

INDEPENDENT AUDITOR'S REPORT

on the financial statements

Člověk v tísní, o.p.s.

(PEOPLE IN NEED)

as of 31 December 2018



Identification data:

Name of the accounting entity:	Člověk v tísní, o.p.s.
Registered office:	120 00 Praha 2, Šafaříkova 635/24
ID number:	257 55 277
Legal status:	Public Benefit Organization
Director:	Šimon Pánek
Auditing firm:	AUDIT SERVIS, spol. s r. o. 150 00 Praha 5, Nádražní 61/116 Licence of the Chamber of Auditors of the Czech Republic no. 10
Auditor:	Ing. Jana Procházková Licence of the Chamber of Auditors of the Czech Republic no. 2094
Verified period:	1 January 2018 – 31 December 2018
Date of the execution of the Report:	21 June 2019



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 2018, the profit and loss account from 1 January 2018 to 31 December 2018, and cash flow statement for the period from 1 January 2018 to 31 December 2018, and notes to the financial statements (hereafter 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 2018, and of its expenses, revenues and profit/loss and its cash flows for the accounting period from 1 January 2018 to 31 December 2018 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 assess 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 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 tísní, o. p. s. (PEOPLE IN NEED).
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the statutory body in the notes to the financial statements.
- Conclude on the appropriateness of the statutory body's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company Člověk v tísní, o. p. s. (PEOPLE IN NEED) to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company Člověk v tísní, o. p. s. (PEOPLE IN NEED) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

In Prague on 21 June 2019

Auditing firm: AUDIT SERVIS, spol. s r. o.
150 00 Praha 5, Nádražní 61/116
Licence of the Chamber of Auditors of the Czech Republic no. 10



Auditor:

Jana Procházková

Licence of the Chamber of Auditors of the Czech Republic no. 2094

Ministry of Finance CR

Approved by MF CR

in accordance with decree No. 504/2002 Coll.

Applies to accounting units

using tax forms applicable

to non-profit organizations

FINANCIAL BALANCE SHEET**Úč NO 1 - 01****As of 31 December 2018**

(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 1.1.2018	As of 31.12.2018
		No.	(Thousands of CZK)	(Thousands of CZK)
a		b	1	2
A.	Fixed Assets	01	43 469	42 500
A. I.	Intangible assets	02	20 381	24 433
1.	Intangible results from research and development (012)	03	0	0
2.	Software (013)	04	15 970	19 046
3.	Valuable rights (014)	05	1 684	1 684
4.	Low-value intangibles fixed assets (018)	06	14	14
5.	Other intangibles (019)	07	1 672	3 366
6.	Intangible fixed assets under construction (041)	08	1 041	323
7.	Advances for intangible assets (051)	09	0	0
A. II.	Tangible fixed assets	10	80 661	81 893
1.	Land (031)	11	2 952	2 639
2.	Artworks and collections (032)	12	0	0
3.	Buildings and structures (021)	13	27 010	26 399
4.	Movable fixed assets (022)	14	49 456	52 792
5.	Perennial crops (025)	15	0	0
6.	Breeding and draught animals (026)	16	0	0
7.	Low-value fixed assets (028)	17	93	63
8.	Other tangible fixed assets (029)	18	0	0
9.	Tangible fixed assets under construction (044)	19	1 150	0
10.	Advances for tangible fixed assets (052)	20	0	0
A. III.	Financial assets	21	2 725	3 118
1.	Investments in subsidiaries (061)	22	0	0
2.	Investments in associates (062)	23	0	0
3.	Bonds, debentures and similar securities held until maturity (063)	24	2 725	3 118
4.	Loans to organizational units (066)	25	0	0
5.	Other long-term loans (067)	26	0	0
6.	Other financial assets (069)	27	0	0
A. IV.	Accumulated depreciation on fixed assets	29	-60 298	-66 944
1.	Depreciation of research and development (072)	30	0	0
2.	Depreciation of software (073)	31	-15 169	-16 281
3.	Depreciation of valuable rights (074)	32	-1 533	-1 608
4.	Depreciation of low-value intangibles fixed assets (078)	33	-14	-14
5.	Depreciation of other intangibles (079)	34	-255	-1 021
6.	Depreciation of buildings and structures (081)	35	-4 890	-5 688
7.	Depreciation of movable fixed assets (082)	36	-38 344	-42 269
8.	Depreciation of perennial crops (085)	37	0	0
9.	Depreciation of breeding and draught animals (086)	38	0	0
10.	Depreciation of low-value fixed assets (088)	39	-93	-63
11.	Depreciation of other tangible fixed assets (089)	40	0	0

