



Frank Bold Society

a member of the Frank Bold Group

# 2020 Annual Report



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## Frank Bold in 2020

The whole world entered 2020 with one foot deep in the global Covid pandemic. A general panic arose from the uncertainty as to what was happening and what might come. And yet it was also a year in which we at Frank Bold made not just one, but several major steps towards development and success – despite Covid. We managed to keep cool heads and continue in our mission of helping people make good decisions.

During the first wave of the crisis, we launched a free legal consulting service for everyone who needed to find their footing among quickly passed, complex and often confusing laws. Over ninety employees, interns, students and partners of Frank Bold volunteered to answer the over two thousand questions we received; they deserve my deepest gratitude for all their work. You can read about what we accomplished in a [separate publication](#) document the commitment of our lawyers.

In the interest of surviving, continuing to provide high-quality services, and growing for the future, we had to implement over two dozen crisis measures of our own in 2020 – but we weren't afraid to invest in our own development as well. Despite that, we weren't afraid to invest in our own development and kept exploring new topics and areas to work on, focusing mainly on the area of renewable energy and sustainable construction laws.

But while 2020 brought many troubles, it brought Frank Bold more than just Covid. Thanks to our bold approach, we were able to grow despite the pandemic and achieve successes – from progress in a case of illegal mining at a lignite mine in Turów, Poland, to getting the Czech parliament to call an exceptional session to pass anti-corruption laws, to publishing an analysis of 1,000 corporations and their environmental impact reports, which was covered on by major media including the New York Times and Reuters. Meanwhile, we also helped thousands of citizens and entrepreneurs through our free legal and coronavirus consulting services.

We can build upon our difficult, but all the more valuable experience from 2020 in future years as well. We've proven that Frank Bold is a partner for good decisions in both calm years and crises.

**Pavel Franc,**  
**CEO Frank Bold**





# About Frank Bold Society

**Frank Bold Society** (working under the name Environmental Law Service in 1995 through 2013) is a non-profit organization of lawyers who protect citizens' rights and the environment. It brings the law, the legal community, and law students together to protect public interests – especially the environment and human rights. It provides free legal aid in selected cases and promotes accountability for society's key players. Frank Bold Society is one of the Czech members of the European Environmental Bureau (EEB).

Our **vision** is a free society whose members feel a shared responsibility for public affairs, including the state of our planet, and where everyone can strive for their own happiness. Using primarily legal tools, we advocate for such a world for both our and future generations.

## Frank Bold's Leadership and Employees

Frank Bold Society is a registered association. Its Members' Meeting is its highest authority. Its statutory body is the Committee. Between sessions of the Members' Meeting, the society's activities are managed by the director. The Society is divided into four topic-based working sections, with employees in the support teams (administration, finances, HR, and PR) helping them to carry out their activities.

### Members of the Committee

**Pavel Franc** (CEO)

**Stanislav Kutáček**

**Martin Fadrný**

### Working Sections and Their Team Leaders

#### Reconstruction of the State

Josef Karlický

#### Legal Service for Citizens

Michal Kuk

#### Responsible Energy

Kristína Šabová

#### Responsible Companies

Filip Gregor



Frank Bold Society's Employees in 2020				
Reconstruction of the State	Legal Service for Citizens	Responsible Energy	Responsible Companies	Management and Support teams
<b>Josef Karlický</b>	<b>Michal Kuk</b>	<b>Kristína Šabová *</b>	<b>Filip Gregor</b>	<b>Pavel Franc (CEO)</b>
Lukáš Kraus	Markéta Cooiman *	Laura Otýpková	Ondřej Janků	Stanislav Kutáček
Tereza Křištofová	Hana Sotoniaková *	Eliška Beranová	Kristýna Vejvodová	Jana Kravčíková (CPO)
Věnek Bonuš	Kristýna Zahálková	Karolina Gyurovszká	Joanne Houston	Michala Chatrná
Dora Nováková	Petra Marie Andrášik *	Petra Urbanová	Susanna Arus	Branislav Krčmárik
Petr Bouda				Pavλίna Gbelcová *
Eva Hromádková				Žaneta Goňová *
Markéta Voborníková Mašková				Kateřina Kováčová
Olga Pek				Kristýna Špačková *
Lucie Vernerová				Hana Strnadová
Ervín Hausvater				Petra Zelenáková
Jakub Kvapil				Martin Fadrný *
Markéta Brabcová				Eva Johana Šteinigerová

Additionally, the following persons were engaged in Frank Bold's activities based on contracts for services: Petra Marie Andrášik, Tomáš Urban, Petr Mareš, Veronika Hrtoňová.



# Frank Bold Students

[www.frankbold.org/students](http://www.frankbold.org/students)

For many years, Frank Bold has systematically involved university students in all of its activities, including engagement in our own [student internship program](#). These internships are for students from **law schools** as well as other fields such as **finance, IT, journalism, and psychology**. We engage interns in the Society's public-benefit activities, in the activities of the Frank Bold Attorneys office, and in the entire organization's internal operations. We offer these students **useful and meaningful practice** while also supporting them to strengthen their knowledge in their field of studies, gain practical experience, and develop their values during their internships. Alongside the internship program itself, we also engage in teaching activities, primarily at faculties of law, and we participate in legal summer schools and trade fairs.

## Real Experience and Skills

"Few law students come into direct contact with clients even before finishing their studies. So the consulting service is an ideal way to try out this direct communication, while still also having access to support from far more experienced lawyers. What I appreciate most about this experience is how it always concerns real-world cases relating to specifics that I otherwise would never have encountered during my studies. I always come out of consulting with the feeling I've learned something new, and thanks to the feedback, I also know what I can improve next time." – Aneta, former FB legal intern

"Even though my school did give me lots of useful knowledge, it was the internship at Frank Bold that let me convert that theory into practice under the leadership of more experienced colleagues." – Hanka, former FB financial intern



## Projects With a Purpose

In spring 2020 our interns played an active part in bringing our online legal consulting into operation. We launched this service with the goal of helping both people and companies to orient themselves in the legal impacts of the first wave of the coronavirus pandemic. The interns' voluntary involvement in answering questions and other work surrounding the service's operation enabled them to usefully help during the crisis and put all their existing skills and experience to good use while also learning a variety of new things.

"Advising in the service meant listening to the problems of a large number of people. It was a probe into all those hopeful cases of mutual aid out there, but also those where it's just about maximizing the asker's own profit. You learn to always seek solutions and not judge people you don't know. And as for the law – we ran across cases from every area. In some of the cases I got to practice things I'd encountered earlier in school. In others I learned to seek responses to new questions that no school addresses and that no court had ever yet answered." – Mirek, FB legal intern



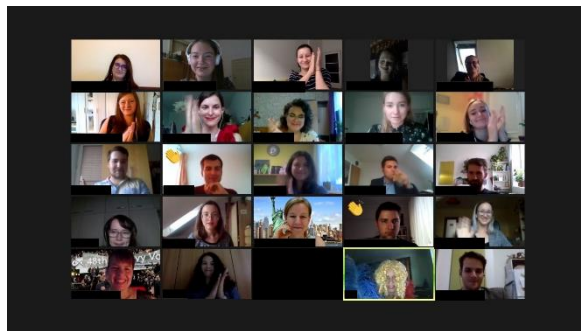


## Interns in 2020

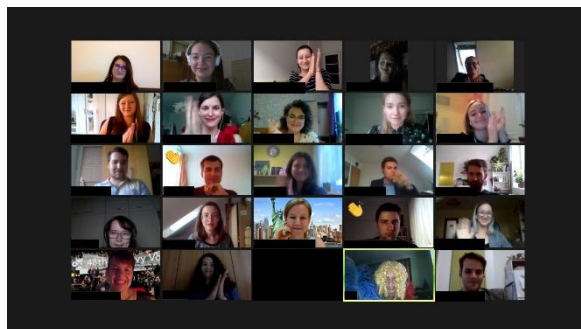
A total of 37 students had internships at Frank Bold in 2020, including 27 law students and 10 students from other fields.

### Frank Bold's interns in 2020

Barbora Baránková	Tomáš Münzberger
Miroslav Crha	Eva Pernicová
Kristina Čermáková	Anna Petrášková
Magdalena Doležalová	Aneta Psychlová
Vavřinec Dudek	Nikola Pospíšilová
Sára Hrubešová	Hynek Růžička
Petra Hubatková	Jakub Slavík
Diana Huslíková	Veronika Smržová
Hana Husovská	Veronika Stratilová
Hana Chlupová	Patrik Sysel
Marek Jahn	Natálie Škrdlová
Dalibor Jirda	Dominika Štejdřiová
Anna Kačmaříková	Lukáš Šulc
Anna Kocourková	Jakub Vašíček
Adéla Kolářová	Sára Wranová
Daniel Kostić	Alena Žibřidová
Vojtěch Kratochvíl	
Renata Krišpínová	
Kateřina Losová	
Kylie McCardel	
Jan Měkuta	



*Despite the Covid pandemic, even in 2020 we organized regular intern meetings – albeit online.*





## Frank Bold: Helping During the First Wave of the Coronavirus Crisis

The year behind us was strongly affected by the global Covid pandemic, which hit our country in full force in March. A state of emergency was declared on Thursday, March 12th. By the very next day, experts from throughout the Frank Bold consortium joined up to first create an implementation team and then, on Sunday, to launch a project for online legal support to those who had been affected by coronavirus measures.

