



Audit Firm "Inkom-Audit"
Ukraine, 01010, Kyiv, Levandovska St., 4; phone:+38(093)-244-18-06

INDEPENDENT AUDITOR'S REPORT

Recipient:

Members and Management of the Public Organization "YOUTH AGENCY FOR THE ADVOCACY OF ROMA CULTURE "ARKA"

REPORT ON AUDIT OF FINANCIAL STATEMENTS

Opinion

We conducted an audit of the financial statements of the Public Organization "YOUTH AGENCY FOR THE ADVOCACY OF ROMA CULTURE "ARKA" (hereinafter - the Public Organization), which consists of the Balance Sheet (Statement of Financial Position) as of the end of the day 31.12.2023, the Statement of Financial Results as of the end of the day 31.12.2023, the Statement of the use of income (profits) of non-profit organization for 2023, which ended on the specified date, (hereinafter referred to as annual financial statements, financial statements).

In our opinion, the financial statements, consisting of the Balance Sheet (Statement of Financial Position) as of the end of the day 31.12.2023, the Statement of Financial Results as of the end of the day 31.12.2023, the Statement of the use of income (profits) of non-profit organization for 2023 accurately reflect, in all material respects, the financial condition of the Public Organization "YOUTH AGENCY FOR THE ADVOCACY OF ROMA CULTURE "ARKA" as of December 31, 2023, its financial results and cash flows for the year ended on the date, in accordance with the Accounting Regulations (standards) of Ukraine (hereinafter - P(C)BO) and the requirements of the Law of Ukraine "On Accounting and Financial Reporting in Ukraine" dated July 16, 1999 No. 996-XIV regarding the preparation of financial statements.

Basis for the Opinion

We conducted an audit in accordance with International Standards on Auditing (ISA). Our responsibilities under these standards are set out in the section "Auditor's Responsibilities for the Audit of Financial Statements" of our report. We are independent in relation to the organization in accordance with the Code of Ethics for Professional Accountants of the International Ethical Standards Board for Accountants (IESBA) and the ethical requirements that are relevant to our audit of the financial statements in Ukraine, and have fulfilled other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to use as a basis for our opinion.

Explanatory paragraph

Due to the military aggression of the Russian Federation against Ukraine, martial law was introduced in accordance with paragraph 20 of part one of Article 106 of the Constitution of Ukraine, the Law of Ukraine "On the Legal Regime of Martial Law" in accordance with the

Decree of the President of Ukraine No. 64/2022 "On the Introduction of Martial Law in Ukraine" dated February 24, 2022.

These events do not allow us to predict the further course of events, determine the measures to be taken by the country's leadership, the duration of the restrictive measures, as well as to reliably assess the effect of the current situation on the activities of the Public Organization and its counterparties, as well as on the economic environment in general, we are unable to reliably estimate the effect of these circumstances on the financial statements of the Public Organization for the year ended December 31, 2023 and on the ability of the Public Organization to continue in business.

Our opinion on this matter was not modified.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were the most significant in our audit of the financial statements for the current period. These matters were considered in the context of our audit of the financial statements as a whole and were taken into account in forming our opinion.

Income and expenses

The auditor recognizes that income received by the Public Organization from international organizations and sponsors are reflected in the financial statements fully and reliably; the expenses incurred by the Public Organization are fully confirmed by primary documents and accounting data, are accurately recorded and reasonable. The funds received under the projects were used by the Public Organization for their intended purpose and meet the goals and objectives of the projects.

Tax accounting of the organization

According to sub-clause 14.1.121 of the Tax Code of Ukraine No. 2755-VI of 02.12.2010, non-profit enterprises, institutions and organizations (hereinafter - non-profit organizations) are non-profit enterprises, institutions and organizations that are not subject to corporate income tax in accordance with paragraph 133.4 of the TCU.

In particular, sub-clause 133.4.6 of the TCU defines the list of legal entities that can obtain the status of non-profit organizations, namely:

- public associations, political parties, creative unions, religious organizations, charitable organizations, and pension funds;

The organization is included in the Register of Non-Profit Institutions and Organizations, non-profit status 0032 for public organizations.

A non-profit organization does not pay income tax.

The mandatory requirement for non-profit organizations is the use of their income (profits) solely on financing their maintenance costs, to achieve the objective (goals, missions) and activities defined by statutory documents (sub-clause 133.4.2 of the TCU). The audit did not identify any use of funds on purposes other than those defined by statutory documents.

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 accounting standards, the Law of Ukraine "On Accounting and Financial Reporting in Ukraine" and for such internal control system that management determines to be necessary to

Audit Firm "Inkom - Audit"

Ukraine, 01010, Kyiv, Levandovska St., 4; phone:+38(093)-244-18-06

enable the preparation of financial statements that have no material misstatements, either due to fraud or error.

While preparing the financial statements, management is responsible for assessing the ability of the Public Organization to continue as a going concern, by disclosing, when applicable, matters related to going concern and using the going concern basis of accounting, unless management plans to liquidate the company or cease operating activity, or has no realistic alternatives.

