



Frank Bold Society

Member of the Frank Bold Consortium

2014 Annual Report



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Responsible Companies

We are at a moment in history when we need our corporate businesses more than ever to help us cope with the challenges ahead. We, as a society, though, need to be clear in our understanding of the basis upon which society grants the privileges that now accompany the modern corporate form.

Building on our practical experience over twenty years, we propose solutions to bridge governance gaps concerning major social and environmental impacts of global business and strengthen protection of human rights. We also organise a global debate to develop a new understanding of the purpose of the corporation and its role in society to provide new directions for the development of corporate governance.



Our main activities in 2014

EU legislation on Environmental, Social, and Governance Reporting

In 2014, the EU adopted the Directive on disclosure of non-financial information by large companies (hereafter, the Directive). This marked the successful end of a two-year campaign in which we assisted the European Coalition for Corporate Justice (ECCJ) by participating in developing ECCJ proposals. During that time, we coordinated the discussion of these proposals among the ECCJ's members and helped develop and implement a strategy. The Directive will require approximately 6,000 listed EU companies to report on a number of issues, including respect for human rights, environmental matters, and bribery issues.



The Directive codifies two important changes:

1. The reported information should be sufficient to understand the company's impact.
2. The requirement to report is based on the human rights due diligence: it covers risks of adverse impacts in the company's operations, products, services, and supply chains, and it requires companies to report how they manage these risks.

Access to Justice and Business and Human Rights

During 2013 and 2014, we coordinated a dialogue among legal experts in Europe regarding how to overcome the barriers faced by victims of business-related human rights abuses when attempting to access justice. The objective of this effort was to provide guidance to the EU and its Member States that pledged to implement the UN Guiding Principles on Business and Human Rights, which address this need. In 2014, we held a series of high-level conferences in Paris, London, Berlin, and Brussels in collaboration with the CORE Coalition (UK), ECCJ (Brussels), the European Center for Constitutional and Human Rights (Germany), and SHERPA (France).

We captured the outcome of this discussion in the final report called "EU's Business" that presents a plan of recommended actions for the EU and its Member States on how to tackle identified barriers to access to justice. Two major policy actions were identified:

1. The States should introduce effective collective redress mechanisms.
2. The standards of human rights due diligence should be clarified and the burden of proof should be reversed and/or the access to evidence should be made easier.

This work will empower civil society in coming years in their efforts to include access to remedy matters in the National Action Plans that the EU Member States are developing to implement the UN Guiding Principles.

The report and more information are available on the Project's website: www.accessjustice.eu

Reopening a debate on the purpose of the corporation

The popular conception that corporations exist primarily to maximize shareholder value (MSV) is firmly embedded in business thinking; it is taught in business and law schools around the world, and it provides a theoretical basis for corporate governance regulation. However, this idea has a crippling effect on companies' abilities to respond to long-term challenges and societal expectations. The goal of our efforts is to change this paradigm. Last year, we launched an initiative to build a network of academics, universities, business leaders, and NGOs around Europe and in the United States to challenge this idea.

We started this discussion in February 2014 at an event held in the European Parliament; the event gathered 120 thought leaders and was hosted by Richard Howitt, the Parliament's long standing CSR Rapporteur. The synopsis from the event is available on the Project's website. We encouraged a network of academics to develop a series of concise critical statements from a variety of disciplinary perspectives. The public release of the Statement on Economics was covered in the Financial Times. We co-wrote a detailed brief critiquing the current EU approach to corporate governance; this brief was presented by Prof. Andrew Johnston at a conference hosted by the Socialists & Democrats at European Parliament in December 2014. The brief significantly contributed to the draft opinion of the European Parliament rapporteur on the Shareholder Rights Directive.



To continue our work, we have begun an extensive consultation process with businesses and NGOs to identify the desired outcomes of corporate governance and develop a new vision for practice and policy. The first event in this series of consultations took place in London at the Cass Business School in September 2014. Subsequent roundtable events will take place in 2015 in New York, Rotterdam, and Zurich.

For more information about the Purpose of the Corporation Project please go to:
www.purposeofcorporation.org





Responsible Energy

We develop and promote legal initiatives contributing to a step-by-step transformation towards clean and decentralized energy production and consumption in EU countries. We think that further massive development of coal-based energy sources should not continue in Europe since every such project will contribute to the continuation of the current state of affairs for many decades to come.

