



Independent Auditors' Report

on the Financial Statements of the Charity foundation «Foodbank Rus» for the 2019 reporting year

Set out below is an unofficial translation of the independent auditors' report on the statutory financial statements of the Charity foundation "Foodbank Rus" as at and for the year ended 31 December 2019. 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 financial position, financial performance and cash flows of the Charity foundation "Foodbank Rus" in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than the Russian Federation.



Independent Auditors' Report

To the Members of the Managing Board of Charity foundation "Foodbank Rus"

Opinion

We have audited the financial statements of the Charity foundation "Foodbank Rus" (the "Foundation"), which comprise the balance sheet as at 31 December 2019, the statements of financial results, usage of special purpose funds and cash flows for the year then ended and explanatory notes to the financial statement and statement of usage of special purpose funds.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at 31 December 2019 and its financial performance and its cash flows for the year then ended in accordance with the Russian Accounting Standards (RAS).

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 *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 opinion.

Audited entity: Charity foundation "Foodbank Rus"
Registration No. in the Unified State Register of Legal Entities
1127799022658.
Moscow, Russia.

Independent auditor: JSC "KPMG", a company incorporated under the Laws of the Russian Federation and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Registered in the Unified State Register of Legal Entities under No. 1027700125628.

Member of the Self-Regulatory Organization of Auditors Association "Sodruzhestvo" (SRO AAS). Principal Registration No. of the Entry in the Register of Auditors and Audit Organizations: №12006020351.



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 RAS, 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.



Charity foundation "Foodbank Rus"

Independent Auditors' Report

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- 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.

JSC "KPMG"

Moscow, Russia

19 November 2020

Appendix No.1 to the Order of the Ministry of Finance of the Russian Federation of 07 February 2010 No.66n (as amended by the Order of the Ministry of Finance of 05 October 2011 No.124n, of 06 April 2015 No. 57n, of 06 March 2018 No.41n, of 19 April 2019 No. 61n.

Balance Sheet
As at 31 December 2019

		OKUD form	0710001		
Date (date, month, year)		31	12	2019	
Organisation	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 OKVED	88.10		
Form of incorporation / form of ownership		under OKPOPF / OKFS	70401	50	
Foundation	/ Charity organization		384		
Unit of measurement:	'000 RUB	under OKEI			
Location (Address)	1rd Yamskogo Polya str., 15, bld.2, office 214B, Moscow, Russia				

Taxpayer identification number of the audit company/individual auditor TIN 7702019950

Principal state registration number of audit organization/individual auditor OGRN/OGRNIP 1027700125628

Notes	Item	Code	As at 31 December 2019	As at 31 December 2018	As at 31 December 2017
	ASSETS				
	I. NON-CURRENT ASSETS				
4.1	Intangible assets	1110	990	990	964
	Research and development costs	1120	-	-	-
	Intangible exploration and evaluation assets	1130	-	-	-
	Tangible exploration and evaluation assets	1140	-	-	-
4.2	Property, plant and equipment	1150	450	255	255
	Income - bearing investments in tangible assets	1160	-	-	-
	Financial investments	1170	-	-	-
	Deferred tax assets	1180	-	-	-
	Other non-current assets	1190	-	-	-
	Total for section I	1100	1 440	1 245	1 219
	II. CURRENT ASSETS				
4.3	Inventories	1210	4	4	-
	Value-added tax on acquired assets	1220	-	-	-
4.4	Receivables	1230	1 632	3 794	8 227
	Financial investments (excluding cash equivalents)	1240	-	-	-
4.5	Cash and cash equivalents	1250	22 943	20 331	26 695
	Other current assets	1260	-	-	-
	Total for section II	1200	24 579	24 129	34 922
	BALANCE	1600	26 019	25 374	36 141

Notes	Item	Code	As at 31 December 2019	As at 31 December 2018	As at 31 December 2017
	FUNDS AND LIABILITIES				
	III. SPECIAL-PURPOSE FINANCING				
	Charter capital	1310	-	-	-
	Special purpose capital	1320	-	-	-
	Special purpose funds	1350	23 239	22 498	32 531
	Real estate and valuable movable property funds	1360	1 346	1 152	1 152
	Reserves and other special purpose funds	1370	-	-	-
	Total for section III	1300	24 585	23 650	33 683
	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	-	-	-
4.6	Payables	1520	1 434	1 724	2 458
	Deferred income	1530	-	-	-
	Provisions	1540	-	-	-
	Other liabilities	1550	-	-	-
	Total for section V	1500	1 434	1 724	2 458
	BALANCE	1700	26 019	25 374	36 141

