

Financial statement

Sieć Obywatelska Watchdog Polska Association

prepared as of 31/12/2019

I. INTRODUCTION TO THE FINANCIAL STATEMENT

1. Addressee of the statement: KRS (National Court Register Number): 0000181348

2. Full name: SIEĆ OBYWATELSKA WATCHDOG POLSKA

3. Registered office:

Province: Mazovia

County: Miasto ST. Warszawa

Commune: Mokotów, City/town: Warszawa

4. Address:

Province: Mazovia

County: Miasto ST. Warszawa, Commune: Mokotów

Street: Ursynowska 22/2, postal code: 02-605

City/town: Warszawa, post office: Warszawa, country code: PL

5. Period covered by the financial statement and date of preparation

From 1/1/2019 to 31/12/2019

Date of preparation: 15/05/2020

6. Duration of the undertaking:

The duration of the undertaking is indefinite.

7. Going-concern basis:

This financial statement has been prepared on a going-concern basis.

8. Adopted accounting principles (policies) to the extent left to the discretion of the undertaking by the Act:

8a) Methods for measuring assets and liabilities (including depreciation and amortisation methods)

The individual assets and liabilities are measured based on the prices actually paid for their acquisition or the costs required to manufacture them, in line with the prudence principle.

Fixed assets are measured at the acquisition price or manufacturing cost minus depreciation. Fixed assets are depreciated throughout their economic useful life. In order to determine the rates, SOWP uses the rates defined in the annex to the Corporate Income Tax Act. Depreciation starts in the month following the receipt of the fixed asset for use. Fixed assets worth PLN 3,500.00 or more are depreciated using the straight-line method. Fixed assets worth less than PLN 3,500.00 are regarded as purchase of materials. Intangible assets are recognised in the statement in accordance with the same principles as fixed assets.

Amounts receivable are recognised at the amount due, observing the prudence principle. Impairment of amounts receivable is recognised based on the degree of probability of their payment, in other operating expenses or financial expenses – depending on the type of amount receivable to which the impairment refers.

Liabilities are recognised in the account books at the amount required to be paid.

Amounts receivable and liabilities given in foreign currencies are recognised as of the date on which they are incurred, according to the average exchange rate of the National Bank of Poland (NBP) announced for the particular currency on the day preceding the indicated date.

As of the balance sheet date, the following exchange rates from the table of average exchange rates of NBP have been used – Table No. 251/A/NBP/2019 of 31/12/2019; GBP 1 = PLN 4.9971; USD 1 = PLN 3.7977

Cash at bank and in hand is measured at the nominal value.

Share capital and other assets and liabilities are measured at the nominal value.

8b) Rules for determining the financial result

The financial statement has been prepared in accordance with the Accounting Act of 29 September 1994 (consolidated text, Journal of Laws of 2018, item 395, as amended).

SOWP has prepared the balance sheet, profit and loss account, introduction to the financial statement and supplementary information in a form consistent with annex No. 6 to the above-mentioned Accounting Act.

SOWP prepares the profit and loss account by function of expense.

The account books of the undertaking include all received revenues or revenues attributable to the undertaking and all incurred expenses related to these revenues that concern the particular financial year, regardless of the date of their payment, in accordance with the principle of accrual accounting and matching principle.

The net financial result of SOWP consists of the following:

- a) result from statutory activities
- b) result from business activities
- c) result from operating activities

The result from statutory activities is determined as the difference between the revenues from current statutory activities (grants, donations, 1% tax payments, membership contributions) and the costs of such activities.

The account books of the undertaking include all received revenues or revenues attributable to the undertaking and all incurred expenses related to these revenues that concern the particular financial year, regardless of the date of their payment, in accordance with the principle of accrual accounting and matching principle.

Costs of statutory activities include the costs of programmes whose objectives are related to the statutory objectives of the undertaking.

The result from operating activities is determined based on the result from statutory activities and the result from business activities minus general and administrative costs.

8c) Method of preparing the financial statement

SOWP engaged Taxus Anna Pyrz-Rogozńska to keep its account books for the financial year of 2019.

