

INDEPENDENT AUDITOR'S REPORT

*To the Embassy of Sweden in Ukraine,
To the management of NGO «Public television»*

Opinion

Under the Contract № 11-2023-A dated 11.04.2023 we, the independent audit firm LLC "Audit company "UHY PROSTIR LTD" (included to the Register of auditors and audit entities under № 3388), have audited the accompanying Financial Statements of Non-Governmental Organization «Public television» (the Organization), comprising the Balance Sheet as at December 31, 2022, the Profit and Loss Statement for the year then ended, and notes to the financial statements (the financial statements).

In our opinion, the accompanying financial statements of the Organization for the year that ended on 31 December 2022 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.

Other Matters - Implementation of Recommendations of Previous Auditors

We audited the Organization's financial statements for the year ended 31 December 2021 and expressed an unmodified opinion on those financial statements on 08 June 2022. The Organization was recommended to include expenses, directly incurred in commercial projects and for which incomes from services are accrued, to the line 2050 "Cost of sales" of the Profit and Loss Statement. The Organization implemented the recommendation and in 2022 reflected costs related to commercial projects in the respective line of Profit and Loss Statement.

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 National 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 relating 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 supervision over 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 of
LLC "Audit company "UHY Prostor Ltd"

19.05.2023

Register number 74



Safinskiy V.L.

Office # 315, 14 Vasylykivska Str.
Kyiv, Ukraine, 03040

FINANCIAL REPORT of small enterprise

		CODES			
		Date (year, month, day)	2023	01	01
Enterprise	<u>Non-Governmental Organization "Public television"</u>	EDRPOU	38780085		
Territory	<u>Kyiv, Pechersk district</u>	KATOTTG	UA80000000000624772		
Form of incorporation	<u>Non-Governmental Organization</u>	KOPFG	815		
Type of economic activity	<u>Charitable</u>	KVED	94.99		
Average number of employees	<u>4</u>				
Measurement units: thousands UAH with one decimal place					
Address <u>4/6, Mykhaila Omelyanovycha-Pavlenka, Kyiv, Ukraine</u>					

1. Balance Sheet Form No.1-M DKUD Code **1801006**
as of 31 December 2022

Assets	Row code	At the beginning of reporting period	At the end of reporting period
1	2	3	4
I. Non-current assets			
Intangible assets:	1000	3 368,4	3 823,8
initial value	1001	3 946,5	4 388,8
amortization accumulated	1002	(578,1)	(565,0)
Incomplete capital investments	1005	-	130,4
Fixed assets:	1010	3 458,7	3 672,4
initial value	1011	19 338,0	21 144,1
depreciation	1012	(15 879,3)	(17 471,7)
Long-term biological assets	1020	-	-
Long-term financial investments	1030	-	-
Other non-current assets	1090	-	-
Total for section I	1095	6 827,1	7 626,6
II. Current assets			
Inventories	1100	14,6	50,7
including finished goods	1103	-	-
Current biological assets	1110	-	-
Receivables for goods, works and services	1125	488,4	12,8
Due for taxes, levies and other statutory charges paid	1135	5,0	9,4
including corporate income tax	1136	-	-
Other current receivables	1155	363,0	154,5
Current financial investments	1160	-	-
Cash and cash equivalents	1165	17 434,9	32 478,0
Deferred expenditures	1170	30,7	57,3
Other current assets	1190	90,7	159,5
Total for section II	1195	18 427,3	32 922,2
III. Non-current assets and disposal groups			
Balance	1300	25 254,4	40 548,8

Liabilities	Row code	At the beginning of reporting period	At the end of reporting period
1	2	3	4
I. Owners' equity			
Authorized Capital	1400	-	-
Additional capital	1410	259,0	238,1
Reserve capital	1415	-	-
Unappropriated income (uncovered loss)	1420	1 731,8	14 374,7
Unpaid capital	1425	-	-
Total for section I	1495	1 990,8	14 612,8
II. Long-term liabilities, special purpose financing and provisions	1595	15 783,1	16 551,6
III. Current liabilities			
Short-term bank loans	1600	-	-
Current liabilities for settlements:			
current long-term liabilities	1610	-	-
accounts payable for goods, works and services	1615	152,7	231,9
with the budget	1620	213,8	535,0
including corporate income tax	1621	-	-
on insurance	1625	1,5	0,9
on labour remuneration	1630	5,7	2,5
Deferred income	1665	6 572,1	7 293,3
Other current liabilities	1690	534,7	1 320,8
Total for section III	1695	7 480,5	9 384,4
IV. Liabilities on non-current assets and disposal groups	1700	-	-
Balance	1900	25 254,4	40 548,8

2. Profit and Loss Statement for the year 2022

Form No. 2-M
DKUD Code

1801007

Budget item	Row 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)	2000	8 612,8	5 550,3
Other operating income	2120	40 489,4	39 553,4
Other income	2240	6 414,4	979,6
Total income (2000+2120+2240)	2280	55 516,6	46 083,3
Costs of sales (goods, works, services)	2050	(1 207,6)	(6,0)
Other operating expenses	2180	(41 602,1)	(40 857,3)
Other expenses	2270	(64,0)	(1,1)
Total expenditures (2050 + 2180 + 2270)	2285	(42 873,7)	(40 864,4)
Financial result before tax (2280-2285)	2290	12 642,9	5 218,9
Income tax	2300	(-)	(-)
Net income (loss) (2290-2300)	2350	12 642,9	5 218,9

