



SOLIDARITYNOW
FINANCIAL STATEMENTS
31 December 2017

SOLIDARITYNOW

Financial Statements

31 December 2017

(Amounts expressed in Euro)

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Non-Profit Association
"SOLIDARITYNOW"

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Non-Profit Association "SOLIDARITYNOW", (the "Association"), which comprise the statement of financial position as of December 31, 2017, the income statement, the statement of changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly in all material respects the financial position of "SOLIDARITYNOW" as at December 31, 2017 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as incorporated in Greek Law. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We remained independent of the Association in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), as incorporated in Greek Law, together with the ethical requirements that are relevant to the audit of the financial statements in Greece, and we have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs, as incorporated in Greek Law, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



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As part of an audit in accordance with ISAs, as incorporated in Greek Law, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Athens, 20, July 2018

The Certified Auditor Accountant

Andreas Hadjidamjanou
S.O.E.L. R.N. 61391

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Statement of Financial Position

	Note	2017	2016
ASSETS			
Tangible assets	3	48,52	52,78
Intangible assets	3	78.605,19	14.334,39
Advances and long-term assets		149.526,00	51.950,58
Non-current assets		228.179,71	66.337,75
Trade and other receivable	4	427.395,61	113.450,47
Cash and cash equivalents	5	3.186.024,71	1.438.872,45
Total current assets		3.613.420,32	1.552.322,92
Total assets		3.841.600,03	1.618.660,67
EQUITY			
Retained earnings		45.346,22	(22.885,78)
Total equity		45.346,22	(22.885,78)
LIABILITIES			
Provisions for employee benefits	9	269.730,18	40.518,63
Noncurrent liabilities		269.730,18	40.518,63
Trade and other payables	6	3.526.523,63	1.601.027,82
Current liabilities		3.526.523,63	1.601.027,82
Total equity and liabilities		3.841.600,03	1.618.660,67

16/07/2018

Stylianios Zavvos

Chairman

Antigoni Lyberaki

General Manager

The notes on pages 8 to 21 are an integral part of these financial statements.

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Statement of Profit or Loss and Other Comprehensive Income

	Note	<u>1/1-31/1/2017</u>	<u>1/1-31/1/2016</u>
Revenue	7	11.743.193,52	7.285.497,18
Payroll		(7.157.763,23)	(3.350.529,54)
Depreciation	3	(182.540,86)	(433.598,25)
Other expenses	8	(4.180.973,27)	(3.482.229,19)
Operating (loss)/profit		221.916,16	19.140,20
Finance income		1.851,70	96,78
Finance expense		(155.535,86)	(19.236,98)
Net finance expense		(153.684,16)	(19.140,20)
(Loss)/Profit before tax		68.232,00	(0,00)
Income tax		0,00	0,00
(Loss)/Profit after tax		<u>68.232,00</u>	<u>(0,00)</u>
Total comprehensive loss for the period		<u>68.232,00</u>	<u>(0,00)</u>

Statement of Changes in Equity

	Retained earnings
Balance at 01 January 2016	(22.885,78)
Total comprehensive loss	-
Balance at 31 December 2016	(22.885,78)
Total comprehensive profit	68.232,00
Balance at 31 December 2017	45.346,22

The notes on pages 8 to 21 are an integral part of these financial statements.

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Statement of Cash Flows

	<u>1/1-31/12/2017</u>	<u>1/1-31/12/2016</u>
Cash flow from operating activities		
(Loss)/ Profit before tax	68.232,00	0,00
<u>Adjustments for:</u>		
Depreciation	182.560,70	433.598,25
Provisions for employee benefits	229.211,55	40.518,63
Net finance expense	153.684,16	19.140,20
Changes in:		
Trade and other receivable	(411.520,56)	(160.686,98)
Trade and other payables	1.925.495,81	1.554.607,80
Interest paid	(153.684,16)	(19.140,20)
Cash generated from operating activities	<u>1.993.979,50</u>	<u>1.868.037,70</u>
Purchase of fixed assets and other long-term assets	(246.827,24)	(447.981,45)
Net cash used in Investing Activities	<u>(246.827,24)</u>	<u>(447.981,45)</u>
Net (decrease)/increase in cash & cash equivalent	1.747.152,26	1.420.056,25
Cash & cash equivalent at the beginning of the period	1.438.872,45	18.816,20
Cash & cash equivalent at 31 December	<u>3.186.024,71</u>	<u>1.438.872,45</u>

