

PUBLIC BENEFIT REPORT

2019

1. Data of the organization

1.1 Name: **Minority Rights Group Europe Szolgáltató Nonprofit Kft.**

1.2 Seat: 1082 Budapest, Üllői út 68., 2. 15.

1.3 Statistical code: 22272526-9499-572-01

1.4 Company reg. no.: 01-09-906377

1.5 Represented by: Zsafia Farkas managing director

2. Presentation of activities as a key objective in 2019

2.1 A Partnership for All: Developing Strategies for Socio- Economic Cooperation between Roma Communities and Local Authorities in Ukraine (UR1)

MRGE continued its ongoing program on Roma integration in Ukraine. The project has been supporting capacity building of Roma civil society organizations (CSOs) and public authorities in Ukraine, to develop public/private partnerships to more effectively implement the Ukraine 2020 Strategy for Roma Integration, which was adopted as part of the EU/Ukraine Visa liberalisation agreement. The project has been running since 2017 and finished in June 2019.

Partner: Public Foundation Roma Women's Fund 'Chirikli', Ukraine

In the framework of the program, two trainings have been conducted for Roma mediators, CSOs and community leaders in the Zakarpatia and Kiev regions (40 trained). We had 5 ongoing Local Advocacy campaigns in different regions, implemented by Roma CSOs through sub-granting.

Two analytical reports were published during the program, one in 2017, and another one in April, 2019. Three international advocacy missions were undertaken with Roma activists: one to the Council of Europe, one to the UN Forum on Minority Issues, and a joint mission undertaken to Brussels in cooperation with the Tom Lantos Institute, which also included a delegation of linguistic minorities from Ukraine.

The period saw the completion of 13 pilot projects across Ukraine, which seek to establish new partnerships between public authorities and Roma CSOs. Grants ranged between 10-12,000 Euro and were awarded to CSOs in 6 regions of the Ukraine. Project activities include establishment of Roma contact and information centres, after school and pre-school education programs, employment centres, legal aid services, development of curricula for Roma mediator and establishment of self-governance institutions in Roma settlements. Initial feedback from the pilot projects shows excellent results, close to a thousand cases have been registered with new initiatives. Pilot Projects started in the latter half of 2018 and were completed in 2019.

2.2 Reporting Effectively on Development, Minorities & Migration (MM1)

The project funded by EU and International Visegrad Fund started in October 2017 and runs for 3 years.

Partners: Gender Project for Bulgaria Foundation, Cracow Economic University in Poland and The Human Rights League in Slovakia.

The aim of the project is to raise public awareness of the interconnections between the EU and developing countries on issues concerning poverty, migration and minority exclusion, as well as to improve media coverage of development by strengthening the capacity of journalists and journalism students through non-formal education opportunities to report sensitively on poverty, migration and minority issues in the 4 targeted countries: Bulgaria, Hungary, Poland and Slovakia.

Three rounds of the online course took place this year, with more than 150 participating journalists and media students from the four countries. 22 of the students took part in internships with different media outlets.

Around 50 of those completing the course were able to go on field trips (to Spain, Morocco, Senegal, Poland and Bosnia-Herzegovina). In addition, we awarded stipends to 17 journalists to report individually. Thanks to all these, dozens of articles, reports were published in the four countries, covering issues related to minorities and migration.

We founded a journalism award in every country. Applications were evaluated by an independent jury. We organized high-profile roundtable discussions for editors-in-chief, senior editors and university professors in every country, to increase awareness and sensitivity towards the topic. In October, editors coming from the four countries were able to meet in Brussels as well.

In addition, we also commissioned 2 documentary films, and we manage to run a course based on our online training also within two universities (Comenius University in Bratislava and ELTE in Budapest).

2.3 Freedom from Hate: Empowering civil society to counter cyber-hate against Roma (FH1)

This 2-year EU-funded project, which was launched in June 2018, aims to test and evaluate effective counter narrative campaigns targeting online hate speech against Roma communities in Bulgaria, Croatia, the Czech Republic, Hungary and Slovakia.

Partners: Amalipe Center for Interethnic Dialogue and Tolerance (Bulgaria), Human Rights Institute (Slovakia), Romedia Foundation (Hungary), the National Roma Council (Croatia) and the Forum for Human Rights (Czech Republic).

Back in 2018, partners carried out a research and collected data on anti-Roma hate speech, identified perpetrators of cyber-hate, their messages and audiences, the platforms they use and the existing counter narrative initiatives. Based on the trainings they received afterwards, partners designed their own campaign plans which were implemented in 2019. Each partner produced 6 campaign materials (videos, info graphics, photos etc.).

Feedbacks suggest that these campaigns were successful while showing an ability to manage negative or hateful comments.

In addition, we produced a media pack of stories from the campaign, which facilitated the dissemination of the evaluation report of the program. The translation of the report into local languages is in progress, and, according to our plans, will be published in a single resource with a planned Tackling Hate Speech Toolkit.

On 15 October 2019, we organized in London a roundtable meeting with Roma community organizations and CSOs representatives. We had a very fruitful, interesting and constructive conversation with a wide range of participants upon different topics including exploring different techniques and strategies to successfully tackle online hate speech and sharing experiences, ideas.

2.4 Enhancing the Fair Trial for People Suspected or Accused of Crimes – FAIR (FA1)

FAIR is an EU funded project that started in October 2018 and will run for 2 years. The main aim of the FAIR project is to ensure that people suspected or accused of crimes have a better understanding of their procedural rights during criminal proceedings through providing accessible information, preferable on their mother tongue. Towards this end, during the course of the project, a research will be carried out in the 4 partner countries to analyse how the EU Directives on procedural rights have been implemented in the national legislations and the way they applied in practice.

Based on the results of the research, a Best Practice Handbook (targeting the legal professionals) and the content of the FAIR Tool (targeting the PSACs) will be developed and disseminated among the target groups and audiences. MRGE is a partner organization in this project, primarily responsible for the communication and dissemination activities.

