

Athens, October 14, 2022

SOLIDARITYNOW

ANNUAL FINANCIAL STATEMENTS

for the year from January 01 to December 31, 2021

according to International Financial Reporting Standards ("IFRS") as endorsed by

European Union

SOLIDARITYNOW

Financial Statements

31 December 2021

(Amounts expressed in Euro)

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**Building a better
working world**

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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, 2021, the statements for total comprehensive income and the statements 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 Non-Profit Association "SOLIDARITYNOW" for the year ended December 31, 2021 and its financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards ("IFRS") as endorsed by 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 are 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 as endorsed by the European Union, 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.

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, October XX, 2022

The Certified Auditor Accountant

Konstantinos Tsekas
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(Amounts expressed in Euro)

Statement of Financial Position

	Note	31/12/2021	31/12/2020
ASSETS			
Property, plant & equipment	3	195.892	194.576
Intangible assets	3	13.660	29.957
Advances and long-term assets		31.344	200.794
Total non-current assets		240.896	425.327
Trade and other receivables	4	2.103.056	1.393.085
Cash and cash equivalents	5	589.351	2.530.528
Total current assets		2.692.407	3.923.613
Total assets		2.933.303	4.348.940
EQUITY			
Retained earnings		96.037	100.792
Total equity		96.037	100.792
LIABILITIES			
Provisions for employee benefits	9	255.751	285.592
Leases		0	11.703
Total non-current liabilities		255.751	297.295
Trade and other payables	6	2.581.514	3.950.853
Total current liabilities		2.581.514	3.950.853
Total liabilities		2.837.265	4.248.148
Total equity and liabilities		2.933.303	4.348.940

Athens, October 14, 2022

Stylianos Zavvos

Chairman

Marilyn Polena

General Manager

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

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Statement of Total Comprehensive Income

	Note	<u>1/1-31/1/2021</u>	<u>1/1-31/1/2020</u>
Revenue	7	11.462.500	16.539.707
Personnel expenses	10	(8.418.886)	(11.039.105)
Depreciation of property and equipment and amortisation of intangible assets	3	(176.985)	(290.862)
Other expenses	8	(2.854.066)	(5.188.902)
Operating profit		12.564	20.838
Finance income		94	17
Finance expense		(17.412)	(21.999)
Net finance expense		(17.318)	(21.982)
Loss before tax		(4.754)	(1.144)
Income tax		0	0
Loss after tax		(4.754)	(1.144)
Total comprehensive loss for the year		(4.754)	(1.144)

Statement of Changes in Equity

Retained earnings

Balance at 1 January 2020	101.936
Total comprehensive loss	(1.144)
Balance at 31 December 2020	100.792
Total comprehensive loss	(4.754)
Balance at 31 December 2021	96.037

Athens, October 14, 2022

Stylios Zavvos

Chairman

Marilyn Polena

General Manager

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

Cash Flow Statement

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	<u>1/1-31/12/2021</u>	<u>1/1-31/12/2020</u>
Cash flow from operating activities		
Loss before tax	(4.754)	(1.144)
<u>Adjustments for:</u>		
Depreciation	176.985	290.862
Provisions for employee benefits	(29.841)	(10.743)
Long-Term Leases	(11.703)	11.703
Net finance expense	17.318	21.983
Changes in working capital:		
Advances and other long-term assets	169.451	48.623
Trade and other receivable	(709.431)	(954.502)
Trade and other payables	(1.246.001)	(1.071.796)
Interest paid	(17.412)	(21.999)
Net cash flows from operating activities	<u>(1.655.388)</u>	<u>(456.579)</u>
Payments of finance liabilities	(123.878)	(139.507)
Net cash flows from / (used in) financial activities	<u>(123.878)</u>	<u>(139.507)</u>
Purchase of fixed assets	(162.005)	(166.335)
Interest & other finance income received	94	17
Net cash flows from / (used in) Investing Activities	<u>(161.910)</u>	<u>(166.318)</u>
Net (decrease) / increase in cash & cash equivalent	<u>(1.941.177)</u>	150.754
Cash & cash equivalent at the beginning of the year	2.530.528	2.379.774
Cash & cash equivalent at the end of the year	<u>589.351</u>	<u>2.530.528</u>

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

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Notes to the Financial Statements

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, 4th Monis Petraki Str., 115 21 Greece. The accompanying financial statements (the "Financial Statements") of the Association relate to the financial year beginning from 1 January to 31 December 2021.

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 founded in Greece 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 importantly 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.

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 of 31 December 2021, the Association has 270 employees (December 31, 2020: 392 employees).

