

Independent auditor's report

Ing. Ivana Šaradinová
Auditor
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INDEPENDENT AUDITOR'S REPORT on financial statements

of public benefit organization La Strada Česká republika
IČO: 256 56 317
registered office undisclosed in accordance with Act No. 304/2013 Coll.
for the period 1/1/2017 – 12/31/2017

Annexes: Balance Sheet
Profit and Loss Account
Annex to the Financial Statements

Prague, Sliveneč, 25 April 2018

INDEPENDENT AUDITOR'S REPORT

Recipient: The Governing Board of La Strada Česká republika, o.p.s. (a public benefit organisation), registered office undisclosed in accordance with Act No. 304/2013 Coll.

Opinion

I have audited the accompanying financial statements of La Strada Česká republika, o.p.s., (hereinafter also the "Organisation") prepared in accordance with accounting principles generally accepted in the Czech Republic, which comprise the balance sheet as at 31 December 2016, the income statement for the year ended on 31 December 2016, and Annex to the financial statements, including a summary of significant accounting policies. For details of the Organisation, see Annex to the financial statements.

In my opinion, the financial statements give a true and fair view of the financial position of the Organisation as at 31 December 2016, and of its financial performance for the year 2016 in accordance with accounting principles generally accepted in the Czech Republic.

Basis for Opinion

I conducted my audit in accordance with the Act on Auditors and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application clauses. My responsibilities under this law and regulations are further described in the Auditor's Responsibilities section of my report.

I am independent of the Organisation in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and I have fulfilled my other ethical responsibilities in accordance with these regulations. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Information

In compliance with Section 2 (b) of the Act on Auditors, the other information comprises the information included in the Annual Report other than the financial statements and my auditor's report thereon. The Governing Board is responsible for the other information.

My opinion on the financial statements does not cover the other information. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in auditing the financial statements, or whether it otherwise appears to be materially misstated. In addition, I assess whether the other information has been prepared, in all material respects, in accordance with applicable law or regulation, in particular, whether the other information complies with laws or regulations in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could



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La Strada Czech Republic

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influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent I am able to assess it, I report that:

- The other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- The other information is prepared in compliance with applicable laws or regulations.

In addition, my responsibility is to report, based on the knowledge and understanding of the Organisation obtained in the audit, on whether the other information contains any material misstatement of fact. Based on the procedures I have performed on the other information obtained, I have not identified any material misstatement of fact.

Responsibilities of the Entity's Governing Board for the Financial Statements

The Governing Board is responsible for the preparation of the financial statements in accordance with accounting principles generally accepted in the Czech Republic. That responsibility includes the design, introduction and implementation of such internal control as the Governing Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governing Board is responsible for assessing the Organisation's ability to continue as a going concern, disclosing in the financial statements, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Governing Board either intends to liquidate the Organisation or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities

My objectives are to obtain reasonable assurance about whether the 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the above-mentioned laws and regulations 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 financial statements. As part of an audit in accordance with the above laws and regulations, I am obliged to exercise professional judgment and maintain professional scepticism throughout the audit. I am also obliged to:

- Identify and assess the risks of material misstatement of the 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 my 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.

- Identify and assess the risks of material misstatement of the 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 my 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.

- Evaluate the appropriateness of accounting policies used, the reasonableness of accounting estimates made, and related disclosures made by the Governing Board.

- Conclude on the appropriateness of the Governing Board'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 I conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annex to the financial statements or, if such disclosures are inadequate, to modify our opinion. My conclusions on the Organisation's ability to continue as a going concern are based on the audit evidence obtained up to the date of preparation of my 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I am obliged to communicate with the Governing Board regarding, among other matters, the planned scope and timing of the audit and significant findings that I achieve during my audit, including any significant deficiencies in internal control.

