

FINANCIAL STATEMENT 2012



magna

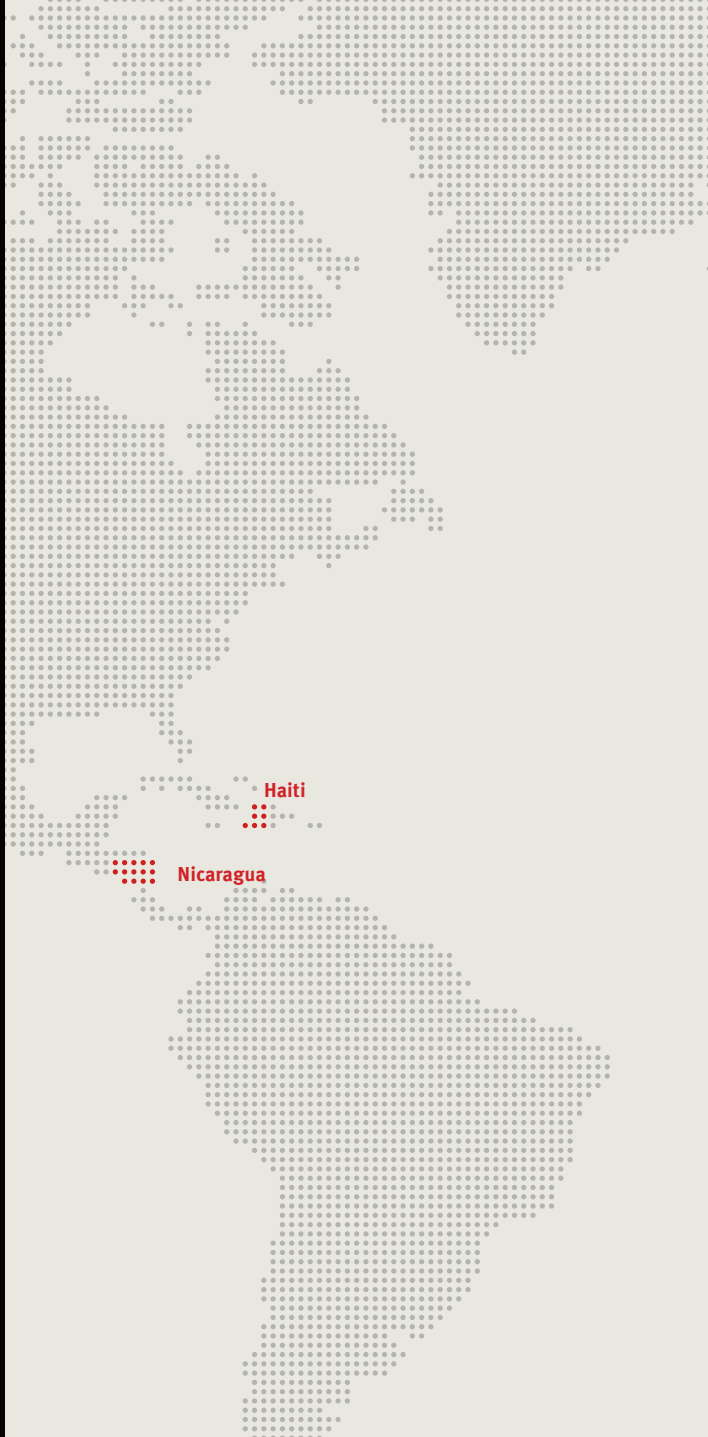
CHILDREN AT RISK

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Activity in numbers

- 152,146** Outpatient medical consultations
- 8,225** Deliveries provided
- 2,445** Patients registered in MAGNA supported HIV/AIDS programs
- 386** Survivors treated in MAGNA sexual violence program
- 15,566** Patients registered in MAGNA supported nutritional programs
- 32,795** Patients treated with malaria
- 62,390** Children screened for nutrition status



Magna Programs Around The World

Czech Republic

Slovakia

Austria

India

Myanmar

Vietnam

Cambodia

DR Congo

South Sudan

Kenya

•• actual missions Magna Children at Risk

•• former missions/projects Magna Children at Risk

•• Magna Children at Risk offices

Director Report

For the year ended 31 December 2012

Magna Children at Risk (MAGNA) is a non-governmental, non-political, non religious, non-profit organisation. It was established in Slovakia in 2001, to deliver aid in countries throughout the world. The main content and aim of work of MAGNA is providing medical and nutritional care for children and their families in times of humanitarian crises, conflicts, epidemics, famines and natural disasters. MAGNA creates medical projects aimed at saving lives and alleviating suffering to those who are at risk. Conflicts and unstable political situation have a devastating influence on ordinary people – direct violence, forced evacuation, epidemics, famines and psychic trauma are the common consequences of all that, often accompanied by disrupted local health services.

This report is presented along with the Financial Statement of the organisation for the year ended 31 december 2012. This Financial Statement is a means of transparency and accountability, illustrating the financial situation of the organization. It has been prepared in accordance with the accounting policies set out in Notes to Statutory Financial Statements.

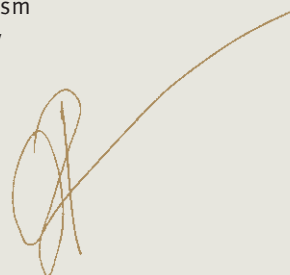
OBJECTIVES OF MAGNA CHILDREN AT RISK

We only work in fragile contexts, where there is little other help for people so we are expert in our areas of intervention focus working in remote rural areas. We build a lasting legacy by working closely with Ministries of Health and local health providers. Therefore the changes we deliver are embedded in the local health system and continue to save lives after we have gone. We work directly with health care staff in local communities, alongside local organizations. We work with community, which allows us to create a linkage system – for proper referral and follow-up of the patients. The comprehensive approach involves community volunteers linked with the health facilities. We are building a solid body of evidence to demonstrate and measure the difference we make to the people we work with. We also measure the strength of the health systems they rely on our evidence is gathered through monitoring, reviews, evaluations and learning from everything we do. This helps us design quality programs that really deliver results. We also use this data to influence changes to health policy and practice.

By integrating our programs with local and national systems, and through advocacy and research, MAGNA further ensures that short-term interventions become longterm solutions. MAGNA brings assistance either during the crisis itself through emergency interventions, or afterwards through rehabilitation and sustainable development programmes.

Whilst carrying out their activities, Magna Children at Risk (MAGNA) respect the following principles:

- Independence
- Neutrality
- Non-discrimination
- Free and direct access to victims
- Professionalism
- Transparency



Martin Bandžák

Chairman of the Board of Directors

Financial Statements

Magna Children at Risk (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.

INCOME (In €)

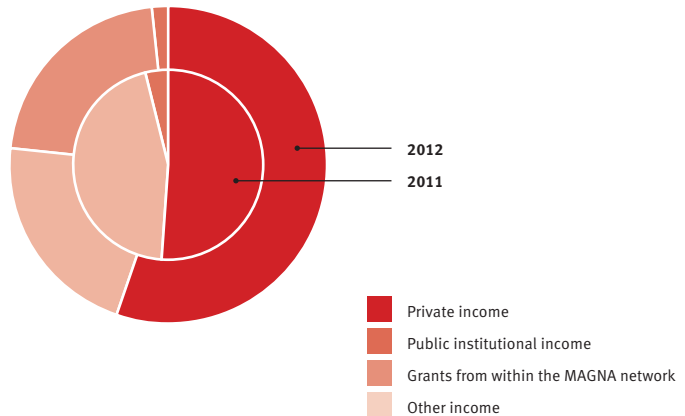
2012 saw an increase in income for MAGNA compared with 2011. Total incoming resources of **1,305,742 €** for 2012 were **580,821 €** more than in 2011. 2012's higher income was due mainly to the increased private income received. More than **28.480** individual donations provided **55 %** of MAGNA's income in 2012.

| | 2012 | 2011 |
|--------------------------------------|------------------|----------------|
| Private income | 724,685 | 370,567 |
| Public institutional income | 278,705 | 326,467 |
| Grants from within the MAGNA network | 283,267 | 0 |
| Other income | 19,086 | 27,888 |
| Total | 1,305,742 | 724,921 |

In-Kind

The total value of the in-kind services received in 2012 is approximately **491,194 €**. The majority of the services received are related to fundraising, media and consultancies. The total value of the in-kind of MAGNA partners received in 2012 is approximately **700,189 €**, only in medicines (ARV treatment, ACT treatment etc.) and therapeutic food.

The accounting policy of the organization is that In-kind services and partners In-kind are not recognized as income in the Profit and Loss statement.

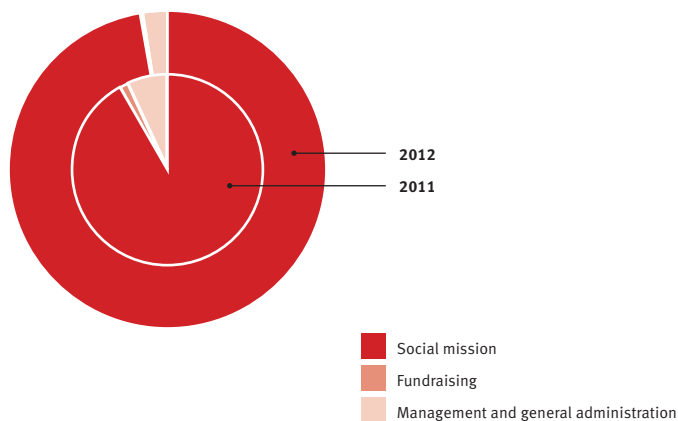


EXPENDITURE (In €)

Total expenditure in 2012 was **1,312,807 €**, an increase of **477,324 €** over 2011. This expenditure can be broken down into two main categories: social mission and other expenses. The table below breaks down these categories still further.

| | 2012 | 2011 |
|---------------------------------------|------------------|----------------|
| Program | 1,008,080 | 766,984 |
| Headquarters program support | 82,617 | 0 |
| Grants to the MAGNA network | 185,963 | 0 |
| Total social mission | 1,276,659 | 766,984 |
| Fundraising | 6,720 | 11,835 |
| Management and general administration | 29,428 | 56,663 |
| Total other expenses | 36,148 | 68,499 |
| Total | 1,312,807 | 835,482 |

The result of the above is that, in 2012, **97%** of MAGNA's total expenditure was spent on social mission and **3%** on other expenses (2011: 92% and 8% respectively).



