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INDEPENDENT AUDITOR'S REPORT

To users of the financial statements
of CSO «Independent Anti-Corruption Commission»

Opinion

Under the Contract № 13-2021-A dated 03.06.2021 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 financial statements of CSO «Independent Anti-Corruption Commission» («the Organization»), which comprise the Balance Sheet as at December 31, 2020, the Profit and Loss Statement for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements of the Organization 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.

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 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 related 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 overseeing 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
LLC "Audit company "UHY Prostir Ltd" Safinskiy V.

29.06.2021

Office № 315, 14 Vasylkivska Str.
Kyiv, Ukraine, 03040

Register number 191

FINANCIAL REPORT
of microenterprise

			CODES		
		Date (year, month, day)	2021	01	01
Enterprise	CSO «Independent Anti-Corruption Commission»	EDRPOU	42733937		
Territory	Kyiv	KOATUU	8038200000		
Form of incorporation	Sivil society organization	KOPFG	815		
Type of economic activity	Activity of other sivil society organizations	KVED	94.99		

Average number of employees 1

Measurement units: thousands UAH with one decimal place

Address Konovalca street, Kyiv, 01133 Ukraine,

1. Balance Sheet
as of 31 December 2020

Form No.1-мс DKUD Code **1801006**

Assets	Row code	At the beginning of reporting period	At the end of reporting period
1	2	3	4
I. Non-current assets			
Fixed assets:	1010	215,9	108,5
initial value	1011	290,8	290,8
depreciation	1012	(74,9)	(182,3)
Other non-current assets -	-	-	-
Total for section I	**1095**	**215,9**	**108,5**
II. Current assets			
Inventories	1100	68,8	-
Current receivables	1155	156,2	17,2
Cash and cash equivalents	1165	843,5	223,2
Other current assets	1190	1,5	25,0
Total for section II	**1195**	**1 070,0**	**265,4**
Balance	**1300**	**1 285,9**	**373,9**

Liabilities	Row code	At the beginning of reporting period	At the end of reporting period
1	2	3	4
I. Owners' equity			
Capital	1400	-	-
Unappropriated income (uncovered loss)	1420	-	-
Total for section I	**1495**	-	-
II.Long-term liabilities, special purpose financing and provisions	**1595**	**843,5**	**223,2**
III. Current liabilities			
Short-term bank loans	1600	-	-
Current liabilities for :			
goods, works and services	1615	1,4	0,6
Settlements with the budget	1620	-	0,3
on insurance	1625	-	-
on labour remuneration	1630	-	-
Other current liabilities	1690	441,0	149,8
Total for section III	**1695**	**442,4**	**150,7**
Balance	**1900**	**1 285,9**	**373,9**

2. Profit and Loss Statement
for the year 2020

Form No. 2-мс
DKUD Code 1801007

Budget item	Row code	For the Reporting period	For the Same Period of the Previous Year
1	2	3	4
Net profit from sale of products (goods, works services)	**2000**	-	-
Other incomes	2160	5 614,4	4 618,6
Total income (2000+2160)	**2280**	**5 614,4**	**4 618,6**
Costs of sales (goods, works, services)	2050	(-)	(-)
Other expenses	2165	(5 614,4)	(4 618,6)
Total expenditures (2050 + 2165)	**2285**	**(5 614,4)**	**(4 618,6)**
Financial result before tax (2280-2285)	**2290**		
Income tax	2300	(-)	(-)
Expenses (incomes) which decrease (increase) finncial result after tax	2310	-	-
Net income (loss) (2290 - 2300 - (+) 2310)	**2350**	-	-

Executive director ____________________ Olena Tregub
(signature)

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Notes to the financial statements of CSO «Independent Anti-Corruption Commission» for year ended on December, 31st, 2020

1.General information

CSO «Independent Anti-Corruption Commission» (hereinafter – the Organization) is an independent civil society organization whose function is to reduce the level of corruption and advance good governance in the areas critical for Ukraine's national security.

Organization's goal is to reduce corruption risks by ensuring high-quality research, effective advocacy and raising awareness to enhance Ukraine's national security in the areas of politics, economy, society, defense and security, science and technology, ecology, information etc.

Organization analyzes corruption risks and other challenges for good governance in Ukraine's national security field and provides relevant recommendations to the state bodies; helps to increase transparency and accountability of the state bodies before the society and advance reforms in Ukraine's national security. Also, it ensures civilian oversight over anti-corruption transformation of the state defense and security institutions.