Those charged with governance are responsible for overseeing the financial reporting process of the Public Organization.

The auditor's responsibility 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, either 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 does not provide assurance that an audit conducted in accordance with ISAs will always detect a material misstatement, if any. Misstatements can arise due to fraud or error and are considered material if individually or in the aggregate they could significantly influence the economic decisions of users that are taken based on these financial statements.

While performing an audit in accordance with ISAs, we apply professional judgment and professional skepticism throughout the audit engagement. In addition, we:

- ✓ identify and assess the risks of material misstatement of the financial statements, either 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 basis for our opinion. The risk of non-detecting a material misstatement resulted by fraud is greater than a misstatement resulted by error, because fraud may involve collusion, forgery, intentional omissions, misrepresentations or override of internal controls;
- ✓ obtain an understanding of internal controls relevant for the audit in order to design audit procedures that are appropriate to circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 ability of the Public Organization 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 force the Public Organization to cease to continue as a going concern;
- ✓ evaluate the overall presentation, structure and content of the financial statements including 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 the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and disclose to them all relationships and other matters that could reasonably be expected to bear on our independence and, where applicable, appropriate safeguards.

Within the scope of those matters communicated with those charged with governance, we have determined those matters that were most significant in the audit of the current period's financial statements and are the key audit matters.

We describe these matters in our auditor's report, unless public disclosure is prohibited by law or regulation, or in extremely exceptional circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of such communication would likely outweigh its benefits to the public interest.

Main information about the Public Organization

Full name of the legal entity and short name, if any	The Public Organization "YOUTH AGENCY FOR THE ADVOCACY OF ROMA CULTURE "ARCA"
Full and short name of the legal entity in English, if any	The Public Organization "YOUTH AGENCY FOR THE ADVOCACY OF ROMA CULTURE "ARCA" Short name – "ARCA"
Organizational and legal form	The Public Organization
Identification code of the legal entity	42142139
Location of the legal entity	Ukraine, 39600, Poltava region, city of Kremenchuk, Pydhirna St., 14
Types of activities	94.99 Activities of other public organizations (main)
Information about the management bodies of the legal entity	GENERAL MEETING OF THE ORGANIZATION'S MEMBERS
Surname, name, patronymic, date of election (appointment) of persons elected (appointed) to the management body of a legal entity authorized to represent the legal entity in legal relations with third parties, or persons authorized to act on behalf of a legal entity without a power of attorney, including signing contracts and information on restrictions on representation on behalf of a legal entity	Yakovenko Volodymyr Pavlovich – Manager Since 01.04.2020 Nataliya Mykolaivna Tomenko – Signatory (To take actions on behalf of a legal entity, including signing contracts, etc. (in accordance with the statute) Since 01.04.2020.
Date of state registration, date and number of the entry in the Unified State Register on the inclusion of information about the legal entity in the Unified State Register - if the state registration of the legal entity was	Date of the entry: 17.05.2018 Number of the entry: 1 585 102 0000 010318

Audit Firm "Inkom - Audit"

Ukraine, 01010, Kyiv, Levandovska St., 4; phone: +38(093)-244-18-06

carried out before the entry into force of the Law of Ukraine "On State Registration of Legal Entities and Individual Entrepreneurs"	
Location of the registration case	Executive Committee of Kremenchuk City Council of Poltava Region
Information on communication with the legal entity	Phone: +38093 949 99 59 E-mail: YNGO.ARKA@gmail.com Website: https://arca.org.ua

Main information about the audit firm

In accordance with the requirements of Article 14 of the Law of Ukraine "On the Audit of Financial Statements and Auditing Activities", we provide basic information about the audit entity that conducted the audit:

Full name:	PRIVATE ENTERPRISE AUDIT FIRM "INKOM-AUDIT"
EDRPOU code	25203158
Address and actual location	Ukraine, 01010, Kyiv, Levandovska St., 4
Registration data:	Pechersk District State Administration in the city of Kyiv Date of state registration: 01.10.1997 Date of record: 11.08.2005 Record number: 1 070 120 0000 011501
Information on inclusion in the Register of Auditors and Audit Entities	Included in the Register of Auditors and Audit Entities under No. 1824, approved by the decision of the Audit Chamber of Ukraine No. 98 dated January 26, 2001
Head of the company	Karas Oleksandr Anatoliyovych
Contact phone number	+38(093)-244-18-06

Basic information on the terms of the audit agreement:

Date and number of the audit agreement
Start date and end date of the audit


Agreement No. 09-B dated 05.02.2024
February 05, 2024 – March 07, 2024


Key audit partner

Included in the Register of Auditors and Audit Entities
and Audit Entities under No. 101856

On behalf of the audit firm Director of PE AF "INKOM-AUDIT"

Included in the Register of Auditors and Audit Entities under No. 101907
Ukraine, 01010, Kyiv, Levandovska St., 4
March 07, 2024


V. M. Seniuta


O.A. Karas

Audit Firm "Inkom - Audit"

Ukraine, 01010, Kyiv, Levandovska St., 4; phone: +38(093)-244-18-06