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## **INDEPENDENT AUDITOR'S REPORT**

**To the board of NGO «Ukrainian Nature Conservation Group»**

### **Report on the financial statements**

#### **Opinion**

We have audited the financial statements of NGO «Ukrainian Nature Conservation Group» (hereinafter the Organization), which comprise the Balance Sheet (form 1-ms) as at December 31, 2022, and the income statement (form 2-ms)) for the year then ended.

**In our opinion, the accompanying financial statements of NGO «Ukrainian Nature Conservation Group» for the year ended December 31, 2022 are prepared, in all material respects, in accordance with the applicable financial reporting framework - the National statements (standards) of Accounting and the requirements of the law of Ukraine «On Accounting and Financial Reporting in Ukraine» dated July 16, 1999, № 996-XIV regarding the preparation of financial statements.**

#### **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 Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) of the Council on International Ethical Standards for Accountants (RSEB Code) and in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ukraine and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Emphasis of Matter**

On February 24, 2022, the Russian Federation launched a large-scale military invasion of Ukraine, which became the basis for the introduction of martial law in Ukraine. The organization is located outside the zone of active hostilities and has financial support from international

organizations. At the moment the Organization's assets and activities have not suffered significant losses as a result of military operations. The Management of the Organization fully controls its operations and assets. The organization continues to work in normal working mode. Management takes all measures dependent on it for effective work and continuation of the Organization's activities as a going concern. However, the extent of further developments or the timing of the end of hostilities is a factor of uncertainty that may cast significant doubt on the Organization's ability to continue activities as a going concern. Our opinion is not modified in respect of this matter.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management of the Organization is responsible for the preparation and fair presentation of the financial statements in accordance with the National statements (standards) of Accounting in Ukraine 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 scepticism throughout the planning and performance of the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 entity'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 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 a significant doubt on the Organization's ability to continue as 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;
- 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 fair presentation.

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.

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

**Information about the subject of the audit entity::**

The private enterprise "Sonar Audit Firm" (identification code 30637135) is included in the Register of Auditors and Subjects of Audit Activity under registration number 2225.

Location: 02140, Kyiv, 16 M. Bazhana av., ap.321

The engagement partner on the audit resulting in this independent auditor's report is director of Audit firm «Sonar»



\_\_\_\_\_ Klavdiya Naumenko

(Auditor's registration number in the Register of Auditors and Audit Entities: №100505).

Kyiv, October 27, 2023