Director of the Organization

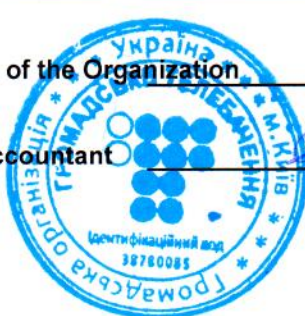
(signature)

Olena Nevmerzhytska

Chief Accountant

(signature)

Olga Lomakovska



**Notes to the financial statements of Non-Governmental Organization "Public television"
for year ended on December, 31st, 2022**

1. General information

Non-Governmental Organization "Public television" (hereinafter – the Organization) is a voluntary association of individuals established for implementation of protection of rights and freedoms, satisfaction of public, in particular, social, cultural, informational, creative and other non-commercial interests.

The main directions of Organization's activity are: collection, processing, creation, storing and preparation of information, issuing and distributing news, providing photo-, video- and other informational products to mass media, state governing authorities and other legal entities and individuals.

2. Basis of preparation and presentation

Financial statements consist of:

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

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

Financial statements were approved for issue on 17 May 2023.

3. Disclosure of information on separate items of financial statements

3.1. Intangible assets

Line 1000 «Intangible assets» of the Balance Sheet includes remaining value of computer programs, internet site, certificate for a logo for goods and services, broadcasting license, copyrights for television programs etc.

Depreciation of the intangible assets is accrued using the straight-line method. Useful life term is defined at the moment of recognition and is analyzed at the end of every year reporting period and is adjusted if necessary.

Part of intangible assets has indefinite useful life term. Depreciation is not accrued for such items. Balance sheet value of such intangible assets as at 31.12.2022 amounts to 3 413,1 thousand UAH (as at 31.12.2021 – 2 909,8 thousand UAH).

The carrying value of intangible assets on the Balance Sheet line item 1000 is presented as follows:

<u>As of 31.12.2022</u>	Rights to trade names	Copyright and allied rights	Other intangible assets	Unfinished capital investments	Total
Initial value	20,5	99,8	4 268,5	-	4 388,8
Accumulated depreciation	(9,1)	(54,6)	(501,3)	-	(565,0)
Carrying value	11,4	45,2	3 767,2	-	3 823,8

Notes to the financial statements of Non-Governmental Organization "Public television"
for year ended on December, 31st, 2022

<u>As of 31.12.2021</u>	Rights to trade names	Copyright and allied rights	Other intangible assets	Unfinished capital investments	Total
Initial value	20,5	99,8	3 750,8	75,4	3 946,5
Accumulated depreciation	(7,7)	(44,6)	(525,8)	-	(578,1)
Carrying value	12,8	55,2	3 225,0	75,4	3 368,4

3.2. Fixed assets

Line 1010 «Fixed assets» of the Balance Sheet includes remaining value of computer, video-, office equipment, furniture, instruments, other non-current assets, initial value of which exceeds 20 000,00 UAH.

Fixed assets received on the account of using donors' funds are reflected in the purchase amount minus accumulated depreciation as at the reporting date.

Depreciation of the fixed assets (except the other non-current assets) is accrued using the straight-line method. Useful life term is defined at the moment of recognition and is analyzed at the end of every year reporting period and is adjusted if necessary.

Expenditures for repair works and technical maintenance of fixed assets are reflected in the Profit and Loss statement during the financial period in which they were incurred.

The carrying value of fixed assets on the Balance Sheet line item 1010 is presented as follows:

<u>As of 31.12.2022</u>	Machinery and equipment	Tools, instruments and stock	Other fixed assets	Low-value non-current tangible assets	Total
Initial value	18 183,0	330,6	8,4	2 622,1	21 144,1
Accumulated depreciation	(14 530,1)	(316,4)	(3,1)	(2 622,1)	(17 471,7)
Carrying value	3 652,9	14,2	5,3	-	3 672,4

<u>As of 31.12.2021</u>	Machinery and equipment	Tools, instruments and stock	Other fixed assets	Low-value non-current tangible assets	Total
Initial value	16 526,9	330,6	8,4	2 472,1	19 338,0
Accumulated depreciation	(13 101,7)	(303,1)	(2,4)	(2 472,1)	(15 879,3)
Carrying value	3 425,2	27,5	6,0	-	3 458,7

3.3. Other current receivables

Line 1155 «Other current receivables» of the Balance Sheet includes:

	As at 31.12.2022	As at 31.12.2021
Advances paid for goods, works, services	103,7	357,0
Membership fees due	35,5	6,0
Settlements under income accrued (bank interest)	15,3	-
Total	154,5	363,0

3.4. Cash and cash equivalents

Line 1165 «Cash and cash equivalents» of the Balance Sheet includes the amount of money funds in bank accounts.

