

Skateistan gGmbH

Berlin

2019

Audit Report

on the annual financial statements
as at 31 December 2019

Convenience Translation (German version prevails)

Skateistan gGmbH, Berlin

Issue No. 1

List of abbreviations

Abbreviation	Meaning
Skateistan, Company	Skateistan gGmbH, Berlin
IDW	Institut der Wirtschaftsprüfer in Deutschland e. V., Düsseldorf (Institute of Public Auditors in Germany)
IDW PS	IDW Audit Standard
PS	Audit Standards
HGB	Handelsgesetzbuch (Commercial Code)
HRB	Handelsregister, Abteilung B (Commercial Register, Section B)
n. F.	Revised Version

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A. Audit engagement

Management of

Skateistan gGmbH, Berlin,

engaged us on 28 November 2019 to audit the 2019 annual financial statements in accordance with § 316 et seq. HGB (German Commercial Code) including the underlying accounting records, on a voluntary basis. On the basis of the assignment, we report in writing to Skateistan gGmbH, Berlin, on the results of our audit. This auditor's report is addressed to Skateistan gGmbH, Berlin.

For the execution of the assignment and our responsibility, also with respect to third parties, the attached Annex 6 the "General Conditions of Assignment for Auditors and Auditing Companies" in the version of 1 January 2007 apply. The extent of our liability is determined in accordance with No. 1 Para. 2 and No. 9 of the General Conditions of Assignment. With respect to third parties, No. 1 Para. 2 and No. 9 of the General Conditions of Assignment shall apply.

B. Copy of the auditor's opinion

We issued the following auditor's opinion regarding the annual financial statements as at 31 December 2019 attached as Annexes 1 to 4, which are copied-in below:

"[Note: This is a convenience translation of the German original. Solely the original text in German language is authoritative.]

INDEPENDENT AUDITOR'S REPORT

To the **Skateistan gGmbH, Berlin:**

Audit Opinion

We have audited the annual financial statements of Skateistan gGmbH, Berlin, which comprise the balance sheet as at 31 December 2019, and the statement of profit and loss for the financial year from 1 January to 31 December 2019, and notes to the financial statements, including the presentation of the recognition and measurement.

In our opinion, on the basis of the knowledge obtained in the audit, the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2019 and of its financial performance for the financial year from 1 January to 31 December 2019 in compliance with German Legally Required Accounting Principles.

Pursuant to § 322 Para. 3 S. 1 German Commercial Code (HGB), we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements.

Basis for the audit opinion

We conducted our audit of the annual financial statements in accordance with § 317 German Commercial Code (HGB) and German generally accepted standards for the audit of financial statement audits promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Our responsibilities under these requirements and principles are further described in the "Auditor's responsibilities for the audit of the annual financial statements" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the annual financial statements.

Responsibilities of the Executive Directors for the annual financial statements

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Auditor's responsibilities for the audit of the annual financial statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, as well as to issue an auditor's report that includes our audit opinion on the annual financial.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 German Commercial Code (HGB) and in compliance with German generally accepted standards for the audit of financial statement audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

We exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual 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 audit 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 controls.
- obtain an understanding of internal control relevant to the audit of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.

- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- conclude on the appropriateness of the executive directors' 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit 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 Company to cease to be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.

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

C. Statement on the assessment of the situation by the legal representatives

The Company meets the size criteria of a small corporation according to § 267 Para. 1 HGB. As a result, the legal representative did not prepare a management report pursuant to § 264 Para. 1 S. 4 HGB. As auditors, we can therefore not comment on the assessment of the Company's situation by its legal representatives, as would otherwise be expressed in a management report.

The presentation of the Association's situation in the annual financial statements by the legal representatives is accurate and conforms to our findings during our audit of the annual financial statements.

As a result of the corona pandemic and based on the available liquidity and the updated liquidity planning, the company is still fully financed for 2020. In general, however, it must be taken into account that in connection with the corona pandemic, even updated / adapted plans are subject to a high degree of uncertainty. The further dynamic development of the global corona pandemic and its effects on the company (extent, intensity, duration) can currently not be assessed reliably.