The work for this special legal service saw the involvement of attorneys, law clerks, interns, and volunteers. It revolved around answering questions and collecting questions and answers on e.g. how to proceed within employer/employee relationships and what aspects of healthcare and contract law are invoked by the current situation, and it also clarified the legal aspects of the state's approach and measures. Our intent was to help people, businesses, and authorities to quickly orient themselves within the new conditions and keep the country running without disrupting the protection of everyone's health. The online consulting service's goal was to eliminate or clarify the situation's most common legal aspects so as to let people concentrate strictly on the health and protection of themselves and their surroundings.

During its operation, hundreds of citizens, businesses, and municipal representatives turned to this service. The legal team most often worked on topics such as the then-current conditions for free movement, entitlement to health inspection reimbursement, and state compensation for the self-employed and companies – but also the authority of mayors and town and city halls. **93 lawyers and law students** answered a total of **2,112 queries**. We provided help for a total of **1,561 hours over the course of 61 days**.

Besides handling individual questions from specific inquirers, Frank Bold's lawyers also answered questions for Czech Television and provided advice on the Nova and Prima stations. They additionally helped out businesses via the Chamber of Commerce in cooperation with the South Moravia Region, the Liberec Region, and other associations and chambers. Interested parties could find info on the most important legal aspects of the crisis on a specialized website, which **40,000 people** visited over the course of three months.

We also made good use of the experience that we gained at Frank Bold from business and from long-term work with interns and law students, as well as from operating the country's second largest online legal advisory, used by hundreds of thousands of people a year.





# Responsible Companies

**We develop and promote new business models and legal frameworks that better integrate society's interests into corporate purpose and governance so as to improve corporate sustainability, transparency, and accountability. We recognize the key role that corporations play in the current economy and their relevance in society, but we also see the corporate sector is struggling to act sustainably and ethically and the shortfalls in their responses to fundamental challenges such as climate change and human rights.**

Our long-term goals are to

- a) mainstream a new model for corporate governance that focuses on the long term interests of the company and also ensures that it is managed to operate within planetary boundaries and social foundations;
- b) adopt EU laws that ensure corporate accountability for the adverse impacts of business activities on human rights and the environment.

## ●What We Worked on in 2020●

### Corporate transparency

Since 2012, we have been contributing to the development of the European legal framework for corporate sustainability disclosures, which is a key element for corporate accountability as well as sustainable finance. After the European Non-Financial Reporting (NFR) Directive entered into force in 2018, we founded the [Alliance for Corporate Transparency](#), a civic initiative with the aim of providing documentation and recommendations for policy-makers and companies.

In 2020, the Alliance grew to include over 20 members, with the addition of new members such as ShareAction, 2° Investing Initiative, and

Publish What You Pay. We also set up an informal collaboration with the Investor Alliance for Human Rights, the European Sustainable Investment Forum (EUROSIF), and the World Benchmarking Alliance.

In 2020, as part of the Green Deal, the European Commission began reforming the NFR Directive to substantially improve corporate disclosures, expand the scope of the Directive, and develop accompanying EU sustainability reporting standards. This process resulted in a legislative proposal for a Corporate Sustainability Reporting (CSR) Directive presented in April 2021.

Revising and improving this Directive to ensure real impacts has been the main objective of the [Alliance for Corporate Transparency](#) ever since the project was launched in 2018.

To provide evidence as a foundation for this revision, during a [high-level event in Brussels](#) in February 2020, [we presented an assessment of 1,000 EU companies' non-financial reports](#), which is the largest study to date of this kind. The event saw over 200 participants. The speakers at this event included Members of the European Parliament [Heidi Hautala and Lara Wolters](#) and Head of Unit at DG FISMA (EU Commission) [Alain Deckers](#), as well as experts coming from standard-setters, leading NGOs, and progressive companies. The study presented during the conference was downloaded over 12,000 times and received extensive media coverage (summarized [here](#).)



*\* February 2020 presentation in Brussels on our assessment of 1,000 companies*



Building on this analysis, in 2020 we performed an [additional assessment](#) of 300 non-financial reports of companies from high-risk regions and high-climate-impact industries to support the EC's high ambitions for the reform. All outputs are available on the [Alliance website](#). The outputs were also presented during two webinars, one focusing on the [CEE region](#) and the other on [Southern Europe](#), which were attended by about 300 participants in total.

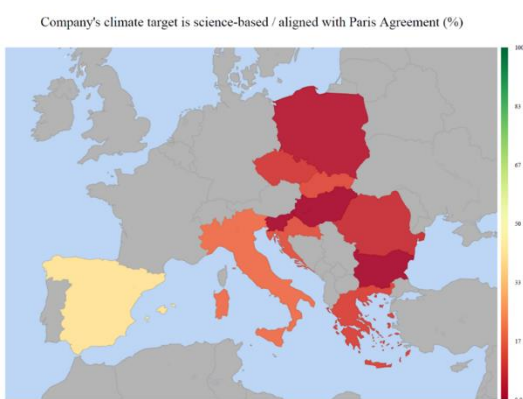


Image: Regional comparison on climate targets' alignment with Paris agreement, [2020 research](#)

*Alliance for Corporate Transparency, 2019 research report on 1,000 companies – regional breakdown*

Besides networking, research, and dissemination of the research results, we **focused on developing policy recommendations and engaging with key stakeholders.**

We coordinated inputs from Alliance members as well as from the broader NGO community into the Commission's public consultation on the reform of the Non-financial Reporting Directive (28 organizations mentioned the Alliance in their submissions, including business associations such as the World Business Council for Sustainable Development, supervisory authorities including the French Autorité des Marchés Financiers, and the European Central Bank). The [policy recommendations](#) advanced by the Alliance are based on the expertise of the Alliance's members, as well as on an extensive consultation process

with over 30 sustainability leaders among companies and investors.

To further build up the Alliance's readiness to participate in the development of EU standards in the near future, we also coordinated a process of consultations with over [40 experts](#) from leading NGOs on supply chain issues. This led to a [joint position](#) officially supported by 18 NGOs, outlining recommendations on key standardizable data and indicators.

We additionally coordinated the participation of NGOs and other stakeholders connected with the Alliance in the [Project Task Force on EU Non-Financial Reporting Standards](#) (PTF) organized under EFRAG's Corporate Reporting Lab. Published in winter and spring of 2021, the PTF's final recommendations were supportive of our main goals (see our responses [here](#)) and was reflected in the Commission's proposal for a Corporate Sustainability Reporting [Directive](#).

Overall, we have promoted our work and policy recommendations through the organisation of 12 events, which involved over 1,000 participants. In addition to those mentioned above, we organized an online conference on the reform of the EU Non-Financial Reporting Directive with the World Benchmarking Alliance in May (500 attendees; see [online](#)) a joint conference with CDSB in December 2020 where we presented the results of our 2020 assessment of 300 high-risk companies, with keynotes provided by Commissioner McGuinness and Patrick de Cambourg, Chair of the Project Task Force on Non-Financial Reporting Standards (see [online](#), and the summary [here](#)); and a series of events in the V4 countries and Spain (details [here](#))

## Sustainable Corporate Governance and Corporate Accountability

We continue to steer and collaborate with the [European Coalition for Corporate Justice \(ECCJ\)](#), whose objective is to create a legal framework for corporate responsibility that ensures the protection of human rights and the environment



in global supply chains and access to remedy for people negatively affected by them.

In 2020, on initiative of Commissioner Didier Reynders (DG JUST), the Commission announced its intention to launch a legislative initiative (Sustainable Corporate Governance Initiative) concerning directors' responsibilities and mandatory human rights and environmental due diligence (mHREDD). DG JUST's mandate is based on the Commission's high-priority sustainable finance strategy and by extension the European Green Deal, and as reflected in the EC's public consultation, it is based on our decade-long work on both directors' responsibilities and mHREDD. The focus on the role of boards corresponds to the [recommendations](#) of the [Purpose of Corporation Project](#), while the focus on mandatory human rights and environmental due diligence is the result of our joint campaign with the [European Coalition for Corporate Justice \(ECCJ\)](#), where we played a key role in setting the strategy, developing legal proposals, delivering [supporting research](#), and promoting the initiative at the EU and UN levels.

We have continued working on the [project coordinated by the European Law Institute and EU Fundamental Rights Agency on business and human rights and access to justice](#). The project coordinator, Diana Wallis, former Vice-President of the European Parliament, presented the interim recommendations (in particular supporting civil liability) to the European Parliament. The final report, for which we have prepared a chapter on collective redress, will be published in Q2 2021.

