

2016

FINANCIAL STATEMENT



medical aid here and now
magna

In 2016 MAGNA program costs were **1 534 069 € (95,4 %)**. Costs for fundraising general management and administration reached **73 128 € (4,6 %)**. At the time of its foundation, MAGNA made the commitment to spend at least 80 % of its funding on projects and only 20 % on fundraising and management of the organization.

FINANCIAL STATEMENTS

MAGNA is pleased to present its audited Financial Statement, which provide a view of MAGNA's work and is a mean of transparency and accountability.

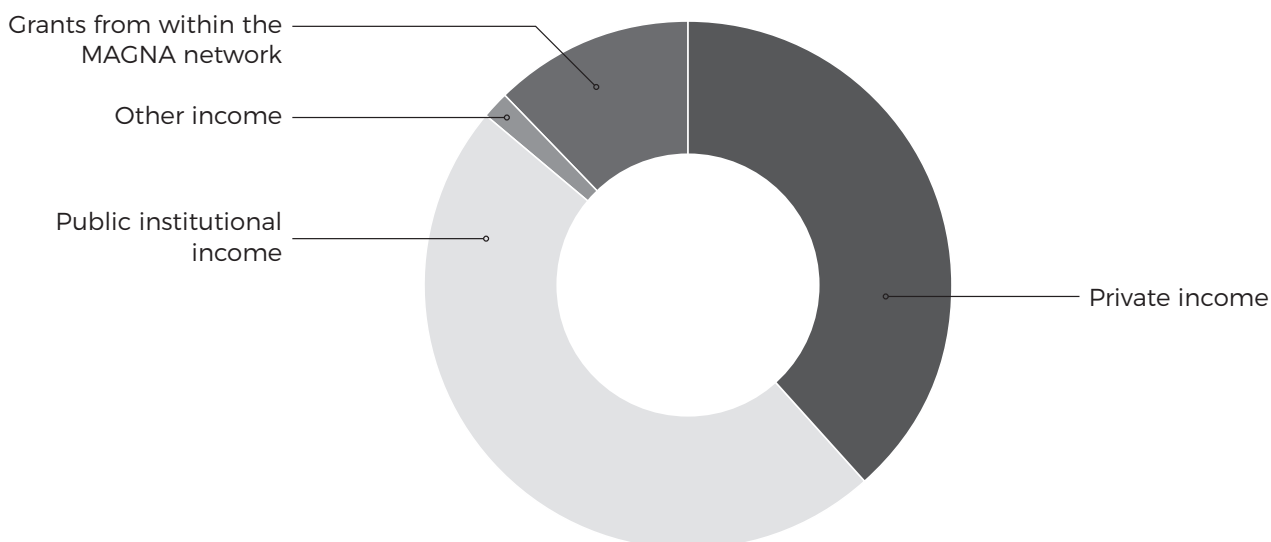
RATIOS

OPERATIONAL RATIOS (%)

	2016	2015
Operations	94,7	93,6
Awareness-raising	0,8	1,0
Social mission	95,4	94,6
Fundraising	3,1	4,4
Management and general administration	1,0	1,0
Other expenses	4,1	5,4
Expenditure	100	100

FINANCIAL INDEPENDENCE (%)

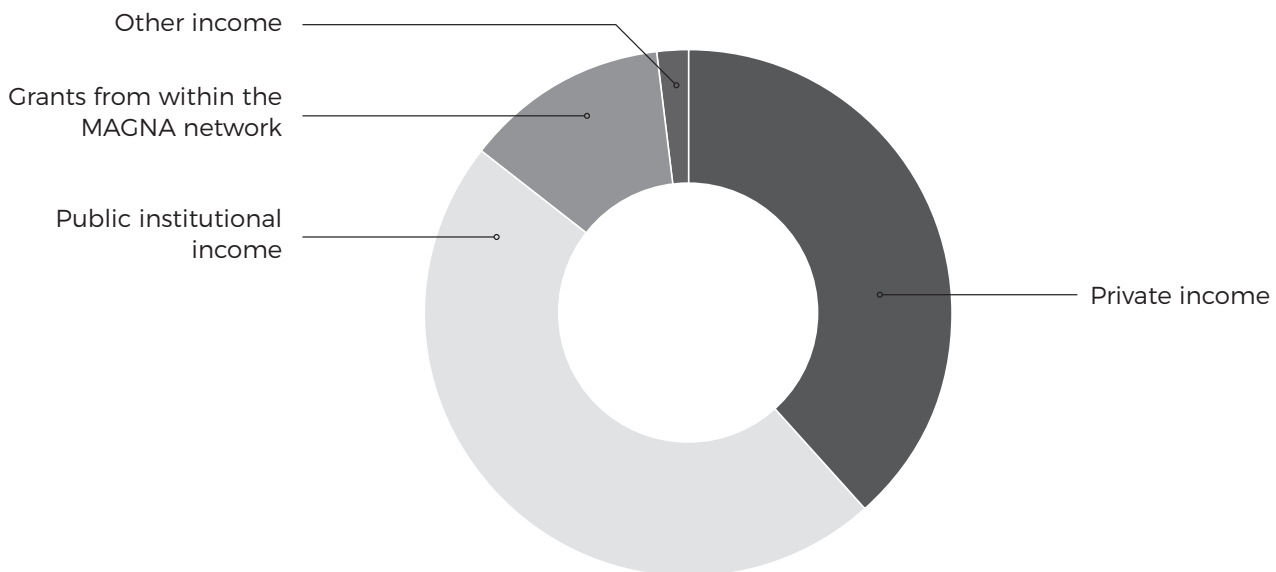
	2016	2015
Private income	38,4	62,6
Public institutions income	47,4	31,5
Other income	1,8	4,4
Grants from within the MAGNA network	12	1
Income	100	100



INCOME (in €)

2016 saw a increase in income for MAGNA compared with 2015. Total incoming resources of **1 865 604 €** for 2016 were **591 980 €** more than in 2015. More than 76 000 individual donations and private institutions provided 38.4 % of MAGNA's income in 2016.

	2016	2015
Private income	716 796	796 756
Public institutional income	883 481	401 820
Grants from within the MAGNA network	232 202	18 779
Other income	33 125	56 269
Total Income	1 865 604	1 273 624



IN-KIND DONATIONS AND SERVICES

Occasionally, MAGNA receives donations in kind, primarily in the form of the free use of goods or services (drugs and medical equipments in the field, and consultancies and travel miles in headquarters). These contributions in kind are not stated in the operating account, but an estimation of the value of these goods is presented below. The contributions are valued on the basis of the donation certificate or the contract entered into with the donor. The act of volunteering to work in MAGNA humanitarian projects is not recorded in the accounts. This contribution represents one of the bases of the MAGNA Charter and principles.