ASSETS		Line	As of 1.1.2018	As of 31.12.2018
		No.	(Thousands of CZK)	(Thousands of CZK)
	a	b	1	2
B.	Current assets	41	689 155	717 725
B.I.	Inventories	42	42 519	64 423
1.	Materials in store (112)	43	41 090	63 064
2.	Materials in transit (119)	44	0	0
3.	Work-in-progress (121)	45	0	0
4.	Semiproducts (122)	46	0	0
5.	Finished products (123)	47	64	0
6.	Livestock (124)	48	0	0
7.	Merchandise in stock (132)	49	139	262
8.	Merchandise in transit (139)	50	0	0
9.	Advance payments for inventory (314)	51	1 226	1 097
B.II.	Receivables	52	134 806	141 657
1.	Customers (311)	53	7 806	1 828
2.	Bills of exchange to be collected (312)	54	0	0
3.	Receivables for discounted securities (313)	55	0	0
4.	Operational advance payments made (314 except the line 51)	56	71 323	60 465
5.	Other receivables (315)	57	1 293	417
6.	Receivables from employees (335)	58	1 861	2 076
7.	Receivables from social security and health insurance institutions (336)	59	0	0
8.	Income taxes (341)	60	1 186	737
9.	Other direct taxes (342)	61	0	0
10.	Value added tax (343)	62	0	0
11.	Other taxes and fees (345)	63	0	0
12.	Grants receivable from national budget (346)	64	0	0
13.	Grants receivable from local authorities' budgets (348)	65	0	0
14.	Receivables from participants in an association (358)	66	0	0
15.	Receivables from fixed-term financial transactions (373)	67	0	0
16.	Receivables from issued bonds (375)	68	0	0
17.	Sundry receivables (378)	69	3 066	3 712
18.	Estimated receivables (388)	70	48 271	72 422
19.	Depreciations to receivables (391)	71	0	0
B.III.	Short-term financial assets	72	395 955	451 533
1.	Cash (211)	73	16 292	14 314
2.	Stamps and vouchers (213)	74	4	7
3.	Bank accounts (221)	75	312 938	417 890
4.	Shares and similar securities for trading (251)	76	0	0
5.	Bonds, debentures and similar securities for trading (253)	77	0	0
6.	Other bonds, debentures and securities (256)	78	7 492	7 629
7.	Cash in transit (259)	79	59 229	11 693
B.IV.	Other assets	81	115 875	60 112
1.	Deferred expenses (381)	82	4 665	4 618
2.	Accrued revenue (385)	83	111 210	55 494
	TOTAL ASSETS	85	732 624	760 225

LIABILITIES AND EQUITY		Line No.	As of 1.1.2018 (Thousands of CZK)	As of 31.12.2018 (Thousands of CZK)
a		b	1	2
A.	Own resources	86	582 093	615 999
A.I.	Equity	87	581 880	616 019
1.	Own equity (901)	88	34 983	38 449
2.	Funds (911)	89	546 905	577 610
3.	Gains or losses from the revaluation of assets and liabilities (921)	90	-8	-40
A.II.	Profit or loss	91	213	-20
1.	Profit and loss for account (+/-963)	92	0	-20
2.	Profit or loss to be approved (+/-931)	93	213	0
3.	Retained earnings, accumulated losses from previous years (+/-932)	94	0	0
B.	Liabilities	95	150 531	144 226
B.I.	Provisions	96	0	0
1.	Tax deductible provisions (941)	97	0	0
B.II.	Long-term liabilities	98	842	592
1.	Long-term bank loans (951)	99	0	0
2.	Own bonds issued (953)	100	0	0
3.	Payables of lease (954)	101	0	0
4.	Long-term advances received (955)	102	0	0
5.	Long-term bills of exchange payable (958)	103	0	0
6.	Estimated payables (389)	104	0	0
7.	Other long-term liabilities (959)	105	842	592
B.III.	Short-term liabilities	106	142 949	138 461
1.	Suppliers (321)	107	73 466	59 518
2.	Bills of exchange to be paid (322)	108	0	0
3.	Advance payments received (324)	109	578	589
4.	Other payables (325)	110	1 136	1 073
5.	Employees (331)	111	17 889	18 708
6.	Other payables to employees (333)	112	1 356	1 583
7.	Social security and health insurance institutions (336)	113	6 742	8 202
8.	Income taxes (341)	114	0	0
9.	Other direct taxes (342)	115	2 413	2 992
10.	Value added tax (343)	116	342	500
11.	Other taxes and fees (345)	117	967	1 286
12.	Payables to national budget (346)	118	8 761	3 327
13.	Payables to local authorities' budgets (348)	119	0	0
14.	Payables to unpaid subscribed securities and shares (367)	120	0	0
15.	Payables to participants in association (368)	121	0	0
16.	Payables to fixed-term financial transactions (373)	122	0	0
17.	Sundry payables (379)	123	23 510	34 067
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	5 789	6 616
23.	Other short-term financial assistance (249)	129	0	0
B.IV.	Other liabilities	130	6 740	5 173
1.	Accrued expenses (383)	131	6 347	4 953
2.	Deferred revenues (384)	132	393	220
TOTAL LIABILITIES AND EQUITY		134	732 624	760 225

Company stamp:

Signature of statutory representative:

Prepared by:

Date of creation:
21.06.2019

Simon Kalmach

Šimšarov
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

Úč NO 2 - 01

As of 31 December 2018

Člověk v tísni, o. p. s.

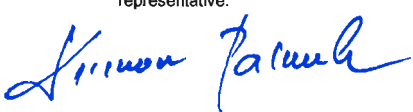

(In thousands of CZK)

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	606 330	1 300	607 630
	1. Consumed materials, energy and other non-inventory items (501,502,503)	03	81 016	71	81 087
	2. Merchandise sold (504)	04	443	529	972
	3. Repairs and maintenance (511)	05	3 657	161	3 818
	4. Travel expenses (512)	06	50 771	0	50 771
	5. Entertainment expenses (513)	07	4 220	2	4 222
	6. Other services (518)	08	466 223	537	466 760
A.II.	Change in work-in-progress and capitalisation	09	-213	0	-213
	7. Change in work-in-progress (561,562,563,564)	10	0	0	0
	8. Capitalization of material, goods and internal services (571,572)	11	0	0	0
	9. Capitalization of fixed assets (573,574)	12	-213	0	-213
A.III.	Personnel expenses	13	404 751	1 821	406 572
	10. Wages and salaries (521)	14	330 292	1 434	331 726
	11. Mandatory social security (524)	15	72 706	387	73 093
	12. Other social insurance (525)	16	29	0	29
	13. Mandatory social security expenses (527)	17	1 311	0	1 311
	14. Other social security expenses (528)	18	413	0	413
A.IV.	Taxes and fees	19	6 900	13	6 913
	15. Taxes and fees (531,532,538)	20	6 900	13	6 913
A.V.	Other expenses subtotal	21	980 084	71	980 155
	16. Contractual fines, interest on late payments, other fines and penalties (541,542)	22	1 088	0	1 088
	17. Write-off irrecoverable receivables (543)	23	1 432	0	1 432
	18. Interest expenses (544)	24	42	0	42
	19. Foreign exchange losses (545)	25	45 372	0	45 372
	20. Donations to beneficiaries (546)	26	634 843	0	634 843
	21. Shortages and damage (548)	27	152	1	153
	22. Other expenses (549)	28	297 155	70	297 225
A.VI.	Depreciation, sold property, additions to provisions	29	12 876	0	12 876
	23. Depreciation of tangible and intangible fixed assets (551)	30	10 099	0	10 099
	24. Net book value of sold tangible and intangible fixed assets (552)	31	626	0	626
	25. Securities and shares sold (553)	32	2 145	0	2 145
	26. Materials sold (554)	33	6	0	6
	27. Additions to provisions (556, 559)	34	0	0	0
A.VII.	Membership fees	35	2 332	0	2 332
	28. Membership fees and contributions paid to operational units (581,582)	36	2 332	0	2 332
A.VIII.	Income tax	37	717	195	912
	29. Income tax (591)	38	717	195	912
	EXPENSES TOTAL	39	2 013 777	3 400	2 017 177

