



**Ukrainian Red Cross Society
Non-Governmental Organization**

Financial Statement
for the Year ended 31 December 2023



UKRAINIAN RED CROSS SOCIETY

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INDEPENDENT AUDITOR'S REPORT

To the Management of Non-Governmental Organization "Ukrainian Red Cross Society":

Opinion

We have audited the statement of contributions and expenditures of Non-Governmental Organization of "Ukrainian Red Cross Society" (the "Organization") for the year ended 31 December 2023, and notes to the statement of contributions and expenditures, including a summary of significant accounting policies (collectively "the financial statement").

In our opinion, the accompanying financial statement presents fairly, in all material respects, contributions and expenditures and outstanding cash balance as at and for the year ended 31 December 2023 in accordance with International Public Sector Accounting Standard "Financial Reporting under the Cash Basis of Accounting" ("IPSAS – Cash Basis").

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 Statement* section of our report. We are independent of the Organization in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the "IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statement in Ukraine, 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.

Emphasis of Matter – Basis of Accounting

We draw attention to the Note 3 to the financial statement, which describes the basis of accounting. The financial statement is prepared by the Organization in accordance with IPSAS – Cash Basis. As a result, the financial statement may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Emphasis of Matter – Operating Environment

We draw your attention to Note 2 and Note 4 to the financial statement, which indicate that since 24 February 2022 the impact of the ongoing military actions in Ukraine, the magnitude of further developments, the timing of cessation of those actions and final resolution are unpredictable and may adversely affect the Ukrainian economy and the operations of the Organization. Management's plans concerning this impact are also discussed in Note 4 to the financial statement. Our opinion is not modified in respect of this matter.

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Responsibilities of Management and Those Charged with Governance for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with IPSAS – Cash Basis and for such internal control as management determines is necessary to enable the preparation of the financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, 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 Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is 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 this financial statement.

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 statement, 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 statement 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 statement, including the disclosures, and whether the financial statement represents 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.

LLC "Deloitte & Touche USC"

16 January 2025

UKRAINIAN RED CROSS SOCIETY

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

Management of Ukrainian Red Cross Society Non-Governmental Organization (the "Organization", "URCS") is responsible for the preparation of the financial statement which comprises the Statement of Contributions and Expenditures of the Organization for the year ended 31 December 2023, and notes to the Statement of Contributions and Expenditures, including a summary of significant accounting policies and other explanatory information as at 31 December 2023, in accordance with International Public Sector Accounting Standards "Financial Reporting under the Cash Basis of Accounting" ("IPSAS – Cash Basis").

In preparing the Financial Statement, management is responsible for:

- Properly selecting and applying accounting policies;
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable, and understandable information;
- Providing additional disclosures and supplementary schedules when compliance with the requirements of IPSAS – Cash Basis is insufficient to enable users to understand the impact of particular transactions, other events, and conditions on the Financial Statement; and
- Making an assessment of the Organization's ability to continue as a going concern.

Management is also responsible for:

- Designing, implementing, and maintaining an effective and sound system of internal controls, throughout the Organization;
- Maintaining adequate accounting records that are sufficient to show and explain the Organization's transactions and disclose with reasonable accuracy at any time the Organization's balance of funds, and which enable them to ensure that the financial statement complies with IPSAS – Cash Basis;
- Maintaining accounting records in compliance with the Ukrainian legislation and National Accounting Provisions (Standards), as well as with IPSAS – Cash Basis;
- Taking such steps as are reasonably available to them to safeguard the assets of the Organization; and
- Preventing and detecting fraud and other irregularities.

The Financial Statement for the year ended 31 December 2023 was authorized for issue by the Organization's management on 16 January 2025.

On behalf of the Organization's management:

Maksym Dotsenko,
Executive Director



Viktoriiia Zubova,
Chief Accountant



UKRAINIAN RED CROSS SOCIETY

STATEMENT OF CONTRIBUTIONS AND EXPENDITURES OF UKRAINIAN RED CROSS SOCIETY FOR THE YEAR ENDED 31 DECEMBER 2023 (in Ukrainian Hryvnias and in thousands)

	Notes	2023	2022
Cash and cash equivalents balance as at 1 January	7	2,042,117	17,274
Contributions			
International donor programs	5.1	6,383,437	3,290,295
Local donor programs	5.2	71,589	32,104
Government programs	5.3	1,193	1,007
Charity, donations, and membership fees	5.4	380,314	2,061,502
Other contributions	5.5	73,050	6,184
Total contributions		6,909,583	5,391,092
Expenditures			
Financial aid to the affected people	6.1	(2,625,233)	(502,581)
Humanitarian aid to the affected people	6.2	(415,427)	(644,284)
Taxes on financial aid to the affected people	6.3	(346)	(54)
Materials and equipment for project implementation	6.4	(200,746)	(662,082)
Funding regional units to implement the projects aimed at the support of people	6.5	(1,789,955)	(816,641)
Payroll and remuneration for the services rendered by contractors within the project implementation	6.6	(274,781)	(134,493)
Membership fee to International Federation of Red Cross	6.7	(1,857)	-
Consulting services for project implementation	6.8	(33,776)	(12,956)
Educational activities to people	6.9	(23,230)	(12,791)
Audit services	6.10	(10,684)	(1,711)
Trainings/seminars/partner meetings and their monitoring	6.11	(55,476)	(18,943)
Administrative expenses to support URCS activities	6.12	(149,174)	(45,512)
Investments	6.13	(200)	-
Capital investments	6.14	(149,571)	(590,975)
Transportation of humanitarian goods	6.15	(7,378)	(19,647)
Temporary structures and restoration/construction works for the affected people	6.16	(390,812)	(172,937)
Assistance in storing and identifying bodies of the deceased (remains)	6.17	(830)	-
Security facilities	6.18	(1,692)	-
Total expenditures:		(6,131,168)	(3,635,607)
Foreign exchange differences		121,041	269,358
Cash and cash equivalents balance as at 31 December	7	2,941,573	2,042,117

The Financial Statement for the year ended 31 December 2023 was authorized for issue by the Organization's management on 16 January 2025.

On behalf of the Organization's management:

Maksym Dotsenko
Executive Director

Viktoriiia Zubova
Chief Accountant

The accompanying notes on pages from 5 to 28 form an integral part of this Statement of Contributions and Expenditures of the Organization.



UKRAINIAN RED CROSS SOCIETY

NOTES TO THE STATEMENT OF CONTRIBUTIONS AND EXPENDITURES

FOR THE YEAR ENDED 31 DECEMBER 2023

(in Ukrainian Hryvnias and in thousands)

1. GENERAL INFORMATION

Ukrainian Red Cross Society Non-Governmental Organization (the “Organization”, “URCS”) is an all-Ukrainian humanitarian public organization. The Organization was established in accordance with the Law of Ukraine “On Public Associations” as a public association with the status of a legal entity in the organizational and legal form of a public organization, with a special status provided for by the Law of Ukraine “On Ukrainian Red Cross Society”, other regulations of Ukraine, and international treaties of Ukraine. The registered office of the Organization is located at: 30 Ye. Chykalenka (former Pushkinska) Str., Kyiv, 01004, Ukraine.

The average number of the Organization’s employees was 351 persons for the year ended 31 December 2023 (2022: 164 persons).

The principal objective of the Organization’s activities is to prevent and alleviate human suffering during armed conflicts, natural disasters, catastrophes, epidemics, and other emergency situations by assisting government authorities in providing medical and humanitarian aid during armed conflicts, in peacetime, participating in the provision of international aid in the event of disasters and emergency situations, providing medical and social assistance to the most socially vulnerable people.

