

## INDEPENDENT AUDITOR'S REPORT

*To the management of NGO "Public television"*

Under the Contract № 04-2018-A dated 10.04.2018 we, the independent audit firm LLC "Audit company "UHY PROSTIR LTD" (the certificate of including to the Register of audit activity subjects № 3388 valid till 30 January 2019), have audited the accompanying financial statements of Non-Government Organization "Public television" (hereinafter - "the Organization"), prepared in accordance with principles, set up in the Note #2, which comprise the Balance Sheet as of 31 December 2017, the Profit and Loss Statement, Statement of Cash Flows for the year then ended, and explanatory Note (hereinafter – «the financial statements»).

### *Management's responsibility for the financial statement*

Management of the Organization is responsible for the preparation of these financial statements in accordance with principles, set up in the Note to these financial statements, 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.

### *Auditor's responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

*Opinion*

In our opinion, the financial statements of the Organization which comprise the Balance Sheet, the Profit and Loss Statement, the Statement of Cash Flows, and explanatory Note for the year ended 31.12.2017, is prepared in all material respects in accordance with principles, set up in the Note #2 of these financial statements.

Director of  
LLC "Audit company "UHY Prostor Ltd"



Safinskiy V.L.

26.04.2018

Office # 315, 14 Vasylkivska Str.  
Kyiv, Ukraine, 03040

*Certificate of including to the Register  
of audit activity subjects # 3388  
valid till 30 January 2019*

Register number 53

## FINANCIAL REPORT of small enterprise

		Date (year, month, day)	<b>CODES</b>
Enterprise	<u>Non-Government Organization "Public television"</u>		2018   01   01
Territory	<u>Kyiv, Pechersk district</u>	EDRPOU	38780085
Form of incorporation	<u>Non-Government Organization</u>	KOATUU	8039100000
Type of economic activity	<u>Charitable</u>	KOPFG	815
		KVED	94.99
Average number of employees	<u>7</u>		
Measurement units: thousands UAH with one decimal place			
Address 4/6, Mykhaila Omelyanovycha-Pavlenka, Kyiv, Ukraine			

**1. Balance sheet**      Form No.1-m      DKUD Code 1801006  
**as of 31 December 2017**

Assets	Row code	At the beginning of reporting period	At the end of reporting period
1	2	3	4
<b><i>I. Non-current assets</i></b>			
Incomplete capital investments	1005	216,0	-
Fixed assets:	1010	5 068,1	8 461,4
initial value	1011	8 538,3	14 744,6
depreciation	1012	(3 470)	(6 283)
Long-term biological assets	1020	-	-
Long-term financial investments	1030	-	-
Other non-current assets	1090	-	-
<b>Total for section I</b>	<b>1095</b>	<b>5 284,1</b>	<b>8 461,4</b>
<b><i>II. Current assets</i></b>			
Inventories	1100	-	0,3
Current biological assets	1110	-	-
Receivables for goods, works and services	1125	-	-
Due for taxes, levies and other statutory charges paid	1135	-	-
Other current receivables	1155	208,9	403,7
Current financial investments	1160	-	-
Cash and cash equivalents	1165	6 829,9	14 173,9
Deferred expenditures	1170	17,4	39,0
Other current assets	1190	4,4	4,4
<b>Total for section II</b>	<b>1195</b>	<b>7 060,6</b>	<b>14 621,3</b>
<b><i>III. Non-current assets and disposal groups</i></b>	<b>1200</b>	-	-
<b>Balance</b>	<b>1300</b>	<b>12 344,7</b>	<b>23 082,7</b>