	Name of Indicator	Line No.	Activity		
			Main	Supplem.	Total
B.	Revenues	40			
B.I.	Operating subsidies	41	0	0	0
1.	Operating subsidies (691)	42	0	0	0
B.II.	Contribution received total	43	1 329	0	1 329
B.II.2	Received operating contributions (681)	44	0	0	0
3.	Received donations (682)	45	1 329	0	1 329
4.	Received membership fees (684)	46	0	0	0
B.III.	Revenues from sales of own products and services (601, 602, 603, 604)	47	42 911	4 742	47 653
B.IV.	Other revenues total	48	1 963 913	18	1 963 931
5.	Contractual fines, interest on late payments and other fines and penalties (641, 642)	49	844	0	844
6.	Revenue from written-off irrecoverable receivables (643)	50	4	0	4
7.	Interest revenues (644)	51	43	0	43
8.	Foreign exchange gains (645)	52	40 677	0	40 677
9.	Accounting for funds (648)	53	1 812 041	0	1 812 041
10.	Other revenues (649)	54	110 304	18	110 322
B.V.	Revenues from disposal of assets	55	4 244	0	4 244
11.	Revenues from sales of intangible and tangible fixed assets (652)	56	2 009	0	2 009
12.	Revenues from sale of shares and ownership interests (653)	57	2 139	0	2 139
13.	Revenues from sales of materials (654)	58	23	0	23
14.	Revenue from short-term financial assets (655)	59	0	0	0
15.	Revenue from long-term financial assets (657)	60	73	0	73
	TOTAL REVENUES	61	2 012 397	4 760	2 017 157
C.	Profit/loss before tax	62	-663	1 555	892
D.	Profit/loss after tax	63	-1 380	1 360	-20

Company stamp:	Signature of statutory representative:	Prepared by:	Date of creation:
			21.06.2019
			Telephone:
			226 200 402



Notes to Financial Statements as of December 31, 2018

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, 2018 are:

Executive Board:	Jan Pergler – Chairman Kristina Taberyová Petr Jančárek Jana Straková Daniel Múnich Petr Kostohryz
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, 2018:

- Organizing humanitarian and development aid both abroad and in the Czech Republic
- Providing assistance to politically, racially or otherwise persecuted persons both abroad and in the Czech Republic
- Providing assistance to young journalists and independent press both abroad and in the Czech Republic
- Providing assistance to local governments and other local organizations
- Organizing assistance for minorities both abroad and in the Czech Republic
- Social consultancy
- Public education
- Organization of workshops and 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 and have no ownership interest in these subjects.

1.2 Organizational unit in another country of the EU

The Organization has no organizational unit in European Union.

1.3. Founding of an Endowment Fund

Based on the decision of the Municipal Court in Prague, the Endowment Fund was established as at June 25, 2015, of which the company Člověk v tísni, o.p.s. (PEOPLE IN NEED) is a co-founder. The Endowment fund has been entered in the Endowment Register under the file number N1251.

Name: Prague Civil Society Centre, nadační fond (Endowment fund)

Registered office: Politických vězňů 1272/21, Nové Město, 110 00 Praha 1

ID Number: 04190815

Aim and purpose of the Endowment Fund is the support of civic society especially in the countries of the former Soviet Union with exception of countries of the EU (Estonia, Lithuania and Latvia).

1.4. Founding of a charity in Great Britain

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

Name: PEOPLE IN NEED (PIN) UK

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

Executive director Camila Garbutt

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

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

2. Breakdown of personnel expenses for the accounting period 1.1 to 31.12.2018

Number of employees, Personnel expenses:

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

In war and post-war countries, e.g. Syria, such attitude is not possible. The local collaborators are reported as services suppliers.

The total amount of people who worked for the Company Člověk v tísni, o.p.s. (PEOPLE IN NEED) on missions abroad is higher and is stated in the info-graphic of the annual report, which reflects the average number for the whole calendar year.