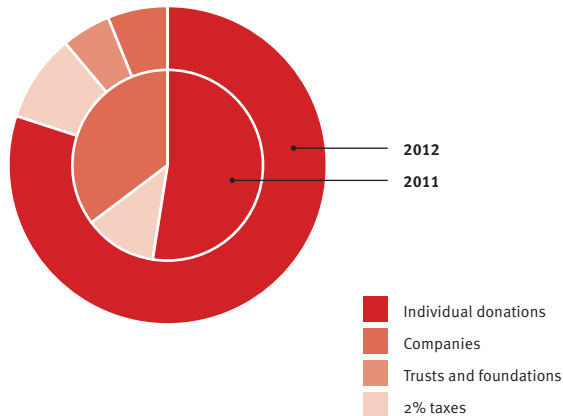
Explanation Statement of Income and Expenditure in 2012

INCOME

Private Income (In €)

| <i>Income from individuals includes:</i> | 2012 | 2011 |
|--|----------------|----------------|
| Individual donations | 580,309 | 194,549 |
| Income from individuals | 580,309 | 194,549 |
| Companies | 65,374 | 46,053 |
| Trusts and foundations | 34,952 | 0 |
| 2% taxes | 44,050 | 129,964 |
| Other private institutions | 0 | 0 |
| Income from private institutions | 144,376 | 176,018 |

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 **55 %** of MAGNA total income in 2012 (2011: 51%). More than **28,480** individual donations made this possible.



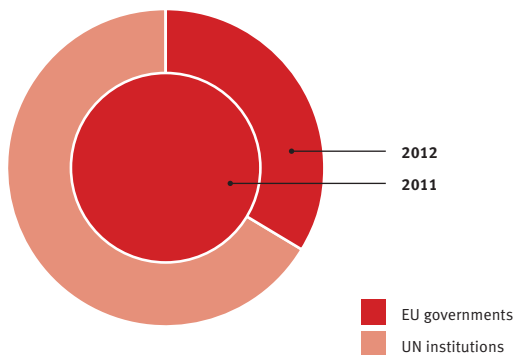
Income breakdown from individual, private companies and trusts and foundations (In €):

| | 2012 |
|--|----------------|
| Income from individuals | |
| Public collection for Kenya/Somalia hunger strike | 18,579 |
| Public collection for various countries through SMS donation | 35,503 |
| Other individual donations | 526,227 |
| Income from individuals | 580,309 |
| Companies | |
| UniCredit Bank Slovakia, a. s. | 18,000 |
| Jutex Slovakia, s. r. o. | 2,500 |
| Slovenska Elektrizacna prenosova sustava, a. s. | 6,000 |
| Other companies | 38,874 |
| Income from companies | 65,374 |
| Trust and foundations | |
| Orange Slovakia foundation | 30,076 |
| Foundation Merieux | 4,876 |
| Income from trusts and foundations | 34,952 |

Public Institutional Income (In €)

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

| | 2012 | 2011 |
|--|----------------|----------------|
| Slovak Aid | 94,421 | 326,467 |
| EU governments | 94,421 | 326,467 |
| United Nations Children's Fund (UNICEF) – DR Congo | 114,180 | 0 |
| United Nations Children's Fund (UNICEF) – Cambodia | 69,469 | 0 |
| World Food Program (WFP) – Cambodia | 635 | 0 |
| UN institutions | 184,283 | 0 |
| Public Institutional Income | 278,705 | 326,467 |



Grants From Within Magna Network (In €)

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

| | 2012 | 2011 |
|---|----------------|----------|
| MAGNA – Czech Republic: projects in South Sudan | 111,537 | 0 |
| MAGNA – Czech Republic: projects in DR Congo | 2,387 | 0 |
| MAGNA – Czech Republic: projects in Cambodia | 169,343 | 0 |
| Grants from within the MAGNA network | 283,267 | 0 |

Other Income

| | 2012 | 2011 |
|------------------------------|---------------|---------------|
| Interest / investment income | 218 | 154 |
| Other revenues | 18,868 | 27,733 |
| Other income | 19,086 | 27,888 |

In-Kind Services

The total value of the in-kind services received in 2012 is approximately **491,194 €**. The majority of the services received are related to fundraising, media and consultancies. The total value of the in-kind of MAGNA partners received in 2012 is approximately **700,189 €**, only in medicines (ARV treatment, ACT treatment etc.) and therapeutic food.

The accounting policy of the organization is that In-kind services and partners In-kind are not recognized as income in the Profit and Loss statement.

EXPENDITURES

Functional Expenses (In €)

Social mission

| Nature of expenses | Program | Grants from within MAGNA network | Headquarter program support | Total social mission |
|---------------------------|------------------|----------------------------------|-----------------------------|----------------------|
| Personnel costs | 507,153 | 0 | 55,976 | 563,129 |
| Travel and transportation | 95,248 | 0 | 24,175 | 119,423 |
| Medical and nutrition | 228,792 | 0 | 0 | 228,792 |
| Logistics and sanitation | 13,032 | 0 | 0 | 13,032 |
| Professional services | 1,379 | 0 | 480 | 1,859 |
| Communications | 10,783 | 0 | 135 | 10,918 |
| Publications | 0 | 0 | 2 | 2 |
| Promotional expenses | 1,464 | 0 | 0 | 1,464 |
| Office expenses | 109,045 | 0 | 0 | 109,045 |
| Taxes | 0 | 0 | 0 | 0 |
| Financial expenses | 28,362 | 0 | 1,849 | 30,210 |
| Depreciation | 10,157 | 0 | 0 | 10,157 |
| Others | 2,664 | 0 | 0 | 2,664 |
| Private and public grants | 0 | 185,963 | 0 | 185,963 |
| Total | 1,008,080 | 185,963 | 82,617 | 1,276,659 |

PROGRAM Program expenses represent the costs incurred at the direct place of MAGNA humanitarian operations to ensure the fulfillment of the objectives of the projects.

GRANTS FROM WITHIN MAGNA NETWORK These project grants are allocated to MAGNA (Slovakia) within the network Magna Children at Risk. In view of the volume and the importance of income from within the network Magna Children at Risk, it has been decided to show this as a separate category.

HEADQUARTERS PROGRAMME SUPPORT Headquarters programs 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).

Other Expenses (In €)

| Nature of expenses | Fundraising | Management and general administration | Total other expenses | 2012 | 2011 |
|----------------------------------|--------------|---------------------------------------|----------------------|------------------|---------|
| Personnel costs | 1,392 | 2,715 | 4,107 | 567,236 | 418,621 |
| Travel and transportation | 0 | 0 | 0 | 119,423 | 125,688 |
| Medical and nutrition | 0 | 0 | 0 | 228,792 | 126,060 |
| Logistics and sanitation | 0 | 0 | 0 | 13,032 | 20,425 |
| Professional services | 0 | 10,631 | 10,631 | 12,489 | 10,522 |
| Communications | 0 | 2,654 | 2,654 | 13,572 | 13,795 |
| Publications | 437 | 0 | 437 | 439 | 0 |
| Promotional expenses | 4,836 | 0 | 4,836 | 6,300 | 11,835 |
| Office expenses | 55 | 7,170 | 7,225 | 116,270 | 100,978 |
| Taxes | 0 | 0 | 0 | 0 | 0 |
| Financial expenses | 0 | 6,089 | 6,089 | 36,299 | 6,645 |
| Depreciation | 0 | 169 | 169 | 10,326 | 913 |
| Others | 0 | 0 | 0 | 2,664 | 0 |
| Private and public grants | 0 | 0 | 0 | 185,963 | 0 |
| Total | 6,720 | 29,428 | 36,148 | 1,312,807 | 835,482 |

FUNDRAISING 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 Management and general administration expenses consist primarily of expenses associated with executive management, headquarters financial and human resources management, internal communication and the associative life of the organization.

NET EXCHANGE GAINS / LOSSES UNREALISED AND REALISED The net exchange gains/losses represent the gains/losses generated from foreign currency transactions entered into during the year by the various offices. The exchange rate fluctuations that had the largest impact on the Profit and loss statement relate to the EURO (EUR), US dollar (USD), South Sudanese Pound (SDG), Cambodian Riel (KHR), Congolese Franc, (CDF) and Nicaraguan Cordoba (NIO).

Programme Expenses by Nature and Continent (In €)

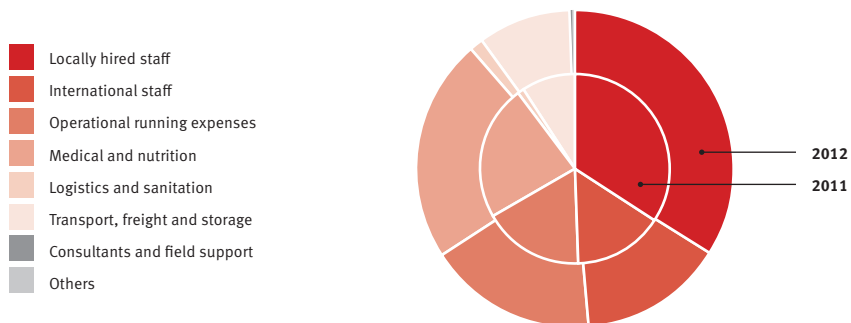
| | Africa | The Americas | Asia | 2012 | 2011 |
|--------------------------------|----------------|---------------|----------------|------------------|----------------|
| Locally hired staff | 227,450 | 16,468 | 100,165 | 344,084 | 291,469 |
| International staff | 67,304 | 0 | 81,266 | 148,570 | 104,005 |
| Operational running expenses | 124,611 | 3,750 | 44,486 | 172,847 | 106,080 |
| Medical and nutrition | 124,554 | 36,437 | 67,801 | 228,792 | 126,060 |
| Logistics and sanitation | 11,429 | 0 | 1,603 | 13,032 | 20,425 |
| Transport, freight and storage | 67,209 | 3,645 | 24,394 | 95,248 | 115,659 |
| Training and local support | 0 | 0 | 0 | 0 | 0 |
| Consultants and field support | 2,841 | 0 | 2 | 2,843 | 3,285 |
| Others | 587 | 0 | 2,078 | 2,664 | 0 |
| Total | 625,985 | 60,300 | 321,795 | 1,008,080 | 766,984 |

The geographic divisions noted above include the following regions:

- Africa comprises the regions both north and south of the Sahara.
- The Americas includes North, Central and South America.
- Asia includes the Caucasus and the Middle East, as well as Central, South and East Asia.