Praha 5 – Sliveneč, 19 June 2017

Audited by:
Ivana Šaradinová, Opálová 174/6, 154,00 Praha 5 – Sliveneč,
Registered in the list of auditors maintained by the Chamber of Auditors of the Czech Republic under No. 1204

Ivana Šaradinová,
Opálová 174/6, 154,00 Praha 5 – Sliveneč,
Registered in the list of auditors maintained by the Chamber of Auditors of the Czech Republic under No. 1204

Recipients:
Copies 1 and 2 La Strada Česká republika o.p.s.
Copy 3 Ing. Ivana Šaradinová

Income Statement

Expenditure Amount (CZK thousands)	Income (CZK thousands)
Materials used 597	Revenues from services sold 1 199
Energy consumption 173	Foreign exchange gains 12
Repairs and maintenance 18	Fund clearance 10
Travel expenses 119	Contributions (donations) received 1 335
Entertainment costs 30	Operating grants 8 050
Other services 2 566	Total 10 606
Wages and salaries 5 143	
Statutory social security and health insurance 1 593	Profit (loss) 12
Other taxes and charges 8	
Bad debt writes off 248	
Foreign exchange losses 21	
Other expenses 57	
Depreciation of fixed assets 21	
Total 10 594	

Source name	Amount (CZK thousands)
Ministry of Labour and Social Affairs – grant for the provision of social services: professional social counselling, emergency assistance, shelters, telephone emergency help line	6 786
Ministry of the Interior of the Czech Republic - Agreement on the provision of services as part of the Programme for the Support and Protection of Trafficked Persons	1 196
Ministry of Justice of the Czech Republic – grant for the "Provision of legal: information to victims of human trafficking" project	602
Prague City Hall – Crime Prevention Programme of the City of Prague – project: "Raising awareness among young people to prevent human trafficking"	248
Government of the Czech Republic – grant for the Project: Identification of THB's victims	413
Forests of the Czech Republic - Protection of seasonal workers	290
International Centre for Migration Policy Development (ICMPD) - project: "Addressing demand in anti-trafficking efforts and policies", supported by the European Commission's Seventh Framework Programme	10
Philip Morris CZ - Flexible, mobile and reactive services to trafficked and exploited persons	584
International Organization for Migration - project: "Campaign in support of helplines for trafficked persons in vulnerable regions of Slovakia, the Czech Republic and Poland", supported by the International Visegrad Fund.	30
Others	447
Total	1 006

Overview of projects completed in 2017:

- Ministry of Labour and Social Affairs – grant for the provision of social services: professional social counselling, emergency assistance, shelters, telephone emergency help line
- Ministry of the Interior of the Czech Republic – Agreement on the provision of services as part of the Programme for the Support and Protection of Trafficked Persons
- Ministry of Justice of the Czech Republic – grant for the "Provision of legal information to victims of human trafficking" project
- Prague City Hall – Crime Prevention Programme of the City of Prague – project: "Raising awareness among young people to prevent human trafficking"
- Office of the Government of the Czech Republic - project: Identification of trafficked persons
- Forests of the Czech Republic - Protection of seasonal workers
- International Centre for Migration Policy Development (ICMPD) – project: "Addressing demand in anti-trafficking efforts and policies", supported by the European Commission's Seventh Framework Programme
- International Organization for Migration - project: "Campaign in support of helplines for trafficked persons in vulnerable regions of Slovakia, the Czech Republic and Poland", supported by the International Visegrad Fund.

