



Frank Bold Society  
member of the Frank Bold Group

# Annual Report 2015

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# About us

We are a civil association, founded in 1995 as a law student volunteer group. Gradually, we became the biggest non-governmental public interest law organization in the Czech Republic, with branches in Poland and Brussels and operations in several other European countries. We work to solve social and environmental problems and our team of lawyers together with law students provides free legal help to civil society at local, national, and EU level to protect environment and promote the rule of law and democracy.

Our vision is of a free society whose members feel shared responsibility for public affairs, including the state of the planet Earth, and where everyone can pursue personal happiness. We use law to ensure that current as well as future generations live in such a society.

Our work is divided into several programmes, each of them is addressing different societal issues.

## **Responsible Companies**

We develop and promote new business models that better integrate societal interests in corporate purpose, governance, and decision-making. In addition, in the business and human rights area, we aim to bridge the global governance gaps and strengthen access to justice.

## **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.

## **Responsible State**

We empower people to defend public interests and develop, promote, and enforce laws to prevent systemic corruption in the Czech Republic.

## **Service for citizens**

We systematically work to empower citizens and local communities in the Czech Republic and Poland 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.

Frank Bold Society is not-for-profit organisation. It is a member of the Frank Bold Group, that further consist of Frank Bold Kids, an organisation that runs forest kindergartens, and Frank Bold Advokáti (Frank Bold Attorneys), a purpose driven law firm whose mission is to support Frank Bold Society. Our operations in Poland are carried out by Frank Bold Foundation, registered in Poland.

# Responsible Companies

We develop and promote new business models that better integrate societal interests in corporate purpose, governance, and decision-making.

## Achievements in 2015

### The Purpose of the Corporation Project

The objective of this project is to change the understanding of the purpose of the corporation and eventually reforming corporate governance framework, which currently encourages companies to prioritize short-term financial performance for the benefit of their shareholders. This model leads to extreme short-termism, excessive risk taking, financial engineering as well as treating social and environmental impacts as externalities.

In 2015 we conducted extensive consultations with academics and experts from the business community and non-governmental organizations to discuss how we can change the existing corporate governance paradigm and our shared vision of the next paradigm . We organized several roundtables:

- in June in New York in cooperation with New York University, the Conference Board and the Business and Society program of the Aspen Institute,
- in July in London in cooperation with the CORE Coalition and Cass Business School,
- in September again in London in cooperation with Cass Business School and Tomorrow's Company,
- in October in Zurich in cooperation with the University of Zurich and the Institute for Business and Ethics at St. Gallen University.

We will present the outcomes of this process in a report that we will launch at a high-level conference in 2016. In 2015, we have presented the interim results of the project at several events in Brussels, including a conference held in May in the European Parliament by the European Company Directors Association and the Association of Chartered Certified Accountants, as well as at Enterprise 2020 Summit held in November by CSR Europe and attended by 500 people including European Commissioner for Internal Market, Industry, Entrepreneurship and SMEs Elżbieta Bieńkowska and Belgian King Philippe.

Upon request of the rapporteur of the European Parliament working on the new Shareholders Rights Directive, we prepared a briefing on the draft directive from a stakeholder-oriented perspective with a number of specific recommendations that were accepted by the relevant Parliamentary Committee. We have also contributed to the OECD consultation on corporate governance and the European Commission consultation on its plan to create a Capital Markets Union in Europe.

### Business and Human Rights

Working closely with the European Coalition for Corporate Justice, we promote reforms of rules governing access to judicial remedy by victims of human rights abuses and the concept of human rights due diligence as a legislative solution to governance and accountability gaps in the operations of multinational enterprises.

In 2015, we focused on a cooperation with a consortium of leading European academic institutions that set out to resolve problems associated with barriers to access to remedy in the context of business and human rights. As part of this “Human Rights in Business” project we worked with Prof. Cees van Dam to create an overview and analysis of the possible implementation of the UN Guiding Principles on Business and Human Rights in tort law. We will present the outcomes of this work in 2016.

In November 2015 at the UN Forum on Business and Human Rights in Geneva we co-organized a panel discussion on human rights and due diligence in law and practice. The UN Forum is the largest global platform in this area attended by over 4,000 experts from civil society, business, academia, governments, and international organisations.