The total value of the goods and services received in 2016 is estimated as:

	2016
Headquarter	102 858
Field Programme expenses	195 220
Total In-kind donations and services	298 078

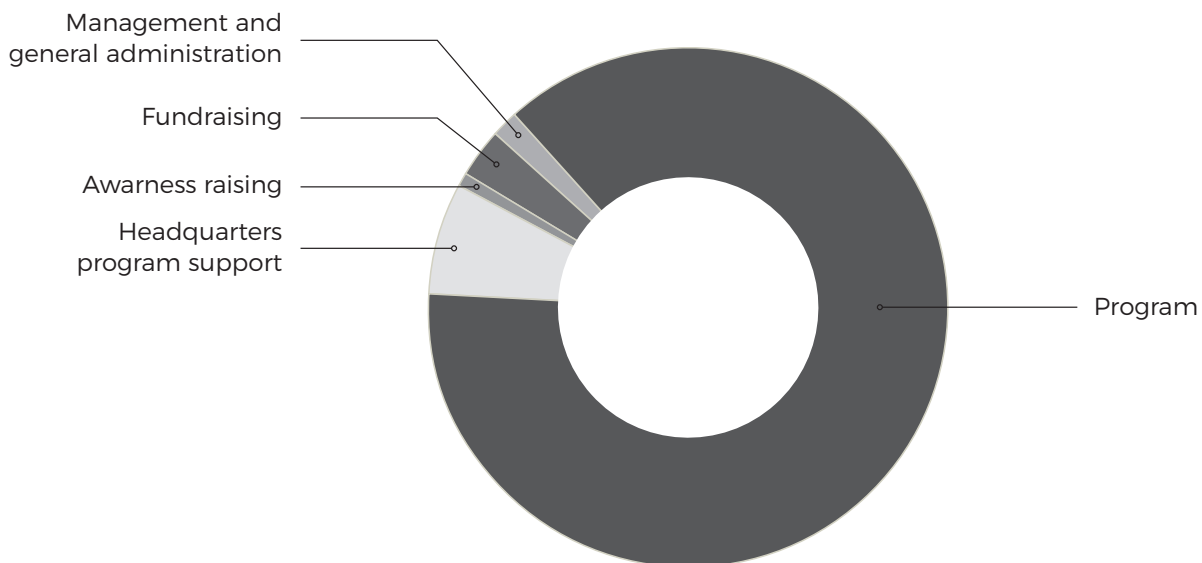
EXPENDITURE (in €)

Total expenditure in 2016 was **1 607 197 €** an increase of **315 391 €** over 2015.

This expenditure can be broken down into two main categories: social mission and other expenses. The table below breaks down these categories still further.

	2016	2015
Program	1 410 657	1 115 611
Headquarters program support	110 906	70 678
Awareness raising	12 506	31 345
Total social mission	1 534 069	1 217 634
Fundraising	49 367	55 965
Management and general administration	23 761	18 207
Total other expenses	73 128	74 172
Total	1 607 197	1 291 806

The result of the above is that, in 2016, **95,4 %** of MAGNA's total expenditure was spent on social mission and **4,6 %** on other expenses (2015: **94 %** and **6 %** respectively).



Explanation Statement of Income and Expenditure in 2016

INCOME (in €)

Private Income (In €)

Income from individuals includes:

	2016
Individual donations	437 380
Income from individuals	437 380

Income from private institutions comes from the following sources:

	2016
Companies	11 990
Trusts and foundations	267 069
2 percents from the tax	357
Other private institutions	0
Income from private institutions	279 416

As part of our effort to guarantee independence, we have striven to maintain an efficient level of private income. Funds coming from private sources represented 38.4 % of MAGNA total income in 2016. More than 76 000 individual contributors made this possible.

Income breakdown from individual, private companies and trusts and foundations (In €):

	2016
Donations in general	183 638
Donations through SMS donation	189 402
Donations from public appeals	64 340
Income from individuals	437 380

	2016
Trust and Foundations	
Orange Foundation Slovakia	2 105
Markiza Foundation Slovakia	5 000
Open Society Fund Slovakia	105 347
Člověk v tísni	65 020
Mercury	89 597
Income from Trust and Foundations	267 069

Public Institutional Income (in €)

The table below presents the breakdown of donations and grants awarded by public institutional bodies:

	2016
European Commission	17 137
ECHO and EU institutions	17 137
Swiss Embassy DR Congo	18 149
SlovakAid	218 196
EU governments	236 345
UNICEF in South Sudan	77 322
UNICEF in DRC	552 677
UN institutions	629 999
Public institutional income (see also note restricted funds)	883 481

Grants From Within Magna Network (in €)

The table below presents the breakdown of grants from within MAGNA network bodies:

	2016
MAGNA Czech Republic: projects in Syria	232 202
Grants from within the MAGNA network	232 202

Other Income (in €)

	2016	2015
Interest/investment income	214	88
Other revenues	32 911	56 181
Other income	33 125	56 269

EXPENDITURE

Functional Expenses (In €)

Nature of expenses	SOCIAL MISSION			
	Programmes	Programme support	Awareness-raising	Total social mission
A. Personnel costs	573 251	86 612		659 864
B. Travel	19 859	639		20 498
C. Medical and nutrition	513 526	0		513 526
D. Logistics	128 813	3 520		132 333
E. Professional services	6 251	11 474		17 725
F. Communications	16 874	1 281		18 155
G. Publications	0	0		0
H. Promotional expenses	0	0	12 506	12 506
I. Office expenses	135 076	5 434		140 511
J. Taxes	0	0		0
K. Private grants	9 354	0		9 354
L. Public institutional grants	0	0		0
M. Financial expenses	7 653	1 944		9 597
N. Depreciation	0	0		0

Personnel expenses – Expenditure comprises all costs related to locally hired and international staff (including plane tickets, insurance, accommodation, etc).

Travel and accommodation – related to non field operation is in category Travel and accommodation. Travel and Accommodation Expenditures comprises all costs to travel and accommodation related to no field operation.

Medical & Nutrition – The medical and nutrition category includes drugs and medical equipment, vaccines, hospitalisation fees, therapeutic food, training and education of health staff, building materials and equipment for health centres, hygiene, relief items and medical facilities rental and charges. The delivery of these supplies and services is included in the category of logistics.

Logistics – Delivery of medical and nutrition supplies and services, construction services, building materials and related logistical supplies.

Professional services – Expenditures related to medical (medical survey, consultant & specialist costs) and non-medical services (tax advice, accounting, audit, IT, public relation, advertising etc).

Publicity and communication – Expenditures related to publicity, public and private donors communication, raising funds etc

Office and general costs – Expenditure comprises all costs related to MAGNA offices and administration (including offices rentals and charges, office supplies, postal costs), bank fees).

Social mission – Social mission includes all costs related to operations in the field as well as all the medical and operational support from the headquarters directly allocated to the field and awareness-raising activities.

Other expenses – Other expenses comprises costs associated with raising funds from all possible sources, the expenditures incurred in the management and administration of the organisation, as well as income tax paid on commercial activities.

Programme – Programme expenses represent expenses incurred in the field or by headquarters on behalf of the field.

Programme support – Programme support relates to expenses incurred at headquarters in order to carry out MAGNA humanitarian operations (e.g. project design, monitoring and evaluation, recruitment of international staff, activities designed to improve the quality and effectiveness of MAGNA operations).

Awareness raising – Awareness-raising activities comprise expenses incurred by MAGNA in an educational manner to further its social mission. They represent the situations where MAGNA bears witness and speaks out about the plight of the populations it serves through communicating publicly in order to inform, put pressure on responsible actors, and stimulate action.

Fundraising & Communication – Fundraising expenses represent the costs incurred for raising funds from all possible sources of income, be they private or public institutional.

Management and general administration consists primarily of expenses associated with executive management, headquarters finance and human resources management, internal communication and the associative life of the organisation.