Overview of projects ongoing in 2018 and funding balance:

Source name	Final balance of funds remaining (CZK thousands)
Philip Morris CZ – Flexible, mobile and reactive services to trafficked and exploited persons	481
La Strada International – Justice at Last	175
Others (the current assets fund and the hepatitis vaccination fund, etc.)	87
Total	743



Supporters

Prague City Hall, Ministry of Labor and Social Affairs of the Czech Republic, Ministry of Justice of the Czech Republic, Ministry of the Interior of the Czech Republic, Office of the Government of the Czech Republic, European Commission, B-sticks s.r.o., Prague Public Transport Company, EuroAWK, Donors Forum - Blue Academy of CSOB, Forests of the Czech Republic, s.p., Leo Burnett Advertising, Publishing House Portál, Národní kavárna, Němcova selská mlékárna Radonice, Setra Service Trading, s.r.o., Petyovský & Partners s.r.o., Philip Morris Czech Republic a.s., Vladimíra Glatzová, Eva Hronková, Vladimír Illetško, Tatiana Jirásková, Daniel William Mair, Pavel Reich, Magdaléna Skřivánková, Zuzana Tomášková, Josef Voltr

Thank you!



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Operating hours of the INFO a SOS line:
Mo-Tu-Th – 10.00–16.00
We – 12.00–20.00
Fr – 10.00–14.00
(+420) 222 71 71 71
800 07 77 77 (free calls from the Czech Republic)
An answering machine is available outside the business hours.
e-mail: pomoc@strada.cz

Contact

Profit and loss account in full form

as at 31 December 2017 (in whole thousands of Czech crowns)

Ref.	Description	Row. No.	Core	Activities Economic	Total
A. I.	Consumed Purchases Subtotal	A.I.1 through A.I.6.	2	3 503	3 503
A. I. 1.	Consumed materials, energy and other non/inventory items	3	770		770
A. I. 3.	Repairs and Maintenance	5	18		18
A. I. 4.	Travel expenses	6	119		119
A. I. 5.	Entertainment expenses	7	30		30
A. I. 6.	Other services	8	2 566		2 566
A. III.	Personal Expenses	Subtotal A.III.10 through A.III.14.	13	6 737	6 737
A. III. 10.	Wages and salaries	14	5 144		5 144
A. III. 11.	Mandatory social security	15	1 593		1 593
A. IV.	Taxes and fees	Value of A.IV.15.	19	8	8
A. IV.15.	Taxes and fees	20	8		8
A. V.	Other expenses	Subtotal A.V.16. through A.V.22.	21	326	326
A. V. 17.	Write/off irrecoverable receivables	23	248		248
A. V. 19.	Interest expenses	25	21		21
A. V. 22.	Other expenses	28	57		57
A. VII.	Membership fees	Value A.VII.28.	35	20	20
	Membership fees and contributions paid to operational units	36	20		20
	Expenses Total	Subtotal A.I. through A.VIII.	39	10 594	10 594
B. I.	Operating subsidies	Value B.I.1.	41	8 050	8 050
B. I. 1.	Operating subsidies	42	8 050		8 050
B. II.	Contribution received	Subtotal B.II.2. through B.II.4.	43	1 335	1 335
B. II. 3.	Received donations	45	1 335		1 335
B. III.	Revenues from sales of own products and services	Subtotal B.III.1. through B.III.3.	47	1 199	1 199
B. IV.	Other revenues	Subtotal B.IV.5. through B.IV.10.	4	22	22
B. IV. 8.	Foreign exchange gains	52	12		12
B. IV. 9.	Interest revenues	53	10		10
	Total revenues	Subtotal B.I. through B.V.	61	10 606	10 606
C.	Profit/loss before tax	row. n. 61 – (row. n. 39 – row. n. 37)	62	12	12
D.	Profit/loss after tax	row. n. 62 – row. n.37	63	12	12

