

The Annual Report of the year 2002

SOCIA – the Social Reform Foundation

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Year 2002 – not only a magic composition of numbers

Year 2002 is the first year of operation of SOCIA Foundation. We present our first Annual report with the results of our work. Year 2002 represents for us a year with important and mutually connected events that significantly pull our Cooperating Netherlands Foundation into the centre of social events. SOCIA – the Foundation aimed at supporting of social changes announced its rise and its joining of Slovak foundations at the First Slovak conference of foundations on 31st May 2002. This happens in the period when the people of Slovak foundations realise more clearly that the process of crystallising in the community of non-governmental organisations requires an explicit answer to the question – what is their role and mission within the society.

The mission of SOCIA foundation is to support the reform of social system, to increase the quality of life of socially disadvantaged groups of people and by doing this to strengthen social cohesion of Slovak inhabitants.

SOCIA Foundation had announced its rise with such a mission several months before the Parliamentary elections took place and before the new government stated radical reforms in their Program resolution. SOCIA Foundation begins its operation in the period when 18-19% labour force is unemployed and when poverty is a part of everyday life for 0,5 million people. Social exclusion applies to still greater number of inhabitants because social services are insufficient and the services that represent Socialism inheritance only deepen the isolation of people in social needs.

SOCIA Foundation comes into existence in the period when Slovakia successfully approaches preparations for entering the European Union. The story of our Foundation could be a good example of this preparation process within civic organisations. At the beginning of 90_s here in Slovakia, started operation cooperating Dutch foundations for Central and Eastern Europe and their experts taught us to discern true requirements of people in need. They also taught us to differentiate between good and bad social services. They financially supported those civic organisations that have decided to follow the direction of modern tendencies and the way that represents quality. During 12 years of an intensive support there have risen number of social institutions that, however, could not be overlooked and these institutions give the direction of social services in Slovakia. The fact of Slovakia being integrated into Europe has become a strong challenge for the people who have been cooperating with the Dutch people on the project for Slovakia on long term basis. There is a challenge to equal with their Dutch partners and to build up a foundation, here in Slovakia that would develop the mission that has been filling up with great consistence and patience here for twelve years.

SOCIA Foundation will be supporting rise and development of new social services in all the Slovak regions. The Foundation helps those people who regard helping of people as their life mission. We are aware of the fact that we can not possibly help all those in need. Besides a direct help of a good social project, our mission is also to spread out and to promote the values of social solidarity as well as social responsibility among the inhabitants, and the representatives of entrepreneurs. Everyone could help to carry the cross to those people who were given heavier burden on their shoulders that they could possibly carry themselves.

Helena Woleková
Executive director

SOCIA – A Social Reform Foundation was established on 29th April 2002. On this day there was signed the Charter of Foundation on behalf of the founders:

Mr. Thomas van der Ven from Foundation Stichting Katholieke Noden with its head in Hilversum, Netherlands and
Mr. Ewout Lucien Steenbergen from the Insurance company Nationale-Nederlanden, Inc. with its head in Bratislava, Slovakia.

The Foundation SOCIA with its head at Grösslingova street N. 46 in Bratislava was registered due to the the Resolution of Ministry of Interior of Slovak Republic from at 17th May 2002, number 203/Na-2002/659.

Identification number of the organisation is 318 163 98.

“In year 2002 The Foundation SKaN along with the Insurance company Nationale Nederlanden established SOCIA – Social Reform Foundation. After 12 years of supporting of this process by Cooperative Netherlands Foundations, the Foundation SOCIA was assigned, by this process, the responsibility in obtaining and distributing of finances aimed at supporting of transformation process in the social area.

Based on mutual confidence that is a result of a long-term close cooperation, SOCIA Foundation was given an opportunity to find its place in the Slovak society and also among Slovak non-profit organisations. We are proud of the fact that our partners are able to publish their first independent Annual Report. However, we are convinced that SOCIA Foundation will become a reliable partner for civic initiatives that come with invaluable projects of help to the other people and we also believe that they will stay such a partner in the decades to come”.

