

**CHARITABLE ORGANIZATION
«CHARITABLE FUND «RIGHT TO PROTECTION»**

FINANCIAL REPORTING ACCORDING TO THE NAP(S)
FOR THE YEAR ENDED 31 DECEMBER 2019

TOGETHER WITH AN INDEPENDENT AUDITOR'S REPORT

CONTENT

- 1 INDEPENDENT AUDITOR'S REPORT
- 2 FINANCIAL STATEMENT OF MICRO ENTERPRISE

3

6

INDEPENDENT AUDITOR'S REPORT

Partners and management of the
CHARITABLE ORGANIZATION «CHARITABLE FUND «RIGHT TO PROTECTION»

Qualified Opinion

We conducted an audit of the financial statements of the microenterprise CHARITABLE ORGANIZATION «CHARITABLE FUND «RIGHT TO PROTECTION» (hereinafter - the Organization), consisting of a Balance Sheet (form №1-ms) as of December 31, 2019 and the Income Statement (form №2-ms) for the year ended the specified date.

In our opinion, except the possible impact of the issue described in the «Basis for Qualified Opinion» section of our report, the attached financial statements of the Organization for the year ended 31 December 2019 have been prepared in all material respects in accordance with the requirements of National Accounting Principles (Standards) 25 «Simplified financial reporting» and other Accounting Principles (Standards) (the AP(S)), applied by micro-enterprises, as well as in accordance with the requirements of the Law of Ukraine «On Accounting and Financial Reporting in Ukraine» from July 16, 1999 No. 996-XIV on the preparation of financial statements (Law on Accounting and Financial Reporting).

Basis for Qualified Opinion

The Organization incorrectly determined exchange rate differences on monetary items in foreign currency on the balance sheet date, as well as on the date of business transactions, that does not meet the requirements of AP(S) 21 «The Effects of Changes in Foreign Exchange Rates». This led to an understatement at the end of the reporting period a line 1165 «Cash and cash equivalents» of the Balance Sheet on January 31, 2019 in the amount of 23.5 thousand UAH, overstatement at the end of the reporting period a line 1595 «II. Long-term liabilities, targeted financing and provisions» of Balance Sheet on January 31, 2019 in the amount of UAH 11.7 thousand, overstatement for the reporting period a line 2160 «Other income» and a line 2165 «Other expenses» of the Income Statement by the same amount of UAH 1,080.3 thousand.

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under these standards are set out in the Auditor's Responsibility for the Audit of Financial Statements section of our report. We are independent in relation to the Organization in accordance with the Code of Ethics for Professional Accountants of the International Accounting Standards for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the Reporting Package in Ukraine, and we have fulfilled our other ethical responsibilities in accordance with these requirements and Code of IESBA. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the «Basis for Qualified Opinion» section we have determined the matters described below to be the key audit matters to be communicated in our report.

Events after the balance sheet date	
We pay attention to the event after the balance sheet date - the spread of acute respiratory disease COVID-19 caused by coronavirus SARS-CoV-2	
Key questions	How a key issue was considered during our audit
In order to adequately enable reporting users to make appropriate assessments and make decisions, we pay attention to the event after the balance sheet date - the spread of acute respiratory disease COVID-19 caused by	As part of the audit, our procedures included: <ul style="list-style-type: none"> providing a request to management and obtaining a written assurance on the disclosure of the impact of the event on the future activities of the Organization in

coronavirus SARS-CoV-2, and regulatory restrictions associated with it.
Such an event after the balance sheet date, in the opinion of the management of the Organization, does not provide additional information on the determination of amounts related to the conditions that existed at the balance sheet date, so it does not require adjustment of its financial statements. The Organization believes that such an event will not have a material impact on its financial condition and that the Organization will be able to continue as a going concern.

accordance with the requirements of AP(S) 6 «Correction of errors and changes in financial statements»;

- critical analysis of assumptions and assessments of management about the impact of this event;
- checking the availability of management staff programs aimed at ensuring the continued operation of the Organization during the introduction of quarantine and restrictive measures by the Cabinet of Ministers of Ukraine;
- analysis of the dynamics of the main economic indicators of the Organization after the balance sheet date and before the date of the independent auditor's report.

As a result of our procedures, we did not identify any additional factors that were not considered by management. We have critically assessed the appropriateness and consistency of the basic assumptions used by management to ensure that the results of the procedures are valid. As a result of the procedures performed, we have concluded that the estimates and assumptions made by the Organization's management after such a balance sheet date are appropriate.

Other questions

The audit of the financial statements of the Organization, consisting of the Balance Sheet (form №1-ms) as of December 31, 2018 and the Income Statement (form №2-ms) for the year ended date, was conducted by another auditor, who on October 11, 2019 expressed on these financial statements.

Responsibilities of Management and Those Charged with Governance for the financial statement for special purpose

4

Management is responsible for the preparation of the financial statement in accordance with the AP(S), Law on Accounting and Financial Reporting and for such internal control as management determines is necessary to enable the preparation of the Financial Statement that is free from material misstatements, whether due to fraud or error.