The notes on pages 8 to 21 are an integral part of these financial statements.

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1. Corporate Information

SOLIDARITYNOW (the “Association”) is domiciled in Greece and was established on October 20th, 2015. The Association’s registered office is in Athens, 5th Evinou str, 11527, Athens Greece. The accompanying financial statements (the “Financial Statements”) of the Association relate to the accounting period beginning from 1 January to 31 December 2017.

The purpose of the association is charitable, non-profitable and refers to the provision of spiritual and material support, as well as assistance by any means to vulnerable social groups and individual persons regardless of their origin, religion, sex, gender, age, national origin, condition sexual orientation and gender, as well as the rising of society awareness regarding of these issues.

SOLIDARITYNOW is a network of people and organizations founded in Greece by the Open Society Foundations (OSF) which aims to help those most vulnerable affected by the ongoing crisis.

The actions of the Association have two main axes:

⇒ Grants & Programs

Through our grants, we design, support and implement programs responding to society’s increased needs and more important we enable people to handle with dignity the challenges they face in their lives. SOLIDARITYNOW implements projects, to:

- respond to the current refugee crisis by developing emergency aid programs at entry and exit points of people on the move.
- combat humanitarian crisis, by facilitating access to health services and fighting food insecurity
- defend basic rights and freedoms, while also empowering social cohesion
- support the integration of minorities and vulnerable human groups
- support employability amidst the crisis and connect young people with educational programs and the job market

⇒ Solidarity Centers Project

SOLIDARITYNOW has opened two centers, one in Athens and one in Thessaloniki (opened in 2016), which are based on the idea of an open space that enhances the participation of different groups of civil society for them to enable the access of the most vulnerable groups populations to the necessary services.

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The services we offer at the Solidarity Centers –which are free of charge- include: primary health care, medication, legal assistance and legal advice, employability services through educational programs and links with the labor market, specialized psychosocial support to vulnerable groups and support to parents, children and adolescents, through counseling and educational programs.

As at 31 December 2017, the Association has 288 employees (2016: 298 employees).

2. Summary of Significant Accounting Policies

Basis of Accounting

These Financial Statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”). The Association maintains its accounting records pursuant to Greek corporate and tax regulations. However, the accounting policies differ in certain respects from the policies required pursuant to IFRS. Certain out-of-book adjustment have been reflected to present the financial statements in accordance with IFRS.

IFRS comprise standards and interpretations approved by the International Accounting Standards Board and International Accounting Standards and Standing Interpretation Committee (“IASB”) interpretations approved by the IASB that remain in effect.

The financial statements have been prepared on a going concern basis. The Financial Statements are presented in Euro which is the Association’s functional and presentation currency, and all reported values are in Euro.

The Financial Statements were authorized for issue by the Association’s Administrators on June 2018.

Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumption are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised. In particular, information about significant areas of estimation uncertainty and critical

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judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in Provisions and Contingencies.

Significant accounting policies

The accounting policies set out below have been applied to the period presented in these Financial Statements.

Property, plant and equipment

Property, plant and equipment are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating. Property, plant and equipment are measured using the cost model, cost less subsequent depreciation and impairment losses.

Depreciation is recognised on a straight-line basis. The following useful lives are applied:

Furniture and other equipment	10%-100%
Computers and software	10%-100%

The Association fully depreciated all of items of equipment purchased during the year, which mainly consisted by low value furniture.

