

Financial statement

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version 1-2

Start date of the period for which the report was prepared

2022-01-01

End date of the period for which the report was prepared

2022-12-31

Date of preparation of the financial statement

2023-06-30

CodeOfReport

SprFinOpWTysiaach

VariantOfReport

1

Entity details:

1. Entity identification data

1A. Name and seat

Name

Empowering Children Foundation

Headquarters

Province

mazowieckie (Mazovian)

District

m.st. Warszawa (Warsaw)

Municipality

m.st. Warszawa (Warsaw)

City

Warsaw

1B. Address

Address

Country

PL

Province

Mazowieckie (Mazovian)

District

m.st. Warszawa (Warsaw)

Municipality

m.st. Warszawa (Warsaw)

Street name

Walecznych

Building number

59

Name of locality

Warsaw

Zip code

03-926

Name of post office

Warsaw

1C. NIP tax identifier

1130725676

1D. KRS number. Mandatory for entities registered in the National Court Register.

0000204426

3. Period covered by the financial statement

DateFrom

2022-01-01

DateTo

2022-12-31

4. Assumption of continuing operations

4A. Indication of whether the financial statement has been prepared on the assumption that the entity will continue its business operations in the foreseeable future: true - the statements have been prepared on the assumption that the entity will continue its operations, false - the statements have been prepared on the assumption that the entity will not continue its operations

true

4B. Indication of whether there are any circumstances indicating a threat to its continued operations: true - No circumstances indicating a threat to its continued operations; false - There were circumstances indicating a threat to its continued operations

true

5 Accounting principles (policies). Discussion of the accounting principles (policies) adopted, to the extent that the law leaves the entity the right to choose, including:

5A. Methods of valuation of assets and liabilities (including depreciation),

The accounting principles adopted by the Foundation were applied continuously and are consistent with the accounting principles applied in the previous fiscal year. The supplementary note includes only information that related to events and presentation of items that occurred in 2022 and 2021.

5A. Methods of valuation of assets and liabilities (including depreciation),

Revenues and costs are recognised in accordance with the principle of accrual and matching of revenues and costs, i.e. in the fiscal year to which they relate, regardless of when the payment is received or made.

5A. Methods of valuation of assets and liabilities (including depreciation),

Mission-related revenues, which include grants, donations, and 1% of income tax for public benefit organizations (OPP), are recognised in the profit and loss account when the entity acquires rights to receive the type of revenue resulting from ownership rights to these assets. For grants allocated for specific activities and actions, any unspent amount is deferred in the balance sheet and systematically recognised under accruals in an amount corresponding to the costs incurred to grant-funded activities. Revenues from the sale of products, goods and materials are recognised in the profit and loss statement when the Foundation has transferred to the purchaser the significant benefits of ownership of these assets and is no longer permanently involved in the management of the donated assets, nor does it have effective control over them.

5A. Methods of valuation of assets and liabilities (including depreciation),

Fixed assets are valued in the books at cost (initial value), less depreciation, as well as impairment losses.

The purchase price and production cost of fixed assets and fixed assets under construction include all their costs incurred by the entity for the period of construction, assembly, adaptation and improvement until the date of acceptance for use, including the cost of servicing the liabilities incurred to finance them and the related exchange rate differences, less the income therefrom.

The initial value of a fixed asset is increased by the cost of its improvement, consisting of reconstruction, expansion, modernization or redesign, causing the use value of the asset after the improvement is completed to exceed the use value possessed upon acceptance for use.

Fixed assets are depreciated using the straight-line method. Depreciation begins in the month following acceptance of the fixed asset for use. The correctness of the applied periods and rates of depreciation of fixed assets is periodically verified by the entity, resulting in an appropriate adjustment of depreciation allowances made in subsequent years.

5A. Methods of valuation of assets and liabilities (including depreciation),

At each balance date, an assessment is made as to whether there is objective evidence of impairment of an asset or group of assets. If such evidence exists, the estimated recoverable value of the asset is determined and an impairment loss is recognised in an amount equal to the difference between the recoverable value and the carrying amount. The impairment loss is recognised in the profit and loss account. If the effects of a previously revalued asset are recognised as revaluation reserve, the loss reduces the amount of this reserve, and the remainder of the loss is recognised in the profit and loss statement.

