



BRAUS BERATUNG+REVISION GmbH

Audit firm

Report on the audit of the
Annual Financial Statements as of December 31st, 2022
INGO - International NGO - Accountability Charter gUG, Berlin

NON LEGALLY BINDING ENGLISH VERSION

25th of March 2024

Report No.: 2023/1003/001



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To INGO - International NGO - Accountability Charter gUG, Berlin

1 Audit assignment

At the shareholders' meeting on September 7, 2022, of

INGO - International NGO - Accountability Charter gUG, Berlin

– hereinafter also referred to as "Accountable Now" or "Company" for short –

we, BRAUS BERATUNG+REVISION GmbH, Schmitten (hereinafter also referred to as "we" or "BBR WPG") have been elected as auditors for the 2022 financial year.

Accordingly, the management has instructed us to audit the annual financial statements as of December 31, 2022, including the bookkeeping. In the following, we report on the audit we conducted.

The company is a micro-corporation within the meaning of Section 267a of the German Commercial Code (HGB) and is therefore generally not subject to auditing pursuant to Sections 316 et seq. of the German Commercial Code. It is therefore a voluntary audit of the financial statements, which we carried out in accordance with our mandate of 18 January/24 February 2023 in accordance with Section 317 of the German Commercial Code and in compliance with the principles of proper auditing (GoA) as defined by the Institut der Wirtschaftsprüfer e.V. (Institute of Public Auditors in Germany).

In the engagement letter dated January 18/February 24, 2023, the Company was informed of the scope of the audit of the annual financial statements and responsible auditor. Furthermore, we informed the Company that this report is carried out in accordance with IDW PS 450 (revised).

In accordance with Section 321 (4a) of the German Commercial Code, we confirm that we have complied with the applicable regulations on independence in our audit.

The assignment is based on the General Engagement Terms for Auditors and Auditing Firms in the version dated 1 January 2017, which are attached as Appendix 4. The maximum amount of liability is determined in accordance with No. 9 of the General Engagement Terms and supplementary written agreements. In relation to third parties, No. 1 para. 2 and No. 9 of the General Engagement Terms shall apply.

All the clarifications and information requested by us has been willingly given to us. The management has confirmed the completeness of the accounts and the annual financial statements in writing dated March 25, 2024, before the issuing of the auditor's report.



2 Fundamental findings

2.1 Location of the company

As a micro-corporation within the meaning of Section 267a of the German Commercial Code, the Company has not prepared a management report in permissible application of Section 264 (1) sentence 4 first half sentence of the German Commercial Code. Accordingly, there is no need to comment on the assessment of the situation of the legal representatives.

In 2023, the shareholders carried out a comprehensive analysis of the purpose of the company and the possible ways of implementing the company's goal. As a result, it was decided to liquidate the German company and relocate operations to the United States of America, where it is hoped that more favorable working conditions will be achieved.

By shareholders' resolution of December 18, 2023, the company was subsequently dissolved and is in liquidation at the end of the audit. In our opinion, there is no material impact on the recognition of assets and liabilities or the income statement for 2022.

2.2 Irregularities in the accounting

Statutory provisions within the meaning of Section 321 (1) sentence 3 of the German Commercial Code are compliance with the principles of proper accounting and compliance with the provisions of Book III of the Commercial Code for micro-corporations in the preparation of annual financial statements and management reports.

In the course of our audit, we did not find any reportable inaccuracies or breaches of accounting regulations within the reporting period that are relevant to the company's monitoring.

2.3 Other irregularities and notices

The detection of violations of other laws is not the subject of the audit. If these are identified in the course of the audit, which is carried out in accordance with our duties, we are nevertheless required to report on such facts in accordance with legal and professional requirements.

a) **Lack of resolution on the adoption of the annual financial statements and on the appropriation of profits**

Pursuant to Section 42a (2) of the German Limited Liability Companies Act (GmbHG), the shareholders of a small company must decide on the adoption of the annual financial statements and on the appropriation of profits by the end of the first eleven months of the financial year by the end of the first eleven months of the financial year.

