

Ref. No. 141-3/17.08.2020/1642/I O.C.  
as of 17.08.2020

## INDEPENDENT AUDITOR'S REPORT

To: manager of  
**Religious mission CARITAS-SPES**  
**Of Roman Catholic Church in Ukraine**  
**Mr. Zharkovsky P.I.**

### Qualified opinion

We have audited financial statements of **Religious Mission CARITAS-SPES of Roman Catholic Church in Ukraine** (further – The Mission), for the period from 01.01.2019 to 31.12.2019 which comprise the Balance Sheet as at December 31, 2019, Statement of financial results for the year then ended on a mentioned date.

In our opinion, except for the issues described in the "Basis for Qualified Opinion" section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Mission as at 31.12.2019, and its financial results for the year then ended on a mentioned date in accordance with the Ukrainian Accounting Standard (UAS) 25 Financial report of a small business entity and other UAS and meets the requirements of the Law of Ukraine On accounting and financial reporting in Ukraine as of 16.07.1999 No. 996-XIV (further – Law of Ukraine No. 996-XIV) on preparation of financial statements.

### Basis for Qualified Opinion

As at 31.12.2019, the Mission did not reflect within the intangible assets the value of the **rights to use land plots** for which the land tax is paid and the Tax Declaration for land payments is submitted for land plots in the amount of 2 plots with a total area of 5,9 hectares. The auditors were not able to determine the value that must be indicated in the financial statements in accordance with the requirements of UAS No. 8 Intangible assets, approved by the Order of the Ministry of Finance of Ukraine as of 18.10.1999 No. 242, without documentary confirmation and an expert assessment of such rights. Given the area of land used and the lack of right to use assessment, the auditors were unable to assess the impact of this on the financial statements.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report.

We are independent of the Mission 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 did not provide the Mission with any services prohibited by law.

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

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## **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 Ukrainian Accounting Standards (UAS) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud and error.

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

Those charged with governance are responsible for overseeing the Mission'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 the 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, misinterpretations, 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 Foundation'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 Mission'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 Mission to cease to continue as a going concern;
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying 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 the statement that we have met the relevant ethical requirements for independence, and we notify them of all relationships and other issues that might reasonably be considered to affect our independence and, where applicable, regarding appropriate precautionary measures.

### Other issues

Without changing our opinion on the financial statements, we would like to draw your attention to the fact that as of March 14, 2020, by the Decree of the President of Ukraine "On the decision of the National Security and Defense Council of Ukraine as of March 13, 2020" On urgent measures to ensure national security in the face of an outbreak of acute respiratory disease COVID-19 caused by the coronavirus SARS-CoV-2" as of 13.03.2020 No. 87/2020, in order to prevent the negative development of the epidemic situation and ensure compliance with Art. 49 of the Constitution of Ukraine as of 28.06.1996 No. 254k/96-VR, the National Security and Defense Council of Ukraine declared an emergency situation and a number of restrictions for a period of at least till 31.08.2020.

The impact of risks on the future operations of the Mission cannot be determined at this time due to the existing uncertainty. Therefore, the financial statements do not contain adjustments that could result from such risks. They will be reflected in the financial statements as soon as they are identified and can be estimated.

The engagement partner on the audit resulting in this independent auditor's report is Olha Stanislavska.

Engagement partner on the audit



Olha Stanislavska

### HLB UKRAINE LLC

11/11 Gusovskogo Street, office 3, Kyiv, Ukraine

Registration number in the Register of subjects of audit activity – 0283

August 17, 2020

Assets			
I. Current assets			
Cash	110	31	327,3
including limited funds			
Current biological assets	1110		
Reserves for the products, goods, work, services	112		
Settlements with budget	114		21,3
including income tax			
Other current receivables	1150		6,9
Current financial investment			
Cash assets and their equivalents	1160	137,7	790,3
Expenditures of the future periods	1170		6,9
Other current assets	1180		
Total under the section II	1190	169,7	1 243,0
III. Non-current assets held for sale and groups of disposal	1200		
Balance	1210	3 851,5	3 291,0

Annex No. 1  
to the Provision (standard) of the accounting No. 25  
Financial report of the small enterprise

