

INDEPENDENT AUDITOR'S REPORT

*To the users of Financial Statements
of Charitable Organization
«Charitable Foundation «Patients of Ukraine»*

Opinion

Under the Contract № 12-2024-A dated 17.06.2024 we, the independent audit firm LLC "Audit company "UHY PROSTIR", have audited the financial statements of Charitable Organization «Charitable Foundation «Patients of Ukraine» («the Organization»), which comprise the Balance Sheet as at December 31, 2022, the Profit and Loss Statement for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements of the Organization are prepared, in all material respects, in accordance with Ukrainian National Accounting Standards.

Basis for Opinion

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 Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ukraine, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Influence of Russian Federation's Military Aggression against Ukraine

We draw your attention to the Note 4 «Going concern of the Organization», which describes the possible effect of full-scale invasion of the Russian Federation against Ukraine on the Organization's operational and financial performance, depending on future developments, including the duration, spread and intensity of the hostilities. Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation of the financial statements in accordance with Ukrainian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of 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 Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern

and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 ISAs, we exercise 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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 Organization'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 Organization 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.

Director
LLC "Audit company "UHY Prostor"



Tiutiunnyk O.

23.07.2024

Office № 1, 16 Vasylkivska Str.
Kyiv, Ukraine, 03040

Register number 85

FINANCIAL REPORT of microenterprise

		CODES		
Enterprise	<u>Charitable Organization "Charitable Foundation "Patients of Ukraine"</u>	Date (year, month, day)	2023	01 01
Territory	<u>Podilskiy district, Kyiv</u>	EDRPOU	37724810	
Form of incorporation	<u>Charitable Organization</u>	KOATUU	UA80000000000719633	
Type of economic activity	<u>Providing other social support excluding accomodation</u>	KOPFG	845	
		KVED	88.99	
Average number of employees	4			
Measurement units: thousands UAH with one decimal place				
Address	office 38, Siretska street, Kyiv, Ukraine, postal code 04071		0508275605	

1. Balance Sheet as of 31 December 2022

Form No.1-мс

DKUD Code

1801006

Assets	Row code	At the beginning of reporting period	At the end of reporting period
1	2	3	4
I. Non-current assets			
Fixed assets:	1010	79,1	28,7
initial value	1011	577,6	739,3
depreciation	1012	(498,5)	(710,6)
Other non-current assets	1090		
Total for section I	1095	79,1	28,7
II. Current assets			
Inventories	1100	-	2,2
Current receivables	1155	48,1	2 713,5
Cash and cash equivalents	1165	1 908,6	76 450,7
Other current assets	1190	-	-
Total for section II	1195	1 956,7	79 166,4
Balance	1300	2 035,8	79 195,1
Liabilities	Row code	At the beginning of reporting period	At the end of reporting period
1	2	3	4
I. Owners' equity			
Capital	1400	-	-
Unappropriated income (uncovered loss)	1420	-	-
Total for section I	1495	-	-
II. Long-term liabilities, special purpose financing and provisions	1595	1 908,6	76 450,7
III. Current liabilities			
Short-term bank loans	1600	-	-
Current liabilities for :			
goods, works and services	1615		238,0
Settlements with the budget	1620	0,4	-
on insurance	1625	0,2	-
on labour remuneration	1630	1,7	-
Other current liabilities	1690	124,9	2 506,4
Total for section III	1695	127,2	2 744,4
Balance	1900	2 035,8	79 195,1

2. Profit and Loss Statement for the year 2022

Form No. 2-мс
DKUD Code

1801007

Budget item	Row code	For the Reporting period	For the Same Period of the Previous Year
1	2	3	4
Net profit from sale of products (goods, works services)	2000	-	-
Other incomes	2160	141 797,7	12 821,6
Total income (2000+2160)	2280	141 797,7	12 821,6
Costs of sales (goods, works, services)	2050	-	-
Other expenses	2165	(141 797,7)	(12 821,6)
Total expenditures (2050 + 2165)	2285	(141 797,7)	(12 821,6)
Financial result before tax (2280-2285)	2290	-	-
Income tax	2300	(-)	(-)
Expenses (incomes) which decrease (increase) financial result after tax	2310	-	-
Net income (loss) (2290 - 2300 - (+) 2310)	2350	-	-

Executive director

Inna Ivanenko

Chief accountant

Anastasiya Nazarova



**Notes to the financial statements
of CO «CF «Patients of Ukraine»
for year ended on December, 31st, 2022**

1. General information

Charitable Organization "Charitable Foundation «Patients of Ukraine" (hereinafter – the Organization) is a non-governmental non-profitable organization. The key aim of the Organization's activity is spreading methods of treatment in Ukraine and securing sustainable access to treating programs in the necessary volume.

2. Basis for preparation and presentation

Financial statements comprise:

- Financial report of microenterprise including Balance sheet (form № 1-ms) as at 31.12.2022 and Profit and Loss statement (form № 2-ms) for year ended on December, 31st, 2022, prepared in accordance with the rules of National accounting standards in Ukraine, namely NAS 25 "Simplified financial report". Financial report of microenterprise is prepared in accordance with the accruals principle and valuation at initial cost method;
- Notes to the financial statements.