According to the documents submitted to us, a resolution on the adoption of the 2021 annual financial statements and on the appropriation of profits by the shareholders was made on March 7, 2024.



b) Appointment, dismissal and discharge of managing directors

According to § 46 No. 5 GmbHG, the appointment and dismissal of managing directors as well as the discharge of the same are subject to the determination of the shareholders.

During the reporting period, there was a change in management. An appointment of the new managing director as well as the dismissal and discharge of the former managing director by the shareholders did not take place.

We did not identify any other reportable violations of the law as part of our dutiful audit.



3 Rendition of the Audit Opinion

Following the final result of our audit, we issued the unrestricted audit opinion as follows:

“Independent Auditor’s Report and unrestricted Audit Opinion

To the INGO - International NGO - Accountability Charter gUG, Berlin:

Audit opinion

We have audited the accompanying annual financial statements of INGO - International NGO - Accountability Charter gUG (Accountable Now), Berlin, comprising the balance sheet as of December 31, 2022, and the income statement for the fiscal year from January 1, 2022 to December 31, 2022, including summary of significant accounting policies and other explanatory information.

In our opinion, based on the findings of our audit, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022, and of its financial performance for the fiscal year from January 1, 2022 to December 31, 2022 in accordance with German principles of proper accounting.

In accordance with Section 322 (3) Sentence 1 of the German Commercial Code, we declare that our audit has not led to any reservations concerning the propriety of the annual financial statements.

Basis for our Audit opinion

We conducted our audit of the annual financial statements in accordance with sec. 317 German Commercial Code and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibility under those provisions and standards is further described in the "Auditor's Responsibility for the Audit of the Annual Financial Statements" section of our auditor's report. We are independent of the Company in accordance with German commercial law and professional standards and have fulfilled our other German ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with German principles of proper accounting 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. Furthermore, management is responsible 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 Company's ability to continue as a going concern. Furthermore, they are responsible for disclosing, as applicable, matters related to the Company's ability to continue as a going concern. Furthermore, they



are responsible for preparing the financial statements on the basis of the going concern principle, unless factual or legal circumstances prevent this.

Auditor's Responsibility for the Audit of the Financial Statements

Our objective is to obtain reasonable assurance about whether the annual 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 on the annual financial statements.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW) will always detect a material misstatement. 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.

During the audit, we exercise professional judgment and maintain a critical perspective. Furthermore, we

- 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 is higher in the case of noncompliance than in the case of inaccuracy, as noncompliance may involve fraud, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- 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 entity'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 the going concern basis of accounting used by management and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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. We draw our conclusions based on the audit evidence obtained up to the date of our audit opinion. However, future events or conditions may cause the Company not to be able to continue as a going concern.
- We assess the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in such a way that the annual financial statements give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting.



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

Schmitten, 25 March 2023

BRAUS BERATUNG+REVISION GmbH
Wirtschaftsprüfungsgesellschaft

Braus Wirtschaftsprüfer"



4 Subject, type and scope of the audit

We have audited the annual financial statements of INGO - International NGO - Accountability Charter gUG, Berlin - consisting of the balance sheet as of December 31, 2022 and the income statement for the financial year from January 1, 2022 to December 31, 2022 - including the accounting records.

The accounting and preparation of the annual financial statements are the responsibility of the Company's management. Our task is to make an opinion on the financial statements on the basis of the audit procedures carried out by us, including the accounts and the information provided to us.

Auditing compliance with other statutory provisions is one of the tasks of the audit only to the extent that these other provisions usually have retroactive effects on the annual financial statements.