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2. Summary of Significant Accounting Policies

Basis of preparation

These Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as endorsed by European Union. The Association maintains its accounting records pursuant to Greek corporate and tax regulations.

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 accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new and amended standards as set out below (Note 2 A).

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

Use of estimates and judgments

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised. Information about significant areas of estimation uncertainty and critical 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.

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Property, plant, and equipment

Property, plant, and equipment are initially recognized 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 recognized on a straight-line basis. The following useful lives are applied:

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

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 exceeds 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

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.

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Trade and other receivables

Trade and other receivables are recognized initially at their fair value and subsequently measured at amortized cost less an allowance for expected credit losses (ECL). ECL represents the difference between contractual cash flows and those that the Group expects to receive.

Cash and cash equivalents

Cash and cash equivalents comprise cash at the bank.

Trade and Other Payables

Trade and other payables are recognized initially at fair value and subsequently measured at amortised cost. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

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 expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the coming statement in net of any reimbursement.

Provisions are determined based on 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 recognized 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 recognized 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 recognized at fair value and a corresponding amount of revenue is recognized.

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

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Leases

a) Rights of Use Assets

The Association recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Association is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

b) Lease Liabilities

At the commencement date of the lease, the Association recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Association and payments of penalties for terminating a lease, if the lease term reflects the Association exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Association uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset. The result of this remeasurement is disclosed in a line of the right-of-use assets as modifications.

c) Short-term leases and leases of low-value assets

The Association applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the low-value assets recognition exemption to leases that are considered of low value (i.e., below five thousand Euros). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

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Employee benefits

a) Short-term benefits

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

b) Post-employment benefits

Post-employment benefit schemes comprise both defined contribution plans (state plans) and defined benefit obligations. The accrued cost of the defined contribution plans is recognized 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 2112/1920. 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, 2021, recognized an amount of euro 255.751 which concerns 63% 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.

The IFRS Interpretations Committee issued in May 2021 the final decision on the agenda entitled "Distribution of benefits in periods of service in accordance with IAS 19", which includes explanatory material on how to distribute benefits in periods of service on a specific period defined benefit plan. The above decision was implemented as a change in accounting policy. As disclosed above the Association does not prepare an actuarial study for the measurement of Post-employment benefit, so it does not apply the decision.

Current and Deferred Tax

According to Tax Law 4175/2013 article 45 (POL. 1044/2015) regarding the taxation of Non-For-Profit Organizations, any kind of income realized in the pursuit of the fulfillment of its purpose, is not subject to income tax. Based on that there is no presented any income tax for the statutory financial statements of the Association and there is no temporary difference so as to be calculated deferred tax asset or liability.

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A) Changes in accounting policy and disclosures

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 2021:

- **Interest Rate Benchmark Reform – Phase 2 – IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendments)**

In August 2020, the IASB published Interest Rate Benchmark Reform – Phase 2, Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, completing its work in response to IBOR reform. The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). In particular, the amendments provide for a practical expedient when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, to require the effective interest rate to be adjusted, equivalent to a movement in a market rate of interest. Also, the amendments introduce reliefs from discontinuing hedge relationships including a temporary relief from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component. There are also amendments to IFRS 7 Financial Instruments: Disclosures to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy. While application is retrospective, an entity is not required to restate prior periods. The amendments had no impact on the financial statements of the Association

- **Attributing Benefit to Periods of Service (IAS 19 Employee Benefits) – IFRS Interpretations Committee (IFRS IC or IFRIC) Agenda Decision issued May 2021**

The International Financial Reporting Standards Interpretations Committee issued a final agenda decision in May 2021, under the title "Attributing Benefits to Periods of Service" (IAS 19), which includes explanatory material regarding the attribution of benefits in periods of service regarding a specific defined benefit plan analogous to that defined in Article 8 of Greek Law 3198/1955 regarding provision of compensation due to retirement (the "Labor Law Defined Benefit Plan"). This explanatory information differentiates the way in which the basic principles and regulations of IAS 19 have been applied in Greece in the previous years, and therefore, according to what is defined in the "IASB Due Process Handbook (par 8.6)", entities that prepare their financial statements in accordance with IFRS are required to amend their Accounting Policy accordingly. Based on the above, the aforementioned decision is implemented in accordance with paragraphs 19-22 of IAS 8 as a change in accounting policy. The agenda decision had no impact on the financial statements of the Association.

B) Standards issued but not yet effective and not early adopted

- **Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or

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loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendments have not yet been endorsed by the EU. Management has assessed that there will be no impact.