Our main activities in 2014

Providing legal advice regarding Implementation of Industrial Emissions Directive in Central and Eastern European Countries

The Industrial Emissions Directive presents a major piece of legislation regarding the regulation of industrial installations in the EU. In 2014, we provided expert advice for partners from Poland, Romania, Bulgaria, Greece and other countries on its main features and core provisions concerning future operations of the large facilities. For our partners, we also carried out a legal analysis of the implications of the Directive for the countries which are parties to the Energy Community Treaty as its provisions are, to some extent, also applicable under the Energy Community Treaty.

Together with other European NGOs, we communicated to the European Commission the shortcomings both in the preparation and final adoption of the Transitional National Plans submitted by Poland and Bulgaria. These Transitional National Plans constitute a major derogation from the common rules concerning old industrial facilities.

Supporting campaign against the Turceni Power Plant

In 2014, we supported our partners in Romania with legal analysis and follow-up action concerning the Unit 6 modernization project at the Turceni Power Plant, Romania. This project has been criticized for various reasons, one of them being that its preparation does not comply with basic legal standards on environmental assessment or public participation and ignores new requirements under the Industrial Emissions Directive. Further, concerns about corruption allegations and its financial viability have been raised. In 2014, we prepared complaints on the basis of environmental as well as good governance and transparency issues, and we communicated them to the European Bank for Reconstruction and Development – a major sponsor of this new project. In the end, the EBRD suspended its loan for the project, thus leaving an open question on its future.

Helping local citizens in the case of the Gubin Lignite Mine in Poland

For more than 3 years we have been involved in the case of planned development of the mammoth lignite mine in Gubin, in western Poland, which is currently one of the largest mining projects in the CEE region. Its development would lead to the resettlement of several local villages and to irreversible damage to the whole area on the Polish-German border. Although the project was already rejected by local citizens in the past referenda, the project's promoter continues to push the project into spatial regulation at the regional as well as the local level. In order to help the local community to have their say in the project development, we are providing legal support on the spatial planning, and the regulations concerning the infrastructural development and environmental policies. We continue to be present as legal experts and active partners for the local opposition when defending their cause.



Responsible State

We propose and promote laws that can help prevent systemic political corruption, cronyism, and the abuse of public funds in the Czech Republic. Since 2013, we have been coordinating the Reconstruction of the State – a joint project of twenty anti-corruption organizations and other partners, whose aim is to promote 9 laws for more responsible politics. At the beginning of 2014 the Reconstruction of the State and the laws it was promoting appeared in the statement of the newly elected government and in its anti-corruption strategy. For more information see the Reconstruction of the State at: www.rekonstrukcestatu.cz/en.



Negotiations on the Bill on the Register of Contracts

The bill, designed to disclose the contracts signed by the State, counties and municipalities on the Internet, was opposed by a strong lobby of municipalities and state-owned companies. Under pressure, several parliamentary committees suggested rejecting the bill. However, we managed to convince members of the Committee on Constitutional and Legal Affairs not to allow these negotiations on the law to go back to the beginning again; we also blocked the proposal of the Ministry of the Interior to disclose only redacted pages instead of the contracts in full.

The Chamber of Deputies approves the extension of powers of the Supreme Audit Office

In May, the Chamber of Deputies voted for an amendment to the Constitution that allows the Supreme Audit Office to supervise more than a trillion koruna (crowns) per annum in state and municipality-owned companies, as well as all municipalities and regions. During the debate on the



amendment, we prevented the amendment of the Parliamentary Committee from limiting the control of state-dominated companies. The amendment is now awaiting approval by the Senate; therefore, volunteer ambassadors of the Reconstruction of the State have addressed the senators and so far have received a commitment to support the amendment from 30 of them. If the Senate approves the amendment, it will be only the eighth amendment to the Constitution, and the first change initiated by the civil society.

More transparent adoption of laws

In November 2013, we persuaded 46 Deputies to propose an amendment to the Rules of Procedure of the Chamber of Deputies, which disallows so-called riders, and implements other measures leading to a more transparent legislative process. During the year, we organized a round table to meet politicians and experts, met with Deputies and commented on various versions of the bill. The Deputies approved the amendment in September and their decision was finally confirmed by the Senate in October. Previous attempts to make the legislative process more transparent had failed four times in the Chamber of Deputies since 2009.

