

**SOS-Kinderdorf International,
Innsbruck**

Financial Statements
as of December 31, 2015 (Translation)

BALANCE SHEET as of 31. Dezember 2015**ASSETS**

	EUR	EUR	Balance as of 31.12.2015 EUR	Balance as of 31.12.2014 TEUR
A. FIXED ASSETS				
I. Intangible assets				
1. Rights		405,506.99		526
II. Tangible assets				
1. Investments in third-party Buildings	398,086.75			427
2. Other tools and office equipment	565,946.77			513
			964,033.52	940
III. Financial assets				
1. Investments	51,250.00			51
2. Securities				
thereof social capital coverage	728,383.65			1,294
thereof other securities	1,383,880.47			1,366
			2,163,514.12	2,711
			3,533,054.63	4,177
B. CURRENT ASSETS				
I. Receivables and other assets				
1. Receivables from membership fees	1,056,437.70			405
2. Other receivables and assets	1,061,385.70			892
			2,117,823.40	1,297
II. Cash, bank deposits				
thereof Cash	3,647.49			6
thereof Bank deposits administration	3,358,070.75			4,780
thereof Bank deposits sponsorship money	7,844,114.57			7,559
thereof appropriated bank deposits for relief actions	1,619.56			167
thereof appropriated bank deposits for donation	138,462.94			105
thereof appropriated bank deposits for reserves	2,650.13			3
thereof appropriated bank deposits for projects and subsistence	18,678,681.09			17,083
thereof appropriated bank deposits for the Gulf Area Office	735,020.56			236
thereof appropriated bank deposits for the Strategic Growth Investment Programme	659,524.30			172
			31,421,791.39	30,111
			33,539,614.79	31,408
C. PREPAID EXPENSES				
			221,776.58	119
			37,294,446.00	35,704

BALANCE SHEET as of 31. Dezember 2015**EQUITY AND LIABILITIES**

			Balance as of 31.12.2015	Balance as of 31.12.2014
	EUR	EUR	EUR	TEUR
A. EQUITY				
I. Capital stock		764,400.49		762
II. Appropriated reserves		1,000,000.00		1,830
III. Accumulated profit		21,955.15		2
			1,786,355.64	2,594
B. ACCRUALS				
1. Accruals for severance payments		1,985,116.40		1,873
2. Other accruals		3,033,654.86		2,984
			5,018,771.26	4,857
C. LIABILITIES				
1. Advance payments received		407,800.40		561
2. Trade payables		1,287,770.02		879
3. Liabilities from sponsorship and appropriated accounts				
for sponsorship money including interest	7,844,114.59			7,559
for relief actions including interest	1,619.56			168
for projects and subsistence including interest	18,678,681.09			17,083
for the Gulf Area Office	735,020.56			229
for the Strategic Growth Investment Programme	539,881.14			931
		27,799,316.94		25,970
4. Other liabilities				
thereof miscellaneous liabilities	384,327.16			264
thereof taxes	259,025.03			240
thereof social security	351,079.55			339
		994,431.74		843
			30,489,319.10	28,253
			37,294,446.00	35,704