President _____
(signature)

Nazarova Yulia Davidovna

(name)

18 November 2020

Appendix No.1 to the Order of the Ministry of Finance of the Russian Federation of 07 February 2010 No.66n (as amended by the Order of the Ministry of Finance of 05 October 2011 No.124n, of 06 April 2015 No. 57n, of 06 March 2018 No.41n, of 19 April 2019 No. 61n.

Statement of Financial Results
for 2019

		OKUD form	Codes		
		Date (date, month, year)	0710002		
Organisation	Charity foundation «Foodbank Rus»	under OKPO	31	12	2019
Taxpayer identification number		TIN	11628575		
Line of business	Social services without providing accomodation to aged and disabled people	under OKVED	7708240852		
Form of incorporation/form of ownership			88.10		
		under OKOPF / OKFS	70401	50	
Foundation	/ Charity organization				
Unit of measurement:	'000 RUB	under OKEI	384		

Notes	Item	Code	For January - December 2019	For January - December 2018
	Revenue	2110	7	3
	Cost of sales	2120	(-)	(-)
	Gross profit (loss)	2100	7	3
	Commercial expenses	2210	(-)	(-)
	Administrative expenses	2220	(-)	(-)
	Profit (loss) from sales	2200	7	3
	Income from participation in other organizations	2310	-	-
	Interest income	2320	884	615
	Interest expense	2330	(-)	(-)
	Other income	2340	-	4
	Other expenses	2350	(-)	(1)
	Profit (loss) before income tax	2300	891	621
	Income tax	2410	-	-
	Current income tax	2411	(-)	(-)
	Deferred income tax	2412	-	-
	Other	2460	(26)	(21)
	Net profit (loss)	2400	865	600

Notes	Item	Code	For January - December 2019	For January - December 2018
	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	-	-
	Income tax of transactions which result is not included in net profit (loss) for the period	2530	-	-
	Comprehensive financial result for the period	2500	865	600
	FOR REFERENCE			
	Basic earnings (loss) per share	2900	-	-
	Diluted earnings (loss) per share	2910	-	-

President _____
(signature)

Nazarova Yulia Davidovna
(name)

18 November 2020

**Statement of usage of special purpose funds
for 2019**

Organization	<u>Charity foundation «Foodbank Rus»</u>	OKUD Form	Codes		
Taxpayer identification number		Date (date, month, year)	31	12	2019
Line of business	<u>Social services without providing accommodation to aged and disabled people</u>	under OKPO	11628575		
Form of incorporation/form of ownership		TIN	7708240852		
		under OKVED	88.10		
		under OKOPF/OKFS	70401	50	
Foundation	/ Charity organization	under OKEI	384		
Unit of measurement:	'000 RUB				

Item	Code	For January - December 2019	For January - December 2018
Balance of special purpose funds at the beginning of the year	6100	22 498	32 531
Funds received			
Admission fees	6210	-	-
Membership fees	6215	-	-
Special purpose contributions	6220	-	-
Voluntary contributions and donations	6230	1 246 362	1 003 385
Profit from commercial activities	6240	-	-
Other	6250	865	599
Total funds received	6200	1 247 227	1 003 984
Funds used			
Expenditure on special purpose programmes	6310	(1 242 388)	(1 008 360)
including:			
social assistance and charity	6311	(1 242 260)	(1 007 637)
conferences, meetings, seminars, etc.	6312	-	-
other events	6313	(128)	(723)
Administrative expenses	6320	(2 161)	(3 655)
including:			
salary expenses (including accruals)	6321	(2 051)	(3 132)
non-salary payments	6322	-	-
business trip expenses	6323	-	-
maintenance of buildings, premises, transport and other property (except for repairs)		(110)	(523)
fixed assets and other property repairs	6325	-	-
other	6324 6326	-	-
Acquisition of fixed assets, inventory and other property	6330	(896)	(325)
Other	6350	(1 041)	(1 677)
Total funds used	6300	(1 246 486)	(1 014 017)
Balance of special purpose funds at the end of the year	6400	23 239	22 498