OTHER EXPENSES			SOCIAL MISSION AND OTHER EXPENSES TOTAL	
Fundraising	Management and general administration	Total other expenses	2016	2015
22 678	9 850	32 528	692 391	624 411
0	115	115	20 613	817
0	0	0	513 526	283 504
0	0	0	132 333	102 302
9 348	3 303	12 651	30 376	41 695
646	444	1 090	19 245	20 173
0	0	0	0	
11 543	0	11 543	24 049	
5 152	2 676	7 828	148 339	135 690
0	0	0	0	3
0	0	0	9 354	31 345
0	0	0	0	
0	7 374	7 374	16 971	11 398
0	0	0	0	9 124

Restricted funds (In €)

The table below presents restricted funds contain donations that have been earmarked by donors for a special purpose and which have not yet been spent. It gives an indication of the volume of earmarked monies that were received and spent during the year.

	Receipt in 2016	Expenditures in 2016	Not spent in 2016
European Commission	17 137	- 14 321	2 817
SlovakAid	218 196	- 66 979	151 217
UNICEF South Sudan	77 322	0	77 322
UNICEF DR Congo	552 677	- 538 980	13 697
Swiss Embassy DR Congo	18 149	- 13 704	4 445
Restricted funds Total	883 481	- 633 984	249 498

Program Expenditures By Nature and Continents (In €)

Nature of expenses	ASIA	AMERICA	AFRICA	EUROPE	2016	2015
A. Personnel costs	172 299		358 039	42 914	573 252	555 403
B. Travel	11 380	3 836	3 731	912	19 859	0
C. Medical and nutrition	315 019		197 711	796	513 527	283 504
D. Logistics	43 478		75 947	9 388	128 813	102 302
E. Professional services	4 551		1 700	0	6 251	24 001
F. Communications	5 470		10 838	565	16 874	558
G. Publications	0		0	0	0	0
H. Promotional expenses	0		0	0	0	0
I. Office expenses	44 737		79 793	10 546	135 076	108 852
J. Taxes	0		0	0	0	0
K. Private grants	9 354		0	0	9 354	31 345
L. Public institutional grants	0		0	0	0	
M. Financial expenses	2 106		5 457	89	7 653	8 289
N. Depreciation	0		0	0	0	

CAMBODIA

EXPENSES (In €)

A. Personnel costs	116 555
B. Travel	1 806
C. Medical and nutrition	74 362
D. Logistics	23 820
E. Professional services	101
F. Communications	3 662
G. Publications	0
H. Promotional expenses	0
I. Office expenses	33 799
J. Taxes	0
K. Private grants	0
L. Public institutional grants	0
M. Financial expenses	1 065
N. Depreciation	0
O. Expenditures within MAGNA network	0
Field related expenses	255 171

FUNDING (In €)

Private and other income	255 171
ECHO and EU institutions	0
EU governments	0
Non-EU governments	0
UN institutions	0
Public institutional income	0

SOUTH SUDAN

EXPENSES (In €)

A. Personnel costs	101 581
B. Travel	366
C. Medical and nutrition	4 653
D. Logistics	13 568
E. Professional services	850
F. Communications	3 753
G. Publications	0
H. Promotional expenses	0
I. Office expenses	36 027
J. Taxes	0
K. Private grants	0
L. Public institutional grants	0
M. Financial expenses	2 803
N. Depreciation	0
O. Expenditures within MAGNA network	0
Field related expenses	163 601

FUNDING (In €)

Private and other income	125 190
ECHO and EU institutions	
EU governments	5 086
Non-EU governments	
UN institutions	33 325
Public institutional income	38 411

DR CONGO

EXPENSES (In €)

A. Personnel costs	256 458
B. Travel	3 364
C. Medical and nutrition	193 058
D. Logistics	62 379
E. Professional services	850
F. Communications	7 085
G. Publications	0
H. Promotional expenses	0
I. Office expenses	43 766
J. Taxes	0
K. Private grants	0
L. Public institutional grants	0
M. Financial expenses	2 655
N. Depreciation	0
O. Expenditures within MAGNA network	0
Field related expenses	569 616

FUNDING (In €)

Private and other income	16 932
ECHO and EU institutions	0
EU governments	0
Non-EU governments	0
UN institutions	552 684
Public institutional income	552 684

SYRIA

EXPENSES (In €)

A. Personnel costs	55 744
B. Travel	9 574
C. Medical and nutrition	240 657
D. Logistics	19 658
E. Professional services	4 450
F. Communications	1 808
G. Publications	0
H. Promotional expenses	0
I. Office expenses	10 938
J. Taxes	0
K. Private grants	9 354
L. Public institutional grants	0
M. Financial expenses	1 041
N. Depreciation	0
O. Expenditures within MAGNA network	0
Field related expenses	353 224

FUNDING (In €)

Private and other income	59 129
ECHO and EU institutions	0
EU governments	61 893
Non-EU governments	0
Grants within MAGNA network	232 202
UN institutions	0
Public institutional income	294 095

MIGRATION CRISIS (BALKAN ROUTE)

EXPENSES (In €)

A. Personnel costs	33 426
B. Travel	912
C. Medical and nutrition	796
D. Logistics	9 388
E. Professional services	0
F. Communications	565
G. Publications	0
H. Promotional expenses	0
I. Office expenses	4 029
J. Taxes	0
K. Private grants	0
L. Public institutional grants	0
M. Financial expenses	89
N. Depreciation	0
O. Expenditures within MAGNA network	0
Field related expenses	49 205

FUNDING (In €)

Private and other income	49 206
ECHO and EU institutions	0
EU governments	0
Non-EU governments	0
UN institutions	0
Public institutional income	0

OTHER COUNTRIES

EXPENSES (In €)

A. Personnel costs	9 488
B. Travel	3 836
C. Medical and nutrition	0
D. Logistics	0
E. Professional services	0
F. Communications	0
G. Publications	0
H. Promotional expenses	0
I. Office expenses	6 517
J. Taxes	0
K. Private grants	0
L. Public institutional grants	0
M. Financial expenses	0
N. Depreciation	0
O. Expenditures within MAGNA network	0
Field related expenses	19 841

FUNDING (In €)

Private and other income	5 520
ECHO and EU institutions	
EU governments	14 321
Non-EU governments	
UN institutions	
Public institutional income	14 321

BALANCE SHEET (in €)

ASSETS		31. 12. 2016			31. 12. 2015
		Brutto	Correction	Netto	Netto
A. TOTAL ASSETS		82 404,27	71 851,20	10 553,07	17 183,44
1.	Total long-term intangible fixed assets	—	—	—	—
	Research and development	—	—	—	—
	Software	—	—	—	—
	Valuable rights	—	—	—	—
	Other intangible fixed assets	—	—	—	—
	Procured intangible fixed assets	—	—	—	—
	Advance payments for intangible fixed assets	—	—	—	—
2.	Total long-term tangible fixed assets	82 404,27	71 851,20	10 553,07	17 183,44
	Land	—	—	—	—
	Works of art and art collection	—	—	—	—
	Buildings	—	—	—	—
	Machinery, tools and equipments	14 076,27	3 520,00	10 556,27	—
	Rolling stock	68 328,00	68 331,20	-3,20	3 107,17
	Perennial corps	—	—	—	—
	Breeding & draught animals	—	—	—	—
	Small tangible fixed assets	—	—	—	—
	Other tangible fixed assets	—	—	—	—
	Procured tangible fixed assets	—	—	—	14 076,27
	Advance payments for tangible fixed assets	—	—	—	—
3.	Financial investments	—	—	—	—
	Shares ownership inter. with contr. influence in enterprises	—	—	—	—
	Shares ownership inter. with signific. influence over enterprises	—	—	—	—
	Debt securities held to maturity	—	—	—	—
	Intercompany loans	—	—	—	—
	Other long-term financial investments	—	—	—	—
	Procured financial investments	—	—	—	—
	Advance payments for financial investments	—	—	—	—
	Control number	247 212,81	215 553,60	31 659,21	51 550,32

