

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

FINANCIAL STATEMENTS

For the year ended 31 December 2023

CHARITABLE FOUNDATION FOR CHILDREN "TOGETHER FOREVER"

FINANCIAL STATEMENTS

For the year ended 31 December 2023

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CHARITABLE FOUNDATION FOR CHILDREN "TOGETHER FOREVER"OFFICERS AND PROFESSIONAL ADVISORS

| | |
|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Board of Directors | Evgenia Mamedova Andri Socratous (appointed on 01 March 2023) Elena Dushchenko (appointed on 14 March 2024) Anastasiia Stopnevich (appointed on 14 March 2024) Ekaterina Balandina (appointed on 11 November 2024) Marfa Shishkina (resigned on 01 February 2023) Olga Yatsenko (resigned on 14 March 2024) Yulia Karvonen (resigned on 14 March 2024) Tatiana Rutkovskaya (resigned on 11 November 2024) |
| Secretary | Wise Wolves Secretary Ltd |
| Independent Auditors | KPMG Limited |
| Banker | Bank of Cyprus Public Company Ltd |
| Registered Address | 61, Spyrou Kyprianou 4003, Limassol Cyprus |
| Registration number | HE360750 |



KPMG Limited
Chartered Accountants
11, June 16th 1943 Street, 3022 Limassol, Cyprus
P.O.Box 50161, 3601 Limassol, Cyprus
T: +357 25 869000, F: +357 25 363842

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
CHARITABLE FOUNDATION FOR CHILDREN "TOGETHER FOREVER"

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Charitable Foundation for Children "Together Forever"** (the "Foundation"), which are presented on pages 5 to 20 and comprise the statement of financial position as at 31 December 2023, the statements of comprehensive income, 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 2023, 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").

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 International Code of Ethics (including International Independence Standards) for Professional Accountants of the International Ethics Standards Board for Accountants ("IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Cyprus, 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.

| | |
|------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
| Nicosia P.O. Box 21121, 1502 T: +357 22 209000 F: +357 22 676200 | Larnaca P.O. Box 40079, 5300 T: +357 24 200000 F: +357 24 200200 |
| Paphos P.O. Box 80268, 8101 T: +357 26 843000 F: +357 26 843300 | Patmos / Ayia Napa P.O. Box 23200, 5311 T: +357 23 520000 F: +357 23 020004 |
| Pera Chrysocross P.O. Box 66014, 3330 T: +357 26 322000 F: +357 26 322222 | |

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 IFRS-EU and the requirements of 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:

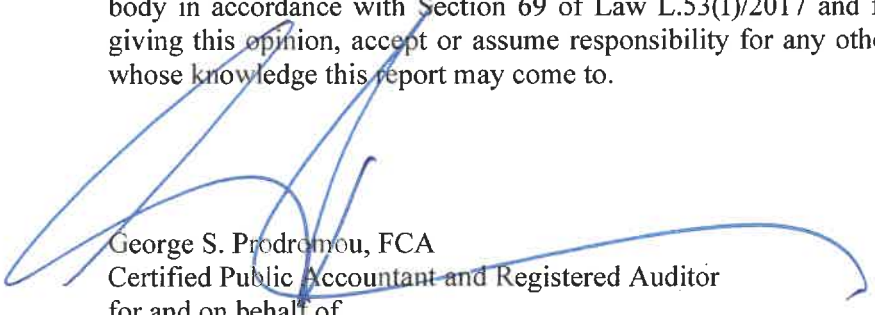
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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.

Auditors' responsibilities for the Audit of the Financial Statements (continued)

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 Law L.53(I)/2017 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, FCA
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

15 January 2025


CHARITABLE FOUNDATION FOR CHILDREN "TOGETHER FOREVER"

STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

| | Note | 2023 € | 2022 € |
|-------------------------------------|------|----------------|----------------|
| Assets | | | |
| Current assets | | | |
| Trade and other receivables | 9 | 213.767 | 22.000 |
| Cash and cash equivalents | 10 | <u>40.914</u> | <u>98.655</u> |
| Total current assets | | <u>254.681</u> | <u>120.655</u> |
| Total assets | | <u>254.681</u> | <u>120.655</u> |
| Reserves | | | |
| Reserve | | <u>24</u> | <u>93.084</u> |
| Total reserves | | <u>24</u> | <u>93.084</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 11 | <u>254.657</u> | <u>27.571</u> |
| Total current liabilities | | <u>254.657</u> | <u>27.571</u> |
| Total equity and liabilities | | <u>254.681</u> | <u>120.655</u> |

On 15 January 2025 the Board of Directors approved and authorised these financial statements for issue.