President _____
(signature)

Nazarova Yulia Davidovna
(name)

18 November 2020

Statement of cash flows
for 2019

Organisation **Charity foundation «Foodbank Rus»**
 Taxpayer identification number _____
 Line of business **Social services without providing accommodation to aged and disabled people**
 Form of incorporation/form of ownership _____
Foundation / **Charity organization**
 Unit of measurement: '000 RUB

Codes		
0710005		
Date (date, month, year)	31	12
	2019	
under OKPO	11628575	
TIN	7708240852	
under OKVED	88.10	
under OKOPF / OKFS	70401	50
under OKEI	384	

Item	Code	For 2019	For 2018
Cash flows from operating activities			
Cash receipts – total	4110	51 605	61 578
including:			
from sale of products, goods, works and services	4111	7	3
lease payments, license payments, commissions and other similar payments	4112	-	-
resale of financial investments	4113	-	-
other receipts	4119	51 598	61 575
Cash payments – total	4120	(48 993)	(67 942)
including:			
to suppliers (contractors) for goods, works and services	4121	(30 912)	(43 028)
wages and salaries to employees	4122	(17 291)	(21 568)
interest on loans and borrowings	4123	(-)	(-)
income tax	4124	(28)	(27)
other payments	4129	(762)	(3 319)
Net cash flow from operating activities	4100	2 612	(6 364)
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		
loan given repayments, proceeds from sale of debt securities (monetary claims)	4213	-	-
dividends and interest received	4214	-	-
other receipts	4219	-	-
Cash payments – total	4220	(-)	(-)
including:			
related to acquisition, construction, modernization of non-current assets and bringing them to a working condition	4221	(-)	(-)
acquisition of shares	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	-	-

Item	Code	For January - December 2019	For January - December 2018
Cash flows from financing activities			
Cash receipts – total	4310	-	-
including:			
proceeds from borrowings	4311	-	-
owner (shareholder) monetary contributions	4312	-	-
proceeds from issuing additional shares	4313	-	-
proceeds from issuing bonds, notes and other debt securities, etc.	4314	-	-
other receipts	4319	-	-
Cash payments – total	4320	(-)	(-)
including:			
to owners (shareholders) to redeem the entity's shares	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	-	-
Net cash flow for the reporting period	4400	2 612	(6 364)
Cash and cash equivalents at the beginning of the reporting period	4450	20 331	26 695
Cash and cash equivalents at the end of the reporting period	4500	22 943	20 331
Impact of changes in exchange rate of foreign currency to the rouble	4490	-	-

President _____
(signature)

Nazarova Yulia Davidovna
(name)

18 November 2020

**EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
OF THE CHARITY FOUNDATION FOODBANK RUS
FOR 2019**

1. BACKGROUND INFORMATION

Charity foundation Foodbank Rus (hereinafter referred to as “Foundation”) was registered in the Unified State Register of Legal Entities by Moscow tax inspectorate under No. 1127799022658 on 25 October 2012, certificate series 77 No. 014327910.

Form of incorporation / form of ownership of the Charity foundation “Foodbank Rus”: Charity funds / Property of charitable organizations.

Location (legal address) of the Charity foundation “Foodbank Rus”: 125124, Moscow, 1st street Yamskogo polya, 15, bld.2, office 214B.

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

In 2019 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, Kellogg Rus LLC, PepsiCo Holdings LLC, Perekrestok TD JSC, Procter and Gamble LLC, Frito Lay LLC, Peterburgskaya Prodovolstvennaya Kompaniya LLC, Campina LLC, Jacobs Rus LLC, Bonduelle-Kuban LLC, Nestle-Russia LLC, Haribo Konfety LLC, ORIMI Trade LLC, Otisifarm JSC, PRIMESTAR Restaurants Group LLC, AVON BEAUTY PRODUCTS COMPANY LLC, Hasbro Russia LLC, Danone Trade LLC.

Donations are distributed through 200 non-profit organizations in 55 regions of Russia, which have successfully passed the procedure of legal verification, as well as through 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 Foodbank and the project objective is constant providing food sets, consisting of high-quality natural products, to socially vulnerable groups of population.

The project has started in 2013 in Moscow on the territory of Marfo-Mariinskaya Obitel’ miloserdiya.

