

Solidaris Revisions-GmbH
Auditors & Tax Consultants

Report

**on the audit of the
cash-basis accounts dated 31 December 2021**

**CRISP – Crisis Simulation for Peace (registered
association), Berlin**

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Annual accounts

- I Cash-basis accounts for the period: 1 January to 31 December 2021

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For legal reasons, rounding-off discrepancies can arise.

Abbreviations used

CRISP	Crisis Simulation for Peace (registered association)
EStG	Income Tax Act
HGB	Commercial Code
KEUR	thousand euro

1 **Auditing engagement**

To the association CRISP – Crisis Simulation for Peace (registered association), Berlin:

On behalf of the executive board of the association, CRISP – Crisis Simulation for Peace (registered association), Berlin, Mr Florian Dunkel, as a member of the association’s executive board, commissioned us in his letter dated 11 February 2022 with the auditing of the

cash-basis accounts dated 31 December 2021 of the
association, CRISP – Crisis Simulation for Peace
(registered association), Berlin.

– hereinafter also referred to as
“the Association” –,

with inclusion of all relevant accounting. Accordingly, we have carried out an audit of the cash-basis accounts for compliance with the principles of correct accounting, as generally accepted in the Federal Republic of Germany. The audit was provided on a voluntary basis and constitutes neither an annual audit pursuant to §316 HGB nor an audit review.

The General Terms of Engagement for Auditors and Auditing Firms, appended to this report as a concluding appendix, apply – including vis-à-vis third parties – to the execution of this assignment and to our relevant responsibilities.

Concerning the type, scope and results of our audit, we have prepared the following report, which does not, however, constitute an audit report pursuant to §321 HGB.

2 **Fundamental findings**

Situation of the association

In the cash-basis accounts and other documents, the association's legal representatives have made their statement as to the association's situation.

The results of our audit can be summed up with the following observations on the course of business and the situation of the association:

Since 2007, the association has been active in the area of civil conflict management in former conflict regions. This involves projects and seminars offered and implemented by the association itself as well as by local partner organisations. CRISP projects executed in the year under review cover, amongst others, the countries, Jordan, Chile and Egypt.

In calculating its profits, the association employs cash-basis accounts in accordance with §4 Sec. 3 EStG. As a result, the operating receipts realised up to the cut-off date of 31 December 2021, as well as operating costs, influenced the annual result.

The association concluded the year under review with a surplus of 75 KEUR following a loss of 49 KEUR in the preceding year. The annual result was primarily influenced by receipts in project-grant funds which were 183 KEUR higher than in the preceding year.

Balanced against a total of 1,122 KEUR in project-grant funds, 75 KEUR from project execution for third parties, 1 KEUR from membership contributions and 4 KEUR in donations, are 344 KEUR in personnel costs and 782 KEUR in material costs.

Personnel costs increased to 344 KEUR (+ 28 KEUR); material costs increased to 782 KEUR (+ 33 KEUR, with + 45 KEUR going to fees). The increase in the area of material costs when compared to the preceding year is due to the low costs as a result of the pandemic in the preceding year, 2020. Correspondingly, travel costs increased from 23 KEUR in the preceding year to 51 KEUR in the year under review. The increase in personnel costs resulted for the most part from position adjustments.

Within the context of material costs, expenditures of 500 KEUR (- 116 KEUR) for project partners and fees of 92 KEUR (+ 45 KEUR) were the most substantial items.

The project-grant funds awarded in the year under review were distributed in varying amounts amongst 22 projects (preceding year: 14 projects). Of these, a total of 500 KEUR were passed on to partner organisations. The largest transfers in terms of amount were that to the local partner in the project in Jordan, *Masarna – Our Pathway: Fostering Jordan Youth / Vision towards Effective Civic Engagement and Self-Reliance*, amounting to 159 KEUR (CDS – Center for Development Services), and that to the local partner in the project, *Y-LEAD – Creating Civic Spaces for Active Citizenship*, amounting to 138 KEUR.

At the end of February 2022, Russian military forces marched into Ukraine. Against this backdrop, changes in global economics are expected in 2022 that could lead to losses in liquid funds, which in turn would negatively affect assets, finances and revenues in that year (in particular, through increasing prices for raw materials or changes to capital markets).

3 **Object, type and scope of the audit**

The object of our audit consisted of the bookkeeping and the cash-basis accounts developed based on this (Appendix I). The audit also included a determination of whether the principles of correct accounting, as generally accepted in the Federal Republic of Germany and which are to be applied when rendering accounts, were duly observed.

