

2015

Financial Statements

of

**the CITIZENS' NETWORK – WATCHDOG POLAND
Association**

I. INTRODUCTION TO THE FINANCIAL STATEMENTS

I. General

Organisation name:	Citizens' Network – Watchdog Poland [Sieć Obywatelska – Watchdog Polska (SOWP)]
Registered office:	02-605 Warszawa, ul. Ursynowska 22/2
Website:	http://www.siecobywatelska.pl/
Objects:	Activities of other membership organisations n.e.c.
PKD Polish Classification of Activities 2007:	9499Z
Legal form:	association
Court register and number:	The Register is kept by the DISTRICT COURT FOR THE CAPITAL CITY OF WARSAW IN WARSAW, 12TH COMMERCIAL DIVISION OF THE NATIONAL COURT REGISTER Register's name: THE REGISTER OF ASSOCIATIONS, OTHER SOCIAL AND PROFESSIONAL ORGANISATIONS, FOUNDATIONS AND INDEPENDENT PUBLIC HEALTH CARE CENTRES. ENTITY ENTERED ALSO INTO THE REGISTER OF COMPANIES KRS number: 0000181348
Date of registration in the National Court Register:	27.11.2003
Date of entry into the Register of Companies in the National Court Register	09.06.2015
NIP [Tax Identification Number]:	5262842872
REGON [National Official Business Register number]:	015690020

According to § 8 of the Statute, "The objective of the Association is to promote and protect human rights and freedom, and civil liberties, as well as activities supporting the development of democracy, and to support monitoring and education activities, in particular those taken by members of the Association and individuals cooperating with them, in order to increase transparency and integrity of public life, including:

1. to promote free access to public information;
2. to promote public asset management and public policy management that is effective, lawful, transparent and open to civic control;
3. to provide technical and financial support to individuals and organizations in connection with citizens control;
4. to take action to promote ethics in public life and anti-corruption activities".

In accordance with § 9 of the Statute, the Association implements the above-mentioned objectives in particular by:

- Monitoring public entities and other entities receiving public funds.
- Organizing mass events and other forms aimed at promoting the activities of the Association.
- Conducting educational and training activities for youth and adults.
- Providing advice, support and assistance to institutions or persons that implement the statutory objectives of the Association.
- Lodging petitions, motions and appeals to the public authorities.
- Preparing and conducting projects carried out by members of the Association.
- Publishing and writing activities
- Liaising with other similar organizations in the Republic of Poland and abroad.
- Working together with local and state authorities, business sector and the media in the implementation of the Association's objectives.
- Providing legal assistance in the implementation of the statutory objectives of the Association in the form of providing legal representation by authorized representatives in judicial and administrative proceedings and legal advice by competent individuals.
- Activities related to the analysis of election campaign funding.
- Taking other actions conducive to the implementation of the statutory objectives of the organization, including the use of new technologies and innovation that supports the effectiveness of activities and dissemination of their results.
- Initiating, expressing opinions and making statements on laws and regulations.
- Financing activities, natural and legal persons whose objectives coincide with the statutory objectives of the

Association.

Pursuant to the Resolution of the Management Board of the Citizens' Network – Watchdog Poland Association No 1/OB./4/2015 of 8 April 2015, the Association may carry out paid statutory activities.

In 2015, the Association carried out paid statutory activities in the following areas:

- Conducting educational and training activities for youth and adults.
- Providing advice, support and assistance to institutions or persons that implement the statutory objectives of the Association.

Since 09.06.2015, the Association has been conducting economic activities only to the extent necessary to achieve the statutory objectives. In 2015, the economic activities were conducted in the following areas:

- Retail sale via mail order houses or via Internet (47.91.Z).
- Research and experimental development on social sciences and humanities (72.20.Z)

The income from economic activities is fully allocated to the statutory public benefit activities.

The Association entrusted the company Taxus Anna Pyrz-Rogozińska with the keeping of the books of accounts for the financial year 2015.

The Association's books of accounts are kept electronically, with the use of the RAKS accounting software.

II. The term of the Entity:

According to the Statute, the term of the Association is indefinite.

III. Period covered by the financial statements:

The financial statements have been prepared for the period from 01.01.2015 to 31.12.2015, which covers 12 consecutive months. The period from 01.01.2014 to 31.12.2014 is the comparative period.

IV. Information that the financial statements contain aggregate disclosures if the reporting entity is composed of internal organisational units preparing their separate financial statements:

V.

The Association does not have any internal organizational units that prepare separate financial statements.

VI. Going concern assumption:

The financial statements of the Association have been prepared on the assumption that the association will continue as a going concern in the period of at least 12 months after the reporting date, i.e. after 31 December 2015. As at the date of signing the financial statements, the Association's Management Board finds no facts or circumstances that would indicate a threat to the Association's ability to continue as a going concern in the period of at least 12 months following the balance-sheet date due to an intended or forced discontinuation or material curtailment of its activities.

There are no circumstances indicating a threat to the Association's ability to continue as a going concern.

VII. Information about whether there was any merger of companies in the period for which the financial statements were prepared:

Not applicable

VIII. The description of the adopted accounting principles (policies), including the method of measurement of assets, equity and liabilities (including amortisation and depreciation), determination of the financial result and the method of preparation of the financial statements, to the extent that the Accounting Act provides the entity with options.

Form and basis of preparation of the financial statements

The financial statements have been prepared in accordance with the provisions of the Accounting Act of 29 September 1994 (consolidated text: Dz.U. 2013, item 330, as amended).

The Association has prepared a balance sheet, an income statement and notes consisting of an introduction to the financial statements and explanatory notes in accordance with the model in Appendix 1 to the Accounting Act, using the simplified form provided for in Article 50(2) and (3) of the Accounting Act. The model income statement shows statutory activities separately as the main source of income.

All income generated by the reporting entity and all related expenses incurred by the reporting entity, in respect of a

given financial year, were recognised in the entity's books of account on an accrual basis and in accordance with the principle of matching of income and related expenses, irrespective of their payment date.

The accounting policies adopted by the Association have been applied consistently and comply with the accounting policies applied in the previous financial year.

The Association prepares its income statement according to the function of expense method.