	Average number of employees	Gross wages, total in CZK	Average monthly gross wages in CZK	Social, health and other funds contributions in CZK	Personnel expenses, total in CZK
Afghanistan	137,50	15 408 662,12	9 338,58		15 408 662,12
Angola	75,17	6 253 295,04	6 932,39	456 813,32	6 710 108,36
Armenia	7,00	1 671 847,61	19 902,95		1 671 847,61
Bosnia and Hercegovina	2,08	478 842,95	19 184,41	155 469,83	634 312,78
DR Congo	69,33	7 583 898,30	9 115,70	451 887,06	8 035 785,36
Ethiopia	166,08	16 444 089,74	8 251,09	1 423 448,89	17 867 538,63
Philippines	20,67	3 733 987,47	15 053,97	155 232,48	3 889 219,95
Georgia	24,50	7 119 371,87	24 215,55		7 119 371,87
Cambodia	48,75	13 251 191,80	22 651,61	102 189,11	13 353 380,91
Kosovo	4,08	966 390,01	19 738,36	105 172,70	1 071 562,71
Costa Rica	5,08	2 266 932,45	37 187,21	525 737,99	2 792 670,44
Iraq	47,55	17 357 202,01	30 419,21		17 357 202,01
Moldova	9,75	3 237 193,86	27 668,32	1 007 433,62	4 244 627,48
Mongolia	11,08	2 380 559,19	17 904,33	372 494,25	2 753 053,44
Myanmar	31,58	3 846 135,37	10 149,19		3 846 135,37
Nepal	44,08	6 017 542,20	11 376,18	1 019 437,05	7 036 979,25
Serbia from September 1, 2018	1,75	130 527,11	18 646,73	22 997,49	153 524,60
Turkey from September 31, 2018	39,25	11 010 580,79	35 065,54	1 914 440,77	12 925 021,56
Ukraine	146,58	23 892 853,99	13 583,51	5 280 306,87	29 173 160,86
Zambia	13,50	1 031 068,64	6 364,62	86 283,97	1 117 352,61
Missions total				13 079 345,40	157 161 517,92
Employments – including agreement on working activity in the Czech Republic and EU and abroad according to the Czech law	524,05	180 599 626,00	28 718,57	61 766 367,37	242 365 993,37
Of this executive*	19,69	11 284 201,00	47 757,75	3 836 683,00	15 120 884,00
	Number of Contracts of services	Total amount paid for Contracts of services			
The Czech Republic – Contract of Services	2 046	7 044 831,00			7 044 831,00

*The executive board was significantly extended on April 1, 2018. The main reason of the extension was to ensure better proportionality in representation of individual sections.

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 and partly in the object owned by the organization –Koněvova 182/1945, Praha 3.

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

The Company maintains its accounting according to Accounting Act no. 563/1991 Coll., as amended, and according to Regulation no. 504/2002 Coll. as amended (hereafter referred to as the "accounting principles").

3.1. Tangible, intangible fixed assets and financial assets

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

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

Buildings, land and artworks are considered as tangible fixed assets regardless of purchase price and usable life.

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

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

Depreciation of tangible and intangible fixed assets is regulated by the depreciation plan. The organization applies the 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 fixed assets	36
Passenger cars and other motorized vehicles unless stated otherwise	48
Passenger cars and other motorized vehicles acquired used	Individually, usually 24 or 36 months
Passenger cars and other motorized vehicles Afghanistan and the front line in Ukraine	Individually, usually 24 or 36 months
Passenger cars Angola, Ethiopia, Congo, South Sudan, Zambia	36
Motor bikes Angola, Ethiopia, Congo, South Sudan, Zambia	24
drones	24
Appreciable rights	18
Breeding and draught animals	36
Buildings including temporary ones	Individually (currently 360 months or for the expected duration of use)
Technical improvements of leased assets	For the duration of the lease agreement in force at the time of putting into use
Technical improvement of assets put into operation that have not been depreciated *)	Remaining period of depreciation of assets with technical improvement

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

Intangible assets – 18 months
Tangible assets – individually according to the type of assets

*) in individual cases, the 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 and with a usable life longer than 1 year are reflected in the Organization's expenses at the time of acquisition. However, these assets are registered during the whole period of use in the operational inventory records.

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

Since 2006, 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 3.2.
- At the end of the balance sheet day bonds are valued at the purchase price increased or decreased by interest revenues or costs
- Current coupon yields and the dissolution of discounts with bonds which are not settled by the end of the year, are entered in books by the company annually,
- Upon the calculation of the accruing of discount with securities (bonds) held till maturity the company uses the actual number of days from the day of purchase to the maturity date from convention 30E/360 of the international standard,
- Upon maturity, the organization accounts for the sales of securities in the balance sheet; with securities registered in foreign currencies the exchange difference on the clearing day is accounted at the same time,
- Securities (bonds) in foreign currencies which are not settled by the end of the year are recounted by the rate of exchange applicable on December 31 of the respective year; these exchange rate differences are accounted to the accounts of group 54 and 64.
- The division of securities into short-term and long-term securities is made on the date of the financial statements depending on the total time of bond "holding" (i.e. from purchase to their maturity).

3.2. Inventories

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

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

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

Inventory received free of charge and intended for humanitarian and development aid is registered in the operational records or in the register in a separate module of SW Navision.

3.3. Cash and valuables

Cash and valuables are valued at their respective nominal values.

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

3.4. Receivables

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

3.5. Payables

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

3.6. Use of foreign currency in accounting

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

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

Receivables 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 (InforEuro) for the month and converted to CZK
- Exchange rate of the Cuban Peso (CUP), which is determined by the rate of exchange to EUR declared by the European Commission (InforEuro) for the month and converted to CZK
- Exchange rate of Transnistrian Ruble (PDR) to EUR, converted to CZK, declared by the Dniester Republican Bank as the first one in the month
- Exchange rate of the Myanmar Kyat (MMK), which is determined by the rate of exchange to USD declared by the Central Bank of Myanmar for the month and converted to CZK
- Exchange rate of the Syrian Pound (SYP), which is determined by the rate of exchange to USD declared by the Ministry of Finance of UN for the month and converted to CZK
- Exchange rate of Iraqi Dinar (IQD), which is determined by the average rates of USD buy and sell declared by the Central Bank of Iraq on the first working day of the month and converted to CZK.

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

Exchange differences identified at the end of the balance sheet date or at another moment during the drawing up of the financial statements, are specified according to their nature in the Profit and Loss Account in the item "A.V.19 Foreign exchange losses", or in the item "B.IV.8 Foreign exchange gains".

