



DR. HEILMAIER & PARTNER GMBH
WIRTSCHAFTSPRÜFUNGSGESELLSCHAFT
STEUERBERATUNGSGESELLSCHAFT

Financial Accounting
(January 1 to December 31, 2010)

for the Association

German Pharmaceuticals Relief
Organisation
"action medeor" e. V.

Tönisvorst

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**German Pharmaceuticals Relief Organisation
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1. Capital Account as of December 31, 2010
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Assets				Capital account as of December 31, 2010				Liabilities	
	EUR	EUR	Prev. Year TEUR		EUR	EUR	Prev. Year TEUR		
A. Fixed assets				A. Net equity					
I. Intangible assets	92,272.65		62.3	Status Jan 1, 2010	10,223,840.27		10,617.0		
II. Tangible assets	3,614,979.04		3,760.6	Movement of reserves	38,828.94		-464.9		
III. Financial assets	<u>116,098.27</u>	3,823,349.96	115.9	Net profit 2010	<u>46,882.31</u>		<u>71.7</u>		
				Status Dec 31, 2010		10,309,551.52	<u>10,223.8</u>		
B. Floating assets				B. Accruals					
I. Stocks				- Other accruals		107,335.85	174.6		
1. Raw material, consumables and supplies	2,378,857.12		2,509.1						
2. advances to supply	<u>534.07</u>	2,379,391.19	0.0						
II. Accounts receivable and other property items				C. Project funds/donations not yet appropriated		1,160,658.59	254.6		
1. Receivables from supplies and services	373,714.92		609.9						
2. Receivables from investee companies	183,025.47		97.2	D. Funds from major projects not yet appropriated		3,598,381.00	6,246.7		
3. Other receivables	<u>88,198.47</u>	644,938.86	88.0						
Residual term in excess of one year: Item 1: EUR 0.00 (Prev. year: TEUR 0.0) Item 2: EUR 164,953.42 (Prev. year: TEUR 87.1) Item 3: EUR 0.00 (Prev. year: TEUR 0.0)				E. Liabilities					
III. Receivables from major projects		981,526.53	3,324.6	1. Liabilities from supplies and services	168,952.77		118.1		
IV. Investments				2. Other liabilities	<u>318,487.34</u>	487,440.11	331.8		
- Other investments		58,897.00	58.9	- of this, tax liabilities: EUR 36,682.23 (Prev. year: TEUR 20.4) - of this, social security-related liabilities: EUR 7,955.12 (Prev. year: TEUR 2.8)					
V. Cash in hand und cash in banks				Residual term of up to one year Item 1: EUR 168,952.77 (Prev. year: TEUR 118.1) Item 2: EUR 318,487.34 (Prev. year: TEUR 331.8)					
1. Cash in hand	12,356.21		8.7						
2. Cash in banks	<u>7,753,606.66</u>	7,765,962.87	6,704.8						
C. Prepayments and deferred charges		9,300.66	9.6						
		<u>15,663,367.07</u>	<u>17,349.6</u>			<u>15,663,367.07</u>	<u>17,349.6</u>		

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

**Profit and Loss Account 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		4,691,238.46	5,313.8
2. Proceeds from the usage of donations		9,648,707.21	6,117.5
3. Proceeds from grants on the part of any third parties		2,785,796.05	1,277.2
4. Other operative proceeds		81,621.30	73.0
5. Material expenditures on commodities and services obtained		<u>-8,789,460.75</u>	<u>-5,822.0</u>
6. Gross profit		8,417,902.27	6,959.5
7. Personnel expenditure			
a) Salaries and wages	-1,726,590.78		-1,616.3
b) Social security charges and expenditures on pension and support	-352,815.43		-298.6
c) Voluntary social security charges	<u>-24,910.33</u>	-2,104,316.54	-23.7
8. Depreciations on intangible assets of fixed assets and tangible assets		-305,712.11	-288.3
9. Other operative expenditures		<u>-5,989,492.08</u>	<u>-4,727.5</u>
10. Operating profit		18,381.54	5.1
11. Other interests and similar proceeds	51,039.91		78.8
12. Interests and similar expenditures	<u>-22,539.14</u>	<u>28,500.77</u>	<u>-12.2</u>
13. Net profit		<u>46,882.31</u>	<u>71.7</u>

Cash flow statement 2010

	EUR	EUR
Net profit	46,882.00	
+ Depreciations, appreciations	305,712.00	
+ Decrease of stocks	129,740.00	
+ Decrease of receivables from supplies and services	236,231.00	
- Increase of other receivables (without legacies) including prepayments and deferred charges	-87,388.00	
- Decrease of accruals	-67,239.00	
+ Increase of donations/project funds not yet appropriated	906,111.00	
+ Increase of liabilities from supplies and services	50,808.00	
- Account from asset disposals	-470.00	
- Decrease of other liabilities	-13,294.00	
Inflow of funds from operations		1,507,093.00
+ Decrease of receivables from mayor projects	2,343,059.00	
- Decrease of liabilities from mayor projects	-2,648,345.00	
Outflow from mayor projects		-305,286.00
Investments	-190,333.00	
Deposits from asset disposals	488.00	
Outflow of funds from investment activity		-189,845.00
+ Increase of net assets by legacies	38,832.00	
- Other expenditures	-3.00	
	38,829.00	
+ Accrual of funds due from legacy receivables	1,657.00	
Outflow of funds from legacies		40,486.00
Movement of funds		1,052,448.00
Status of funds at the beginning of the year		6,713,515.00
Status of funds at the end of the year		7,765,963.00



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German Pharmaceuticals Relief Organisation "action medeor" e. V., Tönisvorst

Annex 4

Auditor's Report

According to the result of our audit, we have issued the following unqualified auditor's report for the financial accounting as of December 31, 2010 of the association German Pharmaceuticals Relief Organisation "action medeor" e. V.

We have audited the financial accounting comprising the capital account, the profit and loss account and the cash flow statement together with the bookkeeping system of the association German Pharmaceuticals Relief Organisation "action medeor" e. V for the business year from January 1 to December 31, 2010. The maintenance of the books and records and the preparation of the financial accounting in accordance with German commercial law and supplementary provisions of the articles of association are the responsibility of the association's executive committee. Our responsibility is to express an opinion on the financial accounting, together with the bookkeeping system, based on our audit.

We conducted our audit of the financial accounting in accordance with § (Article) 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 financial accounting 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 association 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 books and records and the financial accounting 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 executive committee, as well as evaluating the overall presentation of the financial accounting. 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 financial accounting comply with the legal requirements and supplementary provisions of the articles of association and give a true and fair view of the net assets, financial position and results of operations of the association in accordance with German principles of proper accounting.

Krefeld, April 11, 2011

Dr. Heilmaier & Partner GmbH
Audit Firm
Tax Consulting Firm




Dipl.-Kfm. Kempkens
Wirtschaftsprüfer
(German Public Auditor)

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.