	Other long-term loans (067)	26		
6.	Other financial assets (069)	27		
A. IV.	Accumulated depreciation on fixed assets	29	-100 666	-118 049
1.	Depreciation of research and development (072)	30		
2.	Depreciation of software (073)	31	-31 152	-43 019
3.	Depreciation of valuable rights (074)	32	-1 517	-1 471
4.	Depreciation of low-value intangibles fixed assets (078)	33	-14	-14
5.	Depreciation of other intangibles (079)	34	-7 629	-10 946
6.	Depreciation of buildings and structures (081)	35	-8 435	-9 315
7.	Depreciation of movable fixed assets (082)	36	-51 856	-53 221
8.	Depreciation of perennial crops (085)	37		
9.	Depreciation of breeding and draught animals (086)	38		
10.	Depreciation of low-value fixed assets (088)	39	-63	-63
11.	Depreciation of other tangible fixed assets (089)	40		

ASSETS		Line	As of 1.1.2022	As of 31.12.2022
		No.	(Thousands of CZK)	(Thousands of CZK)
	a	b	1	2
B.	Current assets	41	1 253 428	3 347 837
B.I.	Inventories	42	25 928	127 837
1.	Materials in store (112)	43	24 015	114 249
2.	Materials in transit (119)	44		1 657
3.	Work-in-progress (121)	45		
4.	Semiproducts (122)	46		
5.	Finished products (123)	47	568	568
6.	Livestock (124)	48		
7.	Merchandise in stock (132)	49	118	141
8.	Merchandise in transit (139)	50		
9.	Advance payments for inventory (314)	51	1 227	11 222
B.II.	Receivables	52	246 672	517 362
1.	Customers (311)	53	49 371	27 968
2.	Bills of exchange to be collected (312)	54		
3.	Receivables for discounted securities (313)	55		
4.	Operational advance payments made (314 except the line 51)	56	115 296	221 024
5.	Other receivables (315)	57	998	1 561
6.	Receivables from employees (335)	58	2 731	2 955
7.	Receivables from social security and health insurance institutions (336)	59		
8.	Income taxes (341)	60		167
9.	Other direct taxes (342)	61		
10.	Value added tax (343)	62		
11.	Other taxes and fees (345)	63		
12.	Grants receivable from national budget (346)	64		
13.	Grants receivable from local authorities' budgets (348)	65		
14.	Receivables from participants in an association (358)	66		
15.	Receivables from fixed-term financial transactions (373)	67		
16.	Receivables from issued bonds (375)	68		
17.	Sundry receivables (378)	69	9 850	40 834
18.	Estimated receivables (388)	70	68 426	222 853
19.	Depreciations to receivables (391)	71		
B.III.	Short-term financial assets	72	863 192	2 583 356
1.	Cash (211)	73	13 316	17 551
2.	Stamps and vouchers (213)	74		
3.	Bank accounts (221)	75	849 621	2 560 019
4.	Shares and similar securities for trading (251)	76		
5.	Bonds, debentures and similar securities for trading (253)	77		
6.	Other bonds, debentures and securities (256)	78	79	
7.	Cash in transit (259)	79	176	5 786
B.IV.	Other assets	81	117 636	119 282
1.	Deferred expenses (381)	82	5 761	8 013
2.	Accrued revenue (385)	83	111 875	111 269
	TOTAL ASSETS	85	1 319 595	3 426 621

LIABILITIES AND EQUITY		Line No.	As of 1.1.2022 (Thousands of CZK)	As of 31.12.2022 (Thousands of CZK)
	a	b	1	2
A.	Own resources	86	1 122 000	3 081 056
A.I.	Equity	87	1 119 589	3 078 858
1.	Own equity (901)	88	38 425	56 933
2.	Funds (911)	89	1 081 164	3 021 925
3.	Gains or losses from the revaluation of assets and liabilities (921)	90		
A.II.	Profit or loss	91	2 411	2 198
1.	Profit and loss for account (+/-963)	92		2 198
2.	Profit or loss to be approved (+/-931)	93	2 411	
3.	Retained earnings, accumulated losses from previous years (+/-932)	94		
B.	Liabilities	95	197 595	345 565
B.I.	Provisions	96	0	0
1.	Tax deductible provisions (941)	97		
B.II.	Long-term liabilities	98	590	216
1.	Long-term bank loans (951)	99		
2.	Own bonds issued (953)	100		
3.	Payables of lease (954)	101		
4.	Long-term advances received (955)	102		
5.	Long-term bills of exchange payable (958)	103		
6.	Estimated payables (389)	104		
7.	Other long-term liabilities (959)	105	590	216
B.III.	Short-term liabilities	106	179 093	268 004
1.	Suppliers (321)	107	90 357	164 838
2.	Bills of exchange to be paid (322)	108		
3.	Advance payments received (324)	109	944	1 057
4.	Other payables (325)	110	2 481	2 382
5.	Employees (331)	111	26 269	35 619
6.	Other payables to employees (333)	112	1 214	2 463
7.	Social security and health insurance institutions (336)	113	14 304	14 887
8.	Income taxes (341)	114	22	
9.	Other direct taxes (342)	115	5 351	7 056
10.	Value added tax (343)	116	34	1 283
11.	Other taxes and fees (345)	117	1 531	2 464
12.	Payables to national budget (346)	118	6 043	3 185
13.	Payables to local authorities' budgets (348)	119		
14.	Payables to unpaid subscribed securities and shares (367)	120		
15.	Payables to participants in association (368)	121		
16.	Payables to fixed-term financial transactions (373)	122		
17.	Sundry payables (379)	123	22 795	21 946
18.	Short-term bank loans (231)	124		
19.	Credits for discounted securities (232)	125		
20.	Short-term bonds issued (241)	126		
21.	Own bonds issued (255)	127		
22.	Estimated payables (389)	128	7 748	10 824
23.	Other short-term financial assistance (249)	129		
B.IV.	Other liabilities	130	17 912	77 345
1.	Accrued expenses (383)	131	17 726	77 180
2.	Deferred revenues (384)	132	186	165
TOTAL LIABILITIES AND EQUITY		134	1 319 595	3 426 621