Thomas van der Ven
Executive director of SKaN Foundation
general co-ordinator of CNF CEE

“International finance group ING established a Charity fund LION that professionally manages SOCIA Foundation. Through this fund we were able to bring happiness and smile to the children that are in need. ING decided to send the Christmas greetings in year 2002 only through e-mail and all the saved money was given to the activities of SOCIA Foundation. The Foundation added to this much greater value.

I am very happy that I can introduce to you the first Annual Report for the year 2002 of SOCIA - the Foundation aimed at supporting of social changes. Although the Foundation started its activities only in May 2002, by the end of the year they managed to do many successful activities. We expect, however, many more activities in the future. In addition, I believe that there will be established further charity funds that will professionally manage SOCIA Foundation”.

Ewout Lucien Steenbergen
ING Lion, director for Slovakia and Czech Republic

THE VALUES

- We believe that every single human being is unique. Every human being has his or her own value regardless of mental, physical sensual, material or other disadvantage might be.
- We believe that the task of social service is to respond to the needs of the clients. The service should stimulate their self-sufficiency, own responsibility and a decent life.
- We believe that our duty is to create such an environment in which there would originate a good quality social services, prevention and counselling, as an answer to the needs of people who depend on help of still other people.

THE MISSION OF SOCIA FOUNDATION

The Mission of the Foundation is to support the reform of social system, to increase a quality of socially disadvantaged groups of people and by doing this to strengthen social unity of people in Slovakia.

The Foundation meets its mission by:

1. providing of financial grants for execution of social projects of non-governmental organisations, what represents the main activity of the Foundation,
2. counselling for non-governmental organisations in development of social programs and activities aimed at helping of disadvantaged groups of people,
3. cooperation with self-governments on development of social programs that come out of the analyse of peoples needs and that strengthen the unity within communities and regions,
4. actively helping donors in defining of strategies of their firm philanthropy, eventually, in managing of their financial resources intended to philanthropy,
5. enforcing of system changes in the social area especially to advocate progressive legislature,
6. making popular modern tendencies and good examples in the area of social help including own publishing, promotion and advertising activities.

History of CNF CEE operating in Slovakia Formation of SOCIA Foundation

1990 - 1991

the first contacts with Dutch foundations in Slovakia, gradual establishment of a network consisting of independent experts, analysis of the needs in the social sphere.

1992 - 1994

formation of Slovak Board of advisors, financial support of projects, managing of projects in Slovakia through a coordinator in Prague, a number of supported projects is 14, in amount of 21 958 500 SKK.

1995

formation of coordination group for projects here in Slovakia; a number of supported projects is 15, in amount of 22 396 500 SKK.

1996 – 1999

continuous analysis of the needs in the social sphere, establishment of a network of local advisors; number of supported projects is 54, in amount of 92 696 100 SKK.

2000

a new strategy: establishment of own operation program with a name „Long-term support of decentralization – de-institutionalization – transformation of social services“ (DDT); a number of supported projects is 9, in amount of 9 619 500 SKK.

2001

execution of operating program DDT, preparation for the establishment of an independent Foundation in Slovakia, closing of the activities of CNF CEE and of Slovak board of advisors till 31st December 2001; a number of supported project is 7, in amount of 7 124 000 SKK.

2002

establishment and operating of Fund for supporting of social changes, n.f. (till 30th June 2002), formation of SOCIA Foundation, closing of the activities of Fund for supporting of social changes and its merging with the a foundation; all together 28 supported projects, in amount of 19 974 588 SKK.

GRANT PROGRAMS OF THE FOUNDATION

Large grants program

This program is executed by SOCIA Foundation in a close cooperation with its partner foundations in Netherlands. The program is aimed at rising of new social services and at developing of existing social services for disadvantaged groups of people. In the course of consultation process we try to stimulate the applicants for a grant to design such services that would be of a modern style and of a high quality, and also to make the applicants care about high professional level of their activity. Priority is to support the projects in smaller settlements and in peripheral Slovak regions. In year 2002 the program was paid exclusively from Dutch resources.