Partners: Vienna Centre for Societal Security (VICESSE) (Austria), Law and Internet Foundation (LIF) (Bulgaria), The Center for Security Studies (KEMEA) (Greece)

MRGE is responsible for running the social media accounts, and we also conducted research to analyze how the EU Directives on procedural rights have been implemented in Hungarian legislation, as well as their practical application. The results of the research were summarized in a country report. Among others, the development of a mobile application is in progress.

During the course of the project it aims to directly benefit more than 1200 people, including people suspected or accused of crimes, their relatives, witnesses of crime, legal professionals and others working with these target groups in the partner countries (including Hungary), as well as across the EU.

The number of indirect beneficiaries of the project is expected to be much higher, however, their number is very hard to predict and/or estimate at this point, as it significantly depends on the successful coordination with the relevant national authorities at later stages of the project, as well as the willingness of these authorities to facilitate the access to the project outputs for the primary target groups. Primary beneficiaries will be in the 4 target countries, including Hungary

Regarding the communication and dissemination activities (that are led by MRGE) it is estimated that the project will reach an estimated 10.000-12.000 people with information about this topic, through its communication and dissemination channels, including the project's website and social media platforms, during the course of the project.

2.5 Supporting Religious Pluralism and Respect for FoRB across South Asia (SA1)

This action brings together an existing regional network – the South Asia Collective (SAC) – with three established research and advocacy organizations, which will provide support to strengthen and scale-up this initiative. Drawing on MRGE’s expertise in regional network building, this initiative was developed in direct collaboration with the two co-applicants – the Center for Equity Studies (CES-Misaal) (New Delhi) and Social Science Baha (SSB) (Kathmandu) – as well as the remaining members of the SAC.

Partners: CES is a leading New Delhi-based institution engaged in research and advocacy on issues of social justice. *Misaal*, a division of CES, is minority rights resource centre which anchors the SAC, and is engaged in supporting grassroots advocacy on minority rights and FoRB (freedom of religion or belief), tracking hate crimes against minorities, and supporting access to justice in India. SSB is a prominent Kathmandu-based research organization which aims to promote and enhance the study of social sciences, with a focus on areas including gender, social inclusion, and governance.

The project will strengthen and increase capacity of a network of HRDs, researchers and organizations across South Asia (SAC) working securely and collaboratively to promote the rights of religious minorities, by creating a platform through which issues can be shared.

Provision of emergency assistance to select FoRB HRDs will also be made available through a small annual fund. The project will also conduct regular research regarding violations of FoRB in South Asia distributed to key national, regional, and international actors, and produce at least 3 annual comprehensive annual reports and 6 periodic (bi-annual) online bulletins. It will also give priority to addressing discrimination, intolerance, and violence on the grounds of FoRB in South Asia amongst regional and international actors, in particular SAARC, UN human rights mechanisms, and international agencies.

After the regional network meeting held in Nepal in February, the collective has published statements and conducted advocacy, as well as research (fieldwork and interviews) for the annual report. The first drafts were completed in November.

Alongside this, MRG has been preparing a joint briefing with Amnesty International on the issue of violence against refugees in Sri Lanka, we signed a global statement with 125 organizations regarding the Assam issue in India, and we attended a statelessness conference in the Netherlands. In August, the MRGE call for local advocacy projects was announced to countries across South Asia, for which we received 17 applications and selected 6. So far, 3 have been contracted.

2.6 Western Thrace Advocacy Project

The program about the Turkish minority in Western Thrace, Greece kicked off in 2018, funded by the local Turkish community. A partnership agreement was established with ABTTF, the Germany based diaspora organization for Western Thrace Turks and launched the program, in which we published a report about the Turkish minority in Greece in October.

In addition to focusing on dissemination and media promotion, we also organize a legal training in the framework of the program.

2.7 Protecting the Rights of Religious Minorities

Our latest program aims to improve the situation of religious minorities in South Asia, South East Asia and the MENA countries. This program kicked off in October 2019 and is funded by the Norwegian Agency for Development Cooperation (Norad).

Partners: Ceasefire (UK), The Norwegian Centre for Holocaust and Minority Studies , HL-Senteret (Norway), Minority Rights Group International (UK)

After the kick-off meeting in Budapest, six activists attended the UN Forum on Minority Issues in November and participated in trainings organized by MRGI. Minority Rights Group, along with Project partner's Ceasefire, and Asuda, submitted an alternative report on Iraq to the Committee on the Elimination of Discrimination Against Women on 30 September 2019. Two recommendations made under that report were adopted in by the Committee in their Concluding Observations. Additionally, 147 violation reports from Iraq and Syria have been submitted on Ceasefire's new MENA-wide online monitoring tool. HL-Senteret developed and launched two 360 tours to enlighten online viewers in modes of inter-faith co-existence in Iraqi Kurdistan.

2.8 Other activities undertaken in 2019

July 2019, MRGE participated in the Minority Rights Summer School in Budapest organised by the National University of Public Services and Tom Lantos Institute, providing expert seminar on Minority Rights advocacy for Ludovika students.

3. The public benefit activities

3.1 Field of activities

Education, skill development, dissemination of knowledge, promoting equal opportunities for the socially disadvantaged groups, protecting human and civil rights.

3.2 Laws relating to public benefit activities

Supporting public education is a public task according to Sections 73. § -75 of the CXL. Act of 1997 on Museum Institutions, Public Library Benefits and Public Education.

The protection of the rights of national minorities, the guarantee of equal human dignity is a public task, which is enshrined in Articles I, II, XV (2) of the Constitution of Hungary as well as in the CXXV Act of 2003 on Equal Treatment and Promotion of Equal Opportunities Section 4 a) and b) and CLXXIX Act of 2011 on the Rights of Nationalities in Sections 3 - Section 10.

3.3 Target group of activities: ethnic, linguistic and religious minorities.

3.4 Persons benefitting from key activities: 600 minority and CSO representatives, 300 journalists and other media actors, 1200 including people suspected or accused of crimes, their relatives, witnesses of crime, legal professionals and others working with these target groups in the partner countries, and additional 15 thousand decision makers, stakeholders, policy representatives and media audience.

3.5 Main achievements of the organization

See Point 2.