D. Analysis of Assets, Liabilities and Financial Position as well as Results of Operations

1. Results of Operations

The statement of profit and loss of the two last financial years, which have been condensed according to operational criteria, show the following earning situation:

	2019		2018		+/-	
	kEUR	%	kEUR	%	kEUR	%
Donations and grants	768	100,0	756	100,0	12	1,6
Gross performance	768	100,0	756	100,0	12	1,6
Direct project costs	517	67,3	572	75,8	-55	-9,6
Personnel costs	731	95,2	503	66,5	228	45,3
Depreciation	3	0,4	2	0,3	1	50,0
Other operating costs	122	15,9	148	19,6	-26	-17,6
Operating expenses	1.373	178,8	1.225	162,2	148	12,1
Other operating income	605	78,8	469	62,0	136	29,0
Overall result for the year	0	0,0	0	0,0	0	0,0

The Organization is a non-profit corporation generating its revenue through donations. The amount of donations increased in the year under review by kEUR 12 to kEUR 768. The details of the donation proceeds in the year under review are as follows:

	2019 kEUR	2018 kEUR
Received donations and grants in the financial year	1.008	614
+ Consumption of accrued donations and grants from the prior year	0	150
- donations and grants not yet used of the financial year	-240	-8
Donations and grants	768	756

The direct project costs include project costs of Skateistan gGmbH for the projects in Afghanistan, Cambodia, South Africa and the exploring-project in Jordan.

The increase of **personnel expenses** results from salary increases agreed with the International Advisory Board as well as from the hiring of new employees. Compared to prior year, the average number of employees increased to 12 (previous year 11).

The **other operating expenses** mainly include travel costs (kEUR 33), rent (kEUR 20) and costs for external payroll service, tax advice and audit of the annual financial statements (kEUR 18).

The **other operating income** include income from recharged administrative expenses of Skateistan gGmbH for the projects in Afghanistan, Cambodia and South Africa.

The quality of our accounting is based on the German Commercial Code (HGB) and the Accounting Act (BilMoG).

including the underlying facts and circumstances.

within the scope of our responsibility.

to compliance with the applicable laws and regulations.

to the best of our knowledge and belief.

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2. Assets, Liabilities and Financial Position

In the following overview, the balance sheet has been arranged according to operational criteria. Assets and liabilities with a maturity of up to one year are shown as short-term items. Prepaid expenses are allocated to the current assets.

	31.12.2019		31.12.2018		+/-	
	kEUR	%	kEUR	%	kEUR	%
Assets						
Tangible assets	7	1	8	1	-1	-13
Financial assets	6	1	4	1	2	50
Long-term assets	13	1	12	2	1	8
Other assets	11	1	1	0	10	-
Liquid funds	941	98	538	98	403	75
Current assets	952	99	539	98	413	77
	965	100	551	100	414	75
Equity and Liabilities						
Capital	36	4	36	7	0	0
Donations not yet used	313	32	74	13	239	323
Accruals	7	1	5	1	2	40
Short-term						
Liabilities to banks	1	0	1	0	0	0
Trade payables	1	0	2	0	-1	-50
Other liabilities	607	63	433	79	174	40
Short-term liabilities	616	64	441	80	175	40
	965	100	551	100	414	75

The **other accruals** mainly include outstanding invoices.

The **short-term liabilities to banks** include credit card settlements.

The **other liabilities** include, inter alia, liabilities towards Skateistan Afghanistan (kEUR 285, prior year: kEUR 93) and Skateistan Cambodia (kEUR 94, prior year: kEUR 13).

Furthermore, in October 2017 the Skateistan gGmbH received the first prize of the "WeWork Award 2017" in Berlin and won a grant of kEUR 302, of which an amount of kEUR 136 has not been invested in projects up to 31 December 2019 (prior year: kEUR 235).

E. Subject, type and scope of the audit

1. Subject of the audit

The subject of our audit is the annual financial statements of the Company as at 31 December 2019, which have been prepared in accordance with the German regulations under commercial law including the underlying accounting records.

Within the scope of our engagement, we have audited the annual financial statements in terms of compliance with the German regulations under commercial and association law and with the German principles of proper accounting. Observance of other provisions of law and an assessment of the adequacy of the insurance protection did not form part of our engagement. The detection and investigation of crimes such as acts of fraud and embezzlement and the determination of administrative offences committed outside the accounting likewise did not form part of our audit.

Pursuant to § 317 Para. 4a of the Commercial Code, the audit is not geared to assure the effectiveness or efficiency of management or the Company's ability to continue as a going concern beyond the going concern basis of accounting.

