

Independent auditing report

To the attention of the members of the Hungarian Civil Liberties Union

We have audited the 2010 simplified yearly report and its public utility annex of the Hungarian Civil Liberties Union, an organisation of public utility. The simplified yearly report consists of the balance as of 31 December 2012 – where **the harmonising amount of assets and sources is 153,160 thousand Forints, the result from public utility activities for the year in question is 2,815 thousand Forints profit** – and of the public utility statement concerning the year ending with the above-mentioned date, and it also contains the public utility annex.

The management's responsibility for the simplified yearly report

According to the accounting law (completed with government regulation 224/2000 on other organisations and law nr. CLXXV/2011 (NGO law) on the nature of public utility and the functioning and support of NGOs) and the general accounting principles accepted in Hungary, the preparation and authentic presentation of the simplified yearly report is the management's responsibility. This responsibility covers the creation, introduction and maintenance of an inner control system relevant for preparing and authentically presenting the simplified yearly report free of significant flaws resulting from either fraud or mistakes; the selection and application of an adequate accounting policy, as well as the preparation of accounting estimates rational in the given circumstances.

The auditor's responsibility

Our responsibility is checking the simplified yearly report on the basis of our auditing. We have carried out the auditing according to the Hungarian National Auditing Standards and the laws and other legislation on auditing in force in Hungary. This requires us to meet certain ethical standards and to plan and carry out the auditing in a way that gives us enough guarantees that the simplified yearly report does not contain significant flaws.

The auditing process contains procedures that result in auditing proofs on the amounts and announcements displayed in the simplified yearly report. The selected procedures, including the study of eventual risks of significant flaws in the simplified yearly report resulting from either fraud or mistakes, depend on the auditor's judgment. When the auditor studies the risks in this way, he examines the inner control system relevant for preparing and authentically presenting the simplified yearly report in order to design auditing procedures adequate in the given circumstances, not in order to judge the efficiency of the inner control system of the organisation. Auditing also concerns the evaluation of the adequacy of the applied accounting principles, of the rationality of accounting estimates of the management and of the overall presentation of the simplified yearly report. We are convinced that the auditing proof thus gathered provides sufficient and adequate basis for giving our final opinion.

Final opinion

During our auditing, we reviewed the simplified yearly report, together with all its parts and items, with the accounting and receipt proofs of the Hungarian Civil Liberties Union, a public utility organisation, according to the national auditing standards in force, and we have gathered sufficient and adequate proof that the simplified yearly report had been made on the basis of the accounting law and general accounting principles. ***In our opinion, the simplified yearly report and its public utility annex gives a reliable and authentic picture of the property, financial and income situation as of 31 December 2012 of the Hungarian Civil Liberties Union.***

Other reporting obligations on the public utility annex

We have audited the 2012 public utility annex of the Hungarian Civil Liberties Union. The management is responsible for the preparation of the public utility annex according to the accounting law, the NGO law and the general accounting principles accepted in Hungary. Our responsibility is to judge the harmony of the public utility annex and the simplified yearly report of the same year. Our task connected to the public utility report was limited to the judgment of the harmony between the annex and the simplified report, and did not concern the study of information resulting from other unaudited auditing archives of the Union.

In our opinion, the 2012 public utility report of the Hungarian Civil Liberties Union is in harmony with the 2012 simplified yearly report of the Union.

Budapest, 23 May 2013.