“Report card” to political parties

Before the elections in 2013, we received a written commitment from the 163 Deputies to support the laws championed by the Reconstruction of the State, and we promised to monitor their promises. And we did so: we monitored all the votes, attended committee meetings, commented on ministerial proposals, read through all the public statements, and examined the conclusions of the coalition councils. The result was an annual evaluation of the work of the parliamentary parties, published in September 2014. Thanks to the support of private donors, a shortened version of the evaluation in the form of a "report card" was sent to 2.3 million households. A detailed verbal evaluation, including the responses of the parties, was published on our website and we sent it out to almost 20,000 contacts, with the help of our partners.

Involvement of citizens in communication with Senators

Before the autumn Senate elections, our ambassadors contacted candidates to the Senate, asking them to support laws championed by the Reconstruction of the State. Via emails, phone calls and personal meetings we got 120 supporters from a total of 253 candidates. In the second round, there were 29 supporters of the Reconstruction of the State from a total of 54 potential candidates; 19 of them were eventually elected to the Senate. In total, the “reconstruction” laws are supported by 30 of the current 81 senators.



Services for Citizens

We systematically work to empower citizens and local communities in the Czech Republic by helping them to assert their rights and actively participate in public affairs. By providing support to active individuals and local initiatives, we aim to strengthen civic society, as the basis for the solution to systemic corruption that is deeply embedded in our governance systems.

Our main activities in 2014

Providing people with legal help in the Free Legal Counselling Centre

We provide free legal counselling on a wide range of topics, with an emphasis on environmental protection, public maladministration, cronyism, and corruption. Our counselling centre has provided consultation in more than 1,200 cases and updated more than 160 web manuals and almost 40 legal templates for our on-line counselling centre. In addition, 8 new manuals have been prepared in line with the needs of our clients and partners and have been published on the web pages.

Supporting citizens in local Cases of Strong Public Interest

Our efforts focus on support for active grassroots initiatives dealing with cases of great public interest. This covers extended legal aid, involving law students in supporting and implementing case strategies, non-legal help such as publicity, and the building of a network of grassroots initiatives to help these active citizens to get in touch, share their know-how, and regularly co-operate and support each other's activities. In 2014, we provided local grassroots initiatives in the Czech Republic with more than 1,100 hours of this extended support.

For instance in the Jeseníky, we helped active local citizens to protect the most precious nature areas in the Jeseníky mountains against big development investments. Thanks to our legal support and the active approach of the local community, several administrative decisions which could lead to harmful effects on rare endemic vegetation in the first zone of the Jeseníky protected landscape area and the national nature reserve of Prácheň were cancelled in 2014.

Providing Legal Internship

We have enhanced our unique legal internship programme. In 2014, 35 law students from the Brno, Prague and Olomouc Faculties of Law were involved in providing free legal aid to active citizens and in other activities in the public interest.

Citizen 2.0 Networking

In 2014, we organized 2 meetings of active local citizens in the Czech Republic where people from across the country met and shared their experiences.

In June 2014, we organized a meeting in Moravský Krumlov, and in November 2014 in Prague. There were 51 participants in total, from 32 local initiatives, who attended the meetings. During the 9th meeting overall, organized in Prague in November, we put an emphasis on media work and how active citizens can work better with the media, and on networking and interconnecting active citizens, ambassadors for the Reconstruction of the State project, various experts, donors, interns, and other NGOs' representatives.



By the end of 2014, the broader network of Citizens 2.0 interested in civic involvement amounted to more than 2,000 members receiving our regular legal advice and suggestions for future engagement.





We want to thank to our donors for their support in 2014.

Grants and contributions in 2014

- Wallace Global Fund
- Patagonia Environmental Grands Fund
- Konrad Adenauer Stiftung
- Karel Janeček Foundation
- Embassy of the United States of America
- Embassy of Canada to Czech Republic
- International Visegrad Fund
- Czech NGO Programme
- Deutsche Umwelthilfe
- Otakar Motejl Fund, Open Society Fund Praha
- European Climate Foundation
- European Commission, DG Home Affairs, Prevention of and Fight Against Crime programme
- European Commission, DG Justice
- Ministry of Interior of the Czech Republic
- Partnership Foundation - Swiss funds
- Open Society Foundations
- T-Mobile Fund - program Let's talk
- Isvara Foundation
- FOE-IEE (Intelligent Energy Europe)
- Joseph Rowntree Charitable Trust
- Sigrid Rausing Trust
- EACEA (Education, Audiovisual and Culture Executive Agency)
- The Ministry of Education, Youth and Sports

Our deepest thanks go to our partner, AK Šikola and Partners, a member of the Frank Bold consortium which has been supporting the non-profit activities of the Frank Bold Society for a long time.