The carrying value of Association's current assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. In any such indication such indication exists and the carrying value exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

As far as subsequent measurement is concerned, the cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Association and its costs can be measured reliably. The carrying amount of the replace part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred. Any gain or loss on disposal of an item of property plant and equipment is recognized in profit or loss.

Intangible assets

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Intangible assets include the costs incurred to acquire software. Software costs are amortized over a period of five years and are stated at cost less accumulated amortization and any impairment of value. Intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Impairment

The Association assesses at each balance sheet date, whether there is objective evidence of impairment of assets.

Objective evidence that assets are impaired includes: the asset recoverable value is lower than its carrying amount as shown in the books on the reporting date indications that a debtor or issuer will enter bankruptcy observable data indicating a decrease in expected cash flows.

As evidence of impairment are considered, among others, the modification of terms or the cancellation of third parties contracts, the inability of debtors to fulfill their contractual terms, court decisions etc. The amount of impairment loss is the difference between the book value of receivables and the estimated future cash flows, discounted at the effective interest rate. The impairment loss is recognized in the profit or loss statement.

Debtors

Trade receivable are recognized and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

Provisions

Provisions are recognized when the Association has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amounts involved can be made.

Where the Association expect some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but

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only when the reimbursement is virtually certain. The expense relating to any provision is presented in the coming statement net of any reimbursement.

Provisions are determined based on past history and the respective level of activity at each balance sheet date. These are measured at net present value.

Revenue recognition

Revenue from a grant is recognised when the Association obtains control of the funds, economic benefits are probable, and the amount can be measured reliably. Where a grant may be required to be repaid if certain conditions are not satisfied, a liability is recognised at year end to the extent that conditions remain unsatisfied.

Where the Association receives a non-reciprocal contribution of an asset from a government or other party for no or nominal consideration, the asset is recognised at fair value and a corresponding amount of revenue is recognised.

Donations collected, including cash and goods, are recognised as revenue when the Association gains control, economic benefits are probable, and the amount of the donation can be measured reliably.

Leases

Assets held by the Association under leases that transfer to the Association substantially of all the risks and rewards of an ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their value and the present value of the minimum lease. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognized in the Association's statement of Financial Position. As of 31 December 2017, the Association did not possess assets under finance lease.

Employee benefits

a) Short-term benefits

Short-term benefits to employees in money or in kind are recognised as an expense when they are accrued.

b) Post-employment benefits

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Post-employment benefit schemes comprise both defined contribution plans (state plans) and defined benefit plans. The accrued cost of the defined contribution plans is recognised as an expense in the period it concerns.

The Association participates in a defined benefit plan. This program concerns the staff under Greek labor law. Under the relevant law, employees are entitled to compensation in case of dismissal or retirement with payment amount relating to the salary of the employee, length of service and manner of termination of employment (dismissal or retirement). Employees who resign or are dismissed with cause are not entitled to compensation.

The Association, on December 31, 2017, has recognised an amount of euro 269.730,18 which concerns 40% of the liability of compensation due to retirement of employees, not based on an actuarial study, as required by IFRSs. The resulting differences, if it were an actuarial study would be immaterial.

Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in Equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted by the reporting date.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax asset is recognized to the extent that is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

New standards, amendments to standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except for the following amended IFRSs which have been adopted by the Association as of 1 January 2017:

- **IAS 12: Recognition of Deferred Tax Assets for Unrealized Losses (Amendments)**
The objective of the Amendments is to clarify the requirements of deferred tax assets for unrealized losses in order to address diversity in practice in the application of IAS 12 Income Taxes. The specific

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issues where diversity in practice existed relate to the existence of a deductible temporary difference upon a decrease in fair value, to recovering an asset for more than its carrying amount, to probable future taxable profit and to combined versus separate assessment. The Amendments were not applicable for the Association.

