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INDEPENDENT AUDITOR MGA LLC

INDEPENDENT AUDITOR'S REPORT

To the management
NGO «TRUTH HOUNDS»

Opinion

We have audited the separate Financial Statements of NGO «TRUTH HOUNDS», EDRPOU code 40792262 (the Organization), which comprise the Balance Sheet as at December 31, 2023 and the Statement of Financial Performance for 2023 (the Financial Statements), the presentation formats and scope of disclosures in which are established by the National Accounting Regulation (Standard) 25 "Simplified Financial Statements" (the NAR 25).

In our opinion, the accompanying financial statements of the organization are prepared, in all material respects, in accordance with the requirements of NAR 25 and comply with the requirements of the Law of Ukraine "On Accounting and Financial Reporting in Ukraine" No. 996-XIV dated July 16, 1999.

Basis for the 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 organization in accordance with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

The organization operates in the context of the military aggression of the Russian Federation against Ukraine, which is accompanied by the existence of factors that may affect its activities, as further development, duration and impact of the war cannot be predicted.

Drawing attention to the organization's letters disclosing the management's judgment regarding the impact of military aggression and its consequences on the organization's operations, the management stated that these events did not significantly affect the organization's operations and also stated that, in the management's assessment, there are no events or circumstances that may cast significant doubt on the organization's ability to continue as a going concern. Our opinion on this matter has not been modified.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of the financial statements in accordance with NAR 25 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 entity's ability to continue as a going concern, disclosing, where applicable, matters related to going concern and using the going concern basis of accounting unless the management either plans to liquidate the entity or 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 responsibility for the audit of 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 does not guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement, if any. 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.

In performing an audit in accordance with ISAs, we use professional judgment and professional skepticism throughout the audit engagement. In addition, we:

- 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 due to fraud is higher than for a misstatement due to error because fraud may involve collusion, forgery, intentional omissions, misstatements, or the override of internal controls;

- 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 entity'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 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 operate as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves compliance with the requirements of NAR 25.

We communicate with those charged with governance, 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 assurance that we have met the relevant ethical requirements for independence and disclose to them all relationships and other matters that could reasonably be expected to affect our independence and, where applicable, actions taken to address threats or appropriate safeguards.

Partner audit engagement, result
of which this Independent Auditor's Report is a part, are
Director of MGA LLC
(No. 4838 in the Register of Auditors and Entities
Audit Activities (Section II)) (Key Audit Partner,
Auditor's Certificate A005016, No. 101332 in the Register)



Ivanchenko Olga

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November 5, 2024