Balance sheet in full form

Ref.	ASSET	Row. No.	Opening Balance	Closing Balance	
A. II.	Tangible fixed assets	Subtotal A.II.1. through A.II.10.	20	267	267
A. II. 4.	Movable fixed assets (022)	13	267		267
A. IV.	Accumulated depreciation on fixed assets	Subtotal A.IV.1. through A.IV.11.	40	-267	-267
A. IV. 7.	Depreciation of movable fixed assets (082)	35	-267		-267
B.	Current assets	Subtotal B. I. through B. IV.	41	1 396	1 501
B. II.	Receivables	Subtotal B.II.1. through B.II.19.	71	920	267
B. II. 4.	Operational advance payments made (314)	55	326		245
B. II. 5.	Other Receivables (315)	56	11		12
B. II. 6.	Receivables from the Employees (335)	57	9		9
B. II. 17.	Sundry Receivables (378)	68	574		1
B. III.	Short/term financial assets	Subtotal B.III.1. through B.III.7.	80	476	1 234
B. III. 1.	Cash (211)	72	138		212
B. III. 3.	Bank accounts (221)	74	338		1 022
	Total assets Subtotal	Subtotal A. through B.	85	1 396	1 501

Ref.	LIABILITIES	Row. No.	Opening Balance	Closing Balance	
A.	Own resources	Subtotal A. I. through A. II	86	853	1 011
A. I.	Equity Subtotal	Subtotal A.I.1. through A.I.3.	90	1 295	999
A. I. 1.	Own Equity (901)	87	698		256
A. I. 2.	Funds (911)	88	597		743
A. II.	Profit or loss Subtotal	Subtotal A.II.1 through A.II.3.	94	-442	12
A. II. 1.	Profit or loss Account (963)	91	x		12
A. II. 2.	Profit or loss to be approved (931)	92	-442		x
B.	Liabilities Subtotal	Subtotal B. I. through B. IV.	95	543	490
B. II.	Long/term liabilities	Subtotal B.II.1. až B.II.7.	105	247	182
B. II. 6.	Estimated payables (389)	103	247		182
B. III.	Short/term liabilities Subtotal	Subtotal B.III.1. až B.III.23.	129	296	308
B. III. 1.	Suppliers (321)	106			23
B. III. 12.	Payables to the national budget (346)	117	117		70
B. III. 17.	Sundry Payables (379)	122	179		215
	Total Liabilities Subtotal	Subtotal A. through B.	134	1 396	1 501

Social services

La Strada Czech Republic provides four social services certified in accordance with the Social Services Act (Act No 108/2006), free of charge and anonymously.

Number of clients provided with emergency assistance and shelter - **63**

Number of clients provided with professional counselling service - **359**

Number of clients contacted during the outreach work - **880**

Number of contacts on the telephone help line - **1110**



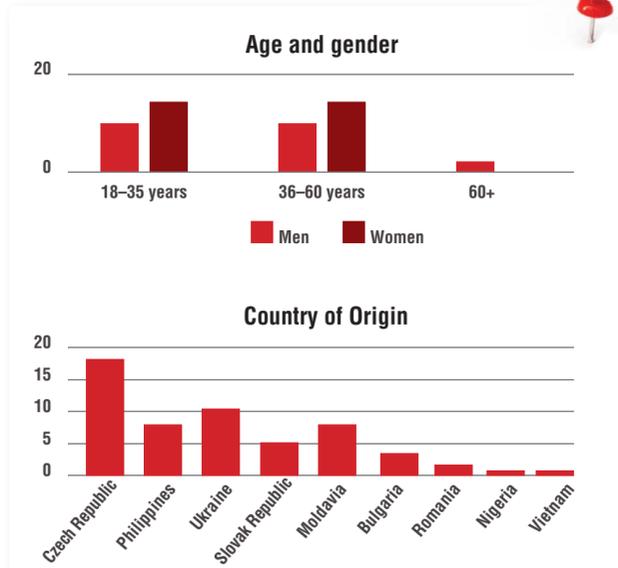
Provided services

Facilitating contact with authorities and other institutions	Emergency Assistance and shelters
Financial assistance	Psychological/Social assistance
	Professional counselling service
	Leisure time activities

Our mission is to contribute to the building of society where the risk of being exploited are minimised and the access to justice and services is provided to all trafficked and exploited persons, regardless of gender, race, social and economic status, residence status, sexual identity, religion and nationality.

We pursue our mission in accordance with our values.