The account books of SOWP are kept by means of computer techniques, using the RAKS SQL accounting software.

The accounting principles adopted by SOWP have been used continuously, and they are consistent with the accounting principles used in the preceding financial year.

In order to accurately and transparently present the property, financial situation and financial result of the undertaking, amounts shall be deemed relevant if they exceed 1% of the balance sheet total for the preceding reporting period in the case of balance sheet amounts or if they exceed 5% of the gross financial result in the case of resulting amounts.

Dedicated financial and accounting documentation and accounting records are kept, in such a way as to enable identification of the individual accounting operations. In order to fulfil this requirement, all operations are recorded in dedicated analytical accounts – this refers both to costs and revenues. Every project has a dedicated account with analytics matching the level of required budget control, and every type of business activity is recognised separately.

In accordance with Article 37(10) of the Accounting Act, SOWP does not recognise deferred income tax assets and provisions.

II. BALANCE SHEET
as for December 31, 2019

Detailed items		currency: PLN PLN	
		As at	
		31-12-2018	31-12-2019
ASSETS			
A.	NON-CURRENT ASSETS	292 170,00	73 759,75
I.	Intangible assets	0,00	0,00
II.	Property, plant and equipment	0,00	0,00
III.	Non-current receivables	292 170,00	73 759,75
IV.	Long-term investment	0,00	0,00
V.	Non-current pre-payments	0,00	0,00
B.	CURRENT ASSETS	739 466,51	707 689,65
I.	Inventories	16 333,25	20 050,02
II.	Non-current receivables	455 734,38	437 830,92
III.	Short term investment	266 591,16	249 041,21
IV.	Short-term payments	807,72	767,50
Total assets		1 031 636,51	781 449,40
EQUITY AND LIABILITIES			
A.	Equity	-79 016,10	-102 347,90
I.	Share capital	0,00	20 000,00
II.	Supplementary capital	0,00	0,00
III.	Profit (loss) of previous years	-154 813,06	-99 016,10
IV.	Profit (loss) for the period	75 796,96	-23 331,80
B.	LIABILITIES AND PROVISIONS FOR LIABILITIES	1 110 652,61	883 797,30
I.	Provisions for liabilities	0,00	0,00
II.	Non-current liabilities	28 500,00	10 500,00
III.	Current liabilities	71 992,82	50 312,78
IV.	Accruals	1 010 159,79	822 984,52
Total		1 031 636,51	781 449,40

Warsaw, 15.05.2020

Szymon Osowski
President of the Board

Bartosz Wilk
Vicepresident, Secretary Treasurer

Katarzyna Batko-Tołuc

Accountant

III. **INCOME STATEMENT**
as for December 31, 2019

Detailed item		currency: PLN PLN	
		od 01-01-2018 do 31-12-2018	od 01-01-2019 do 31-12-2019
A.	INCOME FROM STATUTORY ACTIVITIES	961 074,22	1 318 237,70
I.	Income related to unpaid public benefit activities	961 074,22	1 318 237,70
II.	Income related to paid public benefit activities	0,00	0,00
III.	Income from other public benefit activity	0,00	0,00
B.	COST OF IMPLEMENTATION OF STATUTORY TASKS	745 184,17	1 207 326,72
I.	Costs related to unpaid public benefit activities	745 184,17	1 207 326,72
II.	Costs related to paid public benefit activities	0,00	0,00
III.	Costs related to other public benefit activity	0,00	0,00
C.	FINANCIAL RESULT OF STATUTORY ACTIVITIES (A-B)	215 890,05	110 910,98
D.	NET REVENUE FROM SELLING PRODUCTS, SERVICES, GOODS FOR RESALE AND MATERIALS	71 240,42	14 178,10
E.	COSTS OF PRODUCTS, SERVICES, GOODS FOR RESALE AND MATERIALS SOLD	61 704,39	23 002,68
F.	GROSS PROFIT (LOSS) ON MATERIALS AND SALES (D-E)	9 536,03	-8 824,58
G.	GENERAL AND ADMINISTRATIVE EXPENSES	148 360,69	122 514,84
H.	PROFIT (LOSS) FROM STATUTORY AND ECONOMIC ACTIVITIES (C+F-G)	77 065,39	-20 428,44
I.	OTHER OPERATING INCOME	7 076,09	1 823,31
J.	OTHER OPERATING EXPANSES	90,73	1 473,04
K.	FINANCE INCOME	120,00	1 497,61
L.	FINANCE COST	8 373,79	4 605,24
M.	PROFIT (LOSS) BEFORE TAX	75 796,96	-23 185,80
N.	Pod TAXES ON INCOME	0,00	146,00
O.	PROFIT (LOSS) AFTER TAX (M-N)	75 796,96	-23 331,80