# Responsible Energy

We develop and promote legal initiatives that support the transformation towards clean and decentralized energy production and consumption in EU countries.

## Achievements in 2015

### Implementation of Industrial Emissions Directive in the Countries of Central and Eastern Europe

*Industrial Emissions Directive* is a major piece of EU legislation concerning regulation of industrial plants and their operation in the European Union. In 2015, we provided expert support to our partners in Poland, Romania, Bulgaria, Greece and other countries focused on IED's main features and core provisions concerning future operations of large industrial plants. In the Czech Republic in 2015 we monitored the implementation of the *National Transitional Plan* and related changes in operating permits of specific industrial plants. We participated in key administrative procedures concerning operating conditions of individual plants and highlighted obligations with regard to the poor air quality and a requirement for its improvement.

### Preparation of Air Quality Management Plans in the Czech Republic

Czech Republic has long failed to meet established limits for the ambient air quality that are core for the protection of human health and environment. For this reason, in March 2015 the European Commission requested that the Czech Republic introduce effective measures to reduce the concentration of fine particulate matter (PM10). The Ministry of the Environment has prepared new *Air Quality Management Plans* as the strategies that should bring the long awaited improvements. Our main focus was on the Ostrava region as the most heavily affected region in the Czech Republic and one of the most polluted in all of Europe. In cooperation with regional partners and air pollution experts, we commented on the newly proposed programs and brought forward proposals for better targeted measures. These were communicated to the Ministry of the Environment and regional stakeholders with aim to enhance the overall impact of the newly proposed strategies.

### Legal Assistance to Residents Threatened by Lignite Mining in Western Poland

We provide legal support to local communities in Gubin, Western Poland. The case concerns a plan to develop a lignite mine in this area, which is currently one of the largest mining projects in Europe. If fully developed, the project would lead to relocation of local villages and irrevocably damage the entire Polish-German border area. Even though local residents have already rejected the project in past referenda, developers are still trying to push the project through on local and regional levels. Our aim is to empower the local community to express their concerns over the project and to provide them legal support to do so. This is the fourth year that we have been engaged as legal experts for the local opposition.

# Responsible State

In 2015, we led the efforts of a coalition of organizations and other partners to pass 9 laws designed to prevent cronyism in politics and improve transparency in the use of public money in the Czech Republic. In addition to the Reconstruction of the State Project, we also focused on fighting corruption on the international level.

## Reconstruction of the State

Reconstruction of the State ([www.rekonstrukcestatu.cz](http://www.rekonstrukcestatu.cz)) is a joint initiative of leading Czech NGOs aimed at reducing systemic political corruption that is seriously threatening the legitimacy of the current democratic system in the Czech Republic. The aim of the initiative is to advocate the adoption of 9 key anti-corruption laws, selected and prepared by our experts in cooperation with partners from the business sector and academia.

The Reconstruction of the State project was initiated by Frank Bold Society in conjunction with 20 anti-corruption civic organizations, including Amnesty International Czech Republic and Oživení. The project also involves active citizens (“ambassadors” of Reconstruction of the State) who help to raise public awareness in support of the goals of the initiative.

## Government Strides towards Transparency

In November, Czech Parliament passed the Contracts Registry Act, which will require mandatory public disclosure of contracts concluded by public authorities, as well as state and municipality controlled companies. The bill was supported by a majority of MPs across the political spectrum. The passage of the law marked the culmination of several years of work by all member organizations of the Reconstruction of the State project and dozens of volunteers who regularly contacted politicians, participated in events and devoted hundreds of hours to ensure the passage of the law.

The law came into effect on July 1st, 2016. It makes the validity of contracts concluded by public institutions dependent on their publication in the online Contracts Registry. This provision represents a major step against clientelism and corruption of public officials. Contracts of public institutions worth 50 000 CZK (aprox. 1850 EUR) or more will be freely accessible in machine-readable format at <https://smlouvy.gov.cz/>.

## Financing of Political Parties: A Small Step Forward

Another major legislation pursued by the Reconstruction of the State project concerns transparency in the financing of political parties and campaigns. We published several studies on the topic and the Government included several of our recommendations in draft legislation on the same topic that submitted to Parliament. Our key recommendation relates to the establishment of a new authority responsible for overseeing parties’ financing and enforcing the regulation.