The value of financial means, payables, receivables, subsidies and grants according to the indent 3.7. 2a) reported as of December 31, 2018 and recorded in foreign currency declared by ČNB is converted by the ČNB exchange rate valid as of December 31, 2018. If the foreign currency is not declared by ČNB daily, the exchange rate declared by the ČNB as of December 31, 2018 as the exchange rate of other currencies with the exception of the below-mentioned examples, the exchange rate as of December 31, 2018 is used:

- The rate of exchange of the Cuban Convertible Peso (CUC), calculated for a given accounting period as of December 31, 2018
- The rate of exchange of the Cuban Peso (CUP), calculated for the given accounting period as of December 31, 2018
- The rate of exchange of the Transnistrian Ruble (PDR), calculated for a given accounting period as of December 31, 2018
- The rate of exchange of the Myanmar Kyat (MMK), calculated for a given accounting period as of December 31, 2018
- The rate of exchange of the Syrian Pound (SYP), calculated for a given accounting period as of December 31, 2018
- The rate of exchange of the Iraqi Dinar (IQD), calculated for a given accounting period as of December 31, 2018

3.7. Funds and equity

In compliance with the valid accounting principles, the items are accounted for in the funds on public collections announced pursuant to Act no. 117/2001 Coll.; furthermore, funds received by the Organization from other persons and companies for the purpose of implementation of the Organization's main mission: subsidies, gifts, grants, reserve fund and operating reserve fund.

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

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

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

The Company opened synthetic accounts 914 (funds- assets under constructions) and 919 (funds- inventory in transit) in the account classification within the account group 91 (funds). In account 914 part of the financial resources of funds for the coverage of assets under construction as of December 31, 2018 is reported and in account 919 part of the financial resources of funds allocated for the coverage of purchased inventories and inventories in transit as of December 31, 2018 is reported. Drawdown (accounting) of funds reported in accounts 914 and 919 will be made in the next accounting period upon the physical handover of inventories or completion of assets in compliance with the respective contracts.

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

Additional information to 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.

4.1.1. Fixed assets (thousand CZK)

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

	Status as of December 31, 2017	Increase	Decrease					Advance payment accounting/ classification	Status as of December 31, 2018
			Liquidation	Sale	Donation	Deficits/ damages	Revaluation of assets		
Intangible assets	20 381	8 712	0	0	0	0	0	4 770	24 433
Of which:									
Software	15 970	3 076							19 046
Valuable rights	1 684								1 684
Low-value intangible fixed assets	14								14
Other intangibles	1 672	1 694							3 366
Intangible fixed assets under construction	1 041	4 052						4 770	323
Advances for intangible assets	0								
Tangible fixed assets	80 661	12 862	1 604	2 016	1 050	76		6 784	81 893
Of which:									
Land	2 952	317		626	4				2 639
Artworks and collections	0								0
Buildings and structures	27 010	283	141	753					26 399
Cars and motorcycles	36 559	4 163	1 124	637	358				38 603
Other movable fixed assets (*)	12 897	1 702	339		25	46			14 189
Low-value fixed assets	93					30			63
Tangible fixed assets under construction (buildings)	0								0
Tangible fixed assets under construction (non-attached property)	1 150	6 079			763			6 466	0
Advances for tangible fixed assets	0	318						318	0
Financial assets	2 725	1 688	0	1 295	0	0	0	0	3 118
Of which:									
Securities (**)	2 725	1 688		1 295					3 118
Total	103 767	23 262	1 604	3 311	1 050	76	0	11 554	109 444

Note: * line in Other movable 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 – accumulated depreciation – assets A. IV.

	Status as of December 31, 2017	Increase	Decrease				Status as of December 31, 2018
			Liquida- tion	Sale	Dona- tion	Deficits/ dama- ges	
Intangible assets	16 971	1 953	0	0	0	0	18 924
Of which:							
Software	15 169	1 112					16 281
Valuable rights	1 533	75					1 608
Low-value intangibles fixed assets	14						14
Other intangibles	255	766					1 021
Tangible assets	43 327	8 146	1 604	1 390	383	76	48 020
Of which:							
Buildings and structures	4 890	1 692	141	753			5 688
Cars and motorcycles	29 801	4 055	1 124	637	358		31 737
Other movable fixed assets	8 543	2 399	339		25	46	10 532
Low-value fixed assets	93					30	63
Total	60 298	10 099	1 604	1 390	383	76	66 944

Assets – depreciated price

	Status as of December 31, 2017	Status as of December 31, 2018
Intangible assets	3 410	5 509
Of which:		
Software	801	2 765
Valuable rights	151	76
Low-value intangibles fixed assets	0	0
Other intangibles	1 417	2 345
Intangible assets under construction	1 041	323
Advances for intangible assets	0	0
Tangible assets	37 334	33 873
Of which:		
Land	2 952	2 639
Buildings and structures	22 120	20 711
Cars and motorcycles	6 758	6 866
Other movable fixed assets	4 354	3 657
Low-value fixed assets	0	0
Tangible fixed assets under construction (buildings)	0	0
Tangible fixed assets under construction (non-attached property)	1 150	0
Advances for tangible fixed assets	0	0
Financial assets	2 725	3 118
Of which:		
Securities	2 725	3 118
Total	43 469	42 500

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

Number of bonds as of December 31, 2017	Value as of December 31, 2017 according to the financial statements (in thousands of CZK)	Number of bonds as of December 31, 2018	Value as of December 31, 2018 according to the financial statements (in thousands of CZK)
127	2 725	221	3 118

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. Inventories – assets B. I.

Inventories (thousand CZK)	As of December 31, 2017	As of December 31, 2018
Materials in store	41 090	63 064
Materials in transit	0	0
Finished products	64	0
Livestock	0	0
Merchandise in stock	139	262
Advance payments for inventory	1 226	1 097
Merchandise in transit	0	0
Total	42 519	64 423

Material in store consists mainly of:

- Unsent supplies of humanitarian and development aid which will be donated in the next period
- Unsent supplies of human rights projects which will be donated in the next period
- Food aid in the Czech Republic

Livestock comprises mainly dogs.