To achieve this objective in the manner prescribed by applicable law, the Organization:

1. Provides assistance to the wounded, sick, and other persons who suffered during armed conflicts in accordance with the Geneva Conventions dated 12 August 1949 and Additional Protocols thereto dated 8 June 1977 and 8 December 2005.
2. Assists people in the period of natural disasters, catastrophes, epidemics, and other emergency situations.
3. Arranges for the search of the wounded and dead as a result of armed conflicts, natural disasters, catastrophes, and other emergency situations. Searches for missing persons, establishes burial sites, provides assistance in this to the state institutions, searches for graves of defenders of the Motherland who died and were buried outside of Ukraine.
4. Assists in establishing ties between family members separated due to armed conflicts or emergency situations, promotes family reunification.
5. Provides social services to people, including poorly protected ones, and persons in difficult life circumstances.
6. Assists the government authorities, the medical service of the Armed Forces of Ukraine, other legitimate military formations of Ukraine, and the health authorities of Ukraine in the medical care of wounded and sick servicemen and civilians during armed conflicts in accordance with the Geneva Conventions dated 12 August 1949 ratified by Ukraine on 8 July 1954, and three Additional Protocols thereto dated 8 June 1977 (I, II) and 8 December 2005 (III) ratified by Ukraine on 18 August 1989 (I, II) and 22 October 2009 (III).
7. Creates and arranges for the activities of Rapid Response Units as a component of the Organization’s system for providing assistance to people during armed conflicts, natural disasters, emergency situations, etc.



UKRAINIAN RED CROSS SOCIETY

NOTES TO THE STATEMENT OF CONTRIBUTIONS AND EXPENDITURES

FOR THE YEAR ENDED 31 DECEMBER 2023

(in Ukrainian Hryvnias and in thousands)

8. Organizes the activities of rehabilitation centers, hospices, shelters of the Organization, including the care of people (persons) with disabilities and single (conditionally single) elderly people (persons), etc. Organizes the work of the Patronage Service.
9. Organizes the activities of Training Centers for first aid, and also teaches people first aid skills.
10. Develops, popularizes, spreads knowledge in the area of environmental protection, humanitarian education, and other socially important educational areas among people.

The activities of the Organization are financed by the funds of donors allocated for project activities and donations of individuals and legal entities.

As stated above in the Statement of Contributions and Expenditures, the total amount of contributions for 2023 was UAH 6,909,583 thousand (2022: UAH 5,391,092 thousand). In 2023, the main donors were represented by International Federation of Red Cross – 35%, International Committee of Red Cross – 9.7%, Swiss Red Cross (together with contributions to the platform of IRAISER) – 7.2%, Danish Red Cross – 6.8%, Austrian Red Cross – 6.4%, which, in aggregate, made up 65.1% of the total amount of the funds received. The remaining donors made up 34.9%.

The programs in which the Organization participates, and which are implemented by the Organization are performed in Ukraine.

During the year ended 31 December 2023, the Organization operated the following main charity programs:

Sl. No.	Donor	Program's name	Period of the Program's implementation
1	Charities Aid Foundation America (CAF America)	Building Zakarpattia	December 2022 – perpetual
2	NGO "Representative Office of Save the Children International in Ukraine"	Save the Children International in Ukraine	March 2022 – 2023
3	FE "COCA-COLA BEVERAGES UKRAINE LIMITED"	Reconstruction of "Pivnyk" kindergarten	26 October 2023 – perpetual
4	COCA-COLA SERVICES NV S.A (Belgium)	Reconstruction of "Pivnyk" kindergarten	15 September 2023 – 15 September 2024
5	COCA-COLA SERVICES NV S.A (Belgium)	Mobile heating boiler installation	1 February 2022 – valid until terminated
6	HUMANE SOCIETY INTERNATIONAL-EUROPE, HSI	Humane Society International – Pet Program	15 September 2022 – 14 September 2023
7	Coca-Cola Foundation	Livelihood support for conflicting affected population	1 December 2023 – 31 December 2024
8	Coca-Cola Foundation	Safe Water Access for Civilian Population Affected by Conflict Program	1 December 2023 – 31 December 2024
9	GLOBALGIVING FOUNDATION INC	Capacity Building of Emergency Response Teams	1 September 2023 – 28 February 2025
10	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH	EU4ResilientRegions – Special Assistance Program in Eastern Ukraine	15 May 2023 – 30 April 2024



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NOTES TO THE STATEMENT OF CONTRIBUTIONS AND EXPENDITURES

FOR THE YEAR ENDED 31 DECEMBER 2023

(in Ukrainian Hryvnias and in thousands)

Sl. No.	Donor	Program's name	Period of the Program's implementation
11	UN World Food Program (WFP)	Ukraine transitional interim country strategic plan (2023-2024)	1 February 2023 – 31 December 2023
12	International Organization for Migration/IOM	Livelihood support for conflict affected population	1 November 2023 – 31 March 2024
13	International Organization for Migration/IOM	Livelihood support for conflict affected population	1 April 2023 – 31 October 2023
14	International Red Crosses	URCS Emergency Pool Fund	1 January 2023 – perpetual
15	Austrian Red Cross	Kherson Emergency Assistance (KEA), 2022	1 November 2022 – 15 May 2024
16	Austrian Red Cross	Mykolaiv Mobile Medical Assistance (MYMO) – funded by “Nachbar in Not” (Neighbor in Need)	15 August 2022 – 31 December 2024
17	Austrian Red Cross	PASS, Providing access to basic humanitarian services and supporting sustainable healthcare solutions in Donbas	1 December 2021 – 30 September 2023
18	Austrian Red Cross	PIA – Providing immediate assistance to the conflict affected population in Ukraine	15 March 2022 – 31 December 2023
19	Austrian Red Cross	Program for assessing the needs of internally displaced persons (IDPs) in housing and providing assistance	1 April 2022 – 31 March 2023
20	Austrian Red Cross	ShelterPLUS funded by “Nachbar in Not” (Neighbor in Need)	1 September 2022 – 30 April 2024
21	Austrian Red Cross	Strengthening resilience for winter conditions and covering basic needs (IAS Winterization and CVA)	1 September 2022 – 28 February 2025
22	Austrian Red Cross	Improving access to health and social services and providing winterization support (IAS Health & Heat)	1 October 2022 – 15 May 2024
23	Austrian Red Cross	Providing health and care services to conflict affected people in Western Ukraine (ProHealth)	1 August 2022 – 30 April 2024
24	Austrian Red Cross	Securing Basic Living Conditions (SEBAC)	1 September 2022 – 31 May 2024
25	British Red Cross	BRC Bilateral Support to URCS RFL	1 June 2023 – 31 May 2026
26	British Red Cross	FCDO contribution to URCS One Plan	22 March 2023 – 31 March 2024
27	British Red Cross	BRC contribution to Ukrainian Red Cross Society's Home-Based Care Program in Kyiv City	1 March 2023 – 31 December 2023
28	British Red Cross	Support to URCS Winterization Plan	1 September 2022 – 31 May 2024
29	British Red Cross	Support to URCS Winterization Plan with BRC	1 September 2022 – 31 May 2024
30	British Red Cross	Support to URCS International Humanitarian Law and Humanitarian Diplomacy Activities	1 May 2023 – 30 April 2024
31	British Red Cross	BRC contribution to URCS Program for Branch and Volunteer Development in Kyiv City, Kyiv Region, and Chernihiv	1 April 2023 – 31 January 2024
32	Danish Red Cross	ECHO – Strengthening the humanitarian response in underserved, remote and rural areas in the hardest affected regions in Eastern and Southern Ukraine	29 June 2023 – 31 August 2024



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NOTES TO THE STATEMENT OF CONTRIBUTIONS AND EXPENDITURES

FOR THE YEAR ENDED 31 DECEMBER 2023

(in Ukrainian Hryvnias and in thousands)

