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We operate in the Czech Republic; however, our foreign activities have been gaining more and more importance – we are intensively engaged in Poland, we have achieved success in Slovenia, and our legal experts have been invited to participate in conferences at Columbia University in New York as well as in Oxford. Our joint effort with the European Coalition for Corporate Justice to change the direction of the EU policies on corporate accountability has led the European Commission to issue a new ‘CSR Communication’ – a new policy plan for this area.

In the Czech Republic, we have made great progress with respect to the proposal for extending the powers of the Supreme Audit Office, under which we aim to empower the Supreme Audit Office to audit the management of state-owned companies.

We continued to provide free legal consultancy to grassroots initiatives. We rendered over a thousand consultations, most frequently related to public participation in spatial planning and land use and building permitting processes.

This brief overview is far from complete. Therefore please accept our invitation to read this report or visit our new website.

Our work would be impossible without support from individual people as well as institutions. We thank all those who contributed to our activities financially or otherwise.
We develop and promote legal frameworks for corporate accountability. We aim to bridge existing global governance gaps and strengthen the enforcement of laws and people’s ability to assert their rights. We are concerned with the growing corporate influence on our society and its diminishing ability to manage adverse corporate impacts on human rights and on the environment, economy, and democracy. By working with leading NGOs and civil society movements at the European and global levels, we strive to establish just and clear rules for corporate operations, and to ensure that efficient accountability mechanisms are put in place.
The corporate abuse of human rights often occurs in countries with weak governance, with dysfunctional or inefficient judicial systems. In such cases, the victims’ only option to obtain justice is to file a lawsuit before the courts of the Multinational Enterprise’s home state.

Such litigation, although being incredibly difficult and costly, is strategically important as it sets new standards for corporate accountability. The rules for admissibility of such cases in the EU are set by the Brussels I Regulation, which is currently being reviewed. The review presents both an opportunity and a threat to access to justice.

Currently, the Brussels I Regulation allows victims to sue a company in a country where that company is domiciled. While the Member States Law still governs the question of whether the victims can join to these EU proceedings a company’s foreign subsidiary that was directly involved in the harm in question. This ability is important because the subsidiary can be jointly liable with the parent company, and may have control of documents required to evaluate the liability of the parent company that might not otherwise be produced voluntarily.

This option is available in the United Kingdom and the Netherlands, where, so far, the majority of litigation has been undertaken. The Commission’s proposal to replace these national provisions with a harmonized but more limited set of rules would propose to remove this specific option.

In 2011, we organized civil society efforts to correct this mistake and also to promote a concept of forum necessitatis – i.e. the ability of courts to hear the cases where victims don’t have access to fair proceedings in a country where the abuse took place.

We believe the European Parliament will factor in our proposals. It is, however, likely that member states of the EU will deny the revision in its entirety. In this case, it will at least result in worsening of the position of victims in relation to their current status.
Human rights due diligence is at the core of the international movement for corporate accountability and has been endorsed by the United Nations Human Rights Council.

Thus, this standard is increasingly looked to by states for implementing the corporate responsibility to respect human rights. Generally, human rights due diligence is understood as a concept whereby corporations should ensure that they are not directly or indirectly contributing to human rights violations in their operations and through their relationships. However, there is a lack of clarity as to the content of this concept and what is the role of States in implementing it.

Over the last four years, we have promoted the concept of parent company liability and supply chain responsibility. Harnessing the current opportunity, acting on behalf of the European Coalition for Corporate Justice, we have developed a joint project with the International Corporate Accountability Roundtable. In cooperation with leading academics and legal practitioners, we work to elaborate this concept, build recommendations on how to embed it into legal frameworks, and mobilize the NGO community. The results of the project should feed into European Commission’s work on priorities for implementation of the UN Framework for Business and Human Rights, similar efforts undertaken by U.S. government and by EU member states, as well as into the work of the UN Working Group on Business and Human Rights, which was mandated to promote effective implementation of the Framework globally.