Company stamp:

Signature of statutory
representative:

Prepared by:

Date of creation:
26.06.2023

Anna Palová

Jan

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 2022

(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	1 169 050	1 652	1 170 702
1. Consumed materials, energy and other non-inventory items	(501,502,503)	03	173 508	134	173 642
2. Merchandise sold	(504)	04	183	394	577
3. Repairs and maintenance	(511)	05	5 362	637	5 999
4. Travel expenses	(512)	06	68 499		68 499
5. Entertainment expenses	(513)	07	6 990	2	6 992
6. Other services	(518)	08	914 508	485	914 993
A.II. Change in work-in-progress and capitalisation		09	0	0	0
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			0
A.III. Personnel expenses		13	761 381	1 644	763 025
10. Wages and salaries	(521)	14	606 764	1 334	608 098
11. Mandatory social security	(524)	15	139 574	310	139 884
12. Other social insurance	(525)	16	138		138
13. Mandatory social security expenses	(527)	17	12 149		12 149
14. Other social security expenses	(528)	18	2 756		2 756
A.IV. Taxes and fees		19	10 446	100	10 546
15. Taxes and fees	(531,532,538)	20	10 446	100	10 546
A.V. Other expenses subtotal		21	3 784 065	64	3 784 129
16. Contractual fines, interest on late payments, other fines and penalties	(541,542)	22	157	1	158
17. Write-off irrecoverable receivables	(543)	23	377		377
18. Interest expenses	(544)	24			0
19. Foreign exchange losses	(545)	25	313 595		313 595
20. Donations to beneficiaries	(546)	26	2 698 266		2 698 266
21. Shortages and damage	(548)	27	2 496	1	2 497
22. Other expenses	(549)	28	769 174	62	769 236
A.VI. Depreciation, sold property, additions to provisions		29	23 241	233	23 474
23. Depreciation of tangible and intangible fixed assets	(551)	30	22 946	233	23 179
24. Net book value of sold tangible and intangible fixed assets	(552)	31			0
25. Securities and shares sold	(553)	32	207		207
26. Materials sold	(554)	33			0
27. Additions to provisions	(556, 559)	34	88		88
A.VII. Membership fees		35	2 666	0	2 666
28. Membership fees and contributions paid to operational units	(581,582)	36	2 666		2 666
A.VIII. Income tax		37	74	83	157
29. Income tax	(591)	38	74	83	157
EXPENSES TOTAL		39	5 750 923	3 776	5 754 699

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
B.II.	Contribution received total	43	6 356	0	6 356
B.II.2	Received operating contributions (681)	44			0
3.	Received donations (682)	45	6 356		6 356
4.	Received membership fees (684)	46			0
B.III.	Revenues from sales of own products and services (601, 602, 603, 604)	47	67 014	4 918	71 932
B.IV.	Other revenues total	48	5 678 005	11	5 678 016
5.	Contractual fines, interest on late payments and other fines and penalties (641, 642)	49	82		82
6.	Revenue from written-off irrecoverable receivables (643)	50	9		9
7.	Interest revenues (644)	51	35 239	4	35 243
8.	Foreign exchange gains (645)	52	317 622		317 622
9.	Accounting for funds (648)	53	4 995 511		4 995 511
10.	Other revenues (649)	54	329 542	7	329 549
B.V.	Revenues from disposal of assets	55	576	17	593
11.	Revenues from sales of intangible and tangible fixed assets (652)	56	349	17	366
12.	Revenues from sale of shares and ownership interests (653)	57	211		211
13.	Revenues from sales of materials (654)	58	8		8
14.	Revenue from short-term financial assets (655)	59	8		8
15.	Revenue from long-term financial assets (657)	60			0
	TOTAL REVENUES	61	5 751 951	4 946	5 756 897
C.	Profit/loss before tax	62	1 102	1 253	2 355
D.	Profit/loss after tax	63	1 028	1 170	2 198

Company stamp:	Signature of statutory representative:	Prepared by:	Date of creation:
			26.06.2023
			Telephone:
			226 200 402



Notes to Financial Statements as of December 31, 2022

1. General data

1.1. Organisation 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 Organisation
Date of the foundation of the Public Benefit Organisation:	April 16, 1999
Registration:	The Organisation has been entered in the Register of Public Benefit Organisations kept at the Municipal Court in Prague, Section O., insert 119

Statutory bodies of the Organisation, as of December 31, 2022, are:

