

Independent Auditors' Report

on the financial statements of

**Charity Foundation "Foodbank Rus" (until 1 November 2022 named as
Charity Foundation "Foodbank Rus")**

for 2021

Set out below is an unofficial translation of the independent auditors' report on the statutory financial statements of the Charity Foundation "Foodbank Rus" (until 1 November 2022 named as Charity Foundation "Foodbank Rus") as at and for the year ended 31 December 2021. The statutory financial statements to which the independent auditors' report relates have been prepared in accordance with the accounting and reporting regulations of the Russian Federation. Russian accounting and reporting regulations differ from accounting frameworks in other jurisdictions. Consequently, the accompanying statutory financial statements are not intended to present the statement of financial position, the statement of usage of special purpose funds, the statement of financial performance and the cash flow statement of the Charity Foundation "Foodbank Rus" in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than the Russian Federation.

JSC “Kept”

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Independent Auditors' Report

To the Management Board of Charity Foundation “Foodbank Rus” (until 1 November 2022 named as Charity Foundation “Foodbank Rus”)

Qualified Opinion

We have audited the financial statements of Charity Foundation “Foodbank Rus” (until 1 November 2022 named as Charity Foundation “Foodbank Rus”) (the “Foundation”), which comprise the balance sheet as at 31 December 2021, the statements of financial results, usage of special purpose funds and cash flows for the year then ended and explanatory notes to the balance sheet and the statement of usage of special purpose funds, which comprise the main provisions of the accounting policy and other explanatory information.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at 31 December 2021 and its financial performance and its cash flows for the year then ended in accordance with the Russian Accounting Standards (RAS).

Basis for Qualified Opinion

We were appointed as auditors of the Foundation after 31 December 2020, and thus we did not observe the counting of the physical inventories at the beginning of the reporting period. We also did not have the opportunity to receive the necessary confirmation on the amount of the inventories as at 31 December 2020 using alternative audit procedures. Since the opening balance of inventories is used to calculate the items of the statement of usage of special purpose funds, financial results and cash flows, we were unable to determine whether any adjustments were necessary to the relevant elements of the statements of financial results, usage of special purpose funds and cash flows for the year ended 31 December 2021.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Foundation in accordance with the independence requirements that are relevant to our audit of the financial statements in the Russian Federation and with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (*IESBA Code*), and we have fulfilled our other ethical responsibilities in accordance with the requirements in the Russian Federation and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Russian Accounting Standards, 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation’s financial reporting process.

Auditors’ Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 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 Foundation’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 Foundation’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ 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 auditors’ report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditors’ report is:

Rogacheva E.M.

Principal registration number of the entry in the Register of Auditors and Audit Organizations No. 21906099224, acts on behalf of the audit organization based on the power of attorney No. 401/22 dated 1 July 2022

JSC “Kept”

Principal registration number of the entry in the Register of Auditors and Audit Organizations No. 12006020351

Moscow, Russia

20 December 2022

Balance Sheet
As at 31 December 2021

Organisation	Charity Foundation "Foodbank Rus" (until 1 November 2022 named as Charity Foundation "Foodbank Rus")	OKUD Form	0710001		
Taxpayer identification number		Date (day, month, year)	31	12	2021
Line of business	Social services without providing accommodation to aged and disabled people	under OKPO	11628575		
Form of incorporation / form of ownership		TIN	7708240852		
		under OKVED 2	88.10		
		under OKOPF/OKFS	70401	50	
		under OKEI	384		

Charity foundation / **Property of charitable organizations**

Unit of measurement: '000 RUB

Location (address):

50 Bogdanova str., office I, Moscow, 119620

Financial statements are subject to statutory audit YES NO

Name of the audit company/last name, first name, patronymic (if any) of the individual auditor

Kept Joint-Stock Company

Taxpayer identification number of the audit company/individual auditor

TIN **7702019950**

Principal state registration number of the audit company/individual auditor

OGRN/
OGRNIP **1027700125628**

Notes	Item	Code	As at 31 December 2021	As at 31 December 2020	As at 31 December 2019
	ASSETS				
	I. NON-CURRENT ASSETS				
	Intangible assets	1110	2 295	990	990
	Research and development costs	1120	-	-	-
	Intangible exploration and evaluation assets	1130	-	-	-
	Tangible exploration and evaluation assets	1140	-	-	-
	Property, plant and equipment	1150	2 379	1 612	450
	Income-bearing investments in tangible assets	1160	-	-	-
	Financial investments	1170	10	10	-
	Deferred tax assets	1180	-	-	-
	Other non-current assets	1190	-	-	-
	Total for Section I	1100	4 684	2 612	1 440
	II. CURRENT ASSETS				
	Inventories	1210	87	109 862	4
	Input VAT	1220	-	-	-
	Accounts receivable	1230	68 815	7 933	1 632
	Financial investments (other than cash equivalents)	1240	-	-	-
	Cash and cash equivalents	1250	63 326	68 733	22 943
	Other current assets	1260	-	-	-
	Total for Section II	1200	132 228	186 528	24 579
	BALANCE	1600	136 912	189 140	26 019

