



DR. HEILMAIER & PARTNER GMBH

WIRTSCHAFTSPRÜFUNGSGESELLSCHAFT
STEUERBERATUNGSGESELLSCHAFT

Report

on the auditing of the Annual Financial Account
of December 31st, 2010

of

action medeor International Healthcare
gGmbH

Tönisvorst

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A. Audit mandate

The Managing Director of

action medeor International Healthcare gGmbH, Tönisvorst

(hereinafter referred to as "Company")

has mandated us with the auditing of the annual financial statements for the business year 2010. In the execution of this given mandate, we have audited

- the annual financial statements as of December 31, 2010 (Annexes 1 to 3) and
- the Bookkeeping

in accordance with §§ 316 et. seq. of the Commercial Code and the basic principles of the proper execution of annual financial statements auditing.

The company can be rated as a small-scale stock corporation in accordance with the characteristics of sizes specified in § 267 subsection 1 of the Commercial Code. Audit obligation is derived from § 10 subsection 2 of the Company Agreement.

This report that has been prepared in accordance with the basic principles of proper reporting in the auditing of annual financial statements (IDW PS 450) relates to the type and scope as well as the result of the auditing performed by us.

Section B. of the report contains our initial appraisal of the assessment made by management, on the state of the company.

The performance of auditing and audit results are presented in detail in sections C. and D. The unqualified auditors report issued in the aftermath of auditing is reflected in section E.

We have attached to our report the audited annual financial statements comprising the balance sheet (Annex 1), the income statement (Annex 2) and the notes to the financial statements (Annex 3).

The unqualified auditors report issued in the aftermath of auditing is attached as Annex 4.

The legal and fiscal status is presented in Annex 5 in a tabulated form.



The performance of the mandate and our responsibility also in relation to third parties, are governed by the agreed "General Engagement Terms for German Public Auditors and Public Audit Firms" as of January 1, 2002 attached to this report as Annex 6.

We confirm that we applied the regulations at independence specified in § 321 subsection 4 a of the Commercial Code.



B. Basic determinations

- Appraisal of status assessment by management

Management has made an assessment of the state of the company in the annual financial statements (Annexes 1 to 3), particularly in the notes to the financial statements.

The subsequent submissions constitute our initial appraisal, in our capacity as auditors of the annual financial statements – in accordance with § 321 subsection 1 clause 2 of the Commercial Code – of the status assessment made by management in the annual financial statements. In the process, we have particularly paid due attention to the assessment of the continued existence and future development of the company. Our own appraisal is based on our own assessment of the state of the company as we saw it in the course of our auditing of the annual financial statements.

In our opinion, based on the findings of our audit, the assessment of the state of the company including the risks of future development presented, is a plausible and consistent conclusion. The status assessment made by management is adequate in its scope and contextually accurate. Our auditing uncovered no indication that the continued existence of the company is at risk.



C. Object, type and scope of auditing

The object of our auditing were

- Bookkeeping,
- annual financial statements of December 31, 2010

as well as compliance with the relevant statutory regulations on the rendering of accounts.

The company to be audited is a small-scale stock corporation as defined in the size criteria of § 267 of the Commercial Code. The annual financial statements was compiled in accordance with the commercial law regulations for small-scale stock corporations.

A verification of the type and adequacy of insurance coverage, particularly, if all risks are duly taken into consideration and sufficiently insured, was not an object of our audit mandate.

The management of the company is responsible for bookkeeping and preparation of the annual financial statements as well as the statements made available to us. Our duty is to evaluate the documents and statements made available to us by management within the scope of our designated audit duties.

We performed the audit works in May and June 2011 in the business premises of the company and in our office. This was immediately followed by the preparation of the audit report.

Point of origin of our audit work was the previous annual financial statements of December 31, 2009 that was audited and given an unqualified auditors report by us; it was adopted unchanged by virtue of the resolution of shareholders dated June 14, 2010.

Bookkeeping documents, receipts as well as files and correspondences of the company served as audit documents.

All information, clarifications and evidences requested by us were willingly and readily provided by management and staffs designated for the provision of information.



Information was provided particularly, by:

1. Mr. Christoph Bonsmann (Managing Director)
2. Ms. Steuler
3. Ms. Gotzian

as well as other designated persons.

In addition to this, management confirmed to us in writing, in a letter of representation that all such property values, obligations, risks and accruals/deferrals as are subject to reflection in the balance sheet, were duly taken into consideration in the bookkeeping and the annual financial statements to be audited and that they contain all expenditures and proceeds, that all required statements have been made and all existing liability relations have been disclosed to us.

In the performance of our auditing of the annual financial statements, we observed the regulations of §§ 316 et. seq. of the Commercial Code and the German Principles of the proper auditing of annual financial statements as ascertained by the "Institut der Wirtschaftsprüfer (IDW)" (Institute of Public Auditors in Germany). Accordingly, our auditing was designed to be problem-oriented – but not specifically focused on the verification of any embezzlement – in such a way that we should have been able to detect inaccuracies and breaches of statutory regulations materially affecting the presentation of the net assets, financial position and results of operations of the company.

Details of the type, scope and result of audit actions performed are contained in our working papers.

The audit was based on a planning of the focal points of auditing with due consideration for our provisional assessment of the state of the company and an assessment of the effectiveness of the accounting-related internal control system (ICS). The assessment was based particularly, on facts regarding the legal and economic framework conditions. Specific sector-related risks, corporate strategy and the resultant business risks are known through conversations with management and staffs of the company.

The following focal points of auditing were derived from the risk areas ascertained in the course of audit planning:

- Development of capital assets,
- Development of liabilities from yet unexpended donations



- Development of sales proceeds and proceeds from the usage of donations,
- Development of material expenditure,
- Other individual issues with significant impact on the presentation of the state of net assets, finance position and results of operations.

With the assumption of an ICS assessment in mind, we observed the basic principles of priority and economic efficiency in the stipulation of further audit actions. Analytical actions as well as case-by-case auditing were therefore performed in selected random samples in type and scope with due consideration for the significance of the audit sections and organization of accounting system. Random samples were selected in such a way that they reflect the economic significance of the individual items of the annual financial statements and facilitate sufficient verification of compliance with statutory provisions on the rendering of account.

Stocks are stored at the operational station in Tanzania. We did not participate in the inventory of stocks. We were however, convinced about the correctness of physical inventory and evaluation through adequate random samples.

Bank confirmations were obtained to verify the evidences of statements of bank account.



