

# Bigger. Better. Different.

CHARITABLE ORGANIZATION  
"CHARITABLE FUND "THE RIGHT TO PROTECTION"

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

INCLUDING INDEPENDENT AUDITOR'S REPORT

## CONTENTS

1	STATEMENT OF RESPONSIBILITY OF THE MANAGEMENT	3
2	INDEPENDENT AUDITOR'S REPORT	4
3	FINANCIAL STATEMENTS OF MICROENTERPRISE	7
4	NOTES TO THE ANNUAL FINANCIAL STATEMENTS	9
	GENERAL INFORMATION	9
	FINANCIAL STATEMENTS PRESENTATION PRINCIPLES	9
	ACCOUNTING POLICY	10
	DISCLOSURE OF INFORMATION ON NON-CURRENT ASSETS	11
	DISCLOSURE OF INFORMATION ABOUT INVENTORY	13
	DISCLOSURE OF INFORMATION ON ACCOUNTS RECEIVABLE	13
	DISCLOSURE OF CASH AND ITS EQUIVALENTS	13
	DISCLOSURE OF INFORMATION REGARDING OTHER CURRENT ASSETS	14
	DISCLOSURE OF INFORMATION REGARDING LONG-TERM LIABILITIES AND TARGETED FUNDING	14
	DISCLOSURE OF INFORMATION REGARDING ACCOUNTS PAYABLE	14
	DISCLOSURE OF INFORMATION REGARDING REVENUES AND EXPENSES	14
	DISCLOSURE OF INFORMATION REGARDING RELATED PARTIES	15
	DISCLOSURE OF INFORMATION REGARDING LEGAL PROCEEDINGS	15
	DISCLOSURE OF INFORMATION REGARDING EVENTS AFTER THE BALANCE DATE	16
	DISCLOSURE OF INFORMATION REGARDING THE FUND'S CONTINUOUS ACTIVITY	16
	DISCLOSURE OF INFORMATION ABOUT THE OPERATING ENVIRONMENT, RISKS, AND ECONOMIC CONDITIONS	17



**БЛАГОДІЙНА ОРГАНІЗАЦІЯ**  
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**STATEMENT OF RESPONSIBILITY OF THE MANAGEMENT FOR PREPARATION AND APPROVAL OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

The following statement, that should be read in conjunction with the report on review, was made to separate the responsibilities of management and specified practicing review specialist for the financial statements of the CF «Right to Protection» (the Fund).

The Fund's management is responsible for the preparation of the financial statements, which reflects present fairly, in all material respects the financial position of the Fund as of December 31, 2023 and the financial results for the year ended and disclosure of information in the notes to the financial statements, including a summary of significant accounting policies, in accordance with the requirements of National Accounting Principle (Standard) 25 «Simplified financial statements» and other National Accounting Principles (Standards) (hereinafter – the NAP(S) and the Law of Ukraine “On Accounting and Financial Reporting in Ukraine” from July 16, 1999 N996-XIV (hereinafter – Law on Accounting and Financial Reporting).

In preparing of the financial statements, the Fund's management is responsible for:

- selection of appropriate accounting principles and their consistent application;
- application of reasonable estimates and judgments;
- compliance National Accounting (Principles) Standards (NA(P)S) in Ukraine;
- preparation of the financial statements based on the assumption that the Fund will continue its activity in the near future, except when such an assumption is incorrect.

The Fund's management is also responsible for:

- development, implementation and operation of an effective and reliable internal control system in the Fund;
- support of the accounting system, which allows at any time to prepare information with sufficient accuracy about the financial condition of the Fund and ensure compliance of the financial statements for the year ended 31 December 2023, prepared in accordance with the requirements of the National Accounting (Principles) Standards (NA(P)S) in Ukraine;
- taking measures within its competence to ensure the safety of the Fund's assets;
- prevention and detection of fraud and other abuses.

The management provided the practicing review specialist with all necessary information and explanations which are necessary for the review. The management has not identified any additional review information that has not been reported to the practicing review specialist.

President  
CF «Right to Protection»  
Galkin O.Y.



Date of the document: 30 April 2024

## INDEPENDENT AUDITOR'S REPORT

To the partners and management of  
CHARITABLE ORGANIZATION "CHARITABLE FUND "THE RIGHT TO PROTECTION"

### Opinion

We have audited the financial statements of microenterprise CHARITABLE ORGANIZATION "CHARITABLE FUND "THE RIGHT TO PROTECTION" (hereinafter – Fund) which comprise the balance sheet (form №1-ms) as at December 31, 2023, and the income statement (form №2-ms) for the year then ended on the stated date, and notes to the financial statements, including a summary of significant accounting policies (hereinafter – financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, in accordance with the requirements of NAP(S) 25 "Simplified financial statements" and other applicable National Accounting Principles (Standards) (hereinafter – the NAP(S)) and the Law of Ukraine "On Accounting and Financial Statements in Ukraine" from July 16, 1999 No.996-XIV (hereinafter – Law on Accounting and Financial Statements).

