

Ref. No. 167-3
as of 19.12.2023

INDEPENDENT AUDITOR'S REPORT

**To: Founders and Management of
Charity Fund *BLAGOMAY***

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of the Charity Fund *BLAGOMAY* (hereinafter referred to as the Charity Fund), which comprise the Balance Sheet as of December 31, 2022 and the Statement on Financial Results for the year ended on the mentioned date.

In our opinion, regarding the impact on the issues described in the "Basis for Qualified Opinion" section of our report, the attached financial statements have been prepared in all current aspects in accordance with the National Accounting Regulation (Standards) of Ukraine (hereinafter - NP(C) BO) and meets the requirements of the Law of Ukraine "On Accounting and Financial Reporting in Ukraine" dated 16.07.1999 No. 996-XIV (hereinafter - Law No. 996-XIV) regarding the preparation of financial statements.

Basis for Qualified Opinion

Due to the fact that we were appointed as the auditors of the Charity Fund after December 31, 2022 we did not observe the inventory of non-current assets and stocks at the end of the year. By alternative procedures we could not verify the balances of non-current assets and stocks as at December 31, 2022, which are reflected in the Balance Sheet in the amounts of 195 thousand UAH and 18 thousand UAH respectively.

Therefore, we could not determine whether any adjustments to the balances of non-current assets and stocks as at the end of 2022 are needed.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Charity Fund in accordance with the International Code of Ethics for Professional Accountants adopted by the International Ethics Standards Board for Accountants (hereinafter referred to as the IESBA), as well as ethical requirements applied in Ukraine to our audit of the financial statements and have performed other ethical responsibilities in accordance with these requirements and the IESBA Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other issues

(i) Significant Uncertainty Regarding Going Concern

The accompanying financial statements have been prepared on the basis of the assumption that the Charity Fund is able to continue as a going concern. From February 24, 2022, the impact of ongoing military operations in Ukraine, the scope of their further development, the timing of the cessation of these operations, and the final settlement of the conflict are unpredictable. These conditions create a

material uncertainty about the Charity Fund's ability to continue as a going concern. The UAS No. 25 *Simplified Financial Statements* does not require disclosure of the Management's plans regarding these issues in the financial statements. When preparing the financial statements, the Management came to the conclusion that these conditions did not adversely affect the activities of the Charity Fund and that the going concern assumption is applicable. Our opinion has not been modified on this matter.

(ii) The audit of the financial statements of the Charity Fund for the year ended at December 31, 2021 was performed by the other audit company AF *KEY SOLUTIONS* LLC, which provided qualified opinion regarding the financial statements as of December 28, 2022, as they could not be assured in the amount of non-current assets as at December 31, 2021.

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of the UAS, and for such internal control as the Management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Charity Fund's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern assumption as a basis for accounting unless Management either intends to liquidate the Charity Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Charity Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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.

The Engagement Partner in charge of preparation of our independent auditor's report is Lidiia Chaban.

Engagement Partner



Lidiia CHABAN

HLB UKRAINE LLC

11/11 Gusovskogo Street, office 3, Kyiv, Ukraine

Registration number in the Register of Subjects of Audit Activity – 0283

December 19, 2023

**FINANCIAL REPORT
of the small enterprise**

			Codes
			DATE (Year, month, day) 2023 01 01
Enterprise	Charitable Foundatin «BLAGOMAY»	USREOU	38010057
Territory	Kyiv region	COTUTTC ¹	UA32020010000093088
Type of ownership	Charitable Organization	COPFG	845
Type of economic activity	Provision of other social assistance without Provision of accommodation	CEA	88.99
Average number of employees	6		
Unit of measurement:	UAH thousands with one decimal digit Ukraine, 09100, Kyiv region, Bila Tserkva, str. January breakthrough, bldg. 27, office 5.		
Address:			

**BALANCE SHEET
as of 31.12.2022**

Form No. 1-m SCAD code 1801006

Assets	Line code	At the beginning of the reporting period	At the end of the reporting period
1	2	3	4
1. Non-current assets			
Intangible assets	1000		
historical cost	1001		
accumulated depreciation	1002		
Capital investments in-progress	1005		
Fixed assets:	1010		49,2
historical cost	1011	105,4	195,0
depreciation	1012	(105,4)	(145,8)
Long-term biological assets	1020		
Long-term financial investments	1030		
Other non-current assets	1090		
Total under the section I	1095		49,2
II. Current assets			
Stocks	1100		17,9
Including finished goods	1103		
Current biological assets	1110		
Receivables for the products, goods, work, services	1125	9,4	
Settlements with budget	1135		3,0
Including income tax	1136		
Other current receivables	1155	0,2	4152,6
Current financial investment	1160		
Cash assets and their equivalents:	1165	3838,2	9101,4
Expenditures of the future periods	1170		
Other current assets	1190		
Total under the section II	1195	3847,8	13274,9
III. Non-current assets held for sale and groups of disposal	1200		
Balance	1300	3847,8	13324,1

Liabilities	Line code	At the beginning of the reporting period	At the end of the reporting period
1	2	3	4
I. Equity capital			
Registered (share) capital	1400		
Additional capital	1410		
Reserve capital	1415		
Non-distributed income (non-covered loss)	1420		
Non-paid capital	1425		
Total under the section I	1495		
II. Long-term liabilities and provisions	1595	3829,7	13136,3
III. Current liabilities and provisions			
Short-term bank loans:	1600		
Current receivables:			
Long-term liabilities	1610		
Goods, work, services	1615	18,1	50,1
Settlements with budget	1620		
including under income tax	1621		
Insurance	1625		
Labor payment	1630		
Income of future periods	1665		
Other current liabilities	1690		137,7
Total under the section III	1695	18,1	187,8
IV. Liabilities related to non-current assets held for sale and groups of disposal	1700		
Balance	1900	3847,8	13324,1

STATEMENT ON FINANCIAL RESULTS for 2022

Form No. 2-m SCAD code 1801007

Item	Line code	For the reporting period	For the same period of the previous year
1	2	3	4
Net income from sale of products (goods, works, services)	2000		
Other operating income	2120	34621,9	14849,4
Other income	2240		161,4
Total income (2000 + 2120 + 2240)	2280	34621,9	15010,8
Net cost of sold products (goods, work, services)	2050		
Other operation expenses	2180	34621,9	14861,7
Other expenses	2270		
Total expenses (2050 + 2180 + 2270)	2285	34621,9	14861,7
Financial result before taxation (2280 – 2285)	2290		149,1
Income tax	2300		
Net profit (loss)	2350		149,1

¹ To be determined according to the procedure established by the central body of executive power which implements the state policy in the area of statistics.

Chairwoman of the Board of "BLAGOMAY" Charity Fund

K.P. Syrotenko