- **IAS 7: Disclosure Initiative (Amendments)**
The objective of the Amendments is to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The Amendments specify that one way to fulfil the disclosure requirement is by providing a tabular reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities, including changes from financing cash flows, changes arising from obtaining or losing control of subsidiaries or other businesses, the effect of changes in foreign exchange rates, changes in fair values and other changes. The Amendments were not applicable for the Association.

- The IASB has issued the **Annual Improvements to IFRSs 2014 – 2016 Cycle**, which is a collection of amendments to IFRSs. The following annual improvement has not yet been endorsed by the EU. This improvement did not have an effect on the Association's financial statements.
 - **IFRS 12 Disclosure of Interests in Other Entities:** The amendments clarify that the disclosure requirements in IFRS 12, other than those of summarized financial information for subsidiaries, joint ventures and associates, apply to an entity's interest in a subsidiary, a joint venture or an associate that is classified as held for sale, as held for distribution, or as discontinued operations in accordance with IFRS 5.

B) Standards issued but not yet effective and not early

- **IFRS 9 Financial Instruments: Classification and Measurement**
The standard is effective for annual periods beginning on or after 1 January 2018, with early application permitted. The final version of IFRS 9 Financial Instruments reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. Management has made an assessment of the effect of the standard and considers that will not be an effect.

- **IFRS 15 Revenue from Contracts with Customers**
The standard is effective for annual periods beginning on or after 1 January 2018. IFRS 15 establishes a five-step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., sales of property, plant and equipment or intangibles). Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligations; changes in contract asset and liability account balances between periods and key judgments and estimates. Management has assessed that there will be no impact.

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- **IFRS 15: Revenue from Contracts with Customers (Clarifications)**
The Clarifications apply for annual periods beginning on or after 1 January 2018 with earlier application permitted. The objective of the Clarifications is to clarify the IASB's intentions when developing the requirements in IFRS 15 *Revenue from Contracts with Customers*, particularly the accounting of identifying performance obligations amending the wording of the "separately identifiable" principle, of principal versus agent considerations including the assessment of whether an entity is a principal or an agent as well as applications of control principle and of licensing providing additional guidance for accounting of intellectual property and royalties. The Clarifications also provide additional practical expedients for entities that either apply IFRS 15 fully retrospectively or that elect to apply the modified retrospective approach. Management has assessed that there will be no impact.
- **IFRS 16: Leases**
The standard is effective for annual periods beginning on or after 1 January 2019. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). The new standard requires lessees to recognize most leases on their financial statements. Lessees will have a single accounting model for all leases, with certain exemptions. Lessor accounting is substantially unchanged. Management has assessed that there will be no impact.
- **IFRS 2: Classification and Measurement of Share based Payment Transactions (Amendments)**
The Amendments are effective for annual periods beginning on or after 1 January 2018 with earlier application permitted. The Amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, for share-based payment transactions with a net settlement feature for withholding tax obligations and for modifications to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. These Amendments have not yet been endorsed by the EU. Management has assessed that there will be no impact.
- **IAS 40: Transfers to Investment Property (Amendments)**
The Amendments are effective for annual periods beginning on or after 1 January 2018 with earlier application permitted. The Amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The Amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. These Amendments have not yet been endorsed by the EU. Management has assessed that there will be no impact.

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- **IFRS 9: Prepayment features with negative compensation (Amendment)**
The Amendment is effective for annual reporting periods beginning on or after 1 January 2019 with earlier application permitted. The Amendment allows financial assets with prepayment features that permit or require a party to a contract either to pay or receive reasonable compensation for the early termination of the contract (so that, from the perspective of the holder of the asset there may be 'negative compensation'), to be measured at amortized cost or at fair value through other comprehensive income. These Amendments have not yet been endorsed by the EU. Management has assessed that there will be no impact.

