Auditor's Report

on the verification of financial statements

of "Člověk v tísni - společnost při České televizi, o.p.s."
(PEOPLE IN NEED)

as of 31 December 2004
Identification data:

Name of the accounting unit: Člověk v tísni – společnost při České televizi, o.p.s. (PEOPLE IN NEED)

Registered office: 120 00 Prague 2
Sokolská 1869/18

Id number: 25 75 52 77

Legal status: Benevolent Society

Date of foundation: 16th April 1999

Executive Board: Kristina Taberyová, Chairwoman of the Executive Board

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

Auditor - statutory representative: Ing. Květoslava Vyleťalová
Licence no. 256 of the Chamber of Auditors of the Czech Republic

Audited period: from 1st January 2004 till 31st December 2004

Date of the execution of the Report: 1st July 2005

Type of statement: unqualified

Addressee of the Report: Executive Board and founders of the Organization
AUDITOR’S STATEMENT

Following our audit on June 30, 2005, we issued the Auditor’s Report on the financial statements compiled in Czech in accordance with regulations effective in the Czech Republic. The financial statements for the year ended December 31, 2004, contain the Balance Sheet, Profit and Loss Statement and the Notes to the Financial Statements including the Cash Flow Statement. The Auditor’s Report includes the auditor’s statement of the following wording:

„We have performed the audit of the enclosed financial statements of Člověk v tísni – společnost při České televizi, o.p.s (PEOPLE IN NEED) drawn up as of 31 December 2004. The Executive Board is responsible for the financial statements. Our task is to render on the basis of the performed audit the opinion on the financial statements as a whole. We received a written statement of the statutory representative of the Organization that we were provided with any and all documents and information required for the verification. At the same time the statutory representative of the Organization declared that the submitted financial statements included all accounting records subject to the duty of posting in the accounting period being verified.

We have performed the audit in compliance with Act on Auditors and auditing regulations of the Chamber of Auditors of the Czech Republic. These regulations require planning and performing of the audit in such a way to allow the auditor to be reasonably sure that the financial statements do not include any significant inaccuracies. The audit comprises verification of the completeness and provability of amounts and information included in the financial statements, made on a selective basis. The audit also includes the assessment of the used accounting procedures and material estimates made by the Organization and the assessment of the general presentation of the financial statements. We are convinced that the performed audit provides a reasonable basis for rendering the auditor’s statement.

In our view the financial statements give a true and fair view of the state of the assets, liabilities, equity and financial situation of Organization “PEOPLE IN NEED” as of 31 December 2004 and the economic result for 2004 in compliance with Act on Accounting and the respective regulations of the Czech Republic.”

The company prepared the Balance Sheet, Profit and Loss Statement and Cash Flow Statement in English. The enclosed English version of the financial statements truly reflects the financial statements audited by us.

Financial statements as of 31 December 2004 (Balance Sheet, Profit and Loss Statements and Cash Flow Statement are Annexes 1, 2 and 3 hereto.

Date: 1st July 2005

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