Warsaw, 15.05.2020

Szymon Osowski
President of the Board

Bartosz Wilk
Vicepresident, Secretary Treasurer

Katarzyna Batko-Tołuć

Accountant

IV. SUPPLEMENTARY INFORMATION

1. Information on any financial liabilities, including on account of debt instruments, guarantees and suretyships or contingent liabilities not shown in the balance sheet, indicating the nature and form of collateralised amounts payable;

As of 31/12/2019, SOWP does not have any financial liabilities on account of debt instruments.

The Association has issued the following blank promissory notes as collateral for amounts payable from loans:

– promissory note for loan agreement No. 48/PES/01/C/2016 (loan to finance the costs of the development of business activities);

2. Information about the amounts of advance payments and loans granted to members of managing, supervisory and/or administrative bodies, indicating the interest rates, main terms and conditions and any amounts repaid, written off or waived as well as liabilities incurred on their behalf in the form of guarantees or suretyships of any kind, indicating the total amount for each category;

There have been no such events.

3. Supplementary information about assets and liabilities

NOTE 1

Changes in the value of intangible assets

(by group)	Other intangible assets
	PLN
a) gross amount of intangible assets at the beginning of the period	14,851.45
b) increases (as a result of)	1,330.00
– purchase	1,330.00
c) decreases (licence expiry)	0.00
d) gross amount of intangible assets at the end of the period	16,181.45
e) cumulative amortisation (depreciation) at the beginning of the period	14,851.45
f) increases (as a result of)	1,330.00
– scheduled amortisation charges	1,330.00
g) decreases for the period (licence return)	0.00
h) cumulative amortisation (depreciation) at the end of the period	16,181.45
i) net amount of intangible assets at the end of the period	0.00

NOTE 2

Changes in fixed assets (by group)

	Technical equipment and machinery	Fully depreciated equipment	Total
	PLN	PLN	PLN
a) gross amount of fixed assets at the beginning of the period	15,969.76	20,181.12	36,150.88
b) increases (as a result of)	0.00	0.00	0.00
– acquisition of new assets	0.00	0.00	0.00
c) decreases (as a result of)	6,758.90	0.00	6,758.90
– liquidation	6,758.90	0.00	6,758.90

d) gross amount of fixed assets at the end of the period	9,210.86	20,181.12	29,391.98
e) cumulative amortisation (depreciation) at the beginning of the period	15,969.76	20,181.12	36,150.88
f) depreciation for the period (as a result of)	0.00	0.00	0.00
– scheduled depreciation charges	0.00	0.00	0.00
g) decreases for the period (as a result of)	6,758.90	0.00	6,758.90
– liquidation	6,758.90	0.00	6,758.90
h) cumulative amortisation (depreciation) at the end of the period	9,210.86	20,181.12	29,391.98
i) net amount of fixed assets at the end of the period	0.00	0.00	0.00

NOTE 3

Long-term amounts receivable	31 December 2019	31 December 2018
	Amount in PLN	Amount in PLN
a) from other undertakings	73,759.75	292,170.00
– other – return of deposits for the rented premises	4,800.00	4,800.00
– refundable deposit for car rental	2,500.00	
– from awarded grants receivable in subsequent years	66,459.75	287,370.00
Total gross long-term receivables	73,759.75	292,170.00