PROFIT AND LOSS ACCOUNTS
for the FISCAL YEAR 2015

	2015		2014	
	EUR	EUR	TEUR	TEUR
1. Membership fees and donations		39,103,080.48		34,608
2. Other operating income				
a) Gain from disposal of fixed assets	4,204.59		0 *)	
b) Income from release of accruals	77,499.40		0	
c) Other	698,195.80	779,899.79	968	968
3. Personnel expenses				
a) Salaries	14,967,279.30		13,641	
b) Expenses for severance payments and contributions to the employees' severance fund	804,782.72		390	
c) Social security and other payroll expenses	3,246,903.03		3,024	
d) Other social expenses	153,703.41	-19,172,668.46	270	-17,325
4. Depreciation expenses (intangible and tangible assets)	695,243.97	-695,243.97	674	-674
5. Other operating expenses				
a) Taxes (excluding taxes on income)	7,653.78		21	
b) Other	20,983,954.76	-20,991,608.54	17,832	-17,853
6. Result from the operating activity according to the articles of the association		-976,540.70		-276
7. Income from other securities of the financial assets		32,248.29		60
8. Other interest and similar income		25,361.93		248
9. Income from disposal of and write up of financial assets		220,953.47		0
10. Expenses arising from financial assets		-8,000.00		-9
a) Depreciation	-8,000.00		-4	
11. Interest and similar expenses		-88,147.90		0 *)
12. Subtotal fig. 7 to 11 (Financial result)		182,415.79		299
13. Profit/loss from operating activities of the association		-794,124.91		23
14. Taxes on income		-13,919.94		-21
15. Annual net loss/profit		-808,044.85		2
16. Release of appropriated reserves		830,000.00		0
17. Balance sheet profit		21,955.15		2

*) small amount

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR 2015**I. GENERAL**

The financial statements of SOS-Kinderdorf International at 31 December 2015 were prepared in accordance with the provisions of the Austrian Association Law, which came into force on 1 July 2002.

II. ACCOUNTING METHODS

The financial statements of the association SOS-Kinderdorf International, Innsbruck, at 31 December 2015 were prepared with due regard for the principles of adequate and orderly accounting and the general requirement to provide as accurate a picture as possible of the association's net worth, financial position and results.

The principles of completeness and consistency were respected in drawing up these financial statements.

Valuation was performed on the assumption of a going concern.

The principle of individual evaluation was applied to the assets and liabilities.

In keeping with the principle of prudence, only earnings realised at balance sheet date were included in these financial statements. Due account was taken of all recognisable risks and uncertain liabilities arising in the 2015 fiscal year or earlier.

Recognition, valuation and reporting of the individual items of the financial statements were performed on the basis of the general provisions of § 22 of the Austrian 2002 Association Law (VerG). In accordance with § 22 (1) VerG, the provisions of § 21 VerG and §§ 189 – 193 (1) and §§ 193 (3) - 216 of the Austrian Commercial Code (UGB) were applied analogously. In accordance with § 22 VerG, the provisions of §§ 222 - 226 (1), §§ 226 (3) - 234, §§ 236 - 239, § 242, § 269 (1) and §§ 272 - 276 UGB were applied analogously.

Note: Where no currency is specified, the figures quoted in the following are in Euros and Cents.

1. Fixed assets

1.1. Intangible assets

Intangible assets are valued at the cost of acquisition or production less scheduled depreciation. Straight-line amortisation is applied for scheduled depreciation based on a useful life of 4-10 years. Non-scheduled depreciation is carried out where the loss in value is expected to be permanent.

1.2. Tangible assets

Tangible assets are valued at the cost of acquisition or production less scheduled depreciation. Scheduled straight-line amortisation is applied based on the following useful lives: 10 years for leasehold improvements, 10 years for operating and office equipment, 4 years for mobile phones and webcams and computer equipment, and 8 years for vehicles. Low-value assets are reported as disposals and fully depreciated in the year of acquisition.

Non-scheduled depreciation is carried out where the loss in value is expected to be permanent.

Unchanging values pursuant to § 209 (1) UGB were not employed.

1.3. Financial assets

Financial assets are valued at the cost of acquisition less non-scheduled depreciation. Non-scheduled depreciation is carried out where the loss in value is expected to be permanent.

The gilt-edged securities for the social capital serve to cover the accruals for severance payments. According to the 1994 decision of the Executive Committee, the stocks held by the funds must not exceed 30% of the total value.

2. Receivables and other assets

Receivables are carried at nominal value. They are stated on the basis of the realisation and imparity principle at the lower of cost or market. In case of collection risks, write downs are made. Depreciation for future loss of value was carried out where necessary in the year under report.