Clients provided with Social services



Types of recruitment - Women

- Friends, acquaintance
- Family members
- On/line job offers

Types of recruitment - Men

- Friends, acquaintance
- Family members
- Online advertisement
- Job Agencies

Types of exploitation - Women

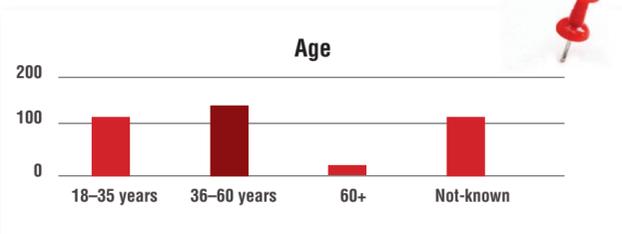
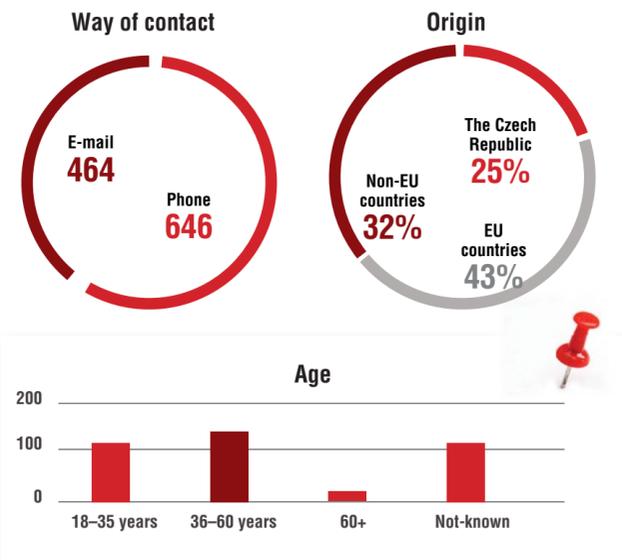
- **Forced prostitution** (Nights clubs, street prostitution, home work)
- **Labor Exploitation** (Massage spa centres, domestic work, factories, warehouses)

Types of exploitation - Men

- **Labor Exploitation** (factories, warehouses, seasonal work, combination of multiple types of work, domestic work)

Human rights are not just an abstract idea on paper. Respect for human rights is a prerequisite for a dignified life in society, not a bonus. Throughout our work we try to give human rights-related values a concrete form and advocate the rights of trafficked persons and vulnerable groups.

Telephone Emergency help line



The issue for which they seek help on the SOS line

Labor-law issues 39%	Immigration issues 24%
La Strada Service's 27%	Potential victims of human trafficking 10%

Who contacted the SOS line

Clients	543
NGO from the Czech Republic and abroad	92
Others	76

Equal Opportunities Some people find themselves in a situation where they are underprivileged and trailing far behind the majority. Awareness of the deprivation suffered by certain groups and individuals fuels the earnest drive to dismantle distinct obstacles to their involvement in political, social and economic life.

Outreach Work

Interesting numbers

Distributed materials	4831
Distributed stickers	1593
Hours spent outside	960
Contact persons	880

Where we do our outreach work

circuses and fairgrounds	cleaning and other services
waste management	industry
massage salons and spa salons	agriculture
construction sites	warehouses

Topics discussed during the outreach work

Social benefits	Unpaid wage	Failure to respect the minimum wage	Residence issues
Potential bond slavery situation	Extortion and threats on the part of the employer	Non-payment of compulsory contributions	Being forced to work overtime over the legal limit

Country of Origin of contacted persons during the outreach work

Czech Republic	Bulgaria	Thailand	Hungary	Kameron
Slovak Republic	Romania	Moldavia	Poland	Indonesia
Ukraine	Philippines	Vietnam	Kazakhstan	
Uzbekistan	Spain	Nigeria		

Feminism means having the capacity and willingness to accept interpretations and views of life other than those that have become entrenched. It is a philosophy spotlighting the right and prerogative for other people's alternative outlook and approach to be accepted, the right and prerogative to interpret reality differently from current dogma.