## Independent Review of Public Purchasing

The Reconstruction of the State project also succeeded in initiating a process to amend the Constitution, which would expand the authority of the Supreme Audit Office to inspect state and municipal enterprises and several other types of entities. The Act to amend the Constitution passed first reading in Parliament in October. The Parliament is expected to vote on the bill in 2016.



## Fighting international Corruption

### Engaging People to Monitor Anti-corruption Legislation and Policies in Poland, the Czech Republic and Slovakia

In 2015, we implemented a project supported by the European Commission focused on monitoring and evaluating the implementation of anti-corruption policies and legislation aimed at preventing political corruption and misuse of public funds. Together with our Polish and Slovak partners, we focused on the following four areas:

- access to information regarding the use of public funding,
- the Civil Service Act which aims to depoliticize the civil service,
- financing of political parties and election campaigns,
- transparency of the legislative process and lobbying regulation.

In addition, we developed recommendations that we presented to representatives of the European Commission, the Group of States against Corruption (GRECO), and other institutions. The project contributed to the European-wide Report on the Fight Against Corruption in the EU.



# Service for Citizens

We work to strengthen civil society by supporting active individuals and local initiatives that engage in public affairs to promote public interests.

## Achievements in 2015

### Legal Counselling Centre

We provide free legal advice to the public on numerous matters of public interest. In 2015, our Legal Counselling Centre published or updated 30 legal guidelines, instructions and manuals and responded to 800 inquiries, typically in one of the following areas:

- Illegal conduct of local governments: e.g. preventing people from participating in council meetings or making audio recordings, selling public property below value, and non-transparent transfers of public property.
- Assessment of the legality of public contract awards and contracts concluded by municipalities.
- Misuse of subsidies: practical advice to citizens who discover that a public subsidy was misused or should never have been granted due to failure to meet legal requirements.
- Transformation of civic associations to a new form required by the new Civil Code.
- Engagement of the public in the building permitting procedures.
- Public participation in urban planning and assessment of the legality of steps taken by municipalities.
- Combatting illegal felling of trees.
- Preventing motocross and bike racing trails in protected areas and forests.
- Exercise of the Freedom of Information Act.

### Engaging Students in Public Interest Work

In 2015, we continued our extensive internship program for law students. Students work at Frank Bold under the guidance of experienced lawyers and mainly help associations and citizens at the free Legal Counselling Centre. In 2015, we provided year-long or longer internships to 33 law students.

### Supporting Civic Associations

We have long cooperated with associations and citizens' initiatives engaged in local matters of public interest. We provide them with legal guidance and instructions, and we organise training sessions and meetings of these partners to exchange experience and know-how. In addition, our lawyers and interns help associations with numerous legal issues ranging from the legal analysis of contracts, claims, comments or appeals to court, to help with public campaigns in particular cases. In 2015, we provided 40 associations with 600 hours of work by our lawyers and 500 hours of work by our interns. Examples of successful cooperation between Frank Bold and partner associations include:

- Chráníme stromy (We Save Trees) – with our help, this association of citizens of town Pardubice has been able to limit needless felling of valuable trees in the Pardubice region.

- Actaea and Terra Natura – with our help, these associations were able to successfully advocate for the cancellation of legal exemptions, which had been granted to development companies by local authorities in the Jeseníky protected area. Their plans had called for, amongst other things, the expansion of a ski resort in the heart of this important natural park, demolition of a historical chalet and construction of a large hotel in its place.
- We are helping the association of citizens of Náchod “Sbor dobrovolných občanů” to participate in zoning proceedings for the construction of a large downtown shopping centre. In the opinion of our partners, the construction is not in compliance with the area’s land use plan. In 2015, we were able to cancel the zoning permit based on an appeal to the court. The court acknowledged that the building permit office had not proceeded in accordance with the law and failed to address justified objections regarding non-compliance with the land use plan.



### Citizens Networking 2.0

We provided information and advice to Citizen Networking 2.0 (Občané 2.0), a network of 3,500 active citizens who engage in protection of the public interest in their neighbourhood. Members of the network receive 12 reports each year on the recent successful activities of Citizen Networking 2.0, along with 12 newsletters containing legal advice and other guidance. Members can also take part in regular meetings with lectures where they can exchange experiences.