D. Determinations and explanations on the rendering of account

I. Proper status of accounts

1. Bookkeeping and other audited documents

The company runs its accounting system in accordance with the commercial rules of double bookkeeping.

Financial Bookkeeping is prepared using the Financial Bookkeeping Program "Microsoft Dynamics NAV 5.0 DE - Finanzbuchhaltung" of the company Microsoft Deutschland GmbH, Unterschleißheim.

An own accounting area is maintained in Tanzanian Shilling for the Tanzanian operating station. The balances of accounts were converted at the applicable period-end exchange rate of December 31, 2010 of EUR 0.000500693 with the accounting area maintained in Euro, which reflects the business transaction of the Headquarters in Germany.

A check certification of the electronic data processing program that was put into use in the year 2010 was made available to us.

The accounting-related internal control system (ICS) established by management provides for the regulations of the organization and control of working processes in a manner that is adequate to the purpose and scope of business transactions.

The organization of bookkeeping and the accounting-related internal control system enables the complete, accurate, timely and orderly recording and booking of business transactions. The account schedule is sufficiently structured, the system of receipt documentation is clearly and comprehensibly ordered. The account books were correctly opened with the figures of the balance sheet of the preceding year as audited by us and altogether, properly maintained during the entire business year.

Information derived from other audited documents indicate a proper process in bookkeeping and the annual financial statements.

Altogether, it can be ascertained, according to our determinations, that the bookkeeping and other audited documents (including the receipt documentation, internal control system and budgeting) basically agree with statutory regulations including the basic principles of bookkeeping. The audit has not led to significant reservations.



2. Annual financial statements of preceding year

The annual financial statements of the preceding year were adopted in the assembly of shareholders on June 14, 2010. It was resolved that the annual profit of EUR 18.391,97 should be carried forward in the new account. Management was issued the notice of discharge for the year 2009.

3. Annual financial statements

As of the key date of accounting, the company can be rated as a small-scale stock corporation in the sense of § 267 subsection 1 of the Commercial Code.

The balance sheet and the income statement are properly derived from bookkeeping and other audited documents. The balance sheet (Annex 1) is structured in accordance with the pattern of § 266 subsections 2 and 3 of the Commercial Code. The income statement (Annex 2) is structured in accordance with the total expenditure format pursuant to § 275 subsection 2 of the Commercial Code.

Wherever there were choices of presentation pattern to be made in the balance sheet or in the income statement, the respective specifications were largely made in the notes to the financial statements.

Balancing and evaluation methods applied on the balance sheet and income statement are sufficiently explained in the notes to the financial statements provided by the company (Annex 3). All legally required individual statements as well as optionally adopted statements in the notes to the financial statements in respect of the balance sheet and income statement are presented completely and accurately.

We have therefore, determined that the annual financial statements comply with legal requirements including the basic principles of proper accounting. Our audit has not led to any reservations.

II. Overall statement of the annual financial statements

Our audit revealed that § 264 subsection 2 of the Commercial Code was observed and that the annual financial statements altogether, i.e. as an overall statement comprising the interplay of balance sheet, income statement and the notes to the financial statements – with due observance of the basic principles of proper accounting – give a true and fair view of the net assets, financial position and results of operations of the company.



The execution of options regarding balancing and presentation was done unchanged precisely as in the annual financial statements of the preceding year. The principle of evaluation activity pursuant to § 252 subsection 1 item 6 of the Commercial Code was observed in the exercise of the rights of choice and utilization of option regarding presentation. We are not aware of any change as opposed to the preceding year.

Else, we refer to the analytical presentation of the state of net assets, financial position and results of operations in the following section D. III.

III. Analysis of the state of net assets, financial position and results of operations

1. Presentations of the development of the state of net assets and financial position

Assets

	31.12.2006		31.12.2007		31.12.2008		31.12.2009		31.12.2010		Change	
	EUR	%	EUR	%	EUR	%	EUR	%	EUR	%	EUR	%
<u>A. Capital assets</u>												
1. Immaterial property items	6,788.62	1.4	1,446.44	0.2	1,254.35	0.2	2,217.71	0.3	10,220.82	1.3	8,003.11	360.9
2. Fixed assets	14,551.42	3.1	13,643.10	1.8	11,113.53	1.4	8,066.86	1.1	17,129.98	2.2	9,063.12	112.4
	<u>21,340.04</u>	4.5	<u>15,089.54</u>	2.0	<u>12,367.88</u>	1.6	<u>10,284.57</u>	1.4	<u>27,350.80</u>	3.5	<u>17,066.23</u>	165.9
<u>B. Floating assets</u>												
1. Stocks	166,445.65	35.6	228,446.36	30.2	242,264.73	29.6	235,818.22	32.5	300,464.98	39.2	64,646.76	27.4
2. Receivables from supplies and services	71,917.19	15.4	63,846.64	8.4	74,865.75	9.1	104,620.45	14.4	153,296.25	20.0	48,675.80	46.5
3. Receivables from project funds	0.00	0.0	0.00	0.0	284,805.30	34.8	86,406.79	11.9	0.0	0.0	-86,406.79	-100.0
4. Other property items	31,124.79	6.7	64,242.60	8.5	49,551.02	6.1	67,692.14	9.3	41,222.33	5.4	-26,469.81	-39.1
5. Cash in hand, Credit balance in Credit Institutes	159,206.11	34.0	383,040.52	50.6	149,717.70	18.2	212,274.76	29.3	227,490.84	29.3	15,216.08	7.2
	<u>428,693.74</u>	91.7	<u>739,576.12</u>	97.7	<u>801,204.50</u>	97.8	<u>706,812.36</u>	97.4	<u>722,474.40</u>	94.3	<u>15,662.04</u>	+2.2
<u>C. Items of accruals and deferrals</u>	<u>17,896.91</u>	3.8	<u>2,350.70</u>	0.3	<u>5,053.69</u>	0.6	<u>8,682.70</u>	1.2	<u>17,020.94</u>	2.2	<u>8,338.24</u>	96.0
	<u>467,930.69</u>	100.0	<u>757,016.36</u>	100.0	<u>818,626.07</u>	100.0	<u>725,779.63</u>	100.0	<u>766,846.14</u>	100.0	<u>41,066.51</u>	5.7

