

Audit report
Magyar Helsinki Bizottság
Closing period of the company:
01.01.2019 - 31.12.2019

Magyar Helsinki Bizottság

Civil organisation's simplified financial statements - Balance Sheet

Ssz.	Description / THUF	31.12.2018	Effect of revision	31.12.2019
1 A.	FIXED ASSETS			
2 I.	INTANGIBLE ASSETS	7 195		6 269
3 II.	TANGIBLE ASSETS	2 011		1 952
4 III.	FINANCIAL INVESTMENTS	5 184		4 317
5 B.	CURRENT ASSETS	453 245		497 769
6 I.	INVENTORIES			
7 II.	RECEIVABLES	2 681		2 911
8 III.	SECURITIES			
9 IV.	LIQUID ASSETS	450 564		494 858
10 C.	PREPAYMENTS AND ACCRUED INCOME	5 940		13 033
11	TOTAL ASSETS	466 380		517 071
12 D.	SHAREHOLDERS' EQUITY	192 730		219 119
13 I.	INITIAL CAPITAL/ISSUED CAPITAL			
14 II.	CHANGES IN CAPITAL / PROFIT RESERVE	145 327		192 730
15 III.	TIED-UP RESERVE			
16 IV.	REVALUATION RESERVE			
17 V.	PROFIT OF THE YEAR FROM BASIC ACTIVITIES (FROM PUBLIC BENEFIT ACTIVITIES)	46 886		26 389
18 VI.	PROFIT OF THE YEAR FROM BUSINESS ACTIVITIES	415		
19 E.	PROVISIONS			
20 F.	LIABILITIES	14 160		4 981
21 I.	SUBORDINATED LIABILITIES			
22 II.	LONG-TERM LIABILITIES			
23 III.	CURRENT LIABILITIES	14 160		4 981
24 G.	ACCUALS AND DEFERRED INCOME	259 490		292 971
25	TOTAL EQUITY AND LIABILITIES	466 380		517 071

15.04.2020

Magyar Helsinki Bizottság

Civil organisation's simplified financial statements - Profit and Loss Statement

Ssz.	Description / THUF	31.12.2018		Corrections of previous years		31.12.2019	
		Basic activity	Business activity	Basic activity	Business activity	Basic activity	Business activity
1.	NET SALES REVENUE	4 148	415	4 663		1 058	
2.	OWN PERFORMANCE CAPITALIZED						
3.	OTHER INCOME	434 686		434 686		501 962	
4.	from this:						
5.	- party due.	140		140		280	
6.	- repayments received from founder.						
7.	- subsidies	434 546		434 546		501 682	
8.	INCOME FROM FINANCIAL TRANSACTIONS	18 169		18 169		5 448	
9 A.	ÖSSZESEN BEVÉTEL	457 003	415	457 418		508 468	
10.	from this: revenue from public benefit activities	457 003		457 003		508 468	
11.	MATERIAL COSTS	156 686		156 686		111 448	
12.	STAFF COSTS	188 914		188 914		216 998	
13.	from this: benefits of executive officers	7 200		7 200		9 600	
14.	DEPRECIATION	2 794		2 794		2 600	
15.	OTHER OPERATING CHARGES	61 516		61 516		150 723	
16.	EXPENSES ON FINANCIAL TRANSACTIONS	105		105		310	
17 B.	TOTAL EXPENSES	410 015		410 015		482 079	
18.	from this: expenditures of public benefit activities	410 015		410 015		482 079	
19 C.	PROFIT BEFORE TAX	46 988	415	47 403		26 389	
20.	TAX PAYABLE						
21 D.	PROFIT OF THE YEAR	46 988	415	47 403		26 389	

Informative data

Ssz.	Description / THUF	31.12.2018		Corrections of previous years		31.12.2019	
		Basic activity	Business activity	Basic activity	Business activity	Basic activity	Business activity
A.	Central budgetary support						
	from this: normative support						
B.	Budgetary support from local government						
	from this: normative support						
C.	Supports by the Structural Funds of the European Union and the Cohesion Fund						
D.	Support from budget of European Union or other state, international organisation	129 158		129 158		206 700	
E.	1% (SZJA) from personal income tax	5 493		5 493		5 655	
F.	Public service revenue						