B. CURRENT ASSETS		768 390,13	–	768 390,13	571 154,00
1.	Inventory	- 495,87	–	-495,87	13 909,43
	Materials		–	–	7 067,83
	Work-in-progress & semi-final products	–	–	–	–
	Finished products	–	–	–	–
	Animals	–	–	–	–
	Merchandise	6 732,80	–	6 732,80	6 841,60
	Advance payments for inventory	- 7 228,67	–	- 7 228,67	–
2.	Long-term receivables	10 019,82	–	10 019,82	–
	Trade receivables	925,14	–	925,14	–
	Other receivables	3 363,40	–	3 363,40	–
	Receivables from partners in association	–	–	–	–
	Other receivables	5 731,28	–	5 731,28	–
3.	Short-term receivables	- 3 804,01	–	- 3 804,01	83 345,28
	Trade receivables		–	–	5 725,14
	Other receivables		–	–	14 164,83
	Social security	- 4 862,22	–	- 4 862,22	–
	Tax receivables	1 058,21	–	1 058,21	821,29
	Grants and other clearing with national budget	–	–	–	–
	Receivables from partners in association	–	–	–	–
	Connecting account for association	–	–	–	–
Other receivables		–		62 634,02	
4.	Financial assets	762 670,19	–	762 670,19	473 899,29
	Cash	99 257,10	–	99 257,10	127 863,46
	Bank accounts	663 413,09	–	663 413,09	346 035,83
	Long-term bank accounts (over 1 year)	–	–	–	–
	Short-term financial assets	–	–	–	–
	Advance payments for financial assets	–	–	–	–
5.	Temporary accounts of assets	13 931,69	–	13 931,69	22 925,19
	Deferred expenses	13 931,69	–	13 931,69	22 325,19
	Accrued revenues		–	–	600,00
TOTAL ASSETS		864 726,09	71 851,20	792 874,89	611 262,63
Control number		3 197 759,86	71 851,20	3 125 908,66	2 370 575,01

LIABILITIES			
A. Own covering sources of fixed and nonfixed assets		465 785,44	444 150,04
1.	Equity and monetary funds	—	—
	Registered capital	—	—
	Monetary funds	—	—
	Renewal fund	—	—
	Gains or losses from revaluation of assets and liabilities	—	—
	Gains or losses from investments	—	—
2.	Funds from profit	190 128,74	190 128,74
	Legal reserve funds	—	—
	Funds from profit	—	—
	Other funds	190 128,74	190 128,74
3.	Retained earnings and losses from previous year	254 021,30	240 859,00
4.	Profit or loss from current accounting period	21 635,40	13 162,30
B. EXTERNAL LIABILITIES		327 089,45	72 696,98
1.	RESERVES	28 133,74	25 286,54
	Legal reserves	—	—
	Other reserves	—	—
	Short-term reserves	28 133,74	25 286,54
2.	LONG-TERM PAYABLES	1 424,53	1 228,98
	Payables to social fund	1 424,53	1 228,98
	Emitted bonds	—	—
	Rental payables	—	—
	Long-terms advance payments	—	—
	Long-term non-invoiced supply	—	—
	Long-term bills of exchange	—	—
	Other long-term payables	—	—
3.	SHORT-TERM PAYABLES	59 204,41	46 281,46
	Trade payables	52 328,65	23 715,15
	Payables to employees	6 875,76	20 465,94
	Due to and from social security and health insurance inst.	—	1 652,20
	Tax payables	—	448,17
	Payables to the state budget or to the budget of local self-government	—	—
	Liabilities for unpaid subscribed securities and contributions	—	—
	Payables to participants in association	—	—
	Connecting account for association	—	—
	Other payables	—	—
4.	BANK LOANS AND ASSISTANCE	—	—
	Long-term bank loans	—	—
	Current bank loans	—	—
	Short-term financial assistance	—	—
C. TEMPORARY ACCOUNTS OF LIABILITIES			94 415,61
	Accrued expenses		345,00
	Deferred revenues		94 070,61
TOTAL LIABILITIES		792 874,89	611 262,63
Control number		2 419 189,32	2 096 813,61

PROFIT AND LOSS STATEMENT (in €)

EXPENSES	Activity			
	Non-taxable principal	Taxable entrepreneurial	Total	
Consumed raw materials	556,92	—	556,92	229 436,42
Energy consumption	—	—	—	5 959,79
Merchandise sold		—	—	—
Repair and maintenance	—	—	—	8 447,07
Travel expenses	1 754,53	—	1 754,53	66 558,74
Entertainment expenses	164,93	—	164,93	2 357,90
Other services	94 543,79	—	94 543,79	464 803,23
Wages and salaries	68 546,64	—	68 546,64	337 625,82
Legal social insurance		—	—	36 802,71
Other social insurance		—	—	1 000,00
Legal social expenses	1 120,00	—	1 120,00	1 033,40
Other social expenses		—	—	—
Road tax		—	—	565,05
Real estate tax		—	—	—
Other taxes and fees	513,38	—	513,38	479,77
Contractual fines and penalties		—	—	5,00
Other fines and penalties		—	—	10 367,39
Write-off of receivables	—	—	—	—
Interest	2,02	—	2,02	0,01
Exchange rate losses	5 713,15	—	5 713,15	14 250,10
Gifts	108,80	—	108,80	108,80
Special expenses	5 211,05	—	5 211,05	—
Shortages and damages	3 062,05	—	3 062,05	15,97
Other expenses	1 177 712,31	—	1 177 712,31	38 599,31
Amortization and depreciation	6 630,37	—	6 630,37	9 120,00
Carrying value of intangible ass. and property sold		—	—	—
Securities and ownerships sold	—	—	—	—
Material sold	—	—	—	—
Expenses on long-term financial assets	—	—	—	—
Creation of legal reserves	—	—	—	—
Expenses on revaluation of securities	—	—	—	—
Creation and uses of adjustments	—	—	—	—
Contributions advance paid to organizational unit	9 354,02	—	9 354,02	—
Contributions advance paid to other accoun. entities		—	—	31 345,28
Contributions advance paid to physical entities		—	—	1 574,69
Contributions paid from tax assignation	—	—	—	—
Total account class	1 374 993,96	—	1 374 993,96	1 260 456,45