5A. Methods of valuation of assets and liabilities (including depreciation),

Inventories are valued at their acquisition or production costs, not higher than their net selling prices on the balance date. Inventories are recognised in the balance sheet at their net value, i.e. less the value of impairment losses. Impairment losses are recognised in other operating costs.

5A. Methods of valuation of assets and liabilities (including depreciation),

Receivables are reported at the amount due, in compliance with the principle of prudence. The value of receivables is updated taking into account the degree of probability of their payment by means of a revaluation allowance, included in other operating costs or financial costs, respectively - depending on the type of receivables to which the revaluation allowance relates. The main items of receivables are the amounts of grants due to the Foundation and the amounts of grants transferred to other public benefit organizations for the realization of mission-related goals.

5A. Methods of valuation of assets and liabilities (including depreciation),

Liabilities are recognised in the books at the amount due. Receivables and liabilities expressed in foreign currencies are reported as of the date they arise according to the average exchange rate of the National Bank of Poland announced for the currency on the day preceding that date. As of the balance sheet date, receivables and liabilities denominated in foreign currencies are valued at the average exchange rate for a given currency announced for that date by the National Bank of Poland.

5A. Methods of valuation of assets and liabilities (including depreciation),

The Foundation makes prepayments if the cost relates to future reporting periods. Cost accruals are made in the amount of probable liabilities attributable to the current reporting period.

5A. Methods of valuation of assets and liabilities (including depreciation),

Foreign exchange differences resulting from the valuation of assets and liabilities expressed in foreign currencies at the balance sheet date, excluding long-term investments, as well as those arising from the settlement of receivables and liabilities in foreign currencies, as well as from currency sales, are classified as revenues or financial costs, as appropriate, and in justified cases - as the cost of production or the purchase price of goods, as well as the purchase price or cost of production of fixed assets, fixed assets under construction, or intangible assets. The following exchange rates (in PLN) were used to value balance sheet, profit and loss statement items expressed in foreign currencies:
As of 31/12/2022:
EUR 4.6899
USD 4.4018.
As of 31/12/2021:
EUR 4.5994
USD 4.0600.

5B. Determination of the financial result

The Foundation does not apply the secondary legislation (implementing provisions) to the Accounting Act on detailed principles of recognition, valuation methods, scope of disclosure, and presentation of financial instruments.

Acquired or originated financial assets and other investments are recognised in the books on the date they are acquired or originated, either at cost or at purchase price, if the costs of carrying out and settling the transaction are not material. Short-term investments are valued as of the balance sheet date at the lower of the cost or purchase price. Investments for which there is no active market, are valued at fair value determined by other means.

5C. The manner of preparing the financial statement

The financial statement was prepared in accordance with the accounting principles applicable in the territory of the Republic of Poland, as set forth in the Accounting Act of 29 September 1994 (Journal of Laws of 2023, item 120, as amended), and the implementing provisions issued on its basis.

5D. Other

The Foundation does not apply hedge accounting.

6. Detailed information, resulting from the needs or specific nature of the entity

Item name

Simplifications for foundations applied

The Foundation uses the following simplifications when preparing its financial statements:

- Pursuant to Article 46 (5) (6) of the Accounting Act, the Foundation prepares a balance sheet on the basis of Appendix 6 to the Act;
- Pursuant to Art. 47 (4) (6) of the Accounting Act, the Foundation prepares a profit and loss account on the basis of Appendix 6 to the Act;
- In accordance with Article 48 (5) of the Accounting Act, the Foundation prepares a supplementary note on the basis of Appendix 6 to the Act;

The Foundation used the following simplifications:

- Pursuant to Article 3 (6) of the Accounting Act, the Foundation classifies leases according to the rules set forth in tax regulations.
- In accordance with Article 28b of the Accounting Act, the Foundation does not apply the implementing provisions to the Accounting Act on detailed recognition, valuation methods, scope of disclosure, and presentation of financial instruments.
- In accordance with Article 37 (10) of the Accounting Act, the Foundation does not establish deferred tax assets and liabilities.

