

Statement of Cash Receipts and Disbursements
Charitable Organisation "Foundation of Olena Franchuk "ANTI AIDS"

*For the Period from Commencement until 31 December 2004
with Report of Independent Auditors*

Charitable Organisation “Foundation of Olena Franchuk “ANTIAIDS”

Statement of Cash Receipts and Disbursements
For the Period from Commencement until 31 December 2004

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Independent Auditors' Report

To the Founders of Charitable Organisation "Foundation of Olena Franchuk "ANTIAIDS"

We have audited the accompanying statement of cash receipts and disbursements of the Charitable Organisation "Foundation of Olena Franchuk "ANTIAIDS" ("Foundation") for the period from commencement until 31 December 2004. This statement is the responsibility of Foundation's management. Our responsibility is to express an opinion on the accompanying statement based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 2 to the accompanying financial statement, the Foundation's policy is to prepare the accompanying statement on the cash receipts and disbursements basis, which is a comprehensive basis of accounting and is not intended to be a presentation in conformity with International Financial Reporting Standards.

In our opinion, the accompanying statement presents fairly, in all material respects, the cash receipts collected and expenses paid by the Foundation during the period from commencement until 31 December 2004 in accordance with the cash receipts and disbursements basis as described in Note 2.



15 November 2005



Charitable Organisation "Foundation of Olena Franchuk "ANTI AIDS"
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(in US dollars)

	Notes	Cumulative from commencement to 31 December 2004,
CASH RECEIPTS COLLECTED:		
Receipts from individuals		61,880
Receipts from legal entities		631,351
Total collected	3	693,231
EXPENSES PAID:		
CATEGORY 1:		
Information and education campaigns on HIV/AIDS .		(240,378)
CATEGORY 2:		
Material aid to people with HIV/AIDS.		(21,129)
CATEGORY 3:		
Material aid to the Kyiv City orphanage "Berizka"		(307,820)
Administrative expenses		(48,911)
Total expenses		(618,238)
Translation difference		291
Cash remaining as at 31 December 2004		75,284

Signed and authorised for release on behalf of the Foundation on 15 September 2005:

Olga Rudneva



Director

Lilia Dzyadyk



Chief Accountant



Charitable Organisation “Foundation of Olena Franchuk “ANTIAIDS”

Noted to the Statement of Cash Receipts and Disbursements For the Period from Commencement until 31 December 2004

1. General Information

The Charitable Organisation “Foundation of Olena Franchuk “ANTIAIDS” (“the Foundation”) was founded by Mrs. Olena Franchuk, a Ukrainian citizen, in partnership with two other Ukrainian individuals in September 2003. The registered office is located at 42-44, Shovkovychna Street, Kyiv, Ukraine.

The Foundation’s goals are:

- to combat the HIV/AIDS epidemic in Ukraine;
- to reduce its escalation;
- to support people living with HIV/AIDS by improving their quality of life.

The Foundation’s projects implemented during 2003-2004 were mainly focused on the following directions:

- Informational and educational campaign;
- Support to HIV/AIDS infected people;
- International cooperation;

2. Summary of Significant Accounting Policies

Basis of presentation

The Foundation’s financial statement is prepared on the cash receipts and disbursements basis of accounting, and is not intended to be a presentation in conformity with International Financial Reporting Standards. On this basis donations and other cash collections are recognised when received, and expenses are recognised when paid rather than when incurred.

Foreign Currencies

The presentation currency for the purpose of this financial statement is the United States dollar (“US dollar”). Ukrainian entities, by law, are required to conduct business using the Ukrainian hryvnia. Accordingly, transactions included in the financial statement that were not already measured in US dollars (primarily Ukrainian hryvnias) have been remeasured into US dollars using the average exchange rate ruling during 2003-2004 (5.3260 hryvnias for one US dollar). The remaining cash balance as at the reporting date is translated into the presentation currency using the closing exchange rate at that date. The resulting translation difference is separately disclosed in this financial statement.

Charitable Organisation “Foundation of Olena Franchuk “ANTIAIDS”

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3. Cash Receipts Collected.

Cash receipts collected for the period from commencement until 31 December 2004 includes the following:

	<u>USD</u>
Donations received	454,907
Receipts from charitable concert	228,314
Founders’ contribution to the Charter Fund	<u>10,010</u>
	<u>693,231</u>