

A report of an independent auditor

For the members of the Foundation for the Human Rights of Sex Workers

We have conducted an auditing of the attached simplified accounting report of a non-profit organization as well as examined if the operations of the organization serve the public good. The accounting report consists of a sheet balance prepared on December 31, 2013 – in which the combined value of asset and liabilities is 54. 085 thousand forints and the loss from the non-profit activity at the end of the target year is 25 thousand forints – and of the indicators of the non-profit activity prepared on the same date and also contains an attachment describing activities conducted for the purpose of public good.

Responsibility of the leadership with respect to the simplified yearly accounting report

According to the law on accounting, supplemented by the Government decree on other organizations no 224/2000, law on associations, regulations of public good activities, and the law on the operations and funding of the non-profit organizations no CLXXV from 2000 (Civil code), as well as the general principles of accounting it is the responsibility of the leadership to prepare and present a truthful yearly accounting report. This responsibility comprises a preparation of the simplified yearly accounting report free from mistakes covered out of cheating or by mistake, truthful representation of the design, introduction and maintenance of the internal control system, selection and application of the relevant book-keeping policy, as well as a preparation of the sheet balance appropriate to the circumstances.

Responsibility of the auditor

Our responsibility is to evaluate the simplified accounting report of the non-profit on the basis of auditing the accounts. We have conducted the audit based on the Hungarian National Standards of Auditing and according to the laws and other legal regulations of Hungary. These require that we follow certain ethical principles and that we plan and exercise the audit in such a way as to conclude with certainty that the simplified accounting report does not contain major mistakes.

The audit itself consists of exercising such actions the goal of which is to collect the auditing evidence about sums and figures of the simplified accounting report. The auditing process, including the estimation of the risk of having wrong figures in the simplified accounting report due to mistake or cheating, depends on the assumptions of the auditor. In the course of such an evaluation the auditor estimates the risks contained in the simplified accounting report prepared by the senior management for the purpose of truthful internal revision so as to plan the auditing methods appropriate for the circumstances and not for the purpose of evaluating the efficiency of the internal control system. In addition the auditing includes evaluating if the accounting methods used are appropriate, if the bookkeeping estimates provided by the leadership are reasonable, as well as evaluating the overall data display. We are persuaded that the collected auditing evidence provides sufficient and appropriate grounds for the conclusions we have reached.

Conclusion

In the course of auditing we have examined the simplified accounting report of the Foundation for the Human Rights of Sex Workers, its parts and figures and whether those are supported by book-keeping and invoicing, using the national standards of book-keeping. We have collected sufficient and appropriate proof that the simplified accounting report is prepared in accordance with the regulations of the law on book-keeping and the basic principles of book-keeping. **From our point of view the simplified accounting report and indicators of the operation for public good of the Foundation for the Human Rights of Sex Workers reflects a trustworthy and truthful picture of the Foundation's material assets, finances and income as of December 31, 2012.**

Responsibilities with respect to the indicators of working for the purpose of public good

We have examined the attached indicators of the non-profit performance for the purpose of public good.

The leadership is responsible for collecting and presenting the indicators of the performance for the purpose of public good according to the principles outlined in the law on book-keeping and civil law, as well as according to the basic principles of accounting accepted in Hungary. Our responsibility is to examine based on the same principles if the indicators of performance for the purpose of public good corresponded to the simplified accounting report. Our work with respect to the indicators of performance for the purpose of public good is limited to estimating the correspondence between the indicators and the simplified accounting report, and it does not include examining other information deduced from the non-audited book-keeping records of the Organization.

From our point of view, the indicators of performance for the purpose of public good of the Foundation for the Human Rights of Sex Workers for 2012 correspond to the data contained in the simplified accounting report of the Foundation for 2012.

Budapest 2014, March 10.

Gottgeisl Rita

A registered auditor.