4. Balance sheet and Profit and Loss statements of the Public benefit report

4.1 Balance sheet of the Public benefit report

BALANCE of the Public benefit report "A" version

Assets

31.12.2019

In thousand
HUF

No.	Item	Previous year	Modifications of previous years	Current year
a	b	c	d	e
01.	A. Fixed Assets (02.+04.+06.lines)	443		627
02.	I. Intangible assets			
03.	02. line including: adjusted value of intangible assets			
04.	II. Tangible assets	443		627
05.	04. line including: adjusted value of tangible assets			
06.	III. Financial investments			
07.	06.line including: adjusted value of financial investments			
08.	B. Current Assets (09.+10.+11.+12. lines)	185 138		157 935
09.	I. Inventories			
10.	II. Receivables	63 139		31 227
11.	III. Securities			
12.	IV. Liquid Assets	121 999		126 708
13.	C. Accrued and deferred assets	186 657		512 665
14.	Total Assets (01.+08.+13. lines)	372 238		671 227

BALANCE of the Public benefit report "A" version

Liabilities

31.12.2019

In thousand
HUF

No.	Item	Previous year	Modifications of previous years	Current year
a	b	c	d	e
15.	D. Equity (16.+18.+19.+20.+21.+22.+23.sor)	3 544		- 6 571
16.	I. Subscribed Capital	3 000		3 000
17.	16.line including: ownership shares repurchased at face value			
18.	II. Subscribed Capital Unpaid (-)			
19.	III. Capital reserve			
20.	IV. Retained earnings	- 11 313		- 13 784
21.	V. Tied-up reserve	14 328		14 328
22.	VI. Re-valuation reserve			
23.	VII. After tax results	- 2 471		- 10 115
24.	E. Provisions			
25.	F. Liabilities (26.+27.+28. lines)	367 556		675 814
26.	I. Subordinated liabilities			
27.	II. Long-term liabilities	357 567		519 393
28.	III. Short-term liabilities	9 989		156 421
29.	G. Accrued Expenses and Deferred Income	1 138		1 984
30.	Total liabilities and funds (15.+24.+25.+29. lines)	372 238		671 227

4.2 Profit and Loss Statement of the Public benefit report 1.

In thousand HUF			
Item	Previous year	Modifications of previous years	Current year
b	c	d	e
1. Total sales	1 051		1 877
2. Own performance capitalized			
3. Other income	147 956		358 999
From which::			
-membership fee			
-payment form founder	24 133		45 943
-grants	122 633		310 441
-from which donations:			
4. Income from financial transactions	158		738
A. Total Income (1+-2+3+4)	147 798		358 261
From which: income from public benefit activities	147 798		358 999
5. Material costs	48 401		99 740
6. staff costs	21 449		66 694
From which costs of executive staff			
7. Depreciation	355		619
8. Other Expenses	77 533		191 276
9. Expenses on financial transactions	2 689		10 785
B. Total Expenses (5+6+7+8+9)	150 427		369 114
From which expenses of public benefit activities	150 427		369 114
C. Total income before taxes (A-B)	- 2 471		-10 115
10. Tax payable			
D. Net income (C-10.)	- 2 471		-10 115

4.3 Profit and Loss Statement of the Public benefit report 2.

In thousand
HUF

	Core activities		Business activity		Total	
	2018	2019	2018	2019	2018	2019
A. Support from central government budget						
From this:						
- normative support						
Local government support						
From this:						
- normative support						
C. Support from the European Union Structural Funds and the Cohesion Fund						
D. Support from the European Union budget or from another State, or international organization	122 633	310 441			122 633	310 441
E. From 1% of the personal income tax.						
F. Income from public utility service						
G. Donations						

The data are supported by audit.

5. Grants given for target group

Description	Previous year	Current year
Support for other NGOs	77 533	191 276
Total	77 533	191 276

6. Allowance given to managing director

Description	Previous year	Current year
Wage and taxes	4 217	13 776
Total	4 217	13 776

7. Indicators used for determining public benefit status (thousand HUF)

	Previous year	Current year
B. Total revenues	147 956	358 999
ebből:		
C. 1% of the income tax		
D. Income from public utility services		
E. Normative support		
F. Grant from EU structural and cohesion funds		
G. Corrected revenue [B-(C+D+E+F)]	147 956	358 999
H. Total costs	150 427	369 1145
I. Costs of staffing	21 449	66 694
J. Costs of public benefit activities	150 427	369 114
K. Profit after taxes	- 2 471	- 10 115
L. Number of volunteers	3	9
<i>Resource indicators</i>	<i>Performance of indicators</i>	
	<i>yes</i>	<i>no</i>
$[(B1+B2)/2 > 1.000.000, - Ft]$	X	
$[K1+K2 \geq 0]$		X
$[(I1+I2-A1-A2)/(H1+H2) \geq 0,25]$		X
<i>Indicators of social support</i>	<i>Performance of indicators</i>	
$[(C1+C2)/(G1+G2) \geq 0,02]$		X
$[(J1+J2)/(H1+H2) \geq 0,5]$	X	
$[(L1+L2)/2 \geq 10 \text{ ppl}]$		X

8. Grants

Name of the grant:	A Partnership for All: Local authorities and CSOs together for an inclusive socio-economic development in Ukraine (ENI/2016/376-039)
Name of supporter:	a) European Union b) Minority Rights Group International
Source of funding:	Central government budget
	Local government budget
	International source X
	other
Duration:	a) 30 months (01.01.2017 – 30.06. 2019) b) 30 months (01.01.2017 – 30.06. 2019)
Funding:	a) 415 014.77 EUR b) 135 615.75 EUR
- for 2019:	a) 63 647 kHUF b) 20 035 kHUF
- used in 2019:	a) 63 647 kHUF b) 20 035 kHUF
- sent in 2019:	a) 0 HUF b) 24 812 kHUF (75 000 EUR)
Type of grant:	Non-refundable
Expenditures:	
Staff	9 869 kHUF
Material	73 813 kHUF
Total:	83 682 kHUF
Introduction of support in the given year	
See point 2.1	

