

REPUBLICAN PUBLIC ORGANIZATION "AFIF"

FINANCIAL STATEMENT FOR THE YEAR ENDED
DECEMBER 31, 2022
AND THE INDEPENDENT AUDITOR'S REPORT

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Management's acknowledgement of the responsibility for the preparation and approval of the financial statements for the year ended December 31, 2022

The following statement, which should be considered together with the submitted report of the independent auditor, is made in order to distinguish between the responsibilities of the Management and the Auditor in relation to the financial statements of RPO "Afif".

The Management of the Republican Public Organization "Afif" (hereinafter: the Organization) is responsible for the preparation of financial statement that reliably representing the cash receipts and payments for Projects, component costs, and the financial position of the Organization as of December 31, 2022 in accordance with International Public Sector Accounting Standard (IPSAS) "Financial Reporting under the Cash Basis of Accounting" issued by the International Public Sector Accounting Standards Board of the International Federation of Accountants, as well as in accordance with requirements of the legislation of the Republic of Tajikistan on the preparation of financial statements.

When preparing financial statements, the management of the Organization is responsible for:

- selection and application of appropriate accounting policies;
- providing relevant, reliable, comparable and understandable information, including information on accounting policies;
- Provision of additional required disclosures for the year ended December 31, 2022

The management of the Organization is responsible for:

- development, implementation and maintenance of an effective and reliable internal control system in the process of Project implementation;
- maintaining an accounting system that allows to demonstrate and explain project transactions at any time, ensure that financial statements comply with the requirements of the International Public Sector Accounting Standard (IPSAS) "Financial Reporting under the Cash Basis of Accounting" published by the International Federation of Accountants, as well as compliance with the provisions on Project financing;
- taking measures within its competence to ensure the safety of Project assets and confirming that the funds received in accordance with the project financing agreements between RPO "Afif" and donors were used only for the purposes of the received financing, with due attention to economy and efficiency;
- identification and prevention of unfair actions and other misuses.

The attached financial statements for the year ended December 31, 2022 were approved by the Management of RPO "Afif" on February 19, 2024.

Ibragimov I.

Director of the RPO "Afif"

February 19, 2024, AF Dushanbe, Republic of Tajikistan



TO THE MANAGEMENT OF THE
REPUBLICAN PUBLIC ORGANIZATION "AFIF"

Opinion

We have audited the accompanying financial statement of RPO "Afif" (hereinafter referred to as the Organization), which consist of the statement of financial position as at 12/31/2022, the report on the targeted use of funds for 2022, enclosures to the balance sheet and the report on the targeted use of funds, notes to the balance sheet and the report on the targeted use of funds for 2022, including a summary of the basic provisions of accounting policy.

In our opinion, the accompanying financial statements present fairly, in all material respects, cash receipts and disbursements for the year ended December 31, 2022, in accordance with International Public Sector Accounting Standards (IPSAS) "Financial Reporting, under the Cash Basis of Accounting" issued by the International Public Sector Accounting Standards Board of the International Federation of Accountants.

Basis for expressing an opinion

We conducted the audit in accordance with International Auditing Standards. Our responsibilities in accordance with these standards are described further in the section "Auditor's responsibility for the audit of financial statements" of our report. We are independent of the Organization in accordance with Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (IESBA Code), and the ethical requirements applicable to our audit of financial statements in Tajikistan, and we have fulfilled other ethical responsibilities in accordance with these requirements and the Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

The management of the Organization is responsible for the preparation and fair presentation of these financial statements in accordance with the International Public Sector Accounting Standards (IPSAS) "Financial Reporting under the Cash Basis of Accounting" issued by International Public Sector Accounting Standards Board of the International Federation of Accountants, as well as for the internal control system that the Management considers necessary for the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The management of the Organization is responsible for choosing the applicable concept and determining its acceptability for the preparation of financial statements, taking into account specific circumstances.