Sl. No.	Donor	Program's name	Period of the Program's implementation
33	Danish Red Cross	Promotion of "Rules of War" by young people in Denmark and Ukraine	15 February 2022 – 31 January 2023
34	Danish Red Cross	PSPU – Project Agreement concerning "Civil Society Promoting Resilience in Ukraine"	1 January 2023 – 30 April 2026
35	Danish Red Cross	DG Sante – Mental Health and Psychosocial Support for Displaced People Coming from Ukraine	1 October 2022 – 30 June 2025
36	Danish Red Cross	ECHO – Strengthening the humanitarian response in underserved, remote, and rural areas in the hardest affected regions in Eastern and Southern Ukraine	29 June 2023 – 31 August 2024
37	Danish Red Cross	TBU – Response to the Winterization Needs in Mykolaiv in Ukraine 2022-23	3 October 2022 – 4 April 2023
38	Danish Red Cross	Disaster Management and Humanitarian Relief	1 May 2022 – 31 March 2024
39	Danish Red Cross	Mental Health & Psychosocial Support	1 May 2022 – 31 December 2023
40	Danish Red Cross	Health	2 May 2022 – 31 March 2024
41	Danish Red Cross	National Society Development	1 May 2022 – 31 March 2024
42	Danish Red Cross	International Humanitarian Law and Humanitarian Advocacy	2 May 2022 – 31 March 2024
43	Estonian Red Cross	Help in Restoring and Increasing the Energy Efficiency of Destroyed Hospitals	13 March 2023 – 31 December 2023
44	Spanish Red Cross	Winterization	1 October 2022 – 31 April 2023
45	Spanish Red Cross	Winterization	30 May 2022 – 29 September 2023
46	Spanish Red Cross	Support to Protection, Recovery, and Restoring Livelihoods	1 July 2023 – 1 July 2025
47	Spanish Red Cross	Respond to multisectoral humanitarian needs of the population affected by the crisis in Ukraine, contributing to the National Response Plan and within the framework of the international appeal of IFRC	22 July 2022 – 21 July 2024
48	Spanish Red Cross	Emergency One Plan	22 May 2022 – 29 September 2023
49	Spanish Red Cross	Support for the management of volunteers of Ukrainian Red Cross Society	1 January 2023 – 31 December 2024
50	Spanish Red Cross	Strengthening crisis and emergency management capacity of URCS	1 January 2023 – 1 July 2025
51	Italian Red Cross	Home Based Care	1 September 2023 – 31 December 2024
52	Italian Red Cross	Strengthening community-based health and first aid in Ukraine (CBHFA)	22 March 2021 – 31 December 2024
53	Italian Red Cross	Coca-Cola Donation: Distribution of food parcels and water in Ukraine	21 December 2022 – 21 December 2023
54	Canadian Red Cross	SUPPORT TO URCS MOBILE HEALTH UNITS (MHU)	1 June 2022 – 31 December 2023



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NOTES TO THE STATEMENT OF CONTRIBUTIONS AND EXPENDITURES

FOR THE YEAR ENDED 31 DECEMBER 2023

(in Ukrainian Hryvnias and in thousands)

Sl. No.	Donor	Program's name	Period of the Program's implementation
55	Canadian Red Cross	Winter preparation strategy	1 August 2022 – 29 February 2024
56	Canadian Red Cross	SUPPORT TO URCS MHU IN POLTAVA	1 December 2022 – 31 December 2023
57	Canadian Red Cross	Assistance in response to the humanitarian crisis in Ukraine	17 March 2023 – 31 December 2023
58	Canadian Red Cross	SUPPORT TO URCS NATIONAL SOCIETY DEVELOPMENT (NSD)	1 October 2022 – 31 March 2024
59	Canadian Red Cross	Implementing Ukraine Integrated Health Program	1 April 2023 – 31 March 2026
60	Canadian Red Cross	Ukraine Integrated Shelter Program between URCS and CRCS	1 April 2023 – 31 March 2026
61	Canadian Red Cross	Support for winterization in Poltava	1 December 2022 – 29 February 2024
62	Korean Red Cross	Emergency support to population of Kherson	1 September 2023 – 31 December 2024
63	Luxembourg Red Cross	"Health for All" in Donetska Region	1 January 2022 – 14 January 2023
64	Luxembourg Red Cross	Supporting the most vulnerable people affected by the conflict in Ukraine with medical and infrastructure and individual support	June 2022 – January 2024
65	Luxembourg Red Cross	Ukraine: Hope and Health: Supporting Vulnerable Populations Through Improved Healthcare infrastructure, WASH, and Shelter services in Ukraine	1 October 2023 – 15 December 2024
66	Luxembourg Red Cross	Ukraine: Ukraine Invincible Spirit of Hope	1 April 2023 – 31 December 2023
67	Luxembourg Red Cross	Ukraine: Supporting Medical Infrastructures in Dnipropetrovsk and Donetsk Regions, and Capacity Building for URCS	15 December 2022 – 30 November 2023
68	Luxembourg Red Cross	Emergency response: Support the most vulnerable people affected by the conflict in Ukraine with medical and social infrastructure, as well as individuals	1 April 2023 – 28 February 2024
69	International Federation of Red Cross	Resource mobilization through National Society Investment Alliance (NSIA) Accelerator Funded	1 January 2022 – 1 April 2023
70	International Federation of Red Cross	Master Budget: The crisis in Ukraine – URCS Volunteering Development	9 May 2022 – 29 February 2024
71	International Federation of Red Cross	UKRAINE Crisis – URCS Volunteering Development	March 2022 – February 2024
72	International Federation of Red Cross	UKRAINE Crisis (Zakarpattia)	9 May 2022 – 29 February 2024
73	International Federation of Red Cross	UKRAINE Crisis (Lviv)	9 May 2022 – 29 February 2024
74	International Federation of Red Cross	Scaling up Ukraine RC Preparedness Efforts – DREF operation	February 2022 – April 2023
75	International Federation of Red Cross	Prakhystok Project	15 September 2023 – 30 June 2024
76	International Federation of Red Cross	Project funding agreement between IFRC and URCS concerning the provision of funding for	1 April 2023 – 31 July 2023



UKRAINIAN RED CROSS SOCIETY

NOTES TO THE STATEMENT OF CONTRIBUTIONS AND EXPENDITURES

FOR THE YEAR ENDED 31 DECEMBER 2023

(in Ukrainian Hryvnias and in thousands)

Sl. No.	Donor	Program's name	Period of the Program's implementation
		URCS Medical Health Units' activities in Ukraine, Lviv and Chernivtsi	
77	International Federation of Red Cross	Capacity Building Fund Initiative	July 2022 – October 2023
78	International Federation of Red Cross	Reimbursement of costs for the temporary accommodation of IDPs who moved during the martial law	October 2022 – 31 December 2023
79	International Federation of Red Cross	Master budget of IFRC	1 June 2023 – 30 September 2024
80	International Federation of Red Cross	URCS to support COVID-2019 vaccination campaign in Ukraine	7 February 2022 – 31 January 2023
81	International Federation of Red Cross	Staff-on-loan arrangement to support IFRC delegations in Ukraine	11 March 2022 – 31 January 2023
82	Mission of International Committee of Red Cross in Ukraine	URCS – ICRS Partnership Framework Agreement	2021 – 2023
83	German Red Cross	Health care, social support, and development of URCS organizations	1 August 2023 – 31 December 2026
84	German Red Cross	ECHO – Strengthening the humanitarian response in underserved, remote and rural areas in the hardest affected regions in Eastern and Southern Ukraine	1 April 2023 – 31 August 2024
85	Norwegian Red Cross	Improving access to quality primary health, home based care and first aid for people affected by the war in Ukraine, and strengthening the URCS emergency response capacities/+ Annex 1	1 January 2023 – 31 December 2023
86	French Red Cross	Winterization 22-23	14 November 2022 – 30 April 2023
87	French Red Cross	Project Cooperation and Funding Agreement – First Aid	1 July 2023 – 30 June 2026
88	Swedish Red Cross	URCS Winterization Program 2022/23	1 September 2022 – 31 December 2023
89	Swedish Red Cross	Sumy Multi-Sector Response Program	1 April 2023 – 31 December 2025
90	Swiss Red Cross	Ukrainian Crisis Response Bilateral Operation	1 April 2022 – 30 March 2023
91	Swiss Red Cross	Humanitarian Response	1 June 2023 – 31 August 2024
92	Swiss Red Cross	Support of roll-out of the global digital platform by IRaiser	1 May 2022 – 31 December 2023
93	Japanese Red Cross	Mobile Health Unit (MHU) in Ivano-Frankivsk Region	1 October 2022 – 31 December 2024
94	Japanese Red Cross	Cash Assistance to Households Hosting IDPs	1 January 2023 – 31 December 2023
95	Japanese Red Cross	Preparing for the winter between Japanese Red Cross and URCS / Winterization	1 November 2022 – 30 April 2023
96	Japanese Red Cross	Winterization 23-24	1 October 2023 – 31 April 2024