Name of the grant:	Reporting Effectively on Development, Minorities & Migration (CSO-LA/2017/388-349)
Name of supporter:	a) European Union b) International Visegrad Fund c) Minority Rights Group International
Source of funding:	Central government budget
	Local government budget
	International source X
	other
Duration:	a) 36 months (11.10.2017-10.10.2020) b) 12 months (15.02.2018 – 22.01.2019) c) 24 months (11.10.2017-10.10.2020)
Funding:	a) 1 280 836 EUR b) 17 285.28 EUR c) 55 985 EUR
- for 2019:	a) 159 986 kHUF b) 1 630 kHUF c) 18 504 kHUF
- used in 2019:	a) 159 986 kHUF b) 1 630 kHUF c) 18 504 kHUF
- sent in 2019:	a) 168 451 kHUF (517 005.28 EUR) b) 739 kHUF (2 285.28 EUR) c) 0 HUF
Type of grant:	Non-refundable
Expenditures:	
Staff	34 837 kHUF
Material type	145 283 kHUF
Total:	
	180 120 kHUF
Introduction of support in the given year	
See point 2.2	

Name of the grant:	Freedom From Hate: Empowering Civil Society to Counter Cyber-hate Against Roma (785659 — FFH ROMA — REC-AG-2017/REC-RRAC-ONLINE-AG-2017)
Name of supporter:	a) European Union b) Minority Rights Group International
Source of funding:	Central government budget
	Local government budget
	International source X
	other
Duration:	a) 24 months (01.06.2018 - 31.05.2020) b) 12 months (01.06.2018 - 31.05.2020)
Funding:	a) 168 371.34 EUR b) 20 283 EUR
- for 2019:	a) 26 468 kHUF b) 6 704 kHUF
- used in 2019:	a) 26 468 kHUF b) 6 704 kHUF
- sent in 2019:	a) 0 HUF b) 0 HUF
Type of grant:	Non-refundable
Expenditures:	
Staff	10 698 kHUF
Material	22 474 kHUF
Total:	
	33 172 kHUF
Introduction of support in the given year	
See point 2.3	

Name of the grant:	Enhancing the Fair Trial for People Suspected or Accused of Crimes (802040 — FAIR — JUST-AG-2017/JUST-JACC-AG-2017)		
Name of supporter:	European Union		
Source of funding:	Central government budget		
	Local government budget		
	International source		X
	other		
Duration:	24 hónap (2018.10.01.-2020.09.30.)		
Funding:	36 683.02 EUR		
- for 2019:	7 044 kHUF		
- used in 2019:	7 044 kHUF		
- sent in 2019:	0 HUF		
Type of grant:	Non-refundable		
Expenditures:			
Staff	6 785 kHUF		
Material	259 kHUF		
Total:	7 044 kHUF		
Introduction of support in the given year			
See point 2.4			

Name of the grant:	Supporting Religious Pluralism and Respect for FoRB across South Asia (EIDHR/2018/400-439)
Name of supporter:	European Union
Source of funding:	Central government budget
	Local government budget
	International source X
	other
Duration:	01.11.2018 – 31.10.2021
Funding:	494 681 EUR
- for 2019:	23 143 kHUF
- used in 2019:	23 143 kHUF
- sent in 2019:	0 HUF
Type of grant:	Non-refundable
Expenditures:	
Staff	3 332 kHUF
Material	19 811 kHUF
Total:	23 143 kHUF
Introduction of support in the given year	
See point 2.5	

Name of the grant:	The Turkish Minority in Western Thrace: The Long Struggle for Rights and Recognition
Name of supporter:	Federation of Western Thrace Turks in Europe
Source of funding:	Central government budget
	Local government budget
	International source X
	other
Duration:	15.05.2019 – 30.09.2019
Funding:	7 500 EUR
- for 2019:	1 768 kHUF
- used in 2019:	1 768 kHUF
- sent in 2019:	1 649 kHUF HUF (5 000 EUR)
Type of grant:	Non-refundable
Expenditures:	
Staff	896 kHUF
Material	872 kHUF
Total:	1 768 kHUF
Introduction of support in the given year	
See point 2.6	

Name of the grant:	Protecting the Rights of Religious Minorities
Name of supporter:	Norwegian Agency for Development Cooperation (NORAD)
Source of funding:	Central government budget
	Local government budget
	International source X
	other
Duration:	01.07.2019 – 31.12.2022
Funding:	16 125 000 NOK
- for 2019:	26 756 kHUF
- used in 2019:	26 756 kHUF
- sent in 2019:	122 705 kHUF (3 649 037 NOK)
Type of grant:	Non-refundable
Expenditures:	
Staff	277 kHUF
Material	26 479 kHUF
Total:	
	26 756 kHUF
Introduction of support in the given year	
See point 2.7	

25.03.2020



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Zsolia Farkas
Representative of the organization

2 2 2 7 2 5 2 6 9 4 9 9 5 7 2 0 1

Statistical code

0 1 - 0 9 - 9 0 6 3 7 7

Registration number

Minority Rights Group Europe Nonprofit Ltd.

Simplified Financial Statement - Balance "A"

31.12.2019

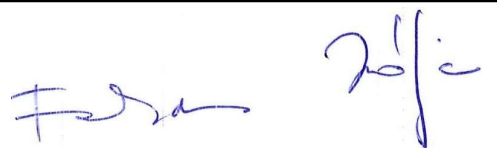
Balance sheet date

Thousand HUF

		Previous year	Modificati ons in previous years	Target year
a	Item b	c	d	e
1	A. Fixed Assets (02.+04.+06. lines)	443	0	627
2	I. Intangible assets	0	0	0
3	02. line including: adjusted value of intangible assets	0	0	0
4	II. Tangible assets	443	0	627
5	04. line including: adjusted value of tangible assets	0	0	0
6	III. Financial investments	0	0	0
7	06. line including: adjusted value of financial investmer	0	0	0
8	B. Current Assets (09.+10.+11.+12. lines)	185,138	0	157,935
9	I. Inventories	0	0	0
10	II. Receivables	63,139	0	31,227
11	III. Securities	0	0	0
12	IV. Liquid assets	121,999	0	126,708
13	C. Accrued and deferred assets	186,657	0	512,665
14	Total assets (01.+08.+13. lines)	372,238	0	671,227