INDEPENDENT AUDITOR'S REPORT

To the attention of the General Assembly of the Hungarian Helsinki Committee

Opinion

We have audited the accompanying civil organisation's simplified financial statements of Magyar Helsinki Bizottság (hereinafter referred to as „the Organisation”), which comprise the balance sheet as at 31.12.2019 (in which the balance sheet total is THUF 517 071, and the profit after tax of the year is THUF 26 389), the related income statement for the year then ended, and supplementary notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying civil organisation's simplified financial statements give a true and fair view of the financial position of Magyar Helsinki Bizottság as at 31.12.2019, and of its financial performance for the year then ended in accordance with the provisions of Act C of 2000 on Accounting in force Hungary („hereinafter referred to as Act on Accounting”).

Basis for Opinion

We conducted our audit in accordance with Hungarian National Standards on Auditing and with applicable laws and regulations in force in Hungary.

Our responsibilities under those standards are further described in the „Auditor's Responsibilities for the Audit of the civil organisation's Simplified Financial Statements” section of our report.

We are independent of the Organisation in accordance with the applicable laws of Hungary, with the Hungarian Chamber of Auditors' Rules on ethics and professional conduct of auditors and on disciplinary process and, as well as with respect to issues not covered by these Rules, with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (the IESBA Code) and we also comply with further ethical requirements set out in these.

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

Other Matter: the charitable annex

Other information comprises the charitable annex of the Organisation for the year 2019.

Management is responsible for the preparation of charitable annex in accordance with the provisions of 350/2011. (30.XII.) Edict.

Our opinion on the civil organisation's simplified financial statements expressed in the “Opinion” section of our independent auditor's report does not cover the charitable annex and we do not issue any conclusion that provides any form of assurance referring to the charitable annex.

In connection with our audit of the civil organisation's simplified financial statements, our responsibility is to read the charitable annex and, in doing so, consider whether the charitable annex is materially inconsistent with the civil organisation's simplified financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If based on our work performed we conclude that the other information is materially misstated we are required to report this fact and the nature of such misstatement. We have nothing to report in this respect.

Responsibilities of Management and Those Charged with Governance for the civil organisation's Simplified Financial Statements

Management is responsible for the preparation and fair presentation of the civil organisation's simplified financial statements in accordance with the act on accounting and for such internal control as management determines is necessary to enable the preparation of civil organisation's simplified financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the civil organisation's simplified financial statements, management is responsible for assessing the Organisation's ability to continue as a going concern and disclosing, as applicable, matters related to going concern; and management is responsible for preparing the civil organisation's simplified financial statements on a going concern basis.

Management shall apply the going concern basis of accounting unless the use of going concern principle is precluded by any provision of other applicable laws or regulations, or if any fact or circumstance prevails, which precludes the Company to continue as a going concern.

Those charged with governance are responsible for overseeing the Organisation's financial reporting process.

Auditor's Responsibilities for the Audit of the civil organisation's Simplified Financial Statements

Our objectives are to obtain reasonable assurance about whether the civil organisation's simplified 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 the Hungarian National Standards on Auditing 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 civil organisation's simplified financial statements.

As part of an audit in accordance with Hungarian National Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the civil organisation's simplified 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 Organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organisation'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 civil organisation's simplified 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 Organisation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the civil organisation's simplified financial statements, including the disclosures, and whether the civil organisation's simplified financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies, if any, in internal control that we identify during our audit.

Budapest,
15.04.2020

dr. Serényi Iván
Audit Service Kft.
1022 Budapest, Bimbó út 3.
ny.sz.: 001030

AUDIT SERVICE KFT
bejegyzett könyvvizsgáló cég
ny.sz.: 001030

dr. Serényi Iván
ny.sz.: 003607

Dr. Serényi Iván György
kamara tag könyvvizsgáló
s.sz.: 003687
k.t.sz.: 003607

Letter of Representation

Company name: Magyar Helsinki Bizottság
Address: 1074 Budapest, Dohány u. 20. II/9.
Date of completion: 15.04.2020

The present Letter of Representation of Magyar Helsinki Bizottság (the Organisation) is issued in relation to the audit of the civil organisation's simplified financial statements carried out by you (balance sheet - where the identical sum of assets and liabilities THUF 517 071, and the profit after tax of the year THUF 26 389 is - profit and loss statement, supplement, jointly referred to as financial statement) of 31.12.2019. The goal of your audit is to express an opinion whether the financial statements give a true and fair view pursuant to Act No. 100 of the year 2000 (the Act on Accounting).