Liabilities

A. Equity capital

I. Subscribed capital	100,000.00	21.4	100,000.00	13.2	100,000.00	12.2	100,000.00	13.8	100,000.00	12.9	0.00	---
II. Loss carried forward	-50,690.20	-10.8	-51,536.60	-6.8	5,690.14	0.7	-61,251.68	-8.4	-42,859.71	-5.5	18,391.97	-30.0
III. Net loss/profit	-846.40	-0.2	57,226.74	7.6	-66,941.82	-8.2	18,391.97	2.5	78,363.78	10.2	59,971.81	326.1
	<u>48,463.40</u>	10.4	<u>105,690.14</u>	14.0	<u>38,748.32</u>	4.7	<u>57,140.29</u>	7.9	<u>135,504.07</u>	17.6	<u>78,363.78</u>	137.1

B. Provisions

1. Provisions for taxation	0.00	0.0	0.00	0.0	0.00	0.0	7,900.00	1.1	33,600.00	4.4	25,700.00	325.3
2. Other provisions	5,000.00	1.0	5,000.00	0.7	7,000.00	0.9	7,000.00	1.0	14,936.79	1.9	7,936.79	113.4
	<u>5,000.00</u>	1.0	<u>5,000.00</u>	0.7	<u>7,000.00</u>	0.9	<u>14,000.00</u>	2.1	<u>48,536.79</u>	6.3	<u>33,636.79</u>	225.8

C. Yet unexpended donations and project funds

	<u>153,897.75</u>	32.9	<u>261,569.23</u>	34.5	<u>378,028.05</u>	46.2	<u>143,897.09</u>	19.8	<u>91,410.00</u>	11.8	<u>-52,487.09</u>	-36.5
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D. Liabilities

1. Liabilities due to banks	0.00	0.0	0.00	0.0	716.03	0.1	0.00	0.0	4.62	0.0	4.62	---
2. Liabilities from supplies and services	119,037.49	25.4	217,280.92	28.7	216,206.94	26.4	309,534.96	42.6	233,913.26	30.5	-75,621.70	-24.4
3. Liabilities towards shareholders	119,188.04	25.5	112,211.49	14.8	104,980.20	12.8	97,194.39	13.4	183,025.47	23.6	85,831.08	88.3
4. Other liabilities	22,344.01	4.8	55,264.58	7.3	72,946.53	8.9	103,112.90	14.2	74,451.93	9.6	-28,660.97	-27.8
	<u>260,569.54</u>	55.7	<u>384,756.99</u>	50.8	<u>394,849.70</u>	48.2	<u>509,842.25</u>	70.2	<u>491,395.28</u>	64.1	<u>-18,446.97</u>	-3.6
	<u>467,930.69</u>	100.0	<u>757,016.36</u>	100.0	<u>818,626.07</u>	100.0	<u>725,779.63</u>	100.0	<u>766,846.14</u>	100.0	<u>41,066.51</u>	5.7



2. Assessment of the state of net assets – Set-up of balance sheet

In the following overview, we have compared the figures of the balance sheet as of December 31, 2010 that were combined in accordance with economic and financial considerations, with the figures of the preceding years.

	2006	2007	2008	2009	2010	Change acc. to preceding year
	T/EUR	T/EUR	T/EUR	T/EUR	T/EUR	T/EUR
<u>Assets</u>						
<u>1. Assets committed on long-term basis</u>						
Capital assets	21.30	15.10	12.40	10.30	27.30	17.00
<u>2. Liquid resources of the III. Order</u>						
Stocks	166.50	228.40	242.30	235.80	300.50	64.70
<u>3. Liquid resources of the I. and II. Order</u>						
Accounts receivable general	103.00	128.10	124.40	172.30	194.50	22.20
Accounts receivable from projects	0.00	0.00	284.80	86.40	0.00	-86.40
Accruals and deferrals	17.90	2.40	5.00	8.70	17.00	8.30
Cash resources	159.20	383.00	149.70	212.30	227.50	15.20
Overall assets	<u>467.90</u>	<u>757.00</u>	<u>818.60</u>	<u>725.80</u>	<u>766.80</u>	<u>41.00</u>
<u>Liabilities</u>						
<u>1. Economic equity capital</u>						
Equity capital acc. to Balance sheet	<u>48.50</u>	<u>105.70</u>	<u>38.70</u>	<u>57.10</u>	<u>135.50</u>	<u>78.40</u>
	48.50	105.70	38.70	57.10	135.50	78.40
<u>2. Long-term borrowed capital</u>						
Loan liabilities towards shareholders (Residual term > 5 years)	<u>76.30</u>	<u>69.20</u>	<u>59.50</u>	<u>49.20</u>	<u>89.60</u>	<u>40.40</u>
	76.30	69.20	59.50	49.20	89.60	40.40
<u>3. Medium-term borrowed capital</u>						
Loan liabilities towards shareholders (Residual term > 1 < 5 years)	<u>34.10</u>	<u>33.90</u>	<u>35.80</u>	<u>37.80</u>	<u>75.40</u>	<u>37.60</u>
	34.10	33.90	35.80	37.80	75.40	37.60
<u>4. Yet unexpended donations and project funds</u>	153.90	261.60	378.00	143.90	91.40	-52.50
<u>5. Short-term borrowed capital</u>						
Liabilities due to banks (short-term)	0.00	0.00	0.70	0.00	0.00	0.00
Short-term liabilities (Residual term < 1 year)	150.10	281.60	298.90	422.90	326.40	-96.50
Provisions	<u>5.00</u>	<u>5.00</u>	<u>7.00</u>	<u>14.90</u>	<u>48.50</u>	<u>33.60</u>
	155.10	286.60	306.60	437.80	374.90	-62.90
Overall capital	<u>467.90</u>	<u>757.00</u>	<u>818.60</u>	<u>725.80</u>	<u>766.80</u>	<u>41.00</u>

3. Key figures on the state of net assets and financial position

The net assets and financial position is presented as follows on the basis of key figures on the structure of assets and capital as well as through key figures on financial and liquidity structure.