“Packing meal” consists of 4 kinds of cereals, 1 bottle of sunflower oil and 1 pack of pasta.

In the framework of the project, the Foundation purchases foodstuffs and delivers them to warehouses, where volunteers pack the sets of products.

The “Packing meals” formed by volunteers are donated to Programme recipients through the NPO partner network or by themselves.

In 2019 the project was implemented in 24 Russian cities: Moscow, Abakan, Amursk, Belgorod, Vladivostok, Voronezh, Vysokoklyuchevoy, Ekaterinburg, Iskitim, Kazan, Kaluga, Krasnodar, Nizhny Novgorod, Novosibirsk, Rostov-on-Don, Omsk, Ostrogozhsk, Samara, St. Petersburg, Sergiev Posad, Smolensk, Tikhvin, Udomlya, Ufa. Packaging took place in 26 workshops.

In 2018 and 2019 the Foundation also collected and distributed money to charitable foundations on a charitable basis.

In 2019 the average annual number of employees of the Foundation was 17 (in 2018 - 20 employees).

Members of executive and controlling bodies of Foodbank

The supreme managing body of Foodbank is the Managing Board.

Members of the Managing Board of Foodbank as at 31 December 2019:

Malofeev Kirill Konstantinovich
Romanov Georgy Mikhailovich
Nazarova Yulia Davidovna
Rudov Sergey Yurievich
Loboda Konstantin Konstantinovich

Until 1 November 2018 sole executive body of Foodbank was represented by the Managing Director of Foodbank. Starting from 1 January 2016 till 17 September 2018 Krisko Victoria Nikolaevna was the Managing Director of the Foodbank.

From 18 September 2018 to 1 November 2018 the position of Managing Director of the Foundation was vacant. Yulia Davidovna Nazarova acted on behalf of the Foundation during this period on the basis of power of attorney No. 03 dated 1 August 2018. From 1 November 2018 based on the Protocol of the Managing Board No. 27 of 1 November 2018 the name of the sole executive body of the Foundation (and position) "Managing Director of the Foundation" was changed to "President". On 1 November 2018 Yulia Davidovna Nazarova was appointed as the President of the Foundation.

The corresponding changes were registered in the Unified State Register of Legal Entities on 28 November 2018.

As at 31 December 2019 the President of the Foundation is Yulia Davidovna Nazarova.

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

Members of the Board of Trustees of Foodbank as at 31 December 2019:

Bruce Lerner
Waydaraman Jayaraman
Stefan Ducharm
Rogachevskiy Kirill

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Foodbank has complied with the following regulations for the purpose of its accounting and financial reporting: Federal Law No. 402-FZ On Accounting dated 6 December 2011, Federal Law No. 135-FZ On charity activities and charity organizations dated 11 August 1995, Regulations on Accounting and Financial Reporting in the Russian Federation approved by the Russian Ministry of Finance Order No. 34n dated 29 July 1998, the information of the Ministry of Finance "On special aspects of financial statements preparation for non-profit organizations" (PZ-1/2011), other applicable regulations included in the system of Russian legislation for accounting and financial reporting.

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

For the purpose of annual financial statements preparation Foodbank has used templates of balance sheet, statement of financial performance, statement of cash flow and statement of usage of special purpose funds recommended by the Ministry of Finance of Russia (according to the Order No. 66n dated 2 July 2010).

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).

The data in the financial statements is presented in thousands of Russian roubles (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 No. 153n of the RF Ministry of Finance 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 No.26n of the RF Ministry of Finance of 30 March 2001) and Methodological Guidelines on Accounting for Property, Plant and Equipment approved by Order No. 91n of the RF Ministry of Finance 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 fixed assets accounted within inventories is RUB 40 000.

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

Inventories are accounted for in accordance with the Accounting Regulations “Accounting for Inventories” (PBU 05/01 approved by Order No. 44n of the RF Ministry of Finance of 09 June 2001 and Methodological Guidelines on Accounting for Inventories approved by Order No. 119n of the RF Ministry of Finance of 28 December 2001).

Unit of accounting for donations in kind (stock) is a batch. The unit of accounting for the "packing meal" is a homogeneous group. Inventories are recognized in accounting at their actual cost. Inventories are written-off/ disposed of at actual cost of each item of inventories.

