

Independent Auditor's Report
on the 2018 Simplified Annual Financial Statements
of Nonprofit Információs és Oktató Központ Alapítvány

This is an English translation of the Simplified Annual Financial Statements and the Independent Auditors' Report thereon issued in Hungarian. In case of any differences, the Hungarian language original prevails.

Independent Auditor's Report

To the Board of trustees of Nonprofit Információs és Oktató Központ Alapítvány

Opinion

We have audited the 2018 simplified annual financial statements of the Nonprofit Információs és Oktató Központ Alapítvány ("Foundation"), which comprise the balance sheet as at December 31, 2018 – which shows a total assets of THUF 160 491 and profit after tax for the year of THUF 14 661 -, and the income statement and the supplementary notes including a summary of significant accounting policies.

In our opinion, the accompanying simplified annual financial statements give a true and fair view of financial position of Nonprofit Információs és Oktató Központ Alapítvány as at December 31, 2018, and of its financial performance for the year then ended in accordance with Hungarian Act C. from the year 2000 on Accounting and in accordance with the Government Decree 479/2016 ("Hungarian Act on Accounting and related decree").

Basis for Opinion

We conducted our audit in accordance with Hungarian National Auditing Standards and with the applicable laws and regulations pertaining to auditing that are currently effective in Hungary. Our responsibilities under those standards are further described in the "*Auditor's Responsibilities for the Audit of the Simplified Annual Financial Statements*" section of our report.

We are independent of the Foundation 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.

Other information: Public-Benefit Organization report

Other information comprises the public-benefit organization report for the year 2018 of Nonprofit Információs és Oktató Központ Alapítvány. Management is responsible for the preparation of the public-benefit organization report in accordance with the provisions of the Government Decree 350/2011 (XII.30). The "Opinion" section of our report is not prevailing for the public-benefit organization report.

In connection with our audit of the simplified annual financial statements our responsibility is to read the public-benefit organization report and to assess whether this report is materially inconsistent with the simplified annual financial statements or any other evidence obtained during the audit, or it appears to be materially misstated. If based on our work performed we conclude that the other information is materially misstated we are required to report this fact and the nature of such misstatement.

We are not aware of any other material inconsistency or material misstatement in the public-benefit organization report of the Foundation, therefore, we have nothing to report in this respect

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

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

While the preparation of the simplified annual financial statements the management is responsible for assessing Foundation's ability to continue as a going concern and to disclose any information related to this ability in accordance with the actual circumstances. The management is responsible for the preparation of the Foundation's simplified annual financial statements using the going concern basis of accounting. The use of this basis of accounting is appropriate unless management either intends to liquidate the Foundation or to cease business operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

Auditor's Responsibilities for the Audit of the Simplified Annual Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the simplified annual 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 the Hungarian National Audit Standards 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 simplified annual financial statements.

As part of an audit in accordance with Hungarian National Audit Standards, we exercise professional judgment and maintain professional scepticism throughout the planning and performance of the audit. We also:

- Identify and assess the risks of material misstatement of the simplified annual 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the appropriateness of management's use of the going concern basis of accounting, further based on the obtained audit evidences the assessment of existence of any material uncertainty related to events and conditions regarding the Foundation's ability to continue as a going concern, if any material uncertainty exists regarding the Foundation's ability to continue as a going concern, then we have to emphasize any disclosure of the simplified annual financial statements related to it, or if such disclosure is not adequate in this meaning then we have to modify our opinion. Our conclusion is based on audit evidences obtained up to the date of this

independent auditor's report. Future events or condition may cause the Foundation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the simplified annual financial statements, including the disclosures, and whether the simplified annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are required to 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 in internal control that we identify during our audit.

Budapest, May 21, 2019

Nagy Péter

Partner

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Registration number: 004155

Nagy Péter

Registered auditor

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