	2006	2007	2008	2009	2010
<u>Key figures on the structure of assets and capital</u>					
Capital assets	21.30	15.10	12.40	10.30	27.30
Overall assets	467.90	757.00	818.60	725.80	766.80
Investment intensity in %	4.55%	1.99%	1.51%	1.42%	3.56%
Economic equity capital	48.50	105.70	38.70	57.10	135.50
Overall capital	467.90	757.00	818.60	725.80	766.80
Ratio of equity capital in %	10.37%	13.96%	4.73%	7.87%	17.67%
Borrowed capital	419.40	651.30	779.80	668.70	631.30
Overall capital	467.90	757.00	818.60	725.80	766.80
Ratio of borrowed capital in %	89.63%	86.04%	95.27%	92.13%	82.33%
<u>Key figures on the structure of finance and liquidity</u>					
Economic equity capital	48.50	105.70	38.70	57.10	135.50
Capital assets	21.30	15.10	12.40	10.30	27.30
Equity-to-fixed assets ratio I in %	227.70%	700.00%	312.10%	554.37%	494.34%
Borrowed capital	419.40	651.30	779.90	668.70	631.30
./ liquid resources	-159.20	-383.00	-149.00	-212.30	-227.50
./ Receivables and other property items	-103.00	-128.10	-124.40	-172.30	-194.50
./ Receivables from project funds	0.00	0.00	-284.80	-86.40	-0.00
./ active accruals and deferrals	-17.90	-2.40	-5.00	-8.70	-17.00
<u>Net indebtedness</u>	139.30	137.80	216.70	189.00	192.30
Liquid resources + Receivables and other property items (including stocks)	446.60	741.90	520.70	629.10	739.50
Short-term and medium term borrowed capital	343.10	582.10	720.40	619.50	541.70
<u>Liquidity of the 3rd degree in %</u>	130.17%	127.45%	72.28%	101.55%	136.51%



	2006	2007	2008	2009	2010
	T/EUR	T/EUR	T/EUR	T/EUR	T/EUR
<u>Short-term covering funds</u>					
Receivables from supplies and services	71.90	63.80	74.90	104.60	153.30
Other receivables including items of accruals and deferrals	49.00	66.60	54.60	76.40	58.20
Liquid resources	<u>159.20</u>	<u>383.00</u>	<u>149.00</u>	<u>212.30</u>	<u>227.50</u>
	<u>280.10</u>	<u>513.40</u>	<u>278.50</u>	<u>393.30</u>	<u>439.00</u>
<u>Short-term debts</u>					
Provisions	5.00	5.00	7.00	14.90	48.50
Yet unexpended donations and project funds	153.90	261.60	378.00	143.90	91.40
Liabilities from supplies and services	119.00	217.30	216.20	309.50	233.90
Liabilities towards shareholders	8.80	9.10	9.70	10.20	18.00
Other liabilities	22.30	55.30	73.70	103.10	74.50
	<u>309.00</u>	<u>548.30</u>	<u>684.60</u>	<u>581.60</u>	<u>466.30</u>
Insufficient coverage excluding stocks and project funds	-28.90	-34.90	-406.10	-188.30	-27.30
Stocks and project funds	166.40	228.40	527.10	322.20	300.50
Excessive coverage including stocks and project funds	<u>137.50</u>	<u>193.50</u>	<u>121.00</u>	<u>133.90</u>	<u>273.20</u>

4. Presentation of the development of results of operations

	2006		2007		2008		2009		2010		Change	
	EUR	%	EUR	%	EUR	%	EUR	%	EUR	%	EUR	%
Sales proceeds	397,718.59	66.2%	561,625.16	56.6%	780,795.27	47.7%	922,269.87	64.2%	891,379.53	76.2%	-30,890.34	-3.3
Proceeds from the usage of donations	203,759.52	33.9%	360,678.35	36.3%	818,699.41	50.0%	514,974.35	35.8%	251,368.89	21.5%	-263,605.46	-51.2
Changes in stock	-610.07	-0.1%	70,309.59	7.1%	38,366.67	2.3%	-228.41	0.0%	27,532.68	2.4%	+27,761.09	-12,154.1
	600,868.04	100.0%	992,613.10	100.0%	1,637,861.35	100.0%	1,437,015.81	100.0%	1,170,281.10	100.1%	-266,734.71	-18.6
Other operative proceeds	23,515.94	3.9%	7,872.46	0.8%	8,591.78	0.5%	25,489.30	1.8%	33,475.06	2.8%	+7,985.76	+31.3
	624,383.98	10.9%	1,000,485.56	100.8%	1,646,453.13	100.5%	1,462,505.11	101.8%	1,203,756.16	102.9%	-258,748.95	-17.7
Expenditures on commodities obtained	-438,639.79	-73.0%	-741,871.94	-74.7%	-840,909.67	-51.3%	-851,730.77	-59.3%	-754,760.75	-64.5%	-96,970.02	-11.4
Expenditures on services obtained	-43,630.74	-7.2%	-39,680.56	-4.0%	-17,443.50	-1.1%	-22,497.95	-1.6%	0.00	0.0%	-22,497.95	-100.0
Gross profit	142,113.45	23.7%	218,933.06	22.1%	788,099.96	48.1%	588,276.39	40.9%	448,995.41	38.4%	-139,280.98	-23.7
Personnel expenditure	-49,848.73	-8.3%	-49,625.21	-5.0%	-69,265.16	-4.2%	-73,438.78	-5.1%	-109,606.21	-9.4%	+36,167.43	+49.2
Depreciations	-14,267.72	-2.4%	-9,502.00	-1.0%	-6,402.68	-0.4%	-4,902.88	-0.3%	-6,143.75	-0.5%	+1,240.87	+25.3
Other operative expenditures	-75,221.35	-12.5%	-99,412.54	-10.0%	-775,743.57	-47.4%	-463,279.89	-32.2%	-209,079.42	-17.9%	-254,200.47	-54.9
Operating result	2,775.65	0.5%	60,393.31	6.1%	-63,311.45	-3.9%	46,654.84	3.3%	124,166.03	10.6%	+77,511.19	+166.1
Other interests and similar proceeds	2,933.00	0.5%	3,666.49	0.4%	4,761.18	0.3%	2,705.46	0.2%	1,137.04	0.1%	-1,568.42	-58.0
Interest and similar expenditures	-6,555.05	-1.1%	-6,833.06	-0.7%	-8,391.55	-0.5%	-8,438.59	-0.6%	-9,600.60	-0.8%	+1,162.01	+13.8
Result of customary business activities	-846.40	-0.1%	57,226.74	5.8%	-66,941.82	-4.1%	40,921.72	2.9%	115,702.47	9.9%	+74,780.76	+182.7
Taxes of the income and yield	0,00	0,0%	0,00	0,0%	0,00	0,0%	-22,529.74	-1.6%	-37,338.69	-3.2%	+14,808.95	+65.7
Net loss/profit	-846.40	-0.1%	57,226.74	5.8%	-66,941.82	-4.1%	18,391.97	1.3%	78,363.78	6.7%	+59,971.81	+127.5



E. Reproduction of the Auditors Report

According to the result of our audit, we have issued the following unqualified auditors report (Annex 4) for the annual financial statements of December 31, 2010 (Annexes 1 to 3) of action medeor International Healthcare gGmbH, Tönisvorst, which is reproduced as follows:

" We have audited the annual financial statements of December 31, 2010 – comprising the balance sheet, the income statement as well as the notes to the financial statements – together with the bookkeeping system of action medeor International Healthcare gGmbH for the business year from January 1 to December 31, 2010. The maintenance of the books and records and the preparation of the annual financial statements in accordance with German commercial law are the responsibility of the Company's management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system based on our audit.