REVENUES	Activity			
	Non-taxable principal	Taxable entrepreneurial	Total	
Revenue from own products	—	—	—	—
Revenue from services	672,00	—	672,00	1 437,00
Revenue from merchandise	—	—	—	—
Change in work progress	—	—	—	—
Change in semi-finished products	—	—	—	—
Change in finished products	—	—	—	—
Change in animals	—	—	—	—
Materials and merchandise capitalized	—	—	—	—
Internal services capitalized	—	—	—	—
Intangible assets capitalized	—	—	—	—
Property, plant and equipment capitalized	—	—	—	—
Contractual fines and penalties	—	—	—	—
Other fines and penalties	—	—	—	—
Income from written-off receivables	—	—	—	—
Interest	213,78	—	213,78	88,22
Exchange rate gains	26 804,10	—	26 804,10	40 566,52
Gifts	—	—	—	—
Special revenues	—	—	—	—
Legal fees	—	—	—	—
Other revenues	5 434,77	—	5 434,77	13 862,66
Revenues from sale of intangible ass. and property	—	—	—	—
Income from non/current financial investments	—	—	—	—
Revenues from sale of securities and shares	—	—	—	—
Revenues from material sold	—	—	—	314,63
Income from current financial assets	—	—	—	—
Use or reversal of legal reserves	—	—	—	—
Revenues from sale of securities and shares	—	—	—	—
Rental revenues	—	—	—	—
Contributions received from organizational unit	—	—	—	—
Contributions received from other organizations	925 767,75	—	925 767,75	619 777,75
Contributions received from physical entities	373 040,36	—	373 040,36	351 380,20
Members contributions received	—	—	—	—
Contributions from tax paid	356,64	—	356,64	37 127,01
Contributions from public collection	64 339,96	—	64 339,96	209 070,02
Subsidies	—	—	—	—
Total account class	1 396 629,36	—	1 396 629,36	1 273 624,01
Pretax profit and loss	21 635,40	—	21 635,40	13 167,56
Income tax	—	—	—	4,92
Additional income tax	—	—	—	—
Profit and loss after taxation	—	—	21 635,40	13 162,64
Control number	—	—	2 836 529,52	2 573 583,14

NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS

as of 31 December 2016 (data in the tables are in whole euros, if not stated otherwise)

All data and information stated in these notes are based on the book-keeping and follow the accounting statements. The value data are listed in whole euros (if not stated otherwise). The numbers behind an item in the brackets or in the columns are references to a line or a column of respective statement (Balance Sheet or Income Statement).

General Information:

Basic company data

Business name and registered office	MAGNA (hereinafter referred to as MAGNA or civic association) Štefánikova 19, 811 05 Bratislava
Date of establishment	11. 5. 2001
Association objectives	<p>The civic association Magna is a non-profit organization of which mission is to help people in crisis areas worldwide, to implement humanitarian and development projects to help the most vulnerable groups of population, children, women and ill people that are marginalized due to non-functioning social system, wars, epidemics, poverty and the society itself. The projects of Magna Children at Risk are focused, mainly, on provision of healthcare (HIV/AIDS, TBC), on supporting education and communities.</p> <p>Areas of action:</p> <ul style="list-style-type: none">- assistance to people in crisis areas worldwide that are at risk of poverty, war, epidemic or natural disaster- implementation of humanitarian projects- dealing with long-term development projects with focus on medical and social care for children in need- creation of documentary films- provision of education and publication activities- organization of exhibitions of documentary and social photography- organization of an information and education campaign in Slovakia- uniting persons who are not indifferent to the fate of people in developing countries, and raising awareness about problems of these countries- spreading ideas of humanism and tolerance worldwide

Employees

	Current accounting period	Preceding accounting period
Average recalculated number of employees	45	45
of which are managers	4	4
Number of volunteers delegated by accounting entity	0	0
Number of volunteers that performed voluntary activity for accounting entity during accounting period	4	4

Legal reason for the preparation of the Financial Statements

The Financial Statements are ordinary individual financial statements for the civic association Magna. They have been prepared for the accounting period from 1 January to 31 December 2016, according to the Slovak laws, namely the Act on accounting and accounting procedures for accounting entities that are not established for purpose of business.

Approval of the Financial Statements for 2015

The Financial Statements of the civic association Magna for 2015 were approved by the Board of Directors on 31 December 2016.

Members of the company's bodies

Body	Function	Name
Board of Directors	President and managing director	Martin Bandžák
	Vice-president and director for development and humanitarian projects	Denisa Augustinová
	Member of the Board of Directors	Andrea Lafosse
Supervisory Board	Member of the Supervisory Board Member of the Supervisory Board Member of the Supervisory Board	Jozef Barta Juraj Vaculik MUDr. Júlia Horáková PhD.

Accounting Principles And Methods Applied

1. MAGNA applies accounting principles and methods pursuant to the Act on accounting and accounting procedures for accounting entities that are not established for purpose of business and that are valid in the Slovak Republic. The book-keeping is performed in the monetary units of the Slovak currency, i. e. in euros.
2. The Financial Statements for 2016 were prepared using the going concern assumption that the company will continue in its activity for the foreseeable future.
3. Income and expenses are presented in accordance with the matching principle in terms of substance and time. All expenses and income related to the accounting period, regardless of their payment date, are taken for basis.
4. Assets and liabilities are valued according to the principle of prudence, i. e. all risks, losses and impairments related to the assets and liabilities and known as of the day of preparation of the Financial Statements are taken for basis.
5. Moment of recording revenues – revenues are recorded at the moment of receipt of financial means from gifts, grants and subsidies, as these allowances are considered as non-refundable and the period for using these financial means is not defined.
6. Non-current and current receivables, liabilities, loans and borrowings – receivables and liabilities are presented in the Balance Sheet as non-current or current depending on their residual maturity as of the date of preparation of the Financial Statements. The part of a non-current receivable and the part of a non-current liability of which term of maturity is not more than one year from the date of preparation of the Financial Statements are presented as a current receivable or a current liability in the Balance Sheet.
7. Use of estimates – preparation of the Financial Statements requires that the company management makes estimates and forecasts that affect the reported amounts of assets and liabilities, specification of possible future assets and liabilities as of date of preparation of the Financial Statements, as well as the reported amount of income and expenses over the course of the year.

Method Of Measurement Of Individual Items Of Assets And Liabilities - Initial Measurement

A principle of acquisition cost (i. e. historical cost) is applied during assets acquisition. Individual items of assets and liabilities are valued as follows:

- a) Non-current intangible and tangible assets acquired by purchase – at the acquisition cost. Acquisition cost is the price at which assets have been acquired plus costs related to their acquisition (transport and customs duty).
- b) Inventory acquired by purchase:
Purchased material – at the acquisition cost. In case of decrease of the same kind of inventory, the method FIFO is applied.
- c) Receivables: at the time of their creation or free acquisition – at the nominal value,
in case of acquisition (assignment) for valuable consideration or acquisition via a contribution to share capital – at the acquisition cost.
- d) Accrual on the asset side of the Balance Sheet – at expected nominal value.
- e) Liabilities: at the time of their creation – at the nominal value, at the time of assumption – at the acquisition cost.
- f) Provisions – at the expected amount of the liability or by actuarial methods.
- g) Income tax due – according to the Slovak Income Tax Act income taxes due are determined from accounting profit at a rate of 22 % after adjustments by certain items for tax purposes.
- h) Accruals/deferrals on liabilities and equity side of the Balance Sheet – at expected nominal value.

Method Of Measurement Of Individual Items Of Assets And Liabilities – Subsequent Measurement

A) Expected risks, losses and impairments related to the assets and liabilities are expressed by provisions, value adjustments and amortization.

Amortization plan

Amortization of non-current tangible assets is performed according to the amortization plan that was set with a view to the estimation of real economic lives. Amortization of the assets is performed during expected period of use corresponding to the consumption of future economic benefits from the assets. Accounting amortization is equal. Amortization commences in the month following the month the asset was put into use.