Liabilities	Row code	At the beginning of reporting period	At the end of reporting period
1	2	3	4
<b>I. Owners' equity</b>			
Authorized Capital	1400	-	-
Additional capital	1410	654,2	486,6
Reserve capital	1415	-	-
Unappropriated income (uncovered loss)	1420	276,0	379,4
Unpaid capital	1425	-	-
<b>Total for section I</b>	<b>1495</b>	<b>930,2</b>	<b>866,0</b>
<b>II. Long-term liabilities, special purpose financing and provisions</b>	<b>1595</b>	<b>6 671,3</b>	<b>14 134,5</b>
<b>III. Current liabilities</b>			
Short-term bank loans	1600	-	-
Current liabilities for settlements:			
current long-term liabilities	1610	-	-
accounts payable for goods, works and services	1615	242,3	190,7
with the budget	1620	0,5	4,1
including corporate income tax	1621	-	-
on insurance	1625	3,8	8,5
on labour remuneration	1630	26,2	77,3
Deferred income	1665	4 437,8	7 801,6
Other current liabilities	1690	32,6	-
<b>Total for section III</b>	<b>1695</b>	<b>4 743,2</b>	<b>8 082,2</b>
<b>IV. Liabilities on non-current assets and disposal gr</b>	<b>1700</b>	<b>-</b>	<b>-</b>
<b>Balance</b>	<b>1900</b>	<b>12 344,7</b>	<b>23 082,7</b>

## 2. Profit and Loss Statement for the year 2017

Form No. 2-м  
DKUD Code

1801007

Budget item	Row code	For the Reporting period	For the Same Period of the Previous Year
1	2	3	4
Net profit from sale of products (goods, works services)	2000	23,0	12,9
Other operating income	2120	52 493,4	41 070,1
Other incomes	2240	167,6	75,1
<b>Total income (2000+2120+2240)</b>	<b>2280</b>	<b>52 684,0</b>	<b>41 158,1</b>
Costs of sales (goods, works, services)	2050	-	-
Other operating expenses	2180	(52 572,2)	(41 415,6)
Other expenses	2270	(8,4)	(36,6)
<b>Total expenditures (2050 + 2180 + 2270)</b>	<b>2285</b>	<b>(52 580,6)</b>	<b>(41 452,2)</b>
<b>Financial result before tax</b>	<b>2290</b>	<b>103,4</b>	<b>(294,1)</b>
Income tax	2300	( - )	( - )
<b>Net income (loss) (2290-2300)</b>	<b>2350</b>	<b>103,4</b>	<b>(294,1)</b>

Executive director

Natalia Gumenyuk

Chief accountant

Nina Ponomarenko



Enterprise

Non-Government Organization "Public television"

Date (year, month, day)

2018 01 01

EDRPOU

38780085

Measurement units: thousands UAH with one decimal place

## Statement of cash flows (direct method) for 2017

Form No.3

DKUD Code

1801004

Budget item	Row code	For the reporting period	For the same period of the previous year
1	2	3	4
<b>I. Cash flow from operating activities</b>			
Income from:			
Sale of products (goods, works, services)	3000	22,9	12,9
Tax return	3005	-	-
Targeted funding	3010	61 290,3	41 280,2
Repayment of advances	3020	-	-
Royalty, royalties	3045	42,0	121,1
Other income	3095	123,6	109,3
Expenses of payment for:			
Goods (works, services)	3100	(34 300,0)	(22 702,0)
Wages and remuneration under civil law agreements	3105	(9 242,5)	(7 036,5)
Allocations for social measures	3110	(2 042,9)	(1 517,0)
Repayment of other taxes and duties	3115	(2 270,0)	(1 717,5)
Liabilities from other taxes and fees	3118	(2 270,0)	(1 717,5)
Advance payments	3135	-	(5,6)
Other expenses	3190	(137,6)	(4 443,0)
<b>Net cash flow from operational activities</b>	<b>3195</b>	<b>13 485,8</b>	<b>4 101,9</b>
<b>II. Cash flows from investment activities</b>			
Income from sale of:			
financial investments	3200	-	-
fixed assets	3205	-	-
Income from received:			
interests	3215	-	-
dividends	3220	-	-
Income from derivatives	3225	-	-
Other income	3250	-	-
Expenses of purchase of:			
financial investments	3255	( - )	( - )
fixed assets	3260	(6 389,0)	(2 201,8)
Payment of derivatives	3270	( - )	( - )
Other payments	3290	( - )	( - )
<b>Net cash flow from investment activities</b>	<b>3295</b>	<b>(6 389,0)</b>	<b>(2 201,8)</b>
<b>Net cash flow for the reporting period</b>	<b>3400</b>	<b>7 096,8</b>	<b>1 900,1</b>
Balance at the beginning of the year	3405	6 829,9	4 562,9
Effect of foreign exchange rate on the balance	3410	247,2	366,9
<b>Balance at the end of the year</b>	<b>3415</b>	<b>14 173,9</b>	<b>6 829,9</b>