Board of Trustees:	Jan Pergler – Chairman Kristina Taberyová Petr Jančárek Jana Straková Daniel Můnich Petr Kostohryz
Supervisory Board:	Václav Mazánek - Chairman Ondřej Blažek Ondřej Matyáš
Chief Executive Officer (CEO):	Šimon Pánek
Founders:	Česká televize Ing. Jaromír Štětina Šimon Pánek

Benevolent services as of December 31, 2022:

- Organising 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 support to young journalists and independent press both abroad and in the Czech Republic
- Providing assistance to local governments and other local organisations
- Organising assistance for minorities both abroad and in the Czech Republic
- Social consultancy
- Public education
- Organisation of workshops and training
- Organisation of cultural and sports events
- Providing social services
- Community planning and organising
- Organisation of educational and leisure activities for children and youth
- Support and operation of work-therapeutic and re-socialisation 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 Organisation was founded, the Organisation also pursues additional activities that are provided in principle as paid services. These **supplementary activities** include:

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

The Organisation pursues these supplementary activities exclusively, intending to make more efficient use of the property. At the same time, these activities must not affect the quality, scope, or availability of its public benefit services. Any profit made on these supplementary activities may be used only for improving and extending public benefit services.

Members of the organisation's bodies, i.e. the board of trustees and supervisory board, have not been paid any remuneration for their activity in the organisation's bodies. The organisation has provided neither advance payment nor credit nor 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 concerning 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 Organisational unit in another EU country

The Organisation has no organisational unit in the European Union.

1.3. Founding of an Endowment Fund

Based on the decision of the Municipal Court in Prague, the Endowment Fund was established on June 25, 2015, of which the Organisation 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

The aim and purpose of the Endowment Fund is the support of civic society, especially in the countries of the former Soviet Union, with the 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 organisation PEOPLE IN NEED (PIN) UK was established on December 21, 2018, under registration 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 organisation is to support the victims of wars, natural disasters, and other disasters worldwide and to develop programmes focused on education, health, the fight against poverty, and the support of human rights.

2. Breakdown of personnel expenses for the accounting period 1.1. to 31.12.2022

Number of employees, personnel expenses:

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

In war and post-war countries, such an attitude is not possible. The local collaborators are reported as service suppliers.

The total number of people who worked for the Organisation on missions abroad is higher and is stated in the infographic of the annual report, which reflects the average number for the whole calendar year.

	Average number of employees*	Gross wages, total in thousand CZK	Average monthly gross salaries in thousand CZK	Social, health and other funds contributions in thousand CZK	Personnel expenses total in thousand CZK
Afghanistan	94,58	11 923	11	18	11 941
Angola	141,42	25 169	15	1 904	27 073
Armenia	32,50	10 586	27	3	10 589
Bosnia and Herzegovina	12,00	4 166	29	1 144	5 310
DR Congo	120,17	17 382	12	4 463	21 845
Ethiopia	198,00	23 666	10	1 964	25 630
Philippines	3,58	1 092	25	64	1 156
Georgia	21,75	8 085	31	190	8 275
Cambodia	39,58	9 695	20	178	9 873
Kosovo	12,17	3 900	27	517	4 417
Costa Rica	15,67	7 137	38	1 671	8 808
Iraq	34,83	14 950	36	525	15 475
Moldova	32,67	10 187	26	2 857	13 044
Mongolia	14,75	3 459	20	531	3 990
Myanmar	58,58	10 957	16	149	11 106
Nepal	53,67	11 709	18	2 236	13 945
Serbia	8,67	4 426	43	768	5 194
Turkey	25,58	13 591	44	2 200	15 791
Ukraine	250,92	75 890	25	23 850	99 740
Zambia	26,42	5 268	17	322	5 590
Missions total		273 238		45 554	318 792
Employment – including agreements on working activity in the Czech Republic and EU and abroad according to the Czech law	693,32	323 210	39	109 373	432 583
Of this executive (members of the executive board)	23,83	17 639	62	5 967	23 606
	Number of contracts of services	Total amount paid for contracts of services			
Contract of Services	2 384	11 650			11 650

* 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 2022

3. Information on used accounting methods and general accounting principles

The Organisation has been processing its accounting records using computer equipment utilising Microsoft Dynamics NAV 2018 software with the required modifications for the organisation's needs. Custom adjustments 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 Organisation, Šafaříkova 24, 120 00 Praha 2 and partly in the property owned by the organisation–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 Organisation. Accounting records are also filed electronically on a separate server and simultaneously on an external storage medium deposited outside the Organisation's operating premises. DMS system ELO has been used for archiving documents since 2011.

The Organisation 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 and intangible fixed assets

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

- Tangible and intangible fixed assets CZK 80 000
- Technical tangible and intangible fixed asset improvement CZK 80 000

Buildings, land, and artworks are considered to be tangible fixed assets regardless of the 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 based on the purchase cost, i.e., secondary acquisition costs (cost of transport, installation etc.) or replacement costs (assets acquired free of charge).

