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To: Members and Founders of  
Charity organization "Union of adolescents and youth "Teenergizer"

# ***INDEPENDENT AUDITOR'S REPORT***

of financial statements

Charity organization "Union of adolescents and youth  
"Teenergizer"

as of December 31<sup>st</sup>, 2022

**KYIV - 2023**

## OPINION

We performed an audit of Charity organization "Union of adolescents and youth "Teenergizer" financial statements (hereinafter - Organization), which comprises the Balance (Form No. 1-m) as of 31.12.2022 with balance currency 1541.7 thousand UAH, Statement of financial results of 2022 (Form No. 2-m).

In our opinion, enclosed financial statement represents authentically in all essential aspects financial condition of the Charity organization "Union of adolescents and youth "Teenergizer" as of December 31<sup>st</sup>, 2022, as well as its financial results for the year then ended in accordance with Ukrainian Accounting Standards 25 "Simplified financial report of small business enterprise" and complies with of the Law of Ukraine "On Accounting and Financial Reporting in Ukraine" dated 16.07.1999, No. 996-XIV, concerning the preparation of financial statements.

## BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs).

Our responsibilities under these standards are described below in the Auditor's Responsibility for the Audit of Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. We are independent of the Organization in accordance with the Code of Ethics for Professional Accountants of the Council of International Standards of Ethics for Accountants (IASB Code), as well as the ethical requirements of the Code of Professional Ethics for Auditors of Ukraine, and have fulfilled other ethical obligations under IASB.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion with caution.

## EMPHASIS OF MATTER

The Russian Federation carried out a military invasion of Ukraine on February 24, 2022. Given that the course of the war could have a material effect on Ukraine's operating environment and that a final settlement cannot be predicted with sufficient certainty, the Organization has decided to continue to monitor the situation and is ready to make adjustments to its financial statements as soon as possible. Our opinion has not been modified on this issue.

## OTHER INFORMATION

Audit Firm "Glavbuk" Ltd. was empowered to perform audit activities on providing audit of Organization financial reporting for 2022 as stipulated by Contract No. 9 dated April 7<sup>th</sup>, 2023.

While planning the audit, the following terms of check were agreed with Organization Management:

Period from April 12<sup>th</sup>, 2023 till May 03<sup>th</sup>, 2023.

According to International Standard on Auditing (ISA) 315, "Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment" we performed necessary procedures to get information used for identifying risks of material misstatement due fraud according to ISA 240 "The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements".

We made requests to managing personnel and other employees of Organization who, in our opinion, could have information helping to identify risks of considerable distortion caused by fraud or mistake.

We performed analytic procedures, using detailed data, observations, etc. We received understanding of Organization's activity external factors, its property structure and corporate management, financing structure and mode, accounting policy, aims and strategies and related business risks, financial results' estimates and overviews.

According to the ISA 450 "Evaluation of Misstatements Identified During the Audit", we studied issues on choice and use of accounting policy and accounting estimates regarding their influence on the

reporting under check. We tested internal monitoring system aiming to get estimates on its reliability and effectiveness. In our opinion, Organization internal control system is effective enough to realize works and services provided by Organization to avoid fraud and mistakes.

We haven't received proofs certifying of possibility that financial reporting contains considerable distortion due to the fraud or comprehensive mistakes.

While performing audit tasks, we haven't provided Organization with any other services including those that are prohibited by the legislation.

We confirm the independence of key partner under study and of the Audit Firm "Glavbuh" Ltd. from Organization according to ethic Code and Law of Ukraine "On audit of financial reporting and audit activities" dated 21.12.2017 No. 2258-VIII (hereinafter Law of Ukraine No. 2258-VIII).

The audit volume was not limited by any manner and we obtained access to any necessary information.

We have received reasonable assurance on absence of considerable and essential distortions in Organization financial reporting.

## **INFORMATION ON THE IMPACT OF QUARANTINE IN RELATION TO THE PANDEMIC CORONAVIRUS INFECTION ON THE REPORTING OF THE ORGANIZATION**

We draw attention that according to the explanations provided by the management of the Organization on compliance with the principle of continuity of activities in the context of the spread of new coronavirus infection (COVID 19), the quarantine related to the infection introduced on 12.03.2020 did not have a significant impact on financial reporting of the Organization as of 31.12.2022.

The assumption of business continuity of the Organization is considered by the audit in accordance with ISA 570 "Going Concern" as one that will continue in the near future without any intention or need to liquidate or terminate it.

This is based on the auditor's judgment, as well as on the Organization's accounting data and management inquiries on the matter. The auditor is unable to obtain sufficient appropriate audit evidence to support the opinion, but concludes that there may be an impact on the financial statements, the imposition of an emergency due to the spread of a new coronavirus infection (COVID 19) and quarantine, if any. may be significant, but not comprehensive, in accordance with ISA 705, "Modifications to the Opinion in the Independent Auditor's Report"

## **RESPONSIBILITIES OF MANAGERS AND PERSONS AUTHORISED RESPONSIBLE FOR THE FINANCIAL STATEMENTS**

Organization's management is responsible for the preparation and due delivery of financial reporting providing true and unprejudiced information according to the accounting principles generally accepted in Ukraine (National standards of accounting and reporting). Management personnel is also responsible for the system of internal control that managers determine necessary to provide financial statements not including considerable misstatements caused by fraud or mistake.

While preparing financial statements, management personnel is responsible for estimation of Organization's ability to continue its activity on constant basis rising where applicable questions regarding unceasing activity and using suppositions on Organization's unceasing activity as basis for accounting unless the managers either intend to liquidate the Group and/or the Company, to cease operations, or have no realistic alternative but to do so.