2. Type and scope of the audit

We conducted the audit with interruptions in the premises of the Company in Berlin and in our office during the months February to March 2020.

We have recorded details about the type, scope and findings of the audit performed in our working papers.

Audit strategy

We conducted our audit in accordance with the provisions of §§ 316 et seq. HGB and in compliance with the German generally accepted standards for the audit of financial statement audits promulgated by the Institut der Wirtschaftsprüfer (IDW).

These standards require that the audit is planned and performed such that fraud or error materially affecting the presentation of the assets, liabilities, financial position and financial performance shown by the annual financial statements with due regard to the German principles of proper accounting are detected with reasonable assurance.

Our audit was based on the prior year's annual financial statements of the Company audited by us and given the unqualified auditor's opinion.

We applied a risk-oriented audit approach, which was based on the knowledge of the business activity, the economic and legal environment of the Company and an analysis of the related risk areas.

Based on an assessment of the inherent risks, the control environment and the system of internal accounting controls, we prepared a risk profile for the annual financial statements. On that basis, we defined the type and scope of analytical (plausibility assessments) and other specific audit procedures. Tests of details were performed on the basis of judgmental samples or by applying statistical selection procedures. In doing so, we observed the principles of materiality and economic efficiency.

Documentation and confirmation obtained from third parties

Balance confirmations for the verification of trade receivables and trade payables were obtained using random samples as of the balance sheet date

Bank confirmations were obtained completely.

Lawyer's confirmations concerning pending litigation were obtained.

Provision of information; declaration of general representativeness

Information was provided by the executive director and by the employees named to us. The requested clarifications and documentation were readily provided to us.

The executive director has confirmed the completeness of the accounting records and the annual financial statements as well as the other information required in accordance with IDW PS 303 in a written declaration. According to this declaration, no events of special significance occurred subsequent to the close of the stub period; nor did we become aware of any during our audit.

3. Independence

In accordance with § 321 Para. 4a HGB, we confirm that we complied with the applicable independence requirements within our audit.

F. Findings and explanations regarding the accounting

1. Propriety of the accounting

The accounting (Bookkeeping of impersonal accounts, debtors and creditors as well as cost center accounting) is managed by the software Xero. Business transactions were recorded completely, continuously and promptly, to the extent we could determine this by means of random checks carried out to a standard professional degree. Journals, general ledger accounts and subledger accounts were available.

In our opinion, based on our knowledge obtained during the audit, the bookkeeping and other audited documents are proper and in all material respects comply with the German legal regulations.

Information taken from other reviewed documents (such as budgeting, contracts) led to appropriate representation in the accounting records and the annual financial statements.

The audit did not reveal any findings to the contrary that the organizational and technical measures taken by the Company are suitable to ensure the security of accounting-relevant data and IT systems.

We have issued the opinion on our audit copied in Section B., which includes the result of the audit with respect to the following aspects:

- Regularity of the components of the financial statements in all material respects – based on the figures of the previous year's balance sheet – and their derivation from the accounting records and other audited documents.
- Observance of recognition, disclosure and valuation rules in all material respects.
- Observance of all regulations applicable to accounting, including the principles of orderly accounting and all legal or industry-specific regulations.
- Regularity of the disclosures in all material respects.

In addition to the statements made in our audit opinion, we determine the following:

The disclosures and explanations in the notes are complete and accurate in all material respects in accordance with the regulations applicable to small corporations.

2. General message conveyed by the annual financial statements

The annual financial statements comply with legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting.

In accordance with section 321 (2) sentence 4 of the HGB and in addition to the presentation in the notes to the financial statements, we describe in the following section significant measurement bases and – where available – the influence of changes in measurement bases, including the exercise of accounting and valuation options, the use of discretionary decisions and fact-forming measures.

Significant basis of valuation and valuation changes

The **accounting and valuation** of assets and liabilities are in line with the provisions of law and are explained in the notes.

The **other accruals** are considering all uncertain liabilities. These are recognized at the amount to be paid as deemed appropriate according to reasonable commercial judgement. Future costs and price increases are included.

The principle of **consistency in accounting and valuation** was followed, as explained in the notes.

G. Concluding remark

The above report on our audit of the annual financial statements of Skateistan gGmbH, Berlin, for the financial year from 1 January to 31 December 2019 is prepared in accordance with the legal requirements.