Depreciation of tangible and intangible fixed assets is regulated by the depreciation plan. The Organisation 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 licence
Computers and other computer technologies	36
Mobile phones and other telecommunication technologies	24
Other tangible fixed assets	36
Passenger cars and other motorised vehicles, unless stated otherwise	48
Passenger cars and other motorised vehicles acquired used	Individually, usually 24 or 36 months
Passenger cars and other motorised vehicles – Afghanistan and the front-line in Ukraine	Individually, usually 24 or 36 months
Passenger cars – Angola, Ethiopia, DR Congo, South Sudan, Zambia	36
Motorbikes – Angola, Ethiopia, DR 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 *	Remaining period of depreciation of assets with technical improvement
Technical improvement of assets put into operation that have already been depreciated	Intangible assets – 18 months Tangible assets – individually according to the type of asset

* in individual cases, the Organisation may decide that after technical improvement, the depreciation period is extended to the maximum amount, which is valid for purchasing new property.

Minor intangible and tangible fixed assets acquired by December 31, 2002, have been recorded in the Organisation's assets and 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 Organisation'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 the case of posting the depreciation of assets acquired from subsidies and grants or donated assets against the accumulated depreciation account, the amount of equity will decrease by the depreciation amount, and the other revenues account will increase at the same time.

3.2. Inventories

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

Own products are valued at their 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 recorded and reported.

3.4. Receivables

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

3.5. Payables

Payables are valued at their initial nominal value. The Organisation 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 recorded 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, by 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 indent 3.7 that are recorded in other currencies not declared by ČNB were converted to Czech currency at the official middle exchange rate declared by the 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 recorded in foreign currencies declared by ČNB (Czech National Bank) are converted into Czech currency at the ČNB exchange rate declared on December 31, 2022.

Receivables, payables, subsidies and grants according to indent 3.7 that are recorded in other currencies not declared by ČNB were converted to Czech currency at the official middle exchange rate declared by the 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 relevant accounting principles, there are posted items concerning public collections announced pursuant to Act no. 117/2001 Coll, funds received by the Organisation from other persons and companies for the purpose of implementation of the Organisation's primary mission: subsidies, gifts, grants, reserve fund, and operating reserve fund, in the funds.

In the equity accounts, the Organisation accounts for assets acquired from subsidies, grants, donated assets, and materials. The balance also includes financial results up to 2003.

A list of important donors is part of the Organisation's annual report.

- 1) The Organisation divides funds into the bound and free:
 - a) Bound funds are funds used primarily in terms of purpose and conditions set by the provider or by other legislation.
 - b) Free funds are funds used in full charge by PIN and either not covered by any other legislation or eventually covered only very generally.
- 2) The Organisation also records received subsidies and grants by currency and by the conversion rate determined by the provider:
 - a) Subsidies and grants that are settled with the provider in foreign currency by rates that the Organisation uses during the reporting period.
 - b) Subsidies and grants that are settled with the provider at the rate set by the provider.
 - c) Other subsidies and grants are recorded in the Czech currency.

The Organisation opened synthetic accounts 914 (funds- assets under construction) and 919 (funds- inventory in transit) in the account classification within 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, 2022, are reported; 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, 2022, 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 Organisation's Board of Trustees established an operating reserves fund. The fund consists of net profit after tax based on the decision of the Board of Trustees on accounting of the profit. Resources from the fund are used for the co-financing of projects if the operating result is a loss that cannot be covered by the project resources or for the Organisation's stability, sustainability, and development. The operating reserves fund 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.

4.1.1. Fixed assets (thousand CZK)

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

	Status as of December 31, 2021	Increase	Decrease					Advance payment accounting / classification	Status as of December 31, 2022
			Liquidation	Sale	Donation	Deficits/damages	Revaluation of assets		
Intangible assets	73 806	35 415	1 078	0	0	0	0	17 959	90 184
Of which:									
Software	58 045	12 151	1 001						69 195
Valuable rights	1 548		77						1 471
Low-value intangible fixed assets	14								14
Other intangibles	12 370	5 808							18 178
Intangible fixed assets under construction	1 829	17 456						17 959	1 326
Advances for intangible assets	0								0
Tangible fixed assets	93 027	35 294	2 855	1 109	868	22	0	16 818	106 649
Of which:									
Land	2 639			1					2 638
Artworks and collections	0								0
Buildings and structures	26 452	285	67						26 670
Cars and motorcycles (*)	45 166	10 488	2 251	706	466				52 231
Other movable fixed assets	18 676	6 045	537	402	402	22			23 358
Low-value tangible fixed assets	63								63
Tangible fixed assets under construction (buildings)	0								0
Tangible fixed assets under construction (other)	31	17 422						16 818	635
Advances for tangible fixed assets	0	1 054							1 054
Total	166 833	70 709	3 933	1 109	868	22	0	34 777	196 833

Note: * The Cars and motorcycles line, liquidation column also includes the value of the property that was used for spare parts;

Fixed assets – accumulated depreciation – assets A. IV.

