

## Agreed-upon Procedures Engagement Letter



### Scope of work:

**REPORT OF FACTUAL FINDINGS FROM AGREED-UPON PROCEDURES PERFORMED FOR THE FINANCIAL YEAR 2018 AND FOR THE PURPOSE OF THE COMPANY'S REGISTRATION IN THE REGISTER OF GREEK AND FOREIGN NON-GOVERNMENTAL ORGANIZATIONS (NGOs) OF THE GREEK MINISTRY IMMIGRATION AND ASYLUM ACCORDING TO JOINT MINISTERIAL DECISION 3063/2020 (GOVERNMENT GAZETTE B '1382 / 14-4-2020)**

**Date: 29 December 2020**

**To: ONE HAPPY FAMILY (NON-GOVERNMENTAL ORGANIZATION)**

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PKF EUROAUDITING S.A. is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms

## Company Profile

“PKF International” is one of the largest international Certified Public Accountants firms, active in this field for over 100 years. It has a network of 300 offices in 125 countries and 440 locations all over the world and it is a member of “Forum of Firms”, a well – reputed organization in the business world for providing solid financial information and audit procedures. With a dynamic, global presence in companies covering the entire range of commercial and financial operations, PKF International constitutes a powerful and credible partner. The services provided by the members of the network are classified as follows:

- Assurance & Advisory
- Accounting Advisory Services
- Governance and Risk Services
- Insolvency
- Taxation
- Corporate Finance
- Financial Planning
- Forensic Accounting
- Management Consultancy
- Hotel Consultancy
- IT Consultancy

## Our Services

PKF Euroauditing S.A.’s presence in the industry for more than two decades is based on solid values that have established us in the market. Our accuracy in every calculation, our consistency in abiding the procedures, our instant response to the needs of our customer and the adjustment to every demand of our work, makes us the ideal partner that you can trust in every step. You can depend on us for a wide range of services:

- Auditing services
- Taxation services
- Consulting services
- Training

The auditing services include a wide range of assurance services, such as auditing and review of financial statements, pre-agreed procedure services, etc. When we undertake an audit, we have a close cooperation with the company in order to understand its profound needs. In this way, we can focus on the sectors which need more attention during auditing.

One of our strong points is compliance to strict specifications. The constant professional training of our auditing staff, through education and instruction, keeps all of our customers up to date as far as the most recent auditing and accounting specifications are concerned. We perform objective and credible audits and, at the same time, through those audits, we give the opportunity to the audited financial units to improve their internal auditing systems using our remarks and findings. The services provided cover the following sectors: Statutory Audit of the Annual Financial Statements Statutory quarterly (for Public Utility Companies) and half yearly (companies listed in the Athens Stock Exchange Market) audit of Financial Statements • Statutory auditing of Consolidated Financial Statements • Statutory auditing of short – term Financial Statements • Financial Statements audit in accordance to the International Financial Reporting Standards (I.F.R.S.)

- Management audits
- Financial Statements overviews in order to comment on limited assurance engagement for financial information.
- Services of pre-agreed procedures related to financial information
- Auditing services required for the listing in the Athens Stock Exchange
- Tax compliance auditing services in order for the Tax Certificate to be issued, for companies audited by public accountants

Taxation, however, is also associated with other business issues. For this reason, we provide a flexible range of relevant services that are not only limited to tax compliance. Wherever you are around the world, you are sure to find a company – member of PKF International close to you, which provides tax consultancy and other services, designed to support your business.

## Taxation Services

Our firm has capable professionals with great experience in the field of taxation. We cooperate closely with our clients so that we can guarantee that we provide credible and valid tax advice. We also acknowledge that taxes are a significant business cost which can be reduced or deferred with the proper planning. We fully understand that each case is unique and that there is never a “one size fits all” solution. PKF International has an international taxation committee which supports the taxation-related work of its member-companies and, at

the same time, contributes to responsible development of modern taxation consultancy tools.

The Global Tax Guide is one of its manuals. It is a worldwide certified reference guide to business and taxation issues for our customers and for every professional. The committee also holds seminars and issues information material, aiming at your constant update concerning tax legislation and the procedures of legal tax reductions. Our firm provides support services and services of full coverage and compliance in the following tax issues: Intra-group transactions (full services)

- Legal entity taxation
- Special tax issues concerning individuals
- Value Added Tax
- Payroll tax

In addition, our firm provides constantly:

- Tax consulting
- Tax support in cases of tax audits

The global business environment evolves rapidly. The legal, legislative and regulatory framework changes and becomes stricter and stricter not only due to the new technologies used in financial transactions, but also due to the rapid technological developments. As a consequence, business entities do not have all the skills and knowledge in order to immediately respond to changes. And for this reason, more and more often businesses make use of third-party know-how and specialized consultancy when these needs occur

### Consultancy services

In cooperation with the International network of PKF we can undertake and deploy consulting projects in a wide range of fields worldwide, including agriculture, agribusiness, industry, provision of services, commerce, navigation, transport, public services, as well as in the field of “Hotels- Tourism-Hospitals”, in which PKF holds a leading position. In a truly global industry, in cooperation with the other firms of the International network of PKF, we provide our customers with a wide range of services associated with the hospitality sector. We provide consultancy services about issues associated with:

- Organization of Internal Control Systems
- Research, organization, initial startup of accounting departments
- Support in the settlement of intercompany differences
- Projects of first-time adoption of International Financial

Reporting Standards (I.F.R.S.) • Compilation or support during compilation of financial statements, individual or consolidated, according to Greek Accounting Standards, as well as International Financial Reporting Standards (I.F.R.S.)