Detailed information, resulting from the needs or specific nature of the entity

Detailed information, resulting from the needs or specific nature of the entity

Income tax reported in the profit and loss statement includes the current portion. The Foundation benefits from the simplification under Art. 37 (10) of the Accounting Act.

| | Amount as of the end of the current fiscal year | Amount as of the end of the previous fiscal year |
|--|---|--|
| Total assets | 25 799 | 14 202 |
| A. Fixed assets | 8 944 | 8 205 |
| I. Intangible assets | 11 | 17 |
| II. Tangible fixed assets | 8 933 | 8 188 |
| III. Long-term receivables | 0 | 0 |
| IV. Long-term investments | 0 | 0 |
| V. Long-term accruals | 0 | 0 |
| B. Current assets | 16 855 | 5 997 |
| I. Inventory | 4 | 4 |
| II. Short-term receivables | 4 163 | 417 |
| III. Short-term investments | 12 676 | 5 546 |
| IV. Short-term prepayments and accruals | 12 | 30 |
| C. Payments due to the statutory fund | 0 | 0 |
| Total liabilities | 25 799 | 14 202 |
| A. Own fund | 9 924 | 4 550 |
| I. Statutory fund | 2 269 | 2 269 |
| II. Other funds | 0 | 0 |
| III. Profit (loss) from previous years | 2 281 | 0 |
| IV. Net profit (loss) | 5 374 | 2 281 |
| B. Liabilities and provisions for liabilities | 15 875 | 9 652 |
| I. Provisions for liabilities | 492 | 391 |
| II. Long-term liabilities | 89 | 206 |
| III. Current liabilities | 760 | 656 |
| IV. Accruals and prepayments | 14 534 | 8 399 |

| | Amount as of the end of the current fiscal year | Amount as of the end of the previous fiscal year |
|---|---|--|
| A. Income from mission-related activities | 29 336 | 17 126 |
| I. Income from unpaid public benefit activities | 29 336 | 17 126 |
| including mission related revenues from 1% programme | 1 989 | 1 470 |
| II. Income from paid public benefit activities | 0 | 0 |
| III. Income from other mission-related activities | 0 | 0 |
| B. Costs of mission-related activities | 24 288 | 15 095 |
| I. Costs of unpaid public benefit activities | 24 288 | 15 095 |
| including statutory costs from 1% | 1 677 | 1 630 |
| II. Costs of paid public benefit activities | 0 | 0 |
| III. Costs of other mission-related activities | 0 | 0 |
| C. Profit (loss) from mission-related activities (A - B) | 5 048 | 2 031 |
| D. Revenue from business activities | 358 | 396 |
| E. Costs of business activities | 123 | 154 |
| F. Profit (loss) from business activities (D - E) | 235 | 242 |
| G. General and administrative costs | 0 | 0 |
| H. Profit (loss) from operations (C + F - G) | 5 283 | 2 273 |
| I. Other operating revenues | 1 | 19 |
| J. Other operating costs | 0 | 1 |
| K. Financial revenues | 124 | 38 |
| L. Financial costs | 13 | 28 |
| M. Gross profit (loss) (H + I - J + K - L) | 5 395 | 2 301 |
| N. Income tax | 21 | 20 |
| O. Net profit (loss) (M - N) | 5 374 | 2 281 |