We audited our annual financial statements in accordance with Section 316 et seq. of the German Commercial Code in compliance with the German Principles of Proper Conduct of Financial Statements as established by the Institute of Public Auditors (IDW). In applying the IDW auditing standards, we have observed the principles of proportionality in the conduct of audits within the meaning of Section 24b (1) of the WP/vBP Statutes. Accordingly, the audit must be planned and carried out in such a way that inaccuracies and violations that have a material impact on the presentation of the net assets, liabilities, financial position and results of operations conveyed by the annual financial statements and in compliance with the principles of sound accounting are detected with sufficient certainty.

As part of the audit, evidence of the disclosures in the accounts and financial statements is assessed on the basis of samples. The audit includes the assessment of the accounting and valuation principles applied and the key assessments of the management as well as the assessment of the overall presentation of the annual financial statements. We believe that our audit provides a reasonably sound basis for our opinion.

Based on the risk- and system-oriented audit approach described in ISA [DE] 315 (Revised 2019), we first developed an audit strategy. This is based on an assessment of the company's environment, information provided by the management on the company's main objectives, strategies and business risks, analytical audit procedures to assess audit risks and a preliminary assessment of the company's position, as well as a fundamental assessment of the company's internal control system. We have developed an audit program that focuses on the audit. This audit program sets out the critical audit objectives, approach and focus of the audit, as well as the nature and scope of audit procedures and evidence.

The critical audit objectives identified in our audit strategy resulted in the following audit focuses:

- income from grants and membership fees and their realisation and accrual accrual,
- trade receivables and payables and their accrual accrual,
- completeness and valuation of provisions and deferred income,



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- Continuation of the company's activities.

The starting point for our audit was the previous year's financial statements of INGO - International NGO - Accountability Charter gUG as of December 31, 2021, which were audited by us under the responsible direction of auditor Benedict Braus and issued an unqualified audit opinion dated May 24, 2022.

In reviewing the accounting-related internal control system, we proceeded as follows:

Based on the external factors, the corporate goals and the business strategy, we have taken into account our knowledge of the internal control system and its characteristics in a test field-specific manner.

During the audit of the accounting-related internal control system, we examined the organizational structure and processes in the areas of financial accounting. We carried out our audit by means of interviews, review of documents and work results.

The company is a micro-corporation within the meaning of Section 267a of the German Commercial Code. At the same time, the company fulfils the definition of a small and medium-sized enterprise (SME) within the meaning of the ISA (for the consideration of facilitation of SMEs). Accordingly, the requirements for scaled testing were applied. Due to the limited number of accounting-related control activities that could be identified, a further examination of the functionality of the controls by means of system and functional tests was not carried out.

Findings from the audit of the accounting-related internal control system were taken into account in the selection of the case-by-case audits. The audit procedures used to obtain audit evidence were mainly carried out on a statement-based basis.

Balance confirmations were obtained for bank deposits with credit institutions. Since there are no legal disputes pending, there was no need to obtain confirmation letters from lawyers. We have refrained from obtaining confirmation from the tax advisor against the background of the status of the company's assessment.

Use was made of size-based simplifications for micro-corporations with regard to the notes pursuant to section 264 (1) sentence 5 of the German Commercial Code.

In our reporting, we have complied with the IDW PS 450 (revised).

In accordance with Section 321 (4a) of the German Commercial Code, we confirm that we have complied with the applicable regulations and statutory and professional requirements regarding independence in our audit.

In accordance with Section 317a of the German Commercial Code, our audit did not extend to whether the continued existence of the audited company or the effectiveness and profitability of the management could be guaranteed. Therefore, we do not issue an audit opinion in this regard.

We conducted the audit in the months of February and March 2023 – with interruptions – until March 25, 2024. The interruption was due to the ongoing review of the preferential tax treatment



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of the company's activities and, in particular, the treatment of the membership fees received. We continued our audit after completion of the tax audit (decision of the Tax Office for Corporations I, Berlin of January 12, 2024) and completed it on March 25, 2024.