Notes	Item	Code	As at 31 December 2021	As at 31 December 2020	As at 31 December 2019
	LIABILITIES				
	III. SPECIAL-PURPOSE FINANCING				
	Charter capital	1310	-	-	-
	Special purpose capital	1320	-	-	-
	Special-purpose funds	1350	130 624	181 657	23 239
	including: unused special purpose funds intended to support the goals of a non-profit organization	1351	130 624	181 657	23 239
	net profit (loss) from the entrepreneurial activity of a non-profit organization intended for financial support of the statutory activities	1352	-	-	-
	Real estate and valuable movable property funds	1360	4 581	2 509	1 346
	Reserves and other special-purpose funds	1370	-	-	-
	Total for Section III	1300	135 205	184 166	24 585
	IV. NON-CURRENT LIABILITIES				
	Loans and borrowings	1410	-	-	-
	Deferred tax liabilities	1420	-	-	-
	Provisions	1430	-	-	-
	Other liabilities	1450	-	-	-
	Total for Section IV	1400	-	-	-
	V. CURRENT LIABILITIES				
	Loans and borrowings	1510	-	2 145	-
	Accounts payable	1520	1 708	2 829	1 434
	Deferred income	1530	-	-	-
	Provisions	1540	-	-	-
	Other liabilities	1550	-	-	-
	Total for Section V	1500	1 708	4 974	1 434
	BALANCE	1700	136 913	189 140	26 019

President _____
(signature)

Nazarova Yulia Davidovna _____
(name)

20 December 2022

Statement of Usage of Special Purpose Funds

for January–December 2021

		OKUD Form	0710003		
		Date (year, month, day)	2021	12	31
Organization	Charity Foundation "Foodbank Rus" (until 1 November 2022 named as Charity Foundation "Foodbank Rus")	under OKPO	11628575		
Taxpayer identification number		TIN	7708240852		
Line of business	Social services without providing accommodation to aged and disabled people	under OKVED2	88.10		
Form of incorporation / form of ownership		under OKOPF/OKFS	70401	50	
Charity foundation	Property of charitable organizations	under OKEI	384		
Unit of measurement:	000 RUB				

Notes	Item	Code	For January – December 2021	For January – December 2020
	Balance of special purpose funds at the beginning of the year	6100	181 657	23 239
	Funds received			
	Admission fees	6210	-	-
	Membership fees	6215	-	-
	Special purpose contributions	6220	-	-
	Voluntary contributions and donations	6230	1 230 608	1 732 961
	Profit from commercial activities	6240	-	-
	Other	6250	6 017	1 342
	Total funds received	6200	1 236 625	1 734 303
	Funds used			
	Expenditure on special purpose programs	6310	(1,266,636)	(1 564 751)
	including:			
	social assistance and charity	6311	(1 265 413)	(1 564 512)
	conferences, meetings, seminars, etc.	6312	-	-
	other events	6313	(1 223)	(239)
	Administrative expenses	6320	(4 491)	(3 714)
	including:			
	salary expenses (including accruals)	6321	(4 133)	(3 573)
	payments other than salary	6322	-	-
	business trip expenses	6323	-	-
	maintenance of buildings, premises, transport and other property (other than repairs)	6324	(358)	(141)
	repairs of fixed assets and other property	6325	-	-
	other	6326	-	-
	Acquisition of fixed assets, inventory and other property	6330	(2 379)	(1 162)
	Other	6350	(14 153)	(6 258)
	Total funds used	6300	(1 287 659)	(1,575,885)
	Balance of special purpose funds at the end of the year	6400	130 623	181 657

President _____ Nazarova Yulia Davidovna
(signature) (name)

20 December 2022

Statement of Financial Results

for January–December 2021

		OKUD Form	Codes		
		Date (day, month, year)	0710002		
Organization	Charity Foundation "Foodbank Rus" (until 1 November 2022 named as Charity Foundation "Foodbank Rus")	under OKPO	31	12	2021
Taxpayer identification number		TIN	11628575		
Line of business	Social services without providing accommodation to aged and disabled people	under OKVED	7708240852		
Form of incorporation / form of ownership		under OKOPF/OKFS	88.10		
	Charity foundation	under OKEI	70401	50	
Unit of measurement:	'000 RUB		384		