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

Valuation of donations in kind (stock) based on current market prices is performed by Foodbank in those cases when cost of donations received in kind (stock) is not specified by donors in acts of acceptance.

2.4 Special purpose funds

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

Foodbank 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 Foodbank, including salary payment to Foodbank's employees.

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

Donations in kind (stock) received by Foodbank under donation contracts are recognized in accounting at value specified by donors in acts of acceptance of food products, personal care products, household chemicals and other products. 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 organizations and implementation of charity programmes. This legal requirement was met by the Foundation in the reporting period.

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

3 CHANGES IN THE ACCOUNTING POLICIES IN 2019 AND 2020

No changes were introduced to the Accounting Policies of the Foundation in 2019.

The Foundation does not expect any changes to the Accounting Policies in 2020.

4 DISCLOSURES OF INFORMATION ON SEPARATE ITEMS OF THE FINANCIAL STATEMENTS FOR 2019

4.1 Intangible assets

Intangible assets in the amount of RUB 990 thousand as at 31 December 2019 (RUB 990 thousand as at 31 December 2018) are represented by the development costs for websites www.foodbankrus.ru и www.obedibednym.ru, www.продуктыВПомощьмаме.ру and trademarks.

4.2 Property, plant and equipment

Property, plant and equipment in the amount of RUB 450 thousand as at 31 December 2019 (RUB 255 thousand as at 31 December 2018) consist of office equipment (server devices and laptops), with value of more than RUB 40 thousand.

4.3 Inventories

The Foundation does not have any warehouses in ownership for storage of inventory received in form of donations in kind (stock), nor does it rent such premises. Donations in kind (stock) are immediately distributed to other non-profit organizations upon their receipt from donors.

4.4 Accounts receivable

Accounts receivable include the following:

(RUB '000)

Type of receivables	31 December 2019	31 December 2018
Settlements on advances issued	578	1 025
Receivables under donation contracts	403	2 415
Other receivables	651	354
Total	1 632	3 794

In accordance with contractual terms, receivables under donation contracts in the amount of RUB 403 thousand outstanding as at 31 December 2019, were repaid during 2020.

4.5 Cash and cash equivalents

Cash and cash equivalents in the amount of RUB 22 943 thousand as at 31 December 2019 (RUB 20 331 thousand as at 31 December 2018) are represented by cash at current bank accounts of RUB 186 thousand as at 31 December 2019 (RUB 501 thousand as at 31 December 2018) at VTB bank, RUB 756 thousand as at 31 December 2019 (RUB 26 thousand as at 31 December 2018) at SBERBANK and RUB 1 thousand as at 31 December 2019 (RUB 4 thousand as at 31 December 2018) at Alfa Bank; and by cash equivalents at deposit bank accounts at VTB bank in amount of RUB 22 000 thousand as at 31 December 2019 (RUB 19 800 thousand as at 31 December 2018).

Deposits recorded as at 31 December 2019 are short-term deposits which are included in cash equivalents based on the following terms:

Deposit contract dated 16 December 2019 for placement of RUB 8 000 thousand at 4.65% rate for 31 days;

Deposit contract dated 24 December 2019 for placement of RUB 7 000 thousand at 4.6% rate for 24 days;

Deposit contract dated 25 December 2019 for placement of RUB 2 000 thousand at 4.6% rate for 22 days;

Deposit contract dated 27 December 2019 for placement of RUB 5 000 thousand at 4.6% rate for 19 days;

Deposits recorded as at 31 December 2018 were short-term deposits which were included in cash equivalents based on the following terms:

Deposit contract dated 18 December 2018 for placement of RUB 4 600 thousand at 7.14% rate for 27 days;

Deposit contract dated 24 December 2018 for placement of RUB 14 000 thousand at 7.14% rate for 42 days;

Deposit contract dated 28 December 2018 for placement of RUB 1 200 thousand at 6.14% rate for 18 days.

In 2019 the total amount of interest accrued on short-term bank deposits is RUB 884 thousand (in 2018 - RUB 615 thousand).

In 2019 and 2018 interest on balance of cash held on current bank accounts was not accrued.