After carrying out all requests for information that were necessary for our statement, we confirm to the best of our knowledge and belief that:

As far as I know, in the following year the decisive owner(s) of the Organization do (does) not intend to liquidate, dissolve the Organizations or put the Organization under bankruptcy proceedings; utilize (sale) its position in the Organization; change fundamentally the commercial and financial connections, background guarantees, and other similar transactions of the Organization.

1. We are aware that the audit was carried out with the basic assumption that management and those charged with governance have acknowledged and understand its responsibility in accordance with the applicable financial reporting framework for the preparation of the financial statements, including, where relevant their fair presentation.
2. We acknowledge our responsibility:
 - a.) for the compilation of the annual financial statement from data registered and maintained according to the provisions of Act C. 2000 (the "Accounting Act"),
 - b.) for the Company's accounting,
 - c.) for the conformity of the annual financial statement with Act C. 2000 as well as the actual state of affairs,
 - d.) and for the reliability of the financial statement's depiction of the Company's net assets and the veracity of the depiction of the Company's financial status.
3. We have disclosed to you fully, comprehensively and veraciously the summary of the audited year's
 - a.) all transactions,
 - b.) deals and
 - c.) business occurrences
 - d.) further informations with bearing on the Company's asset-financial-profit situation with separate explanatory notes.
4. We have provided you with all financial records and related data and have informed you about all transactions that may affect the financial statements, thus, especially:
 - a.) decisions of the owners and the management, understandings and relationships between the owners,
 - b.) the unique/extraordinary occurrences of the year-to-date,
 - c.) extraordinary contractual agreements related to the exercise of claims and settlement of liabilities,
 - d.) distinction between business and non-business occurrences and transactions,
 - e.) limitations and constraints, rights and advantages in the financial statement,
 - f.) market information, depreciations, plans regarding the continuation of the business,
 - g.) out-of-Balance Sheet liabilities, rights, pending suits, disputed or doubtful affairs.
5. We have provided you with all information in respect of the transactions listed below:
 - a.) debts and claims toward parties that are in affiliated relationship, including sales, acquisitions, transfers, loans, leasing and guarantee agreements;
 - b.) preemptive stock purchase options or similar agreements, reserve of stocks for options, surety, transformation or to meet any other criteria;
 - c.) agreements concluded with financial institutions, including limitations on the balance of financial assets, overdraft or other similar agreements;
 - d.) agreements about the repurchase of previously sold assets.

6. We have separately provided you with information that:

- a.) we have exercised during, but not in respect of the year-to-date,
- b.) we have corrected after the end of the year-to-date during the course of auditing work,
- c.) that are not part of accounting, but impact the asset-financial-income situation,
- d.) that have a significant and decisive role in the explanation of the impact of undertaking of right and obligations during the year after the end of the year.

7. In respect of the compilation of the report we declare the following:

a.) We have valued intangible and tangible assets according to the Accounting Act at purchase value, deducting the depreciation established on the basis of the useful life of such assets.

b.) In keeping with the Accounting Act we have valued invested financial assets at purchase price. We are not aware of any facts that would necessitate the calculation of depreciation over invested financial assets.

c.) In keeping with the Accounting Act we have valued purchased inventories at purchase price. The book value of purchased inventories is not in excess of the market value known on the balance-sheet date.

In the case of purchased inventories whose book value was higher than their market value on the balance-sheet date, we have calculated depreciation.

d.) In keeping with the Accounting Act we have valued own production at production cost. The book value of own production is not in excess of the market value known on the balance-sheet date and the expected sales price.