Notes	Item	Code	For January – December 2021	For January – December 2020
	Revenue	2110	-	1
	Cost of sales	2120	-	-
	Gross profit (loss)	2100	-	1
	Commercial expenses	2210	-	-
	Administrative expenses	2220	-	-
	Profit (loss) from sales	2200	-	1
	Income from participation in other organizations	2310	-	-
	Interest income	2320	-	-
	Interest expense	2330	-	-
	Other income	2340	6 088	1 374
	Other expenses	2350	-	-
	Profit (loss) before income tax	2300	6 088	1 375
	Income tax	2410	-	-
	including current income tax	2411	-	-
	deferred income tax	2412	-	-
	Other	2460	(71)	(33)
	Net profit (loss)	2400	6 017	1 342

Notes	Item	Code	For January – December 2021	For January – December 2020
	Revaluation of non-current assets not included in net profit (loss) for the period	2510	-	-
	Result of other transactions not included in net profit (loss) for the period	2520	-	-
	Comprehensive financial result for the period	2500	6 017	1 342
	FOR REFERENCE			
	Basic earnings (loss) per share	2900	-	-
	Diluted earnings (loss) per share	2910	-	-

President _____
(signature)

Nazarova Yulia Davidovna

(name)

20 December 2022

Statement of Cash Flows

for January–December 2021

	OKUD Form	Codes	
Date (day, month, year)		0710005	
Organization	under OKPO	31	12
Taxpayer identification number	TIN	2021	
Line of business	under OKVED	11628575	
Form of incorporation / form of ownership	under OKOPF/OKFS	7708240852	
Unit of measurement: '000 RUB	under OKEI	88.10	
Charity foundation	under OKOPF/OKFS	70401	50
Property of charitable organizations		384	

Item	Code	For January–December 2021	For January–December 2020
Cash flows from operating activities			
Cash receipts – total	4110	130 474	158 772
including:			
from sale of products, goods, works, and services	4111	-	1
from lease payments, license payments, royalties, fees and other similar payments	4112	-	-
from resale of financial investments	4113	-	-
other receipts	4119	130 474	158 771
Cash payments – total	4120	(133 809)	(113 965)
including:			
to suppliers (contractors) for goods, works, services	4121	(81 474)	(82 204)
wages and salaries to employees	4122	(44 150)	(30 800)
interest on loans and borrowings	4123	-	-
income tax	4124	(67)	(33)
other payments	4129	(8 118)	(928)
Net cash flow from operating activities	4100	(3 335)	44 807
Cash flows from investing activities			
Cash receipts – total	4210	-	-
including:			
from sale of non-current assets (except for financial investments)	4211	-	-
from sale of shares in other entities	4212	-	-
from repayment of loans given, from sale of debt securities (monetary claims)	4213	-	-
dividends, interest on debt financial investments and similar proceeds from equity participation in other organizations	4214	-	-
Other receipts	4219	-	-
Cash payments – total	4220	(2 072)	(1 162)
including:			
acquisition, construction, modernization of non-current assets and bringing them to a working condition	4221	(2 072)	(1 162)
acquisition of shares in other entities	4222	-	-
acquisition of debt securities (monetary claims), loans given to other entities	4223	-	-
interest included in the cost of a qualifying asset	4224	-	-
other payments	4229	-	-
Net cash flow from investing activities	4200	(2 072)	(1 162)

Item	Code	For January–December 2021	For January–December 2020
Cash flows from financing activities			
Cash receipts – total	4310	-	2 145
including:			
proceeds from borrowings	4311	-	2 145
owner (shareholder) monetary contributions	4312	-	-
proceeds from issuing shares, increase in equity interests	4313	-	-
proceeds from issuing bonds, notes and other debt securities, etc.	4314	-	-
other proceeds	4319	-	-
Cash payments – total	4320	-	-
including:			
to owners (shareholders) to redeem the treasury shares (equity interests) or due to cessation of membership	4321	-	-
dividends and other profit distribution payments to owners (shareholders)	4322	-	-
repayment of loan and borrowings, redemption of notes, bonds and other debt securities	4323	-	-
other payments	4329	-	-
Net cash flow from financing activities	4300	-	2 145
Net cash flow for the reporting period	4400	(5 407)	45 790
Cash and cash equivalents at the beginning of the reporting period	4450	68 733	22 943
period	4500	63 326	68 733
Effect of exchange rate fluctuations (foreign currencies to RUB)	4490	-	-