Program Expenditures Nature (In €)

| | 2012 | % |
|--------------------------------|------------------|-------------|
| Locally hired staff | 344,084 | 34% |
| International staff | 148,570 | 15% |
| Operational running expenses | 172,847 | 17% |
| Medical and nutrition | 228,792 | 23% |
| Logistics and sanitation | 13,032 | 1% |
| Transport, freight and storage | 95,248 | 9% |
| Consultants and field support | 2,843 | 0% |
| Others | 2,664 | 0% |
| Total | 1,008,080 | 100% |

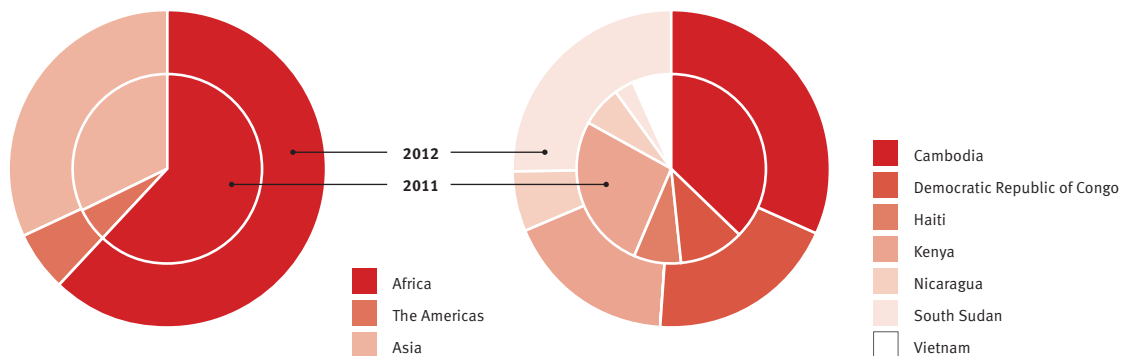


Program Expenditures By Continents And Countries (In €)

| | 2012 | % |
|--------------|------------------|-------------|
| Africa | 625,985 | 62% |
| The Americas | 60,300 | 6% |
| Asia | 321,795 | 32% |
| Total | 1,008,080 | 100% |

Countries where we ran programs are listed below (In €):

| | 2012 | 2011 |
|------------------------------|------------------|----------------|
| Cambodia | 321,795 | 275,930 |
| Democratic Republic of Congo | 194,614 | 82,820 |
| Haiti | 444 | 65,098 |
| Kenya | 177,141 | 204,950 |
| Nicaragua | 59,856 | 48,905 |
| South Sudan | 254,230 | 26,927 |
| Vietnam | 0 | 62,355 |
| Total | 1,008,080 | 766,984 |



CAMBODIA (In €)

| | 2012 | 2011 |
|---|----------------|----------------|
| EXPENSES | | |
| Locally hired staff | 100,165 | 101,676 |
| International staff | 81,266 | 58,204 |
| Operational running expenses | 44,486 | 25,548 |
| Medical and nutrition | 67,801 | 70,200 |
| Logistics and sanitation | 1,603 | 5,122 |
| Transport, freight and storage | 24,394 | 15,180 |
| Training and local support | 0 | 0 |
| Consultants and field support | 2 | 0 |
| Private and public institutional grants | 0 | 0 |
| Others | 2,078 | 0 |
| Total | 321,795 | 275,930 |
| FUNDING | | |
| Private and other income | 82,348 | |
| Grants from within the MAGNA network | 169,343 | |
| EU governments | 0 | |
| UN institutions | 70,104 | |
| Public institutional income | 70,104 | |
| Funding of field-related costs | 321,795 | |

DEMOCRATIC REPUBLIC OF CONGO (DRC) (In €)

| | 2012 | 2011 |
|---|----------------|---------------|
| EXPENSES | | |
| Locally hired staff | 72,136 | 49,116 |
| International staff | 26,526 | 11,585 |
| Operational running expenses | 31,934 | 11,976 |
| Medical and nutrition | 53,322 | 2,743 |
| Logistics and sanitation | 199 | 0 |
| Transport, freight and storage | 8,810 | 6,757 |
| Training and local support | 0 | 0 |
| Consultants and field support | 1,569 | 637 |
| Private and public institutional grants | 0 | 0 |
| Others | 118 | 4 |
| Total | 194,614 | 82,820 |
| FUNDING | | |
| Private and other income | 78,048 | |
| Grants from within the MAGNA network | 2,387 | |
| EU governments | 0 | |
| UN institutions | 114,180 | |
| Public institutional income | 114,180 | |
| Funding of field-related costs | 194,614 | |

HAITI (In €)

| | 2012 | 2011 |
|---|---------------|---------------|
| EXPENSES | | |
| Locally hired staff | 0 | 26,481 |
| International staff | 0 | 9,910 |
| Operational running expenses | 444 | 12,168 |
| Medical and nutrition | 0 | 3,401 |
| Logistics and sanitation | 0 | 1,655 |
| Transport, freight and storage | 0 | 11,474 |
| Training and local support | 0 | 0 |
| Consultants and field support | 0 | 9 |
| Private and public institutional grants | 0 | 0 |
| Others | 0 | 0 |
| Total | 444 | 65,098 |
| FUNDING | | |
| Private and other income | 444 | |
| Grants from within the MAGNA network | 0 | |
| EU governments | 15,000 | |
| UN institutions | 0 | |
| Public institutional income | 15,000 | |
| Funding of field-related costs | 15,444 | |

KENYA (In €)

| | 2012 | 2011 |
|---|----------------|----------------|
| EXPENSES | | |
| Locally hired staff | 95,768 | 55,111 |
| International staff | 1,680 | 23,221 |
| Operational running expenses | 26,564 | 33,892 |
| Medical and nutrition | 24,546 | 16,645 |
| Logistics and sanitation | 886 | 9,715 |
| Transport, freight and storage | 27,696 | 64,367 |
| Training and local support | 0 | 0 |
| Consultants and field support | 0 | 2,000 |
| Private and public institutional grants | 0 | 0 |
| Others | 0 | 0 |
| Total | 177,141 | 204,950 |
| FUNDING | | |
| Private and other income | 147,653 | |
| Grants from within the MAGNA network | 0 | |
| EU governments | 29,487 | |
| UN institutions | 0 | |
| Public institutional income | 29,487 | |
| Funding of field-related costs | 177,141 | |

NICARAGUA (In €)

| | 2012 | 2011 |
|---|---------------|---------------|
| EXPENSES | | |
| Locally hired staff | 16,468 | 21,825 |
| International staff | 0 | 0 |
| Operational running expenses | 3,306 | 4,580 |
| Medical and nutrition | 36,437 | 14,242 |
| Logistics and sanitation | 0 | 3,845 |
| Transport, freight and storage | 3,645 | 4,413 |
| Training and local support | 0 | 0 |
| Consultants and field support | 0 | 0 |
| Private and public institutional grants | 0 | 0 |
| Others | 0 | 0 |
| Total | 59,856 | 48,905 |
| FUNDING | | |
| Private and other income | 59,856 | |
| Grants from within the MAGNA network | 0 | |
| EU governments | 0 | |
| UN institutions | 0 | |
| Public institutional income | 0 | |
| Funding of field-related costs | 59,856 | |

SOUTH SUDAN (In €)

| | 2012 | 2011 |
|---|----------------|---------------|
| EXPENSES | | |
| Locally hired staff | 59,546 | 14,814 |
| International staff | 39,097 | 0 |
| Operational running expenses | 66,113 | 4,498 |
| Medical and nutrition | 46,686 | 2,207 |
| Logistics and sanitation | 10,344 | 89 |
| Transport, freight and storage | 30,702 | 4,683 |
| Training and local support | 0 | 0 |
| Consultants and field support | 1,272 | 636 |
| Private and public institutional grants | 0 | 0 |
| Others | 469 | 0 |
| Total | 254,230 | 26,927 |
| FUNDING | | |
| Private and other income | 113,205 | |
| Grants from within the MAGNA network | 111,537 | |
| EU governments | 29,487 | |
| UN institutions | 0 | |
| Public institutional income | 29,487 | |
| Funding of field-related costs | 254,230 | |

VIETNAM (In €)

| | 2012 | 2011 |
|---|----------|---------------|
| EXPENSES | | |
| Locally hired staff | 0 | 22,447 |
| International staff | 0 | 1,085 |
| Operational running expenses | 0 | 13,418 |
| Medical and nutrition | 0 | 16,621 |
| Logistics and sanitation | 0 | 0 |
| Transport, freight and storage | 0 | 8,784 |
| Training and local support | 0 | 0 |
| Consultants and field support | 0 | 0 |
| Private and public institutional grants | 0 | 0 |
| Others | 0 | 0 |
| Total | 0 | 62,355 |
| FUNDING | | |
| Private and other income | 0 | |
| Grants from within the MAGNA network | 0 | |
| EU governments | 0 | |
| UN institutions | 0 | |
| Public institutional income | 0 | |
| Funding of field-related costs | 0 | |

