



## INDEPENDENT AUDITOR'S REPORT

**To the board of trustees of Roots and Wings Foundation**

### Opinion

We have audited the accompanying annual financial statements of Roots and Wings Foundation (hereinafter referred to as "the Foundation") which comprise the balance sheet as at 31 December 2018 (in which the balance sheet total is THUF 83 201.-, the profit from our basic activity after tax for the year is THUF 2 628.-), the related income statement for the year then ended, and supplementary notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying annual financial statements give a true and fair view of the financial position of the Foundation as at 31 December 2018, and of its financial performance for the year then ended in accordance with the provisions of Act C of 2000 on Accounting in force in Hungary (hereinafter referred to as "Act on Accounting").

### Basis for Opinion

I conducted my audit in accordance with Hungarian National Standards on Auditing and with applicable laws and regulations in force in Hungary. My responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements" section of my report.

I am 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 I also comply with further ethical requirements set out in these.

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

### Other Information: the Public Company Report

The other information comprises the public company report of the Roots and Wings Foundation for the year 2018. Management is responsible for the preparation of the public company report in accordance with the provisions of the 350/2011. (XII.30.) Government Act. My opinion on the annual financial statements expressed in the "Opinion" section of my independent auditor's report does not cover the public company report, and I do not express any conclusion that gives certitude.

In connection with my audit of the annual financial statements, my responsibility is to read the public company report and, in doing so, consider whether the public company report is materially inconsistent with the annual financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on my work performed I conclude that the other information is materially misstated I am

required to report this fact and the nature of such misstatement. In this relation I have not got anything to report.

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

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

In preparing the annual financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern and disclosing, as applicable, matters related to going concern; and management is responsible for preparing the annual financial statements on a going concern basis. Management shall apply the going concern basis of accounting unless the use of going concern principle is precluded by any provision of other applicable laws or regulations, or if any fact or circumstance prevails, which precludes the Foundation to continue as a going concern.

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

### **Auditor's Responsibilities for the Audit of the Annual Financial Statements**

My objectives are to obtain reasonable assurance about whether the 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 Hungarian National Standards on Auditing 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 annual financial statements.

As part of an audit in accordance with Hungarian National Standards on Auditing, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the 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 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.
- 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis in the preparation of the annual financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- I 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, if any, in internal control that I identify during my audit.

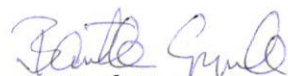
Budapest, 28. May 2019.

**PEPI**  
Könyvvizsgáló, Adószakértő és  
Üzleti Tanácsadó Kft.



Bartha Gyula

representative of the auditor company of  
Pepi Auditor, Expert on Law and  
Business Counsellor Ltd.  
Address: 2230 Gyömrő, Máramaros u. 3./B.  
licence number: 001536



name of statutory auditor  
licence number: 001107