UKRAINIAN RED CROSS SOCIETY

NOTES TO THE STATEMENT OF CONTRIBUTIONS AND EXPENDITURES

FOR THE YEAR ENDED 31 DECEMBER 2023

(in Ukrainian Hryvnias and in thousands)

2. OPERATING ENVIRONMENT

In 2023, the full-scale war which had started in February 2022 as a result of the armed aggression of the Russian Federation continued in the whole territory of Ukraine. Those events led to a significant destruction of infrastructure, displacement of large numbers of people, and disruption of economic activities in Ukraine. However, in 2023, Ukraine's GDP began to recover and grew by 5% (in 2022, GDP dropped by 30%). Also, in 2023, the inflation rate sharply slowed down to 5.1% in annual terms (2022: 26.6%). However, the National Bank of Ukraine (the "NBU") expects further growth in inflation in 2024. During 2023, the national currency devalued by 4% against USD and by 8% against EUR comparing to the official exchange rates at the end of 2022 (2022: devalued by 34% against USD and 26% against EUR).

From the onset of the full-scale war, the National Bank of Ukraine (the "NBU") has introduced a range of temporary protective measures, such as restriction of cross-border payments in foreign currencies and fixing the official exchange rate for major currencies. In October 2023, the NBU introduced a regime of managed flexibility of the exchange rate, which provides for daily exchange rate fluctuations within narrow limits in both directions depending on market conditions. In 2022, the NBU increased the discount rate to 25%. During 2023, the Board of the NBU made decisions to reduce the discount rate, which, as at 31 October 2024, was set at 13%. In 2023, the NBU additionally tightened the requirements to obligatory reserves of banks. Thanks to the assistance from partners, the NBU's international reserves as at 31 December 2023 exceeded the pre-war level and reached USD 40.5 billion. In general, the Ukrainian Government continues to service external debt obligations, and the banking system remains operational and maintains stability.

In May 2024, the NBU introduced a significant easing of currency restrictions. All currency restrictions were lifted for imports of works and services; businesses were allowed to repatriate abroad dividends based on the results of their activities for the period starting from 1 January 2024; funds could be transferred abroad to pay for lease/rent without additional restrictions; conditions for interest payment and repayment of some types of foreign loans were relaxed; restrictions on the transfer of foreign currency from representative offices to their parent companies were eased, etc.

The approved state budget of Ukraine for 2024 presupposes that the budget deficit amounts to about 20% of GDP (or USD 42 billion) (2023: 30% of GDP). It is expected that the budget deficit will be financed through financial assistance from foreign partners in the form of grants and preferential long-term interest-free loans.

The Ukrainian Government received a significant international support, financing, and donations from international organizations, along with individual countries, and charities to support financial stability, social related payments, and military needs. For the period from late January 2022 to late 2023, the volumes of declared international financial aid amounted to more than EUR 141 billion, the volumes of military assistance exceeded EUR 98 billion, and humanitarian – EUR 15 billion.



UKRAINIAN RED CROSS SOCIETY

NOTES TO THE STATEMENT OF CONTRIBUTIONS AND EXPENDITURES

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Starting from 22 July 2022, an agreement between Ukraine, Turkey, and the UN was in effect on unblocking ports and resuming the exports of grain, which had been blocked in the Black Sea ports due to the war. The Russian Federation also signed a “mirror agreement” with Turkey and the United Nations. Effective from 17 July 2023, Russia has officially withdrawn from the “grain agreement”, which creates difficulties for the export of agricultural products. In August 2023, a temporary sea corridor began to operate through which Ukraine succeeded to export 12.8 million tons of cargos during 2023. In 2023, a total of 56.3 million tons of goods were exported through Ukrainian ports (2022: 47.8 million tons).

In the winter of 2022-2023, Ukraine witnessed massive power outages for the population and businesses due to a significant damage to power grids caused by missile attacks and shelling from the Russian Federation, which also caused problems with water and heat supply. The Government introduced a range of emergency measures to resolve those challenges and stabilize the economy. Effective from February 2023, the situation in the energy system of Ukraine improved and stabilized.

However, in April-May 2024, missile attacks on Ukrainian energy system resumed that has led to new outages.

In June 2023, the Russian troops blew up the dam of the Kakhovka Hydropower Station, which led to draining of the water reservoir. This caused negative environmental, humanitarian, and economic consequences for Khersonska and neighboring regions, in particular, for agriculture in the region.

In November 2023, Polish carriers started blocking the Polish-Ukrainian border by restricting the movement of load carriers at key checkpoints, which complicates logistics and results in significant losses to the Ukrainian economy. Later, similar border traffic blockades began in Slovakia, Hungary, and Romania. In December 2023, the movement of load carriers was partially unblocked, but the situation remains tough due to ongoing protests, including from Polish farmers.

During 2023, the Government continued to apply the zero quotas set in 2022 on exports of gold and silver (except for bank metals), table salt, fuel wood, coal, and natural gas. In 2023, quotas were introduced on exports of coking coal, fuel oil, and sugar. Exports of chicken meat, cattle, cattle meat, eggs, mineral fertilizers, wheat, rye, barley, and other seed crops, as well as vegetable oils were subject to licensing during the whole year or certain periods. Effective from 1 January 2024, exports of wheat, rye, oats, corn, soybeans and other oil crops, vegetable oil and by-products are subject to licensing.

On 15 March 2022, the Verkhovna Rada of Ukraine introduced some changes to the tax legislation and adopted the Law of Ukraine No. 2120-IX “On Amending the Tax Code of Ukraine and Other Legislative Acts of Ukraine Concerning the Effect of Norms for the Martial Law Period”. On 30 June 2023, the Verkhovna Rada of Ukraine adopted the Draft Bill No. 8401 which amended the Tax Code of Ukraine (Note 8 “Contingencies/Taxation”).



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The war between Ukraine and the Russian Federation is ongoing, resulting in a significant destruction of property and assets in Ukraine and other serious consequences. The consequences of the war are changing day to day, and the long-term implications are unclear. Further impact on the Ukrainian economy depends upon the way the Russian military invasion in Ukraine is resolved and upon the success of the Ukrainian Government in realization of new reforms, recovery strategy after the invasion is stopped, and the transformation of the state to acquire the European Union membership, as well as cooperation with the international funds.

3. SIGNIFICANT ACCOUNTING POLICIES FOR RECOGNITION AND MEASUREMENT OF CONTRIBUTIONS AND EXPENDITURES

Basis of preparation

The Statement of Contributions and Expenditures of the Organization has been prepared in accordance with the International Public Sector Accounting Standards “Financial Reporting under the Cash Basis of Accounting” (“IPSAS – Cash Basis”), which is a comprehensive basis of accounting, other than National Accounting Provisions (Standards) of Ukraine and International Financial Reporting Standards (“IFRS”). On this basis, revenue is recognized when received rather than when earned, and expenditures are recognized when paid rather than when incurred.

This Financial Statement is a separate financial statement of the Organization. The Organization does not prepare a consolidated financial statement.

Functional and presentation currency

The functional and presentation currency of the Organization is Ukrainian Hryvnia (“UAH”).

Foreign currencies transactions

Transactions in currencies other than functional currency are initially recorded in UAH at the official rates of exchange set on the dates of the transactions by the National Bank of Ukraine. Cash balances denominated in foreign currencies are translated into UAH at the exchange rates established by the NBU at the end of the reporting period. All foreign exchange gains/(losses) are recognized in the Statement of Contributions and Expenditures.

The relevant exchange rates set by the NBU in respect of the major currencies used in preparing the Financial Statement were as follows:

	31 December 2023	Average exchange rate for 2023	31 December 2022	Average exchange rate for 2022
UAH/USD	37.9824	36.5738	36.5686	32.3423
UAH/EUR	42.2079	39.5582	38.9510	33.9820



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Cash and cash equivalents

Cash and cash equivalents include cash with banks held at current accounts and deposits with initial maturities up to three months or deposits repayable on demand. Cash and cash equivalents are divided into the cash with temporarily restricted and unrestricted use. Donors' contributions made without stipulations are reported as unrestricted cash and cash equivalents. Contributions received with a donor's stipulation which restricts their use are reported as temporarily restricted cash and cash equivalents.

