

**CHARITABLE FOUNDATION FOR CHILDREN
"TOGETHER FOREVER"
(FORMELY CHARITABLE FOUNDATION FOR CHILDREN
"TOGETHER FOREVER" LIMITED)**

FINANCIAL STATEMENTS

For the year ended 31 December 2017

**CHARITABLE FOUNDATION FOR CHILDREN
"TOGETHER FOREVER"
(FORMELY CHARITABLE FOUNDATION FOR CHILDREN
"TOGETHER FOREVER" LIMITED)**

FINANCIAL STATEMENTS

For the year ended 31 December 2017

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**CHARITABLE FOUNDATION FOR CHILDREN
"TOGETHER FOREVER"
(FORMELY CHARITABLE FOUNDATION FOR CHILDREN
"TOGETHER FOREVER" LIMITED)**

OFFICERS AND PROFESSIONAL ADVISORS

Board of Directors	<p>Ekaterina Mironova (appointed on 11/6/2018)</p> <p>Elena Dushchenko (Russian) (appointed on 20/2/2017)</p> <p>Oxana Egorova (appointed on 23/3/2018)</p> <p>Elvira Filatova (Russian) (appointed on 20/2/2017)</p> <p>Marfa Shishkina (appointed on 9/8/2018)</p> <p>Tatiana Ivanova (Russian) (appointed on 11/7/2017 and resigned on 9/8/2018)</p> <p>Iren Ryabushkina (Russian) (appointed on 20/2/2017 and resigned on 11/6/2018)</p> <p>Roman Novikov (Lithouanian) (appointed on 22/6/2017 and resigned on 23/3/2018)</p> <p>Nadezda Kozmina (appointed on 1/11/2016 and resigned on 1/6/2017)</p> <p>Liliana Sencu (Romanian) (appointed on 20/2/2017 and resigned on 11/7/2017)</p> <p>Sergey Stopnevich (Russian) (appointed on 4/10/2016 and resigned on 20/2/2017)</p> <p>Asia Gabidullina (Cypriot) (appointed on 1/6/2017 and resigned on 22/6/2017)</p>
Secretary	<p>Elvira Filatova (Russian) (appointed on 20/2/2017)</p> <p>M.K.C.K. Secretaries Limited (appointed on 21/12/2016 and resigned on 20/2/2017)</p>
Independent Auditors	KPMG Limited
Bankers	<p>Eurobank Cyprus Ltd AS Expobank (Latvia) RCB Bank Ltd</p>
Registered Address	<p>30B, Gladstonos 3041, Limassol Cyprus</p>
Registration number	HE360750



KPMG Limited
Chartered Accountants
11, June 16th 1943 Street, 3022 Limassol, Cyprus
P.O.Box 50161, 3601 Limassol, Cyprus
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INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
CHARITABLE FOUNDATION FOR CHILDREN
"TOGETHER FOREVER"
(FORMERLY CHARITABLE FOUNDATION FOR CHILDREN
"TOGETHER FOREVER" LIMITED)

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Charitable Foundation for Children "Together Forever" (formerly Charitable Foundation for Children "Together Forever" Limited) (the "Foundation"), which are presented on pages 5 to 14 and comprise the statement of financial position as at 31 December 2017, the statements of income and expenses, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Foundation as at 31 December 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113 as amended from time to time (the "Companies Law, Cap. 113").

Accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113 as amended from time to time (the "Companies Law, Cap. 113").

2017
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2018
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Charitable Foundation for Children
"Together Forever"
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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 "Auditors' responsibilities for the audit of the financial statements" section of our report. We are independent of the Foundation in accordance with the Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants ("IESBA Code") and the ethical requirements in Cyprus that are relevant to our audit of the financial statements, and we have fulfilled our 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 provide a basis for our opinion.

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113 as amended from time to time (the "Companies Law, Cap. 113"), and for such internal control as the Board of Directors 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, the Board of Directors is responsible for assessing the Foundation'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 there is an intention to either liquidate the Foundation or to cease operations, or there is no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Foundation's financial reporting process.

Auditors' 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 auditors' 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' 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 Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Foundation 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 a true and fair view.

We communicate with the Board of Directors 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.

Other matter

This report, including the opinion, has been prepared for and only for the Foundation's members as a body in accordance with Section 69 of the Auditors' Law of 2017, N.53(I), as amended from time to time and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.