Merchandise in stock are goods in coffee house Langhans and thematic publications.

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

	Status as of December 31, 2017	Status as of December 31, 2018
5.2. Receivables (thousands of CZK) – assets B. II.		
<i>Matters in italics relate to the year 2018</i>		
Trade receivables total	80 422	62 710
Of which		
Receivables from customers	7 806	1 828
Receivables overdue more than 365 days	0	0
Receivables overdue 181 up to 364 days	2	17
Receivables overdue 91 up to 180 days	8	1
Receivables overdue 0 up to 90 days	1 069	87
Receivables prior maturity	6 727	1 723
<i>Amount of outstanding receivables as of the date of drawing up of the financial statement: 83</i>		
Operational advance payments made	71 323	60 465
<i>The most important amounts are the advances to suppliers who implement part of the project mostly in Ukraine, Syria, Nepal, Ethiopia, Mongolia and in the Czech Republic. Another part consists of advance payments for services (electricity, gas, rent) in the Czech Republic.</i>		
Other receivables	1 293	417
<i>The most important amounts are receivables from suppliers of services, for credited performance, unpaid refunds from accounted prepayments and overpayments.</i>		
Receivables from employees	1 861	2 076
<i>Advance payments for unfinished long-term business journeys; prepayments to employees charged in 2019</i>		
Income taxes	1 186	737
<i>Advanced payments of corporation tax 2018 reduced by the tax liability</i>		
Sundry receivables	3 066	3 712
<i>There are the receivables from partner organizations on this line that cover loans and receivables from the company Člověk v ohrožení, n.o. This organization was established by the transfer of receivables and payables of the defunct organizational unit ČvT o.p.s. in Slovakia.</i>		
<i>Related received advance payments for common projects are recorded in the balance sheet on line no. 123 Sundry payables.</i>		
Estimated receivables	48 271	72 422
<i>These are estimated receivables on the outstanding revenue grants used by the company under a valid contract in 2018, 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 Iraq, Afghanistan, Cambodia, Ukraine, Myanmar and in the Czech Republic. These projects are financed from resources of the European Commission, United Nations agency and resources of foreign governments (Switzerland, USA, Netherlands, Italy) and of non-profit organizations.</i>		
Total receivables	134 806	141 657

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

Short-term financial assets

	As of December 31, 2017	As of December 31, 2018
Cash	16 292	14 314
Stamps and vouchers	4	7
Bank accounts	312 938	417 890
Other bonds, debentures and securities	7 492	7 629
Cash in transit	59 229	11 693
Total	395 955	451 533

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, 2017	Value as of December 31, 2017 (in thousands of CZK)	Number of securities as of December 31, 2018	Value as of December 31, 2018 (in thousands of CZK)
7 497 502	7 492	7 673 756	7 629

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

Deferred expenses

**Status as of
December
31, 2017**

4 665

**Status as of
December
31, 2018**

4 618

A significant part is made up of the expenses of the year 2019 paid in 2018, mainly for regular administrative services of economic and accounting software, for insurance and air tickets.

There, the accounting unit accounts for current expenses 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

111 210

55 494

These are contractually assured and received incomes in the following accounting period for projects that were partially realized in 2018.

The most significant part of revenues comes from the USA government through Department for International Development and from the WFP and OCHA – the OSN organization concerned with the food security, furthermore from the European Union, from the German and Canadian government.

Total other assets	115 875	60 112
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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, 2018	8 176	26 805	2	34 983
Increase – acquisition of fixed assets and material gifts accepted		8 193	484	8 677
Decrease – disposal of fixed assets, depreciation, material gifts to other parties		- 4 727	-484	-5 211
Status as of December 31, 2018	8 176	30 271	2	38 449
		38 449		

Major additions include: purchase of software application Beneficiary management System in Cambodia (CZK 1 563 thousand), generators in Syria (CZK 1 069 thousand), purchase of cars and motorcycles in Ethiopia (CZK 1 639 thousand), DR Congo (CZK 885 thousand) and in Angola (CZK 794 thousand).

Major decreases include: depreciation of assets from grants for own activities (CZK 4 414 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, 2018	Increase – donations accepted, gifts	Decrease – utilization, provision of gifts	Decrease – refunds of unused resources	Balance for utilization in 2019
Funds total	546 905	1 869 067	1 819 843	18 519	577 610

Of which:

6.2.1. Funds - bound

	Initial status as of January 1, 2018	Increase – donations accepted, gifts	Decrease – utilization, provision of gifts	Decrease – refunds of unused resources	Balance for utilization in 2019
Collections (number / name)					
S-MHMP/578034/2013					
Support for education in Africa	2 477	2 290	1 846	0	2 921
S-MHMP/352276/2013					
Banat (Romania)	41	53	67	0	27
Total collections	2 518	2 343	1 913	0	2 948
	Initial status as of January 1, 2018	Increase – donations accepted, gifts	Decrease – utilization, provision of gifts	Decrease – refunds of unused resources	Balance for utilization in 2019
State and local administration budgetary contributions, budgetary contributions from EU and subsidies from other foreign governments					
State budget subsidies	6 115	137 460	137 672	3 356	2 547
Local administration subsidies	1 018	51 039	49 723	1 676	658
EU funds subsidies	217 886	445 721	464 534	293	198 780
Subsidies from operational programs	22 007	83 543	76 207	2 094	27 249
Subsidies from funds of other foreign governments	71 794	788 280	740 380	7 320	112 374
Subsidies from UN Agencies	15 622	132 972	127 194	3 780	17 620
Total subsidies	334 442	1 639 015	1 595 710	18 519	359 228
	Initial status as of January 1, 2018	Increase – donations accepted, gifts	Decrease – utilization, provision of gifts	Decrease – refunds of unused resources	Balance for utilization in 2019
Funds – bound gifts (grants)					
Bound gifts (grants) - NGO	19 958	41 103	35 881	0	25 180
Total funds (grants)	19 958	41 103	35 881	0	25 180
	Initial status as of January 1, 2018	Increase – donations accepted, gifts	Decrease – utilization, provision of gifts	Decrease – refunds of unused resources	Balance for utilization in 2019
Other funds					
Other	22 357	18 401	21 759	0	18 999
Non-monetary gifts	1 692	44 830	15 853	0	30 669
Total Other funds	24 049	63 231	37 612	0	49 668
Total bound funds	380 967	1 745 692	1 671 116	18 519	437 024