3. Accruals and liabilities

3.1. Accruals for severance payments

Accruals for severance payments amount to € 1,985,116.40 (compared with € 1,872,721.80 in the previous year). In keeping with the decision of the Executive Committee, they were calculated on a simplified basis with 90% of theoretical entitlements at the balance sheet date.

3.2. Other accruals

Anniversary bonus accruals are mandatory under Austrian labour law. The amount of the accrual was calculated using the discounted cash-flow method with a discount rate of 2,0 % (2014: 2,5 %) for a retirement age of 60 for women and 65 for men and a fluctuation rate of approx. 5 %. Other accruals were calculated in accordance with § 211 (1) UGB. They take all recognisable risks and contingent liabilities into account at amounts based on sound business judgement.

3.3. Liabilities

Liabilities are stated at the amount repayable taking due account of the principle of prudence.

4. Currency translation

Receivables (liabilities) in foreign currencies are stated at cost of acquisition or at lower (higher) of cost or market valued on the basis of the month-end rate of Deutsche Bank AG, Frankfurt at 31 December 2015.

5. Changes of accounting methods

No changes were made to the accounting principles in the year under report.

III. NOTES TO THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT

1. Notes to the balance sheet

1.1. Fixed assets

Changes in fixed asset items and the breakdown of annual depreciation by individual item are presented in Annex 1.

1.1.1. Schedule of investments

	book value at SOS-KDI	nominal capital of participating company	share of participating company	share of participating company	result of last financial year
	(in k€)	(in k€)		(in k€)	(in k€)
Joint Systems Fundraising- & IT- Services GmbH	50	200	25%	466	4

(Figures for the 2015 financial year)

1.2. Receivables and other assets

	with a residual term of up to one year €	with a residual term of more than one year €	total €
Receivables from membership fees			
Balance at 31.12.2015	1,056,437.70	0.00	1,056,437.70
Balance at 31.12.2014	404,943.70	0.00	404,943.70
Other receivables			
Balance at 31.12.2015	1,061,385.70	0.00	1,061,385.70
Balance at 31.12.2014	724,267.82	167,533.51	891,801.33

Other assets amounting to € 1,061,385.70 (2014: € 891,801.33) mainly comprise the following receivables, which become cash-effective after the balance sheet date:

- Improve Global Fund Management, Strategic Action and refunds from Promoting Associations amounting to € 542,453.23 (2014: € 191,009.06)
- Receivables from legacies amounting to € 70,162.58 (2014: € 31,383.14)

Other receivables also include receivables for the Strategic Growth Investment Programme amounting to € 361,609.10 (2014: € 641,680.49).

1.3. Bank deposits and liabilities from sponsorship and appropriated accounts

For a breakdown of the bank balances and liabilities, you are referred to the "thereof" items stated in the balance sheet and to Annex 2 to these notes.

1.4. Equity

Capital stock amounted to € 1.786.355,64 at 31.12.2015 (2014: € 2.594.400,49).

Changes in the appropriated reserves are reported as follows:

	€
Balance at 1.1.	1.830.000,00
Release	-830.000,00
Balance at 31.12.	1.000.000,00

1.5. Accruals

The following table provides a breakdown of the other accruals:

	carry forward 01.01.2015	disposals	release	additions	balance at 31.12.2015
Anniversary bonus pay- ments	1,017,885.00	54,486	48,141.41*)	248,470	1,163.728.00
Unconsumed vacations	1,161,718.28	57,712.75	0.00	0.00	1,104.005.53
Overtime	270,757.93	0.00	73,836.35	0.00	196,921.58
Audit of annual financial statements	21,120.00	21,120.00	0.00	21,600.00	21,600.00
Disability equalisation tax	36,936.00	36,936.00	0.00	37,584.00	37,584.00
Possible Losses from de- rivatives	0.00	0.00	0.00	88,147.90	88,147.90
General Assembly	310,000.00	29,000.00	0.00	0.00	281,000.00
Forwarding appropriated funds	85,264.46	0.00	0.00	34,403.39	119,667.85
Income tax international staff	80,000.00	76,336.95	3,663.05	0.00	0.00
Outstanding invoices	0.00	0.00	0.00	21,000.00	21,000.00
Total	2.983,681.67	275,591.29	125,640.81	451,205.29	3,033,654.86

*) The release of accruals for anniversary bonus payments is reported in line item "personnel expenses - salaries".

