

INDEPENDENT AUDITOR'S REPORT

on the financial statements

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

as at 31 December 2014



Identification data:

Name of the accounting entity:	Člověk v tísni, o.p.s.
Registered office:	120 00 Prague 2 Šafaříkova 635/24
ID number:	257 55 277
Legal status:	Public Benefit Organization
Director:	Šimon Pánek
Auditing firm:	AUDIT SERVIS, spol. s r. o. 140 00 Praha 4, Kloboučnická 14 Licence of the Chamber of Auditors of the Czech Republic no. 10
Auditor:	Ing. Květoslava Vyleťalová Licence of the Chamber of Auditors of the Czech Republic no. 256
Verified period:	1 January 2014 – 31 December 2014
Date of the execution of the Report:	26 June 2015



INDEPENDENT AUDITOR ´S REPORT

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

Report on the Financial Statements:

We have audited the accompanying financial statements of Company Člověk v tísní, o.p.s. (PEOPLE IN NEED), which comprise the balance sheet as of 31 December 2014, the profit and loss account from the 1 January 2014 to 31 December 2014 and cash flow statement for the year then ended as of 31 December 2014, and notes to financial statements including summary of significant accounting policies and other explanatory notes. Information about Company Člověk v tísní, o.p.s. is presented in Note 1.1. to these financial statements.

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

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

Auditor ´s Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit



procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Company Člověk v tísni, o.p.s. as of 31 December 2014, and of its financial performance and its cash flows for the year then ended as of 31 December 2014 in accordance with Czech accounting regulations.

Audited Financial Statements of the Company of the year 2014 (i.e. Balance Sheet, Profit and Loss Account, Notes to Financial Statements incl. Cash Flow Statement) are enclosure to this report.

In Prague on 26 June 2015

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



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

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

FINANCIAL BALANCE SHEET

Úč NO 1 - 01

As of 31 December 2014

(In thousands of CZK)

Name and address of
 the accounting unit

Člověk v tísni, o.p.s
 PEOPLE IN NEED
 Šafaříkova 635/24
 120 00 Praha 2

Organization Identification Number (IČ)

25755277

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

ASSETS		Line	As of 1.1.2014	As of 31.12.2014
		No.	(Thousands of CZK)	(Thousands of CZK)
	a	b	1	2
A.	Fixed Assets line 02 + 10 + 21 + 29	01	42 075	43 898
A. I.	Intangible fixed assets subtotal line 03 through 09	02	13 531	14 357
1.	Research and development (012)	03	0	0
2.	Software (013)	04	11 914	12 228
3.	Royalties (014)	05	854	1 533
4.	Small intangible fixed assets (018)	06	21	21
5.	Other intangible fixed assets (019)	07	0	0
6.	Acquisition of intangible fixed assets (041)	08	241	0
7.	Advance payments for intangible fixed assets (051)	09	501	575
A. II.	Tangible fixed assets subtotal line 11 through 20	10	64 219	70 819
1.	Land (031)	11	2 647	2 647
2.	Fine art & collections (032)	12	0	0
3.	Buildings, halls and structures (021)	13	18 474	26 308
4.	Property, plant and equipment (022)	14	38 610	36 812
5.	Cultivated area (025)	15	0	0
6.	Livestock (026)	16	0	0
7.	Small tangible fixed assets (028)	17	3 471	3 407
8.	Other tangible fixed assets (029)	18	0	0
9.	Acquisition of tangible fixed assets (constructions) (044)	19	1 017	1 203
10.	Advance payments for tangible fixed assets (052)	20	0	442
A. III.	Long-term investments subtotal line 22 through 28	21	3 724	4 457
1.	Investments in group undertakings (061)	22	0	0
2.	Investments in associated companies (062)	23	0	0
3.	Other long-term securities and ownership interests (063)	24	3 724	4 457
4.	Intercompany loans (066)	25	0	0
5.	Other long-term loans (067)	26	0	0
6.	Other long-term investments (069)	27	0	0
7.	Acquisition of financial investment (043)	28	0	0
A. IV.	Adjustments to fixed assets subtotal line 30 through 40	29	-39 399	-45 735
1.	Adjustments to research and development (072)	30	0	0
2.	Adjustments to software (073)	31	-8 698	-10 613
3.	Adjustments to royalties (074)	32	-414	-680
4.	Adjustments to small intangible fixed assets (078)	33	-21	-21
5.	Adjustments to other intangible fixed assets (079)	34	0	0
6.	Adjustments to buildings, halls and structures (081)	35	-1 351	-1 984
7.	Adjustments to property, plant and equipment (082)	36	-25 444	-29 030
8.	Adjustments to cultivated area (085)	37	0	0
9.	Adjustments to livestock (086)	38	0	0
10.	Adjustments to small tangible fixed assets (088)	39	-3 471	-3 407
11.	Adjustments to other tangible fixed assets (089)	40	0	0

ASSETS

		Line	As of 1.1.2014	As of 31.12.2014
		No.	(Thousands of CZK)	(Thousands of CZK)
	a	b	1	2
B.	Current assets line 42 + 52 + 72 + 81	41	351 306	416 246
B.I.	Inventory subtotal line 43 through 51	42	26 393	18 641
1.	Inventories (112)	43	17 924	16 058
2.	Inventory in transit (119)	44	882	0
3.	Work-in-progress (121)	45	0	0
4.	Semi-finished own production (122)	46	0	0
5.	Finished goods (123)	47	68	66
6.	Livestock (124)	48	0	0
7.	Merchandise in stock (132)	49	1 158	42
8.	Merchandise in transit (139)	50	0	0
9.	Advance payments for inventory (314)	51	6 361	2 475
B.II.	Receivables subtotal line 53 through 71	52	85 900	106 288
1.	Trade receivables (311)	53	16 087	6 024
2.	Receivables from bills of exchange (312)	54	0	0
3.	Receivables from discount securities (313)	55	0	0
4.	Advance payments for operational expenditures(314 except the line 51)	56	26 131	38 771
5.	Other receivables (315)	57	714	382
6.	Receivables from employees (335)	58	2 439	2 249
7.	Receivables from social security (336)	59	0	0
8.	Income tax (341)	60	291	0
9.	Other direct taxes (342)	61	0	0
10.	VAT (343)	62	0	0
11.	Other taxes & fees (345)	63	0	0
12.	State subsidies & other budgetary contributions (346)	64	0	0
13.	Local administration budgetary contributions (348)	65	0	0
14.	Intercompany accounts (358)	66	0	0
15.	Purchased options (373)	67	0	0
16.	Bonds issued (375)	68	0	0
17.	Other different receivables (378)	69	16 405	18 511
18.	Estimated receivables (388)	70	23 833	40 351
19.	Adjustment to receivables (391)	71	0	0
B.III.	Financial assets subtotal line 73 through 80	72	214 424	245 007
1.	Cash (211)	73	9 370	11 587
2.	Valuables (213)	74	53	60
3.	Bank accounts (221)	75	196 840	221 186
4.	Equity shares (251)	76	0	0
5.	Bonds & Debentures (253)	77	0	0
6.	Other securities (256)	78	5 724	6 376
7.	Acquisition of financial assets (259)	79	0	0
8.	Cash in transit (261)	80	2 437	5 798
B.IV.	Other assets subtotal line 82 through 84	81	24 589	46 310
1.	Prepaid expenses (381)	82	3 254	4 360
2.	Accrued revenue (385)	83	19 906	39 329
3.	Unrealised exchange rate losses (386)	84	1 429	2 621
	TOTAL ASSETS line 01 + 41	85	393 381	460 144