### 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 Fund in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) and 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 and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material Uncertainty Related to Going Concern

We draw attention to Note 15 "Disclosure of information regarding the Fund's continuous activity" and Note 16 "Disclosure of information about the operating environment, risks, and economic conditions" to the Fund's financial statements for the reporting period, which disclose that on February 24, 2022 the Russian Federation began full-scale military actions on the territory of Ukraine. As of the date of approval of these financial statements, the Fund operates in an unstable environment created as a result of the full-scale invasion of Russia into the territory of Ukraine. These events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Fund's ability to continue as a going concern. The going concern assumption of the Fund is based on the fact that the accounting records are kept, and the statements are prepared on the assumption that the Fund has neither the intention nor the need to stop or significantly reduce economic and financial activities in the foreseeable future. Currently, the Fund has neither the intention nor the need to liquidate or significantly reduce the scope of its activities. The Fund, guided by the going concern principle, applies the usual methods of valuation and accounting of assets, liabilities, income and expenses. Our opinion is not modified in respect of this matter.

### Other Matters

We draw attention to the fact that as of the reporting date, in accordance with the requirements of the Law on Accounting and Financial Statements, the Fund meets the criteria of a medium-sized entity, but it belongs to non-entrepreneurial companies for which, in accordance with the current requirements of the legislation, abbreviated financial statements are established as part of the balance sheet and the income statement.

The financial statements are prepared in accordance with the NAP(S) 25 "Simplified financial statements" and other NAP(S), as referred to above, as a result, the financial statements may not be suitable for another purpose. Our report

is intended solely for the Fund and should not be distributed to or used by parties other than the Fund.

### 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 the NAP(S) 25 "Simplified financial statements", other applicable NAP(S), Law on Accounting and Financial Statements, 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 Fund's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the 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 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 Fund'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 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 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Key audit partner

MUSIIENKO Viktoriia Oleksandrivna

Registration number in the Register of Auditors and Audit Entities: 100749



From and on behalf of the LLP "AF "P.S.P. AUDIT"

Director  
SUSHKO Dmytro Serhiiovich  
Registration number in the Register of Auditors and Audit activity Entities: 100687



Date of the independent auditor's report: April 30, 2024  
Kyiv, Ukraine

**Basic information about the subject of audit activity**

LIMITED LIABILITY PARTNERSHIP "AUDIT FIRM "P.S.P. AUDIT". Identification code according to USREOU: 36412992. Location: 01133, Ukraine, Kyiv, 44A Yevhena Konovaltsia St., off. 733.

LLP "AF "P.S.P. AUDIT" is included to the List of subjects of audit activity, which have the right to conduct a mandatory audit of financial statements. The information is published on the official website of the Audit Public Oversight Body of Ukraine (<https://www.apob.org.ua/>) in the "Register" section.

			Codes
		DATE (Year, month, day)	2023   12   31
Enterprise	CHARITABLE ORGANIZATION «CHARITABLE FUND «THE RIGHT TO PROTECTION»	USREOU	38621206
Territory	Shevchenkivskiyi district	COATSU	UA80000000001078 669
Type of ownership	Charitable Organization	CTO	845
		ISSAB	
Type of economic activity	Provision of other social assistance without accommodation	CEA	88.99
Average number of employees <sup>1</sup>	437		
Unit of measurement:	UAH thousands with one decimal place		
Address:	Prorizna Str., 18/1. Of. 16, Kyiv, 01034, 044 337 17 62		

## BALANCE SHEET

as of 31.12.2023

Form No. 1-ms SCAD code 1801006

Assets	Line code	At the beginning of the reporting period	At the end of the reporting period
1	2	3	4
<b>1. Non-current assets</b>			
Fixed assets:	1010	27 121,4	27 114,5
historical cost	1011	40 758,1	55 484,1
accumulated depreciation	1012	( 13 636,7)	( 28 369,6)
Other non-current assets	1090	-	-
<b>Total under the section I</b>	<b>1095</b>	<b>27 121,4</b>	<b>27 114,5</b>
<b>II. Current assets</b>			
Stocks	1100	3 781,8	6 615,8
Other current receivables	1155	3 116,5	8 308,5
Cash assets and their equivalents:	1165	351 163,8	364 941,1
Other current assets	1190	414,4	46,6
<b>Total under the section II</b>	<b>1195</b>	<b>358 476,5</b>	<b>379 912,0</b>
<b>Balance</b>	<b>1300</b>	<b>385 597,9</b>	<b>407 026,5</b>
<b>Liabilities</b>	<b>Line code</b>	<b>At the beginning of the reporting period</b>	<b>At the end of the reporting period</b>
1	2	3	4
<b>I. Equity capital</b>			
Registered (share) capital	1400	-	-
Non-distributed income (non-covered loss)	1420	-	-
Non-paid capital	1425	-	-
<b>Total under the section I</b>	<b>1495</b>	<b>-</b>	<b>-</b>
<b>II. Long-term liabilities, targeted financing and provisions</b>	<b>1595</b>	<b>328 326,7</b>	<b>364 519,1</b>
<b>III. Current liabilities</b>			
Short-term bank loans:	1600	-	-
Short-term accounts payable for: goods, work, services	1615	4 791,7	10 738,2
settlements with the budget	1620	3 957,1	1 573,4
insurance payments	1625	4 467,3	445,8
wages and salaries	1630	67,8	-
Other current liabilities	1690	43 987,3	29 750,0
<b>Total under the section III</b>	<b>1695</b>	<b>57 271,2</b>	<b>42 507,4</b>
<b>Balance</b>	<b>1900</b>	<b>385 597,9</b>	<b>407 026,5</b>