15	D. Equity (16.+18.+19.+20.+21.+22.+23. lines)	3,544	0	-6,571
16	I. Subscribed capital	3,000	0	3,000
17	16. line including: ownership shares repurchased at fac	0	0	0
18	II. Subscribed capital unpaid (-)	0	0	0
19	III. Capital reserve	0	0	0
20	IV. Retained earnings	-11,313	0	-13,784
21	V. Tied-up reserve	14,328	0	14,328
22	VI. Re-valuation reserve	0	0	0
23	VII. After tax result for the year	-2,471	0	-10,115
24	E. Provisions	0	0	0
25	F. Liabilities (26.+27.+28. lines)	367,556	0	675,814
26	I. Subordinated liabilities	0	0	0
27	II. Long-term liabilities	357,567	0	519,393
28	III. Short -term liabilities	9,989	0	156,421
29	G. Accrued Expenses and Deferred Income	1,138	0	1,984
30	Total equity and liabilities (15.+24.+25.+29. lines)	372,238	0	671,227

Date: 25/03/2020


Zsolia Farkas

director

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Statistical code

0	1	-	0	9	-	9	0	6	3	7	7
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Registration number

Minority Rights Group Europe Nonprofit Ltd

Simplified annual financial statement - Income and expenditure statement (by total costs method) "A"

01.01.2019. - 31.12.2019.

Period

Thousand HUF

		Previous period	Modifications in Previous year	Target year
a	b	c	d	e
I.	Total sales (revenues)	1,051	0	1,877
II.	Own performance capitalized	0	0	0
III.	Other income	146,747	0	356,384
	III. line including: loss in value marked back	0	0	0
IV.	Material costs	48,401	0	99,740
V.	Staff costs	21,449	0	66,694
VI.	Depreciations	355	0	619
VII.	Other expenditures	77,533	0	191,276
	VII. line including: loss in value	0	0	0
A.	Income from operations	60	0	-68
VIII.	Income from financial transactions	158	0	738
IX.	Expenses on financial transactions	2,689	0	10,785
B.	Results from financial transactions (VIII.-IX.)	-2,531	0	-10,047
C.	Total income before taxes (+A.+B.)	-2,471	0	-10,115
X.	Tax payable	0	0	0
D.	Net income (+C.+X.)	-2,471	0	-10,115

Date: 25/03/2020



Zsolia Farkas
director

**Minority Rights Group Europe
Service Providing Non-Profit Private
Limited-liability Company**

**NOTES TO THE FINANCIAL
STATEMENT**

for the Year of 2019

I. General Part

1. Company Data

Name of the Company:	Minority Rights Group Europe Service Providing Non-Profit Private Limited- liability Company
Seat:	H-1082 Budapest, Üllői út 68. II. 15.
Date of foundation:	20 May 2008
Registry number:	01-09-906377
Tax number:	22272526-1-42
Date of registration:	2 December 2008
Form of operation:	Non-Profit Private Limited- liability Company
Statistical number	22272526-9499-572-01

Owners on balance sheet date:

Name of the Owner	Nominal value of the Founding capital in thousand HUF	% of Shares
Minority Rights Group International GB-E1 6LT London, Commercial Street 54.	3,000	100.00
TOTAL:	3,000	100.00

The structure of the ownership remained unchanged in the given year.

The Company's Scope of Operations

TEÁOR Code	Activity
9499	Other non-listed community, social activity
5814	Publishing of journals and periodicals
9412	Professional Advocacy
7220	Research and development on social science humanities
7320	Market research and public opinion polling
9001	Performing art
9002	Supporting activities of performing arts
9003	Artistic creation
9101	Librarian and archival activities
8230	Conference, commercial fair organizing
5911	Motion picture, video and television programme production activities
5914	Motion picture projection activities
5920	Sound recording and music publishing activities

Zsófia Farkas (2096 Üröm, Asztalos str 12/a.), the Managing Director of the company is entitled to sign this report.

The accounting work is done by Adiuto Fortis Kft., and this report is prepared by Horváthné Szenes Katalin, PM registration number is: 185053.

The Company's auditing services is completed by PKF Audit Ltd., chamber of auditors registration number 000123. The auditing duties is fulfilled by György Lajos Pataki registered auditor, registry number with the chamber is: 003603.

The auditing fee is 820 kHUF + VAT.

Brief Summary of Accounting Policy

In accordance with the regulations the books of the company are kept in Hungarian forints, based on the double-entry bookkeeping method.

The business year of the company is according to the calendar year.

The Company, given the possibility by the modified (Hungarian) Act No. C on the Accountancy of year 2000, prepares simplified annual report.

The balance is being prepared in version „A” as per the Appendix 1. of the referred act. The net income is determined by the „total cost method”, which is compiled in version „A” as per the Appendix 2 of the act.

Foreign currencies are exchanged into Hungarian forints at the daily exchange rate of the Hungarian National Bank.

The Company's balance sheet date is 7th March following the business year.

a) The applied methods of value determination

Invested assets and current assets are valued on their historical cost as per the Act (value-at-cost and prime cost). Their value is decreased by the amount of loss-in-value, depreciation and built-up provision, and is increased by the amount of write-offs set by the accounting policy of the company and in accordance with the Act C.

Our company is building up provision against the receivables, based on individual valuation depending on the expected income.

b) Method and Frequency of Depreciation

Planned Depreciation

Depreciation is reported according to our accounting policy, based on the estimated useful lives of the assets. Depreciation is calculated monthly, on a gross-value basis using the straight-line depreciation method.

Tangible assets with purchase or production cost of HUF100,000 or less are accounted for in one lump sum of depreciation upon the commencement of their use.