# Frank Bold Employees in 2015

Bartošová Eliška

Bouda Petr

Boudal Jiří

Cooiman Markéta (maternity leave)

Fadrný Martin

Franc Pavel

Gbelcová Pavlína (maternity leave)

Giňová Petra Marie

Goňová Žaneta

Gregor Filip

Gregorová Barbara (maternity leave)

Hodysová Petra

Chatrná Michala

Janečková Martina

Jarmič Libor

Karlický Josef

Kmošková Jitka

Kolaříková Zuzana

Koukalová Jana (maternity leave)

Kravčíková Jana

Kubátová Barbara (maternity leave)

Kutáček Stanislav

Macalíková Regina

Pavlorková Eva

Prnka Lukáš

Sonnenscheinová Veronika

Sotoniaková Hana

Šabová Kristína

Šimral Vít

Šrytr Jan

Vondrušová Gabriela

Vurbs Jan

Wichera Adam (limited contract)

Zůbková Donika

# Frank Bold Interns in 2015

## 2014/2015 Academic Year:

Brandejský Tomáš

Delmar Kristýna

Dorschnerová Sulika

Dušková Daniela

Dvorská Michaela

Giňová Petra M.

Honzová Ivana

Hrušková Naďa

Kodetová Kristýna

Novosadová Kristýna

Pavouk Jan

Polášek David

Prágerová Lenka

Ryšavá Kristýna

Sobocik Jakub

Staněk Ondřej

Sylvestrová Tereza

Vejtasa Martin

Vršťala Štěpán

## 2015/2016 Academic Year:

Beranová Eliška

Bouček Vincenc

Dědek Vojtěch

Dus Filip

Garajová Michaela

Chaloupková Alena

Kočí Kristýna

Lysková Michaela

Marečková Barbora

Mateásková Alexandra

Mazel Filip

Petržilková Daniela

Stejskal Petr

Zahálková Kristýna

# We Thank all Donors for their Support in 2015

## **Grants and Foundation Contributions in 2015**

Sigrid Rausing Trust

Joseph Rowntree Charitable Trust

European Commission - DG Justice

European Commission - DG Home Affairs

NROS – FM EHP FNNO

Czech Environmental Partnership Foundation – FM EHP FNNO

Czech Environmental Partnership Foundation - Švýcarské fondy

European Climate Foundation

Deutsche Umwelthilfe

The Open Society Fund Prague

British Embassy in Prague

Canadian Embassy in the Czech Republic

Tides Foundation – Patagonia Environmental Grants Fund

Open Society Institute / Think Tank Fund

Wallace Global Fund

Friends Provident Foundation

Konrad Adenauer Stiftung

Ministry of the Interior of the Czech Republic

Charles Léopold Mayer Foundation for the Progress of Humankind

Orlický Family Foundation

## **Gifts from Individuals and Corporate Donors of 100,000 CZK or more**

### Reconstruction of the State

AMPER MARKET a.s.

STUDENT AGENCY k. s.

TECHLAR a.s.

UNIMEX GROUP, a.s.

W.A.G. payment solutions, a.s.

Jan Barta

Libor Winkler

Václav Dejčmar

### Service for Citizens

Frank Bold Advokáti, s.r.o.

## **Gifts from Individuals and Corporate Donors of 50,000 CZK or more**

### Reconstruction of the State

Lubomír Bárta

Martin Moravec

MEGAPIXEL, s.r.o.

### Service for Citizens

Miroslav Čacký

Josef KVAPIL, a.s.

## **Gifts from Individual Donors of 10,000 CZK or more**

### Reconstruction of the State

Radek Stavinoha

Filip Král

Ladislav Marek



Filip Dominec

Lenka Kubečková

Milan Šimoník

### Service for Citizens

Michal Berg

Lenka Knagová

Jan Filipi

The Prague Concert Co., s.r.o.