1.6. Liabilities and accruals from appropriated accounts

Donations list					
	year	opening balance	additions	disposal	closing balance
Echo Support					
	2011	775,084.03	1,190,645.85	1,639,840.34	325,889.54
	2012	325,889.54	1,509,259.42	1,634,806.14	200,342.82
	2013	200,342.82	1,408,900.24	1,227,948.92	381,294.14
	2014	381,294.14	1,240,984.23	1,454,659.83	167,618.54
	2015	167,618.54	951,374.73	1,117,373.71	1,619.56
Appropriated and general donations					
General donations 2011		34,909.67	48,067.39	56,450.33	26,526.73
Appropriated donations		55,718.54	195,566.78	213,225.60	38,059.72
General donations 2012		26,526.73	327,209.54	336,434.80	17,301.47
Appropriated donations		38,059.72	198,446.36	231,234.56	5,271.52
General donations 2013		17,301.47	356,232.41	335,123.64	38,410.24
Appropriated donations		5,271.52	225,724.97	175,060.68	55,935.81
General donations 2014		38,410.24	462,888.95	451,695.16	49,604.03
Appropriated donations		55,935.81	101,158.00	101,634.48	55,459.33
General donations 2015		49,604.03	628,856.82	607,553.16	70,907.69
Appropriated donations		55,459.33	13,099.73	1,003.81	67,555.25
Sponsorship moneys including interest*					
	2011	6,705,934.66	202,811,780.60	202,293,083.49	7,224,631.77
	2012	7,224,631.77	196,622,923.54	196,808,535.89	7,039,019.42
	2013	7,039,019.42	223,150,061.26	223,480,338.29	6,708,742.39
	2014	6,708,742.39	208,701,965.56	207,851,673.26	7,559,034.69
	2015	7,559,034.69	203,781,976.71	203,496,896.81	7,844,114.59

* Foreign currency accounts were converted at the exchange rate at 31.12.

Bank fees and exchange differences were included in the disposals.

Interest earned less withholding tax and bank charges was included in the additions.

1.7. Liabilities

Schedule of liabilities:

	with a residual term of up to one year €	with a residual term of one to five years €	with a residual term of more than five years €	secured by real property €
Trade payables				
Balance at 31.12.2015	1,287,770.02	0.00	0.00	0.00
<i>Balance at 31.12.2014</i>	879,120.72	0.00	0.00	0.00
Liabilities from sponsorship and appropriated accounts				
Balance at 31.12.2015	27,799,316.94	0.00	0.00	0.00
<i>Balance at 31.12.2014</i>	25,969,977.52	0.00	0.00	0.00
Other liabilities				
Balance at 31.12.2015	994,431.74	0.00	0.00	0.00
<i>Balance at 31.12.2014</i>	843,619.46	0.00	0.00	0.00

Other liabilities include expenditures amounting to € 610,104.58 (2014: € 579,264.24), which become cash-effective after the balance sheet date. They mainly comprise liabilities for payroll taxes and social insurance.

The liabilities from sponsorship and appropriated accounts comprise restricted funds received from Promoting Associations for sponsorship money, facility construction and running costs, and emergency aid campaigns which have not yet been forwarded to the facilities concerned. For more information, you are referred to Annex 2 to these notes

1.8. Contingencies, financial commitments from the use of tangible assets

1.8.1. Contingencies

No contingencies are present.

1.8.2. Commitments from rental and leasing agreements

Commitment for the following year:	approx. k€ 754
Total commitments for the following five years:	approx. k€ 2,896

2. Notes to the profit and loss account

2.1. General

The profit and loss account was prepared on the basis of the total cost method.