 Andri Socratous
 Director



 Ekaterina Balandina
 Director

The notes on pages 9 to 20 are an integral part of these financial statements.

CHARITABLE FOUNDATION FOR CHILDREN "TOGETHER FOREVER"

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

| | Note | 2023 € | 2022 € |
|---------------------------------------------------------------|------|------------------|------------------|
| Income | | | |
| Income from donations | 7 | <u>117.395</u> | <u>327.492</u> |
| Total income | | <u>117.395</u> | <u>327.492</u> |
| Expenses | | | |
| Net foreign exchange loss | | (3.772) | (4.963) |
| Charitable events' expenses | | (45.252) | (36.777) |
| Administrative expenses | 8 | (11.461) | (7.180) |
| Reversal of expected credit loss on cash and cash equivalents | 10 | 657 | - |
| Medical treatment expenses | | <u>(150.627)</u> | <u>(289.008)</u> |
| Total expenses | | <u>(210.455)</u> | <u>(337.928)</u> |
| Deficit for the year | | <u>(93.060)</u> | <u>(10.436)</u> |

The notes on pages 9 to 20 are an integral part of these financial statements.

CHARITABLE FOUNDATION FOR CHILDREN "TOGETHER FOREVER"

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

| | Reserve € |
|------------------------------------|-----------------|
| Balance at 1 January 2022 | 103.520 |
| Deficit for the year | <u>(10.436)</u> |
| Balance at 31 December 2022 | <u>93.084</u> |
| | |
| Balance at 1 January 2023 | 93.084 |
| Deficit for the year | <u>(93.060)</u> |
| Balance at 31 December 2023 | <u>24</u> |

The notes on pages 9 to 20 are an integral part of these financial statements.

CHARITABLE FOUNDATION FOR CHILDREN "TOGETHER FOREVER"

STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

| | 2023 | 2022 |
|----------------------------------------------------------------------|------------------------|----------------------|
| | € | € |
| Cash flows from charitable activities | | |
| Deficit for the year | (93.060) | (10.436) |
| Adjustments for: | | |
| Net foreign exchange loss | 3.772 | 4.963 |
| Reversal of expected credit loss on cash and cash equivalents | <u>(657)</u> | <u>-</u> |
| Cash generated from charitable before working capital changes | (89.945) | (5.473) |
| (Increase)/decrease in trade and other receivables | (191.767) | 48.842 |
| Increase in trade and other payables | <u>227.086</u> | <u>24.480</u> |
| Cash generated from charitable activities | <u>(54.626)</u> | <u>67.849</u> |
| Cash flows from financing activities | | |
| Net foreign exchange loss | <u>(3.772)</u> | <u>(4.963)</u> |
| Net cash used in financing activities | (3.772) | (4.963) |
| Reversal of expected credit loss on cash and cash equivalents | <u>657</u> | <u>-</u> |
| Net (decrease)/increase in cash and cash equivalents | (57.741) | 62.886 |
| Cash and cash equivalents at beginning of the year | <u>98.655</u> | <u>35.769</u> |
| Cash and cash equivalents at end of the year | <u>40.914</u> | <u>98.655</u> |

The notes on pages 9 to 20 are an integral part of these financial statements.

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

For the year ended 31 December 2023

1. Reporting entity

Charitable Foundation for Children "Together Forever" (the "Foundation") is domiciled in Cyprus. The Foundation was incorporated in Cyprus on 4 October 2016 by Sergey and Anna Stopnevich, under the Cyprus Companies Law, Cap. 113, with the 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 61, Spyrou Kyprianou, 4003, 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 accounting**2.1 Statement of compliance**

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

2.2 Basis of measurement

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

3. Functional and presentation currency

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

4. Adoption of new and revised IFRSs and interpretations 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 2023. 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.

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

For the year ended 31 December 2023

5. Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect 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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively - that is, 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.

6. Significant accounting policies

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

6.1 Income recognition

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

6.2 Finance costs

Finance expenses include foreign exchange loss, which is recognised in profit or loss in the period in which it is incurred. Bank charges are classified under administrative expenses and are also recognised in profit or loss in the period in which these are incurred.

6.3 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. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. 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. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. 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.