John Lindenthal Tregellas

František Gemperle

Lenka Kubečková

David Rychta

**We also thank all other donors. We value your support. You make our work happen.**

### Reconstruction of the State

Martin Urban, Tomáš Čapek, Michala Chatrná, Jan Procházka, Milan Sedmihradský, Martin Srb, Miloš Urban, Lukáš Jemelík, Benjamin Mlýnek, Jiří Kuchta, Klára Lauritzenová, Luboš Mervart, David Stanovský, Michal Urban, Roman Divacký, Jakub Chour, Jiří Sutner, Jan Šlechta, Stanislava Balcarová, Jiří Dan, Olga Dvořáčková, Petr Dytrich, Eva Fraňková, David Kaleta, Zuzana Krejčová, Tomáš Obdržálek, Luděk Rychetník, Petr Svoboda, Václav Šubrt, Michal Vejlupek, František Vnouček, Martin Vybíral, Lubomír Pařil, Robert Hrdina, Vojtěch Píkal, Jaroslav Nekuda, Gabriela Jičínská, Jiří Koptík, Lukáš Matuška, Jan Soudek, Eva Vaníčková, Leo Beneš, Jan Gužík, Stanislav Hlinka, Petr Šabata, David Švec, Vladislav Toulec, Vít Zikmund, Jan Zmij, Josef Moudřík, Lukáš Rakušan, Vojtěch Černý, Miroslav Bielko, Michal Ďuríček, Luboš Fendrych, Nikola Guryca, Jiří Hájek, Jana Hamanová, Petr Homoláč, Filip Hráček, Kristián Hruban, Milan Jankových, Karel Khir, Michael Konečný, Karel Machalíček, Adam Martiník, Jaroslav Meloun, Martin Milata, Jiří Novotný, Pavel Paták, Erik Petrikovits, Martin Růžička, Jan Sedláček, Antonín Schneider, Vlasta Schneiderová, Stanislav Schötta, Kateřina Straková, Martin Svoboda, Jakub Švanda, Dan Thiel, Ondřej Tomášek, Pavel Trantina, Martin Tušíl, Petr Tvarůžek, Miroslav Vacek, Martin Začal, Čeněk Zach, Petr Žák, Jan Bureš, Jakub Česák, Kateřina Špácová, Tomáš Vrbický, Vítězslav Strnadel, Tomáš Budín, Michal Hantl, Eva Zezulová, Jan Budař, Daniel Kopic, Tomáš Szkandera, Michal Dvořák, Helena Laburdová, Evžen Marek, Arnošt Müller, Michal Mülpachr, Tomáš Pártl, Kateřina Šilhová Šafránková, Vladimír Bárta, Jan Blahut, Martin Čépe, Aneta Černíková, Jan Černý, Filip Hofer, Miroslav Hořejší, Jiří Hrabák, Lukáš Ivan, Petr Jašek, Jiří Kafka, Vít Kovalčík, Ivo Kratěna, Miroslav Krist, Pavlína Kršková, Ivana Kubíčková, Jan Kuděj, Jiří Kvapil, David Mayer, Vlastimil Menšík, Jiří Mikeš, Jan Morávek, Josef Nakládal, Miloslav Pavelka, Jan Pomikálek, Ivo Priadka, Tomáš Routa, Petr Sakař, Filip Sedlák, David Seibert, Jaroslav Svoboda, Vladimír Synek, Antonín Sysel, Vlastimil Šandera, Jan Škoda, Petr Toman, Michal Václavů, Věra Váchová, Jiří Votoček, Monika Zemanová, Jiří Žgánič Šprdlík, Jakub Žilka, Vladimír Čáp, Martin Patříčný, Marek Skotnica, Filip Šetele, Jan Bareš, Ondřej Bobek, Petr Bureš, Pavel Černý, Lukáš Darebníček, Irena DeFeo, Martin Dekar, Jiří Drda, Pavel Fajt, Jiří Glaser, Marcel Gotthard, Otto Hartvich, Tomáš Hökl, Tomáš Jakl, Pavel Jevula, Zdeněk Kocourek, Lukáš Koutný, Josef Mankovický, David Máša, Jan Minařík, Bogdan Mrozek, Ondřej Paur, Tomáš Petržilka, Josef Pišinger, Marek Pola, Pavel Skála, Alena Švaříčková, Daniel Veleba, Tomáš Zaňka, Sylva Hándlová, Miroslav Hemerka, Aleš Sůra, Martin Čížek, Martin Appl, Antonín Bílý, Roman Bouchner, Ondřej Cenciala, Martin Černý, Patrik Farský, Martin Hanzálek, Jakub Jermář, Petr Jurák, Martin Kovář, Kamil Páral, Fredy Rada, Štěpán Turek, Michal Zwinger, Jana Česká, Stanislav Bílek, Marek Dlouhý, Pavel Ducháček, Michal Dunda, Jonáš Dyba, Vít Fikejzl, Jaromír Fumfera, Lukáš Grygera, Martin Huml, Jiří Kapoun, Jakub Kufčák, Lukáš Kuchtíček, Dita Mašátová, Michal Müller, Jan Sovák, Antonín Teichmann, Martin Tlachač, Tomáš Veleman, Petr Vyleta, Martin Zahradník, Tomáš Znamenáček, Jan Pospíšil, Barbora Šimajchlová.