The method of measuring assets, equity and liabilities

Property, plant and equipment and intangible assets

Items of property, plant and equipment are recognised at cost less accumulated depreciation. Items of property, plant and equipment are depreciated for the estimated period of their economic useful life. The Association determines rates on the basis of rates set out in the Appendix to the Corporate Income Tax Act. Depreciation commences in a month that follows the month when the item of property, plant and equipment was commissioned for use. Items of property, plant and equipment with an amount in excess of PLN 3 500.00 are depreciated on a straight-line basis, whereas items of property, plant and equipment with a lower amount are fully depreciated in the month in which the item is commissioned for use. Intangible assets are recognized in the financial statements on the same basis as items of property, plant and equipment.

The cost of items of property, plant and equipment, and of property, plant and equipment under construction includes all costs incurred by the Association during the period of construction, installation, adjustment and improvement until the date of commissioning for use, including the cost of servicing the debt incurred to finance such items and the associated foreign exchange differences, net of related income.

The initial cost of an item of property, plant and equipment is increased by costs of improvement being conversion, expansion, modernisation or reconstruction which result in an asset's usefulness after the improvement being higher than the usefulness at the time when it was commissioned.

For property, plant and equipment, the following depreciation rates (accumulated depreciation) are applied:

- hardware 30%
- technical equipment (other than hardware) 14-20%
- equipment 14-20%

For intangible assets, the following amortisation rates (accumulated amortization) are applied:

- software 50%
- licenses for the use of copyright 20%

The Association reviews periodically the correctness of the applied amortisation and depreciation periods and rates for intangible assets and property, plant and equipment, and such reviews lead to an appropriate adjustment to amortisation and depreciation charges made in subsequent financial years.

Receivables, claims and liabilities, other than those classified as financial assets and liabilities.

Receivables are recognised at amounts due, taking into account the prudence principle. The value of receivables is written down depending on the probability of their collection. The write-downs of receivables are recognised as other operating costs or finance costs, respectively, depending on the type of receivables to which a write-down relates.

Liabilities are recognized in the books of accounts at amounts due.

Receivables and liabilities denominated in foreign currencies are recognized at the date of their origination at the average exchange rate of the National Bank of Poland announced for a given currency as at the date preceding that day.

Cash.

Cash on hand and in bank accounts is measured at its par value:

- An inflow of a foreign currency into a foreign currency account is measured at the buying rate used on that day by the bank holding the account,
- An outflow of a foreign currency is measured at the selling rate used on that day by the bank holding the foreign currency account,
- Foreign exchange differences determined at the end of the day influence the financial result:
 - ✓ Foreign exchange gains – as finance income from financial operations,
 - ✓ Foreign exchange losses – as finance costs from financial operations.

The reconciliation of cash on hand is carried out in the form of a physical inventory.

The reconciliation of cash in bank accounts is carried out by confirming the balances with the bank.

Hedge accounting.

The Association does not apply hedge accounting.

Description of methods and significant assumptions adopted to determine the fair value of financial assets measured at fair value

Fair value is an amount for which an asset could be exchanged between knowledgeable, willing parties.

Prepayments and accruals.

The Association recognises prepayments if they relate to future reporting periods. The main categories of prepayments include property insurance premiums.

Accrued expenses are recognised at amounts of probable liabilities relating to the current reporting period.

Deferred income includes the equivalent of received or receivable amounts for the performance of statutory activities (programmes, projects) in future reporting periods.

Provisions for liabilities.

The basis for the recognition of a provision is a reliable estimate made by the management.

At each reporting date, the Entity reviews the validity and amount of the provision recognised.

The recognition of, or an increase in, a provision is recognised as operating costs, other operating costs or finance costs respectively, depending on the circumstances to which the future obligation is related.

A provision is utilised when an obligation arises for which the provision was previously recognised.

The obligation is posted as a decrease in the provision and an increase in the liability.

A provision may only be used in accordance with the purpose for which it was originally recognised.

If the risks for which provisions were previously recognised are reduced or cease to exist, any unused provisions are credited to operating costs or

to other operating income or finance income, as appropriate, depending on the costs previously used to debit the recognition of the provision.

Provisions are recognised for:

certain or highly probable future obligations, provided that a reliable estimate can be made of the amount of the obligation, including, in particular, losses on business transactions in progress, also relating to any guarantees and sureties granted, credit transactions, and results of court proceedings currently in progress;

Foreign currency denominated economic transactions concerning cash, receivables and liabilities recorded in the books of accounts are recognised at the average exchange rate set for a given currency by the President of the National Bank of Poland as at the balance-sheet date.

Income tax.

The Association is a taxable person listed to in Article 17(1) of the Corporate Income Tax Act of 15 February 1992 (Dz. U. of 2014, item 851, as amended) and has the status of a public benefit organization.

Income from statutory activities of the association is tax free in accordance with Article 17(1)(6c) of the Corporate Income Tax Act. The Association did not tax its income because a decision was made to allocate the whole 2015 income to statutory activities.

Foreign exchange differences.

Foreign exchange differences arising in connection with the payment of receivables and liabilities denominated in foreign currencies, as well as from the sale of foreign currencies, are recognised as finance income or costs, respectively, and in justified cases – as part of the cost of manufacture of finished goods or the cost of acquisition of goods for resale, or the cost of acquisition or manufacture of items of property, plant and equipment, items of property, plant and equipment under construction or intangible assets.

Interest.

Interest income is recognized when it is received.

Income from activities.

The income of the Association from the statutory unpaid activities comes from donations, grants and subsidies, membership fees, donations of 1% of tax, public collections. The Association carries on its activities in accordance with

the provisions of the Statute.

The Association may generate income from paid statutory activities set out in Resolution No 1/OB./4/2015 of the Management Board of the Association and from economic activities registered in the National Court Register and set out in the provisions of the Statute.

Costs of activities.

The costs of unpaid statutory activities include costs incurred by the Association for the financing or co-financing of activities in accordance with the Statute of the Association and for programme costs.

General and administrative expenses.

General and administrative expenses include, in particular, salaries, social insurance and other employee benefits, consumption of materials and energy, outsourced services as well as other administrative expenses.

Finance income and finance costs

Finance income is income received from financial operations. Finance costs are incurred costs of financial operations and the measurement of short-term financial assets.

The Association resigned from determining deferred tax assets and liabilities pursuant to Article 37(10) of the Accounting Act due to the fact that the Association is not subject to the mandatory audit of the financial statements.

Economic activities and statutory activity in the books of accounts.