We conducted our audit of the annual financial statements in accordance with § 317 HGB ("Handelsgesetzbuch": "German Commercial Code") and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with (German) principles of proper accounting are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records and the annual financial statements are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with (German) principles of proper accounting."

F. Final Remark

We present the foregoing audit report of annual financial statements of action medeor International Healthcare gGmbH, for the business year from January 1 to December 31, 2010 in compliance with legal regulations and the basic principles of proper reporting in the auditing of annual financial statements (IDW PS 450).

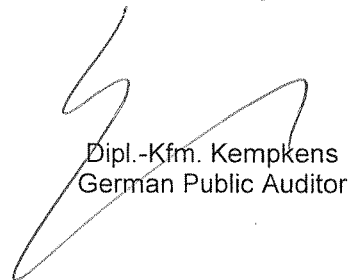
The Auditors Report dated June 20, 2011 issued by us is contained in section E. "Reproduction of the Auditors Report".

Any usage of the Auditors Report outside the scope of this audit report shall require our prior consent. The publication or transfer of the annual financial statements in any form deviating from the certified version (including translation into other languages) shall also require our comment, if in the process, our Auditors Report is quoted or reference is made to our audit work; see § 328 of the German Commercial Code.

Krefeld, June 20, 2011



Dr. Heilmaier & Partner GmbH
Audit Firm
Tax Consulting Firm



Dipl.-Kfm. Kempkens
German Public Auditor



DR. HEILMAIER & PARTNER GMBH
WIRTSCHAFTSPRÜFUNGSGESELLSCHAFT
STEUERBERATUNGSGESELLSCHAFT

ANNEXES

Balance sheet as of December 31, 2010							
Assets				Liabilities			
	31.12.2010 EUR	31.12.2010 EUR	31.12.2009 T/EUR		31.12.2010 EUR	31.12.2010 EUR	31.12.2009 T/EUR
<u>A. Capital assets</u>				<u>A. Equity capital</u>			
I. Immaterial property items		10,220.82	2.2	I. Subscribed capital	100,000.00		100.0
II. Fixed assets				II. Profit/loss carried forward	-42,859.71		-61.3
- Operative and business equipment		17,129.98	8.1	III. Net loss/profit	<u>78,363.78</u>	135,504.07	18.4
<u>B. Floating assets</u>				<u>B. Provisions</u>			
I. Stocks				1. Provisions for taxation	33,600.00		7.9
- Purchased commodities		303,464.98	235.8	2. Other provisions	<u>14,936.79</u>	48,536.79	7.0
II. Accounts receivable and other property items				<u>C. Yet unexpended donations and project funds</u>		91,410.00	143.9
1. Receivables from supplies and services	153,296.25		104.6	<u>D. Liabilities</u>			
- of this, receivables with a residual term in excess of one year: EUR 0.00 (prev. year: T/EUR 0.0)				1. Liabilities due to banks	4.62		0.0
2. Receivables from project funds				2. Liabilities from supplies and services	233,913.27		309.6
- of this, receivables with a residual term in excess of one year: EUR 0.00 (prev. year: T/EUR 0.0)	0.00		86.4	- of this, liabilities towards shareholders EUR 73,117.78 (prev. year: T/EUR 242.7)			
3. Other property items	<u>41,222.33</u>	194,518.58	67.7	3. Liabilities towards shareholders	183,025.47		97.2
- of this, property items with a residual term in excess of one year: EUR 0.00 (prev. year: T/EUR 0.0)				4. Other liabilities	<u>74,451.93</u>	491,395.29	103.1
III. Cash in hand, Credit balance in Credit Institutes		227,490.84	212.3	- of this, tax liabilities: EUR 11,638.69 (prev. year: T/EUR 0.0)			
<u>C. Items of accruals and deferrals</u>		17,020.94	8.7	- of this, social security-related liabilities: EUR 2.82 (prev. year: T/EUR 0.7)			
				due within one year:			
				pos. 1: EUR 4.62 (prev. year: TEUR 0.0)			
				pos. 2: EUR 233,913.27 (prev. year: TEUR 309.6)			
				pos. 3: EUR 18,072.05 (prev. year: TEUR 10.1)			
				pos. 4: EUR 74,451.93 (prev. year: TEUR 103.1)			
		<u>766,846.14</u>	<u>725.8</u>			<u>766,846.14</u>	<u>725.8</u>

Liability status subject to certification in the sense of § 251 of the Commercial Code: EUR 0.00

Income statement for the business year
from January 1 to December 31, 2010

	<u>2010</u> EUR	<u>2010</u> EUR	<u>2009</u> TEUR
1. Sales proceeds		891,379.53	922,2
2. Proceeds from the usage of donations		251,368.89	515.0
- of this, amount spent on the free-of-charge disbursement of medication and medical equipment: EUR 84,160.2 (prev. year: T/EUR 138.1)			
3. Changes in stock		27,532.68	-0,2
4. Other operative proceeds		33,475.06	25,5
5. Material expenditure			
a) Expenditures on commodities obtained	-754,760.75		-851,7
b) Expenditures on services obtained	<u>0.00</u>	-754,760.75	-22,5
6. Personnel expenditure			
a) Salaries and wages	-94,527.72		-63,0
b) Social security charges and expenditures on pension and support	<u>-15,078.49</u>	-109,606.21	-10,5
- of this, amount spent on pension: EUR 0.00 (prev. year: T/EUR 0.0)			
7. Depreciations on immaterial property items of capital assets and fixed assets		-6,143.75	-4,9
8. Other operative expenditures		-209,079.42	-463,3
9. Other interests and similar proceeds		1,137.04	2,7
10. Interests and similar expenditures		-9,600.60	-8,4
11. Result of customary business activities		<u>115,702.47</u>	40,9
12. Taxes of the income an yield		-37,338.69	-22,5
13. Net loss/profit		<u><u>78,363.78</u></u>	18,4

Notes to the financial statements for the business year 2010

A. General Statements

1. Statutory bases of the company

action medeor International Healthcare gGmbH (hereinafter referred to as company) was founded on the basis of the Company Agreement of December 23, 2004. It was entered into the Commercial Register of the Local Court of Krefeld on January 11, 2005 under the register number 10492.