## Service for Citizens

Zdeňka Sparlingová, Pavel Krůta, Tomáš Hakr, Martin Novák, Petr Tieftrunk, Robert Raschman, Tomáš Husa, Jiří Kotek, Zdeněk Skála, Miloš Urban, František Vojtek, Jiří Skýva, Adam Kubát, Hana Drlíková, Jan Machač, Martin Šestauber, Martin Škabraha, Václav Brožek, Blanka Dočekalová, KPMG, Monika Lavorenti, Petr Litschman, Martina Mikulincová, Pavel Ptáček, Jana Sekalová, Rostislav Valvoda, Michal Vokáč, Eva Mollová, Lubomír Pařil, Petr Kadaník, Ondřej (Roman) Doktor, Karel Melecký, Markéta Mrázková, Robert Plch, Jakub Snopek, Jan Šlechta, Přemysl Špicar, ml., Jan Vaněk, Jan Pánek, Jan Haverkamp, Petr Holcner, Luděk Maděra, Jiří Tesařík, Marie Dvořáková, Olga Fischerová, Eva Fraňková, Michal Jeremiáš, Lucie Klempířová, Tomáš Kokoška, Stanislav Kutáček, Jan Labohý, Petr Miencil, Jakub Noha, Veronika Prágerová, Richard Sladký, Matouš Vicher, Petr Vopelka, Filip Horák, Daniel Kastner, Martin Lhoták, Přemysl Mácha, Tomáš Rozsypal, Michaela Thelenová, Stanislav Tomanec, Pavel Tomeček, Jana Vágnerová, Zdeněk Zdráhal, Naděžda Johanisová, Adam Kantor, Petr Klápště, Petr Kubačka, Radim Pašek, Vojtěch Vlček, Roman Andres, Jakub Straka, Jaromír Baxa, Vladimír Bouchala, Martin Černý, Petr Diblík, Václav Havelka, Alice Horová, Ivan Hrdý, Jiří Guth Jarkovský, Lumír Moravec, Radek Novotný, Karla Polydorová, Vladimír Soška, Miroslav Věchet, Tomáš Volovský, Martin Začal, Miroslav Zeidler, Tomáš Blažek, Markéta Bumbálková, Josef Kalčík, Jan Kořista, Ondřej Bačík, Lukáš Ivan, Alena Kučerová, Zdeňka Machová, Ivo Slavík, David Svoboda, Aneta Valasová, Lukáš Zagata, Šárka Jodasová, Václav Kašpar, Pavel Slávik, Jaroslav Jelínek, Krista Kolísková, Roman Netolický, Jaroslav Šmíd, Adam Blažej, Miroslava Bursíková, Tomáš Doležal, Daniel Fišer, Vladimír Krejčí, Marie Loffelmanová, Benjamin Mlýnek, Josef Šikola, Michal Karafiát, Jan Hloušek, Zdeněk Jahn, Kamil Páral, Jana Slepíčková, Gabriela Vondrušová.

# Frank Bold Funding

Frank Bold Society is a not-for-profit organisation. It is a member of the Frank Bold Group, which further consists of Frank Bold Kids, an organisation that runs forest kindergartens (early childhood education oriented towards learning about and in the natural environment), and Frank Bold Advokáti (Frank Bold Attorneys), a purpose driven law firm whose mission is to support Frank Bold Society. Our operations in Poland are carried out by Frank Bold Foundation, which is registered in Poland.

## Funding of Individual Frank Bold Entities

- Frank Bold Advokáti s.r.o. is a law firm funded by commercial contracts.
- Frank Bold Kids is funded by member contributions, gifts, loans, own revenue and public subsidies.
- Frank Bold Society is funded from its own revenue and numerous foundations, grants, and corporate and private donors, including financial and in-kind contributions from Frank Bold Advokáti.
- Frank Bold Foundation in Poland is a non-profit organization funded by grants and its own revenue from commercial clients.