NOTE 4

Inventories	31 December 2019	31 December 2018
	Amount in PLN	Amount in PLN
a) Materials	0.00	0.00
b) Semi-finished products and work in progress	0.00	0.00
c) Finished products	0.00	0.00
d) Goods	20,050.02	16,333.25
Total inventories	20,050.02	16,333.25

NOTE 5

Short-term amounts receivable	31 December 2019	31 December 2018
	Amount in PLN	Amount in PLN
From other undertakings:	437,830.92	455,734.38
a) trade receivables, maturing in:	4,855.42	4,065.87
– up to 12 months	4,855.42	4,065.87
b) other	432,745.50	451,668.51
– from awarded grants receivable in the following year	432,745.50	451,068.51
– from return of court charges	200	600.00
Total gross short-term receivables	437,830.92	455,734.38

NOTE 6

Short-term investments	31 December 2019	31 December 2018
	Amount in PLN	Amount in PLN
Cash in hand and at bank, including:		
in hand (PLN)	1,128.02	202.43
Current bank accounts	122,894.01	266,388.66

Bank deposit account	125,019.18	0.07
Total short-term investments	249,041.21	266,591.16

NOTE 7

Short-term prepayments	31 December 2019 Amount in PLN	31 December 2018 Amount in PLN
a) prepayments, including the following:	767.50	807.72
– paid property insurance	767.50	807.72
Total short-term prepayments	767.50	807.72

NOTE 8

Statutory fund	31 December 2019 Amount in PLN	31 December 2018 Amount in PLN
a) statutory fund at the beginning of the period	0,00	0.00
b) Increase of the statutory fund from profit share	20,000.00	0.00
Total statutory fund	20,000.00	0,00

NOTE 9

Liabilities	31 December 2019 Amount in PLN	31 December 2018 Amount in PLN
a. Long-term liabilities	10,500.00	28,500.00
Bank and non-bank loans – long-term loans	10,500.00	28,500.00
b. Short-term liabilities	50,312.78	71,992.82
Bank and non-bank loans – short-term loans	17,994.48	41,601.75
Trade payables to other undertakings, maturing in:	1,053.98	4,141.74
– up to 12 months	1,053.98	4,141.74
Taxes, customs duties, insurance and other levies	30,750.42	23,134.97
– taxes, customs duties, VAT	4,186.00	4,021.00
– social insurance	26,564.42	19,029.97
Salaries	0.00	3,070.61
– salaries	0.00	3,070.61
Other payments to employees	0.00	43.75
Other payments with members	514.00	0.00
Other liabilities, total	60,812.78	100,492.82

NOTE 10

Deferred income	31 December 2019 Amount in PLN	31 December 2018 Amount in PLN
Deferred income		
– awarded grants receivable in the subsequent period	499,204.25	738,438.51
– awarded grants not spend by 31 December	323,779.27	271,721.28

Total deferred income	822,984.52	1,010,159.79
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NOTE 11

Determination of financial result

	2019	2018
	Amount in PLN	Amount in PLN
<i>Result on unpaid public benefit statutory activities, including the following:</i>		
	- 4,232.81	83,694.54
<i>a) result from operating activities</i>	110,910.98	215,890.05
<i>b) general and administrative costs</i>	-112,544.24	-133,593.34
<i>c) bank interest - other financial income</i>	1,497.61	120.00
<i>d) rounding gains</i>	1,472.96	1.65
<i>e) interest on loans and default interest</i>	-152.66	-2,069.33
<i>g) adjudged return of court charges</i>	1,817.00	7,042.00
<i>h) exchange losses/gains</i>	-4,288.54	-3,696.49
Result on unpaid public benefit statutory activities	-4,232.81	83,694.54
<i>Result on paid public benefit statutory activities, including the following:</i>		
	0.00	0.00
<i>a) result from operating activities</i>	0.00	0.00
<i>b) general and administrative costs</i>	0.00	0.00
<i>c) exchange losses/gains</i>	0.00	0.00
Result on paid public benefit statutory activities	0.00	0.00
<i>Result on business activities, including the following:</i>		
	18,952.99	-7,897.58
<i>a) result from operating activities</i>	- 8,824.58	9,536.03
<i>b) general and administrative costs</i>	-9,970.60	-14,767.35
<i>c) interest on loans / exchange losses/gains</i>	-164.04	-2,576.46
<i>d) other operating revenues/costs</i>	-6.23	-89.80
Result on business activities	-18,952.99	-7,897.58
Gross financial result	-23,185.50	75,796.96
income tax	146.00	0.00
Net financial result	-23,331.80	75,796.96