- Budgeting and business planning
  - Feasibility studies
  - Compilation or support during compilation of the file regarding intra-group transactions
  - Evaluation of financial units intrinsic value
  - Evaluation of the share exchange ratio in cases of mergers and acquisitions
  - Mergers and Acquisitions
  - Expert reports
  - Application of the Greek General Chart of Accounts in General and particularly in Analytic Accounting (cost accounting and management accounting) and industry-specific Charts of Accounts (Banks, Municipalities, Insurance Companies etc.)
  - Examining and dealing with special organizational, accounting and management issues.
- Consultancy services

In an environment with ever increasing needs of expertise for the executives of every financial unit and the constant changes of the tax and accounting frame mostly because of the implementation of International Financial Reporting Standards in Greece, the need for constant update and training of your staff is becoming more and more evident.

### Training

Based on their multiannual experience and their excellent training in their knowledge fields, our executives are able to provide excellent training services tailored to our customers' needs. Our firm is capable of organizing and implementing the training and updating of the staff in every financial unit tailored to its requirements. Indicative training fields are:

- Greek GAAP & General Accounting
- Analytic Accounting
- Transactions' Tax Reporting Code
- Value Added Tax
- Income tax for Legal Entities and Individuals
- International Financial Reporting Standards (I.F.R.S.)
- Internal audit

### Our People

With multiannual experience and a network of 5 offices in the Greek market, our firm depends on 85 dedicated professionals all over Greece, Certified Public Accountants, shareholders or not, as well as qualified auditing personnel of all levels, maintaining in this way thousands of satisfied customers. Our dedicated professionals are fully scientifically qualified and experienced and can meet every challenge as well as the daily requirements of a financial unit. Working with us will help you focus on the problems and find solutions for your company. We know how to operate as members of a team and we will certainly become a part of your company team as well. We will become the professionals you can count on. In this way, we are able to build a long-term relationship of trust.

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### Our Values

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To the  
Board of Directors / Representative  
ONE HAPPY FAMILY  
NON - GOVERNMENTAL ORGANIZATION  
811 00 Mytilene  
Lesvos

Athens, 29 December 2020

Dear Sirs,

In response to your request regarding the work “REPORT OF FACTUAL FINDINGS FROM AGREED-UPON PROCEDURES PERFORMED FOR THE FINANCIAL YEAR 2018 AND FOR THE PURPOSE OF THE COMPANY’S REGISTRATION IN THE REGISTER OF GREEK AND FOREIGN NON-GOVERNMENTAL ORGANIZATIONS (NGOs) OF THE GREEK MINISTRY IMMIGRATION AND ASYLUM ACCORDING TO JOINT MINISTERIAL DECISION 3063/2020 (GOVERNMENT GAZETTE B '1382 / 14-4-2020)” we would like to submit our engagement letter with respect to the aforementioned work.

## 1. Scope

This letter is to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services that we will provide to ONE HAPPY FAMILY – NON-GOVERNMENTAL ORGANIZATION (the “Company”). Our engagement will be conducted in accordance with the International Standard on Related Services 4400 applicable to agreed-upon procedures engagements and we will indicate so in our report.

## 2. Work description

We have agreed to perform the following procedures and report to you the factual findings resulting from our work:

1. We will review the articles of association of the Company and trace its content with the data declared to the competent Tax Authorities (i.e. purpose, legal representative and registered office of the Company, etc).
2. We will compare the amounts included in the Condensed Income Statement prepared by the Company for the period 01/01/2018 - 31/12/2018 and submitted to the Ministry of Immigration and Asylum with the formal accounting books and records kept by the Company.