LIABILITIES AND EQUITY		Line No.	As of 1.1.2014 (Thousands of CZK)	As of 31.12.2014 (Thousands of CZK)
	a	b	1	2
A.	Equity and Funds line 87 + 91	86	321 502	360 080
A.I.	Funds subtotal line 88 through 90	87	320 121	354 845
1.	Equity (901)	88	41 022	38 580
2.	Funds (911)	89	278 996	316 122
3.	Gains and losses from the revaluation of assets (921)	90	103	143
A.II.	Operating results subtotal line 92 through 94	91	1 381	5 235
1.	Profit & loss for account year (+/-963)	92	0	5 235
2.	Profit/loss under approval (+/-931)	93	1 381	0
3.	Retained earnings/losses from previous years (+/-932)	94	0	0
B.	Liabilities line 96 + 98 + 106+ 130	95	71 879	100 064
B.I.	Provisions line 97	96	0	0
1.	Tax deductible provisions (941)	97	0	0
B.II.	Long-term liabilities subtotal line 99 through 105	98	0	0
1.	Long-term bank loans (951)	99	0	0
2.	Bonds issued (953)	100	0	0
3.	Leasing payables (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	0	0
B.III.	Short-term liabilities subtotal line 107 through 129	106	61 738	86 743
1.	Trade payables (321)	107	13 486	36 512
2.	Payables of exchange (322)	108	0	0
3.	Prepayments received (324)	109	876	2 396
4.	Other payables (325)	110	1 124	572
5.	Payables to employees (331)	111	9 882	12 411
6.	Other payables to employees (333)	112	236	985
7.	Social security & health insurance institutions (336)	113	3 826	4 593
8.	Income tax (341)	114	0	914
9.	Other direct taxes (342)	115	1 287	1 781
10.	VAT (343)	116	204	506
11.	Other taxes and fees (345)	117	807	2 528
12.	State budget payables (346)	118	1 959	1 169
13.	Local administration budgets payables (348)	119	0	0
14.	Subscriptions & deposits payable (367)	120	0	0
15.	Payables to partners and consortium members (368)	121	0	0
16.	Financial derivatives payables (373)	122	0	0
17.	Other payables (379)	123	14 930	19 566
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	13 121	2 810
23.	Other short-term borrowings (249)	129	0	0

LIABILITIES AND EQUITY		Line No.	As of 1.1.2014 (Thousands of CZK)	As of 31.12.2014 (Thousands of CZK)
	a	b	1	2
B.IV.	Other liabilities subtotal line 131 through 133	130	10 141	13 321
1.	Accrued expenses (383)	131	4 149	10 223
2.	Deferred revenues (384)	132	3 789	728
3.	Unrealised exchange rate gains (387)	133	2 203	2 370
	TOTAL LIABILITIES AND EQUITY line 86 + 95	134	393 381	460 144

Company stamp:	Signature of statutory representative:	Prepared by: <i>Tide</i>	Date of creation: 25 th June, 2015
	<i>Simon Jambuch</i>	Telephone: 226 200 402	

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



Ministry of Finance CR

Approved by MF CR

in accordance with decree No. 504/2002 Coll.

Applies to accounting units

using tax forms applicable

to non-profit organizations

PROFIT & LOSS ACCOUNT

Úč NO 2 - 01

As of 31 December 2014

(In thousands of CZK)

Name and address of
the accounting unit

Člověk v tísni, o.p.s

PEOPLE IN NEED

Šafaříkova 635/24

120 00 Praha 2

The accounting unit is to

deliver 1 copy hereof to the Tax

Administration of competence

Organization Identification Number (IČ)

25755277

Name of indicator		No.	Activity		
			Main	Supplem.	Total
Costs		01			
A.					
A.I.	Consumption subtotal line 03 through 06	02	68 677	560	69 237
	1. Material consumption (501)	03	62 788	91	62 879
	2. Energy consumption (502)	04	4 758	52	4 810
	3. Consumption of other not-for-stock materials (503)	05	0	0	0
	4. Costs of goods sold (504)	06	1 131	417	1 548
A.II.	Services subtotal line 08 through 11	07	297 692	1 190	298 882
	5. Repair & maintenance (511)	08	3 134	87	3 221
	6. Travel expenses (512)	09	33 092	0	33 092
	7. Entertainment expenses (513)	10	2 216	6	2 222
	8. Other services (518)	11	259 250	1 097	260 347
A.III.	Personnel expenses subtotal line 13 through 17	12	234 665	1 089	235 754
	9. Wages & salaries (521)	13	192 148	859	193 007
	10. Mandatory social security expenses (524)	14	42 184	230	42 414
	11. Other social security expenses (525)	15	0	0	0
	12. Mandatory social expenses (527)	16	333	0	333
	13. Other social expenses (528)	17	0	0	0
A.IV.	Taxes & fees subtotal line 19 through 21	18	2 386	6	2 392
	14. Road tax (531)	19	37	0	37
	15. Real estate tax (532)	20	0	6	6
	16. Other fees and taxes (538)	21	2 349	0	2 349
A.V.	Other expenses subtotal line 23 through 30	22	446 381	82	446 463
	17. Contractual penalties & late interest (541)	23	5	0	5
	18. Other fines & penalties (542)	24	96	0	96
	19. Write off bad receivables (tax deductible) (543)	25	1 528	52	1 580
	20. Interest (544)	26	0	0	0
	21. Currency exchange loss (545)	27	9 543	0	9 543
	22. Gifts (546)	28	340 094	0	340 094
	23. Deficits & damages (548)	29	60	0	60
	24. Other expenses (549)	30	95 055	30	95 085
A.VI.	Depreciation, assets sold, additions to provisions & adjustments line 32 through	31	10 983	25	11 008
	25. Depreciation of tang. & intang. fixed assets (551)	32	9 571	25	9 596
	26. Net book value of disposed tang. & intang. fixed a: (552)	33	0	0	0
	27. Net book value of securities & deposits sold (553)	34	970	0	970
	28. Net book value of material sold (554)	35	442	0	442
	29. Additions to mandatory provisions (556)	36	0	0	0
	30. Additions to mandatory adjustments (559)	37	0	0	0
A.VII.	Contributions subtotal line 39 through 40	38	316	0	316
	31. Intercompany contributions (581)	39	0	0	0
	32. Membership contributions (582)	40	316	0	316
A.VIII.	Income tax line 42	41	0	0	0
	33. Additional income tax (595)	42	0	0	0
	TOTAL COSTS line 02+07+12+18+22+31+38+41	43	1 061 100	2 952	1 064 052