In the case of own production where the book value was higher than their market value on the balance-sheet date and the expected sales price, we have calculated depreciation.

e.) Claims towards buyers and other claims subsisting on the balance.-sheet date are claims made in good faith that have been established on or before the balance sheet date.

f.) All cash and bank accounts, other properties and assets are represented in the accounting date report. The Company has lawful title on the assets in its property represented in the balance-sheet and supplement.

g.) All liabilities of the Company are represented in the accounting date report. The Company has no unenforced claims or liabilities.

h.) The balance-sheet report and the supplements contain:

- all items that are required for the veracious depiction of the Company's assets situation and the results of its activity as provided for by the Accounting Act,

- all items stipulated by other laws and regulations governing the Company, as well as

- all off-balance-sheet liabilities (e.g. mortgage, leasing fee, bills of exchange issued to cover liabilities, guarantees extended) that have an impact on the assessment of the asset situation of the Company.

i.) The Company has no other liabilities to be accrued or published or other profits/losses. The balance sheet report and the supplements appropriately contain the following:

- Transactions of affiliated undertakings and the claims and liabilities in connection with them, including sales, purchases, loans, transfers, leasing.

- The verbal or written guarantees extended by the Company, it's subsidiary, the director or officers of the Company.

- Cession agreements with financial institutions agreements about the limitation of the cash or overdraft on the bank account or similar agreements.

- ~~Agreements about the repurchase of previously sold assets.~~

- Agreements outside of the normal course of business.

j.) We are not aware of any substantial debts or claims that would have a significal impact on our Company's financial situation.

k.) We have assessed the list of uncorrected audit differences attached to this letter, if any. We confirm that effect of uncorrected misstatements in the financial statements is not significant, either individually or in total for the whole of the financial statements. The responsibility for reconciling and correcting of revealed but not significant taxation errors remaining in the accounts lies with the management.

l.) Our significant assupmtions used at the preparation of the accounting estimates - including those valued at fair value - are reasonable.

8. If we have used fair valuation, then we declare the following:

a.) The fair valuation of financial assets and liabilities have been depicted and published in conformance with the Accounting Act.

b.) The fair values of assets and liabilities published in the manner stipulated by the Accounting Act reflect our best estimates of fair value.

c.) The valuation methods and significant assumptions employed to establish fair value were used consistently and appropriately.

d.) The valuation methods and assumptions reflect our intentions and capabilities regarding the measures to be taken by the Company that are relevant to the definition and publication of fair value.

e.) We confirm that we have reviewed all financial assets and liabilities open on the balance sheet date and have classified them into one of the following groups as per Articles 59/A-59/F of the Accounting Act:

- trading financial assets and liabilities
- investments to be held until maturity
- loans and claims generated by the business company
- marketable financial assets
- other financial liabilities

and have recorded them at fair value, depreciated purchase or pur. value, as appropriate for the given category.

The classification of financial assets to be held until maturity reflects our intention and capacity to hold these securities until maturity.

f.) We have accounted derivatives and hedge transactions in conformance with the Accounting Act

- on the formal documentation of the hedge link,
- on the formal documentation the Company's risk management objectives and strategy related the hedge and,
- on the formal documentation to the initial and ongoing measurement of efficiency.

9. Our Company has appropriate legal title over all assets in our possessions; apart from the mortgage published these are not encumbered in any other way.

10. We are in compliance with all our contractual obligations whose non-performance could have a significant impact on financial statements.

11. We have carried out all the modifications of the financial statements that were necessary due to events occurred after balance sheet date.

12. We have understood, processed and provided all topics requested from us on the basis of the audit work program and the documentation and information list.

13. We confirm that pursuant to Section 46. § (3) of the Act on Accounting the Company has reconciled its accounting registrations with the real situation.

14. We declare that the definition of the qualifications "substantial" and "significant" was carried out at our discretion; the audit does not extend over the establishment of the entire sphere of market values.

15. We have made the Company's amortization policy and have implemented in practice the principles of the calculation of margins and the management of valuation write-backs. It is our responsibility to ensure the updated status of accounting regulation.

16. The method of establishment, magnitude and monitoring of warranty and expected liabilities are the results of our Company's calculations and empirical data.

17. We hereby declare that we agree with its contents and confirm that our plans and assessments are both formally and substantially identical to those laid down in the accounting report.

We have no plan or intention that we would not communicate with you and would affect significantly the classification or net book value of the assets, equity and liabilities.