Grant process was carried out continuously throughout the year. Following organisations could have asked for granting:

- Non-governmental organisations (foundations, civic associations, non-profit organisations supplying public services, non-investment funds, church institutions, etc.),
- those who provide social service for disadvantaged groups of people,
- those that need to support investment costs for their project and
- those who could show also other sources of project financing.

Decision making process on distribution of finances happened in three steps. Each of the projects had to be consulted with the Program coordinator. Out of the applications we had received we visited majority of the places where should be future project executed. The projects that met basic conditions were judged by an expert group. Those projects commended by the expert group were sent to the partner foundations in Netherlands along with an application for a grant.

The Board of directors of Dutch foundations decided about financial support of particular projects and of the amount of funds too. All the projects advised by the expert group in Slovakia were supported by partner foundations in Netherlands in 2002.

Supported projects

After merging of the Foundation with the Fund for support of social changes (1st July 2002), SOCIA Foundation took over financing, monitoring and accounting process of following projects that were supported either directly from Holland or from the Fund for support of social changes.

Civic association Koala, Banská Bystrica

Grant for constructing of an exercise – rehabilitation centre and protected living for young people with mental disadvantage, locality Suchý vrch near Banská Bystrica. Amount of grant: 4 800 000 SKK.

Association for helping mentally disadvantaged people, Spišská Nová Ves

Grant for covering of first stage of reconstruction of a building where there will be settled daily stationary and protected workshops for mentally disadvantaged young people from Spišská Nová Ves and surroundings. Amount of grant: 1 604 000 SKK.

Association of Unions of physically disadvantaged, Trenčín

Grant for establishment of reconstruction of an educative and rehabilitation centre for physically disadvantaged people. Amount of grant: 545 000 SKK.

Civic association Rezonál, Drienovská Nová Ves

Grant for reconstruction of a building in Zlatá Baňa, which will be future re-socialization institution for people addicted to alcohol and other drugs. Amount of grant: 2 655 000 SKK.

Non-profit organisation Nový domov (New house), Valkovňa

Grant for reconstruction of the Nursing and care centre that serves older people from Horehronie region. Amount of grant: 1 875 000 SKK.

Salezians of don Bosco, Bardejov

Grant for building and operation of Basic school building for the children from Poštárka village and for re-qualification courses for young Romany people from this village. Amount of grant: 1 500 000 SKK.

The Expert group of SOCIA Foundation advised supporting of further projects in the second half of year 2002. Also these projects were given grants from Dutch foundations:

Civic association Maják, Zlaté Moravce

Grant for reconstruction of PP centre – counselling and therapeutic unit for the people released from jail. Amount of grant: 1 322 000 SKK.

Non-profit organisation Samaritán, Martin

Grant for purchasing of a special car providing transport service within the region. Amount of grant: 670 000 SKK.

Small grants program

Program is aimed at developing of existing quality social services or as a support in establishment of local or alternative types of services.

A Grant from the program could have been required by:

- non-governmental organisations (foundations, civic associations, non-profit organisations that offer community service, non-investment funds, church institutions, etc),
- those providing social service for disadvantaged groups of people and
- those who need to support investment costs for their project.

Decision process on distribution of finances was divided into three stages. The application was judged by an expert group after consulting about presented project. Consequently, the Board of directors decided on financial support for recommended projects. Small grants program is paid from own resources of SOCIA Foundation.

Grant process took part in spring and autumn rounds.

After merging of the Foundation with the Fund for support of social changes (1st July 2002), SOCIA Foundation took over financing and related obligations with the projects that were approved in the first half of year 2002.

Supported projects

Association for helping mentally disadvantaged people, Michalovce

Grant for reconstruction of Plight (re-condition) centre for short-term residence. This centre will extent existing services of rehabilitation centre and of protected workshop for mentally disadvantaged people.

Amount of grant: 100 000 SKK.

Slovak Read Cross, territorial fellowship Trebišov

Grant for purchasing of exterior equipment to social institution DOM SČK "Prameň nádeje". Since 1999 this institution has served as a daily or a short-term residence for older people who are reliant to a bed and also for those suffering from a incurable disease.