We collaborated with Prof. Andrew Johnston and Dr. Jeroen Veldman to organize an [academic statement](#) outlining the latest research on sustainable corporate governance and providing recommendations for the European Commission's initiative in this area. The statement, which was published in January 2020, was supported by over 75 academics and experts. We continue collaborating with Prof. Andrew Johnston and Dr. Jeroen Veldman, as reflected in the recent publication of the [high-level open letter](#) we coordinated in support of the EC initiative on sustainable corporate governance (March 2021); supported by over 90 leading academics, the

letter has been signed by former Unilever CEO Paul Polman, Global Chairman at PwC Bob Moritz, Robeco CEO Gilbert Van Hassel, Professor Mervyn King S.C., IIRC Chair Emeritus and author of the King Corporate Governance Codes, and Kerrie Waring, the CEO of International Corporate Governance Network. The letter was published in [Le Monde](#) and covered in multiple media including [Tagesspiegel Background](#) and [Wall Street Journal CFO Journal](#).

We represented the ECCJ, and by extension the voice of European civil society, at high-level events on business and human rights and mandatory sustainability due diligence legislation, such as at the German Federal Ministry of Labour conference (see [online](#)), as well as events specifically addressing the policy coherence and intersection of European initiatives on reporting, due diligence and governance, including the European Responsible Investment Network's annual conference (see [online](#)).

With respect to sustainable corporate governance, we contributed to the [background study](#) prepared by EY for DG JUST, and prepared a [briefing](#) for the relevant part of the European Commission's public consultation, which was broadly reflected by the wider NGO community in their submissions.

We also led NGOs' engagement with MEPs on the EP [report](#) on sustainable corporate governance, which was approved in December.



# Responsible Energy

**Climate change is one of the greatest global challenges today. To prevent dangerous global warming, humanity must fundamentally reduce its greenhouse gas emissions by 2030. Therefore, Frank Bold is establishing and encouraging legal initiatives that promote a shift towards carbon-neutral energy production in the EU. We see the future of the European energy sector in the decentralization and democratization of energy production and the minimization of its negative impacts on the environment and human health. We are also helping to accelerate the phasing out of coal-based energy – especially in Central and Eastern Europe. Within the Czech Republic, we are striving to support the development of renewable energy sources and establish a legal framework for community energy. We are promoting a functional framework for the use of the Modernization Fund for new renewables.**

For many years, we have been using legal tools and strategies to curtail the operations of the largest carbon polluters: coal plants. In the Czech Republic, these plants are being kept open – despite the European-wide trend towards their gradual closure – on the basis of repeatedly granted emissions-limits exceptions.

As a part of our long-term efforts to support renewables, we aim for a more efficient use of investment tools to support the creation of community energy projects and small renewable resources aimed primarily at local consumption. For example, we monitor the distribution of subsidies from the so-called Modernization Fund and are directly involved in official meetings and discussions about the conditions for drawing funds from this new subsidy tool. We are also promoting the establishment of a legal framework to help the further development of decentralized renewable energy systems.

## •What We Worked on in 2020•

### Monitoring the legality of exceptions for coal power plants and industrial emissions.

In 2020, we continued our monitoring of coal plants' requests for exceptions from the new emissions limits with the aim of taking part in the key proceedings concerning the most polluting facilities. We participated in a number of the proceedings on the exemptions for coal power plants that will enter into force on August 18th, 2021 – this means the exceptions for the Chvaletice, Počerady, and Pruněřov plants. We also successfully advocated for stricter NOx emissions limits for the TAMEH industrial heating plant in Ostrava. Most of these proceedings will continue throughout 2021.



*The Chvaletice coal power plant.*

Thanks to our lawsuit against the TAMEH plant, the Supreme Administrative Court of the Czech Republic conceded that even a “mere” extension of a permit to emit the same quantity of pollutants from a large fossil-fuel plant can have a major negative impact on human health and the environment. The ruling included a statement to the effect that officials must enable associations to participate in proceedings of this type, which is an important precedent for broader future public participation in proceedings on changes to integrated permits.

We summarized our experience with the efforts of Czech coal power plants to exploit the gaps in the rules in our analysis [#Emissiongate: The Legal Feints Used by Coal Power Plants](#), which shows precisely which legal loopholes the Czech coal



power plants are exploiting. This analysis, which we published in September of 2020, also saw a favorable [media reception](#).

We are monitoring the industrial emissions situation not only within the Czech Republic, but in all of Europe. At EU level, we participated as legal experts in the review process for industrial emissions guidelines, and provided comments on the related [Inception Impact Assessment](#) to the European Commission. This process will continue in 2021, and the passing of the revised guidelines is planned for 2022.

## A Faster Transition to Renewables

As representatives of the Green Circle association, we participated in the Ministry of Environment's Platform for the Preparation of Rules for the Modernization Fund. Via commenting and negotiations with the MoE, the State Environment Fund, and other participants in this platform, we contributed to preparing the rules under which roughly 180 billion Czech crowns will be distributed in 2021–2030 for the transformation of the energy industry and support for renewables.

We also represented Green Circle at the Coal Commission, where we took part in a working group whose activities focused on setting the ground rules for a phaseout of individual fuels and energy sources, as well as the needed legislative adjustments.

## Protecting Drinking Water from an Expansion of the Turów Mine

In 2020 we fought alongside the Liberec Region and local citizens against the expansion of the mine in Turów, Poland, whose activities have already caused a lack of drinking water for many of the Liberec Region's citizens. Right at the start of the year we filed a complaint with the European Commission, and in March we joined the Liberec Region, local citizens, and Greenpeace Czech Republic to file a 13,000-signature petition pointing out violations of several regulations within European law and the local citizens' alarming situation.



*Presenting a petition in Brussels pointing out violations of several regulations within European law.*

We simultaneously negotiated with European Commission representatives as well as Members of the European Parliament about Poland's violation of European law, because a decision to extend mining until 2026 was issued in Poland at the end of March in a proceeding from which both the public and the Czech Republic were excluded. The mine operator's mining license expired at the end of April, and mining then continued illegally for the rest of the year.

In July we took part in a five-member European Parliament committee at which the petition we filed was discussed, and we obtained support for it throughout the EP factions. In August we took part in a protest near the Polish/Czech/German border by local citizens from all three of these countries affected by the mine. We also defended the interests of the people living near the mine through our participation at the meeting of the Czech Parliament's Environment Committee.

In 2020 we additionally met with experts, with whom we arranged the drafting of assessments of the mine's impacts on Czech water, and initiated meetings during which Czech experts and politicians sought consensus on the facts and the necessary steps.

We also provided our assistance to German partners and local governments, which managed to assess some of the impacts of the mine on their territory in the second half of the year. Subsequently, in October, we attended a press conference on the effects of the Turów mine on German waters in Zittau.



# Legal Service for Citizens

**The Service is a partner to active citizens, who use it to acquire practical legal knowledge and skills, which they then put to use for their own long-term or one-off involvement in public affairs. By supporting active individuals and local initiatives, we work to strengthen civil society. Likewise, via web-accessible law manuals and tips, we strive to educate the public regarding good governance and the basics of legislation.**

Besides comprehensibly presenting legal information, we are also improving citizens' access to justice and simplifying their work on public-interest cases. In our opinion, the future of legal advice lies in online automated services that will lead each client to an understanding of proceedings and the fulfillment of their needs, while also retaining a personal approach and sensitivity of design. And so this is the direction we are taking in the redesign of our legal service and the development of new services.

The Service's long-term goal is to serve the public interest, support civil society, and enable citizens and local initiatives to be more independent in e.g. monitoring local administrations, negotiating with officials and politicians, participating in proceedings, and planning public spaces. Our activities also both directly and indirectly affect those of officials and representatives. Besides their making use of our online advisory services, we also frequently see active citizens and other former clients of the Service making their way into public offices and city councils.

In 2020 we more strongly emphasized testing the use of modern technologies in offering our legal services so as to make them more personalized and efficient.

## •What We Worked on in 2020•

### Online Informational Advisory Service

<b>Visitors to the service's website in 2020</b>	<b>496,845</b>
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The site for our [online advisory service](#) was visited by 496,845 users in 2020, amounting to a slight growth against the previous year. A considerable drop in traffic was registered in the months of the pandemic's first and second wave. However, the service's traffic grew again towards the end of the year.

In 2020, instead of expanding the service, we focused on increasing the quality and unity of its contents. We composed a comprehensive internal guide containing principles and instructions for writing understandable and clear legal texts. Based on these and on the individual sections' levels of traffic, we began rewriting the service's contents. Over the course of the year, roughly one third of the manuals were rewritten; the rest are lined up for 2021.