The Association applies the principle of keeping separate financial and accounting documents and accounting records, which allows the Association to identify individual accounting operations. In order to fulfil this requirement, all operations are recorded on separate subsidiary accounts, which rule applies to both costs and income. Each project has separate accounts with subsidiary accounts used according to the level of necessary budget control, and for economic activities each transaction type is recognised separately.

II. BALANCE SHEET

ASSETS

Detailed items		Note	As at	
			31.12.2014	31.12.2015
A.	NON-CURRENT ASSETS		207 200.71	8 823.55
I.	Intangible assets	1	4 400.71	2 104.75
1.	Other intangible assets		4 400.71	2 104.75
II.	Property, plant and equipment	2	0.00	0.00
III.	Non-current receivables	4	202 800.00	6 718.80
1.	From related parties		0.00	0.00
2.	From other entities		202 800.00	6 718.80
IV.	Long-term investments		0.00	0.00
V.	Non-current prepayments		0.00	0.00
B	CURRENT ASSETS		2 172 590.97	839 472.30
I.	Inventories	5	5 525.56	2 715.97
1.	Prepayments for deliveries		5 525.56	0.00
2.	Goods		0.00	2 715.97
II.	Current receivables	6	1 111 980.19	388 623.72
1.	Receivables from related parties		0.00	0.00
2.	Receivables from other entities		1 111 980.19	388 623.72
a)	Trade receivables maturing within a period of:		0.00	9 557.70
-	up to 12 months		0.00	9 557.70
b)	Receivables arising from taxes, grants, customs duties, social security and health insurance, and other benefits		0.00	0.00
c)	other		1 111 980.19	379 066.02
III.	Short-term investments	7	824 347.34	437 745.21
1.	Current financial assets		824 347.34	437 745.21
a)	in related parties		0.00	0.00
b)	in other entities		0.00	0.00
c)	Cash and other monetary assets		824 347.34	437 745.21
-	Cash on hand and in bank accounts		824 347.34	437 745.21
IV.	Short-term prepayments	3	230 737.88	10 387.40
Total assets			2 379 791,68	848 295.85

EQUITY AND LIABILITIES

Detailed items		Note	As at	
			31.12.2014	31.12.2015
A.	EQUITY		1 399.45	11 812.36
I.	Share capital		0.00	0.00
II.	Called-up share capital (negative amount)		0.00	0.00
III.	Treasury shares (negative amount)		0.00	0.00
IV.	Supplementary capital		0.00	0.00
V.	Revaluation reserve		0.00	0.00
VI.	Other capital reserves		0.00	0.00
VII.	Profit (loss) of previous years		25 962.65	1 399.45
VIII.	Profit (loss) for the period	9	-24 563.20	10 412.91
B.	LIABILITIES AND PROVISIONS FOR LIABILITIES		2 378 392.23	836 483.49
I.	Provisions for liabilities		0.00	0.00
II.	Non-current liabilities		0.00	0.00
III.	Current liabilities	8	35 060.86	56 105.59
1.	To related parties		0.00	0.00
2.	To other entities		35 060.86	56 105.59
a)	Loans		0.00	0.00
b)	From issue of debt securities		0.00	0.00
c)	Other financial liabilities		0.00	0.00
d)	Trade payables maturing within a period of:		12 769.14	4 779.26
-	up to 12 months		12 769.14	4 779.26
e)	Prepayments received for deliveries		0.00	0.00
f)	Notes payable		0.00	0.00
g)	Liabilities arising from taxes, customs duties, insurance and other benefits		19 023.37	18 826.84
h)	Payroll liabilities		2 450.00	1 797.30
i)	Other		818.35	30 702.19
IV.	Accruals	10	2 343 331.37	780 377.90
1.	Negative goodwill		0.00	0.00
2.	Other accruals		2 343 331.37	780 377.90
Total Equity and Liabilities			2 379 791,68	848 295.85

Warsaw, 31 March 2016

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 (Dated and signed by a person entrusted
 with keeping the books of accounts)

.....
 Szymon Osowski
 President of the Board

.....
 Aneta Pierzchała-Tolak
 Member of the Board

.....
 Katarzyna Batko-Tołuć
 Member of the Board

III. INCOME STATEMENT

Detailed items		Note	FOR THE PERIOD	
			01.01.2014 – 31.12.2014	01.01.2015 – 31.12.2015
A.	INCOME FROM STATUTORY ACTIVITIES	11	1 029 394.22	2 010 280.96
I.	Income related to unpaid public benefit activities		1 029 394.22	1 985 449.64
II.	Income related to paid public benefit activities		0.00	24 831.32
B.	COSTS OF IMPLEMENTATION OF STATUTORY TASKS	15.2	956 035.00	1 865 891.72
I.	Costs related to unpaid public benefit activities		956 035.00	1 843 737.27
II.	Costs related to paid public benefit activities		0.00	22 154.45
C.	FINANCIAL RESULT OF STATUTORY ACTIVITIES (A-B)		73 359.22	144 389.24
D.	NET REVENUE FROM SELLING PRODUCTS, SERVICES, GOODS FOR RESALE AND MATERIALS	12	0.00	22 945.40
I.	Net revenue from selling goods for resale and materials		0.00	22 945.40
E.	COST OF PRODUCTS, SERVICES, GOODS FOR RESALE AND MATERIALS SOLD	15.3	0.00	13 167.99
I.	Cost of goods for resale and materials sold		0.00	13 167.99
F.	GROSS PROFIT (LOSS) ON SALES (D-E)		0.00	9 777.41
G.	GENERAL AND ADMINISTRATIVE EXPENSES	15.1	100 966.36	144 429.06
1.	Consumption of materials and energy		14 232.39	21 166.02
2.	Third-party services		66 960.00	117 343.06
3.	Taxes and charges		63.70	600.00
4.	Salaries, social security and other benefits		1 316.80	1 920.99
5.	Depreciation and amortisation		13 354.98	2 295.96
6.	Other		5 038.49	1 103.03
H.	PROFIT (LOSS) FROM STATUTORY AND ECONOMIC ACTIVITIES (C+F-G)		-27 607.14	9 737.59
I.	OTHER OPERATING INCOME	13.1	0.00	700.00
I.	Gain on disposal of non-financial non-current assets		0.00	0.00
II.	Grants		0.00	0.00
III.	Other		0.00	700.00
J.	OTHER OPERATING EXPENSES	16	4.37	5.46
I.	Loss on disposal of non-financial non-current assets		0.00	0.00
II.	Revaluation of non-financial assets		0.00	0.00
III.	Other		4.37	5.46
K.	PROFIT (LOSS) ON OPERATING ACTIVITIES (H+I-J)		-27 611.51	10 432.13
L.	FINANCE INCOME	13.2	3 229.29	513.84
I.	Dividends and profit-sharing		0.00	160.00
II.	Interest		3 229.29	353.84
Ł.	FINANCE COSTS	17	180.98	533.06
I.	Interest		0.62	0.19
II.	Loss on disposal of investments		0.00	0.00
III.	Revaluation of investments		0.00	0.00
IV.	Other		180.36	532.87
M.	PROFIT (LOSS) BEFORE TAX (M±N)		-24 563.20	10 412.91
N.	TAXES ON INCOME		0.00	0.00
O.	PROFIT (LOSS) AFTER TAX (O-P)	9	-24 563.20	10 412.91