Berlin, 17 April 2020

Ebner Stolz GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft



Karina Frille
Wirtschaftsprüferin



Thorsten Sommerfeld
Wirtschaftsprüfer

In the case of publications or disclosure of the annual financial statements in a form at variance with the confirmed version (including the translation into other languages) our renewed opinion must be obtained, if our auditor's opinion is cited or reference is made to our audit; we refer to § 328 of the Commercial Code

Annexes

Skateistan gGmbH, Berlin
Balance sheet as of 31. December 2019

Assets	31.12.2019 EUR	31.12.2018 EUR
	<u> </u>	<u> </u>
A. Fixed assets		
I. Tangible assets		
Other assets, plant and office equipment	<u>7.217,38</u>	<u>7.566,48</u>
II. Financial assets		
1. Shares in affiliated companies	1.000,00	1.000,00
2. Other loans	<u>5.100,00</u>	<u>2.580,00</u>
	<u>6.100,00</u>	<u>3.580,00</u>
B. Current assets		
I. Receivables and other assets		
Other assets	<u>9.785,05</u>	<u>751,70</u>
	<u>9.785,05</u>	<u>751,70</u>
II. Cash and cash equivalents	<u>941.011,36</u>	<u>538.760,40</u>
C. Prepaid Expenses	<u>552,03</u>	<u>364,91</u>
	<u>964.665,82</u>	<u>551.023,49</u>

Equity and Liabilities

	31.12.2019 EUR	31.12.2018 EUR
A. Equity capital		
I. Subscribed capital	25.000,00	25.000,00
II. Profit carried forward	<u>10.676,60</u>	<u>10.676,60</u>
	<u>35.676,60</u>	<u>35.676,60</u>
B. Donations not yet used	<u>313.180,05</u>	<u>73.608,44</u>
C. Accruals		
Other accruals	<u>6.585,00</u>	<u>5.105,83</u>
D. Liabilities		
1. Liabilities to banks	1.189,62	946,43
2. Trade payables	823,32	2.144,63
3. Other liabilities	<u>607.211,23</u>	<u>433.541,56</u>
	<u>609.224,17</u>	<u>436.632,62</u>
	<u><u>964.665,82</u></u>	<u><u>551.023,49</u></u>

Skateistan gGmbH, Berlin
Statement of profit and loss
for the financial year from 1 January to 31 December 2019

	2 0 1 9 EUR	2 0 1 8 EUR
	<u> </u>	<u> </u>
1. Donations and grants	768.197,81	756.460,65
2. Other operating income	605.010,74	469.448,27
- of which from currency conversion: EUR 0,00 (prior year EUR 5.817,94)		
	<u>1.373.208,55</u>	<u>1.225.908,92</u>
3. Direct project costs		
Costs of purchased services	<u>516.858,77</u>	<u>572.181,80</u>
	<u>516.858,77</u>	<u>572.181,80</u>
4. Personnel costs		
a) Wages and salaries	601.332,29	410.192,99
b) Social security and retirement costs	<u>129.431,90</u>	<u>93.199,96</u>
	<u>730.764,19</u>	<u>503.392,95</u>
5. Depreciation	3.549,99	2.425,00
6. Other operating costs	122.035,60	147.909,17
- of which for currency conversion: EUR 11.489,90 (prior year EUR 0,00)		
7. Earnings after tax/ Net income for the year	<u><u>0,00</u></u>	<u><u>0,00</u></u>

BRUNNEN GMBH, BERLIN

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR FROM 1 JANUARY TO 31 DECEMBER 2019

A. GENERAL STATEMENTS

The Organization is based in Berlin and has been registered in the commercial register, division B, under no. HRB 145258, of the Charlottenburg Local Court since 18 July 2012.

The Organization meets the size criteria of a small corporation. The annual Financial Statements were prepared in accordance with § 242 to 256a and § 264 to 288 HGB as well as in accordance with the relevant provisions of the German Limited Liability Companies Act (GmbHG) and of the Organization's articles of association.

The nature-of-expense method was applied to the income statement.

B. ACCOUNTING AND VALUATION METHODS

The tangible assets are valued at historical cost reduced by depreciation. Depreciation is applied on a straight-line basis according to the scheduled useful life.

The financial assets are valued at historical cost.

The receivables and other assets are valued at their nominal amount considering the lower attributable value.

The liquid assets are carried at their nominal amount.