4.6 Accounts payable

(RUB '000)

Type of payables	31 December 2019	31 December 2018
Payables to suppliers and contractors	1 124	1 467
Other payables	310	257
Total	1 434	1 724

Accounts payable to suppliers and contractors in the amount of RUB 1 124 thousand as at 31 December 2019 (RUB 1 467 thousand as at 31 December 2018) are mainly represented by payables to logistics companies for services of delivery of donations in kind (stock) to non-profit organizations engaged in the distribution process of such donations.

4.7 Disclosure of items of the Statement of cash flows

4.7.1 Other receipts

Other receipts in the amount of RUB 51 598 thousand for 2019 (RUB 61 575 thousand for 2018), presented in line 4119 of the Statement of cash flows, are represented by cash receipts: under donation agreements (Note 4.8.1), accrued interest on short-term deposits, reimbursement of sick leaves by the Russian Federal Service for Social Insurance.

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

Payments to suppliers (contractors) for goods, materials, works and services, presented in line 4121 of the Statement of cash flows, amounted to RUB 30 912 thousand for 2019 (RUB 43 028 thousand for 2018) include payments to logistics companies for services of delivery of donations in kind (stock) to non-for-profit organizations engaged in distribution process of such donations, payments to suppliers for purchase of products within "packing meals" programme, holding food "marathons", actions "products in the outback" and other payments to suppliers.

(RUB '000)

Payment type	2019	2018
Payments to suppliers for purchase of materials and ingredients required for "Packing meals" programme	(19 887)	(23 171)
Payments to logistics companies for delivery of donations in kind to non-profit organizations (stock delivery)	(5 048)	(8 727)
Other payments to suppliers	(5 977)	(11 130)
Total	(30 912)	(43 028)

4.7.3 Payments related to wages and salaries to employees

Payments related to wages and salaries to employees presented in line 4122 of the Statement of cash flows include the following payments:

(RUB '000)

Payment type	2019	2018
Remuneration of executors of the charity programmes	(15 240)	(18 436)
Remuneration of administrative personnel	(2 051)	(3 132)
Total	(17 291)	(21 568)

4.7.4 Other payments

Other payments presented in line 4129 of the Statement of cash flows include the following payments:

(RUB '000)

Payment type	2019	2018
Cash donations to charity organizations	(360)	(535)
Business trip expenses	(264)	(868)
Bank commission fees	(81)	(93)
Other payments (repayment of unused donation)	(57)	(1 823)
Total	(762)	(3 319)

4.8 Disclosure of items of the Statement of usage of special purpose funds

4.8.1 Voluntary contributions and donations

Amounts presented in line 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 value determined by donor in the acts of acceptance of products, or at value determined based on current market prices.

Valuation of donations in kind (stock) based on current market prices is performed by the Foundation in those cases when cost of donations received in kind (stock) is not specified by donors in acts of acceptance.

Line 6200 "Total funds received" of the Statement of usage of special purpose funds include the following donations:

(RUB '000)

Donation type	2019	2018
Donations in kind (stock) in valuation determined by donors and specified in acts of acceptance of products	1 170 648	926 461
Donations in kind (stock) in valuation determined by Foodbank based on current market prices (retail prices)	28 068	19 331
Cash donations	49 641	59 398
Decrease in receivables under donation contracts	(2 012)	(1 785)
Other	882	579
Total	1 247 227	1 003 984

4.8.2 Expenditure on special purpose programmes

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

Line 6300 "Total funds used" of the Statement of usage of special purpose funds include the following expenses:

(RUB '000)

Type of expense	2019	2018
Donations in kind (stock) in valuation determined by donors and specified in acts of acceptance of products	1 170 648	926 461
Donations in kind (stock) in valuation determined by Foodbank based on current market prices (retail prices)	28 068	19 331
Salary expenses	16 491	21 436
Purchase of materials and ingredients required for "Packing meals" programme	20 471	25 904
Expenses on logistics services for delivery of donations in kind to non-profit organizations (stock delivery)	2 690	8 710
Expenses on logistics services for delivery of donations to non-profit organizations (under "Packing meals" , "Marathons" programme, etc.)	1 620	343
Cash donations to non-profit organizations	360	535
Other expenses	6 138	11 297
Total	1 246 486	1 014 017

4.8.3 Administrative personnel expenses

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 spends no more than 20% of funds used during a financial year to effect salary payments to its administrative and management personnel.

4.8.4 Subsequent events

For 9 months of 2020, the Foundation signed donation contracts for financing of its authorized activities, including the Foundation's maintenance, in the amount of RUB 126 694 thousand.