2.2. Breakdown pursuant to § 22 of the 2002 Austrian Association Law

	2015	2014
A.Membership fees		
Income membership fees	38,730,751.70	34,396,661.69
Assigned expenses membership fees	-40,254,888.59	-34,954,892.62
B.Public subsidies		
Income public subsidies	0.00	0.00
Assigned expenses public subsidies	0.00	0.00
C.Donations		
Income donations	372,328.78	211,319.65
Assigned expenses donations	-36,176.32	-146,819.65
D.Other receipts		
Income other receipts	0.00	0.00
Assigned expenses other receipts	0.00	0.00

The differences between income and expenses are covered using the balances of the previous year.

2.2.1. Membership fees

In 2013 SOS-KDI introduced a new method for calculating membership fees.

The membership fee covers the costs of all the units of the General Secretariat (GSC). It comprises two components: a governance fee and a support fee. The governance fee covers expenses incurred in connection with the management of the federation. The support fee relates to expenses incurred in the GSC in the framework of direct support measures for individual members. The two components of the fee apply to all member associations in equal measure.

The membership fees of the National Associations (NAs) are paid by the Promoting Associations (PSAs) on behalf of the respective NAs so as to keep administrative requirements and bank charges to a minimum. This is the indirect membership fee and is assigned to the PSAs in keeping with their share of the international transfers.

Whereas the major share of membership fees had previously been paid by the two German member associations, the new method assigns the fees equitably to all member associations.

For some associations, however, a period of adjustment is required before they are able to pay the higher amounts themselves. For that reason the new system includes a phase-in pool, which was filled in 2015 with the sum of € 316,000.00 paid by all contributors.

For four financially independent associations and seven promoting associations, rebates on the calculated membership fees totalling € 316,000.00 were granted in 2015.

This amount is identical with the amount that was paid into the phase-in pool in 2015 so that the result is neutral in the year under report. The shortfall of € 325,542.00 reported for the pool in 2014 thus remains.

This shortfall is to be compensated in 2016, with no disbursements to be made from the phase-in pool in 2016.

2.3. Other income

Other income mainly comprises refunds from Navax service costs recharged to national associations and contributions from the national associations for the Skillshare event.

2.4. Personnel expenses

Severance payments and contributions to the employee severance fund include severance payments totalling € 663,293.56 (2014: € 263,624.11).

2.5. Other operating expenses

The major items in other operating expenses are listed below:

	2015	2014
Expenses for GSC offices	11,235,309.03	9,084,219.52
Additions to accruals for General Assembly	0.00	70,000.00
Professional services and strategy work	2,706,303.53	2,106,657.56
IT operating and consulting expenses	651,741.97	752,842.80
Translations	82,170.44	91,373.87
Additions to accruals for appropriated funds	36,176.32	146,819.65
Information services for member associations	57,142.71	65,125.68
Travel expenses	1,276,954.69	1,114,022.16
Office rentals	516,661.71	467,252.70
Telecommunications charges	163,535.12	169,027.05
Legal and consulting expenses	1,140,206.85	1,080,215.05
Electricity, gas, water, running costs	306,893.12	305,091.52
Auditing costs	16,665.60	28,333.20
Seminars	1,016,194.51	1,117,020.91

3. Derivative financial instruments

For hedging against exchange rate risks, SOS KDI invested in forward exchange contracts denominated in various currencies in 2015. The purpose of these hedges is to maintain the value of incoming funds needed to guarantee the organisation's ability to meet its budgeted financial obligations even if the exchange rates fall below the budgeted rates. As a consequence of these hedges, no profit can be made should the exchange rates rise above the exchange rates guaranteed in the contracts.