Amount of grant: 230 000 SKK.

SALUS n.o., Nitra

Grant for purchasing of medical equipment and tools for rehabilitation of children with eye disadvantage.

Amount of grant: 50 000 SKK.

Family Centre in Trenčín

Grant for purchasing of a car that will serve for the workers contact with the clients of the centre during the day and night. The centre provides help and counselling to people and families in difficult and crisis life situations, the centre cooperates in this with the institutions and organisations of state administration and self-government – police, prosecutor, magistracy etc.

Amount of grant: 380 000 SKK.

Civic association Méta, Hostice

Grant for reconstruction of a purchased building – community centre in Hostice. Civic association provides enhancement of social, culture, educative and working possibilities of socially disadvantaged people with the emphasise on Romany families.

Amount of grant: 451.600 SKK.

Arcidiocese charity Košice

Grant for purchasing of fireproof locks for finalisation of Hospice building in Bardejovská Nová Ves, bed equipment for palliative cure and for relieving of chronic pain. This equipment serves to the patients in pre-final and final state of cancer diseases or other incurable diseases. Component parts of the Hospice are Ambulance of pain cure and an Agency of home Hospice care.

Amount of grant: 500 000 SKK.

Association of Salezian youth DOMKA in Humenné

Grant for the reconstruction of heating system in a cottage, Jasenovce, that serves for staying and prevention programs, centred on children and youth from incomplete families, also for physically and mentally disadvantaged children, orphans and children from socially deprived families in Humenné.

Amount of grant: 91 338 SKK.

In the second round SOCIA Foundation supported following projects:

Association for helping mentally disadvantaged people in Bardejov

Grant for reconstruction and extension of working space in protected work station "Vrbovnica". By this reconstruction the number of jobs will be increased from 23 to 29-31 jobs. The association offers support, counselling and social services to those people with mental disadvantage, especially in the field of employment.

Amount of grant: 175 000 SKK.

Ělim Foundation, Zvolen

Grant for purchasing of a private lift to Diaconal and social centre Ělim, a retirements house.

Amount of grant: 250 000 SKK.

Association for helping mentally disadvantaged people in Nové Zámky

Grant for purchasing of a lift platform for immobile clients from the Home of social services. The project is aimed at enhancement of operation in the Home of social services for seriously physically disadvantaged children and youth.

Amount of grant: 230 000 SKK.

Civic association „Ajhla člověk“ in Bytča

Grant for reconstruction of cellar in the Social house "Klíč" (A Key) where there is established equipment for work rehabilitation and rehabilitation tools which serve seriously physically disadvantaged children and youth from Bytča city and its surroundings.

Amount of grant: 350 000 SKK.

Diocese charity in Nitra

Grant for establishment of Charity and social centre in Trenčianská Teplá that provides help to people in crises. Through counselling and field social work are the clients lead to enhancement of the way of life.

Amount of grant: 81 650 SKK.

Diaconal association Betánia, Bratislava

Grant for purchasing of special positioning beds for the Centre of activation and geriatric care in Bratislava that serves to the clients requiring intensive care and after care. The institution offers the clients medical, pedagogical, psychotherapeutic and pastoral service.

Amount of grant: 370 000 SKK.

Civic association PRO NATAL, Bratislava

Grant for the reconstruction of the equipment in the centre that offers antenatal and post partum counselling service to couples and to unmarried mothers. The association performs activities aimed at bringing higher quality and humanisation to obstetrics in Slovakia.

Amount of grant: 120 000 SKK.

Civic association Barlička, Prešov

Grant for reconstruction of the Centre Radosť (Joy) and supply with rehabilitation equipment. The centre is aimed at development of physically disadvantaged children through the means of special programs and leisure time activities.

Amount of grant: 200 000 SKK.

Catholic Unity of Slovakia – headquarters in Trnava

Grant for purchasing of a car that would extent and improve care service for older people. Catholic Unity offers Trnava city care service for those clients that will pass over from district authorities to city authority, which deals with the transfer of competences of care service effective from 1st January 2003.