The COVID-19 outbreak

On 11 March 2020, the World Health Organization declared the coronavirus outbreak a pandemic. Responding to the potentially serious threat the COVID-19 presents to public health, the Russian government authorities have taken measures to contain the outbreak, including imposing restrictions on the cross-borders movement of people, entry restrictions for foreign visitors and instructing business community to transfer employees to working from home. During March 2020, regional authorities gradually introduced additional measures to enhance social distancing, including closing schools, universities, restaurants, cinemas, theaters and museums and sport facilities. In order to ensure the sanitary and epidemiological well-being of the population, the President of the Russian Federation declared paid non-working days from 30 March to 30 April 2020 for all employees except for medical and pharmacy organizations, emergency services, food and essential goods providers and continuous operating cycle entities.

Due to lockdown and business disruption in many countries, global oil demand has drastically decreased leading to oversupply and sharp fall in oil prices. On 12 April 2020, major global oil producers including Russia agreed to a record cut in crude oil production for stabilizing the oil market, which, however, has not been able to reverse the downward pressure on the oil market. Sharp decrease in oil prices and production volumes results in corresponding decrease of oil producers' income and

payments to the budget, which is likely to have major economic and social consequences and unavoidably affect public sector spending.

These events will have wider adverse effects on the economy, including:

- Disruption to business operations and economic activity, with a negative impact on supply chains and breach of contracts;
- Significant disruption to businesses in certain sectors, both operating on domestic market and export-oriented businesses with high reliance on foreign markets. Mostly affected sectors include retail, travel and tourism, entertainment and hospitality sector, transportation, oil industry, construction, automotive, insurance and financial sector;
- Significant decrease in demand for non-essential goods and services;
- An increase in economic uncertainty, reflected in more volatile asset prices and currency exchange rates.

In March 2020, the Russian government announced a package of measures to support industries most heavily affected by the outbreak of COVID-19. The programme includes, among other, deferral of tax and fee payments for small and medium-sized businesses, postponement of loans repayment, suspension of lease payments on federal and municipal property, state support on loans refinancing and restructuring for businesses in hard-hit industries. Besides, social contribution tax rate was lowered for all small and medium-sized businesses. The list of heavily affected industries is closely monitored and may be adjusted based on further developments.

The Foundation carries out its activities in the field of charity that has not been significantly affected by the outbreak of COVID-19. Over the last few weeks, the volume of targeted funding and targeted use of donations remained on its stable levels and the Foundation's activities were not interrupted.

Based on the publicly available information at the date these financial statements were authorized for issue, management has considered the potential development of the outbreak and its expected impact on the Foundation and economic environment, in which the Foundation operates, including the measures already taken by the Russian government and governments in other countries, where the Foundation's main donors and recipients of donations are located.

In order to safeguard uninterrupted operating activities of the Foundation, management has implemented a number of measures, which include:

- the method and procedure for transferring donations from the Foundation to non-profit organizations were changed;
- employees have been trained to adhere to very strict precautionary standards during working including social distancing;
- agreements were reached with donors on the choice of an alternative way to receive donations to ensure uninterrupted targeted funding of the Foundation;
- no mandatory pension insurance premiums were accrued and paid for the 2nd quarter of 2020;
- the preferential loan was obtained from PJSC VTB Bank under contract No. NL/002020-004837 of 24 July 2020 to pay salaries to the Foundations' employees with a limit of RUB 2 144 584. If the terms and conditions of the contract are met, as of 31 March 2021 the payables will be written off by the bank at 50%/100%.

Taking into account the above mentioned measures and current operating and financing results of the Foundation, along with other currently available public information, management does not expect significant negative impact of the coronavirus pandemic on the financial position and performance of the Foundation in the short term. However, management cannot preclude the possibility that extended

lockdown periods, an escalation in severity of such measures, or a consequential adverse impact of such measures on the economic environment in which the Foundation operates, will have an adverse effect on the Foundation's activities in the medium and longer term. Foundation also considers negative development scenarios and is ready to adapt its core activities accordingly. Management continues to monitor the situations closely and will respond to mitigate the impact of such events and circumstances as they occur.

President of the Foundation _____ Yulia Davidovna Nazarova

18 November 2020