Unrestricted cash and cash equivalents are the cash with unlimited use, as well as the funds intended for general and administrative purposes.

Income taxes

URCS is not a payer of income tax. Income (profits) of the Organization are used exclusively to finance the costs of the Organization, the implementation of the purpose (goals, objectives) and activities defined by its constituent documents.

4. GOING CONCERN

This Financial Statement has been prepared on the assumption that the Organization will be able to continue as a going concern and that it will continue in operation for the foreseeable future.

However, as noted in Note 2, on 24 February 2022, the Russian Forces began a military invasion of Ukraine, which led to a full-scale war throughout Ukraine. The operating environment remains risky and with a high level of uncertainty. Therefore, the going concern assumption is to be carefully assessed by management to ensure the Organization has sufficient funding for its activities.

Management believes that preparation of this Financial Statement on a going concern basis is appropriate due to the following factors and actions taken in response to those matters:

- The Organization's assets have not been significantly damaged as a result of the war and not located in the occupied territories.
- During the year ended 31 December 2023 and during the period from 31 December 2023 to the date of issuance of this Financial Statement, a wide range of new projects with donors of the Organization were launched. Due to the fact that one of the Organization's principal objectives of the activities is to protect human life, prevent human suffering during armed conflicts, the amount of contributions from donors increased significantly during 2022 and 2023 after the beginning of the war in Ukraine. During 2024, the amount of contributions from donors decreased compared to 2023, but still remained higher than in 2022 when the amount of contributions significantly grew compared to the previous years before the beginning of the full-scale war, which indicates that the Organization will be able to perform its operations in the foreseeable future.



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- The Organization had cash and cash equivalents balance as at 31 December 2023 and subsequently at the sufficient level to perform its operations.
- During the period subsequent to the reporting date and before the authorization of this Financial Statement, the Organization continued its operations and managed to meet main goals of the Organization's activities in 2023-2024.

Considering the reasons above, management believes that preparation of this Financial Statement on a going concern basis is appropriate, and the Organization has adequate resources to realize its assets, discharge its liabilities, and continue in operational existence for the foreseeable future.

5. CONTRIBUTIONS

Contributions comprise cash obtained from donors, population, legal entities, and individuals and returns of unused cash under the programs to donors. For the year ended 31 December 2023, the Organization obtained grants from the following donors, population, legal entities, and individuals:

5.1 International donor programs

	2023	2022
International Federation of Red Cross	2,419,327	1,032,610
International Committee of Red Cross	672,878	416,179
Danish Red Cross	471,495	220,728
Austrian Red Cross	440,088	359,775
Japanese Red Cross	372,746	12,596
British Red Cross	360,075	-
German Red Cross	332,327	344,133
Swiss Red Cross	328,731	216,433
Canadian Red Cross	242,417	58,042
Luxembourg Red Cross	192,327	75,307
Norwegian Red Cross	178,770	27,178
Swedish Red Cross	85,498	123,905
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH	69,956	-
Italian Red Cross	46,235	24,710
French Red Cross	39,507	11,621
Lithuanian Red Cross	39,353	-
Spanish Red Cross	34,331	75,258
UN World Food Program (WFP)	12,997	-
Korean Red Cross	11,072	67,394
Estonian Red Cross	9,968	50,742
Greek Red Cross	8,428	5,623
Czech Red Cross	8,325	3,613
Singapore Red Cross	3,656	5,824
Taiwan Red Cross	1,463	-
Latvian Red Cross	1,381	3,301
Kazakhstan Red Cross	86	59
Charities Aid Foundation America (CAF America)	-	74,969
Irish Red Cross	-	33,328
International Humanitarian Society	-	17,751
Georgian Red Cross	-	16,386
Vietnamese Red Cross	-	7,301



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NOTES TO THE STATEMENT OF CONTRIBUTIONS AND EXPENDITURES FOR THE YEAR ENDED 31 DECEMBER 2023 (in Ukrainian Hryvnias and in thousands)

5.1 International donor programs

	2023	2022
Chinese Red Cross	-	2,575
Thai Red Cross	-	1,589
Albanian Red Cross	-	947
Thailand Red Cross	-	321
Kosovo Red Cross	-	97
Total:	6,383,437	3,290,295

5.2 Local donor programs

	2023	2022
International Organization for Migration/IOM	43,132	-
CO CF "Nezlamni (Unbroken)"	23,931	-
NGO "Representative Office of Save the Children International in Ukraine"	4,526	10,332
PU "Pharmacy Professional Association of Ukraine" (PU "PPAU")	-	21,772
Total:	71,589	32,104

5.3 Government programs (by programs)

	2023	2022
Organization and regulation of the activities of institutions and individual measures in the health care system with the support of the Ministry of Health of Ukraine	1,193	1,007
Total:	1,193	1,007

5.4 Charity, donations, and membership fees

	2023	2022
IRAISER Platform – Swiss Red Cross	169,044	551,543
FE "COCA-COLA BEVERAGES UKRAINE LIMITED"	66,880	-
International charity donations (population)	52,704	19,991
"Coca-cola services nv s.a" (Belgium)	43,368	131,240
Coca-Cola Foundation	22,514	18,284
GLOBALGIVING FOUNDATION INC	14,627	-
Foreningen Roskilde Festival	2,664	-
Population	2,428	14,944
LLC "ABB LTD"	1,767	-
LLC "A2 DISTRIBUTION"	700	-
LLC "TotalEnergies Marketing Ukraine"	500	-
PHILLIPS AUCTIONEERS LIMITED	-	221,383
JSC "Raiffeisen Bank Aval"	-	165,854
LLC "Samsung Electronics Ukraine Company"	-	146,275
UK ONLINE GIVING FOUNDATION	-	119,590
SHELL INTERNATIONAL BV	-	58,510
ASSOCIATION OF UKRAINIANS IN GREAT BRITAIN LIMITED	-	45,152
US-ALEXANDRIA, VA 22314	-	19,418
NAVASARD LIMITED	-	31,329
LLC "First Studio "Development"	-	30,000
11 BIT STUDIOS SPOLKA AKCYJNA	-	24,864
Stadt Freiburg, Germany	-	18,254
ECM B.V.	-	16,584



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5.4 Charity, donations, and membership fees

	<u>2023</u>	<u>2022</u>
Bayer AG	-	15,345
PARK WEST GALLERIES	-	14,744
LLC "Hit Games Company"	-	14,627
CAPITAL COM SV INVESTMENTS LIMITED	-	14,627
PHILIP MORRIS PRODUCTS SA	-	14,627
PRODUCT MADNESS (UK) LIMITED	-	14,627
TOTALENERGIES MARKETING SERVICES	-	13,238
Ministry of Foreign Affairs of Denmark	-	11,925
LLC "EPAM Systems"	-	10,000
BACARDI LIMITED	-	8,776
SHIMANO EUROPE B.V.	-	7,452
FONDATION ROI BAUDOUIN	-	7,416
BEN EM DANG CO TA	-	7,301
LDKPI (Indonesia)	-	7,050
HUNTER WEB SERVICES, INC.	-	5,850
MOON ACTIVE LTD	-	5,547
STICHTING FLOW TRADERS FOUNDATION	-	5,506
PAYJOY INC	-	5,182
LOKALISE, INC.	-	5,119
JSC "Credit Agricole Bank"	-	5,000
LLC "Work International"	-	5,000
Other	3,118	229,328
Total:	<u>380,314</u>	<u>2,061,502</u>

Expenditures incurred at the cost of contributions from charity, donations, and membership fees are presented in the lines of expenditures as expenditures incurred at the cost of contributions from donors and the population on statutory activities.

