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INDEPENDENT AUDIT REPORT OF

ÖKOTÁRS ALAPÍTVÁNY

ON THE SIMPLIFIED ANNUAL FINANCIAL STATEMENT OF OTHER ORGANISATION
CONDUCTING A DOUBLE-ENTRY BOOKKEEPING
OF THE YEAR CLOSING AS OF DECEMBER 31, 2016

To the Board of Trustees of ÖKOTÁRS ALAPÍTVÁNY:

Audit certificate

We have conducted the audit of the enclosed 2016 Simplified Financial Statement of other organization conducting a double-entry bookkeeping (hereafter Simplified Financial Statement of other organization) of ÖKOTÁRS ALAPÍTVÁNY, Szerb utca 17-19, 1056 Budapest, Hungary Reg.N: 01-03-5083, composed of the balance sheet dated December 31, 2016 with a consistent total of assets and liabilities amounting to **thHUF 609 977** and a net result amounting to **thHUF – 7 917 (profit/loss)**, the corresponding profit and loss account, and the supplementary notes containing the essential elements of the accounting policy and other explaining information.

According to our opinion the enclosed simplified annual financial statement provides a true and reliable account of the Organisation's asset and finance situation as per 31 December 2016, and of the revenue situation with regard to the business year ending that date, in accordance with Accountancy Act C. of the year 2000 as effective in Hungary (hereinafter "Accountancy Act").

The foundation of the audit certificate

We have carried out this audit in accordance with Hungarian National Auditing Standards, as well as with the laws and other legal prescriptions on auditing applicable in Hungary. A detailed description of our related responsibility derived from these standards can be found in the section on the "Auditor's responsibility for the audit of simplified annual financial statement".

In accordance with the ethical requirements in force in Hungary with regard to our audit of the simplified annual financial statement we are independent of the Organisation, and we have satisfied our other ethical responsibilities persisting in accordance with the same ethical requirements.

We are convinced the evidence brought forth in the course of the audit provides a sufficient and adequate basis for our opinion.

Further information: public benefit supplement

All further information is to be found in the public benefit supplement of ÖKOTÁRS ALAPÍTVÁNY on the 2016 business year. Management is responsible for drafting the public benefit supplement in line with relevant rules of the Act N. CLXXV from 2011 on the operation and supporting of nongovernmental organisations and with the decree 350/2011(XII.30)Korm.. Our opinion on the annual financial statement provided in the "Audit certificate" section does not apply to the public benefit supplement and we don't transmit any conclusion of confidence in connection of it.

With regard to the audit on the simplified annual financial statement conducted by us, it is our responsibility to study the public benefit supplement and consider whether the public benefit supplement ascertains anything which fundamentally contradicts the simplified annual financial statement or the knowledge we attained during the audit, and whether it contains any other essential affirmations that appear erroneous.

In addition to the above we ought to deliver a statement whether, based on our knowledge gained on the Organisation and its environment, we took note within the public benefit supplement of any erroneous affirmation that can be regarded as essential (essential erroneous affirmation), and if yes, what kind of erroneous statement (affirmation). In this respect we do not have any statement to deliver.

Responsibility of management [and persons charged with leadership tasks] for the simplified annual financial statement

Management is responsible for drafting the simplified annual financial statement in accordance with the Accountancy Act and with the requirement of true and reliable account, and for any such internal controlling as deemed necessary to draft an simplified annual financial statement free of essential erroneous affirmations from deliberate fraud or inadvertent errors.

In the course of drafting the simplified annual financial statement management is responsible for assessing the ability of the Organisation for going concern, and for disclosing any information relevant to going concern. Management is also responsible for the application of such accountancy, within the simplified annual financial statement, as is in accordance with the going concern principle, except if management intends to dissolve the Organisation or close down its business activity, or if apart from that there is no other realistic option available to the management.

Auditor's responsibility for the audit of the simplified annual financial statement

During the audit our goal is to achieve adequate certitude that the simplified annual financial statement in its entirety does not contain any essential erroneous affirmation either from deliberate fraud or from inadvertent errors, and based on this to deliver an independent audit certificate containing our opinion. The 'adequate certitude' term means a high degree of



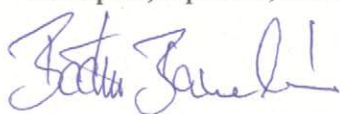
certitude, but it does not provide a guaranty for the audit performed in accordance with the Hungarian National Auditing Standards to always uncover every single essential erroneous affirmation which may exist. Erroneous affirmations may result from fraud or from error, and they may qualify as essential if it can be reasonably expected that any such affirmation in itself, or several affirmations together might influence the economic decisions of users based on the given simplified annual financial statements.

In the course of an audit performed in accordance with the Hungarian National Auditing Standards we apply due professional judgement and maintain due professional scepticism during the entire audit. Besides that:

- We identify and appraise the risk of erroneous affirmations within the simplified annual financial statement from fraud or error, we develop and apply appropriate audit procedures to handle any such risks, and we collect audit evidence of an appropriate quantity and quality to duly establish our opinion. The risk of not discovering essential erroneous affirmations from fraud is essentially higher than in the case of inadvertent errors given the nature of fraud which may go with connivance, forgery, deliberate omissions, misleading statements, or overwriting of the findings of internal controlling;
- We get acquainted with the internal controlling as far as relevant from the audit's point of view in order to design audit procedures in an adequate way with regard to the given circumstances. Our goal in doing so is not to provide an opinion on the efficiency of the Organisation's internal controlling.
- We assess the adequacy of the accounting policy as applied by the management, as well as the rationality of the accountancy estimates prepared by the management and of the related releases.
- We conclude whether the accountancy methods applied by the management are appropriate in view of the going concern principle, and based on the acquired audit evidence we conclude whether any essential insecurity pertains related to any such events or conditions which could raise considerable doubt face the Organisation's going concern ability. Should we conclude that considerable doubt persists, we are obliged to draw the attention in our independent audit certificate to the concerned releases within the simplified annual financial statement, or if such releases are not adequate in this respect, we would be obliged to qualify our opinion. Our conclusions are based on the audit evidence obtained until the date of our independent audit certificate. It is possible thought that any future events or conditions may cause the Organisation to no longer be a going concern.
- We assess the simplified annual financial statement's overall presentation, structure and content, including the releases of the supplementary notes, and we also assess whether within the simplified annual financial statement the principle of true and reliable presentation of the transactions and events at its base is being met.

We notify the management – next to our other questions – about the planned scope and schedule of the audit, about its essential findings, including any essential deficiencies pertaining to the Organisation's internal controlling as identified in the course of our audit.

Budapest, April 24, 2017



FAL-CON AUDIT Kft.
Ulászló utca 27, 1114 Budapest MKVK000512

FAL-CON AUDIT
Könyvvizsgáló és Tanácsadó Kft.
1114 Budapest, Ulászló u. 27.
Adószám: 11406778-2-43
OTP: 11737007-2058366
Kamat: 00000000



Barnabás Bödecs
financial auditor MKVK004312

FAL-CON AUDIT Könyvvizsgáló és Tanácsadó Kft. 1114 Budapest, Ulászló utca 27.
Phone: +36-1-2253838 Fax: +36-1-2253839 E-mail: office@fal-con.hu