Auditor's responsibility for the audit of financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report containing our opinion. A reasonable assurance represents a high degree of confidence, but is

not a guarantee that an audit conducted in accordance with International Standards on Auditing will always identify material misstatements if any. Misstatements may arise from fraud or error and are considered material if, individually or taken together, they could reasonably be expected to affect the presentation of the financial statements as a whole.

As part of the audit conducted in accordance with International Standards on Auditing, we applied professional judgement and maintained professional scepticism throughout the audit. In addition, we perform the following:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; develop and perform audit procedures in response to these risks; obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement due to error, as fraud may include collusion, forgery, intentional omissions, misrepresentations or actions to circumvent internal controls;

- obtain an understanding of internal control relevant to the audit in order to develop audit procedures appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Project's internal control system;

- We evaluate the appropriate nature of the accounting policies applied, the reasonableness of accounting estimates and the appropriate disclosures prepared by the Management;

- We evaluate the overall presentation of the financial statements, their structure and content, including disclosures, as well as whether the financial statements represent the underlying transactions and events in a way that ensures their fair presentation.

We carry out informational interaction with the Management of the Organization, bringing to their attention, among other things, information about the planned scope and timing of the audit, as well as significant remarks on the audit results, including significant deficiencies in the internal control system that we identify during the audit process.

Dustov Safarbek Savriddinovich

Director of Consultant Audit LLC

**Member of the International network of
audit, accounting and consulting firms -JPA International**

**License of the Ministry of Finance
of the Republic of Tajikistan BM#0000157
(05-052/21) dated April 09, 2021**

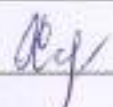
**Dushanbe, Tajikistan
February 19, 2024**

STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2022

(in TJS)

	Note	As of 31.12.2022	As of 31.12.2021
ASSETS			
Cash and cash equivalents	3.1.	731,139	1,131,878
Deposits in banks	3.2.	1,224,288	792,385
Advances issued and other accounts receivable	3.3.	10,941	9,584
Inventories	3.4.	-	9,885
Short-term assets		1,966,368	1,943,732
Fixed assets	3.5.	428,355	471,635
Intangible assets	3.6.	234	234
Long-term assets:		428,589	471,869
Total assets:		2,394,957	2,415,601
LIABILITIES			
Taxes payable	3.7.	4,893	7,152
Other accounts payable	3.8.	532	2,707
Short-term liabilities		5,425	9,858
Total liabilities:		5,425	9,858
CAPITAL			
Capital surplus	3.9.	542,874	542,874
Grants and targeted financing	3.9.	1,959,555	1,862,869
Retained earnings (loss)	3.9.	(112,897)	-
Total capital		2,389,531	2,405,743
Total liabilities and equity:		2,394,957	2,415,601




 Chief accountant
 Khairova Zh.

STATEMENT ON TARGETED USE OF FUNDS FOR THE YEAR ENDED DECEMBER 31, 2022.

Nº	Grants	The balance of grants at the beginning, TJS	Financing, TJS	Grant expenses, TJS	Refund of unused funds, TJS	The balance at the end, TJS
1	TAD - GLD	-	892,500.00	593,636.97	-	298,863.03
2	UN - Women	-	1,013,267.56	949,321.46	63,946.10	0.00
3	TAD - ABT (ETHICS)	113,192.15	1,809,773.34	1,920,670.40	-	2,295.09
4	OSI05	-	307,799.97	287,962.04	-	19,837.93
5	UCP	26,408.88	389,425.00	397,405.66	-	18,428.22
6	UNDP-GF	56,741.37	681,458.67	680,474.66	-	57,725.38
7	UNODC	-	100,940.00	80,895.33	-	20,044.67
	Total:	196,342.40	5,195,164.54	4,910,366.19	63,946.10	417,194.65



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Chief Accountant

Khairova Zh.

Ibragimov I.

1. GENERAL INFORMATION

The Republican Public Organization "Afif" was re-registered by the Ministry of Justice of the Republic of Tajikistan on June 13, 2019 as a public organization. The certificate of registration is No.0001600.

Initially, RPO "Afif" was established based on the Representative Office of the Dutch humanitarian organization AIDS Foundation East-West in the Republic of Tajikistan (AFEW), which began its work in Tajikistan on April 17, 2003.