As part of the project, we aim to identify examples of State use of due diligence in legislation. To this end, we plan to organize a series of consultations with legal experts in Europe, U.S., Canada, Asia, Latin America, and Africa. We aim to present the final report in December 2012.
Mandating Environmental and Social Reporting

Multinational Enterprises operate through a myriad of subsidiaries, suppliers, and business partners, often in high-risk places.

Yet MNEs have no duty to identify, analyze, and disclose the risks and impacts of these operations or how they address them. This lack of transparency inhibits the ability of affected communities, investors, and the public at large to evaluate whether the response of corporations to those risks is adequate.

After more than a decade of demands by civil society and the responsible investors community, the European Commissioner for Internal Market and Services, Michel Barnier, has announced that in 2012 the Commission will propose a legislative proposal on the transparency of the social and environmental information provided by companies in all sectors.

Despite this promising statement, it is not certain that the reform will introduce clear and mandatory standards that would ensure the disclosure of complete and relevant information.

Working with ECCJ, we assert that the framework should at least require large companies to identify and disclose what their impacts are on matters covered by international standards – in particular human rights – and how they address them, thus providing a benchmark for an assessment of how companies meet their social responsibilities.

In 2011, we developed a background position of the ECCJ for consultations by the European Commission, and helped the coalition to mobilize its members to record participation in these consultations. We helped ECCJ to organize a joint declaration with the European Sustainable Investors Forum and Global Reporting Initiative in support of this legislative initiative. Finally, we participated as a CSO representative in the Commission’s Expert Group on non-financial reporting, where the technical issues of the legislation in preparation were discussed, and organized several meetings between Commission officials, NGOs, and experts and academics in this field.
We develop and promote legal initiatives contributing to a step-by-step transformation towards clean and decentralized energy production and consumption in EU countries. A legal environment that increases the transparency and accountability of public decision-making on energy issues, and restricts the influence of energy monopolies and oligopolies, is a necessary precondition for the transformation to take place.

We act against a development of large centralized energy sources such as coal power plants, and we promote legal frameworks that support the integration of decentralized renewable energy generation. It is our belief that a gradual decentralization of energy generation will also enhance the democratic principles of our society.
Free Emissions Permits worth of 2 Billion EUR

Based on the political agreement made during the EU council in 2008, ten new EU member states were allowed to apply for an unsystematic leeway from the tightened regulations of the EU emissions trading scheme after 2013.

These states are allowed to freely distribute a significant number of the ETS allowances to electricity generation companies that otherwise would be subject to a public auction. The aim of this exception is supposed to provide an impetus for further modernization of the electricity generation sector in the countries concerned. However, the plans presented by the Polish, Romanian, and Czech governments instead provided for a massive boost to coal power plant investments, both new and existing.

Together with the leading European NGOs, we continue to jointly promote a strict implementation of the requirements set up by the Directive at the EU level.

We collected the essential documents related to the content of the Czech application, and we made it subject to public scrutiny in the Czech Republic. We warned politicians that it was still possible to reassess the situation and not distribute free permits. The Czech Republic would thereby be able to receive ca. 48 billion CZK (2 billion EUR), which could be used for the reduction of the impacts of governmental cuts, starting up the economy and the saving of energy.

Over 1,000 individual signatories, several labour union associations, and the Association of the Czech and Moravian Housing Cooperatives supported our request to the Czech Government calling for a negative decision on the Czech governance application to the European Commission for the free carbon allowances.

We prepared a detailed analysis of the Czech application for the free ETS allowances for the European Commission.

We have also provided the European Commission with a critical report that focuses on the potential for an improper distortion of competition in the Czech Republic. We also discussed the entire matter several times directly with the responsible Commission officials in Brussels.

Finally, we challenged the process of preparation and adoption of the Czech application before the Aarhus Compliance Committee due to the lack of public participation.
Legal Assistance to Big Ask Campaign

We assist the Friends of the Earth network to develop national proposals for laws inspired by the UK Climate Change Act of 2008.