The prepaid expenses show payments of the year under review, which represent expenses of following periods.

The donations which have not been used yet are carried at their nominal amount.

The other accruals are recognized at the amount to be paid as deemed appropriate according to reasonable commercial judgement.

The liabilities are valued at their amount repayable.

The receivables and liabilities in foreign currencies are valued at the exchange rate on the day of the transaction. Short-term receivables and liabilities in foreign currencies are valued at the average spot exchange rate on the balance sheet date.

C. STATEMENTS ON THE BALANCE SHEET AND INCOME STATEMENT

Receivables and other assets with a remaining term of more than one year did not exist at the balance sheet date.

All accounts payable are due within one year.

The other liabilities are due within one year.

The composition of the donation proceeds in the year under review is as follows:

	2018 KEUR	2017 KEUR
Received donations and grants in the financial year	1.008	614
+ Consumption of accrued donations and grants from the prior year	0	150
- donations and grants not yet used of the financial year	-240	-8
Donations and grants	<u>768</u>	<u>756</u>

D. OTHER STATEMENTSOther financial obligations

The Organization has to meet the following financial obligations from lease agreements:

	below 1 year	1-5 years
Lease agreements	EUR 30,600.00	EUR 158,749.00

Employees

In the fiscal year 2019, the Organization had an average of 12 employees.

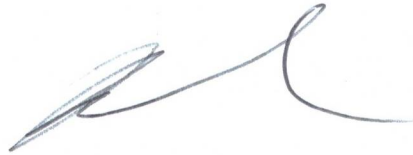
Management and representation

In the year under review, the Organization was represented solely by the managing director, Mr. Oliver Percovich, Victoria (Australia), who was released from the restrictions on multiple representations according to § 181 BGB (German Civil Code).

Berlin, 31 March 2020

Oliver Percovich

Managing Director



Skateistan gGmbH, Berlin
Development of fixed assets in the financial year 2019

Aquisition costs

	As of 01.01.2019 EUR	Additions EUR	Disposals EUR	As of 31.12.2019 EUR
I. Fixed assets				
Other assets, plant and office equipment	13.669,48	3.200,89	0,00	16.870,37
	<u>13.669,48</u>	<u>3.200,89</u>	<u>0,00</u>	<u>16.870,37</u>
II. Financial assets				
1. Shares in affiliated companies	1.000,00	0,00	0,00	1.000,00
2. Other Loans	2.580,00	2.520,00	0,00	5.100,00
	<u>3.580,00</u>	<u>2.520,00</u>	<u>0,00</u>	<u>6.100,00</u>
	<u>17.249,48</u>	<u>5.720,89</u>	<u>0,00</u>	<u>22.970,37</u>

Annex 4

Cumulative depreciation				Book value	
As of 01.01.2019 EUR	Additions EUR	Disposals EUR	As of 31.12.2019 EUR	As of 31.12.2019 EUR	As of 31.12.2018 EUR
6.103,00	3.549,99	0,00	9.652,99	7.217,38	7.566,48
6.103,00	3.549,99	0,00	9.652,99	7.217,38	7.566,48
0,00	0,00	0,00	0,00	1.000,00	1.000,00
0,00	0,00	0,00	0,00	5.100,00	2.580,00
0,00	0,00	0,00	0,00	6.100,00	3.580,00
6.103,00	3.549,99	0,00	9.652,99	13.317,38	11.146,48

The basics in law and taxation

1. Corporate law

Company:	Skateistan gemeinnützige GmbH	
Based in:	Berlin	
Shareholder agreement:	Version of the Shareholder agreement from 14 July 2014.	
Purpose of business:	the	Is the worldwide support of activities among young people in the framework of development assistance.
Financial year:	The financial year corresponds to the calendar year.	
Share capital:	EUR 25,000.00 The deposits for share capital have been paid in full amount.	
Shareholder structure: (unchanged)		31.12.2019 EUR
	Oliver Percovich, Berlin	6,000.00
	Andreas Schützenberger, Passau	4,750.00
	Thomas Staines, Chesham, United Kingdom	4,750.00
	Rhianon Bader, Berlin	4,750.00
	Claire Dugan, Berlin	4,750.00
		<u>25,000.00</u>
Chief Executive Directors:	Mr. Oliver Percovich, Victoria, Australia	
	Mr. Oliver Percovich is authorized as sole representative and excluded from the limitations of § 181 of the BGB.	
Proxy:	Claire Dugan, Berlin Anne Fargeas, Berlin	
International Advisory Board:	Nita Wink (Chairperson) Dr. Simon Adams (Vice Chairperson) Benafsha Tasmim Tony Hawk Jamie Thomas Mori Taheripour Mimi Knoop Holly Thorpe Cathy Obrecht	
Commercial register:	The Organization is entered on the commercial register of the local court of Charlottenburg, Germany, under the number HRB 143259 B. A print of the commercial register from 12 February 2020 was submitted.	