	Status as of December 31, 2021	Increase	Decrease				Status as of December 31, 2022
			Liquida- tion	Sale	Dona- tion	Deficits/ dama- ges	
Intangible assets	40 312	16 216	1 078	0	0	0	55 450
Of which:							
Software	31 152	12 868	1 001				43 019
Valuable rights	1 517	31	77				1 471
Low-value intangible fixed assets	14						14
Other intangibles	7 629	3 317					10 946
Tangible assets	60 354	7 098	2 855	1 108	868	22	62 599
Of which:							
Buildings and structures	8 435	947	67				9 315
Cars and motorcycles	38 364	4 543	2 251	706	466		39 484
Other movable fixed assets	13 492	1 608	537	402	402	22	13 737
Low-value fixed assets	63						63
Total	100 666	23 314	3 933	1 108	868	22	118 049

Fixed assets – depreciated price

	Status as of December 31, 2021	Status as of December 31, 2022
Intangible assets	33 494	34 734
Of which:		
Software	26 893	26 176
Valuable rights	31	0
Low-value intangible fixed assets	0	0
Other intangibles	4 741	7 232
Intangible assets under construction	1 829	1 326
Advances for intangible assets	0	0
Tangible assets	32 673	44 050
Of which:		
Land	2 639	2 638
Buildings and structures	18 017	17 355
Cars and motorcycles	6 802	12 747
Other movable fixed assets	5 184	9 621
Low-value fixed assets	0	0
Tangible fixed assets under construction (buildings)	0	0
Tangible fixed assets under construction (other)	31	635
Advances for tangible fixed assets	0	1 054
Total	66 167	78 784

5. Current assets

5.1. Inventories – assets B. I.

Inventories (thousand CZK)	As of December 31, 2021	As of December 31, 2022
Materials in store	24 015	114 249
Materials in transit	0	1 657
Finished products	568	568
Merchandise in stock and in stores	118	141
Advance payments for inventory	1 227	11 222
Total	25 928	127 837

Material in store consists mainly of:

- Unsent humanitarian and development aid supplies that will be donated in the next period.
- Food and material aid in the Czech Republic.

Material in transit consists of food aid for DR Congo intended for donation; it will be delivered and donated in 2023.

Merchandise in stock and in stores 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 of advance payments for the purchase of inventory for humanitarian and development aid, especially in Ukraine, Angola, Mongolia, and Zambia.

	Status as of December 31, 2021	Status as of December 31, 2022
5.2. Receivables (thousand CZK) – assets B. II.		
<i>Items in italics relate to the year 2022</i>		
Trade receivables total	165 665	250 553
Of which		
Receivables from customers	49 371	27 968
Receivables overdue more than 365 days	4 765	0
Receivables overdue 181 up to 364 days	0	241
Receivables overdue 91 up to 180 days	0	2
Receivables overdue 0 up to 90 days	15 455	2 613
Receivables prior to maturity	29 151	25 112
<i>Amount of outstanding receivables as of the date of drawing up the financial statements: 172</i>		
Operational advance payments made	115 296	221 024
<i>The most important amounts are the advances to suppliers who implement parts of a project, mostly in Ukraine, the Czech Republic, Ethiopia, Myanmar, Nepal, Syria, and DR Congo. Another significant part consists of advance payments for services (electricity, gas, rent) in the Czech Republic.</i>		
Other receivables	998	1 561
<i>The most important amounts are receivables from suppliers of services, for credited performance, unpaid refunds from billed prepayments, and overpayments.</i>		
Receivables from employees	2 731	2 955
<i>Advance payments for unfinished long-term business journeys; prepayments to employees billed in 2023.</i>		
Income taxes	0	167
Sundry receivables	9 850	40 834
<i>These are receivables from institutions that mediate financial support to the final aid recipients, such as Joint Stock Company "State Savings Bank of Ukraine" – Regional Office of JSC "Oschadbank" in Ukraine and I S Posta Moldovei in Moldova.</i>		
<i>There are also receivables from partner organisations that mainly cover a loan to the partner organisation Člověk v ohrožení, n.o. that is due at the end of the balance sheet date.</i>		
Estimated receivables	68 426	222 853
<i>These are estimated receivables on the outstanding revenue grants used by the Organisation under a valid contract in 2022, but the donor funds had not been paid by the date of drawing up the financial statements.</i>		
<i>A major part of the estimated receivables is the performance of humanitarian and development aid projects in Ukraine, Ethiopia, Syria, DR Congo, and Myanmar. These projects are financed by resources from the European Union, the Consortium Alliance 2015, the non-governmental organisation ACTED, and resources from foreign governments (Great Britain and the USA).</i>		
Total receivables	246 672	517 362

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

Short-term financial assets

	As of December 31, 2021	As of December 31, 2022
Cash	13 316	17 551
Bank accounts	849 621	2 560 019
Other bonds, debentures, and securities	79	0
Cash in transit	176	5 786
Total	863 192	2 583 356

5.3.1. Detailed information on other securities – assets B. III. 6.

Realisable securities (allotment certificates of investment funds)

Number of securities as of December 31, 2021	Value as of December 31, 2021 (in thousand CZK)	Number of securities as of December 31, 2022	Value as of December 31, 2022 (in thousand CZK)
1/9 from 701 shares	79	0	0

5.4. Other assets (thousand CZK) – assets B. IV.

Deferred expenses

Status as of
December
31, 2021

5 761

Status as of
December
31, 2022

8 013

A significant part is made up of the expenses of the year 2023 paid in 2022, mainly for regular administrative services of economic and accounting software; purchases of licenses, authorisations, and accesses; space rental and personal 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

111 875

111 269

These are contractually assured and received incomes in the following accounting period for projects that were partially implemented in 2022.

The most significant part of revenues comes from the EU, the US government, and the agency UN OCHA.