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

For the year ended 31 December 2023

6. Significant accounting policies (continued)**6.4 Financial instruments*****6.4.1 Recognition and initial measurement***

The Foundation initially recognises trade and other receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) and financial liabilities are recognised initially on the trade date at which the Foundation becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

6.4.2 Classification and subsequent measurement***6.4.2.1 Financial assets***

On initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value through Other Comprehensive income (FVOCI) - debt investment; Fair Value through Other Comprehensive income (FVOCI) - equity investment; or Fair Value through Profit or Loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Foundation changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Foundation may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

CHARITABLE FOUNDATION FOR CHILDREN "TOGETHER FOREVER"

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

6. Significant accounting policies (continued)

6.4 Financial instruments (continued)

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Foundation may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Business model assessment

The Foundation makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Foundation's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Foundation's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Foundation considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Foundation considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Foundation's claim to cash flows from specified assets (e.g. non-recourse features).

CHARITABLE FOUNDATION FOR CHILDREN "TOGETHER FOREVER"

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

6. Significant accounting policies (continued)

6.4 Financial instruments (continued)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets - Subsequent measurement and gains and losses:

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

6.4.2.2 Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

6.4.3 Impairment

• Financial instruments

The Foundation recognises loss allowances for ECLs on financial assets measured at amortised cost.

The Foundation measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

CHARITABLE FOUNDATION FOR CHILDREN "TOGETHER FOREVER"

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

6. Significant accounting policies (continued)

6.4 Financial instruments (continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Foundation considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Foundation's historical experience and informed credit assessment and including forward-looking information.

The Foundation assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Foundation considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Foundation in full, without recourse by the Foundation to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Foundation considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Foundation considers this to be Baa3 or higher per Moody's rating agency.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Foundation is exposed to credit risk.

- Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Foundation expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

- Credit-impaired financial assets

At each reporting date, the Foundation assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;

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

For the year ended 31 December 2023

6. Significant accounting policies (continued)**6.4 Financial instruments (continued)**

- the restructuring of a loan or advance by the Foundation on terms that the Foundation would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

- *Presentation of allowance for ECL in the statement of financial position*

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

6.5 Derecognition of financial assets and liabilities**Financial assets**

The Foundation derecognises a financial asset (or, where applicable a part of a financial asset or part of a Foundation of similar financial assets) 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 transfers the rights to receive the contractual 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 derecognised financial assets that is created or retained by the Foundation is recognised as a separate asset or liability.

Financial liabilities

The Foundation derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Foundation also derecognises a financial liability when it is replaced by another from the same lender on substantially different terms, or when the terms of the liability are substantially modified, and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

CHARITABLE FOUNDATION FOR CHILDREN "TOGETHER FOREVER"

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

6. Significant accounting policies (continued)

6.6 Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when, and only when, the Foundation has a currently enforceable legal right to offset the recognised amounts and it intends to settle them 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.

6.7 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, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

6.8 Comparatives

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

7. Income

| | 2023 € | 2022 € |
|------------------------------------------------------|-----------------------|-----------------------|
| Donations collected from organised charitable events | 39.121 | 169.645 |
| Direct donations | <u>78.274</u> | <u>157.847</u> |
| | <u><u>117.395</u></u> | <u><u>327.492</u></u> |

CHARITABLE FOUNDATION FOR CHILDREN "TOGETHER FOREVER"

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

8. Administrative expenses

| | 2023 € | 2022 € |
|------------------------------------|---------------|--------------|
| Registrar annual fee | 350 | - |
| Stationery and printing | 119 | - |
| Subscriptions and contributions | 716 | 558 |
| Independent auditors' remuneration | 2.737 | 2.737 |
| Other professional fees | 1.184 | - |
| Advertising | 1.399 | 335 |
| Bank charges | <u>4.956</u> | <u>3.550</u> |
| | <u>11.461</u> | <u>7.180</u> |

9. Trade and other receivables

| | 2023 € | 2022 € |
|-------------------|----------------|---------------|
| Deferred expenses | 204.775 | 22.000 |
| Other receivables | <u>8.992</u> | <u>-</u> |
| | <u>213.767</u> | <u>22.000</u> |

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

The exposure of the Foundation to credit risk and impairment losses in relation to trade and other receivables is reported in note 13 to the financial statements.

10. Cash and cash equivalents

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

| | 2023 € | 2022 € |
|------------------------------------------------------------|---------------|---------------|
| Cash with payment service providers | 10.543 | 60.248 |
| Cash at bank | 30.371 | 39.064 |
| Accumulated impairment losses on cash and cash equivalents | <u>-</u> | <u>(657)</u> |
| | <u>40.914</u> | <u>98.655</u> |

The exposure of the Foundation to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 13 to the financial statements.

