



## **Zone 1 General Meeting 2018** **Llandudno, Wales**

### **The Zone 1 Auditor's Report** **on Financial Year 2017**

**Plzen, Czech Republic**  
**24 July 2018**

**Llandudno, Wales**  
**20 to 23 August 2018**

Designated for the Zone 1 Delegates (thereinafter “Zone 1”) at the Zone 1 General Meeting 2018 in Llandudno, Wales.

#### **Zone 1 Management's Responsibility for the Financial Statements**

The Zone 1 Management, in particular the Zone 1 Finance Director, is responsible for the preparation of financial statements that give a true and fair view in accordance with international accounting regulations and for such internal control as the Zone 1 Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

However, the financial year 2017 was fatally influenced by the unexpected death of the former Zone 1 Finance Director George Pyrich, who deceased in the middle of December 2017, in the worst time with regard to the work on the Zone 1 accounting and financial accounts.

The new Zone 1 Finance Director Jan Vosselman was elected on 3 April 2018. He was able to get files from George's computer with a commendable help of George's wife Catherine in April 2018.

He informed me that he didn't intend to use the former accounting software Simply Accounting and any other accounting software. I explained him that there is no obligation to run a bookkeeping with a help of any software.

He provided an Excel spreadsheet, showing a mixture of cash based accounting (the columns contained turnovers from the bank statements) and some additional information. Therefore his file couldn't be considered as a double-entry bookkeeping (real accounting) and couldn't be a subject of a standard audit.

Consequently this year I **can't** give you my usual opinion, saying that „the financial statements give a true and fair view of the financial position of the Zone 1, as of 31 December 2017, and of its financial performance for the year then ended in accordance with generally accepted accounting principles.” Given that I was unable to perform the usual audit procedures, because of the missing ledger accounts and daybook.

### **Recommendations and Proposals**

- The Finance Director should follow to the international accounting standards and run the standard accounting, so that the Zone 1 Auditor would be able to perform the standard audit for the financial year 2018.

### **My Resignation**

You have already been informed about my resignation as the ICCF Auditor. Previously I intended to resign (not to put my candidacy again) after 10 years in 2019, this was my agreement I had with George Pyrich that we both would resign together. However, I decided to expedite my resignation, in order to give delegates a chance to think about my successor just now, so that he/she could perform the audit for the year 2018, as the ICCF EUROPA Regulation Article 3. 1. 5 says “The Annual General Meeting of ICCF-Europa shall appoint an Auditor who shall normally be the Auditor of ICCF.”

Thus my resignation has nothing to do with my health. I thank all friends who showed their concern about my health, but as you can see I am OK.

Thank you for your attention.

### **Date of preparation:**

24<sup>th</sup> July, 2018

### **Name and address of the Auditor:**

Josef Mrkvička  
Houškova 32  
326 00 Plzeň, Czech Republic

### **Auditor's signature:**



### Annexes:

Financial Statements of Zone 1 as of December 31, 2015 (Balance Sheet, Profit & Loss Account) – **attached to the Zone 1 Finance Director's Report**