### Individual Consulting

<b>Queries answered by the legal service</b>	<b>529</b>
<b>Feedback responses received and average rating</b>	<b>208 1.3/5</b>

In 2020, Frank Bold provided its free legal service to individuals throughout the year. In 2020, we did not aim to fundamentally increase the number of queries handled. Instead, our primary goal was to gain a more precise idea of the impact of the consulting we provide. Because of this, in January we began sending clients a survey a month after the delivery of our services, asking them to rate the advice and to provide information on how the case they were working on had progressed.

The vast majority of the ratings were positive, and some clients provided valuable feedback. For most clients, their cases were still in progress after the one-month interval. One pleasant





finding was that 79 % stated that they had taken further steps in their cases. Thus our clients continue to make real-world use of the consulting we offer in their cases.

## Interactive Tools

The Association Founder tool we launched in 2019 was reworked over the course of 2020 into a more advanced version, which we launched mid-year. In October, after its test operation, we began public promotion of the new version. Thus in the last three months of the year, the tool's usage rate rose to 300 uses per month.

Towards the end of the year, we rolled out our "Unprovided Information Guide" into private testing. This tool helps citizens to handle situations in which their official request for information was not handled in accord with the law. The Guide gives them access to arguments prepared in advance for the most common types of unlawful mishandling. The public version of this tool is planned for 2021.

Alongside these comprehensive tools, we also created interactive versions of several common legal templates, primarily those for appeals in administrative proceedings and for fighting administrative orders. The templates provide users a more accessible option for filling out sample documents. They also let us extend them to include templates for specific situations while keeping the service easy to understand.



# Reconstruction of the State

**Reconstruction of the State advocates for systemic measures against the misuse of public funds and lobbies in favor of smart laws for good state administration and a healthy democracy. In 2020 we watched over the activities of the state during the pandemic, assessed candidates in the Senate elections and promoted several anti-corruption laws that still need to be passed before the end of the electoral period.**

## •What We Worked on in 2020•

### The Real Owners Register

Last year we lobbied to stop the flow of public money into anonymous companies. We pushed through a requirement for companies to state their actual owners in a register as a condition for acquiring subsidies and public orders. Roughly 18 billion crowns of public funds end up in tax havens each year; it should now be clearer where exactly this money ends up. We also teamed up with the Lexperanto association to publish a manual from which parties that place orders can learn how to uncover a given supplier's real owner and ownership structure.

### Reform of the Office for the Protection of Competition

In cooperation with Transparency International, we prepared a specific proposal regarding how to reform the Office for the Protection of Competition, which should lead to more transparent and thorough oversight of public orders. Along with the Ministry for Local Development, we also prepared a methodology that introduces clear rules for small-scope public orders.



### Senate Elections

Senate elections were held last year, and just as during the parliamentary elections, Reconstruction of the State gave voters a clear overview of which candidates support anti-corruption laws. Besides a questionnaire on candidates' future support for individual measures, we also used available data to evaluate past voting by incumbent senators.

### Keep the Lights On!

In Spring the government launched an aid project to dampen the impacts of the coronavirus crisis. We published an [evaluation of the individual government programs](#) wherein we assessed their transparency, fairness, and effectiveness. We called attention to the stories of people forgotten by the government. We sent the government nine packages of recommendations for better management of the pandemic within legislation, including a proposal on a legal framework for fighting the pandemic that was ultimately used to replace the state of emergency.



## Independent Oversight of State Companies

We continued our lobbying for an expansion of the Supreme Audit Office's oversight over state companies and other institutions. Our reason here is that a billion crowns in public funds still lie outside of any sort of independent oversight. In Parliament we successfully promoted a change to the Constitution that enables an expansion of the SAO's authority. At our recommendation the MPs also presented proposals that will relieve municipalities of superfluous audits.

## Effective Freedom of Information for Citizens

We prepared comprehensive proposals on how to repair a high-risk proposed legislative amendment to the Freedom of Information Act that could fundamentally restrict citizens' right of access to information. We succeeded in arranging the first reading of the amendment at an exceptional meeting of Parliament called to discuss anti-corruption laws.

## Digitalization of the State Administration

We lobbied to legally require district, regional, and supreme courts to publish their decisions on the internet. The key measures have already been supported by Parliament. We helped to update

the methodology for the Register of Contracts, and thus the state will now publish contracts in a machine-readable form; we also recommended measures to the government for better handling of the pandemic via digitalization and evaluated how well the government is keeping its promises regarding the digitalization of the state.

## Reform of the Debt Collection Law

In the second half of the year, and the other organizations united in the Platform for Debt Collection Reform launched a [campaign](#) for the establishment of "territoriality" for debt collectors and the principle of one debtor – one collector. The national debt-collection law has been waiting 20 years for reform, and meanwhile debt spirals are among the greatest problems of the Czech Republic. Territoriality would help to balance the system and limit the "trafficking" of debts that comes from the current market environment.

## Communication

We've given our [Reflektor](#) mobile app for direct communication between citizens and politicians a makeover and used public campaigns to quadruple its number of users; these users assessed politicians for their voting over 17,000 times during the year.

We also saw success with our [campaign](#) to end subsidies and public orders for anonymous companies, publicly launched the [Network for the Defense of Democracy](#), and organized several press conferences, e.g. one for the Keep the Lights On project and one to present our reform plan for the Office for the Protection of Competition. We also recognized the eight [senators](#) fighting hardest against corruption. Last year Reconstruction of the State was mentioned a total of 836 times in the media, and we passed the milestone of 30,000 fans on Facebook.

In autumn, Reconstruction of the State launched a podcast called [Good News](#) in which we discuss current topics in Czech politics with our guests. We also provide a public record of our lobbying meetings via the [Diary of a Lobbyist](#) Twitter feed.



## Engaging Active Citizens

In 2020 we shared our lobbying know-how with citizens at six free workshops entitled “Lobby With a Clean Conscience” – in Liberec, Prague, and Brno in Spring, and three more online during the pandemic. The associated book “A Guide to the World (and the Light) in Lobbying” was downloaded by 200 potential citizen lobbyists. We also organized two live weekend meetings that allowed participants to practice for lobbying meetings and get to know the then-director of Transparency International Czech Republic, David Ondráček and Pirate MP Mikuláš Ferjenčík. These ambassadors addressed politicians in over 2,000 cases and significantly built up their confidence and preparedness for citizen-lobbying meetings. They played roles in e.g. Senate proceedings on an expansion to the authority of the Supreme Audit Office, elections to media councils, legislative changes called forth by the corona crisis, and territoriality for debt collectors.



## The Network for the Defense of Democracy

[The Network for the Defense of Democracy](#) is tasked with monitoring threats to democracy as well as uniting various currents towards one shared goal – the defense of democracy. Last year we began recruitment of member organizations and officially presented the Network to the public. Over 100 members, drawn from among companies and non-profit organizations, joined in by the end of the year. We also strengthened the Network’s expertise-related activities and started providing expert opinions on current events to the media and publishing our regular reports on the state of democracy in a new, clearer design. At the end of the year we launched the Network’s first branding campaign.





## Our Donors

We would hereby like to **express our thanks towards everyone who supported the activities of our non-profit teams during the last year.** We could not have made it without your help.

Reconstruction of the State's budget for 2020 was roughly **10.6 million crowns**. About 80% of this was covered via donations from private donors, while the remainder was financed via grants. The foundations, funds, and embassies that have been supporting us long-term (the BLÍŽKSOBĚ Foundation, the Zeměkvět Foundational Fund, Civitates, and The Embassy of the USA in the CR) have newly been joined by Civic Europe, the Open Society Foundation via the Stronger Roots program, and Open Society Initiative for Europe. We are immeasurably pleased to have been able to increase the budget of Reconstruction of the State by roughly 20% thanks to donors' gifts and to funds acquired from grants.

One major patron of the legal support provided by the **Legal Service for Citizens** team was the Ministry of Justice, from which we acquired finances in the framework of its [Corruption Prevention](#) donations. The donors who decided to support our free legal consulting service include [the Via Foundation](#), [the BLÍŽKSOBĚ Foundation](#), and many individual supporters.

**We also deeply appreciate our support from institutions, and we also thank the organizations** that supported us with grants, contributions, and non-financial aid.