Warsaw, 31 March 2016

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(Dated and signed by a person entrusted
with keeping the books of accounts)

Szymon Osowski
President of the Board

Aneta Pierzchała-Tolak
Member of the Board

Katarzyna Batko-Tołuc
Member of the Board

IV. EXPLANATORY NOTES

1. EXPLANATORY NOTES TO THE BALANCE SHEET

1/ A detailed presentation of changes in the value of groups of property, plant and equipment, intangible assets and long-term investments, including the balance of these assets at the beginning of the financial year, additions and reductions due to: revaluation, acquisitions, internal transfers and the final balance, and for amortized or depreciated assets – a similar presentation of the balances of and grounds for changes in the accumulated depreciation or amortization.

NOTE 1

Changes in intangible assets

(by group)

Other intangible assets

PLN

a) Gross amount of intangible assets comprises at the beginning of the period	17 280.64
b) Additions (due to)	72.00
– Purchases	72.00
– Transfers	0
c) Reductions – liquidation	0
d) Gross amount of intangible assets at the end of the period	17 352.64
e) Accumulated amortisation at the beginning of the period	12 879.93
f) Additions (due to)	2367.96
– Scheduled amortisation charges	2367.96
– Transfers	0
g) Reductions for the period (due to)	0
h) Accumulated amortisation at the end of the period	15 247.89
i) Net carrying amount of intangible assets at the end of the period	2 104.75

NOTE 2

Changes in property, plant and equipment (by group)

	Technical equipment and machinery	Total	Fully depreciated equipment	Total
	PLN	PLN	PLN	PLN
a) Gross amount of property, plant and equipment at the beginning of the period	19 777.26	19 777.26	23 027.92	42 805.18
b) Additions (due to)	0.00	0.00	0.00	0.00
– Purchases of new items	0.00	0.00	0.00	0.00
c) Reductions (due to)	0.00	0.00	0.00	0.00
d) Gross amount of property, plant and equipment at the end of the period	19 777.26	19 777.26	23 027.92	42 805.18
e) Accumulated depreciation at the beginning of the period	19 777.26	19 777.26	23 027.92	42 805.18
f) depreciation charge for the period (due to)	0.00	0.00	0.00	0.00
– Scheduled depreciation charges	0.00	0.00	0.00	0.00
g) Reductions for the period (due to)	0.00	0.00	0.00	0.00
h) Accumulated depreciation at the end of the period	19 777.26	19 777.26	23 027.92	42 805.18

i) Net carrying amount of property, plant and equipment at the end of the period	0.00	0.00	0.00	0.00
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2/ Value of land under perpetual usufruct.

The Association does not have any land under perpetual usufruct.

3/ Amount of items of property, plant and equipment not depreciated by the Entity and used under a rent, lease or similar agreement, including leases

The Association uses a HP 1650 copier with serial number 3053066 AGK under lease agreement No 1/02/2011 as amended. The copier is owned by the company Art. Serwis Artur Kucher. The owner did not state the value of the copier in the lease contract.

The Association rents office in Warsaw at ul. Ursynowska 22/2, owned by Irena Jaśmanowicz, for the statutory purposes and for the purpose of economic activities. The agreement was signed on 06.09.2007 and amended. The agreement does not state the value of the property.

4/ Liabilities to the Treasury or local government budgets on account of obtaining ownership of buildings and structures.

In the reporting period there were no liabilities to the State Treasury or local government entities in this respect.

5/ Information about the ownership structure of the Entity's share capital and the nominal value of the subscribed shares, including preference shares.

The Association did not have a share capital as at 31.12.2015.

6/ the balance at the beginning of the financial year, additions and utilisation and the closing balance of statutory reserve and other reserves.

Item	Type of capital (fund)	As at the beginning of the reporting year	Additions during the reporting year				Total (4+5+6+7)
			Agio	Appropriation of profit	Contributions	Other	
1	2	3	4	5	6	7	8
1.	statutory reserve	-	-	-	-	-	-
2.	other reserves	-	-	-	-	-	-
3.	revaluation reserve	-	-	-	-	-	-

Reductions during the reporting year				Total (9+10+11+12)	As at the end of the reporting year	
Financing of loss	Return of contributions	Dividends	Other		Total (3+8-13)	including: capital covering treasury shares
9	10	11	12	13	14	15
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-

7/ Proposal concerning the distribution of profit or financing of loss for the financial year.

The Management Board of the Association will recommend that the net profit (surplus of income over costs) for the year 2015 in the amount of PLN 10 412.91 be allocated to statutory activities.

8/ Information about the balance of provisions according to the purpose of their recognition at the beginning of the financial year, additions, utilisations, reversals and the closing balance.

Provisions as at 31.12.2015 – none.

9/ Information about write-downs of receivables, including the balance at the beginning of the financial year, additions, utilisations, reversals and the closing balance.

The Association has no receivables that would require recognition of a write-down in 2015.

10/ Breakdown of non-current liabilities by balance-sheet item with a specified contractual maturity as at the balance-sheet date:

- a/ up to 1 year,
- b/ 1 to 3 years,
- c/ 3 to 5 years,
- d/ more than 5 years.

The Association had no non-current liabilities.

11/ List of material items of prepayments and accruals.

