

OXYGONO

FINANCIAL STATEMENTS Year ended 31 December 2021

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MANAGEMENT COMMITTEE AND OTHER CORPORATE INFORMATION

Management Committee

Georgia Athanasiou (President)
Nicolas Kyriakides (Vice President)
Maria Kyriacou (Secretary)
Xenia Chrysostomou (Treasurer)
Theodoros Assiotis (Member)

Independent Auditors

Ernst & Young Cyprus Limited

Registered address

1 Kinyra Street
Nicosia
1102
Cyprus

Bankers:

Bank of Cyprus Public Company Ltd

Registration number

4092

Independent Auditor's Report

To the Members of Oxygono

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Oxygono (the "Association"), which comprise the statement of financial position as at 31 December 2021, the statement of income and expenses, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Association as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Articles of Association of the Association, the requirements of the Societies and Institutions and Other Related Matters Law of 2017, and Articles of Association of the Association.

Basis for Opinion

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

Responsibilities of the Management Committee for the Financial Statements

The Management Committee is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Articles of Association of the Association, the requirements of the Societies and Institutions and Other Related Matters Law of 2017, and Articles of Association of the Association, and for such internal control as the Management Committee determine presents 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, the Management Committee is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Committee either intend presents to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

The Management Committee is responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

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

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

Other Matter

This report, including the opinion, has been prepared for and only for the Association's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.



Andreas Avraam
Certified Public Accountant and Registered Auditor
for and on behalf of

Ernst & Young Cyprus Limited
Certified Public Accountant and Registered Auditors

Limassol, 19 December 2022

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STATEMENT OF INCOME AND EXPENSES

Year ended 31 December 2021

	Note	2021 €	2020 €
Total income	6	7,956	2,263
Auditors' remuneration for the statutory audit of annual accounts		(833)	(595)
Event expenses		(2,281)	(875)
Subscriptions		(212)	(60)
Promotional and advertising expenses		(2,490)	(988)
Finance costs	7	-	(10)
Total expenses		(5,816)	(2,528)
Surplus/(deficit) for the year		2,140	(265)

The notes on pages 8 to 11 form an integral part of these financial statements.

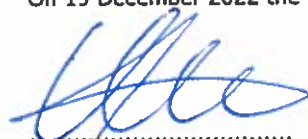
OXYGONO

STATEMENT OF FINANCIAL POSITION

31 December 2021

	Note	2021 €	2020 €
ASSETS			
Current assets			
Cash and cash equivalents	8	<u>3,375</u>	<u>909</u>
		<u>3,375</u>	<u>909</u>
Total assets		<u>3,375</u>	<u>909</u>
EQUITY AND LIABILITIES			
Equity			
Accumulated reserves		<u>2,453</u>	<u>313</u>
Total equity		<u>2,453</u>	<u>313</u>
Current liabilities			
Trade and other payables	9	<u>922</u>	<u>596</u>
		<u>922</u>	<u>596</u>
Total equity and liabilities		<u>3,375</u>	<u>909</u>

On 19 December 2022 the Management Committee of Oxygono authorised these financial statements for issue.



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Georgia Athanasiou
President

The notes on pages 8 to 11 form an integral part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2021

	Accumulated reserves €	Total €
Balance at 1 January 2020	578	578
Deficit for the year	(265)	(265)
Balance at 31 December 2020/ 1 January 2021	313	313
Surplus for the year	2,140	2,140
Balance at 31 December 2021	2,453	2,453

The notes on pages 8 to 11 form an integral part of these financial statements.

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CASH FLOW STATEMENT

Year ended 31 December 2021

	Note	2021 €	2020 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus/(deficit) for the year		<u>2,140</u>	<u>(265)</u>
		2,140	(265)
Changes in working capital:			
Increase in trade and other payables		<u>326</u>	<u>596</u>
Cash generated from operations		<u>2,466</u>	<u>331</u>
Net increase in cash and cash equivalents		2,466	331
Cash and cash equivalents at beginning of the year		<u>909</u>	<u>578</u>
Cash and cash equivalents at end of the year	8	<u>3,375</u>	<u>909</u>

The notes on pages 8 to 11 form an integral part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

1. Corporate information

Country of incorporation

Oxygono (the "Association") was incorporated in Cyprus on 8 May 2014 under the provisions of the requirements of the Societies and Institutions and Other Related Matters Law of 2017. Its registered office is at Faneromenis 115, Larnaca, 6031, Cyprus.

Principal activities

Oxygono is a non-governmental and non-profit organization which aims to improve the quality of public debate in Cyprus and consequently to achieve reforms and modernize our country to improve the quality of life of citizens in all aspects of public life, such as health, education, justice, foreign policy, research and entrepreneurship.

2. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU). The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Association's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

3. Adoption of new or revised standards and interpretations

As from 1 January 2021, the Association adopted all the following IFRSs and International Accounting Standards (IAS), which are relevant to its operations. The adoption of these Standards did not have a material effect on the financial statements.

4. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

4. Summary of significant accounting policies (continued)

The income of the Association is recognised as follows:

- **Rendering of services**

Rendering of services - over time:

Revenue from rendering of services is recognised over time while the Association satisfies its performance obligation by transferring control over the promised service to the customer in the accounting period in which the services are rendered.

For fixed price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

The input method is used to measure progress toward completion of the performance obligation as it provides a faithful depiction of the transfer of the control of the services to the customer.

Rendering of services - at a point in time:

The Association concluded that it transfers control over its services at a point in time, upon receipt by the customer of the service, because this is when the customer benefits from the relevant service.

- **Contributions and donations**

Contributions and donations are recognised when they have been received and when it is virtually certain they will be received.

Financial assets

Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank.

Provisions

Provisions are recognised when the Association has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Association expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

5. New accounting pronouncements

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Management Committee expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Association.

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

6. Income

	2021	2020
	€	€
Donations from Oxygono executive committee members	350	1,529
Sponsorships	3,193	734
Service fee income	4,413	-
	<u>7,956</u>	<u>2,263</u>

Service fee income mainly relates to services provided in relation to the European Climate Pact project. The European Climate Pact is an initiative of the European Commission supporting the implementation of the European Green Deal. It is a movement to build a greener Europe, providing a platform to work and learn together, develop solutions, and achieve real change.

On 24th June 2021, the Association entered into a Subcontracting Framework Agreement with LOW Associates Brussels SRL for the operation of the European Climate Pact project. According to the agreement, the Association is responsible for the implementation of the activities of the project in the Southern European region and more particular in Cyprus. The Subcontracting Framework Agreement is in effect until 9th December 2022. Fee for the services provided is based on daily fee rates pre-determined at the signing of the agreement.

7. Finance costs

	2021	2020
	€	€
Bank charges	-	10
Finance costs	-	10

8. Cash and cash equivalents

For the purposes of the cash flow statement, the cash and cash equivalents include the following:

	2021	2020
	€	€
Cash at bank	3,375	909
	<u>3,375</u>	<u>909</u>

9. Trade and other payables

	2021	2020
	€	€
Accruals	835	596
Other creditors	87	-
	<u>922</u>	<u>596</u>

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

10. Contingent liabilities

The Association had no contingent liabilities as at 31 December 2021.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

11. Commitments

The Association had no capital or other commitments as at 31 December 2021.

12. Events after the reporting period

The geopolitical situation in Eastern Europe intensified on 24 February 2022 with the commencement of the conflict between Russia and Ukraine. As at the date of authorising these financial statements for issue, the conflict continues to evolve as military activity proceeds. In addition to the impact of the events on entities that have operations in Russia, Ukraine, or Belarus or that conduct business with their counterparties, the conflict is increasingly affecting economies and financial markets globally and exacerbating ongoing economic challenges.

The European Union as well as United States of America, Switzerland, United Kingdom and other countries imposed a series of restrictive measures (sanctions) against the Russian and Belarussian government, various companies, and certain individuals. The sanctions imposed include an asset freeze and a prohibition from making funds available to the sanctioned individuals and entities. In addition, travel bans applicable to the sanctioned individuals prevents them from entering or transiting through the relevant territories. The Republic of Cyprus has adopted the United Nations and European Union measures. The rapid deterioration of the conflict in Ukraine may as well lead to the possibility of further sanctions in the future.

Emerging uncertainty regarding global supply of commodities due to the conflict between Russia and Ukraine conflict may also disrupt certain global trade flows and place significant upwards pressure on commodity prices and input costs as seen through early March 2022. Challenges for companies may include availability of funding to ensure access to raw materials, ability to finance margin payments and heightened risk of contractual non-performance.

The impact on the Association largely depends on the nature and duration of uncertain and unpredictable events, such as further military action, additional sanctions, and reactions to ongoing developments by global financial markets.

The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the pace at which the conflict prevails and the high level of uncertainties arising from the inability to reliably predict the outcome.

The event did not exist in the reporting period and is therefore not reflected in the recognition and measurement of the assets and liabilities in the financial statements as at 31 December 2021 as it is considered as a non-adjusting event.

The Association has limited direct exposure to Russia, Ukraine, and Belarus and as such does not expect significant impact from direct exposures to these countries.

Despite the limited direct exposure, the conflict is expected to negatively impact the tourism and services industries in Cyprus. Furthermore, the increasing energy prices, fluctuations in foreign exchange rates, unease in stock market trading, rises in interest rates, supply chain disruptions and intensified inflationary pressures may indirectly impact the operations of the Association. The indirect implications will depend on the extent and duration of the crisis and remain uncertain.

Management has considered the unique circumstances and the risk exposures of the Association and has concluded that there is no significant impact in the Association's position. The event is not expected to have an immediate material impact on the business operations. Management will continue to monitor the situation closely.

Except from the matter mentioned above, there were no other material events after the reporting period, which have a bearing on the understanding of the financial statements.

Independent Auditor's Report on pages 2 to 3