Executive director

Natalia Gumenyuk

(signature)

Chief accountant

Nina Ponomarenko

(signature)



**Note to the financial statements of NGO "Public television"  
for year ended on December, 31<sup>st</sup>, 2017**

### 1. General information

Non-Government Organization "Public television" (hereinafter – the Organization) is a voluntary non-profit public association founded on individual membership and established on the basis of unity of interests for joint implementation of activity aim.

#### About the project:

We believe that every Ukrainian has the right to be informed. Knowledge, set on the foundation of education and enhanced discussions, together creates a society that is able to make decisions and take responsibility. A society that is safe and comfortable for its citizens, which provides opportunities and contributes to the global community.

We see that not every Ukrainian aspires to exercise his right to knowledge. Moreover, we see how the commercial media market, unbridled by the lack of public service broadcasting, has made its bid for those who are willing to give up awareness in favor of entertainment. Corruption has replaced censorship, and the plurality of dependencies is freedom.

However, the indifference of some should not hinder the realization of the rights of others. Therefore, today, we proclaim our professional and civic goal - to build public broadcasting in Ukraine for the benefit of Ukrainians of different nationalities, religions, social statuses.

This is not the first attempt to create public service broadcasting and no one guarantees us success. But with the feelings of the heirs of the Public Radio, we grab a baton to reach the goal or at least transfer the baton to our successors. We can only promise that each of us is ready to take responsibility and make efforts, to be open to criticism and to help.

### 2. Basis of preparation

Financial statements consist of:

- Financial report of the small enterprise subject including Balance sheet (form № 1-m) as at 31.12.2017 and Profit and Loss Statement (form № 2-m) for year ended on December, 31<sup>st</sup>, 2017, prepared in accordance with the rules of the National accounting standards in Ukraine, namely NAS 25 "Financial report of the small enterprise subject". Financial report of the small enterprise subject is prepared in accordance with the accruals principle and valuation at initial cost method.

- Cash flows Statement for year ended on December, 31<sup>st</sup>, 2017 which is not required by the national legislation for such type of legal entities. When preparing Cash flows statement principles established by NAS 1 "General requirements to the financial statements" were applied. This statement is prepared on the cash method basis (receipts were recorded as at the date of their crediting to the bank accounts; expenditures were recorded as at the date when the funds were debited from the accounts);

- Notes to the Financial Statements.

Financial statements are presented in Ukrainian hryvnias, and all the amounts are rounded to thousands with one decimal point.

### 3. Correction of mistakes

In 2017 the Organization discovered mistakes made while preparing financial statements for year 2016. Correction of these mistakes in the current reporting period lead to adjusting the following lines of financial statements in accordance with the requirements of UAS 6 "Correction of mistakes and changes in financial statements":

- Item «Unappropriated income (uncovered loss)» of the Balance sheet as at 01.01.2017 – increased for 78,1 thousand UAH;
- Item «Long-term liabilities, special purpose financing and provisions» of the Balance sheet as at 01.01.2017 – reduced for 64,9 thousand UAH;
- Item «Deferred income» of the Balance sheet as at 01.01.2017 – reduced for 13,2 thousand UAH;
- Item «Other operating income» of the Profit and Loss Statement for 2016 – increased for 78,1 thousand UAH