OTHER INFORMATIONS

Commitments

Some programs are partly financed by public institutional grants. These grants may cover more than a one-year period and may not match with the financial year. The following disclosure presents the outstanding amount that MAGNA has committed to spend according to proposals agreed by the different bodies.

| | |
|--------------------------------------|----------------|
| EU governments | 84,407 |
| UN institutions | 139,873 |
| Remaining commitment to spend | 224,280 |

Financial Statements Statutory

Balance Sheet Úč NUJ 1-01

BALANCE SHEET

as of December 31, 2012 (in full EUR)

for the period from month year until month year
01 2012 12 2012

directly previous period month year until month year
01 2011 12 2011

Financial statement:

*)

- ordinary
 - corrective
 - repetitive

Tax identification number

2021660883

Identification

36061581

*) mark with a cross

Name of entity

MAGNA CHILDREN AT RISK

Legal form of entity

CIVIL ASSOCIATION

Location of entity, address

Štefánikova 19

Post code

81105

Town




BRATISLAVA

Phone code

Telephone number

Fax

E-mail

| | | | |
|---------------------------|---|--|---|
| Sent at date: 5.9.2013 | Signature of statutory body or person who is entrepreneur:  Martin Bandžák | Person responsible for the financial statements (name and signature):  Martin Bandžák | Person responsible for accounting (name and signature):  Peter Rybecký |
|---------------------------|---|--|---|

| ASSETS | | | column | 31-12-2012 | | | 31-12-2011 | |
|--|---|---------------------------------------|-----------------------|------------|---------------|---------------|---------------|------------|
| | | | | Brutto | Correction | Netto | Netto | |
| a | | | b | 1 | 2 | 3 | 4 | |
| A. TOTAL ASSETS | | | c. 002+009+021 | 001 | 86 779 | 51 468 | 35 311 | 169 |
| 1. | Total long-term intangible fixed assets | c. 003 to 008 | 002 | - | - | - | - | |
| | Research and development | (012 - (072 + 091AÚ)) | 003 | - | - | - | - | |
| | Software | 013 - (073 + 091AÚ) | 004 | - | - | - | - | |
| | Valuable rights | 014 - (074 + 091AÚ) | 005 | - | - | - | - | |
| | Other intangible fixed assets | (018 + 019) - (078 + 079 + 091AÚ) | 006 | - | - | - | - | |
| | Procured intangible fixed assets | (041 - 093) | 007 | - | - | - | - | |
| | Advance payments for intangible fixed assets | (051 - 095AÚ) | 008 | - | - | - | - | |
| | 2. | Total long-term tangible fixed assets | c. 010 to 020 | 009 | 86 779 | 51 468 | 35 311 | 169 |
| Land | | (031) | 010 | - | x | - | - | |
| Works of art and art collection | | (032) | 011 | - | x | - | - | |
| Buildings | | (021 - (081 + 092AÚ)) | 012 | - | - | - | - | |
| Machinery, tools and equipments | | (022 - (082 + 092AÚ)) | 013 | 84 593 | 49 282 | 35 311 | 169 | |
| Rolling stock | | (023 - (083 + 092AÚ)) | 014 | - | - | - | - | |
| Perennial corps | | (025 - (085 + 092AÚ)) | 015 | - | - | - | - | |
| Breeding & draught animals | | (026 - (086 + 092AÚ)) | 016 | - | - | - | - | |
| Small tangible fixed assets | | (028) - (088 + 092AÚ) | 017 | - | - | - | - | |
| Other tangible fixed assets | | (029 - (089 + 092AÚ)) | 018 | 2 186 | 2 186 | - | - | |
| Procured tangible fixed assets | | (042 - 094) | 019 | - | - | - | - | |
| Advance payments for tangible fixed assets | (052 - 095AÚ) | 020 | - | - | - | - | | |
| 3. | Financial investments | c. 022 to 028 | 021 | - | 0 | - | - | |
| | Shares ownership inter. with contr. influence in enterprises | (061) | 022 | - | - | - | - | |
| | Shares ownership inter. with signific. influence over enterprises | (062) | 023 | - | - | - | - | |
| | Debt securities held to maturity | (065 - 096AÚ) | 024 | - | - | - | - | |
| | Intercompany loans | (066 + 067) - 096AÚ) | 025 | - | - | - | - | |
| | Other long-term financial investments | (069 - 096AÚ) besides c. 040 | 026 | - | - | - | - | |
| | Procured financial investments | (043 - 096AÚ) | 027 | - | - | - | - | |
| | Advance payments for financial investments | (053 - 096AÚ) | 028 | - | - | - | - | |
| Control number | | | c. 001 to 028 | 991 | 260 337 | 154 404 | 105 933 | 507 |

| ASSETS | | | column | 31-12-2012 | | | 31-12-2011 | |
|--------------------------|--|--|---------------------------------|------------|----------------|---------------|----------------|----------------|
| | | | | Brutto | Correction | Netto | Netto | |
| a | | | b | 1 | 2 | 3 | 4 | |
| B. Current assets | | | c. 030 + 037 + 042 + 051 | 029 | 633 150 | - | 633 150 | 347 969 |
| 1. | Inventory | c. 031 to 036 | 030 | 55 164 | - | 55 164 | 6 950 | |
| | Materials | (112 + 119) - 191) | 031 | 48 213 | - | 48 213 | - | |
| | Work-in-progress & semi-final products | (121 + 122) - (192 + 193) | 032 | - | - | - | - | |
| | Finished products | (123-194) | 033 | - | - | - | - | |
| | Animals | (124 - 194) | 034 | - | - | - | - | |
| | Merchandise | (132 + 139) - 196) | 035 | 6 951 | - | 6 951 | 6 950 | |
| | Advance payments for inventory | (314 - 391AÚ) | 036 | - | - | - | - | |
| 2. | Long-term receivables | c. 038 to 041 | 037 | - | - | - | - | |
| | Trade receivables | (311AÚ to 314AÚ) - (391AÚ) | 038 | - | - | - | - | |
| | Other receivables | (315AÚ - 391AÚ) | 039 | - | - | - | - | |
| | Receivables from partners in association | (358AÚ - 391AÚ) | 040 | - | - | - | - | |
| | Other receivables | (335AÚ + 373AÚ + 375AÚ + 378AÚ) - 391AÚ) | 041 | - | - | - | - | |
| 3. | Short-term receivables | c. 043 to 050 | 042 | 8 293 | - | 8 293 | 986 | |
| | Trade receivables | (311AÚ až 315AÚ) - (391AÚ) | 043 | 994 | - | 994 | 986 | |
| | Other receivables | (315AÚ - 391AÚ) | 044 | 7 041 | - | 7 041 | - | |
| | Social security | (336) | 045 | - | x | - | - | |
| | Tax receivables | (341 až 345) | 046 | 152 | x | 152 | - | |
| | Grants and other clearing with national budget | (346 + 348) | 047 | - | x | - | - | |
| | Receivables from partners in associantion | (358AÚ - 391AÚ) | 048 | - | - | - | - | |
| | Connecting account for association | (396 - 391AÚ) | 049 | - | - | - | - | |
| | Other receivables | (335AÚ + 73AÚ + 375AÚ + 378AÚ) - 391AÚ) | 050 | 106 | - | - | - | |
| 4. | Financial assets | c. 052 to 056 | 051 | 569 693 | - | 569 693 | 340 033 | |
| | Cash | (211 + 213) | 052 | 19 208 | x | 19 208 | 107 | |
| | Bank accounts | (221 + 261) | 053 | 550 485 | x | 550 485 | 339 926 | |
| | Long-term bank accounts (over 1 year) | (221AÚ) | 054 | - | x | - | - | |
| | Short-term financial assets | (251 + 253 + 255 + 256 + 257) - 291AÚ) | 055 | - | - | - | - | |
| | Advance payments for financial assets | (259 - 294AÚ) | 056 | - | - | - | - | |
| 5. | Temporary accounts of assets | c. 058 to 059 | 057 | 13 073 | - | 13 073 | 187 | |
| | Deferred expenses | (381) | 058 | 13 073 | - | 13 073 | 187 | |
| | Accrued revenues | (385) | 059 | - | - | - | - | |
| TOTAL ASSETS | | | c.001 + 029 + 057 | 060 | 733 002 | 51 468 | 681 534 | 348 325 |
| Control number | | | c. 029 až 060 | 992 | 2 658 598 | 51 468 | 2 607 024 | 1 392 606 |