Legal and advocacy activities

Legal aid to low-threshold centre clients

- Pre-action protocols for unpaid wages
- Labour inspectorate complaints

Legal aid in comprehensive social services

- Mediation of legal aid abroad
- Assistance in dealing with the police
- Addressing debts caused by human trafficking
- Working with attorneys-in-law
- Aid in civil law matters

Advocacy activities

- Monitoring of court cases
- Monitoring of laws in the Czech Republic and abroad
- Commenting on draft laws
- Strategic representation

La Strada is a certified provider of legal counselling to crime victims.

Legal information was provided to **369** individuals
234 outreach clients **74** e-mail clients
61 SOS Line clients

Prevention and education

- Professional training of social workers, 101 individuals trained in five regions
- Primary prevention at schools - two-hour interactive lectures on trafficking risks and ways to prevent them - 19 lectures for 362 students in Prague
- Training in reception and detention centers and in facilities for detention of aliens.
- Lectures in healthcare facilities - training for employees and staff of psychiatric hospitals, hospital and clinics.

Campaign against trafficking and exploitation in the agriculture industry, construction industry and against forced prostitution and domestic servitude.

In collaboration with Leo Burnett Czech Republic 2720 A4-sized posters placed on Prague's trams and busses.

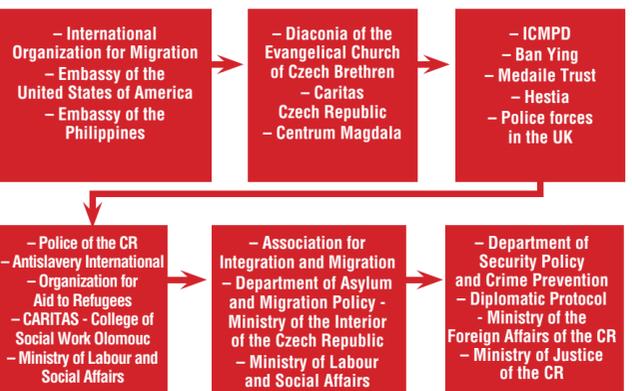
Advertisement for 500,000 readers in the Metro daily with seven different motives.

Empowerment The main thrust of empowerment is to support individuals as they follow a path to their own independence and take control of their own life. Our work with clients is rooted in equality and respect. We strive to furnish them with knowledge which will allow them to make their own -informed decisions in the future.

Overview of projects and other activities

- Support for registered social services from grants awarded by the Ministry of Labour and Social Affairs of the Czech Republic.
- "Provision of Legal Information to Victims of Human Trafficking" supported by the Ministry of Justice of the Czech Republic.
- Ministry of the Interior of the Czech Republic.
- Project "Raising awareness among young people to prevent human trafficking" supported by the Prague City Hall.
- Increasing the availability of services for women trafficked for forced prostitution, supported by the Office of the Government of the Czech Republic and the Council for Equal Opportunities for Women and Men
- Project "First Contact and Intervention for Trafficked Persons" supported by Philip Morris International.
- Project Protection of seasonal workers - supported by the Forests of the Czech Republic.
- Grant to support internal development and professionalization of a non-profit organization supported by Blue Academy of ČSOB.

Cooperation with other NGOs and the public sectors



Membership in expert networks and working parties

La Strada International	FRA-EU Agency for Fundamental Rights	PICUM - Platform for International Cooperation on Undocumented Migrants
Interministerial Coordination Group on the Combating of Human Trafficking	Consortium of Migrants Assisting Organizations	Global Alliance against Trafficking in Woman

Anti-abolitionism We take the view that the provision of sexual services with the consent of the person involved is a legitimate means of making a living. We oppose an abolitionist approach that refuses to differentiate between sexual services provided consensually and prostitution, into which a person is forced.