6.2.2. Funds – free

	Initial status as of January 1, 2018	Increase – donations accepted, gifts	Decrease – utilization, provision of gifts	Decrease – refunds of unused resources	Balance for utilization in 2019
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Collections (number / name)

S-MHMP/166354/2008					
S-MHMP/204638/2011					
S-MHMP/284758/2014 Long-term collection "Skutečná pomoc" (Real Help)	37 951	47 028	52 803	0	32 176
S-MHMP/1230014/2012 Long-term humanitarian collection:					
„Povodně“ (Flood) in the Czech Republic	1 064	23	905	0	182
Philippines - typhoon Haiyan	20	3	23	0	0
Bangladesh	0	969	969	0	0
Syria and Iraq	1 732	2 218	2 494	0	1 456
Nepal	4 528	186	4 208	0	506
Ukraine	2 163	629	447	0	2 345
Library in Mosul	190	96	286	0	0
S-MHMP/1551858/2014 "Lepší škola pro všechny" (Better school for everyone)	8 743	8 102	1 759	0	15 086
Total collections	56 391	59 254	63 894	0	51 751

	Initial status as of January 1, 2018	Increase – donations accepted, gifts	Decrease – utilization, provision of gifts	Decrease – refunds of unused resources	Balance for utilization in 2019
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Other funds

Fund created from resources of: Charles Stewart Mott Foundation, The Ford Foundation, Šimon Pánek - Prize Quđrřga, Unilever prize - purchase of securities, change of conversion method	15 432	0	6 173	0	9 259
Club of Friends	79 532	56 326	70 211	0	65 647
Reserve fund and operating reserve fund (created from profit from previous periods)	7 888	213	800	0	7 301
Other	6 695	7 580	7 649	0	6 626
Total other funds	109 547	64 121	84 833	0	88 833

Total free funds	165 938	123 373	148 727	0	140 584
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7. Profit/Loss

7.1. Profit/Loss and tax calculation as of December 31, 2018

The economic result of the Organization for 2018 is accounting profit in the amount of CZK 20 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 2018 taxation period relating to corporate income tax is CZK 909 thousand. The Company has used the option of exemption pursuant to § 20, par. 7 of Income Tax Act no. 586/1992 Coll.

Tax calculation (in thousands CZK)

Revenues total	2 017 157
Expenses total (except 591)	2 016 268
Taxable income	889
Adjustment of the tax base	5 955
Total tax base	6 844
Deduction of the tax base under § 20 of the Income Tax Act	1 000
Tax base after rounding	5 844
19% tax	1 110
Tax discount	201
19% tax after discount	909

In 2017, the deduction under § 20 within the income tax of corporate bodies in the amount of CZK **1.000.000** was applied. Resources acquired by the attained tax obligation saving under § 20 of Act no. 586/92 Coll. from previous years were used to cover costs related to activities, the incomes generated from which were not subject to tax in 2018.

7.2. Approval of the financial statements for 2017

The Executive Board at its meeting in June 2018 approved the financial statements of the Organization for the 2017 accounting period, showing a profit in the amount of CZK 213 242,79 after tax that was in compliance with the decision of the Executive Board accounted on June 26, 2018 as an increase in the company operating reserve fund.

8. Liabilities

8.1. Liabilities (thousands of CZK) B. III.

Matters in italics relate to the year 2018

	Status as of December 31, 2017	Status as of December 31, 2018
Liabilities (suppliers, advances received, other payables) – total	75 181	61 180
Of which		
Suppliers total	73 466	59 518
Payables overdue more than 365 days	1 413	0
Payables overdue 181 to 364 days	10 192	36
Payables overdue 91 to 180 days	2 022	3 199
Payables overdue 0 to 90 days	15 975	3 726
Payables prior to maturity	43 864	52 557
<i>Amount of unpaid payables as of the date of the drawing up of the financial statements: 6 197.</i>		
Advance payments received	578	589
<i>The most significant part are advance payments and deposits received from the tenants of the block of flats in the Koněvova street, Prague.</i>		
Other payables	1 136	1 073
<i>This is essentially a restraint on purchase of construction works in Ethiopia</i>	491	998
<i>Other (credit notes, overpayment of received advances)</i>	645	75
Payables to employees	19 245	20 291
<i>Amount of unpaid payables as of the date of the drawing up of the financial statements: 7</i>		
Payables to social security institution (Czech Republic)	4 216	5 068
<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)	1 815	2 183
<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	711	951
Angola, Armenia, Bosna, Ethiopia, Philippines, Georgia, DR Congo, Cambodia, Costa Rica, Moldova, Nepal, Serbia, 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)	10 492	6 092
<i>These are refunds of unutilized parts of subsidies from the state budget, employment tax for employees.</i>		
<i>As of the date of the drawing up of the financial statements, none of these liabilities was overdue</i>		
State budget payables	1 991	2 013
Afghanistan, Armenia, Bosna, DR Congo, Costa Rica, Ethiopia, Philippines, Georgia, Iraq, Cambodia, Kosovo, Moldavia, Mongolia, Myanmar, Nepal, Serbia, Sri Lanka, Turkey, Ukraine, Zambia		
<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: 110</i>		
Sundry payables	23 510	34 067
<i>The majority is formed by payables from partner organizations and refunds of received unused subsidies from the Angola government and European Commission.</i>		
Estimated payables (electricity, gas, warm supply, water and sewer rates)	5 789	6 616
<i>These are costs of the accounting period that have not been invoiced to the company yet.</i>		