5.5 Other contributions

	<u>2023</u>	<u>2022</u>
Interest received	69,165	5,387
Management remuneration	1,160	-
Dividends	1,089	285
Pregnancy and childbirth allowance (FSS)	668	316
Compensation to IDPs	413	-
Sick leave payment	225	39
Insurance reimbursement	126	31
Currency conversion	80	-
Rental of premises	60	60
First aid development	54	-
Return of prior period funds	10	-
Administering project engagement	-	66
Total:	<u>73,050</u>	<u>6,184</u>



UKRAINIAN RED CROSS SOCIETY

NOTES TO THE STATEMENT OF CONTRIBUTIONS AND EXPENDITURES FOR THE YEAR ENDED 31 DECEMBER 2023 (in Ukrainian Hryvnias and in thousands)

6. EXPENDITURES

During the year ended 31 December 2023, the Organization incurred the following expenditures. Expenditures are presented by donors, unless otherwise specified.

6.1 Financial aid to the affected people

	<u>2023</u>	<u>2022</u>
International Federation of Red Cross	(2,140,739)	(259,553)
Austrian Red Cross	(197,403)	(32,040)
Japanese Red Cross	(158,630)	-
British Red Cross	(85,599)	-
International Committee of Red Cross	(28,948)	(49,475)
Danish Red Cross	(9,321)	-
Contributions from various donors and population on statutory activities	(4,593)	(161,513)
Total:	<u>(2,625,233)</u>	<u>(502,581)</u>

6.2 Humanitarian aid to the affected people

	<u>2023</u>	<u>2022</u>
Austrian Red Cross	(62,620)	(5,940)
Japanese Red Cross	(57,558)	-
Canadian Red Cross	(40,971)	-
Swedish Red Cross	(39,658)	-
Spanish Red Cross	(39,168)	-
International Organization for Migration/IOM	(35,093)	-
Danish Red Cross	(26,524)	(214)
German Red Cross	(22,038)	(129,276)
Contributions from various donors and population on statutory activities	(21,020)	(464,397)
HUMANE SOCIETY INTERNATIONAL-EUROPE International Humanitarian Society	(17,783)	-
British Red Cross	(16,332)	-
French Red Cross	(10,424)	-
Swiss Red Cross	(8,053)	-
URCS Emergency Pool Fund (United funds of the International Red Cross Organizations)	(7,576)	-
Norwegian Red Cross	(6,870)	-
Luxembourg Red Cross	(1,514)	-
BAYER AG	(1,413)	-
LLC "ENERLIGHT"	(746)	-
International Federation of Red Cross	(57)	(534)
Korean Red Cross	(9)	-
Estonian Red Cross	-	(29,975)
NGO "Representative Office of Save the Children International in Ukraine"	-	(13,948)
Total:	<u>(415,427)</u>	<u>(644,284)</u>

6.3 Taxes on financial aid to the affected people

	<u>2023</u>	<u>2022</u>
Danish Red Cross	(298)	-
Swiss Red Cross	(25)	-
International Federation of Red Cross	(18)	(54)
Canadian Red Cross	(5)	-
Total:	<u>(346)</u>	<u>(54)</u>



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6.4 Materials and equipment for project implementation

	2023	2022
URCS Emergency Pool Fund (United funds of the International Red Cross Organizations)	(35,047)	-
British Red Cross	(33,822)	-
Contributions from various donors and population on statutory activities	(28,037)	(276,989)
Danish Red Cross	(20,437)	(59,252)
International Committee of Red Cross	(15,874)	(58,918)
Norwegian Red Cross	(14,642)	(2,746)
Luxembourg Red Cross	(13,248)	(1,505)
Korean Red Cross	(9,831)	(26,908)
International Federation of Red Cross	(8,697)	(47,028)
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbHGIZ	(7,406)	-
Austrian Red Cross	(3,089)	(78,456)
Spanish Red Cross	(2,559)	(14,383)
Canadian Red Cross	(1,750)	-
Swiss Red Cross	(1,739)	(3,035)
GLOBALGIVING FOUNDATION INC	(1,533)	-
German Red Cross	(1,258)	(70,206)
Italian Red Cross	(1,097)	(834)
Swedish Red Cross	(463)	-
Japanese Red Cross	(106)	-
French Red Cross	(33)	-
International Organization for Migration/IOM	(31)	-
HUMANE SOCIETY INTERNATIONAL-EUROPE International Humanitarian Society	(25)	-
COCA-COLA SERVICES NV S.A (Belgium)	(17)	-
UN World Food Program (WFP)	(5)	-
PU "Pharmacy Professional Association of Ukraine" (PU "PPAU")	-	(21,772)
NGO "Representative Office of Save the Children International in Ukraine"	-	(48)
Turkish Red Crescent	-	(2)
Total:	(200,746)	(662,082)

6.5 Funding regional units to implement the projects aimed at the support of people

	2023	2022
International Federation of Red Cross	(252,930)	(108,553)
German Red Cross	(229,337)	(86,821)
Swiss Red Cross	(220,511)	(94,890)
International Committee of Red Cross	(217,240)	(200,133)
Danish Red Cross	(212,598)	(99,581)
Austrian Red Cross	(184,446)	(43,455)
Luxembourg Red Cross	(106,068)	(28,584)
Canadian Red Cross	(97,242)	(5,547)
Norwegian Red Cross	(91,978)	(21,827)
British Red Cross	(75,280)	-
Italian Red Cross	(33,088)	(8,014)
Swedish Red Cross	(28,306)	-
Japanese Red Cross	(9,270)	(632)
UN World Food Program (WFP)	(8,651)	-
URCS Emergency Pool Fund (United funds of the International Red Cross Organizations)	(6,583)	-
Contributions from various donors and population on statutory activities	(6,413)	(115,627)
Estonian Red Cross	(4,591)	(265)
Spanish Red Cross	(2,543)	-



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NOTES TO THE STATEMENT OF CONTRIBUTIONS AND EXPENDITURES FOR THE YEAR ENDED 31 DECEMBER 2023 (in Ukrainian Hryvnias and in thousands)

6.5 Funding regional units to implement the projects aimed at the support of people

	2023	2022
International Organization for Migration/IOM	(2,299)	-
Korean Red Cross	(237)	-
HUMANE SOCIETY INTERNATIONAL-EUROPE International Humanitarian Society	(199)	-
French Red Cross	(145)	-
Charities aid foundation America (CAF America)	-	(1,839)
NGO "Representative Office of Save the Children International in Ukraine"	-	(873)
Total:	(1,789,955)	(816,641)

6.6 Payroll and remuneration for the services rendered by contractors within the project implementation

	2023	2022
International Federation of Red Cross	(94,332)	(34,984)
International Committee of Red Cross	(69,344)	(54,267)
Danish Red Cross	(38,398)	(20,123)
Contributions from various donors and population on statutory activities	(17,006)	(11,511)
Swiss Red Cross	(12,614)	(3,532)
German Red Cross	(9,080)	(962)
Luxembourg Red Cross	(5,941)	(2,869)
Austrian Red Cross	(5,365)	(4,117)
British Red Cross	(4,408)	-
Canadian Red Cross	(4,353)	(47)
Italian Red Cross	(2,823)	(231)
Norwegian Red Cross	(2,665)	(260)
International Organization for Migration/IOM	(1,730)	-
Spanish Red Cross	(1,598)	-
UN World Food Program (WFP)	(1,366)	-
Swedish Red Cross	(1,042)	-
Social insurance fund for temporary disability	(892)	(355)
French Red Cross	(785)	-
GLOBALGIVING FOUNDATION INC	(329)	-
HUMANE SOCIETY INTERNATIONAL-EUROPE International Humanitarian Society	(290)	-
Japanese Red Cross	(266)	-
Belgian Red Cross	(127)	-
URCS Emergency Pool Fund (United funds of the International Red Cross Organizations)	(27)	-
State program to support the Ministry of Health of Ukraine	-	(967)
Center for Civilians in Conflict (CIVIC), USA	-	(268)
Total:	(274,781)	(134,493)

Expenditures from this category consist of payroll expenses to employees and remuneration for the services rendered by contractors participating in the activities under the Organization's programs.