NOTE 3

Short-term prepayments

	31 December 2014 in PLN	31 December 2015 in PLN
a) Prepayments, including:	938.88	804.85
- equipment insurance paid	938.88	804.85
- subscriptions paid	0	0
b) Other prepayments, including:	229 799.00	9 582.55
- costs incurred in connection with implemented statutory programme activities, which were not covered by the inflow of subsequent tranches of grants/funding under signed contracts	229 799.00	9 582.55
Total short-term prepayments	230 737.88	10 387.40

There were no accruals in 2015.

12) List of groups of liabilities secured on the entity's assets (with indication of the type of security).

The Association has no liabilities secured by its assets.

13/ Contingent liabilities, including guarantees and suretyships granted by the Entity (including bill of exchange securities).

In the reporting period, the Entity had no contingent liabilities or suretyships.

14/ Non-current receivables

NOTE 4

Non-current receivables

	31 December 2014 in PLN	31 December 2015 in PLN
a) From related parties	0	0
- Other	0	0
- Grants awarded but not received	0	0
b) Receivables from other entities	202 800.00	6 718.80

- Grants awarded but not received	198 000.00	0
- Other - repayable security deposits for premises	4 800.00	6 718.80
Total non-current receivables	202 800.00	6 718.80

15/ Long-term investments

None

16/ Inventories

NOTE 5

Inventories	31 December 2014 in PLN	31 December 2015 in PLN
a) Materials	0	0
b) Semi-finished products and work in progress	0	0
c) Finished products	0	0
d) Goods	0	2 715.97
e) Prepayments for deliveries	5 525.56	0
Total inventories	5 525.56	2 715.97

17/ Current receivables

NOTE 6

Current receivables	31 December 2014 in PLN	31 December 2015 in PLN
1. From related parties	0	0
2. Receivables from other entities	1 111 980.19	388 623.72
a) Trade receivables maturing within a period of:	0	9 557.70
- up to 12 months	0	9 557.70
b) receivables arising from taxes, customs duties, social security and health insurance, and other benefits	0	0
c) other	1 111 980.19	379 066.02
- on account of grants awarded but not received	1 000 017.60	241 216.59
- from project partners	109 315.91	137 732.43
- from members of the Association	2 646.68	0
- on account of reimbursement of court fees	0	117.00
Total gross current receivables	1 111 980.19	388 623.72

Current and non-current receivables

Name of the entity transferring the grant / subsidy	Agreement No	The amount of grant / subsidy	Tranches until 2015 - effected	Tranches for 2016	Tranches for 2017
Stefan Batory Foundation	S/46 from the funds of the EEA Financial Mechanism	1 980 000.00	1 782 000.00	198 000.00	0.00
University of Warsaw - Interdisciplinary Centre for Mathematical and Computational Modelling	Contract for project No /IS-1/040/NCBR/2014 of 20.03.2014 in accordance with the consortium agreement of 27.03.2013	65 361.60	34 145.01	31 216.59	0.00
H. Boll Foundation	Cooperation agreement of 21.05.2015 (IZP00130)	18 000.00	6 000.00	12 000.00	0.00
Total:		2 063 361.60	1 822 145.01	241 216.59	0.00

Tranches for 2016-2017 amount to PLN 229 216.59

Partner name	Receivable under the financial agreement	Advance payment	New advance payment made in 2015	Expenses incurred in 2014	Expenses incurred in 2015	The balance of advance payment to be settled in 2016.
The Helsinki Foundation for Human Rights	Partnership Agreement for project S/46	16 000.00	29 700.00	990.00	19 396.50	25 313.50
Centre For Citizenship Education	Partnership Agreement for project S/46	38 420.00	51 520.00	7 862.45	56 719.59	25 357.96
Homo Faber Association	Partnership Agreement for project S/46	70 500.00	84 930.00	53 201.64	89 427.10	12 801.26
Stańczyk Civil Thought Institute Foundation	Agreement with TRUST for Civil Society in Central and Eastern Europe		13 500.00		0.00	13 500.00
The Foundation for Positive Changes	Agreement with TRUST for Civil Society in Central and Eastern Europe		29 860.00		28 558.23	1 301.77
Freedom Foundation	Agreement with TRUST for Civil Society in Central and Eastern Europe		18 300.00		10 000.00	8 300.00
Campaign Against Homophobia	Agreement with TRUST for Civil Society in Central and Eastern Europe		30 000.00		20 377.34	9 622.66
Federation For Women And Family Planning	Agreement with TRUST for Civil Society in Central and Eastern Europe		30 000.00		23 093.34	6 906.66
Polish Student Support Fund	Agreement with TRUST for Civil Society in Central and Eastern Europe		30 000.00		29 902.83	97.17
Panoptikon Foundation	Agreement with TRUST for Civil Society in Central and Eastern Europe		30 000.00		25 416.89	4 583.11
"Fenomen" Normal City Foundation	Agreement with TRUST for Civil Society in Central and Eastern Europe		30 000.00		11 202.92	18 797.08
Kalisz Urban Initiative	Agreement with TRUST for Civil Society in Central and Eastern Europe		11 960.00		6 471.72	5 488.28
Autonomy Foundation	Agreement with TRUST for Civil Society in Central and Eastern Europe		30 000.00		24 337.02	5 662.98
Total receivable						137 732.43

18/ Short-term investments

NOTE 7

Cash and other monetary assets

	31 December 2014	31 December 2015
	in PLN	in PLN
Cash on hand and at banks, including		
Cash on hand in PLN	1 655.19	496.95
Cash on hand in USD	701.44	0
Current bank accounts	518 082.91	436 909.64
Bank deposits, including:	303 569.25	0.07
a) unnotified bank interest on deposits, accrued as at 31.12	3 569.18	0
Other securities	0	0
Cash in transit	338.55	338.55
Total cash and other monetary assets	824 347.34	437 745.21

Banks keeping current accounts and deposits:

- Volkswagen Bank Polska SA
- Bank Millennium SA
- Bank BGŻ

Cash in transit in the amount of PLN 338.55 consists of funds frozen by Volkswagen Bank Polska SA on 23-12-2014 for the purpose of execution.