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11. Trade and other payables

| | 2023 | 2022 |
|----------------------------------------------|----------------|---------------|
| | € | € |
| Trade payables | 240.368 | 24.432 |
| Accruals | 2.740 | 2.739 |
| Other creditors | - | 400 |
| Payables to related companies (Note 12 (iv)) | <u>11.549</u> | <u>-</u> |
| | <u>254.657</u> | <u>27.571</u> |

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

The exposure of the Foundation to liquidity risk in relation to financial instruments is reported in note 13 to the financial statements.

12. Related party transactions

The transactions and balances with related parties are as follows:

(i) Donations from related parties

| | 2023 | 2022 |
|----------------------------------|---------------|----------------|
| | € | € |
| Sergey Stopnevich | - | 91.000 |
| Wise Wolves Capital (EU) Limited | 7.968 | 430 |
| Wise Wolves Investment Ltd | - | 13.000 |
| Wise Wolves Group Ltd | 21.342 | 315 |
| Wise Wolves Fintech Ltd | - | 191 |
| Wise Wolves DA Ltd | 40 | - |
| Linzburg Limited | 6.000 | - |
| Woodber Holding Ltd | <u>-</u> | <u>6.000</u> |
| | <u>35.350</u> | <u>110.936</u> |

(ii) Expenses

| | 2023 | 2022 |
|-------------------------------------|------------|-----------|
| | € | € |
| | | |
| | 2023 | 2022 |
| | € | € |
| Wise Wolves Payment Institution Ltd | <u>205</u> | <u>75</u> |

Nature of transactions

PSP charges

(iii) Cash held with related parties

| | 2023 | 2022 |
|-------------------------------------|--------------|---------------|
| | € | € |
| Wise Wolves Payment Institution Ltd | <u>5.469</u> | <u>57.168</u> |

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For the year ended 31 December 2023

12. Related party transactions (continued)

(iv) Payables to related companies (Note 11)

| | 2023 | 2022 |
|-----------------------|---------------|----------|
| <u>Name</u> | € | € |
| Wise Wolves Group Ltd | <u>11,549</u> | <u>-</u> |

13. Financial instruments - fair values and risk management

Financial risk factors

The Foundation is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk

The Board of Directors has the overall responsibility for the establishment and oversight of the Foundation's risk management framework.

The Foundation does not have a formal risk management policy program. The exposure to the above risk is monitored by the Board of Directors as part of its daily management of the business.

(i) Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Foundation's credit risk relates to cash at banks and cash with payment service providers. The Foundation monitors this exposure and acts accordingly.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

| | 2023 | 2022 |
|-----------------------------------------------|---------------|---------------|
| | € | € |
| Trade and other receivables | 8,992 | - |
| Cash with banks and payment service providers | <u>40,914</u> | <u>99,312</u> |
| | <u>49,906</u> | <u>99,312</u> |

Reversal of impairment loss on financial assets recognised in profit or loss were as follows:

| | 2023 | 2022 |
|------------------------------------------------------------|------------|----------|
| | € | € |
| Reversal of impairment charge on cash and cash equivalents | <u>657</u> | <u>-</u> |
| | <u>657</u> | <u>-</u> |

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For the year ended 31 December 2023

13. Financial instruments - fair values and risk management (continued)

(i) Credit risk (continued)

Cash and cash equivalents

The table below shows an analysis of the Foundation's cash at bank and cash with payment service providers by the credit rating of the credit institution in which they are held:

| | | 2023 € | 2022 € |
|-------------------------------------------|--------------------|-----------|-----------|
| <u>Based on credit ratings by Moody's</u> | <u>No of banks</u> | | |
| Ba2 | 1 | 30.371 | - |
| Without credit rating | 3 | 10.543 | 99.312 |
| | 4 | 40.914 | 99.312 |

(ii) Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Foundation has procedures with the object of minimising such losses such as maintaining sufficient cash.

The following are the contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

| 31 December 2023 | Carrying amounts € | Contractual cash flows € | Within 12 months € | Between 1-5 years € | More than 5 years € |
|---------------------------------------------|-----------------------|-----------------------------|-----------------------|------------------------|------------------------|
| Non-derivative financial liabilities | | | | | |
| Trade and other payables | 243.108 | 243.108 | 243.108 | - | - |
| Payables to related companies | 11.549 | 11.549 | 11.549 | - | - |
| | <u>254.657</u> | <u>254.657</u> | <u>254.657</u> | <u>-</u> | <u>-</u> |
| 31 December 2022 | | | | | |
| Non-derivative financial liabilities | | | | | |
| Trade and other payables | 27.571 | 27.571 | 27.571 | - | - |
| | <u>27.571</u> | <u>27.571</u> | <u>27.571</u> | <u>-</u> | <u>-</u> |