All clarifications requested by us and required audit evidence have been provided to us. The management has confirmed the completeness of the accounts, the annual financial statements and the information provided to us in writing dated March 25, 2024.

We would like to point out that the company was dissolved by shareholders' resolution of 18 December 2023. In our opinion, there is no material impact on the recognition of assets and liabilities or the income statement for 2022.



5 Findings and Accounting Notes

5.1 Accounting regularity

The Company's books are properly kept. The documentation function is fulfilled. According to our findings, the accounting and other audited documents comply with the legal requirements.

5.1.1 Accounting and other audited documents

Since August 10 2021, payroll and financial accounting have been outsourced to Baker Tilly Steuerberatungsgesellschaft mbH, Leipzig (hereinafter also referred to as "Baker Tilly"). Baker Tilly keeps the books using the DATEV software from DATEV eG, Nuremberg.

Invoicing, payment processing via the bank account, the release and approval process of procurements and higher expenses as well as the budget forecast are the responsibility of the Company and are regulated in the "Financial Management Framework and Policies".

All reconciled account statements with the corresponding invoices and receipts for each month are scanned and made available to the outsourcing company in electronic form for bookkeeping purposes. These bank statements and receipts were also provided to us electronically.

In the course of our audit, we have determined that the organizational and technical measures taken by the company are suitable for ensuring the security of the accounting-related data processed.

We would like to point out that our audit was not designed to assess the adequacy of the internal control system more broadly than is necessary for the assessment of the financial statements.



5.1.2 Annual Financial Statement

Approach, evaluation and structure	
General information	<p>The annual financial statements of Accountable Now, headquartered in Berlin and registered at the Local Court of Berlin-Charlottenburg under the HRB registration number 212396, for the 2022 financial year were prepared in accordance with the provisions of commercial law for micro-corporations and the relevant provisions of the GmbH Law.</p> <p>The balance sheet and P&L items were recognised in accordance with the accounting and valuation rules applicable to small corporations or optionally to micro-corporations.</p> <p>The balance sheet was prepared in accordance with the structuring provisions of Section 266 of the German Commercial Code. No use was made of the relief for micro-corporations pursuant to Section 266 (1) sentence 4 of the German Commercial Code. The structuring rules for non-profit corporations were taken into account in the preparation of the balance sheet and the P&L.</p> <p>The P&L is subdivided into non-material areas and other special-purpose operations. The non-material area is the sphere in which the realization of the purposes of the statutes is recorded. A special-purpose operation is an economically oriented sub-division of a corporation that is otherwise non-profit or public-law. Special-purpose operations of non-profit organisations is an economic business operation as an independent sustainable activity through which income or other economic advantages are generated and which is not asset management (Sect. 14 AO).</p> <p>There was no voluntary preparation of an notes in the 2022 financial year . Section 264 (1) sentence 5 of the German Commercial Code provides that an appendix may be dispensed with for micro-corporations, provided that information on liability relationships and advances/loans to members of administrative, management or supervisory bodies is shown on the balance sheet.</p> <p>There were no liabilities or advances/loans to organs.</p>
Accounting Principles and Valuation Principles	<p>The receivables are valued at the nominal amount. All receivables are due at short notice. Unpaid receivables from workshop fees or membership fees will be adjusted individually.</p>



	<p>Other provisions take into account those risks and uncertain obligations that arose up to the balance sheet date and were identifiable up to the date of preparation of the balance sheet. They are set at the amount required by a reasonable commercial assessment.</p> <p>Liabilities are shown with the repayment amount (settlement amount). All liabilities have a remaining maturity of up to one year.</p> <p>There are no other financial obligations.</p>
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We would like to point out that the company was dissolved by shareholders' resolution of 18 December 2023. In our opinion, there is no material impact on the recognition of assets and liabilities or the income statement for 2022.

5.1.3 Overall Testimony of the Annual Financial Statements

5.1.3.1 General findings on the overall testimony of the annual financial statements

We are convinced that the annual financial statements give a true and fair view of the company's net assets, financial position and results of operations, in accordance with the principles of proper accounting.