2. Assessment of fair property, financial and earnings position

2.1. Assessment of assets and resources

Name of the item	Previous year KHUF	Current year KHUF	Changes %
A. Fixed Assets	443	627	41,53
I. Intangible Assets	0	0	N/A
II. Tangible Assets	443	627	41,53
III. Invested financial assets	0	0	N/A
B. Current Assets	185 138	157 935	-14,69
I. Stocks	0	0	N/A
II. Receivables	63 139	31 227	-50,54
III. Securities	0	0	N/A
IV. Liquid Assets	121 999	126 708	3,86
C. Accrued and deferred assets	186 657	512 665	174,66
TOTAL ASSETS (A+B+C)	372 238	671 227	80,32
D. Equity	3 544	-6 571	-285,41
I. Subscribed Capital	3 000	3 000	0,00
II. Unpaid Subscribed Capital	0	0	N/A
III. Capital Reserve	0	0	N/A
IV. Retained Earnings	-11 313	-13 784	21,84
V. Tied Up Reserve	14 328	14 328	0,00
VI. Re-valuation Reserve	0	0	N/A
VII. After tax result of the year	-2 471	-10 115	309,35
E. Provisions	0	0	N/A
F. Liabilities	367 556	675 814	83,87
I. Subordinated Liabilities	0	0	N/A
II. Long-Term Liabilities	357 567	519 393	45,26
III. Short-term Liabilities	9 989	156 421	1 456,93
G. Accrued Expenses and Deferred Income	1 138	1 984	74,34
TOTAL LIABILITIES AND FUNDS (D+E+F+G)	372 238	671 227	80,32

Fair property position is demonstrated by the following ratios:

Ratio	Previous Year	Current Year
Current Assets Ratio $= \frac{\text{Current Assets} + \text{Accrued/Deferred Assets}}{\text{Total Assets}} \times 100$	99,88	99,91
Equity Strength $= \frac{\text{Equity}}{\text{Total assets}} \times 100$	0,95	-0,98
Ratio of Provisions (Specific Reserve) $= \frac{\text{Specific Reserve}}{\text{Total assets}} \times 100$	0	0
Cover of Fixed Assets I. $= \frac{\text{Equity}}{\text{Fixed Assets}} \times 100$	800,00	-1 048,01
Cover of Invested Assets II. $= \frac{\text{Equity} + \text{Long - term liabilities}}{\text{Fixed Assets}} \times 100$	81 514,90	81 789,79
Current Assets to Equity Ratio $= \frac{\text{Current Assets}}{\text{Equity}} \times 100$	5 223,98	-2 403,52
Equity Gain Ratio $= \frac{\text{Equity}}{\text{Issued Capital}} \times 100$	118,13	-219,03

2.2. Assessment of Financial Situation

The Company's financial situation is demonstrated by the following ratios:

a) Indebtness Ratio

Ratio	Previous Year	Current Year
Cover for Credits Ratio $= \frac{\text{Receivables}}{\text{Short - term liabilities}} \times 100$	632,09	19,96

b.) Liquidity Statement

Liquid assets: 126 708 kHUF, out of that Bank Deposit: 126 414 E, Cash: 294 kHUF.

The allocation and use of funding support:

In 2019 the company received **291 894 kHUF** and in 2018 169 862 kHUF grants from donors by tender. The received grant funds arrived to Minority Rights Group Europe Nonprofit Kft's accounts as advances. We record the received grants among liabilities till the final settlement of the entire grant amounts.

The use of the funding received: material-type expenses 99 740 kHUF, human resources 66 694 kHUF, depreciation 619 kHUF, other expenditure 191 276 kHUF, out of which 191 271 kHUF is transferred to partner organization.

Net income: - 10 115 kHUF.

Ratio	Previous year	Current year
Liquidity acid test $= \frac{\text{Liquid assets}}{\text{Short - term liabilities}} \times 100$	1221,33	81,00
Liquidity ratio $= \frac{\text{Current Assets}}{\text{Short term liabilities}} \times 100$	1853,42	100,97

Regarding the indebttness indicator, the ratio of own and external resources in 2018 it is 10 371.22% while in 2019 it is -10 284.8% taking into consideration the ratio of liabilities and own resources.

II.

Notes to the Balance Sheet and Income Statement

NOTES TO THE BALANCE SHEET

Assets

A) Fixed Assets

1. I. Intangible Assets

Opening gross value on 01.01.2019.	20 kHUF
Purchase in 2019	0 kHUF
Writing off in 2019	0 kHUF
Gross value of intangible assets on 31.12.2019	20 kHUF
- Opening value of depreciation	20 kHUF
- Depreciation in 2019 as planned	0 kHUF
- Written off depreciation in 2019	0 kHUF
Closing value of depreciation	20 kHUF
Closing net value of intangible assets on 31.12.2019.	0 kHUF

2. II. Tangible Assets

In 2019 new tangible assets were purchased for 803 kHUF.

Gross value of tangible assets on 31st December 2019: 627 kHUF

Opening gross value on 01.01.2019	4 617 kHUF
Purchase in 2019	803 kHUF
Writing off in 2019	601 kHUF
Gross value of intangible assets on 31.12.2019	4 819 kHUF
- Opening value of depreciation	4 174 kHUF
- Depreciation in 2019 as planned	619 kHUF
- Written off depreciation in 2019	601 kHUF
Closing value of depreciation	4 191 kHUF
Closing net value of intangible assets on 31.12.2019.	627 kHUF

Extraordinary depreciation

In 2019 the Company did not account for any extraordinary depreciation.

B) Current Assets

1. II. Receivables

Receivables on 31.12.2019 are the following:

- Office lease security deposit	100 kHUF
- Artext Jerzy Podgorski	17 kHUF
- Minority Rights Group International, London (5766,36 EUR)	1 906 kHUF
- Other (3 798.28 EUR)	1 255 kHUF
- Travel advance (2 284.87 EUR)	755 kHUF

Forwarded grant to our partners with reporting due after balance sheet date:

- MM1 project (23 384.87 EUR)	7 729 kHUF
- SA1 project (18 727.69 EUR)	6 190 kHUF
- FH1 project (5 029.83 EUR)	1 663 kHUF
- NRD project (346 319.19 NOK)	11 612 kHUF
-	

TOTAL: **31 277 kHUF**

2. IV. Liquid Assets

- Bank account HUF	5 173 kHUF
- Bank account EUR	121 241kHUF

Total: **126 414 kHUF**

- Petty cash HUF	1 kHUF
- Petty cash EUR	200 kHUF
- Petty cash RON	56 kHUF
- Petty cash GEL	37 kHUF

Total: **294 kHUF**

Total Liquid Assets: **126 708 kHUF**

B) Accrued and deferred assets

In 2019 the amount of deferred charges is 512 665 kHUF, while in 2018 it was 186 657kHUF.