# STATEMENT ON FINANCIAL RESULTS

as of 31.12.2023

Form No. 2-ms

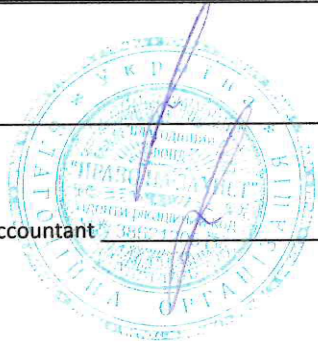
SCAD code

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 incomes	2160	1 254 636,2	553 020,5
<b>Total income (2000 + 2160)</b>	<b>2280</b>	<b>1 254 636,2</b>	<b>553 020,5</b>
Cost of sold products (goods, work, services)	2050	(-)	(-)
Other expenses	2165	(1 254 636,2)	( 553 020,5 )
<b>Total expenses (2050 + 2165)</b>	<b>2285</b>	<b>(1 254 636,2)</b>	<b>( 553 020,5 )</b>
Financial result before taxation (2280 – 2285)	2290	-	-
Income tax	2300	(-)	(-)
Expenses (income) thar reduce (increase) the financial result after taxation	2310	-	-
<b>Net profit (loss) (2290-2300-(+) 2310)</b>	<b>2350</b>	-	-

Head \_\_\_\_\_ (Galkin Oleksandr)

Chief Accountant \_\_\_\_\_ (Galkin Oleksandr)





Notes to the Annual Financial Statements of a Microenterprise  
for the year ended December 31, 2023 (in thousands of Ukrainian hryvnias with one decimal place)

## 1. General Information

CHARITABLE ORGANIZATION "CHARITABLE FUND "THE RIGHT TO PROTECTION" (hereinafter referred to as the Fund) is a legal entity established in accordance with the legislation of Ukraine. The registration date is March 12, 2013.

THE RIGHT TO PROTECTION is a leading human rights organization that comprehensively protects people in situations of conflict, disasters, forced displacement, and enables systemic changes to prevent such situations. The Fund provides free assistance to internally displaced persons, people affected by armed conflict, refugees, and stateless persons.

The mission of the Fund is to protect people in situations of conflict, disasters, forced displacement, and enable systemic changes to prevent such situations.

The vision of the Fund is to create favorable conditions in which IDPs, refugees, and stateless persons can resume a peaceful life, realize their abilities, and contribute to the wellbeing of local communities.

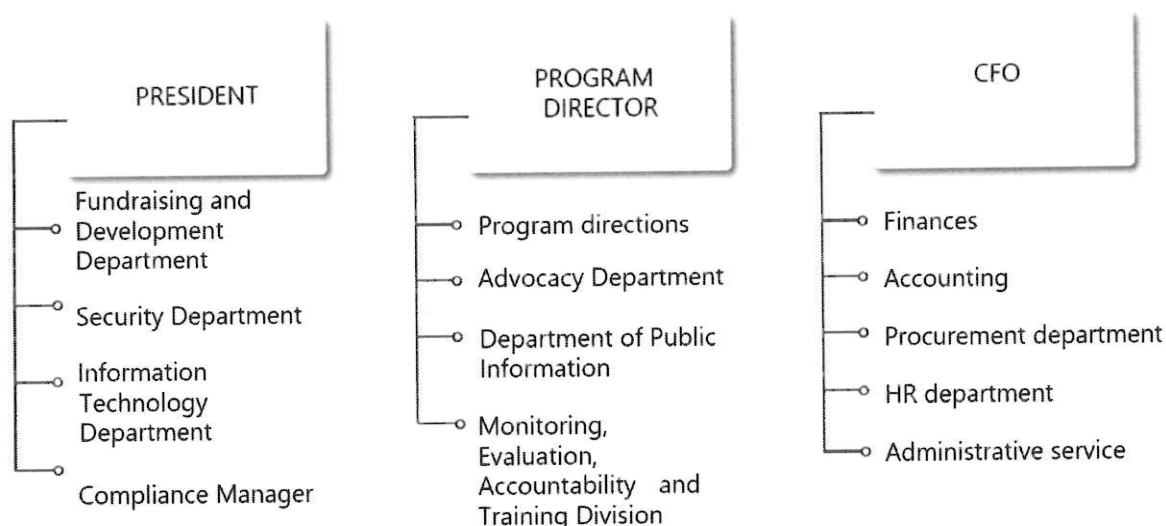
The average number of employees of the Fund in in the course of the year 2023 was 437 persons (in 2022 - 582 persons).

During 2023, the Fund undertook operations in the following areas: Legal Assistance, Monitoring of Compliance with the Rights and Freedoms of Internally Displaced Persons and Persons Affected by Armed Aggression, Material (non-monetary) Assistance, Multi-purpose Financial Assistance, Psychological Assistance, Advocacy, Disaster Risk Reduction, Social Assistance and Protection, Social Cohesion and Understanding, Legal Assistance to Refugees, Legal Assistance to Stateless Persons.

Detailed information about the Fund's activities can be found on the website <https://r2p.org.ua/> in the "Annual Reports" subsection of the "About Us" section.

The organizational structure of the Fund in 2023 remained largely unchanged and was as follows:

## FUND MANAGEMENT



The Fund's registration address: 18/1 Prorizna St., Kyiv, 01034.

Date of approval of financial statements for the year ended December 31, 2023 – 29 April 2024.