The subscribed capital is EUR 100,000.00 and has been paid in full. The company is domiciled in Tönisvorst. It has an operational office in Dar es Salaam, Tanzania.

The company is a small-scale stock corporation.

2. Management and Representation

The company's Managing Director for the Business Year 2010 was:

Mr. Christoph Bonsmann

The Managing Director has the right of sole representation.

B. Methods of balancing and assessment

The annual financial statements were prepared in compliance with the regulations of the Third Book of the Commercial Code for small-scale stock corporations with due regard for the complementary regulations of the Limited Liability Companies Act.

Presentation of mandatory statements:

In exercising our legal right to the choice of presenting a mandatory statement either in the balance sheet / income statement or in the notes to the financial statements, we chose to present such mandatory statements in the notes to the financial statements.

Balancing methods:

Wherever a choice of balancing method is given, the exercise thereof is duly explained in the following individual items of the balance sheet.

Methods of assessment:

The following statements of the individual items of the balance sheet are made on the methods of depreciation and the exercise of the right of choice on assessment.

The account balances of the accounting area maintained in Tanzanian Shilling for the operational station in Tanzania were converted at the following period-end exchange rate:

1 Tanzanian Shilling = EUR 0.000500693.

C. Explanations on balance sheet

1. The capital asset is estimated at the procurement and production cost minus regular depreciations. Depreciation is done in accordance with the linear method.
2. Receivables from supplies and services were rated at nominal value.
3. Liabilities were rated at the amount of fulfilment, the provisions were rated at reasonable commercial assessment necessary amount of fulfilment. Maturities details can be obtained from the attached table of liabilities.

Tönisvorst, June 20, 2011

action medeor International
Healthcare gGmbH


Christoph Bonsmann
Managing Director

Table of liabilities of December 31, 2010

	<u>Total amount</u> EUR	<u>Residual term of up to one year</u> EUR	<u>Residual term in excess of one year and up to five years</u> EUR	<u>Residual term in excess of five years</u> EUR	<u>secured</u> EUR	<u>Type and form of security</u> EUR
Liabilities						
1. Liabilities due to banks	4.62	4.62	0.00	0.00	0.00	
2. Liabilities from supplies and services	233,913.27	233,913.26	0.00	0.00	0.00	-----
3. Liabilities towards shareholders	183,025.47	18,072.05	75,383.00	89,570.42	0.00	-----
4. Other liabilities	74,451.93	74,451.93	0.00	0.00	0.00	-----
	<u>491,395.29</u>	<u>326,441.86</u>	<u>75,383.00</u>	<u>89,570.42</u>	<u>0.00</u>	



DR. HEILMAIER & PARTNER GMBH
WIRTSCHAFTSPRÜFUNGSGESELLSCHAFT
STEUERBERATUNGSGESELLSCHAFT

action medeor International Healthcare gGmbH

Annex 4

Auditors Report

According to the result of our audit, we have issued the following unqualified auditors report for the annual financial statements of December 31, 2010 of action medeor International Healthcare gGmbH;
Tönisvorst:

We have audited the annual financial statements of December 31, 2010 – comprising the balance sheet, the income statement as well as the notes to the financial statements– together with the bookkeeping system of action medeor International Healthcare gGmbH for the business year from January 1 to December 31, 2010. The maintenance of the books and records and the preparation of the annual financial statements in accordance with German commercial law are the responsibility of the Company's management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system based on our audit.

We conducted our audit of the annual financial statements in accordance with § 317 HGB ("Handelsgesetzbuch": "German Commercial Code") and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with (German) principles of proper accounting are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records and the annual financial statements are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements. We believe that our audit provides a reasonable basis for our opinion.

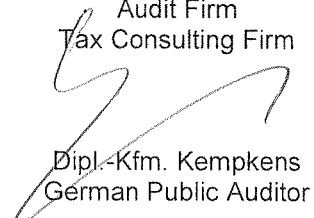
Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with (German) principles of proper accounting.

Krefeld, June 20, 2011



Dr. Heilmaier & Partner GmbH
Audit Firm
Tax Consulting Firm


Dipl.-Kfm. Kempkens
German Public Auditor



Legal and Fiscal status

1. Company law-related bases, activities of the organs

The following is an overview of regulations in the company agreement regarding the organs of the company and other legal bases:

Company	action medeor International Healthcare gGmbH
Domicile	Tönisvorst
Company Agreement	in the version of December 23, 2004
Commercial Register	The company has been registered at the Local Court of Krefeld since January 11, 2005 under the register number 10492.
Object of company	The purpose of the company is to provide development aid to the countries of Africa, South and Latin America, Asia and Oceania as well as support such individuals in a selfless manner, as are rendered dependent on others in the aftermath of illnesses.
Shareholders	The sole shareholder is the registered association: Deutsches Medikamenten-Hilfswerk "action medeor" e.V., Tönisvorst.
Capital contribution	Capital contribution is EUR 100,000.00 and has been paid in full
Business year	The Calendar year



Assembly of shareholders

The assembly of shareholders performs the duties that are legally assigned to it and specified in the company agreement. It decides specifically, on the following issues:

- a) Amendment of the company agreement
- b) Conversion of the company
- c) Dissolution of the company
- d) Adopting the annual financial statements and usage of results
- e) Appointment, removal and discharge of management
- f) Election of auditor for the annual financial statements
- g) Issuance and amendment of procedural instructions for management
- h) Approval of such management actions as exceed the scope of the customary operations of the company (see procedural instructions for management)
- i) Approval of economic plans and Staff appointment schemes

Managing Director

Sole Managing Director in the year under review was

Mr. Christoph Bonsmann

The Managing Director has the right of sole representation even if further Managing Directors are appointed. The shareholder has the right to issue instructions to the Managing Director. Transactions exceeding the scope of customary operations shall require prior approval through shareholder resolution. There is a procedural instruction for management.

Attorney

As attorneys were ordered Mr. Bernd Pastors (single power of attorney) as well as Ms. Steuler (single power of attorney). The entry took place into the Register of Companies of the district court of Krefeld since January 12, 2011.