In preparing the financial statement, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statement as a whole are free from material misstatements, 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 decision of users taken on the bases of these the Financial Statement.

As a part of our 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 statement, 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 omission, 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used the reasonableness of accounting estimates, if any, and related disclosures made by management.
- Conclude on the appropriateness of management's use of 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 Company'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 for special purpose 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 may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statement represents the underline transactions and events in a manner that achieves fair presentation.

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, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Key audit partner
Andriychuk Halyna Yaroslavivna
Registration number in the Register of Auditors and Audit Entities: 100751

From and on behalf of the firm LLP «AF «P.S.P. AUDIT»
Director
Sushko Dmytro Serhiiovych
Registration number in the Register of Auditors and Audit activity Entities: 100687



Date of the independent auditor's report: July 15, 2020

LIMITED LIABILITY PARTNERSHIP «Audit firm «P.S.P. AUDIT». Identification code according to USREOU: 36412992. Location: 04116, Kyiv, Shevchenkivskyi district, Dovnar-Zapolskogo str., building 7-A.

LLP «AF «P.S.P. AUDIT» included to the Register of auditors and audit entities in section 4 «Subjects of audit activities authorized to conduct statutory audit of financial statements for special purpose of public interest entities». Link to the Register: <https://www.apu.com.ua/subjekty-audytorskoi-dijalnosti-jaki-majut-pravo-provodyty-obovjazkovyj-audyt-finansovoi-zvitnosti-pidprijemstv-shho-stanovljat-suspilnyj-interes/>

CHARITABLE ORGANIZATION «CHARITABLE FUND «RIGHT TO PROTECTION»

Annex 1
to the National Regulation (Standard) of Accounting
25 «Simplified financial statement» (clause 5 of section I)

FINANCIAL STATEMENT OF MICRO ENTERPRISE

Enterprise: Charitable Organization «RIGHT TO PROTECTION» Territory: Shevchenkivskyi district	Date	CODES		
	USREOU	2020	01	01
Form of ownership: Charitable Organization	Classification of objects of the administrative-territorial system of Ukraine	38621206		
	Classification of Types of Economic Activity	8039100000		
Type of economic activity: Provision of other social assistance without accommodation	Standard Industrial Classification code	845		
Average number of employees: 71		88.99		
Unit of measure: thousand UAH, with one decimal place				
Address, phone number: Prorizna Street, 18/1, of. 16, KYIV, 01034, 044 337 1762		<u>3371762</u>		

**1. Statement of Financial Position
at 31 December 2019
Form № 1-ms**

Assets	Line code	At the beginning of reporting period	At the end of reporting period
1	2	3	4
I. Non-current assets			
Fixed assets:	1010	2 052,7	2 562,3
initial value	1011	4 483,0	6 322,8
accumulated depreciation	1012	(2 430,3)	(3 760,5)
Other non-current assets	1090	-	-
Total section I:	1095	2 052,7	2 562,3
II. Current assets			
Inventories	1100	90,0	40,4
Current receivables	1155	46,3	424,2
Cash and cash equivalents	1165	3 479,6	4 865,1
Other current assets	1190	-	3,8
Total section II:	1195	3 615,9	5 333,5
Total assets	1300	5 668,6	7 895,8

Liabilities	Line code	At the beginning of reporting period	At the end of reporting period
1	2	3	4
I. Equity			
Share capital	1400	14,6	11,3
Retained earnings (uncovered losses)	1420	-	-
Total section I:	1495	14,6	11,3
II. Long-term liabilities, targeted financing and provisions	1595	-	5 018,3
III. Current liabilities			
Short-term bank loans	1600	-	-
Short-term accounts payable for: goods, works, services	1615	252,0	311,2
settlements with the budget	1620	-	-
insurance payments	1625	-	-
wages and salaries	1630	-	-
Other current liabilities	1690	5 402,0	2 555,0
Total section III	1695	5 654,0	2 866,2
Total Liabilities	1900	5 668,6	7 895,8

CHARITABLE ORGANIZATION «CHARITABLE FUND «RIGHT TO PROTECTION»

**2. Income Statement
for year 2019
Form № 1-ms**

Item	Line code	For the reporting period	For the previous period
1	2	3	4
Net income from the realization of products (goods, works, services)	2000	-	-
Other incomes	2160	72 067,8	56 479,8
Total income (2000 + 2160)	2280	72 067,8	56 479,8
Cost of sales (for goods, works, services)	2050	(-)	(-)
Other expenses	2165	(72 067,8)	(56 479,8)
Total expenses (2050 + 2165)	2285	72 067,8	56 479,8
Financial result before taxation (2280 - 2285)	2290	-	-
Income tax	2300	(-)	(-)
Expenses (income) that reduce (increase) the financial result after tax	2310	-	-
Net profit (loss) (2290 - 2300 - (+) 2310)	2350	-	-

Director

(signature)

Galkin Olexandr

(name, surname)

Chief Accountant

(signature)

not provided

(name, surname)



PSP Audit LLC

7a Dovnar- Zapolskogo St.
04116, Kyiv, Ukraine
T./F.: +38 044 281 06 07

www.pspaudit.com.ua