

Independent Auditors' Report
issued on the
2014 Special Purpose Financial Information
of the
Seedling Trust

Independent Auditors' Report on special purpose financial information

To the Founders and Supervisory Board of the Seedlings Trust:

I have audited the accompanying special purpose financial information of Seedlings Trust which comprises the balance sheet as at December 31, 2014, and the statement of financial activities for the year then ended and related notes. The special purpose financial information has been prepared by the Board of Trustees ("Management") based on the accounting policies disclosed in Note 3.

Management's Responsibility for the Special Purpose Financial Information

Management are responsible for the preparation of this special purpose financial information in accordance with the accounting policies as described in Note 3, for determining the acceptability of the basis of accounting and for such internal control as Management determines is necessary to enable the preparation of special purpose financial information that is free from material misstatement, whether due to fraud or error. This special purpose financial information has been prepared solely to provide summary financial information in a format which Management believes will meet the needs of the Supervisory Board for reliable and useful financial information about Seedlings Trust.

Auditor's Responsibility

My responsibility is to express an opinion, as an independent auditor, on this special purpose financial information based on my audit. I planned and performed the audit to obtain reasonable assurance about whether the special purpose financial information is free from material misstatement. The accompanying comparative special purpose financial information as at 31 December 2013 and for the year then ended is unaudited.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special purpose financial information. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the special purpose financial information, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and presentation of the special purpose financial information 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, made by Management, as well as evaluating the overall presentation of the special purpose financial information.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the accompanying special purpose financial information for Seedlings Trust as of 31 December 2014 and for the year then ended has been prepared, in all material respects, in accordance with the accounting policies as described in Note 3.

Basis of Accounting

Without modifying my opinion, I draw attention to Note 2, which describes the basis of accounting and explains that the special purpose financial information is not the statutory financial statements of Seedlings Trust. The special purpose financial information is prepared to provide reliable and useful financial information to the Founders and Supervisory Board. As a result, the special purpose financial information may not be suitable for another purpose.

Budapest, 26 May 2015



David Thompson,
Honorary auditor,

Fellow of the Institute of Chartered Accountants in England & Wales.

Seedling Trust

Financial statements at and for the year ended 31 December 2014

(Expressed in Thousands of Forint - "THUF")

Statement of financial activities for the year ended 31 December 2014

	<u>Note</u>	2014 THUF	2013 THUF (unaudited)
Voluntary income			
Donations received	4	14,023	3,943
Other income	5	644	997
Total income		<u>14,667</u>	<u>4,940</u>
Less: Expenses			
Fund raising & communication	6	2,816	4,292
Services provided for beneficiaries	7	2,004	997
Administration	8	454	483
Net movement in funds for the year		<u>9,393</u>	<u>-832</u>
Unrestricted funds at the beginning of the year		<u>3,702</u>	<u>4,534</u>
Unrestricted funds at the end of the year		<u><u>13,095</u></u>	<u><u>3,702</u></u>

Balance Sheet at 31 December 2014

		31 December 2014 THUF	1 December 2013 THUF (unaudited)
Fixed assets			
Motor vehicle (Ford Transit mini-bus)	10	6,453	0
Current assets			
Petty cash		111	7
Cash at bank	11	7,059	4,211
Prepayments		256	152
Current assets		<u>7,426</u>	<u>4,370</u>
Total assets		<u>13,879</u>	<u>4,370</u>
Less: Creditors and accruals		<u>284</u>	<u>168</u>
Net assets (total assets less liabilities)		<u><u>13,595</u></u>	<u><u>4,202</u></u>
Represented by:			
Founders' capital and reserves			
Founders' capital		500	500
Unrestricted funds		<u>13,095</u>	<u>3,702</u>
Total Founders' capital and unrestricted funds		<u><u>13,595</u></u>	<u><u>4,202</u></u>

The accompanying notes on pages 2 to 6 form an integral part of these financial statements.

These financial statements were approved on 26 May 2015 and signed by:


Trustee


Trustee

Seedling Trust

Notes to the 2014 financial statements

Note 1: Seedling Trust

Seedling Trust (in Hungarian: CSEMETE Alapítvány) (the “Trust”) is a non-profit organisation domiciled in Hungary and regulated under the Act on non-profit organisations, Act CLVI of 1997. The Trust was founded in 2009, its registered charity number is 10,942 and its registered address is Pinty u. 13, 1121 Budapest.

The Founders of the Trust are Andrea and Robert Snow. The Trust is governed by a Board of Trustees who are appointed by the Founders and are responsible for its activities. The Trust also has a Supervisory Board whose members are appointed by the Founders. The Supervisory Board is responsible for supervising the Trustees’ operation and financial management of the Trust.

The Trust’s objective is to support the provision of services, by volunteers and paid service providers, which improve the quality of life of disabled children and young people in municipal care in Hungary. The Trust raises donations from the public to assist it fulfil this objective.

