Auditor's Report

on the verification of financial statements

of "Člověk v tísni - společnost při České televizi, o.p.s."
(People in Need)

as at 31 December 2005
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: 16 April 1999

Executive Board: Vlasta Lajčaková
                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 1 January 2005 till 31 December 2005

Date of the execution of the Report: 26 June 2006

Type of statement: unqualified

Addressee of the Report: Executive Board and founders of the Organization
AUDITOR’S STATEMENT TO THE EXECUTIVE BOARD AND FOUNDERS OF THE
ČLOVĚK V TÍSNI – SPOLEČNOST PŘI ČESKÉ TELEVIZI, O.P.S (PEOPLE IN NEED)

Based upon our audit, we issued the Auditor's Report dated 23 June 2006 on the financial statements compiled in Czech in accordance with regulations effective in the Czech Republic. The financial statements for the year ended 31 December 2005, contain the Balance Sheet, Profit and Loss Account 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 audited the accompanying financial statements of Člověk v tísni – společnost při České televizi, o.p.s (PEOPLE IN NEED) as at 31 December 2005. These financial statements are the responsibility of the Executive Board. Our responsibility is to express an opinion on the financial statements, based on our audit.

We conducted our audit in accordance with the Act on Auditors and International Standards on Auditing and related application guidance of the Chamber of Auditors of the Czech Republic. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the company, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view, in all material respects, of the state of the assets, liabilities, equity and financial position of Člověk v tísni – společnost při České televizi, o.p.s (PEOPLE IN NEED) as at 31 December 2005 and of the expenses, income and results of its operations for the year 2005 and were prepared in accordance with the respective accounting regulations of the Czech Republic."}

The company prepared the Balance Sheet, Profit and Loss Account 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 at 31 December 2005 (Balance Sheet, Profit and Loss Account and Cash Flow Statement) are Annexes 1, 2 and 3 hereto.

In Prague on 26 June 2006

Auditing firm: AUDIT SERVIS, spol. s r.o.
140 00 Praha 4, Klobovčnická 14
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Auditor: Ing. Květoslava Vyleťalová
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