These individual entities are funded separately. However, Frank Bold Advokáti provides donations to Frank Bold Society and Frank Bold Kids. The Frank Bold Society also occasionally uses the services of Frank Bold Advokáti for its projects.

## Preventing Conflicts of Interest between Non-Profit Entities and the Law Firm

The activities of the law firm and Frank Bold Society are separate. They are governed, however, by the same values and they are coordinated to avoid conflicts of interest, i.e. situations where Frank Bold Advokáti represent a party in a dispute where the Frank Bold Society provides assistance to another party.

Frank Bold Advokáti has a strict code of ethics for accepting contracts. It does not represent clients involved in corruption, concealing criminal acts, money laundering, damaging the environment or violating human rights. Clients of the law firm do not have any influence on the activity and priorities of Frank Bold Society.

# Financial Statement 2015

<b>EXPENDITURES</b>	<b>EUR</b>
office supplies	5 148
literature	289
overhead costs (energy, service)	0
travel costs	24 303
representation (mainly refreshment)	8 436
communication costs	7 718
print, copies, promotion	42 432
office rent (including services connected to rent)	16 724
short-term rent (hire of venues)	4 474
legal fees and services	13 335
expertises	16 935
translations	1 441
trainings and seminars	980
software	2 493
labour costs	325 643
taxes; health and social insurance	89 231
donations	2 122
bank fees	371
other (exch. rate losses, penalties, audits...)	9 287
<b>total expenditures</b>	<b>571 360</b>
<b>REVENUES</b>	<b>EUR</b>
own revenue	22 518
<i>grants from public budgets and EU budget:</i>	
- Swiss Funds - Nadace partnerství	13 930
- EEA and Norway Funds - NROS	44 429
- EEA and Norway Funds - Nadace partnerství	26 749
- European Commission, DG Justice	13 481
- European Commission, DG Home Affairs	31 736
- Czech Ministry of Interior	28 839
<i>grants from foundations and civic associations:</i>	
- European Climate Foundation	75 509
- Nadace Open Society Fund Prague	26 353
- Open Society Institute / Think Tank Fund	50 514
- Family Orlicky Fund	10 105
- Deutsche Umwelthilfe	7 190
- Konrad Adenauer Stiftung	4 820
- British Embassy	4 694
- Patagonia	4 183
- Friends Provident Foundation	25 838

- Wallace Global Fund	13 139
- Sigrid Rausing Trust	56 977
- Joseph Rowntree Charitable Trust	8 402
- Charles Léopold Mayer Foundation for the Progress of Humankind	14 898
- Fundacja Frank Bold (financing of Polish activities)	-17 475
- Justice and Environment (co-financing of LIFE+ project)	-20 964
donations - Reconstruction of the state	105 910
donations - Others	28 146
bank interest	67
others	253
<b>total revenues</b>	<b>580 243</b>
<b>profit</b>	<b>8 883</b>

exchange rate EUR/CZK, 2015-12-31.....27.025

# Independent Auditor's Report

addressed to the member meeting of Frank Bold Society

## Report on the Financial Statements

We have audited the accompanying financial statements of Frank Bold Society, i.e. balance sheet as of December 31, 2015, the Profit and Loss Account and the Notes on Financial Statements, including a summary of significant accounting policies. Information about Ekologický právní servis is presented in the Notes to the Financial Statements.

## Statutory Body's Responsibility for the Financial Statements

The statutory body of Frank Bold Society is responsible for the preparation and fair presentation of accounting and financial situation in these financial statements in accordance with the Czech accounting regulations. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of accounting and financial situation in these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

## Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Act on Auditors and International Standards on Auditing and related application guidelines issued by the Chamber of Auditors of the Czech Republic. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the financial statements preparation and fair presentation of accounting and financial situation in the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements **give a true and fair view of the financial position of Frank Bold Society, as of December 31, 2015, and of its expenditures, income and financial performance for 2015** in accordance with Czech accounting regulations.

22HLAV s.r.o.

Member of the international association of independent professional companies

MSI Global Alliance, Legal & Accounting Firms

Všebořická 82/2, 400 01 Ústí nad Labem

Certificate of KAČR no. 277

Ing. Miroslava Nebuželská

KAČR Certificate No. 2092

Prague, dated September 12, 2016