- **IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments)**

The amendments were initially effective for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. However, in response to the covid-19 pandemic, the Board has deferred the effective date by one year, i.e. 1 January 2023, to provide companies with more time to implement any classification changes resulting from the amendments. The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current or non-current. The amendments affect the presentation of liabilities in the statement of financial position and do not change existing requirements around measurement or timing of recognition of any asset, liability, income, or expenses, nor the information that entities disclose about those items. Also, the amendments clarify the classification requirements for debt which may be settled by the company issuing own equity instruments.

In November 2021, the Board issued an exposure draft (ED), which clarifies how to treat liabilities that are subject to covenants to be complied with, at a date subsequent to the reporting period. In particular, the Board proposes narrow scope amendments to IAS 1 which effectively reverse the 2020 amendments requiring entities to classify as current, liabilities subject to covenants that must only be complied with within the next twelve months after the reporting period if those covenants are not met at the end of the reporting period. Instead, the proposals would require entities to present separately all non-current liabilities subject to covenants to be complied with only within twelve months after the reporting period. Furthermore, if entities do not comply with such future covenants at the end of the reporting period, additional disclosures will be required. The proposals will become effective for annual reporting periods beginning on or after 1 January 2024 and will need be applied retrospectively in accordance with IAS 8, while early adoption is permitted. The Board has also proposed to delay the effective date of the 2020 amendments accordingly, such that entities will not be required to change current practice before the proposed amendments come into effect. These Amendments, including ED proposals, have not yet been endorsed by the EU. Management has assessed that there will be no impact.

- **IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets as well as Annual Improvements 2018-2020 (Amendments)**

The amendments are effective for annual periods beginning on or after 1 January 2022 with earlier application permitted. The IASB has issued narrow-scope amendments to the IFRS Standards as follows:

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- **IFRS 3 Business Combinations (Amendments)** update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
- **IAS 16 Property, Plant and Equipment (Amendments)** prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss.
- **IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendments)** specify which costs a company includes in determining the cost of fulfilling a contract for the purpose of assessing whether a contract is onerous.
- **Annual Improvements 2018-2020** make minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples accompanying IFRS 16 Leases.

Management has assessed that there will be no impact.

- **IFRS 16 Leases-Covid 19 Related Rent Concessions beyond 30 June 2021 (Amendment)**
The Amendment applies to annual reporting periods beginning on or after 1 April 2021, with earlier application permitted, including in financial statements not yet authorized for issue at the date the amendment is issued. In March 2021, the Board amended the conditions of the practical expedient in IFRS 16 that provides relief to lessees from applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the covid-19 pandemic. Following the amendment, the practical expedient now applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met. Management has assessed that there will be no impact.
- **IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (Amendments)**
The Amendments are effective for annual periods beginning on or after January 1, 2023 with earlier application permitted. The amendments provide guidance on the application of materiality judgements to accounting policy disclosures. In particular, the amendments to IAS 1 replace the requirement to disclose 'significant' accounting policies with a requirement to disclose 'material' accounting policies. Also, guidance and illustrative examples are added in the Practice Statement to assist in the application of the materiality concept when making judgements about accounting policy disclosures. The Amendments have not yet been endorsed by the EU. Management has assessed that there will be no impact.
- **IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (Amendments)**
The amendments become effective for annual reporting periods beginning on or after January 1, 2023 with earlier application permitted and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. The amendments introduce a new definition of accounting estimates, defined as monetary amounts in financial statements that are subject to measurement uncertainty. Also, the amendments clarify what changes in accounting estimates are and how these differ from changes in accounting policies and corrections of errors.

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The Amendments have not yet been endorsed by the EU. Management has assessed that there will be no impact.

- **IAS 12 Income taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments)**

The amendments are effective for annual periods beginning on or after January 1, 2023 with earlier application permitted. In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12 and specify how companies should account for deferred tax on transactions such as leases and decommissioning obligations. Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal. The Amendments have not yet been endorsed by the EU. Management has assessed that there will be no impact.

3. Property, plant & equipment & Intangible assets

	<u>31/12/2021</u>	<u>31/12/2020</u>
Cost		
Balance at the beginning of prior year	<u>1.255.646</u>	<u>741.248</u>
Additions	166.335	281.065
Initial recognition IFRS16	0	233.333
Balance at the end of prior year	<u>1.421.981</u>	<u>1.255.646</u>
Additions	162.005	166.335
Balance at the end of current year	<u>1.583.985</u>	<u>1.421.981</u>
Accumulated depreciation		
Balance at the beginning of prior year	<u>906.586</u>	<u>651.413</u>
Depreciation	290.862	255.173
Balance at the end of prior year	<u>1.197.448</u>	<u>906.586</u>
Depreciation	176.985	290.862
Balance at the end of current year	<u>1.374.433</u>	<u>1.197.448</u>
Carrying amounts		
31 December 2020	224.533	
31 December 2021	209.552	

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(Amounts expressed in Euro)

4. Trade and other receivables

	<u>31/12/2021</u>	<u>31/12/2020</u>
Other receivables	2.103.056	1.393.085
	<u>2.103.056</u>	<u>1.393.085</u>

Other receivables primarily include amounts which have been expensed for the projects, are owed by donors, and will be received next year.