Financial
statements of the
previous year.

At the general meeting from 1st April 2019 the following decisions were prepared:

- Adoption of the annual financial statements as at 31 December 2018
- Presentation of the profit carried forward from 2018 in the amount of EUR 10,676.60
- Director's discharge for the financial year 2018

2. Tax circumstances

The assessments have been settled until 2018.

General Engagement Terms

for

Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften

[German Public Auditors and Public Audit Firms]
as of January 1, 2017

1. Scope of application

(1) These engagement terms apply to contracts between German Public Auditors (*Wirtschaftsprüfer*) or German Public Audit Firms (*Wirtschaftsprüfungsgesellschaften*) – hereinafter collectively referred to as "German Public Auditors" – and their engaging parties for assurance services, tax advisory services, advice on business matters and other engagements except as otherwise agreed in writing or prescribed by a mandatory rule.

(2) Third parties may derive claims from contracts between German Public Auditors and engaging parties only when this is expressly agreed or results from mandatory rules prescribed by law. In relation to such claims, these engagement terms also apply to these third parties.

2. Scope and execution of the engagement

(1) Object of the engagement is the agreed service – not a particular economic result. The engagement will be performed in accordance with the German Principles of Proper Professional Conduct (*Grundsätze ordnungsgemäßer Berufsausübung*). The German Public Auditor does not assume any management functions in connection with his services. The German Public Auditor is not responsible for the use or implementation of the results of his services. The German Public Auditor is entitled to make use of competent persons to conduct the engagement.

(2) Except for assurance engagements (*betriebswirtschaftliche Prüfungen*), the consideration of foreign law requires an express written agreement.

(3) If circumstances or the legal situation change subsequent to the release of the final professional statement, the German Public Auditor is not obligated to refer the engaging party to changes or any consequences resulting therefrom.

3. The obligations of the engaging party to cooperate

(1) The engaging party shall ensure that all documents and further information necessary for the performance of the engagement are provided to the German Public Auditor on a timely basis, and that he is informed of all events and circumstances that may be of significance to the performance of the engagement. This also applies to those documents and further information, events and circumstances that first become known during the German Public Auditor's work. The engaging party will also designate suitable persons to provide information.

(2) Upon the request of the German Public Auditor, the engaging party shall confirm the completeness of the documents and further information provided as well as the explanations and statements, in a written statement drafted by the German Public Auditor.

4. Ensuring independence

(1) The engaging party shall refrain from anything that endangers the independence of the German Public Auditor's staff. This applies throughout the term of the engagement, and in particular to offers of employment or to assume an executive or non-executive role, and to offers to accept engagements on their own behalf.

(2) Were the performance of the engagement to impair the independence of the German Public Auditor, of related firms, firms within his network, or such firms associated with him, to which the independence requirements apply in the same way as to the German Public Auditor in other engagement relationships, the German Public Auditor is entitled to terminate the engagement for good cause.

5. Reporting and oral information

To the extent that the German Public Auditor is required to present results in writing as part of the work in executing the engagement, only that written report is authoritative. Drafts are non-binding. Except as otherwise agreed, oral statements and explanations by the German Public Auditor are binding only when they are confirmed in writing. Statements and information of the German Public Auditor outside of the engagement are always non-binding.

6. Distribution of a German Public Auditor's professional statement

(1) The distribution to a third party of professional statements of the German Public Auditor (results of work or extracts of the results of work whether in draft or in a final version) or information about the German Public Auditor acting for the engaging party requires the German Public Auditor's written consent, unless the engaging party is obligated to distribute or inform due to law or a regulatory requirement.

(2) The use by the engaging party for promotional purposes of the German Public Auditor's professional statements and of information about the German Public Auditor acting for the engaging party is prohibited.