Deferred charges of grants received:

The Partnership for All: Developing Strategies for Socio-Economic Cooperation Between Roma Communities and Local Authorities in Ukraine (UR1 project)

- European Commission 128 768 kHUF
- Minority Rights Group International, London 20 035 kHUF

Freedom From Hate: Empowering Civil Society to Counter Cyber-hate Against Roma (FH1 project)

- European Commission 36 064 kHUF
- Minority Rights Group International, London 6 704 kHUF

Reporting Effectively on Development, Minorities & Migration (MM1 project)

- European Commission 242 976 kHUF
- Minority Rights Group International, London 18 504 kHUF

Enhancing the Fair Trial for People Suspected or Accused of Crimes (FA1 project)

7 496 kHUF

Supporting Religious Pluralism and Respect for FoRB across South Asia (SA1 project)

23 594 kHUF

Protecting the Rights of Religious Minorities (NRD)

26 756 kHUF

Turkish Minority in Western-Thrase (FWTT)

1 768 kHUF

TOTAL Accrued and Deferred Assets

512 665 kHUF

Total Assets:

671 227 KHUF

TOTAL LIABILITIES AND FUNDS

D) Equity

-6 571 KHUF

During the reporting period the following changes occurred to the Equity:

	Issued Capital	Unpaid issued capital	Capital Reserve	Accumulated profit reserve	Tied-up reserve	Profit and Loss
Opening balance 01.01.2019	3 000			-11 313	14 328	-2 471
Profit and loss statement of previous year				-2 471		2 471
Inpayment to issued capital						
Use of accumulated profit reserve						- 10 115
Closing balance on 31.12.2019	3 000	0	0	-13784	14 328	-10 115

On the basis of 51 § of Hungarian Act IV. on Business Associations of 2006 year, in order to finance the loss of the Company and to protect company's equity capital it became inevitable during the year 2012 to provide for the minimum compulsory equity level defined by the law.

The owner, to settle the loss accumulated in previous years, decided about inpayment of 14,328 kHUF, which was paid during 2012. The amount of the inpayment is shown in the financial statement as tied-up reserve.

In the year 2019 the Net Income became a loss of 10 115 kHUF, thus the equity decreased to the amount of - 6 571 kHUF.

E) Provisioning

Company did not create any provisions in 2019.

F) Liabilities
675 814 kHUF
1) Long-term liabilities
519 393 kHUF

Long term liabilities in 2019 is 519 393 kHUF, while in 2018 they were 357 567 k HUF.

Project	Code	Donor	EUR	Amount recognised in HUF
<i>Protecting the Rights of Religious Minorities</i>	NRD	Norwegian Agency for Development Cooperation (Norad)	3 649 E NOK	122 352 E
Reporting Effectively on Development, Minorities & Migration	MM1	European Commission	889 E EUR	293 827 E
Freedom From Hate: Empowering civil society to counter cyber-hate against Roma	FH1	European Commission	135 E EUR	44 520 E
Enhancing the Fair Trial for People Suspected or Accused of Crimes	FA1	European Commission	24 E EUR	7 881 E
Supporting Religious Pluralism and Respect for FoRB across South Asia	SA1	European Commission	154 E EUR	50 813 E

2) Short-term liabilities on 31.12.2019:

- Liabilities towards domestic suppliers	988 kHUF
- Liabilities towards foreign suppliers	3 618 kHUF
- Liability towards supplier, MRG International in UK	5 189 kHUF
- Romedia Foundation (1 326.24 EUR, FH1)	438 kHUF
- Roma National Council (2 075.15 EUR, FH1)	686 kHUF
- MRGI London (137 284.81 NOK; NRD)	4 603 kHUF
- Federation of Western Thrace Turks in Europe (FWTT)	1 652 kHUF
- UR1 Project, European Commission	136 470 kHUF
- NAV VAT	984 kHUF
- NAV personal income tax	423 kHUF
- NAV pension contribution	255 kHUF
- NAV contribution to healthcare and labour market	213 kHUF
- NAV social contribution tax	455 kHUF

- NAV contribution to vocational education	34 kHUF
- NAV health care	0 kHUF
- Liabilities towards employees	26 kHUF
- Trip reimbursements	386 kHUF
- Other short loan	0 kHUF
Total:	156 421 kHUF

G) Accrued Expenses and Deferred Income

Accrued expenses in the amount of 1 984 kHUF, including the following items:

- Audit fee for 2019	521 kHUF
- Accountancy fee for 2019	364 kHUF
- Other costs for 2019	108 kHUF
- UR1 projekt audit fee	991 kHUF
Total:	1 984 kHUF

Total Liabilities and Funds: **671 227 kHUF**

NOTES TO THE INCOME STATEMENT

Income from activities

358 999 kHUF

During its operation in 2019, the Company generated 1 877 kHUF sales revenue through its public benefit activity.

Other income

356 384 kHUF

The Company's other income includes **310 441 kHUF** grants received

Project	Code	Donor	Amount recognised in HUF
A Partnership for All: Developing Strategies for Socio-Economic Cooperation Between Roma Communities and Local Authorities in Ukraine	UR1	European Commission	63 647 E Ft
Reporting Effectively on Development, Minorities & Migration	MM1	European Commission	159 986 E
Reporting Effectively on Development, Minorities & Migration	MM1/V4	International Visegrad Fund	1 630 E
Freedom From Hate: Empowering Civil Society to Counter Cyber-hate Against Roma	FH1	European Commission	26 468 E
Enhancing the Fair Trial for People Suspected or Accused of Crimes	FA1	European Commission	7 044 E
Supporting Religious Pluralism and Respect for FoRB across South Asia	SA1	European Commission	23 143 E
Defending the Rights of Religious Minorities	NRD	Norwegian Agency for Development Cooperation (Norad)	26 755 E
Turkish Minority in Western-Thrace	FWTT	Federation of Western Thrace Turks in Europe	1 768E

Out of the revenues 45 943 kHUF were received from the funder as our own resource for projects.