Amount of grant: 400 000 SKK.

Civic association Community centre SPOLU in Žehra

Grant for enhancement of the activities in community centre – activities aimed at children development, re-qualification and new working opportunities programs for unemployed Romany people.

Amount of grant: 270 000 SKK.

Club of Romany women in Zvolen

Grant for establishment of community counselling and education centre in the region Zvolen – Balkán. Directly in the habitation of Romany people the club intends to be available to all the groups of mentioned community and there should be high participation on the programs.

Amount of grant: 204 000 SKK.

Civic association OMAPO, Dunajská Lužná

Grant for purchasing of a new car (social taxi car) that would extend and improve existing transport service. This car serves to people with physical disadvantage, to older people and to those from socially lower classes.

Amount of grant: 300 000 SKK.

Retirement home KLAS in Vrbové, non-profit organization

Grant for the heat isolation of north side of the building – for enhancement of service to 55 older people who are clients of the mentioned institution.

Amount of grant: 250 000 SKK.

Charity fund LION

Charity fund LION was established out of the initiative of global financial group of Dutch origin - ING, into which belong Nationale-Nederlanden Insurance company Inc. and ING Bank N.V. branch of a foreign bank with its registered office in Bratislava. Charity fund is administrated by SOCIA Foundation.

Establishment of mentioned fund is an evidence of creation of a cross-sector cooperation - between a non-profit organisation and an enterprise body.

Charity fund LION could support non-profit and non-governmental organisations aimed at supplying of service for children and youth that depends on help of the other people. Also individual applications could be supported out of the fund, if the applications deal with situation of children in direct risk of life or in a very serious health disadvantage.

Charity fund LION was established at the end of the year. Initial deposit of the above mentioned companies into the fund was 590 000 SKK.

OPERATING PROGRAM OF THE FOUNDATION

Long-term support of decentralisation – de-institutionalisation - and transformation of social services in Slovakia

Basic goal of the above mentioned program consists in supporting of network changes in the area of social services - with the following outputs:

- creating of higher number of services – with more variability and flexibility
- establishment of services that are closer to people - accessibility and willingness
- service improvement – to meet the needs of its users/client.

In year 2002 took part the second stage of a three year project (2001 - 2003), which was supported by a grant from SKaN Foundation, Hilversum, Netherlands.

The support of operating changes was executed by following activities:

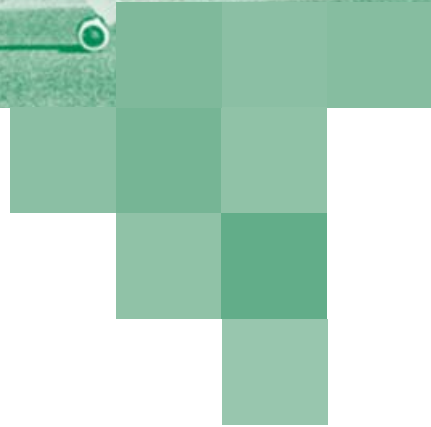
- by enforcing of equal position between state and non-state (private) social service providers towards obtaining the public resources, and in here we were able to get a guarantee of 100% grant since 1st January 2003 in the Act on Social Assistance,
- by marking up of a proposal for the state budget (year 2003) and by lobbying in the National Council of Slovak Republic (NR SR), we managed to have the financial contribution for non-state organisation providing social services, increased by 150 mil. SKK,
- consulting process in preparation and execution of pilot projects aimed at de-institutionalisation and transformation of existing social organisations (Socialtransform n.o. - DSS Hodkovce, House of social services, n.o. Kráľovce)
- counselling and consulting with the representatives of self-government dealing with the development of social services in specific regions (Košice, Bratislava and Banská Bystrica regions).