This legislation introduced an unprecedented, legally binding, long-term framework to cut the country’s carbon emissions. Inspired by the UK example, a public debate has started in other EU countries, mostly in connection with the Big Ask Campaign of member organizations of the Friends of the Earth network. In some countries, a legislative drafting process has even been initiated.

We strive for the national proposals related to the Climate Change Act to be effective and provide a clear and enforceable framework for the long-term development of state policies and actions that would systematically support the vision of a less fossil-intensive and more decentralized economy.

We helped the Big Ask Campaign groups in the Czech Republic, Slovenia, and Denmark to draft a legislative proposal for the Climate Change Act.

In order to support the Big Ask Campaigners, a series of capacity-building workshops on Climate Change legislation has already taken place.

In the Czech Republic we organized extensive expert scrutiny of the proposal for the Climate Change Act.

To foster a public and expert debate on climate change legislation, we developed a database that contains an exhaustive collection of legal texts discussing the idea and features of the Climate Change Act, as well as existing legislative proposals. The database is accessible at: http://www.climatedatabase.cz/

In November 2011, we co-organized an international conference on the Czech Climate Change Act.

Prunéřov II Case
Extending the life of the largest Czech lignite power plant

The state-owned monopoly energy company ČEZ is pushing through a plan to extend the life of the largest lignite power plant in the Czech Republic and 17th biggest source of CO2 emissions in Europe: Prunéřov II

Independent experts revealed that the project is overpriced and that the investor plans to use technology that will not meet the minimum legal requirements on efficiency. This means that large amounts of coal would be ineffectively burned, and for at least another quarter of a century. Massive amounts of emissions would be emitted by the power plant into the environment.

In 2011, we focused our strategy on the fact that we have revealed that there are insufficient coal deposits in the mine supplying Prunéřov II, and that huge coal transports would be needed to supply the power plant for the projected time period, thus making the project economically irrational. We contested the illegalities of the project through participation in administrative procedures.
Sostanj case in Slovenia
Carbon Capture and Storage

The case concerns the project of a new 600 MW lignite unit located Ljubjana. Biggest state-owned producer in Slovenia, Holding Slovenske Elektrarne, is pushing forward the project while enjoying complete political support.

The project will lock Slovenia into high-carbon energy for four more decades. The investor justify the project by declaring it to be “Carbon Capture and Storage-Ready”, claiming that a realistic possibility for the future deployment of the Carbon Capture and Storage technology exists. However, these claims were revealed to be very questionable by experts.

Jointly with the Bellona Foundation, we developed a critical report on the CCS assessment made for the Sostanj power plant. Our aim is to establish clear and strict requirements for assessing the CCS readiness of the power plants and thus force the investor and decision-makers to evaluate the real climate impact such projects will have.

Legal Aid for Citizens
threatened by the mining of lignite in Western Poland

In Central and Eastern European countries, a considerable number of new coal power plants, together with vast extensions of coal mines, have been planned. If all of these plans are realized, it would result in prolonging the high dependency on coal in this region for decades to come.

As a result, massive and irreversible damage to the environment will be incurred, and the position of the large energy companies in the region will be fortified.

In Poland, we were working with mayors and citizens of 10 municipalities near Gubin who are threatened by a project of Europe’s biggest coal mine.

The vast majority of people in the region voted against the plan in two referendums. However, the high-ranking decision-makers have not taken these opinions into consideration, and the project continues to be pushed through with strong political support from the regional and national governments.

We organized the public participation of a number municipalities, NGOs, and concerned individuals and provided them with legal support. Together we have challenged the decision of the Polish Government on the National Spatial Conception policy that would pave the way for the mine to be opened.