| LIABILITIES | | column | 31-12-2012 | 31-12-2011 | |
|---|--|---------------------------------------|------------|----------------|----------------|
| a | | b | 5 | 6 | |
| A. Own covering sources of fixed and nonfixed assets | | c. 062 + 068 + 072 + 073 | 061 | 490 646 | 307 582 |
| 1. | Equity and monetary funds | c. 063 to 067 | 062 | - | - |
| | Registered capital | (411) | 063 | - | - |
| | Monetary funds | (412) | 064 | - | - |
| | Renewal fund | (413) | 065 | - | - |
| | Gains or losses from revaluation of assets and liabilities | (414) | 066 | - | - |
| | Gains or losses from investments | (415) | 067 | - | - |
| 2. | Funds from profit | c. 069 to 071 | 068 | 190 128 | - |
| | Legal reserve funds | (421) | 069 | - | - |
| | Funds from profit | (423) | 070 | - | - |
| | Other funds | (427) | 071 | 190 128 | - |
| 3. | Retained earnings and losses from previous year | (+/- 428) | 072 | 307 582 | 418 143 |
| 4. | Profit or loss from current accounting period | c.060 - (062 + 068 + 072 + 074 + 101) | 073 | -7 064 | -110 561 |
| B. EXTERNAL LIABILITIES | | c. 075+079+087+097 | 074 | 63 123 | 40 743 |
| 1. | RESERVES | c. 076 to 078 | 075 | 5 772 | 5 147 |
| | Legal reserves | (451AÚ) | 076 | - | - |
| | Other reserves | (459AÚ) | 077 | - | - |
| | Short-term reserves | (323 + 451AÚ + 459AÚ) | 078 | 5 772 | 5 147 |
| 2. | LONG-TERM PAYABLES | c. 080 to 086 | 079 | 595 | 438 |
| | Payables to social fund | (472) | 080 | 595 | 438 |
| | Emited bonds | (473) | 081 | - | - |
| | Rental payables | (474AÚ) | 082 | - | - |
| | Long-terms advance payments | (475) | 083 | - | - |
| | Long-term non-invoiced supply | (476) | 084 | - | - |
| | Long-term bills of exchange | (478) | 085 | - | - |
| | Other long-term payables | (373AÚ + 479AÚ) | 086 | - | - |
| 3. | SHORT-TERM PAYABLES | c. 088 to 096 | 087 | 56 756 | 35 158 |
| | Trade payables | (321 to 326) except 323 | 088 | 20 038 | 28 767 |
| | Payables to employees | (331 + 333) | 089 | 35 911 | 3 901 |
| | Due to and from social security and health insurance inst. | (336) | 090 | 807 | 1 836 |
| | Tax payables | (341 to 345) | 091 | - | 654 |
| | Payables to the state budget or to the budget of local self-government | (346 + 348) | 092 | - | - |
| | Liabilities for unpaid subscribed securities and contributions | (367) | 093 | - | - |
| | Payables to participants in association | (368) | 094 | - | - |
| | Connecting account for association | (396) | 095 | - | - |
| | Other payables | (379 + 373AÚ + 474AÚ + 479AÚ) | 096 | - | - |

| | | | | | |
|---|---------------------------------|---------------------------|------------|----------------|----------------|
| 4. | BANK LOANS AND ASSISTANCE | c. 098 to 100 | 097 | - | - |
| | Long-term bank loans | (461AÚ) | 098 | - | - |
| | Current bank loans | (231 + 232 + 461AÚ) | 099 | - | - |
| | Short-term financial assistance | (241+249) | 100 | - | - |
| C. TEMPORARY ACCOUNTS OF LIABILITIES | | c. 102 to 103 | 101 | 127 765 | - |
| | Accrued expenses | (383) | 102 | - | - |
| | Deferred revenues | (384) | 103 | 127 765 | - |
| TOTAL LIABILITIES | | c. 061 + 074 + 101 | 104 | 681 534 | 348 325 |
| Control number | | c.061 to 104 | 993 | 2 297 853 | 1 085 718 |

| Account number | EXPENSES | Col. | Activity | | | |
|----------------|--|-----------|-----------------------|-------------------------|------------------|----------------|
| | | | Non-taxable principal | Taxable entrepreneurial | Total | 31-12-2011 |
| | | | 7 | 8 | 9 | 10 |
| 501 | Consumed raw materials | 01 | 249 962 | - | 249 962 | 23 471 |
| 502 | Energy consumption | 02 | 699 | - | 699 | - |
| 504 | Merchandise sold | 03 | - | - | - | - |
| 511 | Repair and maintenance | 04 | 11 735 | - | 11 735 | 840 |
| 512 | Travel expenses | 05 | 69 046 | - | 69 046 | 68 905 |
| 513 | Entertainment expenses | 06 | 471 | - | 471 | 186 |
| 518 | Other services | 07 | 273 709 | - | 273 709 | 80 802 |
| 521 | Wages and salaries | 08 | 258 472 | - | 258 472 | 108 486 |
| 524 | Legal social insurance | 09 | 34 400 | - | 34 400 | 28 328 |
| 525 | Other social insurance | 10 | - | - | - | - |
| 527 | Legal social expenses | 11 | 337 | - | 337 | 42 |
| 528 | Other social expenses | 12 | - | - | - | - |
| 531 | Road tax | 13 | - | - | - | - |
| 532 | Real estate tax | 14 | - | - | - | - |
| 538 | Other taxes and fees | 15 | 22 | - | 22 | 349 |
| 541 | Contractual fines and penalties | 16 | - | - | - | 150 |
| 542 | Other fines and penalties | 17 | 124 | - | 124 | - |
| 543 | Write-off of receivables | 18 | - | - | - | - |
| 544 | Interest | 19 | - | - | - | - |
| 545 | Exchange rate losses | 20 | 24 869 | - | 24 869 | 1 370 |
| 546 | Gifts | 21 | 185 963 | - | 185 963 | - |
| 547 | Special expenses | 22 | - | - | - | - |
| 548 | Shortages and damages | 23 | - | - | - | - |
| 549 | Other expenses | 24 | 15 050 | - | 15 050 | 6 920 |
| 551 | Amortization and depreciation | 25 | 10 326 | - | 10 326 | 913 |
| 552 | Carrying value of intangible ass. and property sold | 26 | - | - | - | - |
| 553 | Securities and ownerships sold | 27 | - | - | - | - |
| 554 | Material sold | 28 | - | - | - | - |
| 555 | Expenses on long-term financial assets | 29 | - | - | - | - |
| 556 | Creation of legal reserves | 30 | - | - | - | - |
| 557 | Expenses on revaluation of securities | 31 | - | - | - | - |
| 558 | Creation and uses of adjustments | 32 | - | - | - | - |
| 561 | Contributions advance paid to organizational unit | 33 | - | - | - | - |
| 562 | Contributions advance paid to other accoun. entities | 34 | 177 560 | - | 177 560 | 514 687 |
| 563 | Contributions advance paid to physical entities | 35 | - | - | - | - |
| 565 | Contributions paid from tax assignation | 36 | - | - | - | - |
| 567 | Contributions advance paid from public collection | 37 | - | - | - | - |
| | Total expenses c. 1-37 | 38 | 1 312 745 | - | 1 312 745 | 835 449 |
| | Control number c. 01-38 | 994 | 2 625 490 | - | 2 625 490 | 1 670 898 |

| Account number | REVENUES | Col. | Activity | | | |
|---|--|-----------|-----------------------|-------------------------|------------------|-----------------|
| | | | Non-taxable principal | Taxable entrepreneurial | Total | 31-12-2011 |
| | | | 7 | 8 | 9 | 10 |
| 601 | Revenue from own products | 39 | - | - | - | - |
| 602 | Revenue from services | 40 | - | - | - | 19 520 |
| 604 | Revenue from merchandise | 41 | - | - | - | - |
| 611 | Change in work progress | 42 | - | - | - | - |
| 612 | Change in semi-finished products | 43 | - | - | - | - |
| 613 | Change in finished products | 44 | - | - | - | - |
| 614 | Change in animals | 45 | - | - | - | - |
| 621 | Materials and merchandise capitalized | 46 | - | - | - | - |
| 622 | Internal services capitalized | 47 | - | - | - | - |
| 623 | Intangible assets capitalized | 48 | - | - | - | - |
| 624 | Property, plant and equipment capitalized | 49 | - | - | - | - |
| 641 | Contractual fines and penalties | 50 | - | - | - | - |
| 642 | Other fines and penalties | 51 | - | - | - | - |
| 643 | Income from written-off receivables | 52 | - | - | - | - |
| 644 | Interest | 53 | 219 | - | 219 | 155 |
| 645 | Exchange rate gains | 54 | 18 432 | - | 18 432 | 2 298 |
| 646 | Gifts | 55 | - | - | - | - |
| 647 | Special revenues | 56 | - | - | - | - |
| 648 | Legal fees | 57 | - | - | - | - |
| 649 | Other revenues | 58 | 435 | - | 435 | 5 915 |
| 651 | Revenues from sale of intangible ass. and property | 59 | - | - | - | - |
| 652 | Income from non/current financial investments | 60 | - | - | - | - |
| 653 | Revenues from sale of securities and shares | 61 | - | - | - | - |
| 654 | Revenues from material sold | 62 | - | - | - | - |
| 655 | Income from current financial assets | 63 | - | - | - | - |
| 656 | Use or reversal of legal reserves | 64 | - | - | - | - |
| 657 | Revenues from sale of securities and shares | 65 | - | - | - | - |
| 658 | Rental revenues | 66 | - | - | - | - |
| 661 | Contributions received from organizational unit | 67 | - | - | - | - |
| 662 | Contributions received from other organizations | 68 | 663 861 | - | 663 861 | 372 520 |
| 663 | Contributions received from physical entities | 69 | 524 664 | - | 524 664 | 138 824 |
| 664 | Members contributions received | 70 | - | - | - | - |
| 665 | Contributions from tax paid | 71 | 44 050 | - | 44 050 | 129 964 |
| 667 | Contributions from public collection | 72 | 54 082 | - | 54 082 | 55 725 |
| 691 | Subsidies | 73 | - | - | - | - |
| Total account class 6 c. 39-73 | | 74 | 1 305 743 | - | 1 305 743 | 724 921 |
| Pretax profit and loss c. 74-38 | | 75 | - 7 002 | - | - 7 002 | - 110 528 |
| 591 | Income tax | 76 | 62 | - | 62 | 33 |
| 595 | Additional income tax | 77 | - | - | - | - |
| Profit and loss after taxation (c.75 - (76 + 77))(+/-) | | 78 | - 7 064 | - | - 7 064 | -110 561 |
| Control number c. 39-78 | | 995 | 2 597 482 | - | 2 597 482 | 1 228 786 |

Notes Úč NUJ 1 – 01

NOTES
to the individual Financial Statements
as of 31 December 2012

as of December 31, 2012 (in full EUR)
for the period from month year until month year
01 2012 12 2012

directly previous period month year until month year
01 2011 12 2011

Financial statement:

