INDEPENDENT AUDITOR´S REPORT

on the financial statements

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

as at 31 December 2007
Identification data:

Name of the accounting unit: Člověk v tísně, o.p.s.
(PEOPLE IN NEED)

Registered office: 120 00 Prague 2
Sokolská 1869/18

Id number: 25 75 52 77

Legal status: Public Benefit Organization

Executive Board:
Vlasta Lajčaková
Chairwoman of the Executive Board

Jan Urban
Member of the Executive Board

Kristina Taberyová
Member of the Executive Board

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

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

Audited period: from 1 January 2007 till 31 December 2007

Date of the execution of the Report: 27 June 2008
INDEPENDENT AUDITOR´S REPORT

Addressee of the Report: Executive Board and founders of the Člověk v tísni, o.p.s. (PEOPLE IN NEED)

Auditor’s Report on the Financial Statements

We have audited the accompanying financial statements of Člověk v tísni, o.p.s. (PEOPLE IN NEED), i.e. the balance sheet as at 31 December 2007, profit and loss account from 1 January 2007 to 31 December 2007 and notes to these financial statements including the relevant accounting methods used. Information about Člověk v tísni, 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

Preparation and fair presentation of these financial statements in accordance with the Czech accounting regulations are the responsibility of the Executive Board of Člověk v tísni, o.p.s. Part of this responsibility is designing, implementing and maintaining the internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, 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 the 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 standards 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 facts stated in the financial statements. The procedures selected depend on the auditor´s judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal controls relevant to the
entity’s preparation and fair presentation of the financial statements 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 state of the assets, liabilities, equity and financial position of Člověk v tísni, o.p.s. as at 31 December 2007 and of the expenses, income and results of its operations for the year 2007 and were prepared in accordance with the respective accounting regulations of the Czech Republic.

Audited financial statements as at 31 December 2007 (Balance sheet, Profit and loss account and Notes to the financial statements) are enclosure to this report.

In Prague on 27 June 2008

Auditing firm: AUDIT SERVIS, spol. s r.o.
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