**FINANCIAL REPORT  
of the small enterprise**

		Codes	
		DATE (Year, month, day)	
		2020	01   01
Enterprise	Religious Mission CARITAS-SPES of Roman Catholic Church in Ukraine	USREOU	21664879
Territory	Shevchenkovsky District, Kyiv	COATSU	8039100000
Type of ownership	Religious organization	CTO	825
Type of economic activity	Activities of religious organizations	CEA	94.91
Average number of employees	19		
Unit of measurement:	UAH thousands with one decimal digit		
Address:	17, Kostyolna Street, Kyiv 01001		

**BALANCE SHEET  
as of 31.12.2019**

Form No. 1-m 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>			
Intangible assets:	1000	-	14,8
historical cost	1001	-	16,7
depreciation	1002	-	(1,9)
Capital investments in-progress	1005	-	-
Fixed assets:	1010	8 333,33	7 734,2
historical cost	1011	9272,0	9 329,2
depreciation	1012	(938,7)	(1 595,0)
Long-term biological assets	1020	-	-
Long-term financial investments	1030	-	-
Other non-current assets	1090	-	-
<b>Total under the section I</b>	<b>1095</b>	<b>8 333,3</b>	<b>7 749,0</b>
<b>II. Current assets</b>			
Stocks	1100	5,6	527,3
Including finished goods	1103	-	-
Current biological assets	1110	-	-
Receivables for the products, goods, work, services	1125	-	-
Settlements with budget	1135	11,4	21,3
Including income tax	1136	-	-
Other current receivables	1155	-	6,8
Current financial investment	1160	-	-
Cash assets and their equivalents:	1165	137,7	780,3
Expenditures of the future periods	1170	-	6,9
Other current assets	1190	-	-
<b>Total under the section II</b>	<b>1195</b>	<b>154,7</b>	<b>1 342,6</b>
<b>III. Non-current assets held for sale and groups of disposal</b>	<b>1200</b>	<b>-</b>	<b>-</b>
<b>Balance</b>	<b>1300</b>	<b>9 091,6</b>	<b>9 091,6</b>

Liabilities	Line code	At the beginning of the reporting period	At the end of the reporting period
1	2	3	4
<b>I. Equity capital</b>			
Registered (share) capital	1400	-	-
Additional capital	1410	4 353,7	-
Reserve capital	1415	-	-
Non-distributed income (non-covered loss)	1420	-	-
Non-paid capital	1425	-	-
<b>Total under the section I</b>	<b>1495</b>	<b>4 353,7</b>	<b>-</b>
<b>II. Long-term liabilities and provisions</b>	<b>1595</b>	<b>4 134,3</b>	<b>9 091,6</b>
<b>III. Current liabilities and provisions</b>			
Short-term bank loans:	1600	-	-
Current receivables:			
Long-term liabilities	1610	-	-
Goods, work, services	1615	-	-
Settlements with budget	1620	-	-
including under income tax	1621	-	-
Insurance	1625	-	-
Labor payment	1630	-	-
Income of future periods	1665	-	-
Other current liabilities	1690	-	-
<b>Total under the section III</b>	<b>1695</b>	<b>-</b>	<b>-</b>
<b>IV. Liabilities related to non-current assets held for sale and groups of disposal</b>	<b>1700</b>	<b>-</b>	<b>-</b>
<b>Balance</b>	<b>1900</b>	<b>8 488,0</b>	<b>9 091,6</b>

**STATEMENT ON FINANCIAL RESULTS  
for 2019**

Form No. 2-m    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 operating income	2120	9 282,2	29 538,6
Other income	2240	656,4	511,1
<b>Total income (2000 + 2120 + 2240)</b>	<b>2280</b>	<b>9 938,6</b>	<b>30 049,7</b>
Net cost of sold products (goods, work, services)	2050	(-)	(-)
Other operation expenses	2180	(9 938,6)	(30 049,7)
Other expenses	2270	(-)	(-)
<b>Total expenses (2050 + 2180 + 2270)</b>	<b>2285</b>	<b>(9 938,6)</b>	<b>(30 049,7)</b>
Financial result before taxation (2280 – 2285)	2290	-	-
Income tax	2300	(-)	(-)
<b>Net profit (loss)</b>	<b>2350</b>	<b>-</b>	<b>-</b>

Managing Director  Zharkovsky P.I.

Chief Accountant  Demchuk O.O.