## 2. Financial statements presentation principles

These financial statements are prepared in accordance with National Accounting Principles (Standards) (hereinafter -

Notes to the Annual Financial Statements of a Microenterprise  
for the year ended December 31, 2023 (in thousands of Ukrainian hryvnias with one decimal place)

the NAP(S)) in force in Ukraine.

The Fund's financial statements are prepared in accordance with the principle of valuation at historical cost. Financial statements provide comparative information for the previous period.

The functional currency of reporting is hryvnia. The report is compiled in thousands of hryvnias with one decimal place.

### 3. Accounting policy

The Fund's financial statements are compiled on the basis of accounting data in accordance with the requirements of the Legislation in force in Ukraine.

In accordance with the Law of Ukraine "On Accounting and Financial Reporting in Ukraine" dated July 16, 1999. No. 996-XIV, the main principles, methods and procedures used for the compilation and submission of reports by the Fund in 2022 are fixed by the Order on accounting policy.

Accounting policy of the Fund was approved by the President's Order dated 02.12.2019 No. 63.

In accordance with the selected accounting policy, the Fund applies the following principles, methods and procedures for accounting, preparation and submission of financial statements (principles, methods and procedures are described in detail in the accounting policy itself):

- Fixed assets include tangible assets that the Fund holds for the purpose of using them in the course of its activity, the expected useful life of which is more than one year, and the value of which is more than 20,000.00 UAH (until 01.01.2023 - 15,000.00 UAH, until 01.01.2020 - 6,000.00 UAH).
- Tangible assets, the value of which is lower than UAH 20,000.00. (until 01.01.2023 - 15,000.00 UAH, until 01.01.2020 - UAH 6,000.00), are considered low-value non-current tangible assets.
- Tangible assets with a useful life of less than one year, regardless of their original value, are accounted for as low-value quick-perishable items (LVI).
- Purchased (created) fixed assets are credited to the Fund's balance sheet at their original cost. The unit of accounting for fixed assets is the object of fixed assets. Depreciation of fixed assets and other non-current tangible assets is carried out using the straight line method. Depreciation of low-value non-current tangible assets and library funds is calculated at the rate of 100% of their value during the first month of their use.
- The accounting for intangible assets is carried out for each intangible asset.
- Depreciation of intangible assets is carried out during the period of their useful life, the period itself is established when this object is recognized as an asset (when it is put on the balance sheet). The useful life period is set separately for each intangible asset. Depreciation of an intangible asset is calculated using the straight line method.
- Each item of inventory is considered a unit of accounting. Disposal of inventory is measured using the first-in, first-out method. Items of inventory are recorded in accounting and reporting at their original cost.
- Targeted funding is not recognized as a revenue until there is confirmation that it will be received and the Fund meets the conditions to receive such funding. The received targeted funding is recognized as a revenue during those periods in which expenses related to the implementation of the relevant agreements (grants, projects) were incurred.

The following is recognized as targeted funding:

- funds received in the form of technical and charitable assistance on the basis of signed grant agreements;
- material assets, including non-current assets, received in the form of technical assistance based on signed grant agreements;

Notes to the Annual Financial Statements of a Microenterprise  
for the year ended December 31, 2023 (in thousands of Ukrainian hryvnias with one decimal place)

- charitable contributions received from individuals and legal entities in the form of funds transferred to active accounts in bank institutions as well as in the form of property, if their target purpose is specified in the supporting documents;
- non-refundable financial assistance;
- income from business activities (charitable aid, humanitarian aid, international technical aid, educational, provision of cultural, scientific, and other similar services, publishing).
- interest received by the Fund from placement of the grant funds.

Targeted funding is not recognized as income until there is confirmation that it will be received and the Fund meets the conditions to receive such funding. Received targeted funding is recognized as income during the periods in which the expenses related to the implementation of the relevant agreements (grants, projects) were incurred. The Fund records the targeted funding it received as a debit to the accounts for cash, fixed assets, intangible assets, inventory and other assets in accordance with the corresponding subaccounts of the account 48 "Targeted funding and targeted revenues".

#### 4. Disclosure of information on non-current assets

The movement of fixed assets during the reporting year 2023 is shown in the table:

*thousand hryvnias*

Groups of fixed assets	Machinery and equipment	Vehicles	Tools, devices, inventory	Other fixed assets	Low-value non-current tangible assets	Total
Original cost as of 31.12.2022p.	19 480,4	12 451,7	66,9	281,0	5 988,6	38 268,6
Purchased fixed assets	10 368,5	12 257,2	70,0	142,9	7 762,8	30 601,4
Out	523,9	14 736,2	0,0	89,5	154,6	15 504,2
Original cost as of 31.12.2023p.	29 325,0	9 972,7	136,9	334,4	13 596,8	53 365,8
Accumulated depreciation as of 31.12.2022p.	5 356,3	457,7	24,6	216,4	5 988,6	12 043,6
Depreciation deductions for the year	6 339,0	1 569,7	41,8	30,8	7 762,8	15 744,1
Out	443,7	660,7	0,0	89,5	154,6	1 348,5
Accumulated depreciation as of 31.12.2023p.	11 251,6	1 366,7	66,4	157,7	13 596,8	26 439,2
Balance sheet value as of 31.12.2022p.	14 124,1	11 994,0	42,3	64,6	0,0	26 225,0
Balance sheet value as of 31.12.2023p.	18 073,4	8 606,0	70,5	176,7	0,0	26 926,6

As of December 31, 2023, assets meeting the criteria of fixed assets but designated for charitable assistance are accounted for in account 201.