- *)
 - ordinary
 - corrective
 - repetitive

Identification
3 6 0 6 1 5 8 1

Tax identification number
2 0 2 1 6 0 8 8 3

SK NACE
9 4 . 9 9 . 2

Name of entity
M A G N A C H I L D R E N A T R I S K

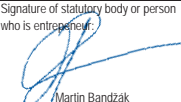


Legal form of entity
C I V I L A S S O C I A T I O N

Location of entity, address
Š t e f á n i k o v a 1 9

Post code Town
8 1 1 0 5 B R A T I S L A V A

Phone code Telephone number Fax

E-mail

| | | | |
|---------------------------|---|--|---|
| Sent at date: 5.9.2013 | Signature of statutory body or person who is entrepreneur:  Martin Bandžák | Person responsible for the financial statements (name and signature):  Martin Bandžák | Person responsible for accounting (name and signature):  Peter Rybecký |
|---------------------------|---|--|---|

Note: 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 € (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 Children at Risk (hereinafter referred to as MAGNA or civic association) Nám. 1. mája 15, 811 06 Bratislava |
| Date of establishment | 11. 5. 2001 |
| Association objectives | <p>The civic association Magna Children at Risk 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 | 41 | 8 |
| of which are managers | 2 | 2 |
| Number of volunteers delegated by accounting entity | 2 | 1 |
| Number of volunteers that performed voluntary activity for accounting entity during accounting period | 2 | 1 |

Legal reason for the preparation of the Financial Statements

The Financial Statements are ordinary individual financial statements for the civic association Magna Children at Risk. They have been prepared for the accounting period from 1 January to 31 December 2012, 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 2011

The Financial Statements of the civic association Magna Children at Risk for 2011 were approved by the Board of Directors on 5 December 2012.

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 Member of the Board of Directors | Denisa Augustinová Marian Glézl |
| Supervisory Board | Member of the Supervisory Board Member of the Supervisory Board Member of the Supervisory Board | Jozef Barta Juraj Vaculík 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 €.
2. The Financial Statements for 2012 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 19 % 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

- i) 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 € and from the account in € 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 €. 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 deducted 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 2012

| | Land | Works of art and collections | Constructions | Individual movable assets and sets of movable assets | Perennial crops | Livestock | Low-value assets and other property, plant and equipment | Acquisition of plant, property and equipment | Advance payments made for property, plant and equipment | Total |
|---|------|------------------------------|---------------|--|-----------------|-----------|--|--|---|--------|
| Acquisition cost/ conversion cost – opening balance | | | | 5 924 | | | 2 186 | | | 8 110 |
| Increases | | | | 42 197 | | | | 36 472 | | 78 669 |
| Transfers | | | | 36 472 | | | | -36 472 | | 0 |
| Closing balance | | | | 84 593 | | | 2 186 | | | 86 779 |
| Accumulated depreciation – opening balance | | | | 5 755 | | | 2 186 | | | 7 941 |
| Increases | | | | 43 527 | | | | | | 43 527 |
| Closing balance | | | | 49 282 | | | 2 186 | | | 51 468 |
| Carrying value | | | | | | | | | | |
| Opening balance | | | | 169 | | | 0 | | | 169 |
| Closing balance | | | | 35 311 | | | 0 | | | 35 311 |

31 December 2011

| | Land | Works of art and collections | Structures | Individual movable assets and sets of movable assets | Perennial crops | Livestock | Low-value assets and other property, plant and equipment | Acquisition of plant, property and equipment | Advance payments made for property, plant and equipment | Total |
|---|------|------------------------------|------------|--|-----------------|-----------|--|--|---|-------|
| Acquisition cost/ conversion cost – opening balance | | | | 5 924 | | | 2 186 | | | 8 110 |
| Closing balance | | | | 5 924 | | | 2 186 | | | 8 110 |
| Accumulated depreciation – opening balance | | | | 5 501 | | | 1 527 | | | 7 028 |
| Increases | | | | 254 | | | 659 | | | 913 |
| Closing balance | | | | 5 755 | | | 2 186 | | | 7 941 |
| Carrying value | | | | | | | | | | |
| Opening balance | | | | 423 | | | 659 | | | 1 082 |
| Closing balance | | | | 169 | | | 0 | | | 169 |

On the basis of reconciliation procedure as of 31 December 2011, the civic association identified as of 1 January 2012 the non-current tangible assets in its mission abroad with acquisition costs of EUR 42 197, or with a carrying value of EUR 8 304 that was accordingly registered as the non-current assets.

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 2012 | Increases | Decreases | Transfers | Balance as of 31 December 2012 |
|-----------------------|------|------------------------------|-----------|-----------|-----------|--------------------------------|
| Materials | 031 | – | 116 452 | 68 239 | – | 48 213 |
| Works in progress | 032 | – | – | – | – | – |
| Finished goods | 033 | – | – | – | – | – |
| Animals | 034 | – | – | – | – | – |
| Merchandise | 035 | 6 950 | 1 | – | – | 6 951 |
| Advance payments made | 036 | – | – | – | – | – |
| Total | 030 | 6 950 | 116 453 | 68 239 | – | 55 164 |

On the basis of reconciliation procedure as of 31 December 2011, the civic association identified as of 1 January 2012 the material inventory of medicines, medical supplies, devices and nutritional food in its missions abroad with acquisition costs of EUR 109 456 that was accordingly registered as warehouse inventory.

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.

Receivables (lines 037 and 042 of the Balance Sheet)

Division of receivables in total, including the group:

31 December 2012

| Category of receivables | Due | Overdue | | | | | Total |
|-------------------------|-----|-----------|-----------|------------|------------|------------|--------------|
| | | < 30 days | < 90 days | < 180 days | < 360 days | > 360 days | |
| Non-current (line 037) | – | – | – | – | – | – | – |
| Current (line 042) | 31 | – | – | – | – | 8 262 | 8 293 |

31. december 2011

| Category of receivables | Due | Overdue | | | | | Total |
|-------------------------|-----|-----------|-----------|------------|------------|------------|------------|
| | | < 30 days | < 90 days | < 180 days | < 360 days | > 360 days | |
| Non-current (line 037) | – | – | – | – | – | – | – |
| Current (line 042) | – | – | – | – | – | 986 | 986 |

On the basis of reconciliation procedure as of 31 December 2011, the civic association identified as of 1 January 2012 the receivables in its missions abroad in the total value of EUR 7 678 that were accordingly registered as receivables.

Usual maturity of receivables is 14 days.

Receivables according to remaining maturity

| | Balance at the end of | |
|---------------------|---------------------------|-----------------------------|
| | current accounting period | preceding accounting period |
| Receivables due | 31 | |
| Receivables overdue | 8 262 | 986 |
| Total receivables | 8 293 | 986 |

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 | 19 208 | 107 |
| Stamps and vouchers | | |
| Current bank accounts | 550 485 | 339 926 |
| Bank accounts with notice period exceeding one year | | |
| Cash in transit | | |
| Total | 569 693 | 340 033 |

On the basis of reconciliation procedure as of 31 December 2011, the civic association identified as of 1 January 2012 the financial means in cash and financial means on the current bank accounts in its missions abroad in the total amount of EUR 81 761 that were accordingly registered as current financial assets.

Accruals/deferrals (line 057 of the Balance Sheet)

| Item | Line | 31 December 2012 | 31 December 2011 |
|--|------|------------------|------------------|
| Prepaid expenses | 058 | 13 073 | 187 |
| out of it: | | | |
| domains | | 203 | 187 |
| materials | | 9 690 | – |
| medical services and renting in missions | | 1 605 | – |
| social costs | | 913 | – |
| other costs | | 662 | – |
| Accrued income | 059 | – | – |
| out of it: | | | |
| Total | 057 | 13 073 | 187 |

On the basis of reconciliation procedure as of 31 December 2011, the civic association identified as of 1 January 2012 accruals/deferrals in its missions abroad in the total amount of EUR 2 996 that were accordingly registered as receivables.

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 2012 consists of profit or loss for current and preceding accounting periods.

Profit or loss (loss) was recorded in the full amount of EUR -110 561 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 2011.

INFORMATION ON THE MOVEMENTS OF EQUITY

31 December 2012

| Item | Balance as of 1 January 2012 | Increases | Decreases | Transfers | Balance as of 31 December 2012 |
|--|------------------------------|-----------|-----------|-----------|--------------------------------|
| Equity and funds | | | | | |
| Share capital | | | | | |
| out of it: | | | | | |
| Fonds 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 | | 207 890 | - 17 762 | | 190 128 |
| Unsettled profit or loss from previous years | 418 143 | | | - 110 561 | 307 582 |
| Profit or loss for accounting period | - 110 561 | - | - 7 064 | 110 561 | - 7 064 |
| Total | 307 582 | 207 890 | - 24 826 | | 490 646 |

31 December 2011

| Item | Balance as of 1 January 2011 | Increases | Decreases | Transfers | Balance as of 31 December 2011 |
|--|------------------------------|-----------|-----------|-----------|--------------------------------|
| 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 | | | | | |
| Unsettled profit or loss from previous years | 380 026 | | | 38 117 | 418 143 |
| Profit or loss for accounting period | 38 117 | | - 110 561 | - 38 117 | - 110 561 |
| Total | 418 143 | | - 110 561 | | 307 582 |

On the basis of reconciliation procedure as of 31 December 2011, the civic association identified as of 1 January 2012 existing assets and liabilities in its missions abroad that were not recorded and kept in the books of the civic association in 2011. On the basis of this fact, the civic association registered existing assets in the total value of EUR 207 890 charged to the funds from profit and existing liabilities in the total amount of EUR 17 762 in favour of the account of other funds.