At balance sheet date, the forward exchange contracts still open were valued as follows:

	Transaction date	Due date	Nominal	Hedge rate	Countervalue	Marketvalue
			USD		EUR	EUR
Sell EUR/ Buy USD	30.04.2015	29.01.2016	5,035,968.00	1.1241	4,480,000.00	141,018.86
Sell EUR/ Buy USD	30.04.2015	29.03.2016	5,044,032.00	1.1259	4,480,000.00	141,357.97
Sell EUR/ Buy USD	30.04.2015	10.05.2016	9,863,875.00	1.1273	8,750,000.00	275,929.62
Sell EUR/ Buy USD	30.04.2015	28.07.2016	5,514,400.00	1.1300	4,880,000.00	152,058.21
Sell EUR/ Buy USD	30.04.2015	28.09.2016	5,074,496.00	1.1327	4,480,000.00	139,648.15
Sell EUR/ Buy USD	30.04.2015	10.11.2016	9,497,439.00	1.1347	8,370,000.00	260,671.61
			USD		CHF	
Buy USD/Sell CHF	14.12.2015	27.01.2016	531,099.99	0.9791	520,000.00	6,667.63
Buy USD/Sell CHF	14.12.2015	29.03.2016	532,514.08	0.9765	520,000.00	6,684.31
Buy USD/Sell CHF	14.12.2015	10.05.2016	328,373.52	0.9745	320,000.00	4,109.89
Buy USD/Sell CHF	14.12.2015	27.07.2016	535,695.89	0.9707	520,000.00	6,555.68
Buy USD/Sell CHF	14.12.2015	26.09.2016	537,523.26	0.9674	520,000.00	6,524.34
Buy USD/Sell CHF	14.12.2015	10.11.2016	331,674.96	0.9648	320,000.00	4,011.79
			USD		NOK	
Buy USD/Sell NOK	22.07.2015	27.01.2016	3,922,337.71	8.1584	32,000,000.00	268,204.31
Buy USD/Sell NOK	22.07.2015	29.03.2016	1,960,351.88	8.1618	16,000,000.00	134,261.59
Buy USD/Sell NOK	22.07.2015	27.07.2016	3,920,559.66	8.1621	32,000,000.00	266,689.62
Buy USD/Sell NOK	22.07.2015	26.09.2016	1,960,784.31	8.1600	16,000,000.00	132,592.25
			USD		SEK	
Buy USD/Sell SEK	22.07.2015	27.01.2016	2,626,610.85	8.5281	22,400,000.00	-29,261.30
Buy USD/Sell SEK	22.07.2015	29.03.2016	1,315,789.47	8.5120	11,200,000.00	-14,550.03
Buy USD/Sell SEK	13.10.2015	10.05.2016	988,569.66	8.0925	8,000,000.00	33,006.97
Buy USD/Sell SEK	22.07.2015	27.07.2016	2,642,537.78	8.4767	22,400,000.00	-29,468.51
Buy USD/Sell SEK	22.07.2015	26.09.2016	1,324,331.04	8.4571	11,200,000.00	-14,868.06
Buy USD/Sell SEK	13.10.2015	10.11.2016	994,134.61	8.0472	8,000,000.00	31,733.11
			USD		DKK	
Buy USD/Sell DKK	10.08.2015	27.01.2016	1,887,209.73	6.7825	12,800,000.00	16,220.04
Buy USD/Sell DKK	10.08.2015	29.03.2016	945,347.12	6.7700	6,400,000.00	8,088.97
Buy USD/Sell DKK	13.10.2015	10.05.2015	1,594,847.42	6.5210	10,400,000.00	64,780.25
Buy USD/Sell DKK	10.08.2015	27.07.2016	1,898,124.12	6.7435	12,800,000.00	15,006.56
Buy USD/Sell DKK	10.08.2015	26.09.2016	951,248.51	6.7280	6,400,000.00	7,125.15
Buy USD/Sell DKK	13.10.2015	10.11.2016	1,603,354.71	6.4864	10,400,000.00	61,124.11
			USD		CAD	
Buy USD/Sell CAD	20.10.2015	27.01.2016	82,923.83	1.3024	108,000.00	4,726.08
Buy USD/Sell CAD	20.10.2015	29.03.2016	82,885.65	1.3030	108,000.00	4,675.70
Buy USD/Sell CAD	20.10.2015	10.05.2015	165,745.86	1.3032	216,000.00	9,294.78
Buy USD/Sell CAD	20.10.2015	27.07.2016	165,707.71	1.3035	216,000.00	9,167.67
Buy USD/Sell CAD	20.10.2015	26.09.2016	165,695.00	1.3036	216,000.00	9,060.45
Buy USD/Sell CAD	20.10.2015	10.11.2016	165,682.29	1.3037	216,000.00	8,959.87
			EUR		MAD	
Buy MAD/Sell EUR	10.12.2015	14.01.2016	129,127.47	10.8420	1,400,000.00	611.14