	As at 31.12.2022	As at 31.12.2021
Money funds in EUR	16 975,8	12 162,5
Money funds in UAH	8 725,7	3 735,9
Money funds in USD	6 336,7	1 536,5
Money funds in GBP	439,8	-
TOTAL:	32 478,0	17 434,9

3.5. Additional capital

Line 1410 «Additional capital» of the Balance Sheet includes the value of non-current assets received by the Organization from other persons free of charge. Remaining balance of additional capital is reduced for amount of recognized income during the useful life term of received for free non-current assets and at the disposal of such assets.

3.6. Long-term liabilities, special purpose financing

Line 1595 «Long-term liabilities, special purpose financing and provisions» of the Balance Sheet includes target purpose financing for implementation of the Organization's charter activities, including the following split to donors as of 31 December 2022:

	As at 01.01.2022	Funds received	Returned to donor	Income accrued *	Exchange differences	As at 31.12.2022
BBC MEDIA ACTION	-	2 733,6	-	(2 664,4)	(69,2)	-
CIVIL RIGHTS DEFENDERS	-	1 897,4	-	(2 051,6)	200,9	46,7
European Endowment for Democracy (EED)	-	1 101,4	-	(1 095,0)	(6,4)	-
Europe Journalism Centre	-	1 522,5	-	(1 540,8)	18,3	-
EUROPEAN COMMISSION	-	13 734,7	-	(1 270,7)	1 018,3	13 482,3
Free Press for Eastern Europe	11,4	2 305,5	-	(2 863,6)	145,1	(401,6)
Free Press Unlimited	149,8	2 108,3	-	(1 892,7)	113,7	479,1
GERMAN MARSHALL FUND	378,0	-	-	(378,0)	-	-
International Media Support (IMS)	-	1 206,6	-	(1 492,9)	73,2	(213,1)
The Ministry of Foreign Affairs of Denmark (DANIDA)	4 002,7	-	-	(4 143,6)	140,9	-
N-OST - Netzwerk für Ostropa-Berichterstattung e. V.	1,8	101,0	-	(116,8)	14,0	-
Prague Civil Society Center	-	662,2	-	(639,7)	(22,5)	-
Reporters Without Borders (RSF)	-	352,6	-	(356,6)	4,0	-
Ukrainian world foundation	1 118,4	1 827,7	-	(1 296,5)	309,0	1 958,6
Urgent action fund for women`s	-	281,3	-	(290,6)	9,3	-
International Renaissance Foundation	-	1 662,7	-	(1 662,7)	-	-
ISAR Ednannia	852,0	1 233,3	(20,0)	(2 065,3)	-	-
US Embassy in Ukraine	49,2	380,4	-	(429,6)	-	-
Konrad Adenauer Foundation, office in Ukraine	453,1	-	-	(453,2)	0,1	-
Swedish International Development Cooperation Agency (SIDA)	8 766,7	-	-	(8 860,4)	1 293,3	1 199,6
TOTAL	15 783,1	33 111,2	(20,0)	(35 564,7)	3 242,0	16 551,6

*- including deferred incomes

*Notes to the financial statements of Non-Governmental Organization "Public television"
for year ended on December, 31st, 2022*

3.7. Deferred income

Line 1665 «Deferred income» of the Balance Sheet includes target purpose financing already used for purchase of non-current assets and which will be recognized as income during periods of using respective items in the amount of depreciation accrued and also for purchasing deferred expenses as well.

	2022	2021
At the beginning of the year	6 572,1	7 988,7
Assets received	2 631,7	972,4
Usage costs accrued	(1 910,5)	(2 389,0)
At the end of the year	7 293,3	6 572,1

3.8 Other operating income

	2022	2021
Income of targeted financing	34 843,5	37 538,0
Income from exchange rate differences and purchase/sale of currency	5 579,3	1 854,9
Income from royalties	66,5	127,2
Rental income and other	-	33,3
Total	40 489,4	39 553,4

3.9. Other income

	2022	2021
Income from untargeted donations	6 274,3	919,6
Bank interest received	117,9	-
Income from non-current assets received free of charge	20,9	60,0
Other	1,3	-
Total	6 414,4	979,6

3.10 Other operating expenses

	2022	2021
Services	23 938,6	28 236,4
Salaries	8 831,5	6 369,0
Losses from exchange rate differences and purchase/sale of currency	4 953,4	1 906,8
Depreciation and amortization	1 772,8	2 299,2
Social payments	1 283,2	1 247,5
Material costs	279,7	110,4
Bank commission	58,3	24,4
Doubtful and bad debts	-	18,3
Other expenses	484,6	645,3
Total	41 602,1	40 857,3

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.

*Notes to the financial statements of Non-Governmental Organization "Public television"
for year ended on December, 31st, 2022*

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.

Director of the Organization

Olena Nevmerzhytska

Chief Accountant

Olga Lomakovska



Pages are numbered, bound and sealed

9 (nine) pages

Director LLC "Audit company

UHY Prostir Ltd."



Victor Safinskiy