Note 2: Financial Statements – Basis of preparation and presentation

The Trust is required under Act C of 2000 on Accounting and Act CLXXV of 2011 on Non-Profit Organizations to prepare statutory financial statements each year. The Trust’s statutory financial statements which are not required to be audited under the Act on Accounting, are published on the Trust’s website, <http://eng.seedlingtrust.org/>, as prescribed by the Act on Non-Profit Organizations.

These financial statements have not been prepared in compliance with the Act and are not the Trust’s statutory financial statements.

These financial statements have been prepared on the historical cost basis and in accordance with the accounting policies described in Note 3 for the purpose of presenting a summary of the financial activities undertaken by the Trust during 2014 and its financial resources at 31 December 2014 in a format which the Board of Trustees believes will meet the needs of members of the Supervisory Board and donors for reliable and useful financial information about the Trust. A copy of these special purpose financial statements and the audit report thereon will be published on the Trust website.

Note 3: Accounting Policies

Recognition of Income

Donations to the Trust are voluntary and are recognised only when received.

Other income is recognised when the Trust is entitled to the amounts and there is certainty of receipt.

Recognition of expenses

Expenses are recognised when the liability is incurred.

Seedling Trust
Notes to the 2014 financial statements (continued)

Promotional goods and equipment

The Trust purchases goods such as T shirts and baseball caps which are sold or given away to donors and beneficiaries, and promotional equipment such as mobile display booths. Promotional goods and equipment are expensed when purchased.

Fixed assets and depreciation

The Trust owns a motor vehicle is stated at cost, less accumulated depreciation. Depreciation is provided at 20% per annum, commencing from the date of purchase.

Short term liabilities and accruals

Short term liabilities are stated at cost. Accruals represent liabilities incurred for which invoices have not yet been received and are stated at estimated cost.

Functional currency and foreign exchange

The functional currency of the Trust is the Hungarian Forint (HUF) and all amounts are presented in Thousand of Forint (THUF). Transactions in other currencies are translated at the exchange rate on the date of the transaction. Monetary assets and liabilities denominated in other currencies at the balance sheet date are translated at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in the Statement of Financial Activities.

Note 4: Donations received

	2014	2013
	THUF	THUF
		(unaudited)
“Celebrating Hungarian Culture” Charity Gala	6,396	0
1% Personal Income Tax donations	1,835	0
Other donations from individuals and companies	5,792	3,943
Total	14,023	3,943

A charity gala with the theme “Celebrating Hungarian Culture,” was held at the Hungarian Embassy in London in November 2013 for the benefit of the Trust. The proceeds of this event were received in January 2014.

Hungarian tax payers may nominate charities as beneficiaries of up to 1% of their income tax due each year. The amounts are collected by the National Tax Authority (“NAV”) and forwarded by it to the nominated charities. In 2014 the Trust received 1,835 THUF from NAV in respect of nominations made by taxpayers of 1,048 THUF in respect of 2013 and 787 THUF in respect of 2012.

Seedling Trust
Notes to the 2014 financial statements (continued)

Note 5: Other income

	2014	2013
	THUF	THUF
		(unaudited)
Sales of promotional goods	570	969
Foreign exchange gains	74	28
Total	644	997

Note 6: Fund raising and communication expenses

	2014	2013
	THUF	THUF
		(unaudited)
Newsletters and websites	1,998	2,455
Film production	438	254
Promotional materials and equipment	380	1,478
Other	0	105
Total	2,816	4,292

Note 7: Services provided for beneficiaries

	2014	2013
	THUF	THUF
		(unaudited)
Motor vehicle		
Depreciation	750	0
Insurance and tax	151	0
Swimming lessons	419	597
Other	684	400
Total	2,004	997

Seedling Trust
Notes to the 2014 financial statements (continued)

Note 8: Administration expenses

	2014	2013
	THUF	THUF
		(unaudited)
Bank costs	255	110
Bookkeeping services	152	226
Other	47	147
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Total	454	483
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Note 9: Related parties

No Founder, Trustee or Supervisory Board member received any remuneration or payment for services provided to the Trust in 2014 or 2013.

Note 10: Fixed assets

	2014	2013
	31 December	31 December
	THUF	THUF
		(unaudited)
Motor vehicle		
At 1 January	0	0
Addition, at cost (Ford Transit Mini-bus)	7,203	0
Less: Depreciation	750	0
	<hr/>	<hr/>
At 31 December	6,453	0
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Seedling Trust
Notes to the 2014 financial statements (continued)

Note 11: Cash at bank

	2014	2013
	31 December	31 December
	THUF	THUF
		(unaudited)
Cash at bank		
<i>(2014: OTP Bank, 2013: MKB Bank)</i>		
HUF account	6,138	3,497
Euro account	921	714
	<hr/>	<hr/>
Total	7,059	4,211
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The original currency amounts held in the EUR were 2,923 EUR at 31 December 2014 and 2,386 EUR at 31 December 2013.

Note 12: Tax status

The Trust is exempt from taxation on its activities. The Hungarian tax authorities may inspect the books to ensure the conditions of this exemption have not been breached during the 6 years after the end of the related fiscal year.

Note 13: Commitments and contingent liabilities

The Trust had no commitments or contingent liabilities at 31 December 2014.