	Name of Indicator	Line No.	Activity		
			Main	Supplem.	Total
B.	Revenues	44			
B.I.	Revenues from production and goods sold subtotal line 46 through	45	61 913	3 320	65 233
1.	Sale of own products (601)	46	1	0	1
2.	Sale of own services (602)	47	61 524	2 506	64 030
3.	Sales of goods purchased for resale (604)	48	388	814	1 202
B.II.	Change in inventory subtotal line 50 through 53	49	-2	0	-2
4.	Change in work-in-progress (611)	50	0	0	0
5.	Change in semi-finished product inventory (612)	51	0	0	0
6.	Change in finished product inventory (613)	52	-2	0	-2
7.	Change in livestock (614)	53	0	0	0
B.III.	Capitalization subtotal line 55 through 58	54	0	0	0
8.	Capitalization of material & merchandise (621)	55	0	0	0
9.	Capitalization of intercompany services (622)	56	0	0	0
10.	Capitalization of intangible fixed assets (623)	57	0	0	0
11.	Capitalization of tangible fixed assets (624)	58	0	0	0
B.IV.	Other revenues subtotal line 60 through 66	59	999 527	30	999 557
12.	Contractual penalties & late interest (641)	60	0	0	0
13.	Other fines & penalties (642)	61	0	0	0
14.	Payments for written-off receivables (643)	62	26	0	26
15.	Interest (644)	63	102	0	102
16.	Exchange rate gains (645)	64	22 261	0	22 261
17.	Accounting for funds (648)	65	897 616	0	897 616
18.	Other revenues (649)	66	79 522	30	79 552
B.V.	Revenues from assets sold, accounting for provisions & adjustm. line 68 through	67	1 855	0	1 855
19.	Sale of intang. & tang. fixed assets (652)	68	2	0	2
20.	Revenues from securities sold (653)	69	932	0	932
21.	Revenues from material sold (654)	70	753	0	753
22.	Revenues from short-term financial assets (655)	71	62	0	62
23.	Accounting for mandatory provisions (656)	72	0	0	0
24.	Revenues from long-term financial assets (657)	73	106	0	106
25.	Accounting for mandatory adjustments (659)	74	0	0	0
B.VI.	Contributions received subtotal line 76 through 78	75	3 713	0	3 713
26.	Intercompany contributions received (681)	76	0	0	0
27.	Contributions received (gifts) (682)	77	3 713	0	3 713
28.	Membership contributions received (684)	78	0	0	0
B.VII.	Operating subsidy line 80	79	0	0	0
29.	Operating subsidy (691)	80	0	0	0
	TOTAL REVENUES line 45+49+54+59+67+75+79	81	1 067 006	3 350	1 070 356
C.	Profit/loss before tax line 81 minus 43	82	5 906	398	6 304
	Income tax (591)	83	1 002	67	1 069
D.	Profit/loss after tax line 82 minus 83	84	4 904	331	5 235

Signature of statutory representative:	Prepared by:	Date of creation:
	<i>Trida</i>	25 th June, 2015
Company stamp:		Telephone:
<i>Šimon Palouš</i>		226 200 402

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



Notes to Financial Statements as of December 31, 2014

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, 2014 are:

Executive Board: Kristina Taberyová – Chairwoman
Jan Pergler
Petr Jančárek

Supervisory Board: Vlasta Lajčáková - Chairwoman
Václav Mazánek
Jan Urban

Director of the Benevolent Society: Šimon Pánek

Founders: Česká televize
Ing. Jaromír Štětina
Šimon Pánek

Benevolent services as of December 31, 2014:

- Organizing humanitarian and development aid both abroad and in the Czech Republic
- Providing assistance and politically, racially or otherwise persecuted persons both abroad and in the Czech Republic
- Providing assistance to young journalists and independent press both abroad and in the Czech Republic
- Providing assistance to local governments and other local organizations
- Organizing assistance for minorities both abroad and in the Czech Republic
- Social consultancy
- Public education
- Organization of workshops and training
- Organization of cultural and sports events
- Providing social services
- Community planning and organization
- Organization of education and leisure activities for children and youth
- Supporting and operation of work-therapeutic and re-socialization workshops including sales of products manufactured in these workshops both abroad and in the Czech Republic
- Publishing activities
- Providing consultancy and assistance in the field of protection against discrimination based on gender, racial or ethnic origin, religion, world view, handicap, age or sexual orientation
- Operations in the field of protection of rights and justified interests of consumers

- Operation of a multicultural centre
- Research activities.

Supplementary activities:

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

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

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

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

1.2 Organizational unit in another country of the EU:

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

Name: Člověk v tísni, o.p.s.

Registered office: Palešovo námestie 34, 053 04 Spišské Podhradie

ID Number: 35562617

Tax ID Number: 2021920923

Statutory representative: Šimon Pánek

The sphere of business of the organization unit is identical to the activities of the company in the Czech Republic.