Total other assets	117 636	119 282
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6. Equity

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

account 901 - Equity

	Equity from previous years	Assets from grants or donations acquired for own activities	Material gifts	Total
Status as of January 1, 2022	8 176	30 249	0	38 425
Increase – acquisition of fixed assets and material gifts accepted		29 648		29 648
Decrease – disposal of fixed assets, depreciation, and material gifts to other parties		-11 140		-11 140
Status as of December 31, 2022	8 176	48 757	0	56 933
		56 933		

The increase in equity consists mainly of technical improvements of the Beneficiary Management System software application (CZK 8 642 thousand), the licence extension of Microsoft Dynamics NAV (CZK 2 695 thousand), purchase of 5 vehicles in Ukraine (CZK 2 767 thousand), 1 vehicle in Angola (CZK 1 369 thousand), acquisition of the online course Mediální ring (Media ring; CZK 924 thousand) within the project One World in Schools and e-learning portal "Žijeme městem" (We live the city; CZK 767 thousand) within the social and education programme section.

The decrease in equity consists mainly of the depreciation of assets from grants for own activities (CZK 10 564 thousand).

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

In compliance with the relevant accounting principles, the following items are recorded in the funds:

- Public collections announced pursuant to Act no. 117/2001 Coll.
- Funds received by the Organisation from other persons for the implementation of the Organisation's primary mission: donations, subsidies, and bound funds (grants).
- Creation and utilisation of the reserve fund.
- Creation and utilisation of the operating reserve fund.

Bound funds are funds used primarily in terms of the purpose and conditions set by the provider or by other legislation.

Free funds are funds used in full charge by PIN and either not covered by any other legislation or eventually covered only very generally.

	Initial status as of January 1, 2022	Increase – donations accepted, gifts	Decrease – utilisation, provision of gifts	Decrease – refunds of unused resources/correction	Balance for utilisation in 2023
Funds total	1 081 164	7 105 781	5 024 548	140 472	3 021 925

Of which:

6.2.1. Funds – bound

	Initial status as of January 1, 2022	Increase – donations accepted, gifts	Decrease – utilisation, provision of gifts	Decrease – refunds of unused resources/corr ection	Balance for utilisation in 2023
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Public Collections (number / name)

S-MHMP/578034/2013 Support for education in Africa	1 240	665	258	0	1 647
S-MHMP/352276/2013 Banat (Romania)	0	18	18	0	0
Total public collections	1 240	683	276	0	1 647

	Initial status as of January 1, 2022	Increase – donations accepted, gifts	Decrease – utilisation, provision of gifts	Decrease – refunds of unused resources/corr ection	Balance for utilisation in 2023
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State and local administration budgetary contributions, budgetary contributions from the EU and subsidies from other foreign governments

State budget subsidies	2 237	141 045	135 777	2 846	4 659
Local administration subsidies	1 113	107 542	105 110	1 582	1 963
EU funds subsidies	347 847	1 882 834	1 328 439	120 270	781 972
Subsidies from operational programmes	25 019	19 386	33 305	8 424	2 676
Subsidies from funds of other foreign governments	73 857	1 833 052	1 686 851	1 352	218 706
Subsidies from UN Agencies	48 066	467 230	407 410	5 628	102 258
Total subsidies	498 139	4 451 089	3 696 892	140 102	1 112 234

	Initial status as of January 1, 2022	Increase – donations accepted, gifts	Decrease – utilisation, provision of gifts	Decrease – refunds of unused resources/corr ection	Balance for utilisation in 2023
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Funds – bound gifts (grants)

Bound gifts (grants) - NGOs	35 244	286 521	209 648	197	111 920
Total funds (grants)	35 244	286 521	209 648	197	111 920

	Initial status as of January 1, 2022	Increase – donations accepted, gifts	Decrease – utilisation, provision of gifts	Decrease – refunds of unused resources/corr ection	Balance for utilisation in 2023
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Other funds

Other	45 931	127 276	89 297	0	83 910
Non-monetary gifts	2 069	94 547	95 017	0	1 599
Total Other funds	48 000	221 823	184 314	0	85 509

Total bound funds	582 623	4 960 116	4 091 130	140 299	1 311 310
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6.2.2. Funds – free

Initial status as of January 1, 2022	Increase – donations accepted, gifts	Decrease – utilisation, provision of gifts	Decrease – refunds of unused resources/correction	Balance for utilisation in 2023
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Public Collections (number / name)

S-MHMP/166354/2008 S-MHMP/204638/2011 S-MHMP/284758/2014 Long-term collection "Skutečná pomoc" (Real Aid)	94 852	80 055	39 033	0	135 874
S-MHMP/1230014/2012 Long-term humanitarian collection: „Povodně“ (Flood) in the Czech Republic	0	8	0	0	8
Syria and Iraq	13 325	1 911	7 702	0	7 534
Ukraine	2 971	1 890 933	715 995	0	1 177 909
Czechia	32 466	4 117	18 870	0	17 713
World	4 227	87	790	0	3 524
Lebanon	174	0	174	0	0
Afghanistan	3 396	692	676	0	3 412
Gracious Summer	6 024	17 580	22 625	0	979
Moravia	64 250	434	56 239	0	8 445
S-MHMP/1551858/2014 "Lepší škola pro všechny" (Better School for Everyone)	26 001	14 330	8 818	0	31 513
Total public collections	247 686	2 010 147	870 922	0	1 386 911