7. Deficiency rectification

(1) In case there are any deficiencies, the engaging party is entitled to specific subsequent performance by the German Public Auditor. The engaging party may reduce the fees or cancel the contract for failure of such subsequent performance, for subsequent non-performance or unjustified refusal to perform subsequently, or for unconscionability or impossibility of subsequent performance. If the engagement was not commissioned by a consumer, the engaging party may only cancel the contract due to a deficiency if the service rendered is not relevant to him due to failure of subsequent performance, to subsequent non-performance, to unconscionability or impossibility of subsequent performance. No. 9 applies to the extent that further claims for damages exist.

(2) The engaging party must assert a claim for the rectification of deficiencies in writing (*Textform*) [Translator's Note: The German term "Textform" means in written form, but without requiring a signature] without delay. Claims pursuant to paragraph 1 not arising from an intentional act expire after one year subsequent to the commencement of the time limit under the statute of limitations.

(3) Apparent deficiencies, such as clerical errors, arithmetical errors and deficiencies associated with technicalities contained in a German Public Auditor's professional statement (long-form reports, expert opinions etc.) may be corrected – also versus third parties – by the German Public Auditor at any time. Misstatements which may call into question the results contained in a German Public Auditor's professional statement entitle the German Public Auditor to withdraw such statement – also versus third parties. In such cases the German Public Auditor should first hear the engaging party, if practicable.

8. Confidentiality towards third parties, and data protection

(1) Pursuant to the law (§ [Article] 323 Abs 1 [paragraph 1] HGB [German Commercial Code: *Handelsgesetzbuch*], § 43 WPO [German Law regulating the Profession of Wirtschaftsprüfer: *Wirtschaftsprüferordnung*], § 203 StGB [German Criminal Code: *Strafgesetzbuch*]) the German Public Auditor is obligated to maintain confidentiality regarding facts and circumstances confided to him or of which he becomes aware in the course of his professional work, unless the engaging party releases him from this confidentiality obligation.

(2) When processing personal data, the German Public Auditor will observe national and European legal provisions on data protection.

9. Liability

(1) For legally required services by German Public Auditors, in particular audits, the respective legal limitations of liability, in particular the limitation of liability pursuant to § 323 Abs. 2 HGB, apply.

(2) Insofar neither a statutory limitation of liability is applicable, nor an individual contractual limitation of liability exists, the liability of the German Public Auditor for claims for damages of any other kind, except for damages resulting from injury to life, body or health as well as for damages that constitute a duty of replacement by a producer pursuant to § 1 ProdHaftG [German Product Liability Act: *Produkthaftungsgesetz*], for an individual case of damages caused by negligence is limited to € 4 million pursuant to § 54 a Abs. 1 Nr. 2 WPO.

(3) The German Public Auditor is entitled to invoke demurs and defenses based on the contractual relationship with the engaging party also towards third parties.

(4) When multiple claimants assert a claim for damages arising from an existing contractual relationship with the German Public Auditor due to the German Public Auditor's negligent breach of duty, the maximum amount stipulated in paragraph 2 applies to the respective claims of all claimants collectively.

(5) An individual case of damages within the meaning of paragraph 2 also exists in relation to a uniform damage arising from a number of breaches of duty. The individual case of damages encompasses all consequences from a breach of duty regardless of whether the damages occurred in one year or in a number of successive years. In this case, multiple acts or omissions based on the same source of error or on a source of error of an equivalent nature are deemed to be a single breach of duty if the matters in question are legally or economically connected to one another. In this event the claim against the German Public Auditor is limited to € 5 million. The limitation to the fivefold of the minimum amount insured does not apply to compulsory audits required by law.

(6) A claim for damages expires if a suit is not filed within six months subsequent to the written refusal of acceptance of the indemnity and the engaging party has been informed of this consequence. This does not apply to claims for damages resulting from scienter, a culpable injury to life, body or health as well as for damages that constitute a liability for replacement by a producer pursuant to § 1 ProdHaftG. The right to invoke a plea of the statute of limitations remains unaffected.

10. Supplementary provisions for audit engagements

(1) If the engaging party subsequently amends the financial statements or management report audited by a German Public Auditor and accompanied by an auditor's report, he may no longer use this auditor's report.

If the German Public Auditor has not issued an auditor's report, a reference to the audit conducted by the German Public Auditor in the management report or any other public reference is permitted only with the German Public Auditor's written consent and with a wording authorized by him.