Distribution of the accounting profit or loss settlement for 2011

| Item | Preceding accounting period |
|--|-----------------------------|
| Accounting profit/loss | - 110 561 |
| 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 | -110 561 |
| Other | |

Provisions (line 075 of the Balance Sheet)

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

31 December 2012

| Provision nature | Balance as of 1 January 2012 | Creation | Use | Reversal | Balance as of 31 December 2012 |
|---|---------------------------------|----------|-------|----------|-----------------------------------|
| Short-term provisions | | | | | |
| Legal short-term provisions (line 078) | 5 147 | 5 772 | 5 147 | | 5 772 |
| out of it: | | | | | |
| Provision for accumulated leave | 5 147 | 1 772 | 5 147 | – | 1 772 |
| Provision for audit of financial statements | – | 4 000 | – | – | 4 000 |
| Total | 5 147 | 5 772 | 5 147 | – | 5 772 |

31 December 2011

| Provision nature | Balance as of 1 January 2011 | Creation | Use | Reversal | Balance as of 31 December 2011 |
|--|---------------------------------|----------|-------|----------|-----------------------------------|
| Short-term provisions | | | | | |
| Legal short-term provisions (line 078) | 3 564 | 5 147 | 3 564 | | 5 147 |
| out of it: | | | | | |
| Provision for accumulated leave | 3 564 | 5 147 | 3 564 | – | 5 147 |
| | – | – | – | – | – |
| Total | 3 564 | 5 147 | 3 564 | – | 5 147 |

Liabilities (lines 079 and 87 of the Balance Sheet)

Amount of the provisions due and overdue including the group:

31 December 2012

| Item | Maturity | | | Total |
|--|-----------------|-------------------------------|---------------------------------|--------|
| | within maturity | to 360 days after maturity | over 360 days after maturity | |
| Trade liabilities (line 88) | 12 277 | 437 | 7 324 | 20 038 |
| Liabilities to employees (line 89) | 35 911 | – | – | 35 911 |
| Liabilities to social and health insurance company (line 90) | 807 | – | – | 807 |
| Tax liabilities (line 91) | – | – | – | – |
| Total as of 31 December 2012 | 48 995 | 437 | 7 324 | 56 756 |

31 December 2011

| Item | Maturity | | | Total |
|--|-----------------|----------------------------|------------------------------|---------------|
| | within maturity | to 360 days after maturity | over 360 days after maturity | |
| Trade liabilities (line 88) | 9 568 | 12 977 | 6 222 | 28 767 |
| Liabilities to employees (line 89) | 3 900 | – | 1 | 3 901 |
| Liabilities to social and health insurance company (line 90) | 1 836 | – | – | 1 836 |
| Tax liabilities (line 91) | 586 | 68 | – | 654 |
| Total as of 31 December 2011 | 15 890 | 13 045 | 6 223 | 35 158 |

Liabilities according to maturity

| Item | Line | Total as of 31 December 2012 | Total as of 31 December 2011 |
|----------------------------------|------|------------------------------|------------------------------|
| Current liabilities: | | | |
| Liabilities overdue | | 7 761 | 19 268 |
| Liabilities due within 1 year | | 48 995 | 15 890 |
| Total current liabilities | 087 | 56 756 | 35 158 |
| Non-current liabilities: | | | |
| Liabilities due within 1-5 years | | | |
| Liabilities due over 5 years | | | |
| Total non-current liabilities | 079 | | |

On the basis of reconciliation procedure as of 31 December 2011, the civic association identified as of 1 January 2012 the liabilities in its missions abroad in the total amount of EUR 17 762 that were accordingly registered as current liabilities.

Accruals/deferrals (line 101 of the Balance Sheet)

| Item | Line | 31 December 2012 | 31 December 2011 |
|--|------------|------------------|------------------|
| Deferred income – short-term | 103 | 127 765 | – |
| out of it: | | – | – |
| 2% tax | | 127 765 | – |
| Received special-purpose grant from other organization | | – | – |
| Total | 101 | 127 765 | – |

| 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 | - | 171 815 | 44 050 | 127 765 |
| 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 | 2012 | | 2011 | |
|-----------------|------|---|--------|-------|
| | EUR | % | EUR | % |
| Slovakia | - | - | - | - |
| Abroad in total | - | - | - | - |
| out of it: | | | | |
| Czech Republic | - | - | 19 520 | 100,0 |
| Total sale | - | - | 19 520 | 100,0 |

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

| Product/merchandise/service | 2012 | | 2011 | |
|--|------|---|--------|-------|
| | EUR | % | EUR | % |
| Services connected with project and mission management | - | - | 19 520 | 100,0 |
| Book "Lost Lives" | - | - | - | - |
| Total sale | - | - | 19 520 | 100,0 |

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

Income from received contributions and other income:

| | 2012 | | 2011 | |
|--|--------------|------|--------------|------|
| | in whole EUR | % | in whole EUR | % |
| Received contributions | | | | |
| Contributions received from other organizations | 663 861 | 51.6 | 372 520 | 53.4 |
| Contributions received from natural persons | 524 664 | 40.8 | 138 824 | 19.9 |
| Contributions received from share of tax paid (2%) | 44 050 | 3.4 | 129 964 | 18.7 |

| | | | | |
|--|-----------|-------|---------|-------|
| Contributions received from public collections | 54 082 | 4.2 | 55 725 | 8.0 |
| Total contributions received | 1 286 657 | 100.0 | 697 033 | 100.0 |
| Other income | | | | |
| Other income (release of liability) | 435 | 100.0 | 5 915 | 100.0 |
| Other income (rounding off) | - | - | - | - |
| Total other income | 435 | 100.0 | 5 915 | 100.0 |

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 | 2012 | 2011 |
|----------------------------------|------|--------|-------|
| Interest income | 53 | 219 | 155 |
| from deposits on current account | | 219 | 155 |
| Exchange rate gains | 54 | 18 432 | 2 298 |
| realized | | 15 776 | 260 |

EXPENSES (MAIN ACTIVITY)

Main activity

Expenses from main activity

| Item | Line | 2012 | 2011 |
|---|------|---------|--------|
| Consumed raw materials | 1 | 249 962 | 23 471 |
| Energy consumption | 2 | 699 | - |
| Repairs and maintenance | 4 | 11 735 | 840 |
| Travel cost | 5 | 69 046 | 68 905 |
| Entertainment expenses | 6 | 471 | 186 |
| Other services | 7 | 273 709 | 80 802 |
| out of it: | | | |
| Rent and services connected | | 60 771 | 11 353 |
| Personnel related costs Magna Local staff | | 39 578 | 30 704 |
| Magna expats accomodation and related costs | | 25 061 | - |
| Fundraising, PR and communication | | 23 767 | 10 296 |
| Legal and accounting services | | 20 435 | 4 736 |
| Admin. services, maintenance, insurance | | 13 281 | - |
| Social security | | 12 076 | - |
| Training & Support | | 10 498 | - |
| Local transport and accomodation for Magna Staff in the field | | 8 239 | - |
| Transport cost | | 6 232 | - |
| Personnel related costs Non Magna Local staff | | 6 001 | - |
| Biochemistry/Laboratory assistance | | 3 379 | - |

| | | | |
|--|----|---------|---------|
| Warehouse rent & maintenance | | 2 607 | – |
| Trainers | | 2 482 | – |
| Daily workers | | 2 477 | – |
| Communication equipment (Tel/Radio/Fax/Modem) and communication & posted costs | | 9 181 | 3 781 |
| Medical structures rent and fees | | 2 264 | – |
| Medical assistance | | 2 074 | 5 367 |
| Web, domain administration | | 2 014 | 4 821 |
| Medical studies, advisory services and expenses for experts | | 1 323 | 3 569 |
| Copying, bounding and printing | | 1 086 | 355 |
| Translation services | | 630 | 642 |
| Membership fees | | 405 | 405 |
| Education, conferences, lectures | | 129 | 3 284 |
| Other | | 17 719 | 1 489 |
| Contributions provided to other accounting entities | 34 | 177 560 | 514 687 |

| | |
|---|--------|
| Individual types of expenses for | Amount |
| Audit of the Financial Statements | 4 000 |
| Assurance audit services except for audit of the Financial Statements | |
| Related audit services | |
| Tax consulting | |
| Other non-audit services | |
| Total | |

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 | 45 900 | 44 050 |
| Closing balance of a share of tax paid from current accounting period | | 118 315 |

Other expenses from main activity

| Item | Line | 2012 | 2011 |
|-----------------------------------|------|---------|---------|
| Personnel expenses | | 293 209 | 136 856 |
| Wages and salaries | 8 | 258 472 | 108 486 |
| Legal social and health insurance | 9 | 34 400 | 28 328 |
| Legal social cost | 11 | 337 | 42 |
| Other taxes and fees | 15 | 22 | 349 |
| Contractual fines and penalties | 16 | – | 150 |
| Other fines and penalties | 17 | 124 | – |

| | | | |
|--|----|---------|-------|
| Gifts | 21 | 185 963 | – |
| Other expenses | 24 | 15 050 | 6 920 |
| Amortization and value adjustments to non-current intangible assets and depreciation and value adjustments to property, plant and equipment: | 25 | 10 326 | 913 |
| property, plant and equipment: | | | |
| depreciation | | 10 326 | 913 |
| value adjustment | | – | – |

Financial expenses

| | | | |
|----------------------|------|--------|-------|
| Item | Line | 2012 | 2011 |
| Interest expense | 19 | – | – |
| Exchange rate losses | 20 | 24 869 | 1 370 |
| realized | | 10 136 | 1 019 |

INCOME TAX

The rate of the tax income for 2012 is 19%. The civic association had no tax reliefs.