Out of the revenues 191 271 kHUF was forwarded towards our partners. These are included among the expenses.

Income from financial transactions is 738 kHUF, including 10 kHUF bank interest, 728 kHUF realized exchange rate gain.

Operational expenses

369 114 kHUF

Elements of the operational expenses on 31.12.2019:

- **Material-type total expenses** are 99 740 kHUF, out of which 682 kHUF material costs, 95 210 kHUF services used, and 2 516 kHUF other services and 1332 kHUF mediated service.
 - o List of services used:

▪ office rent and venue hiring	3 274 kHUF
▪ post, courier, telephone, internet	357 kHUF
▪ accounting, audit	6 438 kHUF
▪ consultants' fees	36 220 kHUF
▪ accommodation abroad	12 531 kHUF
▪ travel costs	28 505 kHUF
▪ education, advanced studied	279 E kHUF
▪ translation, interpretation	4 352kHUF
▪ printing and photocopying	2 596 kHUF
▪ IT maintenance	616 kHUF
▪ other services used	42 kHUF
▪	
 - o Other services are 2 516 kHUF, including 560 kHUF various official fees, 1 445 kHUF bank charges and 511 kHUF insurance fee.
- **Personnel expenses** totals 66 694 kHUF including the following items:
 - o salaries in the amount of 48 276 kHUF
 - o employer contributions of 9 760 kHUF, which include the social and other contributions
 - o other personnel type of costs in the amount of 8 658 kHUF including per diem and staff meals.
- **Depreciation** 619 kHUF, which includes depreciation of computer equipment and office equipment.
- **Other costs** 191 276 kHUF including:
 - o 131 758 kHUF forwarded grants to partners
 - o UR1 subgrants: 50 470 kHUF
 - o SA1 subgrants: 9 043 kHUF
 - o other expense in the amount of 5 kHUF
- **Expenses of financial transactions cost** 10 785 kHUF, which contains 529 kHUF from realized exchange rate loss and 10 256 kHUF from exchange rate loss from revaluation.

Total income before taxes

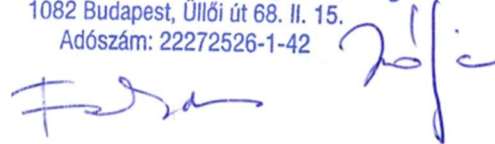
-10 115 kHUF

III. General information

- The company has no shares or influence with other companies.
- The company has no financial liabilities other than those shown in the balance sheet.
- Average statistical number of staff – 6,33 person.
- In 2019 payment of brutto 13 776 kHUF was made to executive officers.
- The Company has no assets directly serving environmental protection purposes, and it does not produce or store hazardous waste or pollutants as a result of its activities
- Since the date of the financial year closure, no significant event happened resulting in changes to the financial statements.

Budapest, 25 March, 2020.

Minority Rights Group Europe Szolgáltató
Nonprofit Korlátolt Felelősségű Társaság
1082 Budapest, Üllői út 68. II. 15.
Adószám: 22272526-1-42



.....
Representative of the
Company

Appendix No. 1.
Personnel costs

Item		Statistical average of staff (persons)	Salaries kHUF	Other payments KHUF
Full-time employees		blue collar staff		
		white collar staff	4,16	32 117
Part-time employees		blue collar staff		
		white collar staff	2,17	12 556
Pensioner Employee	full-time			
	part-time			
Other employees				
Other non-employee personnel			3 603	8 197
Total of employees		6,33	48 276	8 658

Independent Auditor's Report
To the Quotaholder of Minority Rights Group Europe Service Providing Non-profit Ltd.

Opinion

We have audited the accompanying abbreviated financial statements of Minority Rights Group Europe Service Providing Non-profit Ltd. (hereinafter referred to as "the Company") which comprise the balance sheet as at 31 December 2019 (in which the balance sheet total is THUF 671,227 the loss after tax for the year is THUF - 10,115), 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 abbreviated financial statements give a true and fair view of the financial position of the Company as at 31 December 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 in 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 Abbreviated Financial Statements" section of our report.

We are independent of the Company 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.

Emphasis of Matter

Without qualifying our opinion we draw attention to the fact that the Company's Equity is negative (THUF – 6,571), which does not meet the requirement of Civil Code (2013. V law.).

Other Information: Nonprofit Report

The other information comprises the nonprofit report of the Company for the year of 2018. Management is responsible for the preparation of the nonprofit report in accordance with the 350/2011 (XII.30.) Government Regulation. Our opinion on the abbreviated financial statements under the Opinion section of our report does not cover the nonprofit report.

In connection with our audit of the abbreviated financial statements, our responsibility is to read the nonprofit report and, in doing so, consider whether the nonprofit report is materially inconsistent with the abbreviated

financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. In addition, we are required to report whether we have found any material misstatement in the nonprofit report through obtaining knowledge about the Company and its environment and if so, we have to report the nature of that misstatement. We have nothing to report.

Responsibilities of Management and Those Charged with Governance for the Abbreviated Financial Statements

Management is responsible for the preparation and fair presentation of the abbreviated financial statements in accordance with the Act on Accounting, and for such internal control as management determines is necessary to enable the preparation of abbreviated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the abbreviated financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as applicable, matters related to going concern; and management is responsible for preparing the abbreviated 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 Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Abbreviated Financial Statements

Our objectives are to obtain reasonable assurance about whether the abbreviated 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 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 abbreviated 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 abbreviated 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 Company'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 in the preparation of the abbreviated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 abbreviated 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the abbreviated financial statements, including the disclosures, and whether the abbreviated 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, 29 April 2020



György Lajos Pataki

Registration number: 007280

PKF Könyvvizsgáló Kft.

1025 Budapest, Csévi utca 7/B.

Registration number: 000123