| | Amount as of the end of the current fiscal year | Amount as of the end of the previous fiscal year |
|---|---|--|
| I. Equity (fund) at the beginning of the period (OB) | 4 550 | 2 269 |
| 1. - changes in adopted accounting principles (policies) | 0 | 0 |
| 2. - error corrections | 0 | 0 |
| IA. Equity (fund) at the beginning of the period (OB), after adjustments | 4 550 | 2 269 |
| 1. Share capital (fund) at the beginning of the period | 2 269 | 2 268 |
| 1. Changes in share capital (fund) | 0 | 1 |
| A. increase (due to) | 0 | 1 |
| 1. - issuance of shares (share issuance) | 0 | 0 |
| 2. - allocation of the result to the statutory fund | 0 | 1 |
| B. decrease (due to) | 0 | 0 |
| 1. - redemption of shares (stocks) | 0 | 0 |
| 2. Share capital (fund) at the end of the period | 2 269 | 2 269 |
| 2. Supplementary capital (fund) at the beginning of the period | 0 | 0 |
| 1. Changes in supplementary capital (fund) | 0 | 0 |
| A. increase (due to) | 0 | 0 |
| 1. - issuance of shares above par value | 0 | 0 |
| 2. - profit distribution (by law) | 0 | 0 |
| 3. - profit distribution (above the statutorily required minimum) | 0 | 0 |
| B. decrease (due to) | 0 | 0 |
| 1. - coverage of loss | 0 | 0 |
| 2. Supplementary capital (fund) at the end of the period | 0 | 0 |
| 3. Revaluation reserve (fund) at the beginning of the period - changes in adopted accounting principles (policies) | 0 | 0 |
| 1. Changes in revaluation reserve (fund) | 0 | 0 |
| A. increase (due to) | 0 | 0 |
| B. decrease (due to) | 0 | 0 |
| 1. - disposals of fixed assets | 0 | 0 |
| 2. Revaluation reserve (fund) at the end of the period | 0 | 0 |
| 4. Other reserve capitals (funds) at the beginning of the period | 0 | 0 |
| 1. Changes in other reserve capitals (funds) | 0 | 0 |
| A. increase (due to) | 0 | 0 |
| B. decrease (due to) | 0 | 0 |
| 2. Other reserve capitals (funds) at the end of the period | 0 | 0 |
| 5. Profit (loss) from previous years at the beginning of the period | 2 281 | -1 765 |
| 1. Profit from previous years at the beginning of the period | 2 281 | 0 |
| 1. - changes in adopted accounting principles (policies) | 0 | 0 |
| 2. - error corrections | 0 | 0 |
| 2. Profit from previous years at the beginning of the period, after adjustments | 2 281 | 0 |
| A. increase (due to) | 0 | 0 |
| 1. - distribution of retained earnings | 0 | 0 |
| B. decrease (due to) | 0 | 0 |
| 3. Profit from previous years at the end of the period | 2 281 | 0 |
| 4. Loss from previous years at the beginning of the period | 0 | -1 765 |
| 1. - changes in adopted accounting principles (policies) | 0 | 0 |
| 2. - error corrections | 0 | 0 |

| | | |
|---|-------|--------|
| 5. Loss from previous years at the beginning of the period, after adjustments | 0 | -1 765 |
| A. increase (due to) | 0 | 0 |
| 1. - carry-forward losses to be covered | 0 | 0 |
| B. decrease (due to) | 0 | -1 765 |
| 1. - allocation of the financial result to cover the loss | 0 | -1 765 |
| 6. Loss from previous years at the end of the period | 0 | 0 |
| 7. Profit (loss) from previous years at the end of the period | 2 281 | 0 |
| 6. Net result | 5 374 | 2 281 |
| A. net profit | 5 374 | 2 281 |
| B. net loss | 0 | 0 |
| C. deductions from profit | 0 | 0 |
| II. Equity (fund) at the end of the period (CB) | 9 924 | 4 550 |
| III. Equity (fund), after taking into account the proposed distribution of profit (coverage of loss) | 9 924 | 4 550 |