## Grants and Contributions

			
Supporter of Reconstruction of the State and Legal Service for Citizens	Supporter of Reconstruction of the State	Supporter of Reconstruction of the State	Supporter of Responsible Companies
			
Supporter of Reconstruction of the State	Supporter of Responsible Companies	Supporter of Responsible Energy and Responsible Companies	Supporter of Responsible Companies
			
Supporter of Responsible Companies	Supporter of Responsible Companies	Supporter of Reconstruction of the State	Supporter of Responsible Companies
			
Supporter of Responsible Companies	Supporter of Responsible Companies	Supporter of Responsible Energy	Supporter of Responsible Energy
			
Supporter of Legal Service for Citizens	Supporter of Responsible Companies	Supporter of Reconstruction of the State	



## Individual Donors

**We would like to thank all of the donors that have contributed 100,000 CZK or more:**

<b>Lubomír Bárta</b>	<b>Supported: Reconstruction of the State</b>
<b>David Holý</b>	<b>Supported: Reconstruction of the State</b>
<b>Jan Barta</b>	<b>Supported: Reconstruction of the State</b>
<b>Y Soft Corporation, a.s.</b>	<b>Supported: Reconstruction of the State</b>
<b>STUDENT AGENCY, k.s.</b>	<b>Supported: Reconstruction of the State</b>
<b>Martin Hájek</b>	<b>Supported: Reconstruction of the State</b>
<b>Libor Winkler</b>	<b>Supported: Reconstruction of the State</b>
<b>Dušan Šenkypf</b>	<b>Supported: Reconstruction of the State</b>
<b>Livesport s.r.o.</b>	<b>Supported: Legal Service for Citizens</b>
<b>Ondřej Fryc</b>	<b>Supported: Reconstruction of the State</b>
<b>Partners Financial Services</b>	<b>Supported: Reconstruction of the State</b>
<b>Brno Investment Group</b>	<b>Supported: Reconstruction of the State</b>
<b>Šimon Vostrý</b>	<b>Supported: Reconstruction of the State</b>
<b>Michal Nýdrle</b>	<b>Supported: Reconstruction of the State</b>
<b>Adam Milata</b>	<b>Supported: Legal Service for Citizens</b>

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<b>MEGAPIXEL s.r.o.</b>	<b>Supported: Reconstruction of the State</b>
<b>JABLOTRON ALARMS a.s.</b>	<b>Supported: Reconstruction of the State</b>
<b>Mateřská škola Safirka s.r.o.</b>	<b>Supported: Legal Servis for Citizens</b>



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# Financial Report



Frank Bold Society is a non-profit organization and a member of the **Frank Bold** group. This group's other members in the Czech Republic are the attorneys' office **Frank Bold Attorneys**, the accounting and consulting office **Frank Bold Advisory**, the company **Frank Bold Energy**, and the association **Frank Bold Kids**, which operates a children's nursery in the forest (Sýkorka) and a children's forest club (Medlánka). The group also has a Polish member, **Fundacja Frank Bold**.

## The Financing of Frank Bold's Sections

- Frank Bold Attorneys is a law office that is financed through its own commercial projects.
- Frank Bold Advisory is a consulting and accounting company financed through commercial orders.
- Frank Bold Energy is a company financed through its own commercial projects.
- Frank Bold Kids, which works for children's preschool education, is financed from member contributions, gifts, loans, its own income, and state grants.

- Frank Bold Society is financed from its own income and above all a number of grants, foundations, and private and corporate donors.
- The Frank Bold Attorneys law office is among these donors. It contributes both materially (the Society utilizes its infrastructure for free) and financially.
- The non-profit Fundacja Frank Bold is financed through grants and its own income.

Each of these entities is financed separately. Financial relationships among them do exist, in the form of the mentioned donations from the Frank Bold Attorneys law office to the individual associations. Additionally, the Frank Bold Society occasionally orders the services of Frank Bold Attorneys for its projects.

## Preventing Commercial/Non-profit Conflicts of Interest in the Group

The activities of Frank Bold's commercial entities and Frank Bold Society are separate. They are, however, governed by the same values and are not in conflict. The two entities coordinate their activities to the extent needed to prevent any



conflicts of interest – for example any situation where Frank Bold Society would be aiding one side in a dispute, and Frank Bold Attorneys would be representing the other.

Frank Bold Attorneys also has a strict [code of ethics](#) that governs what orders it will accept. It does not represent parties engaged in corruption, the covering up of crimes, money laundering, harm to the environment, or violations of human rights. This office’s clients have no influence on the activities and priorities of Frank Bold Society.

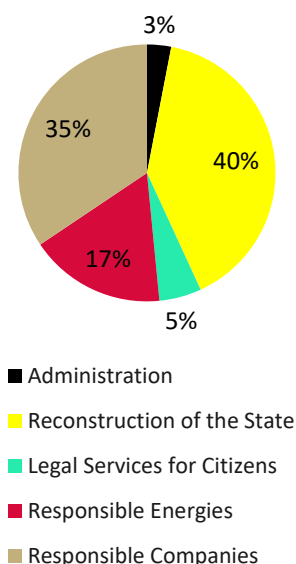
## Frank Bold Society’s Expenses and Revenues

The overview below shows Frank Bold Society’s expenses and revenues in 2020. The graph summarizes the percentual division of the association’s expenses among individual working groups to provide a better idea of the financial demands produced by the individual teams’ activities.

Regarding the information listed in the profit and loss report – for grants and subsidies, these are the funds used in the given year. Frank Bold Society performs its accounting, in accord with the binding methodology for these finances, in a fund-based manner, i.e. finances received are first booked to the fund and are only rebooked to

revenues at the moment of their use in a given year. Finances left in the fund for use in future years thus do not appear among the revenues for the current year. Meanwhile, the table does contain finances acquired in previous years that were used in the current year. Meanwhile, the donation listings shown below are amounts accepted in the given year, which, however, may not necessarily have been used in the same year.

Ratio of costs among individual teams





<b>COSTS</b>	<b>IN WHOLE CZK</b>	<b>REVENUES</b>	<b>IN WHOLE CZK</b>
office supplies	204,567	from our own activities	412,616
literature and periodicals	22,596	interest on credit	248
travel	152,686	other (exchange gains, pre-invoicing, funds)	80,990
self-promotion (primarily food at the Society's events)	393,173	gifts from physical and legal persons – Reconstruction of the State	9,734,946
communication costs (including postage)	187,029	gifts from physical and legal persons – other	1,166,937
printing, copying, and publicity	1,868,617	<i>grants from public and EU budgets</i>	
rent (incl. rent-related services and energy)	1,249,920.	European Commission – LIFE +	–
short-term rentals (primarily rentals of spaces for events)	144,009	Ministry of Justice	427,005
legal services and fees	84,034	US Embassy	237,460
analyses and expert opinions	5,785,715	Deutsche Gesellschaft für Internationale Zusammenarbeit	611,184
translations and interpreting	73,853	The International Visegrad Fund	528,413
training courses and seminars	40,323	<i>grants from foundations and associations</i>	
software	94,081	The European Climate Foundation	4,056,446
salary costs	11,138,928	The Open Society Institute	565,779
taxes, welfare insurance, and health insurance	2,700,539	The Centre for Research on Multinational Corporations (SOMO)	28,602
donations and membership fees	57,958	The Wallace Global Fund	366,559
banking fees	11,109	The Sigrid Rausing Trust	2,930,130
other (exchange losses, penalties, audits, and other services)	2,747,718	The Joseph Rowntree Charitable Trust	1,300,075
<b>TOTAL COSTS</b>	<b>26,956,853</b>	Laudes Foundation	623,230
		Friends Provident Foundation	534,842
		True Costs Initiative	345,900
		C&A Foundation	890,718
		The BLÍŽKSOBĚ Foundation	1,280,000
		The Orlický Family Charity Fund	58,260



		Freedom Fund	345,900
		The Wallace Global Fund	345,900
		The Open Society Fund Prague	60,999
		CAN – Climate Action Network Europe Headquarters	235,932
		<b>REVENUE TOTAL</b>	<b>27,169,073</b>
<b>FINANCIAL OUTCOME – PROFIT</b>			<b>212,219</b>



<b>DEFERRED REVENUE</b>	<b>IN WHOLE CZK</b>
The Sigrid Rausing Trust	636,212
Deutsche Gesellschaft für Internationale Zusammenarbeit	21,003
European Climate Foundation for Responsible Energy	1,337,241
European Climate Foundation for Responsible Companies	988,875
US Embassy	113,480
The Open Society Fund Prague	202,767
Civic Europe	206,841
Laudes Foundation	3,376,520
The Joseph Rowntree Charitable Trust	190,504
gifts from physical and legal persons – Reconstruction of the State	1,913,999
gifts from physical and legal persons – other	48,254
<b>TOTAL</b>	<b>9,035,695</b>



**22HLAV**  
audit & consult

MSI Global Alliance  
Independent Member Firm

**INDEPENDENT AUDITOR'S REPORT**  
**on the 2020 Financial Statements**

**of**

**Frank Bold Society, z.s.**

**Prague, 14<sup>th</sup> July 2021**





## **INTRODUCTORY DATA**

### **Audited entity**

Frank Bold Society, z.s.  
Údolní 567/33, Brno-město, 602 00 Brno  
CRN: 653 41 490

Subject of activity:

- Organizing campaigns and petition activities for the protection of the environment, cultural monuments, consumer rights, human rights, protection against discrimination, implementation and protection of other public interests
- Participation in the administration and other proceedings in which the interests of environmental protection, consumer rights and other public interests may be affected

### **Audit Report receiver**

Senior Management of the Company

### **Subject of the audit**

Financial Statements for the year ended 31 December 2020 – accounting period 1.1.2020 – 31.12.2020

### **Audit dates**

15.4.2021 – 14.7.2021

### **Audit performed and Audit Report prepared by**

22HLAV s.r.o.  
Všebořická 82/2, Ústí nad Labem  
Audit firm licence No. 277  
Member of MSI Global Alliance,  
Legal & Accounting Firms

responsible auditor: Ing. Jan Černý, Auditor licence No. 2455



# INDEPENDENT AUDITOR'S REPORT

for the founder of Frank Bold Society, z.s.