Reconciliation of the income tax

| | | |
|------------------------------|------|------|
| Item | 2012 | 2011 |
| Current income tax (line 76) | 62 | 33 |
| Total income tax | 62 | 33 |

| | 2012 | | | 2011 | | |
|--------------------------------------|------------|----------|----------|----------|----------|----------|
| | Tax base | Tax | Tax in % | Tax base | Tax | Tax in % |
| Profit or loss before tax | –7 002 | | | –110 528 | | |
| out of it: | | | | | | |
| theoretical tax | | –1 330 | 19 | | –21 000 | 19 |
| Tax non-deductible expenses | 1 312 745 | 249 422 | 19 | 835 449 | 158 735 | 19 |
| Income not subject to tax | –1 314 868 | –248 030 | 19 | –724 747 | –137 702 | 19 |
| Tax losses claimed during the period | – | – | – | – | – | – |
| Total | 326 | 62 | 19 | 174 | 33 | 19 |
| Current income tax | | 62 | 19 | | 33 | 19 |
| Additional income tax payment | | – | 19 | | – | 19 |
| Total income tax | | 62 | 19 | | 33 | 19 |

MAGNA is obliged to make tax return, only if it performs business activity. It did not perform any business activity in 2012, 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

1.1 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.

1.2. 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:

- a) 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
- b) 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.

1.3. 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.

1.4. 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.

Cash Flow

For the year ended: 31st January 2012 (in €)

| | | 2012 | 2011 |
|------------|--|----------------|-----------------|
| Z/S | Profit from ordinary activities before income tax | -7 002 | -110 528 |
| A.1. | Non-monetary transactions affecting profit or loss on ordinary activities | 135 585 | -1 014 |
| A.1.1. | Depreciation of intangible and tangible fixed assets | 10 326 | 913 |
| A.1.2. | Net book value of intangible and tangible assets recorded on the disposal (excl. sales) | | |
| A.1.3. | Depreciation allowance for assets acquired | | |
| A.1.4. | Change in long-term provisions | | |
| A.1.5. | Change in provisions | | |
| A.1.6. | Change in accrual expenses and revenues | 117 875 | -85 |
| A.1.7. | Dividends and other profit sharing charged to income | | |
| A.1.8. | Interest expense | | |
| A.1.9. | Interest income | -219 | -155 |
| A.1.10. | Foreign exchange gain related to cash and cash equivalents as at closing date | 9 236 | 351 |
| A.1.11. | Foreign exchange loss related to cash and cash equivalents as at closing date | -1 633 | -2 038 |
| A.1.12. | Result from sale of property , except property which is considered as cash equivalents | | |
| A.1.13. | Other non-cash items | | |
| A.2. | The impact of changes in working capital | 129 789 | 25 132 |
| A.2.1. | Change in receivables from operating activities | -7 307 | 9 883 |
| A.2.2. | Change in liabilities from operating activities | 88 882 | 15 063 |
| A.2.3. | Change in inventories | 48 214 | 186 |
| A.2.4. | Change in current financial assets other than property that is part of the stump. resources | | |
| A.3. | Interest received, except those included in investment activities | 219 | 155 |
| A.4. | Interest paid, excluding those included in financial activities | | |
| A.5. | Dividends and other profit shares, except those included in investment activities | | |
| A.6. | Dividends paid and other profit sharing , except those included in in financial activities | | |
| A.7. | Expenses for income tax entity, except those included in investment or financial activities | -62 | -33 |
| A.8. | Extraordinary income related to operating activities | | |
| A.9. | Extraordinary expenses relating to operating activities | | |
| A. | Net cash flows from operating activities | 258 529 | -86 288 |
| B.1. | Expenditure on intangible assets | | |
| B.2. | Expenditure on acquisition of tangible fixed assets | -36 472 | |
| B.3. | Expenditures for acquisition of long-term securities and shares in other entities | | |
| B.4. | Proceeds from sale of intangible assets | | |
| B.5. | Proceeds from sale of tangible fixed assets | | |
| B.6. | Proceeds from sale of securities and shares in other entities | | |
| B.7. | Expenditure on long-term loans provided by the entity to another entity in the group | | |
| B.8. | Proceeds from repayment of long-term loans provided by the entity to another entity in the group | | |
| B.9. | Expenditure on long-term loans provided by the entity to third parties | | |
| B.10. | Proceeds from repayment of long-term loans provided by the entity to third parties | | |

| | | | |
|-----------|--|---------|----------------|
| B.11. | Revenue from lease of movable and immovable assets used and depreciated by the lessee | | |
| B.12. | Interest received , except those included in operations | | |
| B.13. | Dividends and other profit shares , except those included in operations | | |
| B.14. | Expenses related to derivatives except when intended for sale or trade | | |
| B.15. | Income related to derivatives except when intended for sale or trade | | |
| B.16. | Expenses for income tax entity , if it may be included in investing activities | | |
| B.17. | Extraordinary income related to investment activities | | |
| B.18. | Extraordinary expenses relating to investment activities | | |
| B.19. | Other income related to investment activities | | |
| B.20. | Other expenses related to investment activities | | |
| B. | Net cash flows from investing activities | | -36 472 |
| C.1. | Cash flows in equity | | |
| C.1.1. | Proceeds from shares subscribed and shares | | |
| C.1.2. | Revenue from other contributions to the equity partners or natural person | | |
| C.1.3. | Cash gifts received | | |
| C.1.4. | Revenue to cover loss by | | |
| C.1.5. | Expenditure on the acquisition or redemption of own shares and shares | | |
| C.1.6. | Costs associated with a reduction in the funds created by the entity | | |
| C.1.7. | Expenditures for repayment of the equity shareholders of the entity and natural person | | |
| C.1.8. | Expenses for other reasons related to a decrease in equity | | |
| C.2. | Cash flows from long-term and short-term liabilities from financing activities | | |
| C.2.1. | Proceeds from issuance of long-term securities | | |
| C.2.2. | Repayment of payables of long-term securities | | |
| C.2.3. | Income from loans to an entity other than a bank lending to the main activity | | |
| C.2.4. | Repayment of loans excluding loans granted to the principal activity | | |
| C.2.5. | Proceeds from borrowings | | |
| C.2.6. | Repayment of borrowings | | |
| C.2.7. | Repayment of payables from the use of property which is the subject of the purchase of leased assets | | |
| C.2.8. | Repayment of payables for lease of movable File / neh . and depreciable property used by the lessee | | |
| C.2.9. | Revenue from other long-term and short-term liabilities arising from financing activities | | |
| C.2.10. | Repayment of other long-term and short-term liabilities from financing activities | | |
| C.3. | Interest paid , excluding those included in operations | | |
| C.4. | Dividends paid and other profit sharing , except those included in operating activities | | |
| C.5. | Expenses related to derivatives except when intended for sale or trade or inv.činnosť | | |
| C.6. | Income related to derivatives except when intended for sale or trade or operating activities | | |
| C.7. | Expenses for income tax entity if they can be incorporated into the financial activities | | |
| C.8. | Extraordinary income related to financing activities | | |
| C.9. | Extraordinary expenses relating to financing activities | | |
| C. | Net cash flows from financing activities | | |
| D. | Net increase or decrease in cash | 222 057 | -86 288 |
| E. | Cash and cash equivalents at beginning of the period | 340 033 | 424 634 |
| F. | Cash and cash equivalents at end of financial year | 569 693 | 340 033 |
| G. | Exchange rate differences related to cash and cash equivalents to the balance sheet date | 7 603 | 1 687 |
| H. | Cash and cash equivalents at end of financial year | 569 693 | 340 033 |

Auditor's Report

Ing. Jana Mészárosová, Zemplínska 9, 903 01 Senec
auditor, licencia UDVA č. 1012

THE REPORT OF INDEPENDENT AUDITOR

for the general assembly

MAGNA Children at Risk, Štefánikova 19, 811 05 Bratislava
IČO (Reg. No. of company): 36 061 581

I have audited enclosed Financial Statements of the MAGNA Children at Risk, Public Association, that includes the Balance Sheet as of December 31, 2012, the Profit and Loss Statement, the comments for the year ending as of this date, the survey of important accounting principles and accounting methods and comments.

The responsibility of company's statutory body

The statutory body of the company is responsible for the compilation of Financial Statements that represent a correct and true position in accordance with Act on accounting No. 431/2002 Coll. as amended (hereinafter referred as "Act on accounting"), and for internal checks that the statutory body considers to be important for the compilation of Financial Statements that do not include significant incorrectness due to fraud or errors.

The responsibility of auditor

It is my responsibility to express my opinion of these Financial Statements based on the audit. I have conducted the audit in accordance with the International Standards on Auditing. With respect to these standards, I am to keep ethical requirements, to plan and to conduct the audit to obtain reasonable assurance whether the Financial Statements are free of material misstatement.

The audit also includes the procedures to acquire audit evidences supporting the amounts and data shown in the Financial Statements. The selected procedures depends on the opinion of auditor, including the assessment of risk of material misstatement in the Financial Statements, either due to fraud or error. When assessing the risk, the auditor takes into account the internal checks relevant for the compilation and the objective presentation of Financial Statements in the accounting unit, to propose the auditing procedures that are adequate under relevant circumstances, however not for expressing the opinion of the effectiveness of internal checks in the accounting unit. Furthermore, the audit includes assessing the accounting principles and accounting methods used and significant estimates made by management as well as evaluating the overall Financial Statements presentation.

I believe that the auditing evidences, we acquired, provided a reasonable basis for my opinion.

Basis for Conditioned Opinion

I could not participate in physical inventory counting on December 31, 2012, because the date of its realisation had been before I accepted the contract as an auditor of the Public Association. Due to the way of storage of supplies (stores at different places of the world out of the sea), I could not really verify the supplies by other audit procedures.

Ing. Jana Mészárosová, Zemplínska 9, 903 01 Senec
auditor, licencia UDVA č. 1012

Opinion

In my opinion, except the influence of the fact mentioned in the paragraph Basis for Conditioned Statement, the Financial Statements represent true and trusty financial position of the MAGNA Children at Risk, Public Association, as of December 31, 2012 with respect to all the significant links as well as with respect to the business results for the year ending on the same date and in accordance with Act on accounting.

Senec, September 25th, 2013

Ing. Jana Mészárosová
responsible auditor
Licence UDVA No. 1012





Magna Children at Risk

Štefánikova 19
811 05 Bratislava
Slovak Republic

Tel.: +421 2 38 104 669
E-mail: magna@magna.sk

www.magna.sk