In cooperation with the Gubin municipality, we managed to cancel the process of incorporating the mine into the local spatial plan and to defend this decision in front of the administrative court after it was challenged.
One of the most serious societal problems in the Czech Republic is the clientelism and systemic corruption that is omnipresent at all levels of the government. There is a growing public outrage about this situation, and people across the society have begun calling for a solution. The ELS works to develop and promote legislative measures tackling this problem. In 2011, we opened the topic of corruption risks in the governance of state-owned enterprises and proposed a comprehensive regulation of their governance. Further, ELS developed a proposal for a law regulating lobbying. ELS has also started organized a discussion of Czech watchdog organizations aiming to transform the enormous social demand in this area into a support for effective and non-populist solutions. One of the results of this work was the coordinated campaign of the non-governmental sector calling for a governance reform of the stated-owned energy monopoly CEZ and investigation of CEZ procurement policies, and for enabling the Supreme Audit Office to audit stated-owned enterprises.
“Pankrác Appeal”

We united the efforts of leading anti-corruption organizations in the Czech Republic behind a single set of policy and legislative recommendations.

This first-ever collaboration sprang from the departure of Martin Roman from the position of director of ČEZ, the largest state-owned enterprise and de facto energy monopoly, to the position of Chair of the ČEZ Supervisory Board. This new position allows Roman to cover up questionable financial operations and decisions he had previously authorized.

The appeal – addressed to the prime minister Nečas, minister of finance Kalousek, chairman of social democrats party Sobotka, and vice prime minister Peake – requested:

- the immediate withdrawal of Martin Roman from the supervisory board of ČEZ,
- an independent investigation of contracts between ČEZ and Škoda Power, a shell company rumored to be linked with Mr. Roman
- a prohibition of business relations with shell companies in the statutes of ČEZ,
- establishing a governmental committee for the appointment of state representatives in supervisory boards of state-owned enterprises,
- Empowering the Supreme Audit Office to inspect state- and municipal-owned companies.

Between November and the end of 2011, this set of requests received a support from 12 leading anti-corruption organizations and 5,000 individuals.
Allowing the Supreme Audit Office to inspect the State-owned Enterprises

On May 19, 2011, we arranged a seminar for Members of the Parliament and presented an analysis documenting that the State assets in state-owned and semi-owned companies is equal to 62% of the annual income of the state budget.

In contrast to all neighboring states, the Czech Supreme Audit Office (SAO) cannot monitor these assets. Not only does the Czech Republic not meet in this respect the international standards agreed by the OECD in the so-called Lima Declaration, but mainly, it leaves more than 600 billion Czech crowns, approx. 20 billion Euro, entirely without supervision.

We have presented proposals for an amendment of the Constitution and for SAO regulations that would enable the SAO to inspect the state-owned enterprises. This reform was supported by the new coalition government and was listed in the coalition agreement. However, for unspecified reasons, it has not been included in the government’s policy statement.

Vesting the SAO with powers to inspect state-owned enterprises would help to prevent embezzlement of state assets, improve the ineffective management of state companies, and potentially save billions of euros every year.

Members of the Parliament, on the basis of our recommendations and legal analysis, introduced a Bill for an amendment of the Constitution and of the Law regulating the Supreme Audit Office, which gives the SAO the mandate to carry out inspections of state-owned and municipal companies.
Governance Rules for State-owned Enterprises

Working with the ‘Respect Institute’, we organized a high-level conference aiming to draw political attention to the issue of mismanagement of state-owned enterprises.

The conference focused on the need to adopt rules for governance of these enterprises and the role of such rules in curbing corruption in the Czech Republic.

The most prominent international speakers included Hans Christiansen (OECD economist), Morten M. Kallevig (former assistant to the general director of the Assets Division of the Royal Norwegian Ministry of Business and Industry), and Mark Boyle (Chief Operating Officer at the Department for Business Innovation and Skills).

Lobbying Law

In 2011, with support of major Czech anti-corruption organizations, we prepared and presented a detailed proposal of a law regulating lobbying.