Average lives according to the amortization plan are as follows:

Assets type	Life	Annual rate of amortization
Machinery and equipment	4 years	25.0 %
Machinery and equipment (low-value assets)	3 years	33.3 %

Tax amortization is applied according to the rates laid down in the Income Tax Act for straight-line amortization.

Translation of foreign currencies to the Slovak currency

Assets and liabilities denominated in the foreign currency are translated to euro by the reference exchange rate determined and declared by the European Central Bank (ECB) or National Bank of Slovakia as of the date preceding the date of accounting transaction and as of the date of preparation of the Financial Statements. Advance payments made and advance payments received in the foreign currency are not translated as of the date of preparation of the Financial Statements. The exchange rate used for the purchase or sale of foreign currency for the currency Euro and for the transfer of financial means from the account in the foreign account on the account in euros and from the account in euros on the account in the foreign currency was the exchange rate for which these values were purchased or sold. If the foreign currency is sold or purchased for other exchange rate than exchange rate that a commercial bank offers in its exchange rate list, the exchange rate will be used that the commercial bank offers in its exchange rate list on the day of transaction. If the purchase or sale is not realized at a commercial bank, the reference exchange rate determined and declared by the ECB on the day preceding the day of transaction.

Other principles and methods

Retained earnings and equity

Retained earnings are cumulative profits and losses from current and previous years. They include:

- decommitted funds that are unused donation financial means without determination of use that can be drawn under consideration of administrators of Magna in order to realize social mission of Magna.
- other retained earnings and shares that are the capital of the foundation and exchange rate adjustment resulting from translation of Financial Statements of subjects to euros. Unexpended committed funds/limited financial means are not included into retained earnings from previous years, but they are considered as deferred income.

Income

Income of Magna includes public voluntary contributions and contributions of public institutions as well as income from other activities. Private income consists in gifts from persons and private organizations (companies, funds and foundations and other non-profit organizations). Public institutional income includes grants (i. e. contributions on the basis of contracts for particular projects), subsidies and gifts received directly or with guarantee of public institutions such as governments or agencies. Income from other activities comes, especially, from business or financial transactions.

Income commitment

Income is considered as committed only in the case of commitment determined by donator. All third parties are considered as donators that contribute to the resources of Magna. Commitment determined by donator is determination and limitation of using paid assets or financial gifts. Commitment may relate to purpose (country, programme or activity), time or other specific wishes (e. g. medicines). The means received as „emergency“ are considered as committed, if the case of need is expressly determined by donator or may be deduced from circumstances, in other cases such means are considered as non-committed. Gifts with commitment determined by donator are reported as committed in their total amount. Unused committed gifts are transferred into next

periods as deferred income. Grants are reported as committed income up to the amount of eligible expenses incurred in current year.

Gifts

Gifts are based on non-reciprocal transfer of finances or other assets or reversion of liabilities. They are considered as income at the moment of their receipt.

Grants

Grants are accounted as income up to the amount of eligible expenses incurred in the current year. At the end of the year, the difference between received cash and the amount of expenses incurred is reported as receivables from gifts or deferred income.

Non-monetary inputs

Non-monetary inputs are not recorded in the income statement. Act of voluntary work in the humanitarian projects of MAGNA is not recorded in the books. This contribution is one of basic statutes and principles of MAGNA.

Expenses

Costs are allocated under method of total costs. The principle of the method of total costs consists in the fact that direct costs that are directly connected with category (direct eligible costs) as well as a proportion of indirect costs (overhead costs) are included within a single category of costs. Therefore, all categories of costs include salaries, direct costs and a part of overhead costs (e. g. wage costs, administration costs).

Financial Risk Management

Interest risk

MAGNA has no long-term loans.

Credit risk

MAGNA prefers safety of cash and cash equivalents. Receivables are mostly from cooperating subjects and individuals where the credit risk is low. Other cases are not of material nature or are covered by provisions. Investments are allowed only into liquid securities and only at subjects with a high credit rating. At the end of the year, no significant concentration of credit risk occurred.

Liquidity risk

With regard to the nature of financing MAGNA, along with its policy of provisions, the liquidity risk is negligible.

Data On The Asset Side Of The Balance Sheet

Non-current intangible assets and property, plant and equipment (lines 002 and 009 of the Balance Sheet)

Movements of non-current tangible assets on accounts, accumulated depreciations, value adjustments and carrying value

31 December 2016

	Individual movable assets and sets of movable assets	Individual movable assets and sets of movable assets	Total
Acquisition cost/conversion cost - opening balance	86 778,22	86 778,22	86 778,22
Increases	14076,27	14076,27	2 186
Transfers	18450,22	18450,22	0
Closing balance	82404,27	82404,27	84 592,22
Accumulated depreciation - opening balance	72 365,05	72 365,05	74 551,05
Increases	9 120,38	9 120,38	9 120,38
Closing balance	79 645,65	79 645,65	79 646,65
Carrying value	71851,2	71851,2	79 645,65
Opening balance	12 227,17	12 227,17	12 227,17
Closing balance	10 553,07	10553,07	3 107,17

Inventory (line 030 of the Balance Sheet)

Information on the movement of the inventory according to items of the Balance Sheet

Item	Line	Balance as of 1 January 2016	Increases	Decreases	Transfers	Balance as of 31 December 2016
Materials	031	7 067,83	—	—	—	7 067,83
Works in progress	032	—	—	—	—	—
Finished goods	033	—	—	—	—	—
Animals	034	—	—	—	—	—
Merchandise	035	6 841,6	—	108,80	—	6 732,8
Advance payments made	036	—	—	—	- 7228,67	—
Total	030	13 909,43	—	108,80	- 7228,67	495,87

On the basis of reconciliation procedure as of 31 December 2016, the civic association identified the material inventory of medicines, medical supplies, devices and nutritional food in its missions abroad with acquisition costs of EUR 7 067,83.

The inventory contains mainly material inventory of medicines, medical supplies, devices and nutritional food that are stored in the storehouses in the missions of the civic association abroad.

In addition, the inventory contains only books that the civic association sells in order to realize the education activity and to gain financial resources for support of other activities. 17 copies of books were donated in 2016.

Receivables (lines 037 and 042 of the Balance Sheet)

Division of receivables in total, including the group:

31 December 2016

Category of receivables	Due	Overdue					Total
		< 30 days	< 90 days	< 180 days	< 360 days	> 360 days	
Non-current (line 037)	—	—	—	—	—	—	—
Current (line 042)	1058,21	—	—	—	—	1058,21	1058,21

31. december 2015

Category of receivables	Due	Overdue					Total
		< 30 days	< 90 days	< 180 days	< 360 days	> 360 days	
Non-current (line 037)	—	—	—	—	—	—	—
Current (line 042)	82420,14	—	—	—	—	925,14	83345,28

Receivables according to remaining maturity

	Balance at the end of	
	current accounting period	preceding accounting period
Receivables due	0	82420,14
Receivables overdue	1058,21	925,14
Total receivables	1058,21	83345,28

Financial accounts (line 051 of the Balance Sheet)

The company has financial assets in the structure:

Current financial assets	Balance at the end of current accounting period	Balance at the end of preceding accounting period
Cash on hand	99257,1	127795,06
Stamps and vouchers	0	68,4
Current bank accounts	663413,09	346035,83
Bank accounts with notice period exceeding one year	—	—
Cash in transit	—	—
Total	762670,19	473899,29

On the basis of reconciliation procedure as of 31 December 2016, the civic association identified the financial means in cash and financial means on the current bank accounts in its missions abroad in the total amount of EUR 762 670,19.