Donations of CZK 100,000 and more


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Libor Winkler

Jan Barta

rodina Orlických

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- Lubomír Bárta
- Václav Dejčmar
- TECHLAR a.s.

Donations of CZK 10,000 and more

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We thank also to all the other donors.

Thanks so much to more than two hundreds of other donors who contributed a smaller amount, but whose support was also essential:

Sparlingová Zdeňka, Matušů Daniela, Novák Martin, Raschman Robert, Tiefertunk Petr, Šraier Vladimír, AT Offix s.r.o., Berg Michal, Eyedea Recognition s.r.o., KM Global s.r.o., Krůta Pavel, Stanovský David, Tvaroh Jiří, Volf Luděk, Zach Jan, Ždímal Alexandr, Hakr Tomáš, Mollová Eva, HBS Krhová o.s., Hrádky beze skládky, Sedmihradský Milan, Machač Jan, Šestauber Martin, Šmíd Matěj, Jašek Petr, Šormová Dagmar, Černochovi Zdeněk a Darina, Dočekalová Blanka, Dominec Filip, Litschmann Petr, Provazník Pavel, Urban Michal, Valvoda Rostislav, Vojtek František, Kadaník Petr, Bělohlávek Jiří, Ptáček Pavel, Mrázková Markéta, Pánek Jan, Plch Robert, Špicar Přemysl, Vaněk Jan, Vokáč Michal, LMC, Snopek Jakub, ABC.MORAVIA, s.r.o., Barcal Petr, Bláha Jiří, Dynka Radim, Gregor Petr, Haverkamp Jan, Hlávkoví Petr a Marie, Hrala Jaroslav, Janků Jiřina, Klouček Petr, Kurka Petr, Machalíček Karel, Mestan



Antonín, Nováček Vítězslav, Partlovi Vladimír a Daniela, Sklála Zdeněk, Vejlupek Michal, Višinka Jan, Blažek Tomáš, Dvořáková Marie, Fischerová Olga, Fraňková Eva, Klempířová Lucie, Kokoška Tomáš, Kutáček Stanislav, Labohý Jan, Majerčík Lubomír, Miencil Petr, Noha Jakub, Prágerová Veronika, Šlechta Jan, Vicher Matouš, Jeremiáš Michal, Vopelka Petr, Dohnal Petr, Jašek Bronislav, Kastner Daniel, Novák Miloslav, Tomeček Pavel, Vosáhlová Marcela, Zach Čeněk, Johanisová Naděžda, Hudec Marek, CokoBanka.cz s.r.o., Kubačka Petr, Hrdina Robert, Kantor Adam, Klápště Petr, Pašek Radim, Sladký Richard, Toulec Vladislav, Vavřík Jiří, Vlček Vojtěch, Straka Jakub, Bumbálková Markéta, Bláha Josef, Černý Martin, Ďuríček Michal, Eliáš Marek, Exner Martin, Gajdová Marcela, Grossmann David, Guth Jarkovský Jiří, Hlaváčková Eva, Holub Filip, Horová Alice, Chládková Hana, Jičínská Gabriela, Katina Zdeněk, Khir Karel, Kochánek Štěpán, Kolář Milan, Koníček Rostislav, Liška Eugen, Marek Ladislav, Mikulincová Martina, Mojžíšová Natálie, Morcinek Tomáš, Neumann Adam, Ondřejová Kristýna, Paříková Jitka, Pavlík Richard, Soška Vladimír, Stejskal Petr, Svoboda Martin, Šantl Jan, Štork Dušan, Tesařík Jiří, Tvarůžek Petr, Urban Jaroslav, Vágnerová Jana, Višinka Jan, Vojáček Tomáš, Geprt Svatopluk, Pavlíčková Květa, Kalčík Josef, Rychetník Luděk, Vavřín Zbyněk, Babický Tomáš, Babka David, Balada Jan, Blažek Jiří, Bučková Jarmila, Černý Jan, Eliášek Martin, Frýsa Radek, Hladík Josef, Horák Pavel, Jung Martin, Kocourek Zdeněk, Kopecký Jiří, Kubina Petr, Kukaňová Kateřina, Lachnitt Jan, Mach Zdeněk, Menšík Vlastimil, Mucha Petr, Musil Vlastimil, Nekuda Jaroslav, Potucek Jindřich, Snížek Martin, Svoboda Jaroslav, Synková Romana, Škraňáková Yvona, Tabery Erik, Telecký Tomáš, Toman Petr, Trojánek Štěpán, Tučková Zdeňka, Vymětalíková Petra, Šetele Filip, Houfek Josef, Alternativa II Občanské sdružení, Beran Jiří, Budín Tomáš, Česák Jakub, Gajdoš Miroslav, Gavalec Radovan, Jemelík Lukáš, Killarová Michaela, Mahrik Viktor, Novotný Jiří, Petržilka Tomáš, Pola Marek, Rozsypal Tomáš, Špácová Kateřina, Špaček Michal, Tomáš Michal, Vacková Erika, Váňa Petr, Vaníčková Eva, Zíka Jindřich, Žilka Vladimír, Hauner Adam, Hanzálek Martin, Kopic Daniel, Lukáš Ivan, Mlýnek Benjamin, Muchová Ludmila, Pašek Roman, Pavlíček Milan, Pěničková Jaroslava, Turza Vlastimil, Vaněk Přemysl, Brůžek Jiří, Brázdilová Veronika, Buchta Leo, Skořepová Ludmila, Tlustá Libuše, Bartoš Milan, Burdychová Stanislava, Buzín Tomáš, Čáp Vladimír, Čurn Jan, Dyba Jonáš, Hlinka Stanislav, Kalab Jaromír, Koch Tomáš, Nováková Jitka, Páral Kamil, Peterka Ivo, Skalický Marcel, Slávik Pavel, Špácová Anna, Veltruský Daniel, Čechal Vojtěch