2. Breakdown of personnel costs for the accounting period 1.1 to 31.12.2014

Number of employees, Personnel costs:

	Average number of employees*	Gross wages, total in CZK	Average monthly gross wages in CZK	Social, health and other funds contributions, in CZK	Personnel costs, total in CZK
Afghanistan	246.25	27 938 257.15	9 454.57	0.00	27 938 257.15
Angola	44.25	6 131 144.93	11 546.41	432 550.59	6 563 695.52
Armenia	6.58	1 631 384.33	20 660.90	0.00	1 631 384.33
DR Congo **	99.83	7 990 501.45	6 670.09	379 875.13	8 370 376.58
Ethiopia	89.50	7 622 517.23	7 097.32	627 367.54	8 249 884.77
Philippines - since 1.8.2014	30.60	1 287 516.53	8 415.14	110 095.54	1 397 612.07
Georgia	17.58	3 831 641.96	18 162.88	0.00	3 831 641.96
South Sudan	11.92	2 330 229.72	16 290.76	396 139.27	2 726 368.99
Cambodia	25.00	4 050 541.91	13 501.81	0.00	4 050 541.91
Kosovo	3.00	780 770.61	21 688.07	39 038.73	819 809.34
Moldova	5.00	707 064.20	11 784.40	190 907.30	897 971.50
Mongolia	9.83	1 463 070.41	12 398.90	160 535.43	1 623 605.84
Slovakia	30.67	4 780 504.49	12 989.09	1 882 182.99	6 662 687.48
Serbia - since 1.11.2014	1.50	54 198.55	18 066.18	9 701.55	63 900.10
Sri Lanka - since 1.2.2014	2.00	446 436.84	20 292.58	66 965.54	513 402.38
Ukraine – since 1.9.2014	36.75	1 354 258.64	9 212.64	468 529.00	1 822 787.64
Missions total	660.26	72 400 038.95		4 763 888.61	77 163 927.56
The Czech Republic: - employments	357.91	112 114 005.00	26 103.86	37 983 009.00	150 097 014.00
Of this executive	10.8	5 546 482.00	42 796.93	1 885 832.00	7 432 314.00
	Number of Contracts of services	Total amount paid for Contracts of services			
The Czech Republic – Contract of Services	2 259	8 493 423.00			8 493 423.00
Personnel costs, total in CZK					235 754 364.56

* For missions where labour relations were concluded or terminated during 2014, we adjusted average per month of labour relations

** For mission DR Congo the short-term contractual relationships are included in the average number of employees

3. Information on used accounting methods and general accounting principles

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

Accounting documents are archived in the form of hard copies in the archive at the registered office of the Organization, Šafaříkova 24, 120 00 Praha 2. At the missions abroad, where the local legislation requires archiving of accounting documents in the country of origin, these accounting documents are archived in local archives at the registered offices of foreign branches of the entity. Accounting records are also filed in electronic form on a separate server and simultaneously on an external storage medium deposited outside the Organization's business premises. DMS system ELO has been used for archiving documents since 2011.

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

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

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

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

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

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

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

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

<u>Description of assets</u>	<u>Period of depreciation (months)</u>
Software without time limitation	36
Intangible assets with time limitation	According to the validity of the license
Computers and other computer technology	36
Mobile phones and other telecommunication technology	24
Other tangible assets	36
Passenger cars and other motorized vehicles	48
Passenger cars Angola, Congo, South Sudan	24
Passenger cars Ethiopia	36
Motor bikes Angola, Ethiopia, South Sudan, Congo	24
Appreciable rights	18
Livestock and draught animals	36
Buildings	Individually (currently 360 months or for the expected duration of use)
Technical improvements of leased assets	for the duration of the lease agreement in force at the time of putting into use
Technical improvement of assets put into operation that have not been depreciated *)	Remaining period of depreciation of assets with technical improvement
Technical improvement of assets put into operation that have been already depreciated	Intangible assets – 18 months Tangible assets – individually according to the type of assets

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

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

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

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

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

- Purchased realizable securities are recorded within short-term financial assets. Realizable securities as of the balance sheet date are revaluated to the real value and the evaluation differences are debited or credited to account no. 921 under ČÚS (Czech Accounting Standard) no. 406, point 4.4.

- At the end of the balance sheet day bonds are valued at the purchase price increased or decreased by interest revenues or costs
- Current coupon yields and the dissolution of discounts with bonds which are not settled by the end of the year, are entered in books by the company annually,
- Upon the calculation of the accruing of discount with securities (bonds) held till maturity the company uses the actual number of days from the day of purchase to the maturity date from convention 30E/360 of the international standard,
- Upon maturity, the organization accounts for the sales of securities in the balance sheet; with securities registered in foreign currencies the exchange difference on the clearing day is accounted at the same time,
- Securities (bonds) in foreign currencies which are not settled by the end of the year are recounted by the rate of exchange applicable on December 31 of the respective year; these exchange rate differences are accounted to the accounts of group 38.
- The division of securities into short-term and long-term securities is made on the date of the financial statements depending on the total time of bond "holding" (i.e. from purchase to their maturity).

3.2. Inventory

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

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

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

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

3.3. Cash and valuables

Cash and valuables are valued at their respective nominal values.

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

3.4. Receivables

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

3.5. Payables

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

3.6. Use of foreign currency in accounting

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

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

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

- Exchange rate of the Cuban Convertible Peso (CUC), which is determined by the rate of exchange to EUR declared by the European Commission (InfoEuro) for the month and converted to CZK
- Exchange rate of Transnistrian Ruble (PDR) to EUR, converted to CZK, declared by the Dniester Republican Bank as the first one in the month
- Exchange rate of the Myanmar Kyat (MMK), which is determined by the rate of exchange to EUR declared by the European Commission (InfoEuro) for the month and converted to CZK
- Exchange rate of South Sudanese Pound (SSP) to USD, converted to CZK as follows:
 - a) Calculated average of all exchanges from USD to SSP in previous calendar month
 - b) Calculation of the exchange rate to convert to CZK: the numerator is exchange rate to USD announced by ČNB for the month, the denominator is the calculated average exchange rate SSP to USD for the previous month

- Exchange rate of Afghan Afghani (AFN) to EUR, converted to CZK as follows:
 - a) Calculated average of the exchange rates announced by the Afghan National Bank to EUR on the first working day of the month
 - b) Calculation of the exchange rate to convert to CZK: the numerator is exchange rate to EUR announced by ČNB for the month, the denominator is the calculated average of exchange rates AFN to EUR

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

Exchange differences identified at the end of the balance sheet day or at another moment during the drawing up of the financial statements, with the exception of interim financial statements, are specified:

- a) According to their nature in the Profit and Loss Account in item "A.V.21 Currency exchange losses" or "B.IV.16. Exchange rate gains", if these exchange differences relate to accounts of the groups of accounts 21, 22 and 26,
- b) According to their nature in the Balance Sheet in assets under "B.IV.3. Unrealised exchange rate losses" or in liabilities item "B.IV.3. Unrealised exchange rate gains", if these exchange differences relate to accounts of the group of accounts 05, 06 and to the accounts of receivables, payables, loans and financial assistance.