| | Amount as of the end of the current fiscal year | Amount as of the end of the previous fiscal year |
|---|---|--|
| A. Cash flow from operating activities | | |
| I. Net profit (loss) | 5 374 | 2 281 |
| II. Total adjustments | 3 006 | 123 |
| 1. Depreciation | 436 | 319 |
| 2. Foreign exchange gains (losses) | 10 | 12 |
| 3. Interest and profit sharing (dividends) | -103 | 13 |
| 4. Profit (loss) from investment activities | 0 | 0 |
| 5. Change in reserves | 101 | 26 |
| 6. Change in inventory | 0 | 0 |
| 7. Change in receivables | -3 746 | -182 |
| 8. Change in short-term liabilities, except for loans | 155 | 250 |
| 9. Change in prepayments and accruals | 6 153 | -315 |
| 10. Other adjustments | 0 | 0 |
| III. Net cash flows from operating activities (I±II) | 8 380 | 2 404 |
| B. Cash flow from investment activities | | |
| I. Proceeds | 0 | 0 |
| 1. Disposal of intangible and tangible fixed assets | 0 | 0 |
| 2. Disposal of investments in real estate and intangible assets | 0 | 0 |
| 3. From financial assets, including: | 0 | 0 |
| A. in affiliated entities | 0 | 0 |
| B. in other entities | 0 | 0 |
| 1. - disposal of financial assets | 0 | 0 |
| 2. - dividends and profit sharing | 0 | 0 |
| 3. - repayment of long-term loans granted | 0 | 0 |
| 4. - interest | 0 | 0 |
| 5. - other proceeds from financial assets | 0 | 0 |
| 4. other investment proceeds | 0 | 0 |
| II. Expenses | 1 175 | 1 760 |
| 1. Acquisition of intangible and tangible fixed assets | 1 175 | 114 |
| 2. Investments in real estate and intangible assets | 0 | 1 646 |
| 3. On financial assets, including: | 0 | 0 |
| A. in affiliated entities | 0 | 0 |
| B. in other entities | 0 | 0 |
| 1. - acquisition of financial assets | 0 | 0 |
| 2. - long-term loans granted | 0 | 0 |
| 4. Other investment expenditure | 0 | 0 |
| III. Net cash flows from investment activities (I-II) | -1 175 | -1 760 |
| C. Cash flow from financial activities | | |
| I. Proceeds | 108 | 0 |
| 1. Net proceeds from the issue of shares and other equity instruments and capital additions | 0 | 0 |
| 2. Credits and loans | 0 | 0 |
| 3. Issuance of debt securities | 0 | 0 |
| 4. Other financial proceeds | 108 | 0 |
| II. Expenses | 173 | 236 |

| | | |
|--|---------------|--------------|
| 1. Acquisition of own shares (stocks) | 0 | 0 |
| 2. Dividends and other payments to owners | 0 | 0 |
| 3. Profit distribution expenses other than distributions to owners | 0 | 0 |
| 4. Repayment of loans and credits | 168 | 223 |
| 5. Redemption of debt securities | 0 | 0 |
| 6. Expenses due to other financial liabilities | 0 | 0 |
| 7. Payments of liabilities under financial lease agreements | 0 | 0 |
| 8. Interest | 5 | 13 |
| 9. Other financial expenses | 0 | 0 |
| III. Net cash flows from financial operations (I-II) | -65 | -236 |
| D. Total net cash flows (A.III±B.III±C.III) | 7 140 | 408 |
| E. Balance sheet change in cash, including: | 7 130 | 396 |
| 1. - change in cash due to exchange rate differences | 10 | 12 |
| F. Cash at the beginning of the period | 5 546 | 5 150 |
| G. Cash at the end of the period (F±D), including: | 12 676 | 5 546 |
| 1. - of limited disposal | 0 | 0 |

Settlement of the difference between the income tax base and gross financial result (profit, loss)

| | CURRENT YEAR | | | PREVIOUS YEAR | | |
|--|--------------|--------------------|-------------------------------|---------------|--------------------|-------------------------------|
| | Total value | from capital gains | from other sources of revenue | Total value | from capital gains | from other sources of revenue |
| A. Gross profit (loss) for the year | 0 | | | 0 | | |
| B. Tax-exempt revenues (permanent differences between profit/loss for accounting purposes and income/loss for tax purposes), including: | 0 | 0 | 0 | 0 | 0 | 0 |
| C. Non-taxable revenues in the current year, including: | 0 | 0 | 0 | 0 | 0 | 0 |
| D. Taxable revenues in the current year recognised in the books of previous years, including: | 0 | 0 | 0 | 0 | 0 | 0 |
| E. Non-tax-deductible costs (permanent differences between profit/loss for accounting purposes and income/loss for tax purposes), including: | 0 | 0 | 0 | 0 | 0 | 0 |
| F. Costs not recognised as tax-deductible for the current year, including: | 0 | 0 | 0 | 0 | 0 | 0 |
| G. Costs considered tax-deductible in the current year recognised in the books of previous years, including: | 0 | 0 | 0 | 0 | 0 | 0 |
| H. Loss from previous years, including: | 0 | 0 | 0 | 0 | 0 | 0 |
| I. Other changes in the tax base, including: | 0 | 0 | 0 | 0 | 0 | 0 |
| J. Income tax base | 0 | | | 0 | | |
| K. Income tax | 0 | | | 0 | | |

Attachments

Supplementary note

Supplementary_note_2022_FDDS.pdf