As of December 31, 2023, the Fund does not have fixed assets temporarily not in use.

As of December 31, 2023, the Fund accounts for non-current assets on its balance sheet with the carrying amount equal to the amount of depreciation. In January 2024, a decision was made to extend the useful life of fixed assets and intangible assets without conducting revaluation. Information regarding the value of such non-current assets is provided below:

Name	Value as of 31.12.2023p., thousand hryvnias	Value as of 31.12.2022p., thousand hryvnias
Non-current assets with the book value of which	15 910,9	7 827,8

Notes to the Annual Financial Statements of a Microenterprise  
for the year ended December 31, 2023 (in thousands of Ukrainian hryvnias with one decimal place)

Name	Value as of 31.12.2023p., thousand hryvnias	Value as of 31.12.2022p., thousand hryvnias
<b>is equal to the amount of depreciation, including:</b>		
fixed assets	2 331,0	1 839,2
low-value non-current assets	13 579,9	5 988,6
<b>Non-current assets with a revised useful life, including:</b>	<b>3 884,6</b>	<b>3 285,7</b>
fixed assets	2 331,0	1 839,2
low-value non-current assets	1 553,6	1 446,5

The movement of intangible assets during the reporting year 2023 is shown in the table:

<i>thousand hryvnias</i>			
Intangible assets	Copyright	Other intangible assets	Total
<b>Original cost as of 31.12.2022p.</b>	0,0	<b>2 053,1</b>	<b>2 053,1</b>
Purchased fixed assets	24,0	41,2	65,2
Out	0,0	0,0	0,0
<b>Original cost as of 31.12.2023p.</b>	<b>24,0</b>	<b>2 094,3</b>	<b>2 118,3</b>
<b>Accumulated depreciation as of 31.12.2022p.</b>	0,0	1 593,1	1 593,1
Depreciation deductions for the year	18,9	318,4	337,3
Out	0,0	0,0	0,0
<b>Accumulated depreciation as of 31.12.2023p.</b>	<b>18,9</b>	<b>1 911,5</b>	<b>1 930,4</b>
<b>Balance sheet value as of 31.12.2022p.</b>	<b>0,0</b>	<b>460,0</b>	<b>460,0</b>
<b>Balance sheet value as of 31.12.2023p.</b>	<b>5,1</b>	<b>182,8</b>	<b>187,9</b>

The Fund's fixed assets are not pledged and there are no restrictions on the Fund's rights to dispose, own and use fixed assets.

Estimated useful life of non-current assets (months):

Groups of non-current assets	Minimum	Maximum
Machinery and equipment	24	60
Vehicles	48	120
Tools, devices, inventory	12	60
Other fixed assets	24	60
Low-value non-current tangible assets	24	60
Other intangible assets	12	60

Capital investments in progress:

Capital investments in progress	Amount, thousand UAH
<b>Balance as of January 1, 2023</b>	<b>436,5</b>
Income of capital investments	30 230,2
Putting capital assets into operation	30 666,7
<b>Balance as of December 31, 2023</b>	<b>0,0</b>

Intangible assets acquired by the Fund have defined useful life periods and primarily consist of software. Purchased or received software licenses are recognized at their initial cost, excluding accumulated depreciation and accumulated impairment losses. Depreciation of intangible assets is recognized on a straight-line basis over their expected useful life periods. Depreciation of intangible assets commences when the assets are ready for their intended use. The Fund's intangible assets were primarily acquired through targeted funding.

Fixed assets consist primarily of the Fund's passenger vehicles and a variety of computer and electronic equipment. All pieces of fixed assets are recognized at their historical cost, excluding any accumulated depreciation and accumulated impairment losses. The historical cost of fixed assets includes their acquisition prices, indirect taxes related to the acquisition that are not refundable, installation and maintenance costs, and other costs that are directly attributable to bringing them to a condition necessary for them to be operational and capable of performing their intended use.

The residual value, useful life periods, and depreciation methods are reviewed at the end of each financial year. Any

Notes to the Annual Financial Statements of a Microenterprise  
for the year ended December 31, 2023 (in thousands of Ukrainian hryvnias with one decimal place)

changes compared to previous estimates are accounted for as a change in accounting estimate. Historical cost of fixed asset items is increased by amounts of funds expended on enhancing the fixed assets (such as modernization, modification, extension, equipment installation, reconstruction, etc.), which increase the future economic benefits originally expected from using the fixed asset item. Capitalized expenditures for improvements to fixed assets are depreciated using the straight-line method at the same rates as the related fixed assets. Expenses related to repairs and maintenance, as well as costs related to servicing the assets, are included in the consolidated financial statements for the period in which they have been incurred.

Capital gains or losses arising on the disposal of fixed assets are determined as the difference between the sale proceeds and its carrying amount. They are included in other income or expenses from regular activities. The Fund's fixed assets were acquired primarily through targeted funding.

The article depicting capital investments in progress (unfinished) reflects the value of unfinished capital investments in non-current assets transferred for their modernization as of the reporting date, which will increase their original cost, as well as the value of other fixed assets that are not yet ready for use.