2. Fiscal status

The company was exempted from corporate tax by virtue of the assessment dated February 11, 2011 in accordance with § 5 subsection 1 item 9 of the Corporate Tax Act and from trade tax in accordance with § 3 item 6 of the Trade Tax Act because it serves the exclusive and direct purposes of such public interest as are subjected to tax exemption in the sense of §§ 51 et. seq. of the Fiscal Code.

The company has to pay corporate tax. In 2011 were put back for 2009 EUR of 11,638.69 and for 2010 an amount of 33,600.00 EUR. This corresponds to 30 % of the result in Tanzania.

General Engagement Terms

for

Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften

[German Public Auditors and Public Audit Firms]
as of January 1, 2002

This is an English translation of the German text, which is the sole authoritative version

1. Scope

(1) These engagement terms are applicable to contracts between Wirtschaftsprüfer [German Public Auditors] or Wirtschaftsprüfungsgesellschaften [German Public Audit Firms] (hereinafter collectively referred to as the "Wirtschaftsprüfer") and their clients for audits, consulting and other engagements to the extent that something else has not been expressly agreed to in writing or is not compulsory due to legal requirements.

(2) If, in an individual case, as an exception contractual relations have also been established between the Wirtschaftsprüfer and persons other than the client, the provisions of No. 9 below also apply to such third parties.

2. Scope and performance of the engagement

(1) Subject of the Wirtschaftsprüfer's engagement is the performance of agreed services – not a particular economic result. The engagement is performed in accordance with the Grundsätze ordnungsmäßiger Berufsausübung [Standards of Proper Professional Conduct]. The Wirtschaftsprüfer is entitled to use qualified persons to conduct the engagement.

(2) The application of foreign law requires – except for financial attestation engagements – an express written agreement.

(3) The engagement does not extend – to the extent it is not directed thereto – to an examination of the issue of whether the requirements of tax law or special regulations, such as, for example, laws on price controls, laws limiting competition and Bewirtschaftungsrecht [laws controlling certain aspects of specific business operations] were observed; the same applies to the determination as to whether subsidies, allowances or other benefits may be claimed. The performance of an engagement encompasses auditing procedures aimed at the detection of the defalcation of books and records and other irregularities only if during the conduct of audits grounds therefor arise or if this has been expressly agreed to in writing.

(4) If the legal position changes subsequent to the issuance of the final professional statement, the Wirtschaftsprüfer is not obliged to inform the client of changes or any consequences resulting therefrom.

3. The client's duty to inform

(1) The client must ensure that the Wirtschaftsprüfer – even without his special request – is provided, on a timely basis, with all supporting documents and records required for and is informed of all events and circumstances which may be significant to the performance of the engagement. This also applies to those supporting documents and records, events and circumstances which first become known during the Wirtschaftsprüfer's work.

(2) Upon the Wirtschaftsprüfer's request, the client must confirm in a written statement drafted by the Wirtschaftsprüfer that the supporting documents and records and the information and explanations provided are complete.

4. Ensuring independence

The client guarantees to refrain from everything which may endanger the independence of the Wirtschaftsprüfer's staff. This particularly applies to offers of employment and offers to undertake engagements on one's own account.

5. Reporting and verbal information

If the Wirtschaftsprüfer is required to present the results of his work in writing, only that written presentation is authoritative. For audit engagements the long-form report should be submitted in writing to the extent that nothing else has been agreed to. Verbal statements and information provided by the Wirtschaftsprüfer's staff beyond the engagement agreed to are never binding.

6. Protection of the Wirtschaftsprüfer's intellectual property

The client guarantees that expert opinions, organizational charts, drafts, sketches, schedules and calculations – especially quantity and cost computations – prepared by the Wirtschaftsprüfer within the scope of the engagement will be used only for his own purposes.

7. Transmission of the Wirtschaftsprüfer's professional statement

(1) The transmission of a Wirtschaftsprüfer's professional statements (long-form reports, expert opinions and the like) to a third party requires the Wirtschaftsprüfer's written consent to the extent that the permission to transmit to a certain third party does not result from the engagement terms.

The Wirtschaftsprüfer is liable (within the limits of No. 9) towards third parties only if the prerequisites of the first sentence are given.

(2) The use of the Wirtschaftsprüfer's professional statements for promotional purposes is not permitted; an infringement entitles the Wirtschaftsprüfer to immediately cancel all engagements not yet conducted for the client.

8. Correction of deficiencies

(1) Where there are deficiencies, the client is entitled to subsequent fulfillment [of the contract]. The client may demand a reduction in fees or the cancellation of the contract only for the failure to subsequently fulfill [the contract]; if the engagement was awarded by a person carrying on a commercial business as part of that commercial business, a government-owned legal person under public law or a special government-owned fund under public law, the client may demand the cancellation of the contract only if the services rendered are of no interest to him due to the failure to subsequently fulfill [the contract]. No. 9 applies to the extent that claims for damages exist beyond this.

(2) The client must assert his claim for the correction of deficiencies in writing without delay. Claims pursuant to the first paragraph not arising from an intentional tort cease to be enforceable one year after the commencement of the statutory time limit for enforcement.

(3) Obvious deficiencies, such as typing and arithmetical errors and formelle Mängel [deficiencies associated with technicalities] contained in a Wirtschaftsprüfer's professional statements (long-form reports, expert opinions and the like) may be corrected – and also be applicable versus third parties – by the Wirtschaftsprüfer at any time. Errors which may call into question the conclusions contained in the Wirtschaftsprüfer's professional statements entitle the Wirtschaftsprüfer to withdraw – also versus third parties – such statements. In the cases noted the Wirtschaftsprüfer should first hear the client, if possible.

9. Liability

(1) The liability limitation of § ["Article"] 323 (2) ["paragraph 2"] HGB ["Handelsgesetzbuch": German Commercial Code] applies to statutory audits required by law.

(2) Liability for negligence; An individual case of damages

If neither No. 1 is applicable nor a regulation exists in an individual case, pursuant to § 54a (1) no. 2 WPO ["Wirtschaftsprüferordnung": Law regulating the Profession of Wirtschaftsprüfer] the liability of the Wirtschaftsprüfer for claims of compensatory damages of any kind – except for damages resulting from injury to life, body or health – for an individual case of damages resulting from negligence is limited to € 4 million; this also applies if liability to a person other than the client should be established. An individual case of damages also exists in relation to a uniform damage arising from a number of breaches of duty. The individual case of damages encompasses all consequences from a breach of duty without taking into account whether the damages occurred in one year or in a number of successive years. In this case multiple acts or omissions of acts based on a similar source of error or on a source of error of an equivalent nature are deemed to be a uniform breach of duty if the matters in question are legally or economically connected to one another. In this event the claim against the Wirtschaftsprüfer is limited to € 5 million. The limitation to the fivefold of the minimum amount insured does not apply to compulsory audits required by law.