The association's legal representatives are responsible for bookkeeping and the drawing up of the cash-basis accounts, as well as for the information supplied to us. Our task is to assess the documents supplied to us by the legal representatives and the information supplied in the context of our audit.

The audit and the drawing up of the audit report took place, with interruptions, in the months March to May 2022, both on site and at our Berlin offices.

The legal representatives and the personnel tasked with providing information readily provided all of the information, explanations and proof we requested. In addition to this, the legal representatives also confirmed to us in writing by means of a letter of representation in accordance with professional auditing practice that, in the relevant accounting and cash-basis accounts to be audited, all relevant expenditures and receipts were contained and all requisite information provided.

No processes of particular significance subsequent to the conclusion of the financial year in question arose beyond the circumstances in respect of the Russia-Ukraine conflict (cf. 2), and did not become known to us during our audit.

In the context of the audit, appropriate, sufficient proof for the statements as contained in the accounting and in the cash-basis accounts was obtained. The audit includes an assessment of the substantive estimations made by the legal representatives as well as an appraisal of the overall picture presented in the cash-basis accounts. We are of the opinion that our audit forms a sufficiently secure basis for our concluding assessment.

The activities employed in obtaining appropriate substantiation primarily consisted of analytic auditing tasks and case-by-case auditing. The scope of case-by-case auditing was determined based on conscious selection.

In selecting the type and scope of auditing tasks, due observance was paid to the principles of materiality and profitability.

Due to the limited scope of the audit as dictated by the assignment in question, we dispensed with obtaining written information from legal professionals.

4 **Findings and explanations concerning the rendering of accounts**

Both the manner of organisation of accounting and the internal auditing system for auditing the rendering of accounts enable comprehensive, correct, prompt and well-ordered registration and entry of business transactions. The manner of organisation of accounting is appropriate for the circumstances of the association. As a result, based on our findings, the association's accounting and cash-basis accounts, as well as the other documentation audited, including the reporting system, are compliant in all substantive aspects with the principles of correct accounting, as generally accepted in the Federal Republic of Germany. The audit yielded no points of objection.

The basis of the audit was the cash-basis accounts dated 31 December 2020, which we audited and certified by means of a certification dated 14 May 2021.

5 **Certification**

We have carried out an audit of the cash-basis accounts, with inclusion of all relevant bookkeeping, of the association, CRISP – Crisis Simulation for Peace (registered association), Berlin, for the financial year from 1 January to 31 December 2021. The bookkeeping and the drawing up of the cash-basis accounts in accordance with the principles of correct accounting, as generally accepted in the Federal Republic of Germany, fall within the responsibility of the legal representatives of the association. Our task consists in issuing an assessment concerning the cash-basis accounts with inclusion of all relevant bookkeeping, based on the audit we have carried out.

The activities employed in obtaining appropriate substantiation primarily consisted of analytic auditing tasks and case-by-case auditing. The scope of case-by-case auditing was determined based on conscious selection. We are of the opinion that our audit forms a sufficiently secure basis for our assessment within the scope of our assignment.

The audit yielded no points of objection.

According to our assessment, based on the knowledge obtained through our audit, the cash-basis accounts are compliant in all substantive aspects with the principles of correct accounting, as generally accepted in the Federal Republic of Germany.

Berlin, 30 May 2022

Solidaris Revisions-GmbH
Auditors & Tax Consultants
Berlin Branch

Heiko Luser
auditor and tax
consultant

Joris Pelz
auditor and tax
consultant

Appendices

CRISP – Crisis Simulation for Peace (registered association), Berlin

Cash-basis accounts dated 1 January through 31 December 2021

	<u>2021</u> EUR	<u>2020</u> KEUR
1. Project-grant funds	1,121,788.12	939
2. Membership contributions	873.00	1
3. Donations	4,112.42	1
4. Other remunerations	<u>74,852.65</u>	<u>75</u>
	1,201,626.19	1,016
5. Personnel costs	344,362.00	316
6. Material costs	<u>782,158.57</u>	<u>749</u>
7. Surplus/shortfall	<u>75,105.62</u>	<u>- 49</u>

CRISP – Crisis Simulation for Peace (registered association) Berlin

Fundamentals

Legal fundamentals

Name	CRISP – Crisis Simulation for Peace (registered association)
HQ	Berlin
Legal form	registered association
Registration	Local Court of Berlin-Charlottenburg VR 27568 B (most recent registration on 21 May 2019)
Purpose of the association	The association works to promote conflict management in former conflict regions.
Financial year	Calendar year
Organs of the association	General Assembly of Members Executive board
Executive board	Florian Dunkel, Berlin Andreas Muckenfuß, Berlin Gerrit Kraemer, Berlin