4. information about the structure of generated income, indicating its sources

NOTE 12

Revenues from statutory activities and business activities

	2019	2018
	Amount in PLN	Amount in PLN
a) Revenues from unpaid public benefit activities	1,318,237.70	961,074.22
- gross contributions defined in the statute	6,275.00	9,330.99
- 1% tax payments	474,604.02	359,693.08
- grants/co-financing	656,071.95	422,657.77
- donations	181,286.73	164,295.43
• donations from natural persons	163,175.49	148,007.57
• donations from legal persons	16,500.24	16,287.86
• donations in kind	1,611.00	5,043.95
- public collections	0.00	53.00

b) Revenues from paid public benefit activities	0.00	0.00
c) Revenues from business activities	14,178.10	71,240.42
– sale of goods	4,878.10	6,885.90
– sale of services	9,300.00	64,354.52
Total revenues from activities	1,332,415.80	1,032,314.64

NOTE 13

Other operating and financial revenues	2019	2018
	Amount in PLN	Amount in PLN
a) Other operating revenues	1,823.31	7,076.09
– warehouse stock surplus	0.00	0.00
– adjudged return of court charges	1,817.00	7,042.00
– rounding gains	6.31	34.09
b) Financial revenues	1,497.61	120.00
– bank interest	1,497.61	0.00
– dividend	0.00	120.00
c) Extraordinary gains	0.00	0.00
Other revenues and profits, total	3,320.92	7,196.09

5. information on the structure of costs incurred

NOTE 14

Information on the structure of sundry costs

	2019	2018
	Amount in PLN	Amount in PLN
<i>consumption of materials and energy</i>	31,293.81	38,640.05
<i>external services</i>	426,996.32	253,847.42
<i>taxes and fees</i>	15,231.24	13,150.30
<i>Salaries, social insurance and other benefits</i>	829,407.93	596,971.24
<i>amortisation and depreciation</i>	1,330.00	0.00
<i>Other</i>	48,494.94	52,640.24
Total sundry costs:	1,352,844.24	955,249.25

NOTE 15

Name of the donor or funder or name of the initiative	Proceeds in 2018, e.g.: grants, co-financing, donations, other payments	Payments from previous years, not spent by 31/12/2018 (*)	Funds spent on programmes	Funds left to spend in subsequent years (only restricted donations and grants are accounted for)	Revenue in 2019	Cost in 2019	Planned instalments of co-financing for subsequent periods
Fundacja im. Stefana Batorego – Project as per application No. i2018A/0138/23610	69,800.00	33,801.91	103,601.91	0.00	103,601.91	103,601.91	0.00
Fundacja im. Stefana Batorego – Project as per application No 23732	150,000.00	0.00	136,030.78	13,969.22	136,030.78	136,030.78	0.00
Sigrid Rausing Trust – 3-year contract, 2018-2020	292,032.00	164,082.16	175,804.11	280,310.05	175,804.11	175,804.11	299,826.00
Open Society Initiative for Europe – grant number: OR2018-43422	87,909.50	0.00	63,476.99	24,432.51	63,476.99	63,476.99	93,898.51
Open Society Initiative for Europe – grant number: OR2019-60854	64 813,00	0,00	65 295,69	0,00	64 813,00	65 295,69	199 379,25
1% payments	474 604,02	0,00	563 258,36	0,00	474 604,02	563 258,36	0,00
Fundacja Rozwoju Społeczeństwa Informacyjnego – agreement no 226/NTL/2018	40 000,00	0,00	10 500,00	29 500,00	10 500,00	10 500,00	0,00
MAGOVIX Sp. z o.o. – donation	0,00	49 404,70	49 404,70	0,00	49 404,70	49 404,70	0,00
Initiatives financed with own funds, membership contributions and donations	187 887,81	0,00	101 995,04	0,00	187 887,81	101 995,04	0,00
In-kind donations	0,00	0,00	0,00	0,00	1 611,00	0,00	0,00
Summary	1 368 684,69	271 721,28	1 319 870,96	323 779,27	1 318 237,70	1 319 870,96	499 205,25