President _____
(signature)

Nazarova Yulia Davidovna
(name)

20 December 2022

**EXPLANATORY NOTES
TO THE FINANCIAL STATEMENTS OF
CHARITY FOUNDATION “FOODBANK RUS”
(until 1 November 2022 named as CHARITY FOUNDATION “FOODBANK RUS”)
FOR 2021**

1. GENERAL PROVISIONS

Charity Foundation “Foodbank Rus” (until 1 November 2022 named as Charity Foundation “Foodbank Rus”) (hereinafter referred to as the Foundation) was registered in the Unified State Register of Legal Entities by the Moscow Tax Inspectorate under No. 1127799022658 on 25 October 2012, Certificate series 77 No. 014327910.

Form of incorporation / form of ownership of the Foundation: Charity foundation / Property of charitable organizations.

Location (legal and postal address) of the Foundation: 50 Bogdanova str., office I, Moscow, 119620

The main activity of the Foundation is charity. Entrepreneurial activity is conducted in very small amounts in accordance with the Charter.

In 2021 the Foundation carried out two main charitable activities:

- 1) *Collection and distribution on a charitable basis of food, personal care products, household chemicals and other necessary goods to socially unprotected categories of population.*

Major donors of stock are Wimm-Bill-Dann JSC, Mondelis Rus LLC, Mars LLC, Unilever RUS LLC, Coca-Cola HBC Eurasia, Kellog Rus LLC, PepsiCo Holdings LLC, Perekrestok TD JSC, Procter and Gamble LLC, Frito Lay LLC, PPC Heinz, Campina LLC, Jacobs Rus LLC, Bonduelle-Kuban LLC, Kraft Heinz Vostok LLC, Nestle-Russia LLC, Haribo Sweets LLC, ORIMI Trade LLC, OTCPharm JSC, PRIMESTAR Restaurants Group LLC, AVON BEAUTY PRODUCTS COMPANY LLC, Danone Trade LLC, KHLEBPROM OJSC, INNOVATIONNYE RESHENIYA LLC.

The Foundation distributes material donations to beneficiaries using its own resources, and also distributes donations through non-profit organizations in 59 regions of Russia that have successfully passed the due diligence procedure, including social services and parishes of the Russian Orthodox Church.

The activity is carried out on a regular basis under Donation Agreements concluded with donors and beneficiaries (non-profit organizations).

- 2) *Purchase, packing and distribution of food products (“packing meals”).*

“Packing Meal” is a project of the Foundation and the project objective is constant providing food sets, consisting of high-quality natural products, to socially vulnerable groups of population. In the framework of the project, the Foundation purchases foodstuffs and delivers them to warehouses, where volunteers pack the sets of products.

The project started in 2013 in Moscow on the territory of Marfo-Mariinskaya Obitel’ Miloserdniya. Originally, a “Packing Meal” set consisted of: 4 kinds of cereals, 1 bottle of sunflower oil and 1 pack of pasta. Since 2020, due to the epidemiological situation, the format of the project has changed. Now the sets contain products in production sealed packages without products packaged from bags. Also, the composition of the set has expanded, the set now consists of 4 kinds of cereals, 1 pack of pasta, 1 bottle of oil, 2 kg of flour, 3 cans of canned food, 1 pack of dried fruits.

The “Packing Meals” formed by volunteers are donated to the program recipients through the NPO partner network or by own offices of the Foundation.

In the 2021 reporting period the project was implemented in 27 regions of the Russian Federation.

In 2021 and 2020 the Foundation also collected and distributed money to charity foundations on a charitable basis.

In 2021 the average annual number of employees of the Foundation was 56 (2020: 26 people).

Members of executive and controlling bodies of the Foundation

The supreme managing body of the Foundation is the Managing Board.

Members of the Managing Board of the Foundation as at 31 December 2021:

Malofeev Kirill Konstantinovich

Romanov Georgy Mikhailovich

Nazarova Yulia Davidovna

Rudov Sergey Yurievich

As at 31 December 2021 the President of the Foundation is Yulia Davidovna Nazarova. The President is the sole executive body of the Foundation.

The body overseeing the activities of the Foundation is the Board of Trustees of the Foundation.

Members of the Board of Trustees of the Foundation as at 31 December 2021:

- Bruce Lerner
- Waydaraman Jayaraman
- Stefan Ducharm
- Kirill Rogachevskiy

2. SIGNIFICANT ACCOUNTING POLICIES

The Foundation has complied with the following regulations for the purpose of its accounting and financial reporting: Federal Law No. 402-FZ *On Accounting* of 6 December 2011, Federal Law No. 135-FZ *On Charitable Activities and Charitable Organizations* of 11 August 1995, *Regulations on Accounting and Financial Reporting in the Russian Federation* approved by Order of the Russian Ministry of Finance No. 34n of 29 July 1998, the Information of the Russian Ministry of Finance *On Special Aspects of Financial Reporting for Non-Profit Organizations* (PZ-1/2011), and other applicable accounting regulations.