The proposal had followed up on the series of round tables organized by the Respect Institute in the spring of 2011 and had drawn inspiration from examples of good practice abroad.
Service for Citizens

With a team of three lawyers and with the help of nearly thirty law students, we have provided 1,120 consultations to the citizens of the Czech Republic that accounted for 1,078 hours of legal counseling.

Most people approached us in February and June, most often from the South Moravia or Central Bohemia regions and from Prague.

Inquiries most frequently focused on spatial planning, land use, and building permitting procedures, and on public participation in such proceedings.

In comparison to 2010, the number of people disturbed by excessive noise who sought our help doubled.

Tens of inquiries focused on problems with public offices and dealings with public office clerks.

A large portion of all inquiries concerned corruption and irregularities in public authorities’ decision-making.

Activities in 2011

• We created 10 new legal manuals for citizens focusing on typical scenarios of environmental rights abuse, public authorities’ abuse of authority, public participation in permitting procedures, etc.
• We have updated 37 older manuals.
• We have organized 17 training courses in law for grassroots initiatives.
• We have taught at law faculties at Masaryk University in Brno and Palacky University in Olomouc and the Faculty of Social Studies of Masaryk University.
• We have provided intensive legal support in 9 local cases.
In August, we provided intensive legal support to citizens who tried to prevent unlawful logging in Šumava National Park. The police repeatedly attempted to disperse their blockade. We consider it unacceptable that the police force in a democratic society aided the abuse of the law.

The Administration of the Šumava National Park authorized the logging of protected forests without obtaining exemptions required by law. The office of ombudsman confirmed this unlawfulness, and later the regional court in Plzeň declared that police interventions against the blockade were unlawful, as well.

We provided legal support both on site and on the phone. We also prepared a series of legal analyses, and filed a number of legal submissions, complaints, and appeals to the relevant authorities. In collaboration with other lawyers, we created model submissions and complaints for the blockade participants, in particular with regard to the criminal charges they had faced.

― Hello, thank you so very much, I am very happy with your perfect answers. I wasn’t expecting such good perspectives, we will utilize all the information, thank you once again and we will let you know how things progress and come out eventually. My great admiration, appreciation, and thanks belong to all of you at EPS, you are very helpful and you help people learn to protect themselves more effectively and thus improve the entire situation in the republic.‖

Lea, Zlínský kraj

― Thank you for your helpfulness and support, because otherwise, I would feel terribly alone in the ‘fight’ for the my beloved home, for the surrounding nature I love as well.‖

Lenka, Hradec Králové
We organized a first-ever meeting of grassroots civic initiatives to whom we have provided intensive legal aid. Twenty-two people from sixteen local civic associations and initiatives attended.

The objective of the event was to build connections between these organizations, and to build capacity in terms of their ability to present their cases, awareness, and adjustment of communication channels both with the public and with each other.

The key sessions of the meeting included a training focused on the topic of corruption in public procurement provided by our partner NGO ‘Oživení’, a block with a professional psychologist focused on the motivation and mental health, and screening of the film ‘All to Good for Hyundai and Nošovice’, depicting this key case we had worked on in past years.

Following the screening, there was a discussion with the film’s director, Vít Klusák, and the director of ELS, Pavel Franc, who led the case. The successful meeting was concluded by a presentation of the initiative Napistejim.cz (Write to the politicians), which the participants appreciated for its utility in their own cases.

The meeting closed with the request of the participants for communication tools, which in practice meant the founding of active groups on Facebook and a mailing list. These tools should serve for the further communication of participants, the transfer of information, and the sharing of mutual problems or cases.

“I really value your effort and willingness to help and I am greatly indebted for the services you have provided. I wouldn’t believe it possible to receive such professional help for free in this day and age. You have convinced me of the opposite and, once again, thank you very much.”

Petr, Central Bohemian Region

“Not even the legal counselor I visited personally advised me this adequately.”