Accruals/deferrals (line 057 of the Balance Sheet)

Item	Line	31 December 2016	31 December 2015
Prepaid expenses	058	13931,69	22325,19
out of it:			
domains		3757,57	4151,67
materials		—	—
medical services and renting in missions		10174,12	17268,78
social costs			
other costs			
Office rent			904,74
Accrued income	059		600
out of it:			
Advertising			600
Total	057	13931,69	22925,19

On the basis of reconciliation procedure as of 31 December 2016, the civic association identified accruals/deferrals in its missions abroad in the total amount of EUR 13931,69.

Data On Liabilities And Equity Side Of The Balance Sheet

Own resources of the assets coverage (line 061 of the Balance Sheet)

Equity of the civic association as of 31 December 2016 consists of profit or loss for current and preceding accounting periods.

Profit or loss (loss) was recorded in the full amount of EUR 13 162,64 as an unsettled profit or loss from previous years on the basis of the decision of the Board of Directors on division of profit or loss for 2015.

INFORMATION ON THE MOVEMENTS OF EQUITY

31 December 2016

Item	Balance as of 1 January 2016	Increases	Decreases	Transfers	Balance as of 31 December 2016
Equity and funds					
Share capital					
out of it:					
Funds created according to special regulation					
Reproduction fund					
Differences from revaluation of assets and liabilities					
Investment revaluation reserve					
Funds created from profit					
Reserve fund					
Funds created from profit					
Other funds	190 128,74				190 128,74
Unsettled profit or loss from previous years	240858,66				254021,3
Profit or loss for accounting period		21635,4			21635,4
Total	444150,04	21635,4			465785,44

Distribution of the accounting profit or loss settlement for 2016

Item	Preceding accounting period
Accounting profit/loss	13162,64
Distribution of accounting profit	
Contribution to share capital	
Contribution to fund created according to special regulation	
Contribution to reproduction fund	
Contribution to reserve fund	
Contribution to fund created from profit	
Contribution to other funds	
Settlement of losses of previous years	
Transfer to social fund	
Transfer to unsettled profit or loss from previous years	13162,64
Other	

Provisions (line 075 of the Balance Sheet)

Short-term provisions (line 078 of the Balance Sheet)

31 December 2016

Provision nature	Balance as of 1 January 2016	Creation	Use	Reversal	Balance as of 31 December 2016
Short-term provisions					
Legal short-term provisions (line 078)	25286,54				28133,74
out of it:					
Provision for accumulated leave	566,54				
Provision for audit of financial statements	24720				28133,74
Total	25 286,54				28133,74

31 December 2015

Provision nature	Balance as of 1 January 2015	Creation	Use	Reversal	Balance as of 31 December 2015
Short-term provisions					
Legal short-term provisions (line 078)	12 375,53	25 286,54	12 375,53		25 286,54
out of it:					
Provision for accumulated leave	7 575,53	566,54	7 575,53		566,54
Provision for audit of financial statements	4 800,00	24 720,00	4 800,00		24 720,00
Total	12 375,53	25 286,54	12 375,53		25 286,54

Liabilities (lines 079 and 87 of the Balance Sheet)

Amount of the provisions due and overdue including the group:

31 December 2016

Item	Maturity			Total
	within maturity	to 360 days after maturity	over 360 days after maturity	
Trade liabilities (line 88)	41055,56	11273,09		52328,65
Liabilities to employees (line 89)	11737,98			11737,98
Liabilities to social and health insurance company (line 90)				
Tax liabilities (line 91)	238326,77			238326,77
Total as of 31 December 2015	291120,31	11273,09		302393,4

Item	Maturity			Total
	within maturity	to 360 days after maturity	over 360 days after maturity	
Trade liabilities (line 88)	18 663,26	4 767,25	285,00	23 715,15
Liabilities to employees (line 89)	20 465,94	—	—	20 465,94
Liabilities to social and health insurance company (line 90)	1 652,20	—	—	1 652,20
Tax liabilities (line 91)	448,17	—	—	448,17
Total as of 31 December 2015	41 229,57	4 767,25	285,00	46 281,46

Liabilities according to maturity

Item	Line	Total as of 31 December 2016	Total as of 31 December 2015
Current liabilities:			
Liabilities overdue			5 052,25
Liabilities due within 1 year		302393,4	41 227,57
Total current liabilities	087	302393,4	46 281,82
Non-current liabilities:			
Liabilities due within 1-5 years			
Liabilities due over 5 years		1424,53	1128,98
Total non-current liabilities	079	1424,53	1128,98

On the basis of reconciliation procedure as of 31 December 2016, the civic association identified the liabilities in its missions abroad in the total amount of EUR 44 434,15.

Accruals/deferrals (line 101 of the Balance Sheet)

Item	Line	31 December 2016	31 December 2015
Deferred income – short-term	103		94 071,61
Received special-purpose grant from other organization			94 071,61
Deferred revenues – short-term out of it:	102		345
Services related to renting for 2016/01			345
Total	101	0	94 415,61

Deferred income items due to	Balance at the end of preceding accounting period	Increases	Decreases	Balance at the end of current accounting period
free acquired long-term assets	—	—	—	—
long-term assets acquired from subsidy	—	—	—	—
long-term assets acquired from financial gift	—	—	—	—
subsidies from state budget or from resources of the European Union	—	—	—	—
subsidies from the budget of a municipality or self-government	—	—	—	—
grant	—	—	—	—
share of tax paid	—	—	—	—
non-current assets acquired from share of tax paid	—	—	—	—

INCOME (MAIN ACTIVITY)

Main activity

Revenues from the sale of merchandise, own products and services (lines 39, 40 and 41 of the Income Statement)

Revenue from own work and merchandise according to main activity areas:

Territory	2016		2015	
	EUR	%	EUR	%
Slovakia	672	100	1 437,00	100
Abroad in total	–	–	–	–
out of it: Czech Republic				
Total sale	–	–	–	–

Revenue from own work and merchandise according to types of products and services:

Product/merchandise/service	2016		2015	
	EUR	%	EUR	%
Services connected with project and mission management	–	–	–	–
Book "Lost Lives "	–	–	–	–
Total sale	–	–	–	–

Income from received contributions (lines 67 to 72 of the Income Statement)

Income from received contributions and other income:

	2016		2015	
	in whole EUR	%	in whole EUR	%
Received contributions				
Contributions received from other organizations	925 767,75	67,89	619 777,75	50,92
Contributions received from natural persons	373 040,36	27,36	351 380,20	28,86
Contributions received from share of tax paid (2%)	356,64	0,0002	37 127,01	3,05
Contributions received from public collections	64 339,96	4,72	209 070,02	17,17
Total contributions received	1 363 504,71	100	1 143 560,15	100,0
Other income	–	–	126,18	100,0
Other income (release of liability)	–	–	–	–
Other income (rounding off)	–	–	–	–
Total other income	0	0,0	0	0,0

Received contributions are contributions received from other organizations, natural persons and the contributions from share of tax paid or claim for contributions from legal and natural persons. All received contributions were of financial nature.