Our team in 2014

- Bartošová Eliška
- Bouda Petr
- Boudal Jiří
- Coimann Markéta (mateřská dovolená)
- Černý Pavel
- Fadrný Martin
- Franc Pavel
- Gbelcová Pavlína
- Goňová Žaneta
- Gregor Filip
- Gregorová Barbara (mateřská dovolená)
- Halburd Christopher
- Hodysová Petra
- Hollan Matěj
- Hrozinová Regina
- Chatrná Michala
- Janečková Martina
- Jarmič Libor
- Karlický Josef
- Kmošková Jitka
- Koukalová Jana (mateřská dovolená)
- Kravčíková Jana
- Kubátová Barbara (mateřská dovolená)
- Kutáček Stanislav
- Morrow Paige
- Pavelková Zuzana
- Pavlorková Eva
- Prnka Lukáš
- Sotoniaková Hana
- Šabová Kristína
- Šrytr Jan
- Zůbková Donika



Law students that helped us in 2014

- Brandejský Tomáš
- Dědek Vojtěch
- Dorschnerová Sulika
- Dus Filip
- Dušková Daniela
- Dvorská Michaela
- Giňová Petra M.
- Honzová Ivana
- Hrušková Naďa
- Kodetová Kristýna
- Lysková Michaela
- Mikulová Kristýna
- Novosadová Kristýna
- Pavouk Jan
- Polášek David
- Prágerová Lenka
- Ryšavá Kristýna
- Sobocik Jakub
- Staněk, Ondřej
- Sylvestrová Tereza
- Vejtasa Martin
- Vršťala Štěpán



Financial Statement for 2014

COSTS	IN CZK
Stationery and office supplies	124,861
Literature and periodicals	9,565
Repairs and maintenance	0
Travel costs	692,887
Representation (refreshments at the events)	335,316
Communication costs (including shipping)	303,761
Printing, copying, promotion	1,748,401
Rent (incl. rent and energy services)	510,292
Short term rentals (esp. for events)	193,616
Legal services and fees	346,713
Testimonials and opinions	950,548
Translation and interpretation services	375,432
Training and seminars	14,035
Software	144,212
Salary related costs	7,985,134
Taxes and social and health insurance payments	2,351,523
Donations, membership contributions	26,019
Bank fees	11,718
Other (exchange rate losses, penalties, audits, other services)	703,526
TOTAL COSTS	16,827,559
REVENUES	
Activities (own incomes)	999,683
<i>Subsidies from public and EU budgets</i>	
- ESF – OP VK – education for competitiveness	162,853
- European Commission Europe for Citizens programme	88,674
- European Commission, DG Home Affairs	1,121,970