#### 5. Disclosure of information about inventory

Balance value of inventory as of:

*thousand hryvnias*

Group of inventory	31.12.2022p.	31.12.2023p.
Raw materials and supplies	3 762,7	6 542,9
Fuel	0,5	29,9
Containers, container materials	18,6	43,0
Other materials	0,0	0,0
products Finished	0,0	0,0
Low-value items	0,0	0,0
<b>Total:</b>	<b>3 781,8</b>	<b>6 615,8</b>

#### 6. Disclosure of information on accounts receivable

There are no current receivables for goods, works, or services.

Other current receivables consist of the following types of arrears:

*thousand hryvnias*

Group of current receivables	31.12.2022p.	31.12.2023p.
Accounts receivable for settlements for issued advances	2 235,0	7 630,8
Settlements with state trust funds	69,8	0,0
Settlements for mandatory payments	2,8	17,3
Settlements for mandatory state social insurance	0,6	3,1
Settlements with other creditors	808,3	657,3
<b>Total:</b>	<b>3 116,5</b>	<b>8 308,5</b>

#### 7. Disclosure of cash and its equivalents

The funds of the Fund consist of the following items:

*thousand hryvnias*

Name of the bank	Currency	31.12.2022p.	31.12.2023p.
JSC OTP Bank	UAH	48 746,0	86 114,0
JSC OTP Bank	CHF	20 573,1	3 529,1
JSC OTP Bank	EUR	56 187,2	23 594,6
JSC OTP Bank	GBP	20 520,7	1 812,8
JSC OTP Bank	JPY	0,0	9 479,2
JSC OTP Bank	USD	205 095,7	43 071,5
JSC PrivatBank	UAH	0,0	0,2
JSC PrivatBank	EUR	37,4	40,5

Notes to the Annual Financial Statements of a Microenterprise  
for the year ended December 31, 2023 (in thousands of Ukrainian hryvnias with one decimal place)

Name of the bank	Currency	31.12.2022p.	31.12.2023p.
JSC PrivatBank	USD	3,7	3,8
JSC Oschadbank	UAH	0,0	13 542,6
JSC Oschadbank	USD	0,0	183 752,8
<b>Разом:</b>		<b>351 163,8</b>	<b>364 941,1</b>

Cash and cash equivalents include only cash held on current bank accounts. As of 31 December 2023, the Fund's cash was placed in the following ratio (of the consolidated amount): JSC "Oschadbank" 55%; JSC "OTP Bank" 45%.

#### 8. Disclosure of information regarding other current assets

Other current assets are presented in the statements as follows:

Groups of Other current assets	<i>thousand hryvnias</i>	
	31.12.2022p.	31.12.2023p.
Expenses of future periods	411,0	46,6
Monetary documents in the national currency	3,4	0,0
<b>Total:</b>	<b>414,4</b>	<b>46,6</b>

#### 9. Disclosure of information regarding long-term liabilities and targeted funding

Targeted financing	<i>thousand hryvnias</i>	
	31.12.2022p.	31.12.2023p.
Targeted financing for charitable activities	328 326,7	364 519,1
<b>Total:</b>	<b>328 326,7</b>	<b>364 519,1</b>

Targeted funding refers to funds or property that are received to finance and implement specific programs (projects) and to support the statutory activities of the Fund, as stipulated by certain legislative and regulatory acts, as well as by the statutory documents. The purposes for which such funds are to be used are specified in each individual agreement with each donor and must comply with the Fund's statutory documents.

#### 10. Disclosure of information regarding accounts payable

Structure and amounts of other current liabilities:

Accounts payable items	<i>thousand hryvnias</i>	
	31.12.2022p.	31.12.2023p.
Current accounts payable for settlements with domestic suppliers (for goods, works, services)	4 791,7	10 738,2
Current accounts payable for budget settlements s (personal income tax, war levy)	3 957,1	1 573,4
Current insurance payables (single social contribution)	4 467,3	445,8
Current accounts payable for wages (payment of sick leave at the expense of the Social Insurance Fund)	67,8	0,0
Other current liabilities (income of future periods (capital investments, expenses of future periods), settlements with other creditors)	43 987,3	29 750,0
<b>Total:</b>	<b>57 271,2</b>	<b>42 507,4</b>

According to paragraph 7 of NAP(S) 25, the Fund does not accrue reserves.

#### 11. Disclosure of information regarding revenues and expenses

Information on the main types of incomes and expenses is presented in the table below:

Incomes and expenses	<i>thousand hryvnias</i>			
	<b>2023</b>		<b>2022</b>	
	Incomes	Expenses	Incomes	Expenses
<b>Net income from the sale of products (goods, works, services)</b>	0,0	0,0	0,0	0,0
Sale of finished products	0,0	0,0	0,0	0,0
Sale of goods	0,0	0,0	0,0	0,0
Implementation of services (rent)	0,0	0,0	0,0	0,0

Notes to the Annual Financial Statements of a Microenterprise  
for the year ended December 31, 2023 (in thousands of Ukrainian hryvnias with one decimal place)

Incomes and expenses	2023		2022	
	1 254 636,2	1 254 636,2	553 020,5	553 020,5
<b>Other income and expenses (row 2160, 2165 f.2-ms)</b>				
Income (expenses) from the purchase and sale of foreign currency	4 142,2	327,6	852,7	74,5
Income (expenses) from the sale of other current assets	0	0	0,0	0,0
Income (expenses) from the operational exchange rate difference	10 421,2	4 081,9	20 237,8	515,0
Income (expenses) from writing off payables (receivables)	0	0	0,0	0,0
Other operating income (expenses)	1 240 072,8	0	531 930,0	20 500,9
Recognized fines, penalties	0	0	0,0	0,0
Administrative expenses	0	79 800,6	0,0	13 305,8
Other expenses (including project expenses)	0	1 170 426,1	0,0	518 624,3

## 12. Disclosure of information regarding related parties

In this financial statement, related parties are the individuals who directly or indirectly exercise control over the Fund or significantly influence its activities, as well as close family members of such individuals.