The balance sheet and the profit and loss account are prepared in all material respects in accordance with the provisions of German commercial law on the accounting of corporations, including the principles of proper accounting (GoB).

5.1.3.2 Valuation basis

We have set out and explained the main valuation basis in the section 5.1.2.

The exercise of accounting and valuation options and their discretionary powers are generally provided for in the case of depreciation and amortization as a low-value asset (GWG) as well as in the formation of provisions.

The accounting for provisions pursuant to Section 253 (1) sentence 2 of the German Commercial Code is subject to discretionary powers. They are to be recognized in the amount of the settlement amount necessary according to a reasonable commercial assessment, according to which future cost and price increases must also be taken into account in the valuation of provisions. In the year under review, provisions were made for the preparation of the financial statements, the audit of the annual financial statements as well as for vacation days of employees, carried forward in the amount of the settlement amount necessary according to a reasonable financial assessment.

5.1.3.3 Breakdowns and explanations to the balance sheet

In the following, we explain the individual items of the balance sheet and provide further explanations to prove and scope of our work.



	31.12.2022		31.12.2021	
	EUR	%	EUR	%
Assets				
Receivables from customers	16.000	7,9	300	0,1
Sonstige Vermögensgegenstände	200	0,1	200	0,1
Receivables from credit institutions	186.762	91,9	218.298	99,3
Deferrals	182	0,1	1.050	0,5
	203.144	100,0	219.848	100,0
Liabilities				
Equity	165.826	81,6	196.340	89,3
Provisions	19.865	9,8	17.210	7,8
Accounts payable				
towards credit institutions	1.037	0,5	111	0,1
trade payables	6.271	3,1	800	0,4
other	10.145	5,0	5.387	2,5
	203.144	100,0	219.848	100,0

Assets

	2022	2021
	EUR	EUR
Current assets		
Receivables and other assets		
Trade receivables	16.000,00	300,00
Other assets	200,00	200,00
Cash and credit balances with credit institutions	186.761,86	218.297,58
	202.961,86	218.797,58

Trade receivables of EUR 16,000.00 in the financial year result from unpaid membership fees of two member organizations. All outstanding receivables as of the reporting date were settled in February and March 2023, respectively.

As in the previous year, other assets in the financial year resulted from the advance on costs of EUR 200.00 for a new company mobile phone.

The credit balance with credit institutions in the amount of EUR 186,761.86 is evidenced by account statements and a balance confirmation from the institution as of the balance sheet date.

	2022	2021
	EUR	EUR
Deferrals		
Deferred Income	182,00	1.050,17
	182,00	1.050,17



Deferred income was recognized in the financial year for the allocation of funds in connection with domain hosting from May 2021 to April 2023 and for web hosting for the period July 2022 to June 2023 and for the period November 2022 to October 2023.

Equity

	2022	2021
Equity	EUR	EUR
Issued capital	1,00	1,00
Capital reserves	111.146,03	111.146,03
Statutory reserve	21.298,24	21.298,24
Profit carried forward	63.894,72	23.134,49
Net income/loss for the year	-30.514,45	0,00
Retained profits	0,00	40.760,23
	<u>165.825,54</u>	<u>196.339,99</u>

As a non-profit UG, the company is obliged to place 25% of its annual profit in a statutory reserve. This legally required formation of reserves also applies if it is sufficient to be able to form a share capital in the amount of the minimum capital of a GmbH of EUR 25,000. The formation of statutory reserves is mandatory until the subscribed capital of the company is increased to EUR 25,000 by shareholders' resolution.

Due to the net loss for the year of EUR 30,514.45, it was not necessary to add to the statutory reserve in 2022.