## Financial Statements Audit Report

### Opinion

We have audited the accompanying financial statements of Frank Bold Society, z.s. (hereinafter also the “Organization”) prepared in accordance with accounting principles generally accepted in the Czech Republic, which comprise the balance sheet as at 31 December 2020, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. For details of the Organization, see introductory paragraph in notes to the financial statements.

In our opinion, the financial statements **give a true and fair view of the financial position of Frank Bold Society, z.s. as at 31 December 2020 and of its financial performance for the year then ended** in accordance with accounting principles generally accepted in the Czech Republic.

### Basis for Opinion

We conducted our audit in accordance with the Act on Auditors, Regulation (EU) No. 537/2014 of the European Parliament and the Council, and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application clauses. Our responsibilities under this law and regulation are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Annual Report other than the financial statements and auditor’s report thereon. The Committee of the Association is responsible for the other information.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable law or regulation, in particular, whether the other information complies with law or regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.



Based on the procedures performed, to the extent we are able to assess it, we report that:

- The other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- The other information is prepared in compliance with applicable law or regulation.

In addition, our responsibility is to report, based on the knowledge and understanding of the Organization obtained in the audit, on whether the other information contains any material misstatement of fact. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement of fact.

### **Responsibilities of the Committee of the Association for the Financial Statements**

The Committee of the Association is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the Czech Republic and for such internal control as the Committee of the Association determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Committee of the Association is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of the Association either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the above law or regulation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of the Association.
- Conclude on the appropriateness of the Committee's of the Association use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related



disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Committee of the Association regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

22HLAV s.r.o.  
Member of MSI Global Alliance, Legal & Accounting Firms  
Všebořická 82/2, 400 01 Ústí nad Labem  
Audit firm licence No. 277

In Prague, 14<sup>th</sup> July 2021



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C=CZ, OU=6, O=22HLAV  
s.r.o., CN=Ing. Jan Černý,  
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Ing. Jan Černý  
Auditor licence No. 2455

This Auditor's Report includes the following attachments:

1. Balance sheet as of 31.12.2020
2. Income statement for the year ended 31.12.2020
3. Notes for the year ended 31.12.2020

This Audit Report is a translation of the Czech Audit Report for the audit of the 2019 financial statements.

R1

**BALANCE SHEET**  
as of 31 December 2020  
(in thousands rounded up to the next CZK)

Identification No. (IČO)  
65341490


office

Name and registered

of the accounting unit

Compiled in compliance with  
Decree No. 504/2002, Coll.,  
as amended

**Frank Bold Society**  
**Údolní 33**  
**602 00 Brno**

ASSETS		Line number	Balance as of the first day of accounting period	Balance as of the last day of accounting period
a		b	1	2
A.	<b>Total fixed assets (lines 02 + 10 + 21 – 28)</b>	1	80	59
A.I.	<b>Intangible fixed assets (lines 03 through 09)</b>	2	0	0
A.I.1.	Research and development (012)	3	0	0
A.I.2.	Software (013)	4	0	0
A.I.3.	Valuable rights (014)	5	0	0
A.I.4.	Low-value intangible fixed assets (018)	6	0	0
A.I.5.	Other intangible fixed assets (019)	7	0	0
A.I.6.	Intangible fixed assets in progress (041)	8	0	0
A.I.7.	Advance payments for intangible fixed assets (051)	9	0	0
A.II.	<b>Total tangible fixed assets (lines 11 through 20)</b>	10	84	84
A.II.1.	Land (031)	11	0	0
A.II.2.	Works of art and collections (032)	12	0	0
A.II.3.	Assets under construction (021)	13	0	0
A.II.4.	Tangible movable assets and sets thereof (022)	14	84	84
A.II.5.	Grown-up animals and their groups (025)	15	0	0
A.II.6.	Breeding and draught animals (026)	16	0	0
A.II.7.	Low-value tangible fixed assets (028)	17	0	0
A.II.8.	Other tangible fixed assets (029)	18	0	0
A.II.9.	Tangible fixed assets in progress (042)	19	0	0
A.II.10.	Advances payments for tangible fixed assets (052)	20	0	0
A.III.	<b>Long-term financial assets (lines 22 through 27)</b>	21	2	0
A.III.1.	Shares – controlled or controlling person (061)	22	0	0
A.III.2.	Shares – substantial interest (062)	23	0	0
A.III.3.	Debt securities held until maturity (063)	24	0	0
A.III.4.	Loans provided to branches (066)	25	0	0
A.III.5.	Other long-term loans (067)	26	0	0
A.III.6.	Other long-term financial assets (069)	27	2	0
Sent on: 21 June 2021		Official stamp: <b>Frank Bold</b> Frank Bold Society, z.s. Údolní 33, 602 00 Brno Tel.: + 420 545 575 229 E-mail: <a href="mailto:info@frankbold.org">info@frankbold.org</a> Identification No. (IČO): 653 414 90		Signature of the head of the accounting unit: Stanislav Kutacek  <i>illegible signature</i> 

		Line number	Balance as of the first day of accounting period	Balance as of the last day of accounting period
a		b	1	2
A.IV.	<b>Total accumulated depreciation and accumulated amortization on fixed assets (lines 29 through 39)</b>	28	-6	-25
A.IV.1.	Accumulated amortization – research and development (072)	29	0	0
A.IV.2.	Accumulated amortization – software (073)	30	0	0
A.IV.3.	Accumulated amortization – valuable rights (074)	31	0	0
A.IV.4.	Accumulated amortization – low value intangible fixed assets (078)	32	0	0
A.IV.5.	Accumulated amortization – other intangible fixed assets (079)	33	0	0
A.IV.6.	Accumulated depreciation – constructions (081)	34	0	0
A.IV.7.	Accumulated depreciation – separate tangible movable assets and sets thereof (082)	35	-6	-25
A.IV.8.	Accumulated depreciation – cultures and crops (085)	36	0	0
A.IV.9.	Accumulated depreciation – breeding and draught animals (086)	37	0	0
A.IV.10.	Accumulated depreciation – low-value tangible fixed assets (088)	38	0	0
A.IV.11.	Accumulated depreciation – other tangible fixed assets (089)	39	0	0
B.	<b>Total short-term assets (lines 41 + 51 + 71 + 80)</b>	40	6,557	13,471
B.I.	<b>Total inventories (lines 42 through 50)</b>	41	0	0
B.I.1.	Material in stock (112)	42	0	0
B.I.2.	Material in transit (119)	43	0	0
B.I.3.	Work-in-process (121)	44	0	0
B.I.4.	Work-in progress (122)	45	0	0
B.I.5.	Finished products (123)	46	0	0
B.I.6.	Young animals and their groups (124)	47	0	0
B.I.7.	Goods in stock and in shops (132)	48	0	0
B.I.8.	Goods in transit (139)	49	0	0
B.I.9.	Advances provided for inventories (314)	50	0	0
B.II.	<b>Total receivables (lines 52 through 70)</b>	51	4,459	1,906
B.II.1.	Trade debtors (311)	52	57	0
B.II.2.	Bills of Exchange to be collected (312)	53	0	0
B.II.3.	Receivables from discounting securities (313)	54	0	0
B.II.4.	Advance payments made (314+line 50)	55	23	0
B.II.5.	Other receivables (315)	56	0	0
B.II.6.	Receivables due from employees (335)	57	-10	4
B.II.7.	Receivables due from social security and public health insurance institutions (336)	58	0	0
B.II.8.	Income tax (341)	59	0	0
B.II.9.	Other direct taxes (342)	60	41	0
B.II.10.	Value added tax (343)	61	2	0
B.II.11.	Other taxes and fees (345)	62	0	0
B.II.12.	Claims to subsidies and other settlements with state budget (346)	63	0	0
B.II.13.	Claims to subsidies and other settlements with budgets of independent territorial units (348)	64	0	0