The notional market value of all the hedging contracts listed under this item was € +2,142,418.78. This is comprised of contracts with a positive market value amounting to € 2,230,566.68 and contracts with a negative market value amounting to € 88,147.90. In accordance with the applicable accounting rules, an accrual for possible losses from derivatives have been formed. In accordance with the prudence principle, the hedging contracts with positive market values are not taken into account.

Depending on possible future changes in the exchange rates, the market value of the forward exchange contracts that are still open may change by the settlement dates and differ from the valuation at balance sheet date.

IV. ADDITIONAL DISCLOSURES

1. The average number of employees during the year under report was as follows:

	2015	2014
Employees	271	254

2. Legal bodies of the association

According to the statutes that were valid on December 31, 2015 the legal bodies of the association were:

- The General Assembly (all SOS member associations worldwide)
- The International Senate (as per current list of members on the website)
- The President (Siddhartha Kaul)
- The Secretary General (Mag. Richard Pichler until 31.12.2015)
- The Arbitration Tribunal

According to the Statutes of SOS Children's Villages International that were valid on December 31, 2015 "The International Senate shall elect from among its members an Executive Committee at the proposal of the President of the Association. The Executive Committee shall comprise the President of the Association, the Vice-president and no more than five other members of the International Senate, and shall be responsible for discharging the duties of the International Senate between its meetings. The Secretary General is ex officio a non-voting member of the Executive Committee."

In its meeting on 12 October, 2013, the Senate decided by vote that the duties of the International Senate between its meetings are carried out by the Senate Committees and decided by the Senate by circular votes. Upon the decision of the Senate on 12 October, 2013, the Executive Committee became dormant effective 12 October, 2013 until decided otherwise by the Senate or reformulated in the statutes.

According to the new statutes, that are in place since June 24, 2016 the legal bodies of the association are as follows:

- The General Assembly (all SOS member associations worldwide)
- The International Senate (as per current list of members on the website)
- The President (Siddhartha Kaul)
- The Management Team
- The Arbitration Tribunal, when it meets

According to the new statutes that are in place since June 24, 2016 the Executive Committee as a subsidiary-body of the International Senate no longer exists.

3. Remuneration paid to the members of the executive bodies of the association

No breakdown is provided pursuant to the protective clause in § 241 (4) UGB, because the costs of only two members (President and Secretary General) are borne by the association. The association also bears the costs of travel and expenses incurred by the Vice-President.

4. Representation

The association is represented by the following persons:

Siddhartha Kaul (President since 22.06.2012)

Gitta Trauernicht-Jordan (Vice-President since 22.06.2012)

Richard Pichler (Secretary General until 31.12.2015)

Norbert Joachim Meder (Chief Financial Officer since 24.06.2016,
Deputy Secretary General from 02.09.2013-24.06.2016)

Carsten Völz (Chief Operating Officer since 24.06.2016;
Deputy Secretary General from 01.10.2015-24.06.2016)

Hanne Rasmussen (Vice Secretary General until 05.02.2015)

The association is represented collectively by two persons in each case.

Innsbruck, September 19, 2016

Siddhartha Kaul m.p.