Related parties include members of the Fund, key management personnel and close members of their families, companies that are under the control or under significant influence of members of the Fund and members of their families.

The related party of the Fund in the framework of NAP(S) 23 "Disclosure of information regarding related parties" is the Founder of the Fund Oleksandr Yuriyovych Galkin.

No transactions related to parties specified in clause 5 of NAP(S) 23 "Disclosure of information regarding related parties" took place in 2023.

In accordance with the clause 15 of NAP(S) 23 "Disclosure of information regarding related parties", information on payments received from the Fund by leading management personnel in 2022 is given in the table:

*thousand hryvnias*

Transactions of related parties	2023	2022	Note
Current payments	2 368,9	1 670,0	Accrued salary
Other long-term payments	0,0	0,0	Absent
Payments upon termination of employment	0,0	0,0	Absent
Payments upon dismissal	0,0	0,0	Absent
Payments based on shares	0,0	0,0	Absent
Loans	0,0	0,0	Absent

## 13. Disclosure of information regarding legal proceedings

As of the date of financial statement preparation, the Fund is not involved in any legal proceedings as a third party, but is otherwise involved in the following legal proceedings:

Claimant	Respondent	Case №	Name of the judicial authority	Claim amount	Decision	Result of the case
CF «THE RIGHT TO PROTECTION»	TOV «KVITER VIZION»	922/2485/22	Commercial court of Kharkiv region	UAH 808,500.00	The decision in favor of CF «THE RIGHT TO PROTECTION» of February 28, 2023, which was not appealed, entered into force on March 31, 2023.	Enforcement proceedings have started, possible impact on 50/50 financial reporting indicators

Notes to the Annual Financial Statements of a Microenterprise  
for the year ended December 31, 2023 (in thousands of Ukrainian hryvnias with one decimal place)

Claimant	Respondent	Case №	Name of the judicial authority	Claim amount	Decision	Result of the case
CF «THE RIGHT TO PROTECTION»	TOV «LEO Market Hrup»	914/318/23	Commercial court of Lviv region	UAH 67,022.00	The court order of January 27, 2023, which was not appealed, entered into force on March 7, 2023.	Enforcement proceedings have started, possible impact on 50/50 financial reporting indicators
CF «THE RIGHT TO PROTECTION»	TOV «TS-KOMPANI»	916/2568/23	Commercial court of Odesa region	UAH 9,175.70	The court order dated June 16, 2023.	Enforcement proceedings have started, UAH 250 was collected, possible impact on 70/30 financial reporting indicators
CF «THE RIGHT TO PROTECTION»	TOV «TS-KOMPANI»	916/2758/23	Commercial court of Odesa region	UAH 687,577.30	The decision in favor of CF «THE RIGHT TO PROTECTION» of February 16, 2024 was not appealed	Enforcement proceedings have started. Initial claim amount UAH 4,358,400.00, partially settled during the trial, final UAH 687,577.30, possible impact on 70/30 financial reporting indicators
Ryabov S.M.	CF «THE RIGHT TO PROTECTION»	752/10510/23	Holosiivsky District Court of Kyiv	UAH 57,696.64	No, the case is at the stage of consideration by the court of first instance.	The case on the establishment of labor relations is under consideration by the court of first instance. Possible impact on 50/50 financial reporting indicators

#### 14. Disclosure of information regarding events after the balance date

An event after the balance sheet date is an event that has affected or may affect the Fund's financial condition, results of operations and cash flows occurring between the balance sheet date and the date management approves the financial statements.

There were no other events after the date of preparation of the financial statements that had a significant impact on the financial condition of the Fund and required their measurement or disclosure in the financial statements.

#### 15. Disclosure of information regarding the Fund's continuous activity

On February 24, 2022, the Russian Federation launched a full-scale military invasion of Ukraine. On this day, the President of Ukraine signed, and the Verkhovna Rada of Ukraine approved, a Decree on the introduction of martial law in Ukraine. The Verkhovna Rada of Ukraine adopted as a basis and as a whole the Draft Law on Approval of the Decree of the President of Ukraine "On Extension of the Term of Martial Law in Ukraine". According to the Law, the Decree of the President of Ukraine No. 49/2024 "On Extension of the Term of Martial Law in Ukraine" dated February 05, 2024, extends the term of martial law in Ukraine from 05:30 a.m. of February 14, 2024 for a period of 90 days (i.e. until May 13, 2024).

As of the date of this financial report, all property on the Fund's balance sheet is undamaged. Since the beginning of



Notes to the Annual Financial Statements of a Microenterprise  
for the year ended December 31, 2023 (in thousands of Ukrainian hryvnias with one decimal place)

the aforementioned hostilities, 5 offices have been closed in Eastern Ukraine, and in 2023, the Fund's operations in Sloviansk were resumed. However, the specialization of the Fund's activities, the well-coordinated work of the Fund's specialists and their flexibility under such special circumstances made it possible to significantly expand the number and scope of activities in the framework of different projects. The Fund's employees have the opportunity to work both in the office and remotely, and the IT infrastructure is maintained by the Fund's own and external resources. With the outbreak of military operations, all the Foundation's backups were urgently stored in a cloud storage located abroad.