The value of financial means, payables and receivables reported as of December 31, 2014 and recorded in foreign currency declared by ČNB is converted by the ČNB exchange rate valid as of December 31, 2014. If the foreign currency is not declared by ČNB daily, the exchange rate declared by the ČNB as of December 31, 2014 as the exchange rate of other currencies with the exception of the below-mentioned examples, the exchange rate as of December 31, 2014 is used:

- The rate of exchange of the Cuban Convertible Peso (CUC), calculated for a given accounting period as of December 31, 2014
- The rate of exchange of the Transnistrian Ruble (PDR), calculated for a given accounting period as of December 31, 2014
- The rate of exchange of the Myanmar Kyat (MMK), calculated for a given accounting period as of December 31, 2014
- The rate of exchange of the South Sudanese Pound (SSP), calculated for a given accounting period as of December 31, 2014
- The rate of exchange of the Afghan Afghani (AFN), calculated for a given accounting period as of December 31, 2014

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: gifts, grants, reserve fund and operating reserve fund.

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

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

The company divides funds and equity of the bound and free:

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

The company opened synthetic accounts 914 (funds - prepayments for tangible assets), 916 (funds – animals in transit) and 919 (funds - inventory in transit) in the account classification within account group 91 (funds).

In account 914 part of the resources of funds allocated for the coverage of expenses incurred for structures in process or non-commissioned structures as of December 31, 2014 is recorded. In account 916 part of the resources of funds allocated for the coverage of purchased animals and animals in transit as of December 31, 2014 is recorded. 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, 2014 is reported. Drawdown (accounting) of funds reported in accounts 914, 916 and 919 will be made in the next accounting period upon the physical handover of completed structures, animals or inventories in compliance with the respective contracts.

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

Additional information to selected data from the company financial statement

4. Fixed assets (thousand CZK)

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

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

	Status as of December 31, 2013	Increase	Decrease					Revaluation of assets	Status as of December 31, 2014
			Liquidation	Sale	Donation	Deficits/damages	Advance payment accounting/sumsumtion		
Intangible fixed assets	13 531	2 320	0	0	0	0	1 494	0	14 357
Of which:									
Software	11 914	314							12 228
Royalties	854	679							1 533
Minor intangible assets	21								21
Acquisition of intangible fixed assets	241	752					993		0
Provided advance for fixed intangible assets	501	575					501		575
Tangible fixed assets	64 219	21 281	1 731	185	2 233	206	10 326	0	70 819
Of which:									
Grounds	2 647								2 647
Buildings	18 474	7 834							26 308
Cars and motorcycles	27 196	1 741	277	185	2 145	32			26 298
Other tangible fixed assets (*)	11 414	752	1 390		88	174			10 514
Minor tangible fixed assets	3 471		64						3 407
Acquisition of tangible fixed assets (non-attached property)	1 017	10 512					10 326		1 203
Provided advances for fixed tangible assets	0	442							442
Long-term investments	3 724	1 648	0	1 437	0	0	0	522	4 457
Of which:									
Securities (**)	3 724	1 648		1 437				522	4 457
Total	81 474	25 249	1 731	1 622	2 233	206	11 820	522	89 633

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

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

Fixed assets – depreciation reserves (adjustments to fixed assets) – assets A.IV.

	Status as of December 31, 2013	Increase	Decrease				Status as of December 31, 2014
			Liquida- tion	Sale	Dona- tion	Deficits/ dama- ges	
Intangible fixed assets	9 133	2 181	0	0	0	0	11 314
Of which:							
Software	8 698	1 915					10 613
Royalties	414	266					680
Minor intangible assets	21						21
Tangible fixed assets	30 266	8 509	1 731	185	2 233	205	34 421
Of which:							
Buildings	1 351	633					1 984
Cars and motorcycles	15 760	6 763	277	185	2 145	31	19 885
Other tangible fixed assets	9 684	1 113	1 390		88	174	9 145
Minor tangible fixed assets	3 471		64				3 407
Total	39 399	10 690	1 731	185	2 233	205	45 735

Fixed assets – depreciated price

	Status as of December 31, 2013	Status as of December 31, 2014
Intangible fixed assets	4 398	3 043
Of which:		
Software	3 216	1 615
Royalties	440	853
Minor intangible fixed assets	0	0
Acquisition of intangible fixed assets	241	0
Provided advances for fixed intangible assets	501	575
Tangible fixed assets	33 953	36 398
Of which:		
Grounds	2 647	2 647
Buildings	17 123	24 324
Cars and motorcycles	11 436	6 413
Other tangible fixed assets	1 730	1 369
Minor tangible fixed assets	0	0
Acquisition of tangible assets (construction)	0	0
Acquisition of tangible fixed assets (non-attached property)	1 017	1 203
Provided advance for fixed tangible assets	0	442
Long-term investments	3 724	4 457
Of which:		
Securities	3 724	4 457
Total	42 075	43 898

4.1. Detailed information on long-term investments – assets A. III. 3.

Number of bonds as of December 31, 2013	Value as of December 31, 2013 (in thousands of CZK)	Number of bonds as of December 31, 2014	Value as of December 31, 2014 (in thousands of CZK)
173	3 724	170	4 457

These are mainly government bonds issued by creditworthy banking institutions.

The Company holds a maximum conservative investment strategy.

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

5. Current assets

5.1. Inventory – assets B. I.

Inventory (thousand CZK)	As of December 31, 2013	As of December 31, 2014
Inventories	17 924	16 058
Inventories in transit	882	0
Finished goods	68	66
Animals	0	0
Merchandise in stock	1 158	42
Advance payments for inventory	6 361	2 475
Merchandise in transit	0	0
Total	26 393	18 641

Material in stock consist 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
- Educational DVDs and VHS tapes of One World in Schools, the publication "Normalizace"

Finished goods are stocks of the book "(Ne)bolí (Does (not) hurt)"

Merchandise in stock are goods in coffee Langhans

Advance payments for inventory are mainly advance payments for the purchase of inventory for humanitarian and development aid.