George S. Prodromou, ACA
Certified Public Accountant and Registered Auditor
for and on behalf of

KPMG Limited
Certified Public Accountants and Registered Auditors

11, June 16th 1943 Street
3022 Limassol
Cyprus

20 August 2018

**CHARITABLE FOUNDATION FOR CHILDREN
"TOGETHER FOREVER"
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"TOGETHER FOREVER" LIMITED)**

STATEMENT OF INCOME AND EXPENSES

For the year ended 31 December 2017

	Note	2017 €	4.10.2016- 31.12.2016 €
INCOME			
Income from donations	4	<u>125.728</u>	<u>191.956</u>
Total income		<u>125.728</u>	<u>191.956</u>
EXPENSES			
Medical treatment expenses		(136.295)	(30.000)
Net foreign exchange loss		(4.388)	(119)
Events related expenses		(7.730)	-
Administrative expenses	5	(51.526)	(42.372)
Formation expenses		<u>-</u>	<u>(3.570)</u>
Total expenses		<u>(199.939)</u>	<u>(76.061)</u>
(Deficit)/surplus for the year/period		<u>(74.211)</u>	<u>115.895</u>

The notes on pages 9 to 14 are an integral part of these financial statements.

**CHARITABLE FOUNDATION FOR CHILDREN
"TOGETHER FOREVER"
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STATEMENT OF FINANCIAL POSITION

As at 31 December 2017

	Note	2017 €	2016 €
Assets			
Current assets			
Trade and other receivables	6	-	3.103
Cash and cash equivalents	7	<u>61.624</u>	<u>127.125</u>
Total current assets		<u>61.624</u>	<u>130.228</u>
Total assets		<u>61.624</u>	<u>130.228</u>
Equity			
Retained earnings		<u>41.684</u>	<u>115.895</u>
Total equity		<u>41.684</u>	<u>115.895</u>
Liabilities			
Current liabilities			
Trade and other payables	8	<u>19.940</u>	<u>14.333</u>
Total current liabilities		<u>19.940</u>	<u>14.333</u>
Total equity and liabilities		<u>61.624</u>	<u>130.228</u>

On 20 August 2018 the Board of Directors approved and authorised these financial statements for issue.

.....
Ekaterina Mironova
Director

.....
Elena Dushchenko
Director

The notes on pages 9 to 14 are an integral part of these financial statements.

**CHARITABLE FOUNDATION FOR CHILDREN
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STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2017

	Retained earnings €	Total €
Surplus for the period 4 October 2016 to 31 December 2016	<u>115.895</u>	<u>115.895</u>
Balance at 31 December 2016	<u>115.895</u>	<u>115.895</u>
Balance at 1 January 2017	115.895	115.895
Deficit for the year	<u>(74.211)</u>	<u>(74.211)</u>
Balance at 31 December 2017	<u>41.684</u>	<u>41.684</u>

The notes on pages 9 to 14 are an integral part of these financial statements.

**CHARITABLE FOUNDATION FOR CHILDREN
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STATEMENT OF CASH FLOWS

For the year ended 31 December 2017

	2017	4.10.2016- 31.12.2016
	€	€
Cash flows from charitable activities		
(Deficit)/surplus for the year/period	(74.211)	115.895
<i>Adjustments for:</i>		
Net foreign exchange loss	<u>4.388</u>	<u>119</u>
Cash generated from charitable activities before working capital changes	(69.823)	116.014
Change in trade and other receivables	3.103	(3.103)
Change in trade and other payables	<u>5.607</u>	<u>14.333</u>
Net cash generated from charitable activities	<u>(61.113)</u>	<u>127.244</u>
Cash flows from investing activities	<u>-</u>	<u>-</u>
Cash flows from financing activities		
Net foreign exchange loss	<u>(4.388)</u>	<u>(119)</u>
Net cash used in financing activities	<u>(4.388)</u>	<u>(119)</u>
Net (decrease)/increase in cash and cash equivalents	(65.501)	127.125
Cash and cash equivalents at beginning of the year/period	<u>127.125</u>	<u>-</u>
Cash and cash equivalents at end of the year/period	<u>61.624</u>	<u>127.125</u>

The notes on pages 9 to 14 are an integral part of these financial statements.

**CHARITABLE FOUNDATION FOR CHILDREN
"TOGETHER FOREVER"
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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

1. INCORPORATION AND PRINCIPAL ACTIVITIES

Charitable Foundation for Children "Together Forever" (formely Charitable Foundation for Children "Together Forever" Limited) (the "Foundation") was incorporated in Cyprus on 4 October 2016 by Sergey and Anna Stopnevich, under the Cyprus Companies Law, Cap. 113, with a purpose to provide financial support and relief to persons in need, to provide support, education and assistance to children in need and to carry out all types of charitable, artistic and other activities, exhibitions, or other events for the purpose of promoting the well-being of people and children but not limited to adults and children who are living with illness. Its registered office is at 30B, Gladstonos, 3041, Limassol, Cyprus.

On 22 May 2017 the Foundation was approved by the Minister of Finance as a charitable fund for the purposes of Article 9(1)(f) of Income Tax Law N.118(I)/2002, as amended.

Change of Foundation name

On 16 January 2018, the Foundation changed its name from Charitable Foundation for Children "Together Forever" Limited to Charitable Foundation for Children "Together Forever".

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU).

(b) Basis of measurement

The financial statements have been prepared under the historical cost convention.