			Line number	Balance as of the first day of accounting period	Balance as of the last day of accounting period
a			b	1	2
B.II.14.	Receivables due from from partners associated in the company	(358)	65	0	0
B.II.15.	Receivables from fixed forward operations and options	(373)	66	0	0
B.II.16.	Receivables from bonds issued	(375)	67	0	0
B.II.17.	Other receivables	(378)	68	4,319	1,916
B.II.18.	Estimated receivables	(388)	69	0	0
B.II.19.	Adjustment to receivables	(391)	70	0	0
B.III.	<b>Total short-term financial assets (lines 72 through 79)</b>		71	1,446	10,743
B.III.1.	Cash on hand	(211)	72	292	54
B.III.2.	Stamps, coupons and vouchers	(213)	73	0	1
B.III.3.	Cash at bank	(221)	74	1,154	10,688
B.III.4.	Shares and other securities for trading	(251)	75	0	0
B.III.5.	Debt securities for trading	(253)	76	0	0
B.III.6.	Other securities	(256)	77	0	0
B.III.7.	Short-term financial assets in progress	(259)	78	0	0
B.III.8.	Cash in transit	(+/-261)	79	0	0
B.IV.	<b>Total other assets (lines 81 + 82)</b>		80	682	882
B.IV.1.	Prepaid expenses	(381)	81	682	0
B.IV.2.	Accrued revenues	(385)	82	0	882
	<b>TOTAL ASSETS (lines 1 + 40)</b>		83	6,637	13,530
	Check figure (lines 1 through 83)		997	26,581	54,265

LIABILITIES		Line number	Balance as of the first day of accounting period	Balance as of the last day of accounting period
c		d	3	4
A.	<b>Total equity (lines 85 + 89)</b>	84	<b>1,636</b>	<b>1506</b>
A.I.	<b>Total assets (lines 86 through 88)</b>	85	228	228
A.I.1.	Equity (901)	86	41	41
A.I.2.	Funds (911)	87	187	187
A.I.3.	Gains/losses from revaluation of financial assets and liabilities (921)	88	0	0
A.II.	<b>Total profit (lines 90 through 92)</b>	89	1,408	1278
A.II.1.	Profit/loss (+/-963)	90	X	212
A.II.2.	Profit/loss to be approved (+/-931)	91	-1,185	X
A.II.3.	Retained earnings, accumulated losses from previous years (+/-932)	92	2,593	1,066
B.	<b>Total liabilities (lines 94 + 96 + 104 + 128)</b>	93	<b>5,002</b>	<b>12,024</b>
B.I.	<b>Total reserves (line 95)</b>	94	0	0
B.I.1.	Reserves (941)	95	0	0
B.II.	<b>Total long-term liabilities (lines 97 through 103)</b>	96	0	0
B.II.1.	Long-term loans (953)	97	0	0
B.II.2.	Bonds issued (953)	98	0	0
B.II.3.	Liabilities on lease (954)	99	0	0
B.II.4.	Long-term advance payments received (955)	100	0	0
B.II.5.	Long-term liabilities for Bills of Exchange (958)	101	0	0
B.II.6.	Estimated payables (389)	102	0	0
B.II.7.	Other long-term liabilities (959)	103	0	0
B.III.	<b>Total short-term liabilities (lines 105 through 127)</b>	104	<b>2,123</b>	<b>2,988</b>
B.III.1.	Trade creditors (321)	105	1,293	478
B.III.2.	Bills of Exchange to be paid (322)	106	0	0
B.III.3.	Advance payments received (324)	107	0	0
B.III.4.	Other liabilities (325)	108	2	2
B.III.5.	Employees (331)	109	543	816
B.III.6.	Other liabilities toward employees (333)	110	41	28
B.III.7.	Liabilities due to social security and public health insurance institutions (336)	111	264	361
B.III.8.	Income tax (341)	112	0	0
B.III.9.	Other direct taxes (342)	113	0	13
B.III.10.	Value added tax (343)	114	0	0
B.III.11.	Other taxes and fees (345)	115	0	0
B.III.12.	Liabilities from relation to state budget (346)	116	0	0
B.III.13.	Liabilities from relation to budgets of independent territorial units (348)	117	0	0
B.III.14.	Liabilities from subscribed unpaid securities and shares (367)	118	0	0
B.III.15.	Liabilities toward partners associated in the company (368)	119	0	0
B.III.16.	Liabilities from fixed forward operations and options (373)	120	0	0
B.III.17.	Other creditors (379)	121	-20	1,304
B.III.18.	Short-term bank loans (231)	122	0	0
B.III.19.	Credits for discounted securities (232)	123	0	0
B.III.20.	Short-term bonds issued (241)	124	0	0
B.III.21.	Own bonds (255)	125	0	0
B.III.22.	Estimated liabilities (389)	126	0	0
B.III.23.	Other short-term debentures issued (379)	127	0	0
B.IV.	<b>Total other liabilities (lines 129 + 130)</b>	128	<b>2,879</b>	<b>9,036</b>
B.IV.1.	Prepaid expenses (383)	129	0	0
B.IV.2.	Accrued revenues (384)	130	2,879	9,036
	<b>TOTAL LIABILITIES (lines 84 + 93)</b>	131	<b>6,638</b>	<b>13,530</b>
	Check figure (lines 84 through 131)	998	<b>26,550</b>	<b>54,120</b>



**PROFIT AND LOSS ACCOUNT**  
as of 31 December 2020  
(in thousands rounded up to the next CZK)


Identification No. (IČO)  
65341490

Compiled in compliance with  
Decree No. 504/2002, Coll.,  
as amended

**Frank Bold Society**  
Údolní 33  
602 00 Brno

Line number	Item	Line number	Core activities	Economic activities	Total
			1	2	3
A.	<b>Costs (line 39)</b>	1	<b>26,957</b>	<b>0</b>	<b>26,957</b>
A.I.	<b>Total consumed purchases and purchased services (line 3 through 8)</b>	2	<b>12,779</b>	<b>0</b>	<b>12,779</b>
A.I.1	Consumed materials, energy and other non-inventory items (501-3)	3	241	0	241
A.I.2	Merchandise sold (504)	4	0	0	0
A.I.3	Repairs and maintenance (511)	5	0	0	0
A.I.4	Travel expenses (512)	6	153	0	153
A.I.5	Entertainment and promotion expenses (513)	7	393	0	393
A.I.6	Other services (518)	8	11,992	0	11,992
A.II.	<b>Change of levels of inventories from own activities and capitalization of materials, merchandise, internal services and fixed assets (lines 10 through 12)</b>	9	<b>0</b>	<b>0</b>	<b>0</b>
A.II.7	Changes of levels of inventories from own activities (56x)	10	0	0	0
A.II.8	Capitalization of materials, merchandise and internal services (57x)	11	0	0	0
A.II.9	Capitalization of fixed assets	12	0	0	0
A.III.	<b>Total personnel costs (lines 14 through 18)</b>	13	<b>13,839</b>	<b>0</b>	<b>13,839</b>
A.III.10	Wages and salaries (521)	14	11,139	0	11,139
A.III.11	Statutory social insurance (524)	15	2,153	0	2,153
A.III.12	Other social insurance (525)	16	0	0	0
A.III.13	Statutory social expenses (527)	17	409	0	409
A.III.14	Other social expenses (528)	18	138	0	138
A.IV.	<b>Total taxes and fees (line 20)</b>	19	<b>11</b>	<b>0</b>	<b>11</b>
A.IV.15	Taxes and fees (53x)	20	11	0	11
A.V.	<b>Total other costs (lines 22 through 28)</b>	21	<b>249</b>	<b>0</b>	<b>249</b>
A.V.16	Contractual penalties, default interests and other fines and penalties (541)	22	0	0	0
A.V.17	Write-off of uncollectible account receivable (543)	23	42	0	42
A.V.18	Cost interests (544)	24	7	0	7
A.V.19	Foreign exchange losses (545)	25	200	0	200
A.V.20	Gifts and donations (546)	26	0	0	0
A.V.21	Shortages and damages (548)	27	0	0	0
A.V.22	Other expenses (549)	28	0	0	0
A.VI.	<b>Total depreciation and amortization, assets sold and creation of reserves and adjustments (lines 30 through 34)</b>	29	<b>21</b>	<b>0</b>	<b>21</b>
A.VI.23	Amortization of fixed intangible assets and depreciation of tangible fixed assets (551)	30	19	0	19
A.VI.24	Fixed assets sold (552)	31	0	0	0
A.VI.25	Securities and shares sold (553)	32	2	0	2
A.VI.26	Material sold (554)	33	0	0	0
A.VI.27	Creation of reserves and adjustments (556-9)	34	0	0	0
A.VII.	<b>Total contributions provided (line 36)</b>	35	<b>58</b>	<b>0</b>	<b>58</b>
A.VII.28	Provided membership fees and contributions settled between branches (58x)	36	58	0	58
A.VIII.	<b>Total income tax (line 48)</b>	37	<b>0</b>	<b>0</b>	<b>0</b>
A.VIII.29	Income tax (59x)	38	0	0	0
	<b>TOTAL COSTS</b>	39	<b>26,957</b>	<b>0</b>	<b>26,957</b>