Total liabilities	142 949	138 461
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	Status as of December 31, 2017	Status as of December 31, 2018
8.2. Other liabilities (thousands of CZK) – liabilities and equity B. IV.		
Accrued expenses	6 347	4 953
<i>Through this account, the company accounts for expenses which are related to the current accounting period but payments were made in the following period. These are mainly costs of partners and travel expenses of employees and costs of audit of projects.</i>		
Deferred revenues	393	220
Total other liabilities	6 740	5 173

9. Profit and loss account – expenses

Item A.I.6 "Other services" has a value of CZK 466 760 thousand, and includes mainly the costs of purchases from suppliers of services in the provision of project mostly abroad, focusing on the promotion of education and healthcare, social services, improving access to water and improving sanitary conditions, securing livelihoods, poverty reduction and environmental protection and the costs of rental and office running.

Item A.V.20 "Donations to beneficiaries" has a value of CZK 634 843 thousand, and mainly includes financial donations and inventories provided in the context of humanitarian and development aid mainly in Syria, Ukraine, Iraq, Ethiopia and Afghanistan. Financial donations and inventories were used for securing accommodation, food and wintering for inhabitant in war zones and refugees in Syria, Iraq and Ukraine.

Item A.V.22 "Other expenses" has a value of CZK 297 225 thousand, and mainly includes costs of partners in the implementation of joint projects through "partnership agreement".

10. Profit and loss account – revenues

Item B.III "Revenues from sales of own products and services" has a value of CZK 47 653 thousand, and mainly includes sale of services connected with insuring access to drinking water for inhabitants in Ethiopia, community development projects in Afghanistan and providing social services in the Czech Republic.

Item B.IV.9. "Accounting for funds" has a value of CZK 1 812 041 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.10. "Other revenues" has a value of CZK 110 322 thousand and relates to the main business of the company; it mainly includes revenue estimates for grants still outstanding when in 2018 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 2018.

11. Remuneration for audit company

The remuneration of CZK 455 thousand belongs to the audit company for the statutory audit of the annual financial statement for the year 2018. For other verification services was invoiced CZK 110 thousand in 2018, for advisory services CZK 24 thousand by the audit company.

12. Other important facts

The organization concluded overdraft credit contract with the Československá obchodní banka a.s. with the credit limit of 20 000 thousand CZK at November 24, 2017. The credit was not drawn as at the balance sheet date. Following this contract, the pledge agreement was concluded at November 27, 2017. The subject of the collateral is real estate listed in the property sheet LV 239, cadastral area Žižkov, Praha.

The following bank guarantees were provided in 2017 by the same bank:

- Amounting to 1.730.787,30 EUR at November 30, 2017 (due date May 27, 2019),
- Amounting to 735.831 EUR at December 19, 2017 (due date November 16, 2020).

Other 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 other 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, 2018.

In Prague, June 21, 2019

Prepared by: Anna Spružinová
Accountant



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

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

Cash flow statement
 as of 31 December 2018
 (In thousands of CZK)

		current period	prior period
P.	Cash and cash equivalents, beginning of year	395 955	454 168
Net operating cash flow			
Z.	Accounting profit (loss) before taxation	892	720
A.1.	Non-cash transactions	10 882	9 453
A.1.1.	Depreciation of fixed assets	10 099	9 171
A.1.2.	Change in provisions and other adjustments	0	0
A.1.3.	Profit(-) Loss(+) on sale of fixed assets	-1 383	-404
A.1.4.	Expense and revenue interests accounted for	-1	-102
A.1.5.	Other non-cash transactions	1 400	788
A.1.6.	Gifts (buildings)	767	
A.*	Net operating cash flow before taxation, changes in working capital and extraordinary items	11 774	10 173
A.2.	Current assets	20 253	-7 800
A.2.1.	Change in receivables and other temporary assets	48 212	-76 239
A.2.2.	Change in short-term liabilities and other temporary liabilities	-6 055	45 953
A.2.3.	Change in inventory	-21 904	22 486
A.2.4.	Change in short term financial assets	0	0
A.**	Net operating cash flow before financial balances, taxation and extraordinary items	32 027	2 373
A.3.	Interest paid excluding amounts capitalised	-42	-5
A.4.	Interest received	43	107
A.5.	Income tax paid on ordinary income and income tax relating to prior periods	-1 644	-993
A.***	Net operating cash flow	30 384	1 482
Investment activity			
B.1.	Acquisition of fixed assets	-11 636	-13 855
B.1.1.	Acquisition of tangible fixed assets	-6 079	-9 632
B.1.2.	Acquisition of intangible fixed assets	-4 051	-2 847
B.1.3.	Acquisition of long-term investments	-1 506	-1 376
B.2.1.	Proceeds from sales of fixed assets	2 009	632
B.2.2.	Proceeds from sales of long-term investments	1 113	3 338
B.***	Net cash flow from investment activity	-8 514	-9 885
Financial activity			
C.1.	Change in long-term liabilities and bank loans	-250	639
C.1.1.	Increase and decrease in long-term loans	0	0
C.1.2.	Increase and decrease in other long-term payables	-250	639
C.2.	Increase and decrease in equity	33 958	-50 449
C.2.1.	Change in own equity	3 253	-2 230
C.2.2.	Change in funds	30 705	-48 219
C.***	Net cash flow from financial activity	33 708	-49 810
F.	Net increase or decrease in cash balance	55 578	-58 213
R.	Cash and cash equivalents, end of period	451 533	395 955