The Foundation's financial statements are prepared in accordance with Russian accounting and financial reporting principles.

Accounting and preparation of financial statements is performed by the Chief Accountant of the Foundation. Financial statements are approved by the President of the Foundation (or acting President based on the power of attorney).

All financial information is presented in thousands of Russian rubles (RUB).

2.1 Intangible assets

Intangible assets are accounted for by the Foundation in accordance with the Accounting Regulations *Accounting for Intangible Assets* (PBU 14/2007 approved by Order of the Russian Ministry of Finance No. 153n of 27 December 2007).

2.1.1 Definition of an inventory item accounted for in intangible assets

An accounting unit for intangible assets is an inventory item. The accounting unit for intangible assets is the aggregate of rights arising out of a patent, license or agreement on the alienation of an exclusive right to intellectual property or a brand intended for the performance of specific independent functions.

2.1.2 Measurement of intangible assets when booking to accounts

Intangible assets are booked to accounts at the actual (historical) cost as determined on the date of recognizing the above for accounting purposes.

2.2 Property, plant and equipment

Items of property, plant and equipment are accounted for in accordance with the Accounting Regulations *Accounting for Property, Plant and Equipment* (PBU 6/01 approved by Order of the Russian Ministry of Finance No. 26n of 30 March 2001) and *Methodological Guidelines on Accounting for Property, Plant and Equipment* approved by Order of the Russian Ministry of Finance No. 91n of 13 October 2003.

2.2.1 Determination of a maximum value of property, plant and equipment included in inventories

The limit on the value of property, plant and equipment accounted for in inventories is RUB 40 thousand.

2.2.2 Definition of an inventory item

An accounting unit for property, plant and equipment is an inventory item. An inventory item of property, plant and equipment is defined as an item with all its fixtures and fittings.

2.2.3 Measurement of property, plant and equipment when booking to accounts

Items of property, plant and equipment are recognized in accounting at their historical cost.

2.2.4 Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a monthly basis using the straight-line method with depreciation charged to off-balance-sheet account 010 'Depreciation of property, plant and equipment' based on the established useful lives.

2.3 Inventories

Until 1 January 2021 inventories were accounted for in accordance with the Accounting Regulations *Accounting for Inventories* (PBU 05/01 approved by Order of the Russian Ministry of Finance No. 44n of 9 June 2001 and *Methodological Guidelines on Accounting for Inventories* approved by Order of the Russian Ministry of Finance No. 119n of 28 December 2001).

2.4 Special-purpose funds

Special-purpose funds are accounted for separately by each source of donation (a contract or a supplementary agreement thereto).

The Foundation has an organized budgeting system. Forecasts are prepared and approved on a monthly and yearly basis for donations received under donation contracts for the purpose of maintaining charter activities of the Foundation, including salary payments to employees of the Foundation.

Other special purpose donations from individuals and legal entities received during the reporting period are spent strictly in accordance with the purposes specified in the donation contract or public offer. Those donations are accounted for separately for each contract (offer).

An accounting unit for donations in kind (stock) is a batch. An accounting unit for the "packing meal" products is a homogeneous group.

Donations in kind (stock) are recognized in accounting at the value determined by the donor in products acceptance certificates or at the value determined based on current market prices.

Donations in kind (stock) are valued by the Foundation based on current market prices when the value of donations received in kind (stock) is not specified by the donors in products acceptance certificates.

Cash donations and donations in kind (stock) are accounted for in line 6230 “Voluntary contributions and donations” of the Statement of Usage of Special Purpose Funds.

To ensure compliance with the requirements of Article 16 of Federal Law No. 135-FZ of 11 August 1995 *On Charitable Activity and Charitable Organizations*, the Foundation may spend no more than 20% of funds used during a financial year to effect salary payments to its administrative and management personnel. This restriction does not apply to remuneration of personnel involved in implementation of charity programs. This legal requirement was met by the Foundation in the reporting period.

If a donor or a charity program does not specify otherwise, not less than 80% of charity donations in cash form must be used for charity purposes within a year after receipt of the charity donation. Charity donations in kind (stock) are used for charity purposes within one year from the date of receipt, unless otherwise stipulated by a donor or a charity program (budget). This legal requirement was met by the Foundation in the reporting period.