2. Basis of preparation and presentation

Financial statements consist of:

- Financial report of microenterprise including Balance sheet (form № 1-ms) as at 31.12.2020 and Profit and Loss statement (form № 2-ms) for year ended on December, 31st, 2020, prepared in accordance with the rules of the National accounting standards in Ukraine, namely NAS 25 "Simplified financial report". Financial report of microenterprise is prepared in accordance with the accruals 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.

3. Changes in principles of disclosure of information

Accounting policies applied when preparing these financial statements were consistent with those applied when preparing Organization's annual special purpose financial statements for the year that ended on 31 December, 2019.

At the same time, the Organization has taken decision to slightly change approach to presenting information in the Balance Sheet: target purpose financing used for purchase of non-current assets, not consumed at the balance sheet date inventories, payment of advance payments was separated from the amount of target purpose financing and reallocated to other current liabilities (Note 4.8). Financial statements present recalculated (restated) comparative data for 2019.

4. Disclosure of information on separate items of financial statements

4.1. Fixed assets

Line 1010 «Fixed assets» of the Balance Sheet includes remaining value of office and multimedia equipment, computer hardtware, other non-current assets, and also intangible assets as well, in particular licenses for computer program software.

Non-current 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), and also intangible assets as well 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.

4.2. Inventories

Line 1100 «Inventories» of the Balance Sheet includes the value of office stationery, printed materials.

4.3. Current receivables

Line 1155 «Current receivables» of the Balance Sheet includes :

	01.01.2020	31.12.2020
Guarantee and advance payment for rent of premises	154,8	-
Overpaid taxes and fees	-	17,2
Other advance payments	1,4	-
TOTAL:	**156,2**	**17,2**

4.4. Cash and cash equivalents

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

	01.01.2020	31.12.2020
Money funds in bank in UAH	843,5	74,2
Money funds in bank in GBP	-	149,0
TOTAL:	**843,5**	**223,2**

4.5. Other current assets

Line 1190 «Other current assets» of the Balance Sheet includes amount of prepaid expenses, in particular, value of license LIGA 360, prepayment for hosting services for 2021.

4.6. Long-term liabilities, special purpose financing and provisions

Line 1595 «Long-term liabilities, special purpose financingand provisions» of the Balance Sheet includes amounts of target purpose financing, including the following split to donors:

	Balance as at 01.01.2020	Received in 2020	Used in 2020	Balance as at 31.12.2020
Ministry of Foreign Affairs of Denmark	-	3 111,0	2 906,8	204,2
CSO "Transparency International Ukraine"	251,9	969,5	1 202,4	19,0
The International Renaissance Foundation	591,6	-	591,6	-
Transparency International (UK)	-	592,2	592,2	-
TOTAL:	**843,5**	**4 672,7**	**5 293,0**	**223,2**

4.7. Current liabilities for settlements: accounts payable for goods, works and services

Line 1615 «Current liabilities for settlements: accounts payable for goods, works and services» of the Balance Sheet includes liabilities for services received.

4.8. Other current liabilities

Line 1690 «Other current liabilities» of the Balance Sheet includes :

	01.01.2020	31.12.2020
Deferred income, namely target purpose financing used for purchase of:		
• Non-current assets (will be recognized as income within the period of use of the respective objects in the amount of the depreciation accrued or expenditures on disposal of the respective objects)	215,9	108,5
• Advance payments (including overpaid taxes and fees)	157,7	42,2
• Inventories (will be recognized as income in the period of their using)	68,8	-
Other	(1,4)	(0,9)
TOTAL:	**441,0**	**149,8**

4.9. Other income

Line 2160 «Other income» of the Profit and Loss Statement includes the following kinds of income:

	For year 2020	For year 2019
Income from using the target financing	5 468,5	4 543,7
Income in the amount of amortization charges for non-current assets purchased for funds of target financing	107,4	74,9
Exchange rate difference income	38,5	-
TOTAL:	**5 614,4**	**4 618,6**

4.10. Other expenses

Line 2165 «Other expenses» of the Profit and Loss Statement consists of:

	For year 2020	For year 2019
Services received	3 633,0	4 195,6
Wages and salaries	1 573,2	250,0
Social security and taxes for wages and salaries	174,2	55,0
Depreciation of non-current assets	107,4	74,9
Materials	69,2	22,9
Business trip	31,3	20,2
Negative difference of currency sale	26,1	-
TOTAL:	**5 614,4**	**4 618,6**

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Pages are numbered, bound and sealed
7 (seven) pages
Director LLC "Audit company
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