(3) Preclusive deadlines

A compensatory damages claim may only be lodged within a preclusive deadline of one year of the rightful claimant having become aware of the damage and of the event giving rise to the claim – at the very latest, however, within 5 years subsequent to the event giving rise to the claim. The claim expires if legal action is not taken within a six month deadline subsequent to the written refusal of acceptance of the indemnity and the client was informed of this consequence.

The right to assert the bar of the preclusive deadline remains unaffected. Sentences 1 to 3 also apply to legally required audits with statutory liability limits.

10. Supplementary provisions for audit engagements

(1) A subsequent amendment or abridgement of the financial statements or management report audited by a Wirtschaftsprüfer and accompanied by an auditor's report requires the written consent of the Wirtschaftsprüfer even if these documents are not published. If the Wirtschaftsprüfer has not issued an auditor's report, a reference to the audit conducted by the Wirtschaftsprüfer in the management report or elsewhere specified for the general public is permitted only with the Wirtschaftsprüfer's written consent and using the wording authorized by him.

(2) If the Wirtschaftsprüfer revokes the auditor's report, it may no longer be used. If the client has already made use of the auditor's report, he must announce its revocation upon the Wirtschaftsprüfer's request.

(3) The client has a right to 5 copies of the long-form report. Additional copies will be charged for separately.

11. Supplementary provisions for assistance with tax matters

(1) When advising on an individual tax issue as well as when furnishing continuous tax advice, the Wirtschaftsprüfer is entitled to assume that the facts provided by the client – especially numerical disclosures – are correct and complete; this also applies to bookkeeping engagements. Nevertheless, he is obliged to inform the client of any errors he has discovered.

(2) The tax consulting engagement does not encompass procedures required to meet deadlines, unless the Wirtschaftsprüfer has explicitly accepted the engagement for this. In this event the client must provide the Wirtschaftsprüfer, on a timely basis, all supporting documents and records – especially tax assessments – material to meeting the deadlines, so that the Wirtschaftsprüfer has an appropriate time period available to work therewith.

(3) In the absence of other written agreements, continuous tax advice encompasses the following work during the contract period:

- a) preparation of annual tax returns for income tax, corporation tax and business tax, as well as net worth tax returns on the basis of the annual financial statements and other schedules and evidence required for tax purposes to be submitted by the client
- b) examination of tax assessments in relation to the taxes mentioned in (a)
- c) negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)
- d) participation in tax audits and evaluation of the results of tax audits with respect to the taxes mentioned in (a)
- e) participation in Einspruchs- und Beschwerdeverfahren [appeals and complaint procedures] with respect to the taxes mentioned in (a).

In the afore-mentioned work the Wirtschaftsprüfer takes material published legal decisions and administrative interpretations into account.

(4) If the Wirtschaftsprüfer receives a fixed fee for continuous tax advice, in the absence of other written agreements the work mentioned under paragraph 3 (d) and (e) will be charged separately.

(5) Services with respect to special individual issues for income tax, corporate tax, business tax, valuation procedures for property and net worth taxation, and net worth tax as well as all issues in relation to sales tax, wages tax, other taxes and dues require a special engagement. This also applies to:

- a) the treatment of nonrecurring tax matters, e. g. in the field of estate tax, capital transactions tax, real estate acquisition tax
- b) participation and representation in proceedings before tax and administrative courts and in criminal proceedings with respect to taxes, and
- c) the granting of advice and work with respect to expert opinions in connection with conversions of legal form, mergers, capital increases and reductions, financial reorganizations, admission and retirement of partners or shareholders, sale of a business, liquidations and the like.

(6) To the extent that the annual sales tax return is accepted as additional work, this does not include the review of any special accounting prerequisites nor of the issue as to whether all potential legal sales tax reductions have been claimed. No guarantee is assumed for the completeness of the supporting documents and records to validate the deduction of the input tax credit.

12. Confidentiality towards third parties and data security

(1) Pursuant to the law the Wirtschaftsprüfer is obliged to treat all facts that he comes to know in connection with his work as confidential, irrespective of whether these concern the client himself or his business associations, unless the client releases him from this obligation.

(2) The Wirtschaftsprüfer may only release long-form reports, expert opinions and other written statements on the results of his work to third parties with the consent of his client.

(3) The Wirtschaftsprüfer is entitled – within the purposes stipulated by the client – to process personal data entrusted to him or allow them to be processed by third parties.

13. Default of acceptance and lack of cooperation on the part of the client

If the client defaults in accepting the services offered by the Wirtschaftsprüfer or if the client does not provide the assistance incumbent on him pursuant to No. 3 or otherwise, the Wirtschaftsprüfer is entitled to cancel the contract immediately. The Wirtschaftsprüfer's right to compensation for additional expenses as well as for damages caused by the default or the lack of assistance is not affected, even if the Wirtschaftsprüfer does not exercise his right to cancel.

14. Remuneration

(1) In addition to his claims for fees or remuneration, the Wirtschaftsprüfer is entitled to reimbursement of his outlays: sales tax will be billed separately. He may claim appropriate advances for remuneration and reimbursement of outlays and make the rendering of his services dependent upon the complete satisfaction of his claims. Multiple clients awarding engagements are jointly and severally liable.

(2) Any set off against the Wirtschaftsprüfer's claims for remuneration and reimbursement of outlays is permitted only for undisputed claims or claims determined to be legally valid.

15. Retention and return of supporting documentation and records

(1) The Wirtschaftsprüfer retains, for ten years, the supporting documents and records in connection with the completion of the engagement – that had been provided to him and that he has prepared himself – as well as the correspondence with respect to the engagement.

(2) After the settlement of his claims arising from the engagement, the Wirtschaftsprüfer, upon the request of the client, must return all supporting documents and records obtained from him or for him by reason of his work on the engagement. This does not, however, apply to correspondence exchanged between the Wirtschaftsprüfer and his client and to any documents of which the client already has the original or a copy. The Wirtschaftsprüfer may prepare and retain copies or photocopies of supporting documents and records which he returns to the client.

16. Applicable law

Only German law applies to the engagement, its conduct and any claims arising therefrom.