



COMPASS GROUP
AUDIT & CONSULTING

INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors of
Charitable Foundation Zaporuka
30 Vasylkivska str.
03022 Kyiv, Ukraine**

Opinion

We conducted an audit of the Financial statements of the receipt and expenditure of funds (hereinafter - the Financial statement of the Charitable Foundation Zaporuka (hereinafter - the Foundation) for the year ended December 31, 2021).

In our opinion, the attached Financial statements of the Foundation accurately reflects, in all material respects, the Foundation's cash inflows and outflows in accordance with the cash flow basis described in Note 1.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under these standards are set out in the Auditors' Responsibility section of our report. We are independent of the Foundation in accordance with the ethical requirements applicable in Ukraine to our audit of financial statements, and have performed other ethical obligations 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.

Significant uncertainty regarding activity continuity

Without modifying our opinion on the financial statements, we draw attention to the fact that the Foundation operates in the context of military aggression. As a result, of the unstable situation, the Foundation's activities are accompanied by risks. The impact of the economic crisis and political instability caused by the war, as well as their final resolution, cannot be predicted with sufficient certainty. It is very difficult to make forecasts of the situation due to the unpredictability of the actions of the military and political leadership of the aggressor country.

Management has not identified any possible consequences of military aggression that may cast significant doubt on the Foundation's ability to continue as a going concern. Management anticipates that events and conditions will have some impact on the Foundation's operations, but are not expected to affect the Foundation's ability to continue its operations.

However, we believe that it is currently impossible to reliably assess the impact of these events on both the Foundation and the economic environment as a whole. Possible negative effects may be felt in subsequent periods. These circumstances indicate significant uncertainty and, as a consequence, significant doubts about the Foundation's ability to continue as a going concern. Our opinion has not been modified on this issue.

Basis of accounting and restrictions on distribution and use

We draw attention to Note 1 to the Foundation's financial statements, which set out the basis of accounting. The financial statements have been prepared to assist the Foundation with financial reporting for the targeted funding received. Therefore, the financial statements may not be suitable for another purpose.

This report is intended for consideration by the management and the Foundation and should not be distributed or used by other parties. Our opinion has not been modified on this issue.

Responsibility of the Management

The management is responsible for the preparation and fair presentation of financial statements in accordance with the basis of accounting for targeted cash inflows and outflows. This is due to the fact that the basis of accounting for assigned cash inflows and outflows is acceptable for the purpose of preparing financial statements in the current circumstances. The management is also responsible for the internal control system that it determines is necessary to ensure that the financial statements are free from material misstatement, whether due to fraud or error.

In preparing financial statements, the management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, where applicable, continuity issues and using business continuity assumptions as a basis for accounting, unless the management either plans to liquidate the Foundation or cease operations, or has no real alternative to it.

The management is responsible for and oversees the Foundation's financial reporting process.

Responsibility of the auditors

Our objectives are to obtain reasonable assurance that the financial statements as a whole are free from material misstatement due to fraud or error, and to issue an auditor's report that contains our opinion. Reasonable assurance is a high level of assurance, but does not guarantee that an ISA audit will always reveal a material misstatement when it exists. Distortions can be the result of fraud or error. They are considered material if, individually or in combination, they are reasonably expected to influence the economic decisions of users made on the basis of these financial statements.

When performing an audit in accordance with ISA requirements, we use professional judgment and professional skepticism throughout the audit engagement. In addition, we:

- Identify and assess the risks of material misstatement of the financial statements as a result of fraud or error, develop and perform audit procedures in response to those risks, and obtain audit evidence that is sufficient and reasonable to use them as a basis for our opinion. The risk of not detecting significant misstatement due to fraud is higher than for misstatement due to error, as fraud may include conspiracy, forgery, willful misconduct, misstatement, or neglect of internal control measures.
- Gain an understanding of the internal control measures related to the audit to develop audit procedures that are appropriate to the circumstances, rather than to express an opinion on the effectiveness of the Foundation's internal control system.
- Evaluate the acceptability of the accounting policies applied and the validity of the accounting estimates and related disclosures made by management.

- Conclude on the acceptability of management's use of the going concern assumption as a basis for accounting and, based on the audit evidence obtained, conclude whether there is significant uncertainty about events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that there is such material uncertainty, we should draw attention in our auditor's report to the relevant disclosures in the financial statements or, if such disclosures are inappropriate, modify our opinion. Our conclusions are based on audit evidence obtained before the date of our auditor's report. However, future events or conditions may cause the Foundation to cease operations on an ongoing basis.

We disclose to those with the highest authority, along with other matters, information about the planned scope and timing of the audit and significant audit results, including any significant deficiencies in internal control measures identified by us during the audit.

**Regards,
Larysa Shkurka**

**Director of Compass Audit and Consulting Group LLC
Auditor's certificate registration number 0101831
Phone +38 (044) 238-65-30**

February 20, 2023

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**FINANCIAL STATEMENTS OF RECEIPT AND EXPENDITURE OF FUNDS
as of 31.12.2021 and for the year ended on that date ***

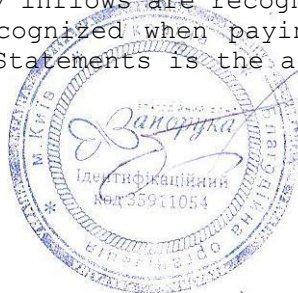
N.	Indicators	Amount, UAH	Amount, USD
1	Balance of funds on 01.01.2021	6,202,881.29	231 450,79
2	Revenues		
	International donors	16,342,971.39	609 812,37
	National charitable grants	1,447,976.05	54 028,96
	Charitable donations from the business sector	3,872,140.39	144 482,85
	Crowdfunding platforms	4,198,803.76	156 671,78
	Local private donors	4,459,792.61	166 410,17
	SMS donations	220,510.00	8 227,99
	Passive revenues	9,732.87	363,17
	Total revenues in cash	30,551,927.07	1 139 997,28
3	Total revenues in-kind	846,740.18	31 594,78
	Total revenues	31,398,667.25	1 171 592,06
4	Return of advances for 2020	58,868.52	2 196,59
5	Expenses		
	Project Support for Seriously Ill Children	15,338,215.43	572 321,47
	Project Dacha Center	1,369,583.81	51 103,87
	Dacha construction	7,358,847.88	274 583,88
	Charity promotion	618,409.37	23 074,98
	Administrative expenses	3,113,635.10	116 180,41
	Audit	67,200.00	2 507,46
	Total expenses in cash	27,865,891.59	1 039 772,07
6	In-kind expenses	846,740.18	31 594,78
7	Витрати from exchange rate differences	577,686.41	21 555,46
	Total expenses	29,290,318.18	1 092 922,32
8	Balance of funds on 31.12.2021	8,370,098.88	312 317,12

*** Note 1**

The financial statements of receipt and expenditure of funds have been prepared on a cash basis and are not intended to be presented in accordance with International Financial Reporting Standards or National Accounting Regulations (Standards) in Ukraine.

Receipt and expenditure of funds are accounted for on a cash basis, which is a general accounting basis that differs from the National Accounting Regulations (Standards) in Ukraine, namely inflows are recognized when the funds are received directly and outflows are recognized when paying suppliers. The basis for the preparation of the Financial Statements is the accounting of banking operations.

Foundation President



Onipko Nataliia