Prevention of and Fight Against Crime programme	
- European Commission, DG Justice	1,544,391
- Ministry of Interior of the Czech Republic	577,635
- NROS – FM EHP FNNO (Norway Grants)	445,990
- Partnership Foundation – Swiss Funds	1,239,272
<i>Grants from foundations and associations</i>	
- European Climate Foundation	1,933,738
- Open Society Fund Prague	515,130
- Open Society Institute	895,215
- Open Society Institute Think Tank Fund	746,857
- The Orlický Family Foundation	208,822
- Via Foundation – T-mobile Fund	16,655
- Deutsche Umwelthilfe	12,371
- Konrad Adenauer Stiftung	144,143
- Embassy of the United States of America in Prague	16,282
- British Embassy	101,617
- Canadian Embassy	62,574
- Isvara Foundation	400,376
- International Visegrad Fund	63,685
- Karel Janeček Foundation	194,481
- Wallace Global Fund	429,527
- Sigrid Rausing Trust	1,893,769
- The Joseph Rowntree Charitable Trust	1,006,746
- Patagonia	17,059
- Fundacja Frank Bold (financing of Polish activities)	- 1,105,210
- Justice and Environment (co-financing of LIFE+ project)	- 388,514
Donations of natural and legal persons	1,962,275
Credit interests	26,000
Other (foreign exchange gains, pro forma invoicing, funds)	20,717



TOTAL REVENUES	15,354,783
LOSS	- 1,472,776



Independent Auditor's Report

Addressed to the members of the Frank Bold Society

Report on the verification of financial statements

We have audited the accompanying financial statements of civic association Frank Bold Society, which consist of the balance sheet up to 31.12.2014, the profit and loss account ending 31.12.2014, as well as notes to the financial statements containing a description of significant accounting methods and other explanatory information. Other information concerning the civic association Frank Bold Society is presented in the Annex of the financial statements.

Responsibility of the Statutory Body accounting entity for the Financial Statements

The statutory body of civic association Frank Bold Society is responsible for the preparation of the financial statements, which reflect a true and fair view in accordance with Czech accounting regulations, as well as providing an internal control system, which is considered essential for the preparation of these financial statements in order to ensure that there are no significant material errors caused by fraud or fault.

Auditor's Responsibility

It is our responsibility to express our view concerning the financial statements based upon our audit. We conducted our audit in accordance with the Act on Auditors and International Standards on Auditing as well as related, applicable clauses of the Chamber of Auditors of the Czech Republic. According to these regulations we are required to uphold ethical obligations and to plan and execute the audit in such a way that we gain adequate certainty, that the financial statements contain no significant material errors.

The audit includes the performance of auditing procedures, which help to acquire detailed evidence regarding the amounts and data disclosed in the financial statements. The selection of such procedures are dependent on the auditor's own judgement, including the assessment of any risks present in significant material errors of the data presented in the financial statements caused by fraud or fault. During the risk assessments, the auditor will determine the appropriate internal control system used for the preparation of the financial statements in a true and fair way. The target of this determination is to suggest relevant auditing procedures, not however to express any opinions as to the effectiveness of the accounting entity's internal control system. The audit also includes the evaluation of the suitability of the accounting methods used, the adequacy of the accounting estimates made by the management and also the evaluation of the overall presentation of the financial statements.

We believe that all evidence and information we have gathered provide a satisfactory and appropriate foundation for our audit opinion.



Statement of the Auditor

In our opinion the financial statements give a true and fair view of the assets and liabilities of civic association Frank Bold Society up to 31.12.2014, as well as of the expenditures and income and financial results of the year ending 31.12.2014, in accordance with Czech accounting regulations.

Emphasis of Matter

Although we are not expressing any reservations, we would like to bring to your attention to the matter indicated on page 1 of these financial statements, which states that an organization, for the purposes of providing a true and fair view of the financial situation, had written off old claims from granted projects of preceding years, even though such solutions have no support within corresponding laws of accounting. Such claims should have been correctly written off in preceding periods together with approved projects. In using the elected procedure, the organisation avoided an unfair distortion of the financial results of the current period.

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Prague, dated 8th September 2015