(c) Adoption of new and revised International Financial Reporting Standards and Interpretations as adopted by the European Union (EU)

During the current year the Foundation adopted all the changes to International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2017. This adoption did not have a material effect on the accounting policies of the Foundation.

At the date of approval of these financial statements, Standards, Revised Standards and Interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these financial reporting standards in future periods will not have a significant effect on the financial statements of the Foundation.

(d) Use of estimates and judgments

The preparation of financial statements in accordance with IFRSs requires from Management the exercise of judgment, to make estimates and assumptions that influence the application of the Foundation's accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are deemed to be reasonable based on knowledge available at that time. Actual results may deviate from such estimates.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

2. BASIS OF PREPARATION *(continued)*

The estimates and underlying assumptions are revised on a continuous basis. Revisions in accounting estimates are recognised in the period during which the estimate is revised, if the estimate affects only that period, or in the period of the revision and future periods, if the revision affects the present as well as future periods.

(e) Functional and presentation currency

The financial statements are presented in Euro (€) which is the functional currency of the Foundation.

3. SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been applied consistently for all the years presented in these financial statements.

Income recognition

Income comprises the donations received and is recognised in the period in which these are received.

Finance expenses

Finance expenses include bank charges and foreign exchange loss and are recognised in expenses in profit or loss in the period in which these are incurred.

Foreign currency translation

(i) Functional currency

Items included in the Foundation's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value is determined.

Financial instruments

Financial assets and financial liabilities are recognised when the Foundation becomes a party to the contractual provisions of the instrument.

(i) Receivables

Receivables are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest rate method. Trade and other receivables are stated after deducting the appropriate allowances for any impairment.

(ii) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments (continued)

(iii) Other payables

Other payables are initially recognised at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the contractual rights to receive cash flows from the asset have expired;
- the Foundation retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Foundation has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Any interest in such derecognized financial assets that is created or retained by the Foundation is recognised as a separate asset or liability

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

Provisions

Provisions are recognised when the Foundation has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Foundation expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

4. INCOME FROM DONATIONS

	2017 €	4.10.2016- 31.12.2016 €
Donations collected from charity events	18.001	191.956
Direct donations	<u>107.727</u>	<u>-</u>
Total	<u>125.728</u>	<u>191.956</u>

Direct donations can be conducted from third parties through bank transfers on the Foundation's benefit or using the Foundation's website.

5. ADMINISTRATIVE EXPENSES

	2017 €	4.10.2016- 31.12.2016 €
Rent	18.750	2.885
Electricity	349	-
Telephone and postage	490	-
Stationery and printing	1.426	-
Office maintenance	5.315	-
Web hosting and domain expenses	1.499	-
Independent auditors' remuneration	3.332	2.380
Other professional fees	3.509	8.307
Travelling	12.821	-
Consultancy services	-	27.956
Representation expenses	920	75
Registrar annual fee	350	-
Sundry administration expenses	201	-
Bank charges	<u>2.564</u>	<u>769</u>
	<u>51.526</u>	<u>42.372</u>

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

6. TRADE AND OTHER RECEIVABLES

	2017 €	2016 €
Deposits and prepayments	-	3,103
	-	3,103

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above.

7. CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, the cash and cash equivalents include the following:

	2017 €	2016 €
Cash with payment service providers	5,049	-
Cash at bank	56,575	127,125
	61,624	127,125

8. TRADE AND OTHER PAYABLES

	2017 €	2016 €
Accruals	3,332	2,456
Other creditors	14,929	11,877
Payables to related companies (note 9 (ii))	1,679	-
	19,940	14,333

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

9. RELATED PARTY TRANSACTIONS

The transactions and balances with related parties are as follows:

(i) Donations from related parties

	2017 €	4.10.2016- 31.12.2016 €
Sergey Stopnevich	6,071	-
	6,071	-

(ii) Payables to related companies (note 8)

		2017 €	2016 €
<u>Name</u>	<u>Nature of transactions</u>		
Wise Wolves Capital (EU) Limited	Expenses paid on behalf	1,679	-
		1,679	-

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For the year ended 31 December 2017

ADDITIONAL INFORMATION

**CHARITABLE FOUNDATION FOR CHILDREN
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FINANCIAL STATEMENTS

For the year ended 31 December 2017

ADDITIONAL INFORMATION

Schedule

Computation of corporate tax

1

CHARITABLE FOUNDATION FOR CHILDREN
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COMPUTATION OF CORPORATE TAX

For the year ended 31 December 2017

	€	€
Deficit for the period per statement of income and expenses		(74.211)
<u>Add:</u>		
Foreign exchange loss	4.388	
Registrar annual fee	<u>350</u>	<u>4.738</u>
		(69.473)
<u>Less:</u>		
Deficit for the period not subject to tax	<u>(69.473)</u>	<u>69.473</u>
Chargeable income for the year		<u>-</u>