6.7 Membership fee to International Federation of Red Cross (by programs)

	2023	2022
Organization and regulation of the activities of institutions and individual measures in the health care system (with the support of the Ministry of Health of Ukraine)	(1,857)	-
Total:	(1,857)	-



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6.8 Consulting services for project implementation

	2023	2022
International Federation of Red Cross	(12,143)	(6,316)
Danish Red Cross	(11,497)	(3,963)
Luxembourg Red Cross	(3,354)	(280)
International Committee of Red Cross	(2,121)	(781)
Norwegian Red Cross	(1,470)	-
Belgian Red Cross	(1,092)	-
Contributions from various donors and population on statutory activities	(921)	(1,023)
German Red Cross	(378)	-
Swiss Red Cross	(329)	(347)
UN World Food Program (WFP)	(188)	-
British Red Cross	(181)	-
Canadian Red Cross	(80)	-
URCS Emergency Pool Fund (United funds of the International Red Cross Organizations)	(22)	-
NGO "Initiative Center for Promotion of Activity and Development of Public Initiative"	-	(246)
Total:	(33,776)	(12,956)

6.9 Educational activities to people

	2023	2022
International Federation of Red Cross	(15,020)	(10,336)
Contributions from various donors and population on statutory activities	(5,205)	(271)
International Committee of Red Cross	(1,098)	(1,258)
Korean Red Cross	(852)	-
Danish Red Cross	(843)	(372)
Norwegian Red Cross	(150)	-
URCS Emergency Pool Fund (United funds of the International Red Cross Organizations)	(22)	-
International Organization for Migration/IOM	(14)	-
British Red Cross	(12)	-
Luxembourg Red Cross	(11)	(554)
Swiss Red Cross	(3)	-
Total:	(23,230)	(12,791)

6.10 Audit services

	2023	2022
International Committee of Red Cross	(7,381)	(1,565)
Danish Red Cross	(2,583)	(146)
Austrian Red Cross	(596)	-
Luxembourg Red Cross	(124)	-
Total:	(10,684)	(1,711)

6.11 Trainings/seminars/partner meetings and their monitoring

	2023	2022
Danish Red Cross	(20,296)	(1,521)
International Federation of Red Cross	(8,206)	(5,574)
International Committee of Red Cross	(6,649)	(8,368)
Contributions from various donors and population on statutory activities	(5,504)	(2,120)



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6.11 Trainings/seminars/partner meetings and their monitoring	2023	2022
Swiss Red Cross	(3,954)	(732)
British Red Cross	(3,726)	-
Canadian Red Cross	(2,178)	-
German Red Cross	(1,824)	(283)
Norwegian Red Cross	(944)	-
URCS Emergency Pool Fund (United funds of the International Red Cross Organizations)	(824)	-
Austrian Red Cross	(502)	(199)
French Red Cross	(253)	-
Italian Red Cross	(205)	-
Luxembourg Red Cross	(155)	(114)
Swedish Red Cross	(68)	-
Japanese Red Cross	(63)	-
UN World Food Program (WFP)	(54)	-
Spanish Red Cross	(41)	-
Deutsche Gesellschaft fur Internationale Zusammenarbeit (GIZ) GmbH	(19)	-
International Organization for Migration/IOM	(11)	-
Other	-	(32)
Total:	(55,476)	(18,943)
6.12 Administrative expenses to support URCS activities (by economic substance)	2023	2022
Repairs of premises	(43,046)	(6,540)
Rental of premises	(20,676)	(11,096)
Construction works	(18,632)	(6,022)
Maintenance of motor vehicles	(9,078)	(5,640)
Maintenance of premises	(8,819)	(676)
Utilities	(7,065)	(1,372)
Bank services	(6,868)	(3,937)
Software settings	(6,654)	(298)
Preparing technical documents	(6,156)	-
Insurance	(6,024)	(3,325)
Refundable financial aid	(5,000)	-
Household costs	(3,449)	(146)
Internet access (including Internet services)	(1,284)	(230)
Security of premises	(1,190)	(398)
Mail services	(977)	(340)
Maintenance of equipment	(697)	(36)
Other	(675)	(222)
Communication services	(550)	(697)
Motor vehicle repairs	(525)	(260)
Rental of land plot	(488)	-
Translation services	(421)	(222)
Parking lot	(278)	(369)
Delivery services	(166)	(944)
Mobile communication	(143)	(63)
Real estate tax	(141)	(82)
Registration fee	(89)	(243)
Equipment repairs	(49)	(50)
Maintenance of office equipment	(16)	(161)
Legal services	(15)	(1,034)



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6.12 Administrative expenses to support URCS activities (by economic substance)	2023	2022
Customs services	(3)	(3)
Heating	-	(632)
Electricity	-	(279)
Information services	-	(195)
Total:	(149,174)	(45,512)
6.13 Investments	2023	2022
Contributions from various donors and population on statutory activities	(200)	-
Total:	(200)	-
6.14 Capital investments	2023	2022
URCS Emergency Pool Fund (United funds of the International Red Cross Organizations)	(99,428)	-
Austrian Red Cross	(13,966)	-
Contributions from various donors and population on statutory activities	(11,835)	(55,519)
International Committee of Red Cross	(6,090)	(219,286)
Canadian Red Cross	(5,920)	-
Norwegian Red Cross	(5,890)	-
German Red Cross	(1,875)	-
Danish Red Cross	(1,400)	(7,347)
Japanese Red Cross	(1,257)	-
Korean Red Cross	(1,060)	(29,904)
Luxembourg Red Cross	(850)	-
International Federation of Red Cross	-	(270,610)
Swiss Red Cross	-	(7,281)
Estonian Red Cross	-	(1,028)
Total:	(149,571)	(590,975)

In 2023, donors provided charitable funds to purchase vehicles by Organization to increase mobility when providing assistance to the affected people and specialized vehicles to assist in emergency situations (all-terrain vehicles, trailers).

6.15 Transportation of humanitarian goods	2023	2022
Danish Red Cross	(4,814)	(5,141)
International Federation of Red Cross	(986)	(3,310)
Spanish Red Cross	(961)	-
Contributions from various donors and population on statutory activities	(594)	(10,562)
URCS Emergency Pool Fund (United funds of the International Red Cross Organizations)	(23)	-
Swiss Red Cross	-	(516)
International Committee of Red Cross	-	(114)
Other	-	(4)
Total:	(7,378)	(19,647)



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6.16 Temporary structures and restoration/construction works for the affected people

	2023	2022
Contributions from various donors and population on statutory activities	(115,235)	(95,661)
COCA-COLA SERVICES NV S.A (Belgium)	(104,726)	-
British Red Cross	(54,011)	-
Deutsche Gesellschaft fur Internationale Zusammenarbeit (GIZ) GmbH	(50,792)	-
Luxembourg Red Cross	(29,783)	(29,441)
Norwegian Red Cross	(13,216)	-
Estonian Red Cross	(11,573)	-
Austrian Red Cross	(6,678)	(11,633)
URCS Emergency Pool Fund (United funds of the International Red Cross Organizations)	(2,650)	-
International Committee of Red Cross	(1,579)	-
CAF AMERICA/CHARITIES AID FOUNDATION AMERICA	(421)	-
International Federation of Red Cross and Red Crescent	(117)	-
Danish Red Cross	(31)	(283)
Swedish Red Cross	-	(35,919)
Total:	(390,812)	(172,937)

In 2023 and 2022, donors provided charitable funds for the restoration of hospital buildings, kindergartens, repairs of electrical networks, construction of temporary structures for internally displaced persons, etc.