(2) If the German Public Auditor revokes the auditor's report, it may no longer be used. If the engaging party has already made use of the auditor's report, then upon the request of the German Public Auditor he must give notification of the revocation.

(3) The engaging party has a right to five official copies of the report. Additional official copies will be charged separately.

11. Supplementary provisions for assistance in tax matters

(1) When advising on an individual tax issue as well as when providing ongoing tax advice, the German Public Auditor is entitled to use as a correct and complete basis the facts provided by the engaging party – especially numerical disclosures; this also applies to bookkeeping engagements. Nevertheless, he is obligated to indicate to the engaging party any errors he has identified.

(2) The tax advisory engagement does not encompass procedures required to observe deadlines, unless the German Public Auditor has explicitly accepted a corresponding engagement. In this case the engaging party must provide the German Public Auditor with all documents required to observe deadlines – in particular tax assessments – on such a timely basis that the German Public Auditor has an appropriate lead time.

(3) Except as agreed otherwise in writing, ongoing tax advice encompasses the following work during the contract period:

- a) preparation of annual tax returns for income tax, corporate tax and business tax, as well as wealth tax returns, namely on the basis of the annual financial statements, and on other schedules and evidence documents required for the taxation, to be provided by the engaging party
- b) examination of tax assessments in relation to the taxes referred to in (a)
- c) negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)
- d) support in tax audits and evaluation of the results of tax audits with respect to the taxes referred to in (a)
- e) participation in petition or protest and appeal procedures with respect to the taxes mentioned in (a).

In the aforementioned tasks the German Public Auditor takes into account material published legal decisions and administrative interpretations.

(4) If the German Public auditor receives a fixed fee for ongoing tax advice, the work mentioned under paragraph 3 (d) and (e) is to be remunerated separately, except as agreed otherwise in writing.

(5) Insofar the German Public Auditor is also a German Tax Advisor and the German Tax Advice Remuneration Regulation (*Steuerberatungsvergütungsverordnung*) is to be applied to calculate the remuneration, a greater or lesser remuneration than the legal default remuneration can be agreed in writing (*Textform*).

(6) Work relating to special individual issues for income tax, corporate business tax, valuation assessments for property units, wealth tax as well as all issues in relation to sales tax, payroll tax, other taxes and requires a separate engagement. This also applies to:

- a) work on non-recurring tax matters, e.g. in the field of estate tax, transactions tax, and real estate sales tax;
- b) support and representation in proceedings before tax and administrative courts and in criminal tax matters;
- c) advisory work and work related to expert opinions in connection with changes in legal form and other re-organizations, capital increases and reductions, insolvency related business reorganizations, dissolution and retirement of owners, sale of a business, liquidations and like, and
- d) support in complying with disclosure and documentation obligations.

(7) To the extent that the preparation of the annual sales tax return undertaken as additional work, this includes neither the review of special accounting prerequisites nor the issue as to whether all possible sales tax allowances have been identified. No guarantee is given for a complete compilation of documents to claim the input tax credit.

12. Electronic communication

Communication between the German Public Auditor and the engaging party may be via e-mail. In the event that the engaging party does not wish to communicate via e-mail or sets special security requirements, such as the encryption of e-mails, the engaging party will inform the German Public Auditor in writing (*Textform*) accordingly.

13. Remuneration

(1) In addition to his claims for fees, the German Public Auditor is entitled to claim reimbursement of his expenses; sales tax will be billed additionally. He may claim appropriate advances on remuneration and reimbursement of expenses and may make the delivery of his services dependent upon complete satisfaction of his claims. Multiple engaging parties are jointly and severally liable.

(2) If the engaging party is not a consumer, then a set-off against the German Public Auditor's claims for remuneration and reimbursement of expenses is admissible only for undisputed claims or claims determined by a court decision. This is also true for claims determined by a court decision. This is also true for claims determined by a court decision. This is also true for claims determined by a court decision.

14. Dispute Settlement

The German Public Auditor is not prepared to participate in dispute settlement procedures before a consumer arbitration board (*Verbraucherstreitbelegungsstelle*) within the meaning of § 2 of the German Act on Consumer Dispute Settlements (*Verbraucherstreitbelegungsgesetz*).

15. Applicable law

The contract, the performance of the services and all claims arising therefrom are exclusively governed by German law.