Initial status as of January 1, 2022	Increase – donations accepted, gifts	Decrease – utilisation, provision of gifts	Decrease – refunds of unused resources/correction	Balance for utilisation in 2023
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Other funds

Fund created from resources of: Charles Stewart Mott Foundation, The Ford Foundation, Šimon Pánek - Quadriga prize, Unilever prize	9 259	0	0	0	9 259
Club of Friends	189 976	116 809	58 699	0	248 086
Reserve fund and operating reserve fund (created from profit from previous periods)	9 980	2 411	0	0	12 391
Other	41 640	16 298	3 797	173	53 968
Total other funds	250 855	135 518	62 496	173	323 704

Total free funds	498 541	2 145 665	933 418	173	1 710 615
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7. Profit/Loss

7.1. Profit/Loss and tax calculation as of December 31, 2022

The financial result of the Organisation for 2022 is an accounting profit of CZK 2 198 thousand (after tax).

The Profit and Loss Account includes revenues and expenses for:

- Implementation of activities which comply with the Organisation's mission – in the main activity column
- Implementation of additional activities – supplementary activity column

In compliance with Act no. 248/1995 Coll. on Public Benefit Organisations, costs and revenues related to the administration of a public benefit organisation are recorded in the accounting of the organisation separately broken down by the centres.

Tax liability for the 2022 taxation period relating to corporate income tax is CZK 157 thousand. The Organisation has used the exemption option pursuant to § 20, par. 7 of Income Tax Act no. 586/1992 Coll.

Tax calculation (in thousand CZK)

Revenues total	5 756 897
Expenses total (except for 591)	5 754 542
Taxable income	2 355
Adjustment of the tax base	1 412
Total tax base	3 767
Deduction of the tax base under § 20 of the Income Tax Act	1 000
Final tax base after rounding	2 767
19% tax	526
Tax allowance	369
19% tax after allowance	157

In 2021, 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. 586/1992 Coll. from previous years were used to cover costs related to non-business activities performed in 2022.

7.2. Approval of the financial statements for 2021

The Board of Trustees, at its meeting in June 2022, approved the financial statements of the Organisation for the 2021 accounting period, showing a profit after tax of CZK 2 411 176,63 that was in accordance with the decision of the Board of Trustees posted on June 28, 2022, as an increase in the Organisation operating reserve fund.

8. Liabilities

	Status as of December 31, 2021	Status as of December 31, 2022
8.1. Liabilities (thousand CZK) B. III.		
<i>Matters in italics relate to the year 2022</i>		
Liabilities (suppliers, advances received, other payables) – total	93 782	168 277
Of which		
Suppliers total	90 357	164 838
Payables overdue more than 365 days	0	0
Payables overdue 181 to 364 days	18	657
Payables overdue 91 to 180 days	1 891	49
Payables overdue 0 to 90 days	13 991	17 336
Payables prior to maturity	74 457	146 796
<i>Amount of unpaid payables as of the date of drawing up the financial statements: 36 452.</i>		
Advance payments received	944	1 057
<i>The most significant parts are advance payments and deposits received from the tenants of the block of flats in Koněvova Street, Prague; payments received from partner organisations.</i>		
Other payables	2 481	2 382
<i>of which retentions on purchase of construction works in Ethiopia, Syria and Ukraine</i>	1 683	2 019
<i>of which other liabilities—retentions to partner organisation L'Office Français de l'Immigration et de l'Intégra within the project Reintegration Assistance Programme through Employment in Georgia, and other liabilities</i>	798	363
Payables to employees	27 483	38 082
<i>Amount of unpaid payables as of the date of the drawing up of the financial statements: 6</i>		
Payables to social security institutions (Czech Republic)	6 751	9 131
<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)	2 920	3 950
<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	4 633	1 806
Angola, Armenia, Bosna, DR Congo, Ethiopia, The Philippines, Georgia, Iraq, Cambodia, Kosovo, Costa Rica, Moldova, Nepal, Ukraine, Zambia		
<i>As of the date of the drawing up of the financial statements, none of these liabilities was overdue.</i>		
State budget payables (Czech Republic)	7 880	7 081
<i>These are refunds of unutilised parts of subsidies from the state budget, VAT, employment tax for employees and contributions for default of the mandatory share of persons with disabilities.</i>		
<i>Amount of unpaid payables as of the date of the drawing up of the financial statements: 0</i>		

State budget payables	5 101	6 907
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 the financial statements: 2 912</i>		
<i>of which liabilities to institutions in Iraq and Myanmar of CZK 2 889 thousand due to the incomplete registration caused by the poor security situation, political coup, and change of government institutions</i>		
Sundry payables	22 795	21 946
<i>The majority is formed by payables from partner organisations and refunds of unused received subsidies.</i>		
Estimated payables (personal line insurance, supplies of services to the leased property)	7 748	10 824
<i>These are costs of the accounting period that have not been invoiced to the Organisation yet.</i>		
Total liabilities	179 093	268 004