In April 2013, the AFEW senior management decided to restructure the entire organization, as a result of which the Republican Public Organization AFEW-Tajikistan was established on the basis of the Representative Office of the Dutch humanitarian organization AIDS Foundation East-West.

On February 5, 2019, the General Meeting of the Founders of AFEW-Tajikistan, taking into account the striving of the Organization to expand the scope and directions of its activities, unanimously decided to change the Charter and the name of the Organization. On June 13, 2019, this decision was approved by the Ministry of Justice of the Republic of Tajikistan. The organization has received a new name: The Republican Public Organization "Afif".

The main activities of the Organization: Promotion of public humanitarian relations, as well as the implementation of charitable and useful social, medical, information & educational and research activities and protection of rights.

The legal address of the Organization: M. Rahimi Street, house.11, f #223, 734043 Dushanbe city, Republic of Tajikistan.

Tax ID: 010092220

RPO "Afif" is a republican public organization whose efforts are aimed at carrying out socially useful humanitarian, social, medical, informational, educational, research, cultural & educational, environmental, tourism and sports & recreation activities, ensuring respect for human rights and providing humanitarian assistance to those in need.

The organization strives to achieve its goals by participating in the implementation of national strategies of the Republic of Tajikistan to improve the quality of life, health and social protection of the population, environmental safety and environment protection, informing and educating the population, ensure the rights of people affected by HIV, TB, viral hepatitis, expanding their access to medical and social services.

RPO "Afif" has the status of a non-profit organization, has no purpose of making a profit, and does not distribute net profit and property among the members.

2. SUMMARY OF THE BASIC PRINCIPLES OF ACCOUNTING POLICY

2.1. PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS) "Financial Reporting under the Cash Basis of Accounting" issued by the International Public Sector Accounting Standards Board of the International Federation of Accountants, and in accordance with the requirements of the legislation of the Republic of Tajikistan.

The accounting policies described below have been applied consistently in the reporting periods presented in these financial statements.

2.2. FLOW OF FUNDS (GRANTS)

The financial statements of the Projects consist of a statement of receipts and expenditures for the year ended December 31, 2022, and a statement of expenditures for this year (statement of cash flows), prepared using the direct method, which discloses information about the main types of gross cash receipts and payments.

2.3. CURRENCY OF PRESENTATION OF FINANCIAL STATEMENTS

Somoni (TJS) is the national currency of the Republic of Tajikistan. Special financial reports of the Project are presented in US dollars and EURO. Income and expenses denominated in TJS are converted into foreign currencies using the exchange rate set by the National Bank of Tajikistan on the day of the financial transaction.

This financial statement is presented in the currency of the Republic of Tajikistan - TJS.

Payment for goods and services provided to suppliers and contractors on the territory of the Republic of Tajikistan is made in TJS.

Monetary assets and liabilities denominated in foreign currency are converted into the national currency at the official exchange rate of the National Bank of Tajikistan at the reporting date. Exchange differences in the revaluation of these assets and liabilities are represented in the statement of comprehensive income as net incomes or expenses from foreign currency revaluation.

Foreign currencies, especially the US dollar, the Euro and the Russian rouble, play a significant role in determining the economic parameters of many business transactions carried out in the Republic of Tajikistan.

The table below shows the exchange rates of the TJS against the US dollar, Euro and Russian rouble over the past 3 years:

Date	US Dollar	Euro	Russian rouble
December 31, 2022	10.2024	10.8911	0.1445
December 31, 2021	11.3000	12.7973	0.1507
December 31, 2020	11.3000	13.8934	0.1506

2.4. TAXES AND TAXATION

As indicated in the section #1 of the charter, RPO "Afif" is a republican public, independent and non-profit organization.

The organization makes deductions in the form of a social tax in the amount of 20% and 2% of

the salary of employees. The organization also deducts income tax from the payment of salaries in accordance with the requirements and standards specified by the Tax Code of the Republic of Tajikistan. The organization is also a payer of property tax and vehicle owners tax.