Support of system changes in the area of social services

The Project represents a specific extension of the above mentioned long-term program of the Foundation within the period from December 2002 till October 2003. Following are the specific goals of the project:

- verification of the quality standards in social services, elaborated in Czech Republic and support in putting of this indirect regulative tool into practice in Slovakia,
- participation in a good quality legislature making in the area of social services,
- monitoring of effective usage of planned loan from Rozvojová banka Rady Európy (Europe Council Development Bank) which should support transformation and de-institutionalisation of social service institutions.

The Project was supported by the Civil Society Development Foundation by an amount of 18 000 EUR – from the European Union finances and its execution started towards the end of 2002.



SOCIA Foundation supplies organization and administrative tasks that relate to the performance of SocioFórum. SocioFórum is an independent group of non-governmental organisations executing in the areas of social services, prevention and counselling. This group took over the mission and activities of social section of MNO, which was acting beside Gremium of non-governmental organisations between years 1993 – June 2001. MNO endorses to this platform and they vote their representatives whose task is to represent this part of MNO in negotiations with the government and parliament. The main mission of SocioFórum is to enforce the interests of non-profit organisations supplying social services as well as to propose and give arguments on legislature regulations on behalf of equal role of MNO in the system of social help. The regulations should be aimed at increasing of quality in social services with the priority in meeting the needs of individual clients.

SocioFórum communicates by means of electronic conference soc@list.changenet.sk

The Annual conference of SocioFórum took place at 24th June 2002 in Rajecké Teplice and there were present 89 representatives from 75 different organisations. The main subject of the conference was to define the up-to-date aims of SocioFórum as well as the strategies on how to meet these aims. Among the main priorities defined by the participants of the conference were:

- an active participation of SocioFórum experts at the preparation of new Social Service Act, or the amendment of Social Assistance Act,
- creation of a representative group consisting of people from among the organisations of physically disadvantaged and their participation on the proposal which should give a solution how to make the transformation of the competences of examining activities from district authorities after their dissolving,
- to establish a cooperation with VÚC (Higher Regional Unit) with a the aim to suggest some possible solutions in financing of non-state organisations supplying social services in second half of the year 2002,
- an active participation of MNO in creating and marking up of the document „The conception of development of social services in the region“.

The Annual conference initiated a rise of regional groups SocioFórum that should become partners of social departments of autonomy regions and also partners of social committees in fulfilment of last two priorities.

SocioFórum and Elections 2002

The aim of the project SocioFórum and Elections 2002 was to mediate to the public the social program of particular political parties, also to make MNO active and to mediate exchange of opinions among the representatives of political parties, experts and public. The important task in doing of this was to involve social MNO, their members and clients, and to persuade them that being active in the pre-election period makes a difference in the future advocacy for their own benefits. The future role of non state organisations in the system of social assistance was particularly watched subject.

In order to meet these targets we arranged 8 regional meetings aimed at mobilization of MNO, we published and distributed a brochure „What kind of social assistance our politicians promise? (Out of electoral programs of political parties)“, we organized two panelling of politicians, we organized the Annual conference SocioFórum and two press conferences.

We see the success of this project also in the Program declaration of the government where there is following paragraph: „The Government will propose transformation of social service based on the principals of de-centralisation and disestablishment of their output. Public administration will define this need and provide finances, and private service providers will supply the service. We shall establish setting of elementary standards for financing and for the quality of social services, also a system of granting of licences and control, and there will be equalization to all the institutions that provide social services“.

We were able to carry out the Project thank to the financial support of 297 300.- SKK, coming from the program Your Earth – which is arranged by the Foundation Ekopolis and ETP-S and it is paid by the United States Agency for International Development along with other private or public donors.