Jana, Praha
Papers at conferences

Global Conference on Environmental Justice and Global Citizenship

In July, we spoke at the tenth annual “Global Conference on Environmental Justice and Global Citizenship” in Oxford about the climate-change legislation modeled on the basis of UK law and its possible use in other states of the European Union.

The Prunéřov Case at Columbia University

In May, our lawyers attended the conference of Columbia University “Threatened Island Nations: Legal Implications of Rising Seas and a Changing Climate” with the paper, “Cross-Border Climate Appeal for Coal: One Small Step Against Dirty Energy, One Big Step for Climate Justice,” which was developed in collaboration with the government of the Federal States of Micronesia, Greenpeace International, and other partners. The paper focused on transboundary climate impact assessment – a precedential strategy that we have successfully tested with our partners in the Prunéřov case.
People in ELS in 2011
Law students that helped us in 2011

Adameová Zuzana
Bažantová Eva
Bobák Martin
Bouška Michal
Brychtová Hana
Cisková Lucia
Číhalová Jana
Dedrlová Lucie

Hesczko Tomas
Hofschneiderová Anna
Hrčka Daniel
Hýblová Kateřina
Jaskowiecová Lenka
Jirát Adam
Knob Miroslav
Králík Jan

Kubišová Alena
Lobotka Andrej
Mejtský Jakub
Mihálik Vladimír
Mikolášková Martina
Nečas Filip
Novosadová Kristýna
Novotná Marie

Porkertová, Jitka
Procházková Ema
Ročková Pavlína
Sotoniaková Hana
Studnička Martin
Svoboda David
Svoboda Tomáš
Taberyová Jolana

Tejnorová Michaela,
Valová Markéta
Všetečka Tomáš
Výchopňová Jana
Zůbková Donika
Zušcáková Monika
We thank our donors

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<th>Open Society Fund</th>
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<td>Network of Environmental Counseling in the South Moravia Region</td>
<td>ELS Project Intention – Implementation of a Strategic Plan in 2011</td>
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<td>Systematic Environmental Law Counsel, Training, and Education on a State-Wide Level, Czech Republic</td>
<td>Civic Initiatives 3.0</td>
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<td>Theory – Skills – Training: Innovations in the Study of Law</td>
<td>Counseling – Methods, Certification Examples</td>
<td>For a Clean Ostrava – A Year after the Election</td>
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<td>Long-Term Partnership of Research, Training, and Law Education</td>
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<td>Holešov Strategic Industry Zone – Strategic Mistake!</td>
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<th>European Commision –EuropeAid</th>
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<td>Prevention of Corruption</td>
<td>Regulation of the Energy Sector and the Standards of Good Governance in the Czech Republic</td>
<td>Enhancing EU Business</td>
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<td>Satellites of Legal Eco-Counseling</td>
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European Climate Foundation

- Litigation against the Prunerov II lignite-fired power plant, the nation’s biggest source of GHG emissions
- Legal Strategy Against the Thermal Power Plants in the Czech Republic, Slovenia and Poland

The Secretary for State for Foreign and Commonwealth Affairs

- Transparency of State-Owned Companies, Conference and Roundtables

Embassy of the United States of America

- Building a coalition for a joint advocacy of specific anti-corruption recommendations
- Good governance of State-Owned Enterprises in Czech Republic

National Agency for European Educational Program/Grundtvig

- Life-Long Learning Program – Project of the Grundtvig Partnership
- Grundtvig

Ministry of Labour and Social Affairs

- Education and Development of Professional Knowledge and Competencies of NGO Employees
- Reconciliation of Family and Work Life of NGO Employees

Embassy of the United States of America

- Building a coalition for a joint advocacy of specific anti-corruption recommendations
- Good governance of State-Owned Enterprises in Czech Republic

Partnership Foundation

- Civil Society Network
Financial Report

€ to CZK conversion rate: 1/25.80 (30.12.2011)