	Status as of December 31, 2013	Status as of December 31, 2014
5.2. Receivables (thousands of CZK) – assets B. II.		
<i>Matters in italics relate to the year 2014</i>		
Trade receivables total	42 932	45 177
Of which		
Receivables from customers	16 087	6 024
Receivables overdue more than 365 days	8	169
Receivables overdue 181 up to 365 days	410	45
Receivables overdue 91 up to 180 days	81	21
Receivables overdue 0 up to 90 days	12 080	2 924
Receivables prior maturity	3 508	2 865
<i>The amount of outstanding receivables as of the date of drawing up of the financial statement: 213</i>		
Advance payments for operational expenditures	26 131	38 771
<i>The most important amounts are the advances to suppliers who implement part of the project mostly in Cambodia, Armenia, Georgia, Congo, Sri Lanka, Angola and Czech Republic. Another part consists of advance payments for services (electricity, gas, rent)</i>		
Other receivables	714	382
<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	2 439	2 249
<i>Advance payments for unfinished long-term business journeys; prepayments to employees charged in 2014</i>		
Receivables from the state budget	291	0
Other different receivables	16 405	18 511
<i>The most significant part are receivables from uninvoiced advance payments paid to the partners of particular common projects realized from grants of the European Commission. Related received advance payments for common projects are recorded in the balance sheet on line no. 123 Other payables.</i>		
Estimated receivables	23 833	40 351
<i>Among other these are performance in 2014 in Afghanistan which were not invoiced up to the date of the drawing up of the financial statements. Furthermore, the speculation on the outstanding revenue grants, which in 2014 the company used under a valid contract, but the donor funds had not been paid by the date of preparation of the reports. A major part of the estimated receivables is the performance of the project of humanitarian and development aid in Ethiopia, Syria and Afghanistan; these projects are financed from resources of the European Commission, Norwegian Funds, United Nations agency and resources of the German Government.</i>		
Total receivables	85 900	106 288

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

	As of December 31, 2013	As of December 31, 2014
Cash	9 370	11 587
Valuables	53	60
Bank accounts	196 840	221 186
Other securities	5 724	6 376
Cash in transit	2 437	5 798
Total	214 424	245 007

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, 2013	Value as of December 31, 2013 (in thousands of CZK)	Number of securities as of December 31, 2014	Value as of December 31, 2014 (in thousands of CZK)
689 893,38	5 724	26 015	6 376

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

	Status as of December 31, 2013	Status as of December 31, 2014
Prepaid expenses	3 254	4 360
<p><i>A significant part is made up of the expenses of the year 2015 paid in 2014 for air tickets and insurance.</i></p> <p><i>There, the accounting unit accounts for current expenses related to accrued expenses.</i></p> <p><i>Accounting for accrued expenses for the respective expenses account will be performed by the accounting unit in the accounting period to which the expenses are factually related.</i></p>		
Accrued revenues	19 906	39 329
<p><i>These are contractually assured and received incomes in the following accounting period for projects that were partially realized in 2014.</i></p> <p><i>The most significant part of revenues comes from European Union, partly through the partner Solidarities International, additionally the USA government through Department for International Development and the German government – Auswärtige Amt.</i></p>		
Unrealised exchange rate losses	1 429	2 621
<p><i>These are unrealised exchange rate differences which will be accounted for upon the payment of payables or collection of receivables in the next accounting period in compliance with the regulations.</i></p> <p><i>The amount of unrealised exchange rate losses related to securities and included in the above-mentioned amount is noted in the chapter on financial assets.</i></p>		
Total other assets	24 589	46 310

6. Equity

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

account 901 - Equity

	Equity from previous years	Assets from grants for own production	Material gifts	Total
Status as of January 1, 2014	8 176 418,90	32 845 768,68	1,00	41 022 188,58
Increase – acquisition of fixed assets and material gifts accepted		6 063 298,46	891 095,13	6 954 393,59
Decrease – disposal of fixed assets, depreciation, material gifts to other parties		-8 505 667,77	-891 094,13	-9 396 761,90
Status as of December 31, 2014	8 176 418,90	30 403 399,37	2,00	38 579 820,27
		38 579 820,27		

Major additions include: technical improvement of building (CZK 3 488 thousand) which was purchased in 2012 and purchase of cars and motorcycles (CZK 1 039 thousand)

Major decreases include: depreciation of assets from grants for own activities (CZK 8 506 thousand)

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

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

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

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

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

	Initial status as of January 1, 2014	Increase – donations accepted, gifts	Decrease – utilization, provision of gifts	Decrease – refunds of unused resources	Balance for utilization in 2015
Funds total	278 995 945,98	945 816 956,67	904 152 251,82	4 538 940,56	316 121 710,27

Of which:

6.2.1. Funds - bound

Initial status as of January 1, 2014	Increase – donations accepted, gifts	Decrease – utilization, provision of gifts	Decrease – refunds of unused resources	Balance for utilization in 2015
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Collections (number / name)

S-MHMP/578034/2013					
Support for education in Africa	1 762 298,11	3 284 300,46	1 725 436,84	0,00	3 321 161,73
S-MHMP/352276/2013					
Banat (Romania)	41 034,57	49 136,50	78 413,33	0,00	11 757,74
SVS-OVS3-2014/024221					
SOS Ukraine	0,00	2 207,10	1 219,67	0,00	987,43
S-MHMP/334787/2012					
SOS Syria	1 859 286,40	2 613 153,62	347 749,73	0,00	4 124 690,29
Total collections	3 662 619,08	5 948 797,68	2 152 819,57	0,00	7 458 597,19

Initial status as of January 1, 2014	Increase – donations accepted, gifts	Decrease – utilization, provision of gifts	Decrease – refunds of unused resources	Balance for utilization in 2015
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State and local administration budgetary contributions, budgetary contributions from EU and subsidies from other foreign governments

State budget subsidies	4 845 195,38	156 231 686,02	146 649 708,44	1 597 725,50	12 829 447,46
Local administration subsidies	160 047,53	5 155 431,88	5 082 415,08	4 400,00	228 664,33
EU funds subsidies	93 432 575,81	329 434 272,06	323 171 046,22	2 222 468,80	97 473 332,85
Subsidies from funds of other foreign governments	26 099 361,51	253 580 331,52	259 820 884,16	592 007,98	19 266 800,89
Subsidies from UN Agencies	3 689 027,45	60 660 106,91	60 811 515,11	65 186,87	3 472 432,38
Total subsidies	128 226 207,68	805 061 828,39	795 535 569,01	4 481 789,15	133 270 677,91