3 CHANGES TO ACCOUNTING POLICIES

In 2021 changes to the Accounting Policy of the Foundation were made in connection with the mandatory application of new standards from 2022: Federal Accounting Standards FSBU 25/2018 *Accounting for Leases*, FSBU 6/2020 *Property, Plant and Equipment*, FSBU 26/2020 *Capital Investments*, FSBU 27/2021 *Documents and Workflow in Accounting*. Order No. 4-UP of 27 December 2021 on changes to the Accounting Policy of the Foundation.

4 DISCLOSURES RELATED TO SPECIFIC INDICATORS OF THE FINANCIAL STATEMENTS FOR 2021

4.1 Intangible assets

Intangible assets in the amount of RUB 2,295 thousand as at 31 December 2021 (31 December 2020: RUB 990 thousand) are represented by the development costs for websites www.foodbankrus.ru and www.obedibednym.ru www.продуктыпомощьмаме.ру, trademarks and: Videos “Heroes of the Food Front Foodbank Rus”, animated video “Food Card”.

4.2 Property, plant and equipment

Property, plant and equipment in the amount of RUB 2,379 thousand as at 31 December 2021 (31 December 2020: RUB 1,612 thousand) consist of office equipment (server devices, laptops and other) of more than RUB 40 thousand.

4.3 Inventories

The Foundation rents warehouses for storage and distribution of stocks in the form of donations in kind. Donations in kind (stock) are immediately distributed to beneficiaries or other non-profit organizations upon their receipt from donors.

4.4 Accounts receivable

Accounts receivable (line item 1230) include the following:

(RUB'000)

Item	31 December 2021	31 December 2020
Receivables under donation contracts	56,749	3,750
Settlements on advances issued	6,427	2,381
Receivables under cash donations issued	5,393	-
Other receivables	246	1,802
<i>Receivables from the Social Insurance Fund on sick leaves</i>	-	831
<i>Receivables on settlements with personnel (advance reports)</i>	-	565
<i>Other receivables</i>	246	406
Total	68,815	7,933

In accordance with contractual terms, receivables under donation contracts in the amount of RUB 56,749 thousand outstanding as at 31 December 2021 were repaid by the donors during 2022.

4.5 Cash

Cash and cash equivalents in the amount of RUB 63,326 thousand as at 31 December 2021 (31 December 2020: RUB 68,733 thousand) are represented by cash in current bank accounts: RUB 807 thousand as at 31 December 2021 (31 December 2020: RUB 1,504 thousand) at VTB bank; RUB 480 thousand as at 31 December 2021 (31 December 2020: RUB 1,058 thousand) at SBERBANK; RUB 31 thousand as at 31 December 2021 (31 December 2020: RUB 34 thousand) at ALFA Bank; RUB 8 thousand as at 31 December 2021 (31 December 2020: RUB 136 thousand) at CHELYABINSK Investment Bank PJSC; and by deposit bank accounts at VTB bank in the amount of RUB 62,000 thousand as at 31 December 2021 (31 December 2020: RUB 66,000 thousand).

Deposits recorded as at 31 December 2021 are short-term deposits and are included in cash equivalents based on the following terms:

Deposit Contract No. 117 dated 30 December 2021 for placement of RUB 4,000 thousand at 5.91% rate for 11 days;

Deposit Contract No. 114 dated 27 December 2021 for placement of RUB 15,000 thousand at 6.9% rate for 14 days;

Deposit Contract No. 98 dated 1 December 2021 for placement of RUB 30,000 thousand at 6.93% rate for 90 days;

Deposit Contract No. 104 dated 7 December 2021 for placement of RUB 13,000 thousand at 6.8% rate for 39 days.

In 2021 the total amount of interest accrued on short-term bank deposits is RUB 3,161 thousand (2020: RUB 1,374 thousand).

In 2021 interest on cash balance in the settlement account held at CHELYABINSK Investment Bank PJSC was RUB 163 (2020: RUB 68).

4.6 Accounts payable

Accounts payable (line item 1520) include the following:

(RUB'000)

Item	31 December 2021	31 December 2020
Payables to suppliers and contractors	1,334	1,081
Other payables:	374	1,748
<i>Payables for a wrongly transferred donation</i>	-	1,100
<i>Taxes and duties payable</i>	210	512
<i>Other payables</i>	164	136
Total	1,708	2,829

Accounts payable to suppliers and contractors in the amount of RUB 1,334 thousand as at 31 December 2021 (31 December 2020: RUB 1,081 thousand) are mainly represented by payables to logistics companies for services of delivery of donations in kind (stock) to non-profit organizations engaged in distribution of such donations.