19/ Current liabilities

NOTE 8

Other liabilities

	31 December 2014	31 December 2015
	Amount in PLN	Amount in PLN
Loans, including:	0	0
- <i>long-term loans</i>	0	0
Other financial liabilities	0	0
Trade payables maturing within a period of:	12 769.14	4 779.26
- <i>up to 12 months</i>	12 769.14	4 779.26
- <i>over 12 months</i>	0	0
Liabilities arising from taxes, customs duties, insurance and other benefits	19 023.37	18 826.84
- <i>on account of taxes, customs duties</i>	4 588.00	5 261.00
- <i>on account of national social insurance</i>	14 435.37	13 565.84
Payroll liabilities	2 450.00	1 797.30
- <i>Payroll liabilities</i>	2 450.00	1 797.30
Other (by nature)	818.35	30 702.19
- <i>on account of other settlements with employees</i>	0	0
- <i>with Members of the SOWP Association</i>	435.72	612.00
- <i>on account of debit notes received from Project Partners</i>	282.63	30 090.19
- <i>court fees to be reimbursed to A. Nowak</i>	100.00	0
Total other liabilities	35 060.86	56 105.59

Trade payables **PLN 4 779.26**

Name of counterparty	Liabilities arising from	Date of payment	Amount
TAXUS Anna Pyrz-Rogozińska	Accounting services FV 138/12/2015, 139/12/2015	13-01-2016	3 200.00
Polkomtel Sp. Z o.o.	The cost of telephone calls as per invoice FV 1512310106396 for the period 01.12.2015-31.12.2015	11-01-2016; 17-03-2016	91.55
Jeśmanowicz Irena	Settlement for utilities 1/2015	22-01-2016	136.30
Orange Polska SA	The cost of telephone calls as per invoice FV FWA17008761/001/16 for the period 01.12.2015-31.12.2015	11-01-2016	7.27
S.I.P. Express Taxi	Taxi service as per FV FA / 2015/00856	11-01-2016	296.00
Solid Group Sp. Z o.o.	Surveillance of the office for December 2015 as per FV 2016/01/156110/SP	11-01-2016	64.14
Media Minie Sp. z o.o.	Webcast FV 7/06/2014	04-01-2016	984.00
Total trade payables:			4 779,26

Payroll liabilities **PLN 1 797.30**

Full name of employee	Liabilities arising from	Date of payment	Amount
Górska Ewa	Invoice No 1 to Contract of Mandate No UZ 25/2015, UZ 45/2015	11-01-2016	1 697.30
Wójcik Paweł	Invoice No 1 to Contract of Mandate No UZ 32/2015	13-01-2016	100.00
Total payroll liabilities:			1 797,30

Settlements with members of the SOWP Association **PLN 612.00**

Full name of member of the SOWP Association	Liabilities arising from	Date of payment	Amount
Osowski Szymon	Reimbursement of travel costs – rail tickets	11-02-2016	382.00
Markiewicz Dorota	reimbursement of travel costs in connection with training RKP 149/2015	11-01-2016	230.00
Total other liabilities:			612.00

Liabilities on account of reimbursement of costs to Project Partners **PLN 30 090.19**

Partner name	Receivable under the financial agreement	Advance payment	New advance payment made in 2015	Expenses incurred in 2014	Expenses incurred in 2015	Liability
Court Watch Poland Foundation	Partnership Agreement for project S/46	48 000.00	0.00	1 550.00	61 540.19	15 090.19
Association 61	Agreement with TRUST for Civil Society in Central and Eastern Europe	0.00	15 000.00	0.00	30 000.00	15 000.00
Total liabilities:						30 090.19

20 / Presentation of the financial result

The Association's financial result after tax comprises the following elements:

- the result on unpaid statutory activities – it arises from the difference between income from unpaid statutory activities and costs relating to these activities (subsidies, grants, membership fees, donations of 1% of income tax, other donations and other statutory income)

- net income from paid statutory activities – it arises from the difference between income from paid statutory activities and costs relating to such activities (organizing a study visit for an organization from the Caucasus, conducting a presentation on access to public information, supporting a partnerships for sustainable civil society – developing a concept and conducting a workshop on advocacy and monitoring of public policy for the participation of civil society organizations in shaping local policy, conducting training in the development of oversight skills by civil society organizations in Moldova, providing other forms of support in the project.

- net income from economic activities – it arises from the difference between net income from selling goods and services, and the cost of goods and services sold (t-shirts, notebooks etc., items with the logo promoting transparency, the service involving a study on the transparency of law-making in Poland).

The above net incomes are reduced by general and administrative expenses.

NOTE 9

Reconciliation of the financial result (Profit/Loss after tax)

	2014 Amount in PLN	2015 Amount in PLN
<i>Net income from unpaid statutory public benefit activities</i>	-24 563.20	6 026.15
<i>including:</i>		
<i>a) Net income from core activities</i>	73 359.22	141 712.37
<i>b) General and administrative expenses</i>	100 966.36	136 099.14
<i>c) Bank interest</i>	3 229.29	353.84
<i>d) Rounding</i>	4.37	
<i>e) Dividend</i>		160.00
<i>f) Default interest</i>	0.62	0.19
<i>c) Foreign exchange losses</i>	180.36	100.73
Net income from unpaid statutory public benefit activities	-24 563.20	6 026.15
<i>Net income from paid statutory public benefit activities</i>		-541.23
<i>including:</i>		
<i>a) Net income from core activities</i>		2 676.87
<i>b) General and administrative expenses</i>		2 785.96
<i>c) Foreign exchange losses</i>		432.14
Net income from paid statutory public benefit activities	0.00	-541.23
<i>Net income from economic activities</i>		-541.23
<i>including:</i>		
<i>a) Net income from core activities</i>		9 777.41
<i>b) General and administrative expenses</i>		5 543.96
<i>c) Rounding</i>		5.46
<i>d) Other operating income</i>		700.00
Net income from unpaid statutory public benefit activities	0.00	4 927.99
Profit or loss for the period	-24 563.20	10 412.91

21/ Deferred income

NOTE 10

Accruals

	31 December 2014	31 December 2015
	Amount in PLN	Amount in PLN
Deferred income		
– grants awarded and due in the next period	1 198 017.60	241 216.59
– grants awarded and not expended until 31.12	1 145 313.77	539 161.31
Total deferred income	2 343 331.37	780 377.90

2. EXPLANATORY NOTES TO THE INCOME STATEMENT

1/ Net revenue from selling products, goods for resale and materials, by type (types of activity) and by geographical distribution (domestic sales, export) and related costs.