Initial status as of January 1, 2014	Increase – donations accepted, gifts	Decrease – utilization, provision of gifts	Decrease – refunds of unused resources	Balance for utilization in 2015
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Funds – bound gifts (grants)

Bound gifts (grants) - NGO	9 276 706,99	43 842 390,90	26 185 025,94	57 151,41	26 876 920,54
Total funds (grants)	9 276 706,99	43 842 390,90	26 185 025,94	57 151,41	26 876 920,54

Initial status as of January 1, 2014	Increase – donations accepted, gifts	Decrease – utilization, provision of gifts	Decrease – refunds of unused resources	Balance for utilization in 2015
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Other funds

Other	10 453 500,70	7 957 991,56	5 275 413,41	0,00	13 136 078,85
Non-monetary gifts	96 683,10	146 416,62	94 143,03	0,00	148 956,69
Social fund Slovakia	16 328,72	24 560,96	23 923,92	0,00	16 965,76
Total Other funds	10 566 512,52	8 128 969,14	5 393 480,36	0,00	13 302 001,30

Total bound funds	151 732 046,27	862 981 986,11	829 266 894,88	4 538 940,56	180 908 196,94
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6.2.2. Funds – free

Initial status as of January 1, 2014	Increase – donations accepted, gifts	Decrease – utilization, provision of gifts	Decrease – refunds of unused resources	Balance for utilization in 2015
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Collections (number / name)

S-MHMP/204638/2011 S-MHMP/284758/2014 Long-term collection "Skutečná pomoc" (Real Help)	44 609 987,63	28 541 412,19	31 463 659,74	0,00	41 687 740,08
SVS-OVVS3-2012/027358 SVS-OVS3-2013/030868 "Skutočný darček" (Real Gift)	74 630,98	18 863,05	62 873,90	0,00	30 620,13
S-MHMP/1230014/2012 Long-term humanitarian collection "Povodně" (Flood) in Czech Republic	8 476 665,55	207 152,00	3 444 769,22	0,00	5 239 048,33
Philippines - typhoon Haiyan	12 716 915,76	2 699 144,32	12 590 058,22	0,00	2 826 001,86
"Povodně" (Flood) in Bosnia and Hercegovina and Serbia	0,00	2 298 560,25	2 239 603,49	0,00	58 956,76
Ukraine	0,00	9 559 933,14	4 665 731,10	0,00	4 894 202,04
S-MHMP/1551858/2014 "Lepší škola pro všechny" (Better school for all)	0,00	4 040 438,12	58 470,87	0,00	3 981 967,25
Total collections	65 878 199,92	47 365 503,07	54 525 166,54	0,00	58 718 536,45

Initial status as of January 1, 2014	Increase – donations accepted, gifts	Decrease – utilization, provision of gifts	Decrease – refunds of unused resources	Balance for utilization in 2015
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Other funds

Fund created from resources of: Charles Stewart Mott Foundation, The Ford Foundation, Šimon Pánek – Qudriga prize, Unilever prize – purchase of securities	9 259 433,02	0,00	0,00	0,00	9 259 433,02
Club of Friends	43 652 036,59	34 088 455,78	20 360 190,40	0,00	57 380 301,97
Reserve fund (created from profit from previous periods)	8 474 230,18	1 381 011,71	0,00	0,00	9 855 241,89
Total other funds	61 385 699,79	35 469 467,49	20 360 190,40	0,00	76 494 976,88

Total free funds	127 263 899,71	82 834 970,56	74 885 356,94	0,00	135 213 513,33
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7. Profit/Loss

7.1. Profit/Loss and tax calculation as of December 31, 2014

The economic result for 2014 is accounting profit in the amount of CZK 5 235 thousand (after tax).

The Income statement includes revenues and costs for:

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

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

Tax liability for the 2014 taxation period relating to corporate income tax is CZK 1 069 thousand. The Company has used the option of exemption pursuant to § 20, par. 7 of Income Tax Act no. 586/1992 Col.

Tax calculation

Revenues total	1 070 355 652,10
Costs total (except 591)	1 064 051 655,73
Taxable income	6 303 996,37
Adjustment of the tax base	823 807,28
Total tax base	7 127 803,65
Deduction of the tax base under § 20 of the Income Tax Act	1 000 000,00
Adjusted tax base	6 127 803,65
Tax base after rounding	6 127 000,00
19% tax	1 164 130,00
Tax discount	95 580,00
19% tax after discount	1 068 550,00

In 2013, the deduction under § 20 within the income tax of corporate bodies in the amount of CZK 516 017.38 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 2014.

7.2. Approval of the financial statements for 2013

The Executive Board at its meeting in June 2014 approved the financial statements of the Organization for the 2013 accounting period, showing a profit in the amount of CZK 1 381 011.71 after tax that was in compliance with the decision of the Executive Board accounted on June 23, 2014 as an increase in the company general reserve.

8. Liabilities

	Status as of December 31, 2013	Status as of December 31, 2014
8.1. Liabilities (thousands of CZK) B. III.		
<i>Matters in italics relate to the year 2014</i>		
Liabilities (trade payables, prepayments received, other payables) – total	15 486	39 480
Of which		
Trade payables total	13 486	36 512
Payables overdue more than 365 days	7	0
Payables overdue 181 to 365 days	1 093	17 087
Payables overdue 91 to 180 days	449	4 667
Payables overdue 0 to 90 days	6 867	4 632
Payables prior to maturity	5 070	10 126
<i>Amount of unpaid payables as of the date of the drawing up of the financial statements: 309</i>		
Prepayments received	876	2 396
<i>The most significant part are prepayments related to implementation of project in Cambodia from company National Biodigester Programme Cambodia.</i>		
<i>Furthermore, the prepayments received from company Food and Agriculture Organization for distribution of seeds in war-affected areas in Syria.</i>		
Other payables	1 124	572
<i>This is essentially a restraint on purchase of construction works in Ethiopia and Cambodia</i>	370	392
<i>Other</i>	754	180
Payables to employees	10 118	13 396
<i>Amount of unpaid payables as of the date of the drawing up of the financial statements: 657</i>		
Payables to social security institution (Czech Republic)	2 505	3 035
<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)	1 077	1 307
<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	244	251
Ethiopia, Philippines, DR Congo, Kosovo, Mongolia, Slovakia, Serbia, Sri Lanka, Ukraine		
<i>Amount of unpaid payables as of the date of the drawing up of the financial statements: 2</i>		
State budget payables (Czech Republic)	3 001	3 766
<i>These are refunds of unutilized parts of subsidies from the state budget, employment tax for employees and income tax of corporate bodies 2014.</i>		
<i>Amount of unpaid payables as of the date of the drawing up of the financial statements: 914</i>		
State budget payables	1 256	3 132
Afghanistan, Armenia, DR Congo, Ethiopia, Philippines, Georgia, South Sudan, Cambodia, Kosovo, Mongolia, Serbia, Sri Lanka, Turkey, Ukraine		
<i>This is essentially a tax on employment and other taxes.</i>		
<i>Amount of unpaid payables as of the date of the drawing up of the financial statements: 241</i>		