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<td>other (exchange-rate loss, sanctions, representation)</td>
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<td><strong>EXPENDITURES TOTAL</strong></td>
<td><strong>363 533,32</strong></td>
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## Income

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<td>Own activities</td>
<td>€19,457,38</td>
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<td><strong>Grants from public budgets and EU budget</strong></td>
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<td>European Social Fund + Ministry of Labour and Social Affairs – HREOP</td>
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<td>Embassy of the United States in Prague</td>
<td>€3,708,41</td>
</tr>
<tr>
<td>The Joseph Rowntree Charitable Trust</td>
<td>€16,010,58</td>
</tr>
<tr>
<td>Small grants and subsidies</td>
<td>€1,027,13</td>
</tr>
<tr>
<td>Donations from natural and legal persons</td>
<td>€24,714,08</td>
</tr>
<tr>
<td>Credit interest</td>
<td>€493,73</td>
</tr>
<tr>
<td>Other (exchange-rate profit, re-invoicing, funds)</td>
<td>€1,326,95</td>
</tr>
<tr>
<td><strong>Income total</strong></td>
<td>€360,334,84</td>
</tr>
</tbody>
</table>

**Economic result – loss**  

-€3,198,49
INDEPENDENT AUDITOR’S REPORT

addressed to the member meeting of the civic association Ekologický právní servis

Report on the Financial Statements

We have audited the accompanying financial statements of Ekologický právní servis, civic association, which is composed of the balance sheet as of December 31, 2011, the Profit and Loss Account as of December 31, 2011 and the Notes on Financial Statements, including a description of significant accounting policies and other explaining information. Information about Ekologický právní servis is presented in the Annex of this Financial Statements.

Statutory Body’s Responsibility for the Financial Statements

The statutory body of Ekologický právní servis is responsible for the preparation and fair presentation of accounting and financial situation in these financial statements in accordance with the Czech accounting regulations. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of accounting and financial situation in these 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 in the circumstances.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Act on Auditors and International Standards on Auditing and related application guidelines issued by the Chamber of Auditors of the Czech Republic. Those
standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether 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 risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the financial statements preparation and fair presentation of accounting and financial situation in the financial statements 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 internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Ekologický právní servis, civic association, as of December 31, 2011, and of its expenditures, income and financial performance for 2011 in accordance with Czech accounting regulations.

BMV Audit s.r.o
Member of the international association of independent professional companies
MSI Global Alliance, Legal & Accounting Firms
Všebořická 82/2, 400 01 Ústí nad Labem
Certificate of KAČR no. 277
Ing. Miroslava Nebuželská
KAČR Certificate No. 2092

Prague, dated August 3rd, 2012
We fight for rights of those, whose protection is being forgotten by the governments. We are a group of lawyers who believe that in a democratic society it is not possible to satisfy needs and wishes of some by encroaching on the rights of others. Equality before the law is the public interest we protect. Healthy and favorable living conditions of people are prerequisites of a healthy society we strive for.

Many thanks to those who have supported us. We are a non-governmental, non-profit organization, and our activities depend on the support of the public. If you find our work useful, please consider supporting us.

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Bank Name Fio banka, a.s., Branch Address V Celnici 1028/10, Prague, Czech RepublicAccount number 2600050537/2010,
BIC/SWIFT FIOZSKBAXXX, IBAN CZ55 2010 0000 0026 0005 0537
Environmental Law Service promotes democratic and legal solutions to the systemic problems facing our society. Our team of lawyers, together with a group of law students, supports the civil society from grassroots to the EU level with free legal help. In addition, we conduct our own advocacy activities and litigation driven by our legal expertise and professionalism.

The advocacy activities together with other public interest law activities have one purpose: to protect the environment and promote the rule of law and democracy.
ENVIRO\NMEN\NTAL\nLAW\nSERVICE

“We use legal power to carry solutions for serious social problems. We help people fight injustice and enforce their rights. Our ultimate goal is civic liberty and genuine democracy.”