The Fund has current accounts in various currencies opened in OTP Bank, which is one of the largest Ukrainian banks with attracted foreign capital and is recognized as a leader in the country's financial sector. On May 4, 2023, the National Anti-Corruption Agency (NACA) included the Hungarian OTP Bank in the list of international war sponsors. Ukraine has not imposed any sanctions on OTP Bank JSC. On October 02, 2023, the NACA took a decision to exclude JSC OTP Bank from the aforementioned list. However, in order to diversify its assets and risks, the Fund opened current accounts in national and foreign currencies in PJSC "STATE SAVINGS BANK OF UKRAINE".(Oschadbank).

Perception of the Fund's operations continuity is based on the fact that the accounting is carried out and the reporting is prepared on the assumption that the Fund has neither the intention nor the need to cease or significantly reduce its economic and financial activities in the foreseeable future.

As of the date of this financial statement approval, the Fund operates in an unstable environment created as a result of the full-scale invasion of the territory of Ukraine by Russia. At present, the Fund has no intention or need to dissolve or significantly reduce the scope of its activities. The Fund, guided by the principle of continuity, applies conventional methods of measurement and accounting for assets, liabilities, income and expenses.

#### **16. Disclosure of information about the operating environment, risks, and economic conditions**

The Fund operates in Ukraine. While Ukraine's economy is generally considered to be of a market type, it continues to demonstrate some characteristics typical for a transitional economy. It still exhibits certain structural imbalances, low liquidity in capital markets, relatively high inflation, and significant levels of external and internal public debt.

The Fund's management cannot anticipate all changes that may affect the economy as a whole or the potential consequences for the Fund's financial position in the future. However, they believe that they are taking all measures necessary to support the stable activity and development of the Fund.

The Fund's activities, like those of other organizations in Ukraine, are influenced and will continue to be influenced by the situation of political and economic uncertainty in Ukraine, as well as by the military conflict itself. These events could have a negative impact on the results of the Fund's operation and its financial position.

**Military Risks:** During the reporting period, the unprecedented event of the military aggression of the Russian Federation against Ukraine persisted. Currently, Ukraine's economy is gradually recovering from the initial war shock. Production decline has been halted, and new technological processes are being established. It is virtually impossible to predict the effects of the war on the economy with a reliable degree of accuracy. An increase in hostilities may result in an additional reduction in the country's manufacturing potential and a loss in labor resources. This will undermine the productive forces of the economy and disrupt its recovery.

**Foreign Policy Risks:** Reductions in international support for Ukraine due to political processes in partner countries could significantly harm both financial stability and the country's defensive capabilities.

**Blockade of Transport Routes:** Continued blockades of cargo transportation at the Western border and restrictions on maritime transport routes could negatively affect the country's trade balance, generating risks to currency stability.

**Technological Disasters:** Risks of accidents escalate due to Russian forces hitting critical civil infrastructure, necessitating additional budgetary expenditures and reducing economic productivity.

**Potential Social Unrest:** High unemployment rates, difficulties in obtaining sufficient means for existence, and psychological trauma acquired during the war could exacerbate societal tensions.

**Inventory Depreciation Risk:** Risks associated with inventory storage include theft or damage, physical destruction, or

Notes to the Annual Financial Statements of a Microenterprise  
for the year ended December 31, 2023 (in thousands of Ukrainian hryvnias with one decimal place)

their liquidation due to the ongoing hostilities.

**Currency Risks:**

- Operational Risk: Risk that a particular operation may be paid at a different exchange rate than the one prevailing at the time of the agreement.
- Translation Risk: Risk that exchange rate fluctuations may affect the value of assets and liabilities denominated in foreign currency.
- Economic Risk: Risk that changes in exchange rates may affect the underlying economic conditions that are key to the business environment.

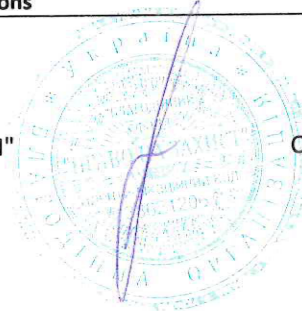
**Credit Risk:** The Fund monitors settlements with debtors and creditors. In case of violation of the terms of delivery or payment, claims or lawsuits are taken.

The main risks arising from the use of the Fund's financial instruments are currency risk, liquidity risk, and concentration risk. The main categories of the Fund's financial instruments include:

*thousand hryvnias*

Name	31.12.2022	31.12.2023
<b>Financial assets</b>		
Cash and its equivalents	351 163,8	364 941,1
Accounts receivable for settlements for issued advances, with other creditors	3 043,3	8 288,1
<b>Total financial assets</b>	<b>354 207,1</b>	<b>373 229,2</b>
<b>Financial obligations</b>		
Current accounts payable for settlements with domestic suppliers	4 791,7	10 738,2
Current accounts payable as calculated by the budget	3 957,1	1 573,4
Current payables from insurance	4 467,3	445,8
<b>Total financial obligations</b>	<b>13 216,1</b>	<b>12 757,4</b>

President of CF "THE RIGHT TO PROTECTION"



Oleksandr GALKIN



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