Persons authorized as mentioned, are responsible for control of the Organization's financial reporting.

## **AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF 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 mistake. They 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 consolidated financial statements.

Performing audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- identify and assess the risks of considerable misstatement of the financial statements due to fraud or mistake, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis to our opinion. The risk of not detecting considerable misstatement due to fraud is higher than one resulting from mistake, as a fraud may involve collusion, forgery, intentional omissions, misrepresentations or ignoring internal control measures;
- obtain an understanding of internal control measures related to the audit in order to design audit procedures appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control system;
- estimate the appropriateness of accounting policies used and the reasonableness of accounting estimated 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, we make a conclusion whether a material uncertainty exists related to events or conditions that could lead to significant doubt the Company's ability to continue ongoing activity. If we conclude that material uncertainty exists, we're required to draw attention in our Auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained before the date of our Auditor's report. However future events or conditions may force the Company to stop its ongoing activity.
- estimate the overall presentation, structure and content of the financial statements including the disclosures of the information and whether the financial statements represent the underlying transactions and events in a manner that achieves its fair presentation;
- obtain sufficient audit evidence in corpore regarding the Company financial information to express an opinion on the financial statements. We are responsible for our Audit opinion.

We communicate the information regarding audit volume and timing to empowered persons as well as the information on any significant audit results, deficiencies in internal control identified by us during the audit.

**The Audit partner who performed this Independent Auditor's report is Nosov Volodymyr Georgiyovych.**

**On behalf of the "Audit Firm "Glavbuh" LLC**

**Director**

**/V.G.Nosov/**

**Audit Firm "Glavbuh" LLC**

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May 18, 2023

**Appendix 2**

under Ukrainian Accounting Standards

25 "SIMPLIFIED FINANCIAL REPORT

of small business enterprise"

**SIMPLIFIED FINANCIAL REPORT of small business entity**

			CODES		
			2023	01	01
Enterprise	Charity organization "Union of adolescents and youth "Teenergizer"	per EDRPOU	40149745		
Territory	Dniprovsy district	per KOATUU	8036600000		
Types of business entity	Charity organization	per KOPFG	845		
Type of economic activity	Activity of other public organization, not listed among other groups	per KVED	94.99		
Average number of employees, persons	2				
Unit: in thousands of UAH					
Address, phone	Kyiv city, I.Mykytenka street, 7B, office 23				

**1. BALANCE**

Form № 1-mc

Code per DKUD

1801006

As per 31 December 2022

Assets	Line code	Opening balance for the period	Closing balance for the period
1	2	3	4
<b>I. Non-current assets</b>			
Intangible assets	1000	479,0	345,4
cost	1001	575,6	575,6
depreciation	1002	(96,6)	(230,2)
Capital investments in progress	1005	-	-
Property, plant and equipment:	1010	18,3	-
cost	1011	224.0	169,7

depreciation	1012	(205,7)	(169,7)
Other non-current assets	1090	-	-
<b>Total per section I</b>	<b>1095</b>	<b>497,3</b>	<b>345,4</b>
<b>II. Current assets</b>			
Inventories:	1100	-	-
Other current accounts receivable	1155	65,4	46,4
Cash and cash equivalents	1165	928,9	1149,9
Other current assets	1190	-	-
<b>Total per section II</b>	<b>1195</b>	<b>994,3</b>	<b>1196,3</b>
<b>Balance</b>	<b>1300</b>	<b>1491,6</b>	<b>1541,7</b>

Passive	Line code	Opening balance for the period	Closing balance for the period
1	2	3	4
<b>I. Equity</b>			
Registered (share) capital	1400	-	-
Retained earnings (accumulated deficit)	1420	-	-
<b>Total per section I</b>	<b>1495</b>	<b>-</b>	<b>-</b>
<b>II. Long-term liabilities, special-purpose financing and provisions</b>			
<b>III. Current liabilities and provisions</b>			
Short-term bank credits	1600	-	-
goods, work, services	1615	-	-
calculations with the budget	1620	-	-
insurance	1625	-	-
payroll cost	1630	-	-
Deferred income	1665		391,8
Other current liabilities	1690	562,7	-
<b>Total per section III</b>	<b>1695</b>	<b>562,7</b>	<b>391,8</b>
<b>Balance</b>	<b>1900</b>	<b>1491,6</b>	<b>1541,7</b>

## 2. STATEMENT OF FINANCIAL RESULTS (STATEMENT OF COMPREHENSIVE INCOME)

for the year ended 31 December 2022

Form № 2-mc

Code per DKUD

1801007

Article	Line code	Reporting period	Previous period
1	2	3	4
Net income from sales of goods (goods, services)	2000	-	-
Other income	2160	2260,4	3014,1
<b>Total revenues (2000 + 2160)</b>	<b>2280</b>	<b>2260,4</b>	<b>3014,1</b>
Cost of sales (goods, works, services)	2050	-	-
Other expenses	2165	(2260,4)	(3014,1)
<b>Total expenses (2050 + 2165)</b>	<b>2285</b>	<b>(2260,4)</b>	<b>(3014,1)</b>
Financial result before taxation (2280 – 2285)	2290	-	-
Income taxes (expense)/benefit	2300	-	-
Income (expenses), that decrease (increase) financial result before tax	2310	-	-
Net financial result: Profit ((2290 - 2300 - (+) 2310)	<b>2350</b>	-	-

Chief Executive Officer \_\_\_\_\_  
(signature)

Panfilova Y.V. \_\_\_\_\_