- **IAS 28: Long-term Interests in Associates and Joint Ventures (Amendments)**
The Amendments are effective for annual reporting periods beginning on or after 1 January 2019 with earlier application permitted. The Amendments relate to whether the measurement, in particular impairment requirements, of long term interests in associates and joint ventures that, in substance, form part of the 'net investment' in the associate or joint venture should be governed by IFRS 9, IAS 28 or a combination of both. The Amendments clarify that an entity applies IFRS 9 Financial Instruments, before it applies IAS 28, to such long-term interests for which the equity method is not applied. In applying IFRS 9, the entity does not take account of any adjustments to the carrying amount of long- term interests that arise from applying IAS 28. These Amendments have not yet been endorsed by the EU. Management has assessed that there will be no impact.

- **IFRIC INTERPETATION 22: Foreign Currency Transactions and Advance Consideration**
The Interpretation is effective for annual periods beginning on or after 1 January 2018 with earlier application permitted. The Interpretation clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. The Interpretation covers foreign currency transactions when an entity recognizes a non-monetary asset or a non-monetary liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income. The Interpretation states that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. This Interpretation has not yet been endorsed by the EU. Management has assessed that there will be no impact.

- The IASB has issued the **Annual Improvements to IFRSs 2014 – 2016 Cycle**, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 January 2018 for IFRS 1 First-time Adoption of International Financial Reporting Standards and for IAS 28 Investments in Associates and Joint Ventures. Earlier application is permitted for IAS 28 Investments in Associates and Joint Ventures. These annual improvements have not yet been endorsed by the EU. Management has assessed that there will be no impact.
 - **IFRS 1 First-time Adoption of International Financial Reporting Standards:** This improvement deletes the short-term exemptions regarding disclosures about financial instruments, employee benefits and investment entities, applicable for first time adopters.

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- **IAS 28 Investments in Associates and Joint Ventures:** The amendments clarify that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is venture capital organization, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.
 - **IFRIC INTERPETATION 23: Uncertainty over Income Tax Treatments**

The Interpretation is effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12. The Interpretation provides guidance on considering uncertain tax treatments separately or together, examination by tax authorities, the appropriate method to reflect uncertainty and accounting for changes in facts and circumstances. This Interpretation has not yet been endorsed by the EU. Management has assessed that there will be no impact.
 - The IASB has issued the **Annual Improvements to IFRSs 2015 – 2017 Cycle**, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. These annual improvements have not yet been endorsed by the EU. Management has assessed that there will be no impact.
 - **IFRS 3 Business Combinations and IFRS 11 Joint Arrangements:** The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.
 - **IAS 12 Income Taxes:** The amendments clarify that the income tax consequences of payments on financial instruments classified as equity should be recognized according to where the past transactions or events that generated distributable profits has been recognized.
- IAS 23 Borrowing Costs:** The amendments clarify paragraph 14 of the standard that, when a qualifying asset is ready for its intended use or sale, and some of the specific borrowing related to that qualifying asset remains outstanding at that point, that borrowing is to be included in the funds that an entity borrows generally.

3. Tangible and intangible Assets

Tangible & Intangible assets

Cost

Balance at the beginning of prior year

590,80

Additions

447.981,45

Desposals

0,00

Balance at the end of prior year

448.572,25

Additions

246.827,24

Desposals

35.604,40

Balance at the end of current year

659.795,09

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Accumulated depreciation

Balance at the beginning of prior year

depreciation

depreciation of disposals

Balance at the end of prior year

434.185,08

depreciation

182.540,86

depreciation of disposals

35.584,56

Balance at the end of current year

581.141,38

Carrying amounts

31 December 2016

14.387,17

31 December 2017

78.653,71

4. Trade and other receivable

Trade and other receivable is analyzed as follows:

	<u>2017</u>	<u>2016</u>
Trade receivables	0	0,00
Other receivables	427.395,61	113.450,00
	<u>427.395,61</u>	<u>113.450,00</u>