The income statement is prepared according to the format that allows the Association to show separately the amount of income and costs for each activity, whereas general and administrative expenses are recognized in the income statement in a total amount. General and administrative expenses are charged to the financial result of statutory activities and economic activities in proportion to the generated income.

NOTE 11

Income from statutory activities

	2014 Amount in PLN	2015 Amount in PLN
a) Income from unpaid public benefit activities	1 029 394.22	1 985 449.64
– Gross contributions specified in the Statute	4 210.00	7 270.01
– Donations of 1% of income tax	8 758.85	22 918.70
– Grants / subsidies	1 011 129.93	1 937 884.42
– Donations	5 295.44	16 649.12
• Donations from natural persons	5 295.44	16 649.12
• Donations from legal persons	0	0
– Public collections	0	727.39
b) Income from paid public benefit activities	0	24 831.32
Total income from statutory activities	1 029 394.22	2 010 280.96

NOTE 12

Revenue from selling products, services, goods for resale and materials

	2014 Amount in PLN	2015 Amount in PLN
Income from economic activities	0	22 945.40
– Selling goods for resale	0	14 473.00
– Research and experimental development on social sciences and humanities	0	8 472.40
Total revenue from selling products, services, goods for resale and materials	0.00	22 945.40

Name of the donor, grantor or name of the activity	2015 proceeds; e.g. grants, subsidies, donations, contributions	Payments from previous years, not expended until 31.12.2014 (*)	Disbursement of funds for the implementation of programmes	Balance to be expended in future years (only grants and special purpose donations are subject to settlement)	Costs up to the amount of funding, to be settled after tranche payment	2015 income	2015 costs	Planned tranches of funding for future periods
Stefan Batory Foundation	1 069 131.95	353 487.63	1 182 077.70	240 541.88	0.00	1 182 077.70	1 182 077.70	198 000.00
Project financed from the funds of the EEA Financial Mechanism according to contract S/46	942 000.00	340 025.80	1 041 483.92	240 541.88	0.00	1 041 483.92	1 041 483.92	198 000.00
The "Conflict of Interest" project according to Contract No 22898	10 786.67	0.00	10 786.67	0.00	0.00	10 786.67	10 786.67	0.00
International Watchdog Forum	125 818.54	0.00	125 818.54	0.00	0.00	125 818.54	125 818.54	0.00
The MGMW3 Project according to contract No JZ/22324/14 *	-9 473.26	13 461.83	3 988.57	0.00	0.00	3 988.57	3 988.57	0.00
University of Warsaw – Interdisciplinary Centre for Mathematical and Computational Modelling	26 801.01	4 138.00	0.00	30 939.01	0.00	0.00	0.00	31 216.59
Agreement for project No /IS-1/040/NCBR/2014 of 20.03.2014 in accordance with the consortium agreement of 27.03.2013	26 801.01	4 138.00	0.00	30 939.01	0.00	0.00	0.00	31 216.59
Trust for Civil Society grant according to contract No 3/2013	0.00	787 688.14	520 007.72	267 680.42	0.00	520 007.72	520 007.72	0.00
Ecorys Sp. Z o.o. contract 056/D/3/2012	227 399.00	0.00	227 399.00	0.00	0.00	227 399.00	227 399.00	0.00
Activities financed from membership fees	7 270.01	0.00	6 945.18	0.00	0.00	7 270.01	6 945.18	0.00
Activities financed from own funds and small donations	16 649.12	0.00	16 766.86	0.00	0.00	16 649.12	16 766.86	0.00
H. Boll Foundation	8 400.00	0.00	17 982.55	0.00	9 582.55	8 400.00	8 400.00	12 000.00
Cooperation agreement of 21.05.2015 (IZP00130)	6 000.00	0.00	15 582.55	0.00	9 582.55	6 000.00	6 000.00	12 000.00
Cooperation agreement of 10.10.2014	2 400.00	0.00	2 400.00	0.00	0.00	2 400.00	2 400.00	0.00
Donations of 1% of income tax	22 918.70	0.00	18 115.91	0.00	0.00	22 918.70	18 115.91	0.00
Public collection – 28.09.15 "A Toast for Transparency"	727.39	0.00	124.04	0.00	0.00	727.39	124.04	0.00
Summary	1 379 297.18	1 145 313.77	1 989 418.96	539 161.31	9 582.55	1 985 449.64	1 979 836.41	241 216.59

(*) Payments were reduced by the amount of PLN 9,473.26 to be repaid to the Stefan Batory Foundation in connection with the settlement of contract 22324/14; the repayment was made on 04.06.2014

NOTE 13**Total other income and gains**

	2014	2015
	Amount in PLN	Amount in PLN
1) Other operating income	0	700.00
– Rounding	0	0
– Other income – reimbursement from the Tax Office for a cash register	0	700.00
2) Finance income	3 229.29	513.84
– Bank interest	3 229.29	353.84
– Dividend – Spółdzielnia Kooperatywa Pozarządowa	0	160.00
– Foreign exchange gains	0	0
3) Extraordinary gains	0	0
Total other income and gains	3 229.29	1.213.84

NOTE 14**Information on the structure of costs by nature**

	2014	2015
	Amount in PLN	Amount in PLN
<i>Consumption of materials and energy</i>	35 250.76	33 690.57
<i>Outsourced services</i>	403 970.82	603 515.56
<i>Taxes and charges</i>	14 990.18	13 858.64
<i>Salaries, social security and other benefits</i>	405 057.61	755 935.36
<i>Depreciation and amortisation</i>	13 354.98	2 367.96
<i>Other</i>	184 377.01	614 120.68
Total costs by nature:	1 057 001.36	2 023 488.77

NOTE 15**General and administrative expenses related to statutory activities and economic activities**

	2014	2015
	Amount in PLN	Amount in PLN
<i>1. General and administrative expenses including:</i>		
<i>a) Attributable to unpaid statutory activities</i>	100 966.36	136 099.14
<i>b) Attributable to paid statutory activities</i>	0.00	2 785.96
<i>b) Attributable to economic activities</i>	0.00	5 543.96
Total general and administrative expenses	100 966.36	144 429.06
<i>2. Total costs of statutory activities including:</i>		
<i>a) Attributable to unpaid statutory activities</i>	956 035.00	1 843 737.27