FINANCIAL REPORT

Balance sheet (thous. SKK)

1)		
ASSETS		31. 12. 2002
Fixed assets		163
Tangible Fixed Assets		
Machines, devices and equipment		190
Accumulated depreciation – Tangible Fixed Assets		
Machines, devices and equipment		27
Financial assets		
Funds		6
Bank accounts		10 595
Short term financial assets		1 017
Temporary Accounts of Assets		
Prepaid expenses		6
Prepaid income		102
TOTAL ASSETS		11 889
LIABILITIES		
Own resources of coverage of fixed and current assets		1 668
Basic capital		1 100
Organisation resources		1
Profit of current accounting period		437
Retained earnings, outstanding loss of past years		130
Other resources		10 221
Short-term payables		
Trade payables		53
Payables to employees		1
Temporary accounts of liabilities		
Prepaid expenses		27
Prepaid income		10 137
Estimated accrued items		1
TOTAL LIABILITIES		11 889

2) Profit and loss statement (in thous. SKK)

Material and energy used	106
Costs and services	664
Staff costs	273
Social insurance costs	84
Social costs	7
Tax and fees	66
Depreciation of tangible and intangible fixed assets	14
Receipts from investments	102
Other returns	320
Contributions Received	9 990
Contributions Granted	8 361
PROFIT	437

3)	
Total returns in year 2002	10 012 448
Total costs in year 2002	9 575 330
Difference	437 118

View about gifts and contributions given to the Foundation according to its sources and backgrounds

1 000 000 SKK	– deposit of the founder from SKaN Foundation into Foundation capital
100 000 SKK	– deposit of the founder from Nationale Nederlanden *
998 061 SKK	– deposit of SKaN Foundation to administration of Foundation and to a project D-D-T (transfer from the Fund for supporting of social changes)
6 916 897 SKK	– grant from CNF CEE for supporting of approved projects (transfer of accounts payable from the Fund for supporting of social changes)
4 467 833 SKK	– grant from SKaN Foundation for re-granting of a Small grants program (transfer from the Fund for supporting of social changes)
5 745 000 SKK	– grants from CNF CEE for supporting of approved projects
295 000 SKK	– grant from Nationale Nederlanden to the Charity fund LION
295 000 SKK	– grant from ING Bank Slovakia to the Charity fund LION
297 799 SKK	– grant for a project SocioForum and Elections 2002 from Ekopolis Foundation
37 851 SKK	– grant from NPOA for travelling to a conference in Prague

Assets and Payables of the Foundation till 31st 12 2002

The Foundation Fixed assets is in amount of 163 143 SKK.
Level of Financial Assets on the accounts and in the cash-desk is 11 618 thous. SKK.
Payables of the Foundation till 31th December 2002 represent 56 thous SKK.

Total expenses of the Foundation in year 2002
Total expenses of the Foundation in year 2002 represent the amount of 9 575 330 SKK.

Structure of expenses

Expenses to given grants	= 8 361 252 SKK
Expenses at own projects	= 670 617 SKK
Expenses of Foundation administration	= 543 461 SKK

Last mentioned expenses include

Foundation propagation	= 4 507 SKK
Office operation	= 129 368 SKK
Financial reward for trustee	= 86 186 SKK
other costs (service purchase)	= 323 400 SKK

Expenses of Foundation administration represent 5,7 % of total expenses of the Foundation. For the year 2002 the Board of directors did not set expenses for administration of the organisation in percentage for the sake of uncertain total income and expenses of the Foundation in the period of its formation.

Independent Auditors' Report

To: Supervisory Board of SOCIA – Social Reform Foundation

We have audited the statutory financial statements of SOCIA – Social Reform Foundation ("the Foundation") for the year ended 31 December 2002 prepared under the Slovak Accounting Standards. We have conducted our audit in accordance with Slovak Standards on Auditing. The simplified financial statements included in the Annual Report were derived from the audited financial statements.

In our report dated 25 February 2003 we expressed an opinion that the financial statements from which the simplified financial statements included in this Annual Report were derived, present fairly, in all material respects, the financial position of the Foundation and the results of its operations.

In our opinion, the financial information included in the Annual Report is consistent with the financial statements referred to above, from which they were derived.

For a better understanding of the Foundation's financial position, of the result of its operations for the year then ended, and the scope of our audit procedures the simplified financial statements included in the Annual Report should be read in conjunction with our auditor's report and the financial statements from which they were derived.