Financial income (lines 53 and 54 of the Income Statement)

Item	Line	2016	2015
Interest income	53	213,78	88,22
from deposits on current account		213,78	88,22
Exchange rate gains	54	26804,1	40 566,52
realized		26804,1	40 566,52

EXPENSES (MAIN ACTIVITY)

Main activity

Expenses from main activity

Item	Line	2016	2015
Consumed raw materials	1	556,92	229 436,42
Energy consumption	2		5 959,79
Repairs and maintenance	4		8 447,07
Travel cost	5	1754,53	66 558,74
Entertainment expenses	6	164,93	2 357,90
Other services	7	94543,79	464 803,23
out of it:			
Rent and services connected		7828,28	103 779
Fundraising, PR and communication		20890,91	20 933
Legal and accounting services		3302,8	37 639
Communication equipment (Tel/Radio/Fax/Modem) and communication & posted costs		1089,71	13 784
Medical studies, advisory services and expenses for experts		32769	8 342
Contributions provided to other accounting entities	34		31 345,28
Contributions provided to individuals	35		1 574,69

Individual types of expenses for	Amount
Audit of the Financial Statements	6 000
Assurance audit services except for audit of the Financial Statements	
Related audit services	
Tax consulting	
Other non-audit services	
Total	6 000

Information on purpose and amount of used share of tax paid for current accounting period

Purpose for use of a share of tax paid	Amount used from preceding accounting period	Amount used from current accounting period
Development and humanitarian project focused on medical and social care	51507	37 127
Closing balance of a share of tax paid from current accounting period	0	0

Other expenses from main activity

Item	Line	2016	2015
Personnel expenses			375 461,93
Wages and salaries	8	68546,64	337 625,82
Legal social and health insurance	9		36 802,71
Legal social cost	11	1120	1 033,40
Other taxes and fees	15	513,38	479,77
Contractual fines and penalties	16		5
Other fines and penalties	17		10 367,39
Gifts	21	108,8	108,80
Other expenses	24	1177712,31	38 599,31
Amortization and value adjustments to non-current intangible assets and depreciation and value adjustments to property, plant and equipment:	25	6630,37	—
property, plant and equipment:			
depreciation			9 120
value adjustment		—	—

Financial expenses

Item	Line	2016	2015
Interest expense	19	2,02	–
Exchange rate losses	20	5713,15	14 250,10
realized		–	–

INCOME TAX

The rate of the tax income for 2016 is 22%. The civic association had no tax reliefs.

Reconciliation of the income tax

Item	2016	2015
Current income tax (line 76)	0	4,92
Total income tax	0	4,92

	2016			2015		
	Tax base	Tax	Tax in %	Tax base	Tax	Tax in %
Profit or loss before tax	21635,4			13 167,56		
out of it:						
theoretical tax		4760	22		2 896,87	22
Tax non-deductible expenses	1374993,96	302498,67	22	1 260 456,45	277 300,42	22
Income not subject to tax	- 1396629,36	- 307258,46	22	- 1 273 624,01	- 280 197,28	22
Tax losses claimed during the period	–	–	–	–	–	–
Total	0	0	22	0	0	22
Current income tax		0	22		4,92	22
Additional income tax payment		–	22		–	22
Total income tax			22		4,92	22

MAGNA is obliged to make tax return, only if it performs business activity. It did not perform any business activity in 2016, and the income from which the income tax was deducted is only the interest from deposit on current accounts.

Overview of Off-Balance Sheet Items

The accounting entity has no data for this item.

Other Information

Description and value of other assets which are understood as possible assets that was created due to past events and of which existence or ownership depends on the fact, if one or more uncertain events occur in the future of which occurrence does not depend on the accounting entity; other assets are e. g. rights arising from service agreements, insurance contracts, concession agreements, licence agreements, rights arising from investment of funds acquired as a result of income tax exemption.

The accounting entity has no data for this item.

Description and value of other liabilities resulting from court ruling, guarantees issued, generally binding legislation, guarantees according to individual types of guarantee; such other liabilities are:

- possible obligation that occurred as a result of a past event and of which existence depends on the fact, if one or more uncertain events occur in the future of which occurrence does not depend on the accounting entity, or
- obligation that occurred as a result of a past event, but is not recorded in the Balance Sheet, as it is not expected that meeting this obligation will require decrease of economic utilities, or amount of this obligation cannot be evaluated reliably.

The accounting entity has no data for this item.

Description of significant items of other financial obligations that are not followed in the book-keeping and are not presented in the Balance Sheet: each item is specified by description, amount and information, if it relates to related party, namely

- a) obligation from term business in foreign exchange and other financial derivatives,
- b) obligation from option business,
- c) legal obligation or contractual obligation to take certain products or services, e. g. from supplier's or customer's agreements,
- d) obligation from leasing, rental, service, insurance, concession, licence and similar agreements,
- e) other obligations.

The accounting entity has no data for this item.

Overview of intangible cultural monuments that are under administration or ownership of the accounting entity.

The accounting entity has no data for this item.

1.5. Information on significant facts that occurred between the day as of which the Financial Statements are prepared, and the day of their preparation.

No exceptional events occurred in the civic association after the day as of which the Financial Statements are prepared, and that could have impact on a true and fair presentation of facts subject to book-keeping. The civic association has no other liabilities and financial obligations that are not followed in a current book-keeping and are not presented in the Balance Sheet.

INDEPENDENT AUDITOR'S REPORT

To the General Assembly, Board of Directors, Supervisory Board and Statutory authority

of the unincorporated association MAGNA, o.z.

Štefánikova 19, 811 05 Bratislava

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of , **the unincorporated association MAGNA, o.z. Bratislava** (the unincorporated association) which comprises the balance sheet as at 31 December 2016, the income statement and notes including a summary of significant accounting policies.

In our opinion, the accompanying financial statements presents fairly, in all material respects, the financial position of the Company as of 31 December 2016 and of its financial performance for the year then ended in accordance with Slovak Accounting Law.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the unincorporated association in accordance with Law no. 423/2015 on Statutory Audit (the "Act on statutory audits") on ethics, including an Ethical Code Auditor, relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Slovak Accounting Law and for such internal control as management 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, management is responsible for assessing the unincorporated association'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 management either intends to liquidate the unincorporated association or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility 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 ISAs 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 ISAs, we exercise professional judgment and maintain professional skepticism 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 the unincorporated association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management'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 the unincorporated association's ability 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 unincorporated association 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.

Report on Other Legal and Regulatory Requirements

Report on the information referred to in the Annual Report

Management is responsible for the information contained in the annual report prepared in accordance with the requirements of the Accounting Law.

Our opinion on the financial statements referred to above does not apply to other information in the annual report.

The audit of the financial statements it is our responsibility to become familiar with the information given in the annual report and consider whether the information is not substantively consistent with the audited financial statements and our knowledge we have gained during the audit of the financial statements, or otherwise appear to be significantly wrong.

We consider that the unincorporated association's annual report contains information that requires putting the Accounting Act. Based on the work performed during the audit of financial statements, in our opinion:

- The information given in the annual report prepared for the year 2016 are consistent with the financial statements for the year
- Annual report contains information according to the Accounting Law.

In addition, based on our knowledge of the entity and its situation, we have gained during the audit of the financial statements, we are required to state whether we have found material misstatement in the annual report, we received prior to the date of issue of the auditor's report. In this context, there are not findings which we should mention.

Bratislava, 31.12.2017

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If you have any questions, please call us or mail us and we will be happy to help.