	Status as of December 31, 2021	Status as of December 31, 2022
8.2. Other liabilities (thousand CZK) – liabilities and equity B. IV.		
Accrued expenses	17 726	77 180
<i>Through this account, the Organisation accounts for expenses related to the current accounting period, but payments will be made in the following period. These are mainly the costs of partners (CZK 29 038 thousand) and donated food via a voucher system in Syria (CZK 34 815 thousand).</i>		
Deferred revenues	186	165
Total other liabilities	17 912	77 345

9. Profit and loss account – expenses

Item A.I.6 "Other services" in a value of CZK 914 993 thousand mainly includes the costs of purchases from services suppliers within the realisation of projects (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" with a value of CZK 2 698 266 thousand, mainly includes financial donations and donated material provided within humanitarian and development aid mainly in Ukraine, Syria, Moldova, Afghanistan and other countries. Financial contributions and donated materials were used to help refugees and their families; securing accommodation, food and water, hygiene needs or equipment for refugee centres, inhabitants in war zones and internally displaced people, mainly in Ukraine, Syria, and Iraq.

Item A.V.22 "Other expenses" in a value of CZK 769 236 thousand includes mainly costs of partners spent during the implementation of joint projects through "partnership agreement".

10. Profit and loss account – revenues

Item B.IV.8. "Foreign exchange gains" with a value of CZK 317 622 thousand includes foreign exchange gains arising mainly from fund revaluation and revaluation of short-term financial assets registered in foreign currency (cash and banks),

Item B.IV.9. "Accounting for funds" with a value of CZK 4 995 511 thousand 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 Organisation.

Item B.IV.10. "Other revenues" in a value of CZK 329 549 thousand relates to the main activities of the Organisation. This item mainly includes revenue estimates for outstanding grants that the Organisation benefited from a valid contract in 2022. 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 already partially implemented in 2022.

11. Remuneration for audit company

The remuneration of CZK 700 thousand belongs to the audit company for the statutory audit of the annual financial statement for 2022. CZK 534 thousand was invoiced in 2022 for other verification services.

12. Other important facts

The organisation concluded an overdraft credit contract with the Československá obchodní banka a.s. on November 24, 2017—the current credit limit of 35 000 thousand CZK is valid from 23.10.2020

The credit was not drawn as of the balance sheet date. Following this contract, a pledge agreement was concluded on November 27, 2017. The subject of the collateral is real estate listed in the property sheet LV 239, cadastral area Žižkov, Prague.

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

The Organisation does not register any other payables not included in the financial statements and notes to the financial statements.

There were no other events after the balance sheet date and by the date of drawing up the financial statements that would significantly affect the reported values of assets and liabilities, the financial situation and the financial result of the Organisation in the financial statements as of 31 December 2022.

Prague, 26 June 2023

Prepared by: Anna Spružinová
Accountant



Šimon Pánek
Chief Executive Officer (CEO)
Člověk v tísni, o.p.s.

Cash flow statement
 as of 31 December 2022
 (In thousands of CZK)

		current period	prior period
P.	Cash and cash equivalents, beginning of year	863 192	789 426
Net operating cash flow			
Z.	Accounting profit (loss) before taxation	2 355	3 148
A.1.	Non-cash transactions	-12 295	16 690
A.1.1.	Depreciation of fixed assets	23 179	17 762
A.1.2.	Change in provisions and other adjustments		
A.1.3.	Profit(-) Loss(+) on sale of fixed assets	-366	-859
A.1.4.	Expense and revenue interests accounted for	-35 243	-395
A.1.5.	Other non-cash transactions		182
A.1.6.	Gifts (buildings)	135	
A.*	Net operating cash flow before taxation, changes in working capital and extraordinary items	-9 940	19 838
A.2.	Current assets	-225 734	-42 986
A.2.1.	Change in receivables and other temporary assets	-272 169	-54 690
A.2.2.	Change in short-term liabilities and other temporary liabilities	148 344	-5 417
A.2.3.	Change in inventory	-101 909	17 121
A.2.4.	Change in short term financial assets	0	0
A.**	Net operating cash flow before financial balances, taxation and extraordinary items	-235 674	-23 148
A.3.	Interest paid excluding amounts capitalised		-6
A.4.	Interest received	35 243	401
A.5.	Income tax paid on ordinary income and income tax relating to prior periods	-324	-715
A.***	Net operating cash flow	-200 755	-23 468
Investment activity			
B.1.	Acquisition of fixed assets	-35 931	-39 227
B.1.1.	Acquisition of tangible fixed assets	-18 476	-21 356
B.1.2.	Acquisition of intangible fixed assets	-17 455	-17 871
B.1.3.	Acquisition of long-term investments		
B.2.1.	Proceeds from sales of fixed assets	366	13 460
B.2.2.	Proceeds from sales of long-term investments		
B.***	Net cash flow from investment activity	-35 565	-25 767
Financial activity			
C.1.	Change in long-term liabilities and bank loans	-374	155
C.1.1.	Increase and decrease in long-term loans		
C.1.2.	Increase and decrease in other long-term payables	-374	155
C.2.	Increase and decrease in equity	1 956 858	122 846
C.2.1.	Change in own equity	16 097	-3 468
C.2.2.	Change in funds	1 940 761	126 314
C.***	Net cash flow from financial activity	1 956 484	123 001
F.	Net increase or decrease in cash balance	1 720 164	73 766
R.	Cash and cash equivalents, end of period	2 583 356	863 192