2.5 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are items that are easily converted into a certain amount of cash and are subject to minor changes in value. Cash and cash equivalents are represented by cash on hand, cash in correspondent and deposit accounts, and cash in transit. Cash and cash equivalents include all interbank deposits and purchased notes from other banks with a remaining maturity of less than three months. Cash for which there are restrictions on use for a period of more than three months at the financial reporting date are excluded from cash and cash equivalents.

2.6 INVENTORIES

Inventories are represented in the statement of financial position at the lower of cost or net realisable value. According to IFRS 2 "Inventories", the cost of inventories includes all costs of acquisition, processing and other costs incurred in order to bring inventories to their current condition and their current location.

This balance sheet item takes into account materials and equipment, low-value and wear items, fuel, printed materials intended for transfer as charitable assistance and other supplies.

The cost is determined by the weighted average method of accounting for inventories.

2.7 OTHER CURRENT ASSETS

The list of other current assets includes accounts receivable, tax prepayments, settlements with accountable persons, prepaid services, etc.

2.8 ACCOUNTS RECEIVABLE

Accounts receivable represent the obligations of buyers to the Organization for the payment of funds for the goods, works or services provided.

Accounts receivable arising in connection with the completion of works or services, the sale of goods, as well as any accounts receivable that are repaid within a period of no more than 12 months are considered short-term. Receivables with a repayment period of more than 12 months are classified as long-term.

2.9 OTHER ACCOUNTS RECEIVABLE

Other accounts receivable include:

- advances issued;
- staff debt on imprests, salaries, compensation for damage and shortages, etc.;
- taxes paid in advance;

Accounts receivable from customers are accounted for by the amount of invoices submitted for payment, at reasonable prices and tariffs. Settlements with other debtors and creditors and on claims are represented in accounting and reporting based on prices stipulated by contracts.

2.10 FIXED ASSETS

Fixed assets are represented at the actual cost of their acquisition. After initial recognition, fixed assets are taken into account at cost less accumulated depreciation.

Subsequent expenditures on fixed assets are acceptable if there is a likelihood of obtaining future economic benefits that exceed the initially calculated standard figures. All subsequent costs are recognized as expenses of the period in which they are incurred.

The Organization's fixed assets include office equipment, vehicles and furniture purchased within the framework of the implementation of Projects and statutory purposes. The cost of fixed assets includes the acquisition cost and other associated costs.

Fixed assets within the Project are determined by the initial cost and are represented in special financial statements in the appropriate categories.

2.11 INTANGIBLE ASSETS

This balance sheet item represents identifiable non-monetary assets that do not have a physical form, which are used by the Organization to carry out its activities.

2.12 LIABILITIES

This balance sheet item represents the amounts of liabilities for goods and services, taxes and contributions, and other liabilities. Liabilities with a maturity of up to 12 months are classified as short-term, but above that maturity are classified as long-term ones.

2.12 CLASSIFICATION OF THE ORGANIZATION'S INCOME

The income received from core and non-core activities constitutes the total income of the Organization. Income is recognized in the following combinations:

- the amount of income is recognized at the time of receipt of charitable or sponsorship assistance or other gratuitous receipts;
- in case of transfer of ownership rights from the donor to the Organization.

The income from financing reflects the amount received from donors.

2.13 EXPENSES

Taking into account the cash accounting method, project expenses are recognized as such and included in special financial statements when payments are made to suppliers of goods, works and/or services.

2.14 OPERATING LEASE EXPENSES

Leases in which a significant part of the risks and ownership rights remain with the lessor are recognized as operating leases. The organization recognizes expenses for payment of rented premises for the reporting period as expenses of the period on a cash basis at the time of payment.