5. Cash and cash equivalents

	<u>2017</u>	<u>2016</u>
Cash on hand	1.481,13	1.809,13
Cash at banks	3.184.543,58	1.437.065,32
	<u>3.186.024,71</u>	<u>1.438.874,45</u>

6. Trade and other payables

Trade and other payables are analyzed as follows:

	<u>2017</u>	<u>2016</u>
Trade payables	83.129,08	84.340,25
Other payables	6.461,29	10.019,13
Social Security Contributions	317.396,91	23.793,63
Withholding taxes and duties payable	82.143,48	156.998,74
Deferred income	2.921.784,59	1.318.436,07
Accrued liabilities	115.608,28	7.440,00
	<u>3.526.523,63</u>	<u>1.601.027,82</u>

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7. Revenue

Revenue is analyzed as follows:

	<u>1/1-31/12/2017</u>	<u>1/1-31/12/2016</u>
Grants	11.741.952,56	7.241.765,78
Subscriptions	1.100,00	1.010,00
Currency exchange differences	0,13	42.277,13
Other revenue	140,83	444,27
	<u>11.743.193,52</u>	<u>7.285.497,18</u>

8. Other expenses

Other expenses are analyzed as follows:

	<u>1/1-31/12/2017</u>	<u>1/1-31/12/2016</u>
Third party fees	300.524,25	742.091,19
Rental expense	1.121.537,43	319.302,00
Travelling expenses	212.141,83	195.540,11
Advertising and hospitality expenses	79.690,26	179.745,25
Telecommunications	121.197,84	39.326,12
Taxes	405.446,09	410.415,10
Consumables	205.991,28	258.785,31
Security services (Offices and Structures)	122.531,44	50.698,53
Insurances	57.683,81	9.314,49
Services and Supplies offered to beneficiaries	455.819,01	722.291,24
Donations to Third Parties (other Organizations, Authorities etc)	371.862,73	466.618,91
Other expenses	430.819,14	26.835,66
Electricity, security, building expenses etc	295.728,16	61.265,28
	<u>4.180.973,27</u>	<u>3.482.229,19</u>

9. Financial Risk Management objectives and Policies

The Association has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

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Risk management framework

The Administrators of the Association have overall responsibility for the establishment and oversight of the Association's risk management framework.

This note presents information about the Association's exposure to each of the above risks, the Association's objectives, policies and processes for measuring and managing risk and the Association's management of capital. Further quantitative disclosures are included throughout these Financial Statements.

The Association's risk management policies are established to identify and analyze the risks faced by the Association, to set appropriate risks limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Association's activities.

Credit Risk-trade receivables

Credit risk is the risk of financial loss to the Association as a result of customers being unable to settle their debts. It is the Association's policy, to trade with solvent costumers, in order to reduce the possibility of significant concentration of credit risk. Due to the nature of the Association's activities, exposure to such a risk is low.

Credit Risk-cash and cash equivalents

The Association as of 31 December 2017, held cash at a bank institution, which due to the current stable economic conditions are not considered under risk.

Liquidity risk

Liquidity risk is the risk that the Association will not be able to meet its financial obligations as they fall due. The Association's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Association income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while

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optimizing the return. Due to the nature of the Association's activities, exposure to such a risk is low.

Currency risk

The Association is not exposed to currency risk. The Association's functional currency is Euro, which is the currency in which transactions are primarily made.

Interest rate risk

Interest rate risk derives from changes in interest rates, mainly on bank borrowings. The Association as of 31 December 2017, has not received any loan from a financial institution and does not possess other assets exposed to interest rate fluctuations.

10. Commitments and Contingencies

Legal exposure

There are no litigations outstanding. As a result, no provision for contingent liabilities has been posted.

11. Events after the balance sheet date

No significant events have taken place after December 31, 2017, that affects the financial position, which needs to be mentioned according to the International Financial Reporting Standards.