5. Cash and cash equivalents

	<u>31/12/2021</u>	<u>31/12/2020</u>
Cash on hand	5.647	997
Cash at banks	583.704	2.529.531
	<u>589.351</u>	<u>2.530.528</u>

The decrease in Cash and cash equivalents is primarily due to the finalization within 2021 of ESTIA accommodation project funded by UNHCR

6. Trade and other payables

	<u>31/12/2021</u>	<u>31/12/2020</u>
Trade payables	230.581	222.170
Other payables	1.143.300	2.139.736
Social Security Contributions	235.390	491.633
Withholding taxes and duties payable	57.317	112.509
Lease Liabilities	100.242	47.699
Deferred income	807.133	828.012
Accrued liabilities	7.551	109.094
	<u>2.581.514</u>	<u>3.950.853</u>

Other payables represent amounts which have been paid by donors in advance. Deferred income represents amounts which have been received by donors for projects and will be recognized as revenue within the next year when the services will be delivered.

7. Revenue

	<u>1/1-31/12/2021</u>	<u>1/1-31/12/2020</u>
Grants	11.450.050	16.527.689
Subscriptions	1.250	1.290
Currency exchange differences	2.849	0
Other revenue	8.352	10.728
	<u>11.462.500</u>	<u>16.539.707</u>

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The decrease in Grants is primarily due to the finalization within 2021 of ESTIA accommodation project funded by UNHCR

8. Other Expenses

	<u>1/1-31/12/2021</u>	<u>1/1-31/12/2020</u>
Third party fees	242.281	236.090
Rental expense	649.452	2.257.783
Travelling expenses	112.059	164.621
Advertising and hospitality expenses	13.682	21.781
Telecommunications	62.372	84.498
Taxes	199.736	429.577
Consumables	69.757	174.010
Security services (offices & structures)	36.378	57.294
Insurances	23.699	117.584
Services & supplies offered to beneficiaries	404.820	121.618
Donations to third parties (other organizations)	624.687	382.443
Other expenses	183.965	154.920
Utilities (electricity, building expenses etc)	231.179	986.683
	<u>2.854.066</u>	<u>5.188.902</u>

The rental expense concerns leases for beneficiaries' accommodation that are not included in IFRS 16 calculations due to IFRS 16 exemptions. The decrease in the amount compared to 2020 is due to the finalization of ESTIA accommodation project within 2021 which was funded by UNHCR.

9. Provisions for employee benefits

Carrying amounts

31 December 2020	285.592
Realized provisions	(85.178)
Additional provisions	55.337
31 December 2021	255.751

10. Personnel expenses

	<u>31/12/2021</u>	<u>31/12/2020</u>
Personnel expenses	8.418.886	11.039.105
	<u>8.418.886</u>	<u>11.039.105</u>

The decrease in the amount compared to 2020 is due to the finalization of ESTIA accommodation project within 2021. At the end of 2020 the majority of personnel of the project were dismissed and during 2021 the project operated with a minimum of staff.

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11. 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
- Covid Risk

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 because of customers being unable to settle their debts. It is the Association's policy, to trade with solvent customers, 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 2021, held cash at a bank institution, which due to the current stable economic conditions the risk is considered low.

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 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.

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Interest rate risk

Interest rate risk derives from changes in interest rates, mainly on bank borrowings. The Association as of 31 December 2021 has not received any loan from a financial institution and does not possess other assets exposed to interest rate fluctuations.

COVID-19 related issues

In the light of the outbreak of the COVID-19 pandemic, the Association's Management Board:

- a) performed analysis of the risks and potential events that could have impact on the operations and liquidity in the future periods. Based on those considerations the Management Board assessed the going concern assumption is not threatened. Consequently, the financial statements of the Association have been prepared on a going concern basis.
- b) During the lockdown period 50% of the personnel were working remotely.

12. Commitments and Contingencies

Legal exposure

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

13. Events after the balance sheet date

No significant events have taken place after December 31, 2021, that affect the financial position, which needs to be mentioned according to the International Financial Reporting Standards.