3. NOTES TO THE STATEMENT OF FINANCIAL POSITION

3.1. CASH AND CASH EQUIVALENTS

	As of 31.12.2022	As of 31.12.2021
Cash on hand	6,688	12,205
Bank accounts -TJS	492,459	263,551
Bank accounts - foreign currency	231,992	856,122
Total	731,139	1,131,878

To account for and implement financing, the Organization used the following bank accounts:

BOJSC Bank Eshata in Dushanbe city:

- No.20202972700020100468, in TJS.
- No.20202972800020100915 in TJS
- No.20206840800020100328 in US dollars
- No.20222840300020100404 in US dollars

OJSC Orienbank in Dushanbe city:

- No. 20202972210101205312, in TJS
- No. 20206840610101205312, in US dollars.
- No. 20222840610101205312, in US dollars.

SUE SB of RT Amonatbank in Dushanbe city:

- No.20202972001249101000, in TJS
- No.20202972801274101000, in TJS
- No.20206972100195101000, in TJS
- No. 20206840600833101000, in US dollars.
- No. 20206978500067101000, in EURO.

OJSC Agroinvestbank in Dushanbe city:

- No. 20202972900144660001, in TJS

OJSC Activbank in Dushanbe city:

- 202029723511011163000, in TJS
- No. 20206840051101163001, in US dollars.
- No. 20206978951101163002, in EURO.
- 2022284068100000596, in US dollars.

3.2. DEPOSITS IN BANKS

	As of 31.12.2022	As of 31.12.2021
DEPOSITS IN BANKS	1,224,288	792,385
Total	1,224,288	792,385

Deposits are placed in the OJSC Orienbank in the amount of 80,000.00 USD for a period of 12 months. The amount of USD 40,000.00 was placed in the BOJSC Bank Eshata in Dushanbe city. The Organization also has an account balance amounting to 54,534.68 TJS with the OJSC Agroinvestbank that is at the stage of liquidation on grounds of bankruptcy.

3.3. ADVANCES ISSUED AND OTHER ACCOUNTS RECEIVABLE

	As of 31.12.2022	As of 31.12.2021
Advances issued and other accounts receivable	1,630	442
Accounts receivable of the branch	5,535	9,142
Taxes paid in advance	390	-
Accounts receivable for employees' salaries	560	-
Accounts receivable of employees for imprests	2826	-
Total	10,941	9,584

3.4. INVENTORIES

	As of 31.12.2022	As of 31.12.2021
low-value & wear items and office supplies	-	9,885
Total	-	9 885

3.5. FIXED ASSETS

	As of 31.12.2022	As of 31.12.2021
Fixed assets	774,144	734,541
Accumulated depreciation	(345 790)	(262 905)
Total	428,355	471,635

3.6. INTANGIBLE ASSETS

	As of 31.12.2022	As of 31.12.2021
Software -I C Accounting	234	234
Total	234	234

3.7. TAXES TO BE PAID

	As of 31.12.2022	As of 31.12.2021
Income tax payable	3,973	4,226
Real estate tax	15	15
Social tax payable	-	2,001
Other taxes payable	905	911
Total	4,893	7,152

3.8. OTHER ACCOUNTS PAYABLE

	As of 31.12.2022	As of 31.12.2021
Accounts payable of employees for imposts		2,208
Accrued contributions to the pension fund	420	387
Other accounts payable	112	112
Total	532	2,707

3.9. CAPITAL

		As of 31.12.2022	As of 31.12.2021
Capital surplus	3.9.	542,874	542,874
Grants and targeted financing	3.9.	1,959,555	1,862,869
Retained earnings (loss)	3.9.	(112 897)	-
Total		2,389,531	2,405,743

4. SUBSEQUENT EVENTS

Currently, as of the date of issue of the financial statement, the management of the Organization asserts that after the reporting period until the date of approval of the audit report, no events occurred that could have an impact on the financial position of the Organization and the results of its operations in the future.

5. LAWSUITS

During the period of implementation of the Projects and as of the date of approval of the financial statement, the Organization did not have any legal claims against third parties or organizations, or from third parties or organizations against it.

6. REPORT RELEASE DATE

This financial statement was approved for release by the management of the Organization on February 19, 2024.

Director

Ibragimov I.



Chief accountant

Khairova Zh.

A handwritten signature in blue ink, corresponding to the name Khairova Zh. mentioned in the text.