3. We will verify that the monitoring of the projects implemented by the Company and required by specific considerations of the individual financing agreements is being performed in separate accounting records and distinct Bank Accounts.
4. We will examine, on a sample basis, income and expenses and other supporting documentation posted in the Company's accounting books and records for the period 01/01/2018 – 31/12/2018 and verify the appropriateness of the recordings in accordance with tax legislation and accounting framework. It should be noted that the total accounting entries for the period 01/01/2018 – 31/12/2018.
5. We will verify that the sample of income and expenses examined has been posted accurately to the proper accounts and in the context of the appropriate project.
6. Where applicable, we will cross-check the expenses made to the relative agreements and supporting evidence.
7. We will verify the timely submission to the Tax Authorities of the quarterly statements including all contracts and agreements with third parties.
8. We will verify the proper payment of the expenses examined in our sample through the banking accounts kept by the Company.
9. We will verify the proper collection of the income examined in our sample through the banking accounts kept by the Company.
10. We will perform bank reconciliations for the period 01/01/2018 – 31/12/2018.
11. For the sample of the expenses selected, we will examine the appropriateness of the legal deductions made in favor of the Greek State and the Insurance Funds.
12. We will verify the proper and timely submission to the Tax Authorities and the Insurance Organizations of all statements and declarations prescribed by the relative legislation in force (VAT, FMY, Stamp Declaration, Income Tax etc).
13. For the sample of the expenses selected, we will verify the proper settlement of the legal deductions made in favor of the Greek State and the Insurance Funds with the use of bank accounts.
14. We will examine on an annual basis that payroll lists have been completely and accurately posted to the accounting books and records for the period 01/01/2018 – 31/12/2018.
15. We will trace the data included in the staff statement submitted to the Labor Authorities with the relevant payroll lists for the period 01/01/2018 – 31/12/2018.

16. For the sample of the expenses selected, we will verify the proper settlement of the Company's obligations against its personnel and other third parties based on rules and guidance prescribed by the relative legislation in force.

The procedures that we will perform are solely to assist you in the registration of the Company in the Register of Greek and Foreign Non-Governmental Organizations (NGOs) as prescribed in Joint Ministerial Decision 3063/2020 (Government Gazette B '1382 / 14-4-2020).

The procedures that we will perform will not constitute an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements and, consequently, no assurance will be expressed. Our report is not to be used for any other purpose and is solely for your information.

### **3. Deliverables**

Upon completion of the agreed-upon procedures we will issue a report of factual findings.

### **4. Timing**

We will plan and co-ordinate our work in order to meet the reporting deadlines communicated to us by local management.

To achieve this objective, we will agree in writing before we begin this work, the information that we will require the Company to prepare and the date the information is to be received. Delays from your part in providing the information on the dates that have been agreed between us may result in delays on our part with respect to our deliverable within the agreed timetable and/or an increase in our fees.

Moreover, such delays may give rise to violation of the applicable legislation from your part, for which we shall not be held liable.

### **5. Fees**

Our fees are based on the time spent by our professional staff in conducting the work and on the degree of assistance provided to us by the Company by abiding to our mutually agreed closing arrangements. Based upon our experience and the fact that the Company will provide to us the greatest possible assistance without any delays and that no problems will arise that were not obvious at the beginning of our work, we estimate our fee to be EUR 900,00. Our total fee is subject to V.A.T. at the current rate of 24%.

The above fee does not include the direct costs incurred relating to the accommodation, food and travelling (i.e. air tickets) for the employment of two (2) personnel at the Company's offices in the prefecture of Lesvos, if that

will be required in the context of our work. These costs, which will be mutually agreed with you at a later stage, will be further invoiced to you at the actual amounts incurred and in accordance with the relevant supporting invoices and documents that will be submitted to you.

Our fee is payable upon the completion of our work, and may be invoiced and collected gradually as our work progresses. Each invoice is receivable upon issuance and its timely payment is a precondition for the continuation of our cooperation.

Circumstances encountered during the performance of these services that warrant additional time or expense could cause us to be unable to complete the services within the above estimates. We will notify you directly of any such circumstances as they are assessed in order to reach a mutual resolution.

## **6. Contractual Relationship**

The contractual relationship that results from the assignment of the agreed-upon procedures is entered into by the Company and PKF EUROAUDITING S.A. which maintains the overall responsibility for the good performance of the engagement.

This engagement letter represents the entire agreement and any provisions regarding modifications to this letter. Any variations of the terms of this letter shall be made in writing and will not be effective unless signed by a partner of PKF EUROAUDITING S.A. and by a duly authorized representative of the Company.

This engagement letter shall be subject to and governed by Greek law and all disputes arising from or under the engagement letter shall be subject to the exclusive jurisdiction of the Athens courts.

## **7. Acceptance**

We will be able to commence our work immediately upon your acceptance of this letter and receipt of the relevant signed copy of it by you.

We look forward to mutual cooperation with you and we remain at your disposal for any additional information needed or any further queries you might have.



If the arrangements outlined above are in accordance with your requirements please sign the duplicate of this letter in the space provided and return it to us.

Acknowledged on behalf of PKF EUROAUDITING S.A.,

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Konstantinos A. Gkrekos  
Partner – Certified Auditor  
S.O.E.L. Reg. No 24841

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I have read and understood the terms and conditions of this letter and I agree to and accept them for and on behalf of the Non - Governmental Organization “ONE HAPPY FAMILY” by which I am duly authorized.

Full Name: .....

Position: .....

Date: .....

Signature: .....

Stamp: .....