4.7 Disclosure of items of the Statement of Cash Flows

4.7.1. Other receipts (line item 4119)

(RUB'000)

Receipt type	for 2021	for 2020
Cash donations	126,386	156,097
Interest received	3,024	1,268
Wrongly transferred donation	-	1,100
Other receipts, including:	1,064	306
<i>Repaid receivables from the Social Insurance Fund on sick leaves</i>	831	-
<i>Other</i>	233	306
Total	130,474	158,771

4.7.2. Receipts from loans and borrowings

On 24 July 2020 the Foundation and VTB PJSC concluded Loan Agreement No. NL/002020-004837 for the amount of RUB 2,145 thousand within the framework of the state support program for socially oriented non-profit organizations (SONPOs). During the pandemic, the State (the Ministry of Economic Development) proposed a program to support the activities of SONPOs. This program is intended to provide preferential loans with special repayment terms.

Payables under the loan, including interest, are written off in full if:

- as of the date of receipt of the loan until 1 March 2021 the number of employees at the end of each month will be at least 90% of the staff;
- the bankruptcy procedure has not been initiated, the organization has not ceased its activities;
- the average salary of one employee during the observation period was not lower than the minimum wages;

The Foundation has fulfilled all the conditions of the SONPO state support program in 2021. Payables under the loan, including interest, were written off to other income in full.

4.7.3. Payments to suppliers (contractors) for goods, works and services

Payments to suppliers (contractors) for goods, materials, works and services recorded in line item 4121 of the Statement of Cash Flows in the amount of RUB 81,474 thousand for 2021 (2020: RUB 82,204 thousand) include payments to logistics companies for services of delivery of donations in kind (stock) to non-for-profit organizations engaged in distribution of such donations, payments to suppliers for

purchase of products within the “Packing Meals” program, holding food “Marathons”, “Products in the Outback” activities and other payments to suppliers.

(RUB'000)

Payment type	2021	2020
Payments to suppliers for purchase of materials and ingredients required for the “Packing Meals”, “Marathons”, “Food Card” programs	(54,465)	(65,957)
Payments to logistics companies for delivery of donations in kind to non-profit organizations (stock delivery)	(10,397)	(5,906)
Other payments to suppliers, including:	(16,612)	(10,341)
<i>Purchase of PPE, IA, licenses</i>	(2,493)	(2,533)
<i>Lease and utility payments for warehouse premises</i>	(3,973)	(2,449)
<i>Payments to suppliers for equipment and repair of warehouse premises</i>	(5,710)	(143)
<i>Other payments to suppliers</i>	(4,436)	(5,216)
Total	(81,474)	(82,204)

4.7.4. Payments related to wages and salaries

Payments related to wages and salaries to employees presented in line item 4122 of the Statement of Cash Flows include the following payments:

(RUB'000)

Payment type	2021	2020
Remuneration of executors of the charity programs	(39,565)	(27,227)
Remuneration of administrative personnel	(4,585)	(3,573)
Total	(44,150)	(30,800)

4.7.5. Other payments

Other payments presented in line item 4129 of the Statement of Cash Flows include the following payments:

(RUB'000)

Payment type	2021	2020
Cash donations to charitable organizations	(5,449)	(148)
Business trip expenses	(1,388)	(216)
Bank commission fees	(181)	(106)
Return of unused donation	-	(417)
Return of wrongly transferred donation	(1,100)	-
Other payments	-	(41)
Total	(8,118)	(928)

4.8 Breakdown of specific items of the Statement of Usage of Special Purpose Funds

4.8.1 Voluntary contributions and donations, other receipts

Amounts presented in line item 6230 “Voluntary contributions and donations” of the Statement of Usage of Special Purpose Funds include donations received in cash and donations received in kind (stock). Donations in kind (stock) are recognized in accounting at the value determined by a donor in products acceptance certificates, or at the value determined based on current market prices.

Donations in kind (stock) are valued by the Foundation based on current market prices when the value of donations received in kind (stock) is not specified by the donors in products acceptance certificates.

Line item 6200 “Total funds received” of the Statement of Usage of Special Purpose Funds includes the following donations:

(RUB'000)

Donation type	2021	2020
Donations in kind (stock) valued by donors and specified in products acceptance certificates	1,021,689	1,558,658
Donations in kind (stock) valued by the Foundation based on current market prices (retail prices)	30,199	15,193
Cash donations	125,721	155,763
Increase/(decrease) in receivables under donation contracts	52,999	3,347
Other receipts, including:	6,017	1,342
<i>Bank interest under deposit agreements</i>	<i>3,090</i>	<i>1,342</i>
<i>Loan income under Agreement No. NL/002020</i>	<i>2,145</i>	-
<i>Employment support subsidy</i>	<i>665</i>	-
<i>Other</i>	<i>117</i>	-
Total	1,236,625	1,734,303

4.8.2 Expenditure on special purpose programs

Expenditure on special purpose programs is represented by cost of donations in kind (stock) distributed to non-for-profit organizations and expenses incurred under charity programs.