Other payables	14 930	19 566
<i>The majority is formed by advance payments received from the European Commission that are intended for partners of common projects.</i>		
<i>These resources are transferred to partners of particular project by means of advance payments. After approval of the final financial report by the European Commission, advance payments received and advance payments paid are accounted for and settled.</i>		
<i>Related advance payments of partners are recorded in the balance sheet on line no. 69 other receivables.</i>		
Estimated payables (electricity, gas, sewage charges)	13 121	2 810
<i>These are costs of the accounting period that have not been invoiced to the company yet.</i>		
Total liabilities	61 738	86 743

	Status as of December 31, 2013	Status as of December 31, 2014
8.2. Other liabilities (thousands of CZK) – liabilities and equity B. IV.		
Accrued expenses	4 149	10 223
<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 project costs of partners and travel expenses of employees.</i>		
Deferred revenues	3 789	728
<i>These are mainly resources received for performing social works in locality Bilina, while the performance will be made in 2015.</i>		
Unrealised exchange rate gains	2 203	2 370
<i>These are unrealised exchange rate gains which will be accounted upon the payment of payables or collection of receivables in the next accounting period in compliance with regulations.</i>		
Total other liabilities	10 141	13 321

9. Profit and loss account – costs

Item A.II.8 "Other services" has a value of CZK 260 347 thousand, and includes the costs of other purchased services, which consist primarily of costs of partners in the implementation of joint project through "implementation agreement", the cost of renting and operating offices and the purchase of services in the provision of social services in the Czech Republic and 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.

Item A.V.22 "Gifts" has a value of CZK 340 094 thousand, and mainly includes financial donations and inventories provided in the context of humanitarian and development aid mainly in Syria, Ukraine and Afghanistan. Financial donations and inventories were used for securing accommodation, food and wintering for refugees in Syria and Ukraine, for people affected by floods and for support of agricultural production in Afghanistan.

Item A.V.24 "Other expenses" has a value of CZK 95 085 thousand, and mainly includes costs of partners in the implementation of joint projects through "partnership agreement".

10. Profit and loss account – revenues

Item B.I.2. "Sale of own services" has a value of CZK 64 030 thousand, and mainly includes income from the brokerage infrastructural development of local communities in Afghanistan and the provision of social services in the Czech Republic.

Item B.IV.17. "Accounting for funds" has a value of CZK 897 616 thousand, and includes revenues associated with the use of the funds reported under liabilities and equity item A.I.2. "Funds" on the main activities of the company.

Item B.IV.18. "Other revenues" has a value of CZK 79 552 thousand and relates to the main business of the company; it mainly includes revenue estimates for grants still outstanding when in 2014 the company benefited by a valid contract, but the funds from the donor were not paid by the date of the drawing up of the financial statements; There are also contracted and received incomes in the next financial year for projects that have already been partially implemented in 2014.

11. Other important facts

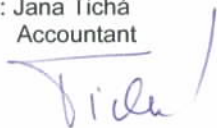
The Organization's assets are not encumbered with any lien.

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

Between the balance sheet date and the date of drawing up the financial statement, no important facts or unusual changes in the status of the assets and liabilities occurred which would significantly influence the values of assets and liabilities, the financial situation or economic result of the company stated in the financial statement as of December 31, 2014.

In Prague, June 25, 2015

Prepared by: Jana Tichá
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 2014

(In thousands of CZK)

		current period	prior period
P.	Cash and cash equivalents, beginning of year	214 424	165 663
Net operating cash flow			
Z.	accounting profit (loss) before taxation	6 304	1 507
A.1.	Non-cash transactions	11 533	13 527
A.1.1.	Depreciation of fixed assets	9 620	9 822
A.1.2.	Change in provisions and other adjustments	0	0
A.1.3.	Profit(-) Loss(+) on sale of fixed assets	-2	-303
A.1.4.	Expense and revenue interests accounted for	-102	-127
A.1.5.	Other non-cash transactions	948	3 103
A.1.6.	Gifts (buildings)	1 069	1 940
A.*	Net operating cash flow before taxation, changes in working capital and extraordinary items	17 837	15 034
A.2.	Current assets	-8 938	-34 476
A.2.1.	Change in receivables and other temporary assets	-43 689	-22 304
A.2.2.	Change in short-term liabilities and other temporary liabilities	26 999	1 646
A.2.3.	Change in inventory	7 752	-15 398
A.2.4.	Change in short term financial assets	0	0
A.**	Net operating cash flow before financial balances, taxation and extraordinary items	8 899	-19 442
A.3.	Interest paid excluding amounts capitalised	0	0
A.4.	Interest received	102	127
A.5.	Income tax paid on ordinary income and income tax relating to prior periods	-155	-365
A.***	Net operating cash flow	8 846	-19 680
Investment activity			
B.1.	Acquisition of fixed assets	-13 216	-11 692
B.1.1.	Acquisition of tangible fixed assets	-10 954	-7 405
B.1.2.	Acquisition of intangible fixed assets	-825	-2 679
B.1.3.	Acquisition of long-term investments	-1 437	-1 608
B.2.1.	Proceeds from sales of fixed assets	2	415
B.2.2.	Proceeds from sales of long-term investments	1 648	2 486
B.***	Net cash flow from investment activity	-11 566	-8 791
Financial activity			
C.1.	Change in long-term liabilities and bank loans	0	0
C.1.1.	Increase and decrease in long-term loans	0	0
C.1.2.	Increase and decrease in other long-term payables	0	0
C.2.	Increase and decrease in equity	33 303	77 232
C.2.1.	Change in own equity	-3 823	655
C.2.2.	Change in funds	37 126	76 577
C.***	Net cash flow from financial activity	33 303	77 232
F.	Net increase or decrease in cash balance	30 583	48 761
R.	Cash and cash equivalents, end of period	245 007	214 424