Provisions

Other provisions developed in the 2022 financial year are as follows:

	01.01.2022	Utilisation	Dissolution	Addition	31.12.2022
Other provisions	EUR	EUR	EUR	EUR	EUR
Audit costs gUG	7.140,00	-7.140,00	0,00	7.140,00	7.140,00
Tax repayments	2.975,00	0,00	0,00	2.975,00	5.950,00
Other bills	4.165,00	-4.165,00	0,00	4.165,00	4.165,00
Provision for vacation days	2.400,00	-900,00	0,00	0,00	1.500,00
Bookkeeping	80,00	-80,00	0,00	660,00	660,00
VBG	450,00	0,00	0,00	0,00	450,00
	<u>17.210,00</u>	<u>-12.285,00</u>	<u>0,00</u>	<u>14.940,00</u>	<u>19.865,00</u>

In accordance with the information provided to us, the other provisions have been determined in the amount reasonably necessary to cover all risks.

In the course of our audit we have not become aware of any other risks for which provisions would have to be made.



Liabilities

	2022	2021
	EUR	EUR
Accounts payable		
Liabilities to credit institutions	1.036,55	110,60
Trade payables	6.271,45	799,73
Other accounts payable	10.145,32	5.387,43
	<u>17.453,32</u>	<u>6.297,76</u>

The liabilities to banks in the amount of EUR 1,036.55 exist due to a negative credit card balance.

Trade accounts payable of EUR 6,271.45 result from liabilities to Moore Partnership, Bath, Great Britain for audit services in the amount of EUR 3,393.17, Addleshaw Goddard (Germany) LLP, Hamburg for consulting services in the amount of EUR 2,100.00 and other services totaling EUR 778.28.

Other liabilities consist of liabilities for value added tax, employee income tax and social security liabilities. The increase in other liabilities to EUR 10,145.32 (previous year: EUR 5,387.43) is mainly due to VAT liabilities due to the shift of the obligation to perform pursuant to section 13b of the German VAT Act in the amount of EUR 7,447.36.

In one case, we found that the domestic service provider did not issue a proper invoice because the VAT due at our discretion was not shown. The company therefore treated this invoice as an invoice pursuant to Paragraph 13b of the UStG and paid VAT on the invoice amount. We consider this approach to be justifiable.

5.1.3.4 Breakdowns and explanations to the Income Statement

In the following, the items of the profit and loss account are broken down and compared with the previous year's figures and explanations are given on the individual items of the P&L. In doing so, we first present the positions of the **non-material area**:

	2022	2021
	EUR	EUR
Non-taxable income		
Membership dues	187.509,50	226.129,36
Other income from non-material areas	620,82	1.909,08
Other non-taxable grants	173.138,81	150.717,52
	<u>361.269,13</u>	<u>378.755,96</u>

Non-taxable income of the company is used exclusively for the fulfilment of the purpose of the articles of association.

The preferential tax treatment on the basis of non-profit status was most recently confirmed by the Tax Office for Corporations I, Berlin, in a decision dated 12 January 2024.



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Income from membership fees fell by around 17% to EUR 187,509.50 (previous year: EUR 226,129.36) in the year under review. The decrease in income from membership fees results from the loss of four members and the associated elimination of membership fees.

The grants in the amount of EUR 173,138.81 consist of the funding of "Project Proposal" by the International Civil Society Centre gGmbH, Berlin and grants from Restless Development Non-Profit Association, London, Great Britain.

Other non-taxable income of EUR 620.82 relates to exchange rate gains and reimbursements under the Compensation of Expenses Act for parental leave. These were assigned to the non-material area, as the underlying activities were assigned to the non-material area.

	2022	2021
	EUR	EUR
Personnel costs		
Wages and salaries	204.530,03	219.097,42
Statutory social expenses	43.974,19	48.768,12
Other personnel expenses	-252,76	192,30
	248.251,46	268.057,84

In addition to expenses for wages and salaries of EUR 204,530.03, statutory social expenses of EUR 43,974.19 were recognized in the reporting period.