* the costs include "General and administrative costs" amounting to PLN 112,544.24

1 207 326,72

NOTE 16

	2019 Amount in PLN	2018 Amount in PLN
Financial expenses		
Financial costs of interest	4,605.24	8,373.79
a) bank and non-bank loans	311.22	2,308.30
b) other interest	5.48	0.92
c) exchange losses, including the following:	4,288.54	6,064.57
– realised	4,337.67	6,032.44
– unrealised	-49.13	32.13
Financial costs, total	4,605.24	8,373.79

NOTE 17

	2019	2018
Other costs	Amount in PLN	Amount in PLN
a) released provisions	0.00	0.00
b) other, including the following:	1,473.04	0.21
– other – rounding gains	1,473.04	0.93
Other costs, total	1,473.04	90.73

6. information on the sources of increase of the statutory fund and its usage

The statutory fund as of 31/12/2019 amounts to PLN 20,00.00, and it has increased by 20,000 in the financial year of 2019. The General Assembly decided on June 9, 2019 in its decree no 2/2019 to assign 20.000 of its profit for statutory fund.

7. If the undertaking has the status of a public benefit organisation, then in the supplementary information it should provide details of revenues obtained and costs incurred on account of 1% of personal income tax and the method of using the funds from 1% of personal income tax

In 2019, SOWP received PLN 474,604.02 form payments of 1% of personal income tax, from previous years there were unused funds amounting PLN 100,695.89. In 2019 PLN 563,258.36 was spent. The funds were spent on: legal assistance, court representation costs, court charges, IT services – digital protection of the Association’s e-mail server and backup copies – and service of access to a legal website. PLN 87,679.60 was spent on general and administrative costs (including rent for the premises, maintenance fees, accounting services, Internet).

8. other information

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 citizen control;
- 3) to provide technical and financial support to individuals and organisations in connection with citizen 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:

- 1) Monitoring public entities and other entities receiving public funds.
- 2) Organising mass events and other forms aimed at promoting the activities of the Association.
- 3) Conducting educational and training activities for youth and adults.
- 4) Providing advice, support and assistance to institutions or persons that implement the statutory objectives of the Association.
- 5) Lodging petitions, motions and appeals to the public authorities.
- 6) Preparing and conducting projects carried out by members of the Association.
- 7) Publishing and writing activities.
- 8) Liaising with other similar organisations in the Republic of Poland and abroad.
- 9) Working together with local and state authorities, business sector and the media in the implementation of the Association’s objectives.
- 10) Providing legal assistance in the implementation of the statutory objectives of the Association in the form of providing legal representation by authorised representatives in judicial and administrative proceedings and legal advice by competent individuals.
- 11) Activities related to the analysis of election campaign funding.
- 12) 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.
- 13) Initiating, expressing opinions and making statements on laws and regulations.
- 14) Financing activities, natural and legal persons whose objectives coincide with the statutory objectives of the Association.

In 2019, the Association did not carry out any paid statutory activities.

In 2019, the Association conducted business activities only to the extent necessary to achieve the statutory objectives. In 2019, the Association conducted the following business activities:

- Retail sales via mail order houses or the Internet (47.91.Z)
- Other forms of extracurricular education (85.59.B)
- Research and development in social sciences and humanities (72.20.Z)

All income from the business activities is spent on unpaid statutory public benefit activities.

Warsaw, 15-05-2020

Szymon Osowski
President of the Board

Bartosz Wilk
Vicepresident, Secretary
Treasurer

Katarzyna Batko-Tołuć

Accountant