<i>b) Attributable to paid statutory activities</i>	0.00	22 154.45
Total costs of statutory activities	956 035.00	1 865 891.72
<i>3. Costs of economic activities</i>	0.00	13 167.99
Total costs of economic activities	0.00	13 167.99
Costs of statutory activities, economic activities and general and administrative expenses	1 057 001.36	2 023 488.77

NOTE 16

Other expenses

	2014	2015
	PLN	PLN
a) Reversal of provisions (due to)	0	0
b) Other, including	0	0
- Other - rounding	4.37	5.46
Total other expenses	4.37	5.46

NOTE 17

Finance costs

	2014	2015
	PLN	PLN
Finance costs relating to interest	0	0
a) on loans	0	0
b) other interest	0.62	0.19
Other finance costs	0	0
a) foreign exchange losses, including	180.36	532.87
- Realized	314.99	475.87
- Unrealized	-134.63	57
b) Recognition of provisions (due to)	0	0
c) Other, including	0.00	0.00
Total finance costs	180.98	533.06

Foreign exchange differences are recognised on a net basis as the excess of negative differences over positive differences.

2/ Amount and explanation of reasons for write-downs of property, plant and equipment.

In the reporting period, the Association did not recognise any write-downs of property, plant and equipment

3/ Amount of write-downs of inventories.

In the reporting period, the Association did not recognise any write-downs of inventories

4/ Income, costs and profit or loss from activities discontinued in the reporting year or to be discontinued in the following year.

None

5/ Reconciliation of the main differences between the income tax base and the accounting profit (loss) before tax.

The income statement prepared according to the function of expense variant for the period from 01.01.2015 to 31.12.2015 shows accounting profit of PLN 10 412.91.

Deductible expenses recognized in the CIT-8 tax return were adjusted by non-deductible expenses and income adjustments:

- Adjustment of income by the measurement of bank accounts in the amount of PLN 3 569.18
- Adjustment of income by the grant tranches not expended until 31.12.2015: PLN 539 161.31
- Adjustment of income by 2014 tranches expended in 2015: PLN 1 145 313.77
- Adjustment of income by gratuitous benefits: PLN 1 811.58
- Exclusion of cost financed from assistance funds from deductible costs: PLN 1 268 882.92 (SWISS and EEA)
- Exclusion of costs financed from donations of 1% of tax and membership fees from deductible expenses: PLN 25 061.09
- Unpaid salaries as at 31.12.2015 in the amount of PLN 3 115.06
- Unpaid reimbursement of travel expenses in the amount of PLN 230.00
- Paid 2014 salary in the amount of PLN 4 070.26

6/ For entities which prepare the income statement by function of expense, information on the cost of manufacture of products for internal purposes and on costs by nature.

Data on costs by nature is presented in Note 14.

7/ Cost of manufacture of property, plant and equipment under construction.

In 2015, the Association did not incur any expenditure on property, plant and equipment under construction.

8/ The expenditure on non-current non-financial assets, incurred in the last year and planned for the following year; the expenditure incurred and planned for environmental protection should be disclosed separately.

Item	Expenditures	Incurred during the reporting year	Planned for the next year
1.	Intangible assets, including software	72.00	–
2.	Property, plant and equipment - technical equipment and machinery	-	–
3.	Property, plant and equipment – other items and low-value items	-	–
4.	Purchase of property, plant and equipment, including: - environmental protection expenditure	–	–

9/ Information about extraordinary gains and losses, broken down into fortuitous events and other extraordinary gains and losses

None

10/ Income tax on profit or loss from extraordinary operations

Not applicable

3. EXPLANATORY NOTES TO THE CASH-FLOW STATEMENT.

The Association does not prepare the cash flow statement.

4. INFORMATION ON PERSONAL MATTERS

Information about:

1/ Average employment during the financial year by professional group.

Detailed items	Average employment in 2015
White-collar workers	6
Blue-collar workers	0
People employed abroad	0
Students	0
People on parental leaves or unpaid leaves	0
Total	6

At the end of 2015, the Association employed 5 employees (on a different time basis). The Association periodically employed persons under civil law contracts.

2/ Remuneration paid or payable to members of the Association's management and supervisory bodies.

The Association does not pay any remuneration to members of its management and supervisory bodies for their function.

The Association paid remuneration for programme work to the following members of the Management Board:

- Szymon Osowski – for advisory and legal counselling as per invoices in the amount of PLN 63 850.00, and for preparing and conducting training as per contract of mandate: PLN 2 340.00 gross

-Katarzyna Batko-Tołuć – for the programme oversight, examining the position of watchdogs as per invoices in the amount of PLN 77 850.00 and for conducting training under a contract of mandate in the amount of PLN 1 920.00, and for holding lectures, presentations, training, and consultation as per contract of mandate and contract for specific work: PLN 20 656.99 gross.

3/ Loans and similar benefits granted to members of management and supervisory bodies of commercial entities (separately for each group), with an indication of interest terms and terms of repayment.

No such events occurred.

4. SIGNIFICANT EVENTS RELATING TO THE REPORTING YEAR AND PRIOR YEARS AND INCLUDED IN THE FINANCIAL STATEMENTS

1/ Significant events relating to prior years and included in the financial statements for the reporting year.

No such events occurred in the reporting year.

2/ Information about significant events that occurred after the reporting date, which were not taken into account in the financial statements

No such events occurred in the reporting year.

3/ Overview of the changes in the accounting policies, which were introduced in the financial year, including the measurement methods, and the changes in the preparation of financial statements, if they affect significantly the financial position and the financial performance of the entity, their causes and the resulting changes in the financial performance and equity:

In comparison to the previous year, there were no significant changes in accounting policies or measurement methods

which would affect significantly the manner of preparing the financial statements or the assessment of the financial position of the Association, including its results.

Some new amounts occurred, which are associated with the commencement of economic activities and paid statutory activities. The income from these activities was small so it did not affect significantly the financial result.

Date of preparation 31.03.2016

.....
(Signed by the person entrusted
with keeping the books of accounts)

Date of authorisation for issue: 31.03.2016

Approved by the Management Board

.....
Szymon Osowski Aneta Pierzchała-Tolak Katarzyna Batko-Tołuć
President of the Board Member of the Board Member of the Board

(Signed by the manager of the Entity, and where the managing body is composed of a number of members - by all members of that managing body)