According to the NAS 25 the Organization:

- accounts for non-current assets at the initial value without taking into account reduction of profitability and revaluation to fair value;
- does not create provision for future expenditures and payments (for payment of future vacations to employees, fulfillment of warranty obligations etc.) but recognizes the respective costs in the period of actual incurrence;
- includes current receivables to the balance sheet total at its actual amount.

Financial statements are presented in hryvnias and all the amounts are rounded to thousands with one decimal sign.

The financial statements were approved for issue on 19.07.2024.

3. Disclosure of information on separate indicators of financial statements

3.1. Article 1010 «Fixed assets» of the Balance Sheet includes the remaining value of fixed assets (office equipment, furniture, other objects).

3.2. Article 1100 «Inventories» of the Balance Sheet includes value of commodity-material items aimed for implementation of charitable projects:

3.3. Article 1155 «Current receivables» of the Balance Sheet includes:

	31.12.2021	31.12.2022
Settlements under advances paid	48,1	2 712,0
Prepaid taxes and duties	-	1,5
Total	48,1	2 713,5

3.4. Article 1165 «Cash and cash equivalents» of the Balance Sheet includes remaining money funds kept in current bank accounts, including the following split to currencies:

Notes to the financial statements of CO «CF «Patients of Ukraine»
for year ended on December, 31st, 2022

	31.12.2021	31.12.2022
Money funds in bank in UAH	1 635,8	4 443,4
Money funds in bank in foreign currencies:		
CHF	-	55 369,6
EUR	-	8 573,4
USD	272,8	8 064,3
Total	1 908,6	76 450,7

3.5. In the article 1595 «Long-term liabilities, special purpose financing and provisions» of the Balance Sheet amounts of received and not spent special purpose funds are reflected, including the split to the donors:

	31.12.2021	31.12.2022
Swiss Agency for Development and Cooperation (SDC)	-	56 295,8
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH	-	8 395,8
Project «Stop the WAR»	-	7 420,6
National Endowment For Democracy (NED)	167,0	1 782,0
Deloitte	-	939,6
ICF "Renaissance"	739,4	652,6
Management Sciences for Health (project SafeMed)	-	477,6
ISAR Ednannya	-	410,8
Abt Associates Inc.	-	51,2
MATRA	434,9	(15,3)*
USAID	378,1	(31,4)*
Other donors	189,2	71,4
Total	1 908,6	76 450,7

* - negative values show the amount of donors debts for expenses incurred by the Organization

3.6. Article 1690 «Other current liabilities» of the Balance Sheet includes incomes of future periods, namely targeted finance used and which will be recognized as income in the future reporting periods:

	31.12.2021	31.12.2022
Advance payments and prepaid taxes	48,1	2 713,5
Remaining value of non-current assets	79,1	28,7
Inventories not used	-	2,2
liabilities	(2,3)	(238,0)
Total	124,9	2 506,4

3.7. Article 2160 «Other incomes» of the Profit and Loss Statement includes the following kinds of incomes:

	2022	2021
Income from utilization of targeted funding	95 813,8	12 690,3
Income from charitable receipts in the form of materials and services	45 771,8	-
Income in the amount of depreciation charges for non-current assets, purchased for funds of targeted funding	212,1	131,3
Total	141 797,7	12 821,6

Notes to the financial statements of CO «CF «Patients of Ukraine»
for year ended on December, 31st, 2022

3.8. Article 2165 «Other expenses» of the Profit and Loss Statement consists of:

	2022	2021
Charitable donations	119 532,4	2 017,9
Consultants, project service providers	16 813,1	7 017,1
Salaries and related social taxes	2 760,1	2 056,0
Organizing of events	1 141,4	334,0
Other projects expenses	411,8	422,5
Administrative expenses (incl. office rent, audit, legal, office and other expenses)	926,8	842,8
Depreciation of fixed assets	212,1	131,3
Total	141 797,7	12 821,6

4. Going concern of the Organization

These financial statements are based on the going concern principle of the Organization, which provides for the realization of assets and fulfillment of obligations in the normal course of the Organization's activities. However, there are the following events and circumstances that required the management's careful assessment of the Organization's ability to continue operations on a going concern basis and took measures to ensure that the Organization had adequate funding. These events and circumstances are detailed below.

On February 24, 2022 the Russian Federation carried out a full-scale invasion of Ukraine. On the same day, in connection with the military aggression of the Russian Federation against Ukraine (hereinafter - military aggression) by Decree of the President of Ukraine № 64/2022 on our territory martial law was imposed from 05 hours 30 minutes on February 24, 2022, which is valid repeatedly continued and which is currently in force.

At the date of approval of this financial statement the Organization operates in an unstable economic environment caused by Russian military aggression. Improvement of the economic situation in the country depends on future developments, including the duration, spread and intensity of the warfare, all of which are uncertain and difficult to predict considering the rapidly evolving situation. Due to the uncertainty of the timing and directions of the intense hostilities it is not possible to reliably estimate the impact of it on the financial results and liquidity of the Organization, the stability and structure of its operations with counterparties.

These financial statements have been prepared on a going concern assumption of the Organization, which provides for the realization of assets and settlement of liabilities in the normal course of its activities. The financial statements do not include any adjustments to reflect the possible future effects of compensation and classification of reported assets or the amounts and classification of liabilities that may arise from such uncertainty.

Executive director

Inna Ivanenko

Chief accountant

Anastasiya Nazarova