Line number	Item	Line number	Core activities	Economic activities	Total
			1	2	3
B.	<b>Revenues (line 64)</b>	40	27,075	94	27,169
B.I.	<b>Operating subsidies (line 42)</b>	41	0	0	0
B.I.1	Operating subsidies (691)	42	0	0	0
B.II.	<b>Total contributions received (lines 44 through 46)</b>	43	26,675	0	26,675
B.II.2	Received contributions settled between branches (681)	44	0	0	0
B.II.3	Contributions (gifts and donations) received (682)	45	26,675	0	26,675
B.II.4	Membership fees received (684)	46	0	0	0
B.III.	<b>Total revenues from own products, services and merchandise (lines 48 through 50)</b>	47	318	94	412
B.III.1	Revenues from own products (601)	48	0	0	0
B.III.2	Revenues from services sold (602)	49	318	94	412
B.III.3	Revenues from merchandise sold (604)	50	0	0	0
B.IV.	<b>Total other revenues (lines 52 through 57)</b>	51	81	0	81
B.IV.5	Contractual penalties, default interest and other fines and penalties (641-2)	52	0	0	0
B.IV.6.	Payments for write off of trade debtors (643)	53	2	0	2
B.IV.7	Interest receivable (644)	54	0	0	0
B.IV.8	Foreign exchange gains (645)	55	19	0	19
B.IV.9	Funds settlement (648)	56	21	0	21
B.IV.10	Other proceeds (649)	57	39	0	39
B.V.	<b>Total revenues from sales of assets and settlement of reserves and adjustments (lines 59 through 63)</b>	58	0	0	0
B.V.11	Revenues from sales of intangible and tangible fixed assets (652)	59	0	0	0
B.V.12.	Revenues from sales of securities and shares (653)	60	0	0	0
B.V.13	Revenues from sales of material (654)	61	0	0	0
B.V.14	Revenues from short-term securities (655)	62	0	0	0
B.V.15	Revenues from long-term securities (657)	63	0	0	0
	<b>TOTAL REVENUES</b>	64	27,075	94	27,169
C.	<b>PROFIT/LOSS BEFORE TAX (lines 39 – 64 + 38)</b>	65	118	94	212
A.VIII.29	Income tax (591)	66	0	0	0
D.	<b>PROFIT/LOSS AFTER TAX (lines 65 – 66)</b>	67	118	94	212
	Check figure (lines 1 through 67)	999	216,362	564	216,926

Sent on: 21 June 2021	Official stamp: <b>Frank Bold</b> Frank Bold Society, z.s. Údolní 33, 602 00 Brno Tel.: + 420 545 575 229 E-mail: <a href="mailto:info@frankbold.org">info@frankbold.org</a> Identification No. (IČO): 653 414 90	Signature of the head of the accounting unit: Stanislav Kutacek <i>illegible signature</i> 
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## Annex to final financial statements for 2020

### Frank Bold Society, spolek

Údolní 567/33, Brno, postal code 602 00

Identification No. (IČ): 65341490

The accounting unit was incorporated on 11 November 1997 and entered into the register under the new name Frank Bold Society (the preceding name was Ekologický právní servis) on 1 January 2014.

The accounting period is the period between 1 January 2020 and 31 December 2020.

The books of accounts are maintained in compliance with the Accounting Act and the applicable accounting regulations.

Frank Bold Society (hereinafter “FBS”) is a small accounting unit keeping accounts in an electronic double-entry bookkeeping system using KELEXPRESS software of KELOC CS, s.r.o.

Members’ meeting comprising Mgr. Jiří Nezhyba, Mgr. Pavel Franc, Mgr. Martin Fadrný and Mgr. Pavel Černý is FBS’s statutory body.

FBS uses chart of accounts for not-for-profit organizations consisting of five-digit accounts; 4<sup>th</sup> and 5<sup>th</sup> digits represent analytical subaccounts as required from time to time.

Tangible and intangible fixed assets were removed from accounting records in 2010 since they are no longer used in FBS.

Low-value tangible fixed assets are recorded in off-balance sheet account No. 97128X “Day-to-day records of low-value inventories”. The assets are depreciated at the moment of purchase in accounts Nos. 50100 “Office supplies” and 50128 “Low-value assets accounted for directly as used”.

Cash financial transactions in foreign currencies are typically accounted using the current exchange rate as of the date of the relevant accounting operation. Another accounting procedure for foreign exchange transactions is used where donors so request. Such procedure is then described in the relevant conditions or grant agreements.

Material is accounted for directly as used at the moment of purchase. At the balance sheet date, all purchased material was consumed.

Reimbursement for travel expenses and fares is stipulated in internal directives issued by members' meeting.

A credited EPS ticket is recorded in account No. 21313 - "Stamps". Other stamps (such as fee stamps or postage stamps) are accounted directly as used at the moment of purchase and posted to the relevant cost accounts.

The income from grants, subsidies and certain special purpose gifts or donations, although no corporate income tax is to be paid on such items, are accounted as revenues in the amounts equalling the expenses in the relevant accounting period and relating to the individual sources of such income. In the case of instalments that significantly exceed the relevant expenses incurred in the relevant accounting year, accruals are accounted in account No. 98400 "Accrued revenues". Where the revenues only insignificantly exceed the costs in the case of individual concrete grants and subsidies and it is certain that such exceeding will be settled in the subsequent year and a complete billing will be provided to the relevant foundation, no accruals are applied.

Income from grants and subsidies in 2020 (in CZK thousands):

Subsidies from public budgets and EU budgets	1,804
Subsidies from foundations and associations	13,969

FBS's ongoing regular activities are performed by employees under main employment agreement; such employees include both full time employees and, in justified cases, also part time employees. One-time activities are performed under agreements outside employment relationship.

On average, FSB had 28,7608 full-time equivalent employees in 2020.

Wage costs of employees in 2020 CZK:

Wages and salaries: CZK 11,138,928,10 of which one member of the statutory body CZK 112,532.

Social and health insurance: CZK 2,153,003.70, of which one member of the statutory body CZK 38,036.

The members of the association perform their activities voluntarily without the right to remuneration. No loans, credits, guarantees or other benefits were provided to members of the institutions in 2020.

A member of the statutory body (Mgr. Pavel Franc) has participation in persons with whom the organization entered into contractual relations in 2020, specifically in Frank Bold advokáti, s.r.o., he is an executive and partner, where he has a 49% share.

The Organization is a public utility taxpayer in compliance with Section 17a of Act No. 586/1992, Coll., the Income Tax Act, as amended (hereinafter the "**Income Tax Act**").

The Organization makes tax exempt gifts pursuant to Section 19b(2)(b) of the Income Tax Act whenever it is possible. In 2020, the association received donations in the total amount of CZK 10,901,883.30. Of this, natural persons donated CZK 8,178,303.30 and legal entities donated CZK 2,723,580.

The tax base was determined by showing the accounting result on line 10, without any adjustments, the accounting result corresponding to the profit or loss reported in the balance sheet and in the profit and loss statement. The items increasing the tax base (line 20 to line 62) and the items reducing the tax base (line 100 to line 162) adjusted the economic result to the tax base - line 220 of the tax return. From the status of a public benefit taxpayer, we then reduced the tax base in accordance with Section 20, Paragraph 7 of the Income Tax Act (on line no. 251), but not more than the amount of the tax base. The funds from the tax savings thus obtained will be used to cover costs (expenses) from the main activity in the following tax period.

### Records of individual grants and activities

The accounting software used allows to divide the accounting into three categories: "centres", "operations" and "orders".

Code list "Centres":

- Under numbers 79 through 89, this code list includes the categories of incomes and expenses that are not subject to the corporate income tax, including (i) gifts from individuals and legal entities that are subject to the gift tax pursuant to the applicable law, (ii) interests from the relevant current bank account and (iii) support centres passing through certain costs to other organizations.
- Under numbers 91 through 100, the code list includes individual fee-paying activities that arise from the association's Statutes and that are separately subject to the corporate income tax.
- The other numbers in this code list are ancillary or historical and are not subject to the corporate income tax.

Code list "Operations":

- This code list includes in particular all grants and gifts from foundations, i.e. movements that influence the operating results but are not subject to the corporate income tax. The numbers of the operations – "grants" have three digits.
- The other numbers in this code list are ancillary or historical and are not subject to the corporate income tax.

Code list "Orders":

- The numbers of projects shown in this code list match with the numbers of the "operations" and in the code list "Orders" designate the costs shown as co-financed in the billings of said projects.
- The other numbers in this code list are ancillary or historical and are not subject to the corporate income tax.

No significant changes occurred between the balance sheet date (31 December 2020) and the date of the compilation of the final financial statements.

*In Brno, on 21 June 2021*

Official stamp:

**Frank Bold**

**Frank Bold Society, z.s.**

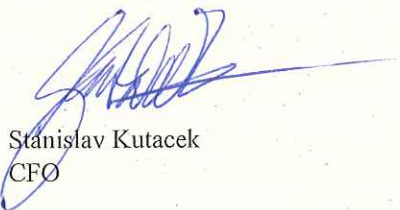
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*illegible signature*



Stanislav Kutacek  
CFO