Norbert Joachim Meder m.p.

FIXED ASSETS MOVEMENT SCHEDULE acc. to article 226 (1) Austrian Commercial Code (UGB) as of DECEMBER 31, 2015

	C O S T			Balance as of 31.12.2015	Accumulated depreciation	Book value as of 31.12.2015	Book value as of 31.12.2014	Depreciation for the fiscal year 2015	Write-up to the fiscal year 2015
	Balance as of 1.1.2015	Additions	Disposals						
	€	€	€	€	€	€	€	€	€
FIXED ASSETS									
I. Intangible assets									
Rights	2,217,441.86	164,293.73	286,520.55	2,095,215.04	1,689,708.05	405,506.99	526,248.93	284,272.16	0.00
II. Tangible assets									
1. Investments in third-party Buildings	2,975,048.27	45,529.95	0.00	3,020,578.22	2,622,491.47	398,086.75	427,029.40	74,472.60	0.00
2. Other tools and office equipment									
a) Office equipment	1,812,418.64	279,019.75	330,822.06	1,760,616.33	1,204,173.17	556,443.16	500,043.97	215,888.66	0.00
b) Cars	73,561.43	0.00	0.00	73,561.43	64,057.82	9,503.61	13,215.66	3,712.05	0.00
3. Low value items	0.00	116,898.50	116,898.50	0.00	0.00	0.00	0.00	116,898.50	0.00
	4,861,028.34	441,448.20	447,720.56	4,854,755.98	3,890,722.46	964,033.52	940,289.03	410,971.81	0.00
III. Financial assets									
1. Investments	51,250.00	0.00	0.00	51,250.00	0.00	51,250.00	51,250.00	0.00	0.00
2. Securities	2,769,166.92	0.00	645,874.20	2,123,292.72	11,028.60	2,112,264.12	2,659,854.25	8,000.00	72,414.92
	2,820,416.92	0.00	645,874.20	2,174,542.72	11,028.60	2,163,514.12	2,711,104.25	8,000.00	72,414.92
	9,898,887.12	605,741.93	1,380,115.31	9,124,513.74	5,591,459.11	3,533,054.63	4,177,642.21	703,243.97	72,414.92

TRANSLATION**AUDITOR'S REPORT**

We have audited the accompanying financial statements, including the underlying accounting records, of **SOS-Kinderdorf International, Innsbruck**, for the fiscal year 2015, lasting from January 1, 2015 to December 31, 2015. These financial statements comprise the balance sheet as of December 31, 2015, the income statement for the fiscal year, ending December 31, 2015, and the notes.

Management's Responsibility for the Financial Statements and for the Accounting Records

The Association's management is responsible for the accounting records and for the preparation of the respective financial statements to give a true and fair view of the Association's financial standing, in accordance with the provisions of the Austrian Association Law under the application of the regulation the Austrian UGB. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable under the given circumstances.

Auditor's Responsibility and Description of Kind and Scope of the Statutory Audit

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and Austrian Standards on Auditing. These standards require us to comply with professional guidelines and to plan and perform the audit to obtain reasonable assurance about whether or not the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making these risk assessments, the auditor considers internal control relevant to the Association's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate under the given circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

TRANSLATION

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the financial statements are in accordance with legal requirements, Austrian Generally Accepted Accounting Principles and present fairly, in all material respects, the financial position of the Association as of December 31, 2015 and of the results of its operations for the fiscal year 2015, lasting from January 1, 2015 to December 31, 2015. For the fiscal year 2015, lasting from January 1, 2015 to December 31, 2015, the correctness of accounting was given in all material respects and the use of funds was performed in accordance with the Association's bylaws. No unusual receipts or expenses, especially self-dealings, were detected.

Vienna, September 19, 2016

Ernst & Young
Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. Edith Schmit mp
Wirtschaftsprüferin

Mag. (FH) Isabelle Vollmer mp
Wirtschaftsprüferin

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