Bratislava, 7 April 2003

Ing. Juraj Halama
Responsible Auditor
Decree number SKAu 213

Supervisory Board Evaluation Report on the activities of SOCIA – Social Reform Foundation for 2002

The Report of the Supervisory Board for 2002 was prepared based on the 2002 Annual Report, Auditor's Report on the Financial Statements prepared as at 31 December 2002 and regular evaluations of the Foundation's activities.

SOCIA – Social Reform Foundation was established on 29 April 2002 and registered by the decision of the Ministry of Interior of the SR on 17 May 2002 under no. 203/Na-2002/659. Identification number is 318 163 98. A mission of the Foundation is to promote the social system reform, to increase the life quality of the socially disadvantaged groups and to strengthen the social cohesion of the inhabitants of Slovakia in this way. All the Foundation's activities, detailed in the 2002 Annual Report were directly linked to the purpose of the Foundation of public benefit and served its mission.

The Foundation closed the 2002 as a successful year. It was the first year of its operation. The Supervisory Board paid attention to the activities of the Board of Directors, the administrator of the Foundation as well as to bookkeeping and the review of cash transactions.

The Supervisory Board discussed the audit of the 2002 Financial Statements performed by Ing. Juraj Halama, auditor with a Decree no. 213 under the laws valid in the Slovak Republic. According to the opinion issued by the auditor the Financial Statements present fairly, in all material respects, the financial position of SOCIA Foundation as at 31 December 2002 and the results of operations for the period then ended in accordance with Act no. 563/1991 Coll. on Accounting and the relevant effective regulations issued by the Ministry of Finance of the Slovak Republic.

Following the review and the discussion of the 2002 Annual Report, the Supervisory Board approves the Financial Statements and the Annual Report of SOCIA for 2002.

Bratislava, 11 April 2003

Ing. Helena Jurenová, Chair of the Supervisory Board
Ing. Gabriela Kroftová, Member of the Supervisory Board
Ing. Zuzana Markušová, Member of the Supervisory Board

Board of Directors

Pavol Demeš, chairman
Director of the Centre for Central and Eastern Europe German Marshal Fund

Jan Figeľ
Member of parliament, chairman of Foreign committee of National Council of Slovak Republic (NR SR)

Soňa Holúbková
Council for counselling in social work, branch in Žilina

Ewout Steenbergen
ING Lion, director for SR a ČR

Juraj Vaculík
Juraj Vaculik Creative Studio, director

Supervisory Board

Helena Jurenová, chairman
Deloitte&Touche

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What was said about us

We will extend the supply of social service by execution of the project within our micro-region. The number of canteen boarders is going to be increased and the unemployment is going to be decreased by creating of new jobs. We will also establish new services that will be closer to our inhabitants. At the same time we will help 11 villages from Rimava – Rimavica micro –region in the process of competence transformation in the social sphere operating since 1st January 2003.

We would like to thank to SOCIA Foundation and also to their partners in Holand for granting our association with a financial aid, without which we would not be able to meet our goals.

Civic association Ozveny in Hrachovo, A Canteen for older people

We would like to thank you for showed trust and contribution from your side. Thank to your help, our association Meta is able to operate on a level of higher quality. We have created such conditions that we are able to involve into the activities also the other groups living in our village.

Civic association Méta in Hostice, Community centre

At the same time we would like to thank you for your sacrifice and flexibility and that you were willing to support our project by sharing of your valuable advice. We have used it during our one year existence especially in cooperation with other civic activities dealing with the family problems.

Family Centre in Trenčín

We are happy that the newly opened service for older people meets with still great interest and that the institution of family type serves to its purpose. Older people could live the „autumn of their lives“ in a comfort, peace and love. We are able to help such people also thanks to your contribution.....

Slovak Read cross in Trebišov

Today I sent by post the statement of accounts from Charity-social centre in Trenčianska Teplá. However, I spent 0,5 SK less that was stated in the project. I am not sure whether this is a problem or not. It is hardly to be accounted exactly. Could you, please, let me know if this is all right or what shall we do about it.

Charity-social centre in Trenčianska Teplá

We thank you for your swift and flexible help in establishment of the Home without drugs.....

František Bujnovský, Civic association REZONAL in Drienovská Nová Ves

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