Line item 6300 “Total funds used” of the Statement of Usage of Special Purpose Funds includes the following expenses:

(RUB'000)

Type of expense	2021	2020
Donations in kind (stock) valued by donors and specified in products acceptance certificates	1,130,223	1,448,797
Donations in kind (stock) valued by the Foundation based on current market prices (retail prices)	30,199	15,193
Salary expenses	43,863	30,813
Purchase of products, materials and ingredients required for the “Packing Meals”, “Marathons”, “Product Card” programs	53,391	65,007
Expenses on logistics services for delivery of donations in kind to non-profit organizations (stock delivery)	4,692	4,216
Expenses on logistics services for delivery of donations to non-profit organizations (under the “Packing Meals”, “Marathons” and other programs)	4,496	1,863
Lease and utility expenses	4,006	2,062
Expenses on purchase of PPE, IA, materials and equipment	8,836	2,452
Expenses on purchase of advertising materials and equipment; operation of websites	2,297	1,566
Other expenses	5,655	3,916
Total	1,287,658	1,575,885

Other expenses include expenses for development of the Foundation's communication strategy, office maintenance, courier services, banking services, etc.

4.8.3 Related parties

In November 2020, the Foundation established Chelyabinsk Charity Foundation “Foodbank Rus” (the “CCF”), Primary State Registration No. (OGRN) 1207400041639, TIN 7447297650. The Foundation did not transfer monetary or material donations to the CCF in 2020. In 2021 the CCF received RUB 700 thousand under a donation agreement to conduct charter activities. In 2021 the Foundation transferred material donations to the CCF in the amount of RUB 3,699 thousand.

4.8.4 Subsequent events

Since February 2022, after the recognition of the self-proclaimed Donetsk and Lugansk People’s Republics and the start of a special military operation in Ukraine by the Russian Federation, the United States, the European Union and some other countries have imposed additional tough sanctions against the Government of the Russian Federation, as well as large financial institutions, legal entities and individuals in Russia. In addition, restrictions were imposed on the supply of various goods and services to Russian enterprises. Also, in the context of the imposed sanctions, a number of large international companies from the United States, the European Union and some other countries discontinued, significantly reduced or suspended their own activities in the Russian Federation, as well as doing business with Russian citizens and legal entities. Moreover, there is a risk of imposition of further sanctions and similar forms of pressure. In response to the above pressure, the Government of the Russian Federation has introduced a set of measures, which are counter-sanctions, currency control measures, a number of key interest rate decisions and other special economic measures to ensure the security and maintain the stability of the Russian economy.

The imposition and subsequent strengthening of sanctions resulted in elevated economic uncertainty, including reduced liquidity and higher volatility in the capital markets, volatility of the Ruble exchange rate and the key interest rate, a decrease in foreign and domestic direct investments, difficulties in making payments to Russian Eurobond issuers, and also a significant reduction in the availability of sources of debt financing.

It is difficult to assess consequences of the imposed and possible additional sanctions in the long term, however, sanctions may have a significant negative impact on the Russian economy.

As at the date of the financial statements, given the purpose and nature of the activities of the Foundation and its Donors, Management believes that the sanctions imposed in connection with the special military operation in Ukraine do not have a material negative impact on the activities of the Foundation. The imposed sanctions do not directly affect the inflow of donations in kind and in cash, since the Foundation receives donations from Russian individuals and legal entities, but they may have an indirect impact caused by the deterioration of the general economic situation in the Russian Federation.

During the first 11 months of 2022 the Foundation received cash under concluded donation contracts to finance the charter activities, including for the operation of the Foundation, in the amount of RUB 163,383 thousand.

Accounts receivable in the amount of RUB 56,749 thousand were settled by donors in 2022.

In accordance with Minutes No. 41 of the Meeting of the Managing Board of the Charity Foundation “Foodbank Rus” of 13 September 2022, it was decided to rename the Foundation to Charity Foundation “Foodbank Rus”. According to an extract from the Unified State Register of Legal Entities, Charity Foundation “Foodbank Rus” is included in the Register as of 1 November 2022.

President of the Foundation _____ Yulia Davidovna Nazarova

20 December 2022