6.17 Assistance in storing and identifying bodies of the deceased (remains)

	2023	2022
Contributions from various donors and population on statutory activities	(830)	-
Total:	(830)	-

6.18 Security facilities

	2023	2022
German Red Cross	(1,692)	-
Total:	(1,692)	-

6.19 Reimbursements to URCS from donors for previous periods

	2023	2022
Funding regional units to implement the projects aimed at the support of people	1,849	-
Canadian Red Cross	1,849	-
Financial aid to the affected people	164,028	-
International Federation of Red Cross	48,091	-
German Red Cross	23,060	-
Austrian Red Cross	37,205	-
International Committee of Red Cross	44,044	-
British Red Cross	11,628	-
Humanitarian aid to the affected people	114,930	-
German Red Cross	16,328	-
Japanese Red Cross	9,769	-
Canadian Red Cross	88,833	-
Capital investments	223,671	-



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6.19 Reimbursements to URCS from donors for previous periods	2023	2022
International Committee of Red Cross	223,671	-
Transportation of humanitarian goods	4,619	-
Danish Red Cross	3,400	-
Italian Red Cross	1,219	-
Temporary structures and restoration/construction works for the affected people	4,586	-
Austrian Red Cross	4,586	-
Materials, equipment, and services for project implementation	8,091	-
German Red Cross	8,091	-
Total	521,774	-

In 2023, the Organization received funds from donors as reimbursement of expenses incurred in previous periods at the cost of contributions from various donors and population on statutory activities. In the Financial Statement for 2023, those reimbursements are included in line "International Donor Programs". Expenses incurred in previous periods were presented in the Financial Statement for 2022 in relevant notes of expenditures as expenses incurred at the cost of contributions from various donors and population on statutory activities, unless otherwise indicated in relevant notes.

6.20 Contributions from donors to administer projects	2023	2022
Danish Red Cross	26,052	5,738
German Red Cross	14,601	-
Italian Red Cross	14,125	-
Japanese Red Cross	12,586	-
Swedish Red Cross	9,766	-
Canadian Red Cross	8,834	-
British Red Cross	6,487	-
International Federation of Red Cross and Red Crescent	3,500	9,734
Spanish Red Cross	2,943	1,720
Austrian Red Cross	2,738	7,157
HUMANE SOCIETY INTERNATIONAL-EUROPE International Humanitarian Society	1,347	-
International Organization for Migration/IOM	1,313	-
COCA-COLA SERVICES NV S.A (Belgium)	1,287	-
Luxembourg Red Cross	261	-
Mission of International Committee of Red Cross in Ukraine	-	500
Swiss Red Cross	-	21,170
Total	105,840	46,019

This Note presents contributions from donors aimed at administering projects which are received in accordance with the policies on covering and reimbursing costs for project support and included in the total amount of contributions from donors recorded in line "International Donor Programs". Expenditures incurred at the cost of those contributions are recorded in the Financial Statement in line "Administrative Expenses to Support URCS activities" and in other expenditure lines as expenses incurred at the cost of contributions from various donors and population for statutory activities.



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7. CASH AND CASH EQUIVALENTS BALANCE

	<u>31 December 2023</u>	<u>31 December 2022</u>
Cash in UAH	1,614,597	1,012,860
Cash in EUR	708,179	265,354
Cash in CHF	157,858	538,262
Cash in USD	90,618	124,962
Cash in GBP	28,448	100,674
Cash in other currencies	8	5
Cash on deposit accounts	341,865	-
Total	<u>2,941,573</u>	<u>2,042,117</u>

As at 31 December 2023, cash and cash equivalents balances under programs were as follows:

	<u>31 December 2023</u>	<u>31 December 2022</u>
Temporarily restricted cash	1,322,939	1,193,623
International donors	1,320,306	1,193,605
Domestic donors	2,633	18
Unrestricted own cash	<u>1,618,634</u>	<u>848,494</u>
Total cash	<u>2,941,573</u>	<u>2,042,117</u>

As at 31 December 2023, 90% of the Organization's funds were held in the accounts of one Ukrainian bank, which was assigned a rating of uaAAA on the national Ukrainian scale.

8. CONTINGENCIES

Taxation

The Organization is a non-profit organization, and specific taxation requirements are applied to it. Ukraine's tax environment is characterized by complexity in tax administration, arbitrary interpretation by the tax authorities of tax laws and regulations that, inter alia, could increase fiscal pressure on taxpayers. Inconsistent application, interpretation, and enforcement of tax laws can lead to litigations which, as a consequence, may result in the imposition of additional taxes, penalties, and interest, and these amounts can be material. Facing current economic and political issues, the Government considers implementing certain reforms in the tax system of Ukraine.



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During 2023, a range of changes to the tax legislation were introduced. On 30 June 2023, the Verkhovna Rada of Ukraine adopted draft Law No. 8401 which amended the Tax Code of Ukraine. Starting from 1 August 2023, the preferential taxation group applying a 2% single tax rate was abolished.

The Law of Ukraine No. 3219-IX dated 30 June 2023 “On Amending the Tax Code of Ukraine and Other Laws of Ukraine on the Taxation Peculiarities during the Martial Law Period” restored the limitation period effective from 1 August 2023.

On 9 November 2023, the Verkhovna Rada of Ukraine adopted Law 3453-IX “On Amending the Tax Code of Ukraine and Other Legislative Acts of Ukraine Concerning the Effect of Norms for the Martial Law Period”. The regulations have been enforced from 1 December 2023 and are expected to remain in effect while the martial law is in force in Ukraine.

The Law stipulates that, effective from 1 December 2023, the moratorium on scheduled documentary tax audits is going to be eased. For the taxpayers engaged in the production or sale of excise goods, gambling activities, or provision of financial or payment services, the rules for conducting and scheduling tax audits (effective from 1 August 2023) will continue to apply. However, the audit schedule may now additionally apply to:

- Non-residents that operate/have operated in Ukraine through representative offices or permanent establishments (or representative offices/permanent establishments themselves):
 - Whose CIT growth rate is 50 or more percent lower than the growth rate of their income and/or:
 - Which have declared the accrued payroll with no declared CIT taxable object or income exempt from taxation in accordance with an international treaty.
- Taxpayers who meet at least one of the following criteria based on the 2021 indicators:
 - Amount of corporate income tax, value added tax, payroll paid is significantly lower than industry-wide level based on the statistics to be published on the website of the State Tax Service of Ukraine;
 - Accounts receivable exceed accounts payable by more than twice;
 - Total expenses declared in CIT returns exceed by 75 percent or more the amount of total annual income declared in such tax returns (if the total annual income from business activities exceeds UAH 10 million).

For single taxpayers of the first and second groups, a moratorium on all audits (except for liquidation audits and audits requested by taxpayers) will remain in effect until 1 December 2024.



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At the same time, the moratorium remains partially in effect for the taxpayers registered in the occupied territories, territories with ongoing active hostilities, or territories where hostilities are possible. In particular, the following audits are allowed: desk tax audits, unscheduled documentary audits of relations with non-residents, audits for compliance with currency payment terms, transfer pricing, VAT refundable, liquidations, audits on the grounds of the information received from foreign controlling authorities, audits requested by taxpayers, etc.). The Law renews the uncompleted audits in respect of which the moratorium has been lifted.

Provisions have been added according to which there is no requirement for the goods provided by legal entities for the needs of the Armed Forces to correspond to the list adopted by the Cabinet of Ministers of Ukraine.

Management believes that the Organization has been in compliance with all requirements of the effective tax legislation.

Legal issues

The Organization is subject to legal actions and complaints in its ordinary course of business. Management believes that it is unlikely that a significant settlement or loss of assets will arise out of actions and complaints.

9. RISK OF CONCENTRATION

As disclosed in Note 5, total contributions for the year ended 31 December 2023 amounted to UAH 6,909,583 thousand (2022: UAH 5,391,092 thousand). In 2023, the main donors were represented by International Federation of Red Cross – 35%, International Committee of Red Cross – 9.7%, Swiss Red Cross (together with contributions to the platform of IRAISER) – 7.2%, Danish Red Cross – 6.8%, Austrian Red Cross – 6.4%, which, in aggregate, made up 65.1% of the total amount of the funds received. The remaining donors made up 34.9%. To manage the risk of high concentration of donors, the Organization is actively seeking new sources of funds.

In 2022, the major donors of the Organization were International Federation of Red Cross, Swiss Red Cross (together with contributions to the Platform of IRAISER), International Committee of Red Cross, Austrian Red Cross, German Red Cross, Danish Red Cross which, in aggregate, made up 58.3% of the total amount of the funds received in 2022.

10. EVENTS AFTER THE REPORTING PERIOD

There were no events after the reporting period that would require to be disclosed.