	2022	2021
	EUR	EUR
Other operating expenses		
Legal and consulting costs	21.441,10	5.483,01
Audit and financial statement costs	18.435,61	14.280,00
Rent, immovable assets	10.228,20	10.984,01
Board meetings	6.608,75	0,00
Accounting and payroll costs	5.778,18	7.079,70
Travel expenses for employees	4.226,08	215,83
training programmes	2.839,56	0,00
Other administrative costs	2.710,11	0,00
Non-period-related expenses	2.670,42	6.905,60
Other	6.106,43	11.628,61
	81.044,44	56.576,76

The legal and consulting costs include expenses for consulting services provided by The Better Organisation Consultancy Ltd, London in the amount of EUR 10,464.23 and expenses for services provided by Baker Tilly Steuerberatungsgesellschaft mbH & Co. KG, Leipzig in the amount of EUR 3,038.67. The remaining legal and consulting expenses are made up of other consulting costs and VAT.

The costs for the Management Board meetings increased to EUR 6,608.75 in the year under review (previous year: EUR 0.00). This is due to the fact that, for the first time since the Corona pandemic,



a board meeting was held in Berlin in July 2022. As a result, travel expenses also increased significantly in the reporting period compared to the previous year to EUR 4,226.08.

Expenses for other services in the year under review resulted from services provided by Hootsuite, Vancouver, a social media management platform, in the amount of EUR 646.49 and from services rendered to Translators without borders, Danbury, USA, in the amount of EUR 815.25. In addition, there is the VAT payment according to § 13b UstG for both services in the amount of EUR 277.73.

In a permissible extension of the income statement, the company has reported non-deductible expenses in the amount of EUR 64 thousand (previous year: EUR 0 thousand) that can be allocated to the non-material area in a section "**B Income tax neutral items**". These are donations to other charitable institutions.

At our discretion, it can be argued that the separate disclosure increases the significance and readability of the financial statements.

With regard to other **special-purpose operations**, which serve to implement the company's idealistic goals, we summarize the key data as follows:

	2022	2021
	EUR	EUR
Other special-purpose business		
Revenues	1.287,32	3.880,00
Expenses for services purchased for workshops	0,00	-2.414,39
Other operating expenses	0,00	-1.240,00
	<u>1.287,32</u>	<u>225,61</u>

The revenue of EUR 1,287.32 consists of proceeds from the design and development of materials for the MitOst Festival 2022 as well as proceeds from a training event.

Courses, seminars and training events of non-profit organisations are exempt from VAT as long as the income is mainly used to cover expenses.

The income from a special-purpose business is not subject to corporation tax or trade tax (Sect. 64 para. 1 AO), insofar as taxable economic business operations are classified as tax-privileged special-purpose businesses according to Sect. 65 AO. This is the case if the economic business operation in its overall direction serves to achieve the tax-privileged statutory purposes, the purposes can only be achieved through such a business operation and the economic business operation does not compete with non-privileged businesses of the same or similar nature to a greater extent than is unavoidable in the performance of the tax-privileged purposes.



6 Concluding remarks

We have issued the above audit report in accordance with the legal requirements and generally accepted standards for the audit of financial statements promulgated by the Institute of Public Auditors in Germany (IDW) in accordance with IDW Auditing Standard 450 (revised version).

The use of the auditor's report reproduced above outside this audit report requires our prior consent. Publication or dissemination of the annual financial statements and/or the management report in a form differing from the audited version (including translations into another language) requires our prior approval, provided that our audit opinion is quoted or reference is made to our audit; we refer in particular to sec. 328 German Commercial Code.

We would like to point out that the company was dissolved by shareholders' resolution of 18 December 2023. In our opinion, there is no material impact on the recognition of assets and liabilities or the income statement for 2022.

Schmitten, 25 March 2024

BRAUS BERATUNG+REVISION GmbH
Wirtschaftsprüfungsgesellschaft

Braus Wirtschaftsprüfer