18. The market values in the financial statement were presented according to the generally accepted valuation principles.
19. The tax authority may examine the books and registries within the following six years after current year, and may determine extra taxes and penalties. The management of the Company has no knowledge of such conditions from which the Company could have material liabilities.
The tax authority is within its rights to oversee the Company's records. According to the Act on Accounting, the auditor's report does not guarantee that the Tax authority will accept it without correction or that it is free from all errors.
20. There was no transaction after the date of the balance sheet, which would require the correction of the financial statement.
21. Notes disclosure presents fully and properly the transactions of out-of-book items.
22. We are not aware of any other material liability or receivable that would impact significantly the financial position of our Company.
23. There was no significant subsequent event that would affect the current financial statements.
24. Company has no significant out-of-book items showing market value surplus or deficit.

Statement concerning fraud and internal controls

25. We are responsible for the design and operation of internal control, which is defined as necessary by the management and by those charged with governance in order to allow the preparation of financial statements that are free from material misstatement resulting from fraud or error.
26. There has been:
 - a.) no willful negligence on the part of the Company management or those employees who hold key positions in the Company's administrative processes,
 - b.) no willful negligence on the part of those employees who could have a significant influence on financial data,
 - c.) no feedback of significant impact from the regulatory authorities during reconciliations indicating the incompleteness or non-compliance of financial statements and reports.
27. We are not aware of:
 - a.) any irregularities committed with the complicity of the management of employees of the Company with a key role in accounting or any other irregularities committed by other employees that could significantly influence the balance sheet report,
 - b.) any breaches against the law or possible illegal actions or misdemeanors whose results:
 - should be reflected in the balance sheet,
 - should necessitate the making of provisions,
 - or should be published in the supplement to ensure veracity.

We have not received any notifications from the authorities about any breaches against the statutory provisions of financial records or the incompleteness thereof that would have had a significant effect on the balance sheet report.
The Company has met all its contractual obligations whose omission would have had a significant effect on the balance sheet report.
28. The owners and management address through their control system the risk of fraud, forgery adequately.
29. We have corrected and rectified all problems uncovered by the internal controlling system and have separately certified and provided all unprocessed items.

Legal compliance statement

30. There have been no legal breaches or misdemeanors whose impact could be reflected in the financial reports prepared according to Act C., 2000, On Accounting.

The undersigned, as the representative of Magyar Helsinki Bizottság, (cime: 1074 Budapest, Dohány u. 20. II/9.) hereby declare, that the Organization is fully aware of the regulations prescribed in § 14 and § 161 of the Act No. C. of 2000 on Accounting concerning the accounting policy és and other policies in connection with it and the Organization fulfills its liabilities within the 90 day deadline to record all the necessary changes in its policies resulting from changes in accounting regulations / operation of the Organization.

31. We are familiar with the provisions of Act On Money Laundering, and know of its regulations and interpretation.

There are no transactions in the bookkeeping vouchers provided to us and their underlying economic content or in the Company's operation that would indicate the existence of things sourcing from criminal activities.

Including - among others:

- documents embodying property rights,

- dematerialized securities as well.

We declare, furthermore, that no such things which are a result of criminal acts have appeared or been used during our business activity.

32. We are aware of the legal restrictions concerning cash payments (especially provisions of the Act on the rules of Taxation, Act on money laundering) and of any penalties against them.

Declaration on litigations

33. There exist no unenforced claims against the Company that could not have been enforceable according to the opinion of our attorney.

IT declaration

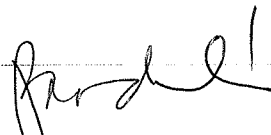
34. Accounting records forming the basis of financial information reflect the transactions of our Company and its affiliates (if any) exactly and reliably and in appropriate detail.

35. We confirm that our data processing system is a technologically closed system. The software used by the Organization are legal. Due to errors resulting from illegal usage, access problems, narrowed authority, or restricted modular system the reliability of the database-system of the Organization does not get damaged. We have no knowledge that data-loss or data-overwriting may occur in the regular course of business resulting from illegal access.

The invoicing system of the Organization is closed, the continuous numbering is ensured in a closed system. No repetition, double recording can occur, the corrections are documented. The software meets - according to the statement given by the developer of the software - the regulations for automatic invoicing.

Company seal:

Magyar Helsinki Bizottság
Hungarian Helsinki Committee
1074 Budapest, Dohány u. 20. II/9.
Telefon/Fax: 321-4141
Adószám: 19013983-1-42


Signature of company's representative