

STATE INSTITUTION "ENERGY EFFICIENCY FUND" (EDRPOU code: 42325431)  
Financial statements for the year ended 31 December 2021, thousands of UAH

**STATE INSTITUTION "ENERGY EFFICIENCY FUND"**

International Financial Reporting Standards

Financial Statements and Independent Auditor's Report

for the period ended 31 December 2021

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## **INDEPENDENT AUDITOR'S REPORT**

To the Supervisory Board and the Board of Directors  
STATE INSTITUTION "ENERGY EFFICIENCY FUND"

### **Report on the audit of the financial statements**

#### **Opinion**

We have audited the financial statements of SI "Energy Efficiency Fund" (hereinafter referred to as the "Fund"), which comprise the Balance Sheet (Statement of Financial Position) as at 31 December 2021, the Statement of Financial Performance (Statement of Comprehensive Income), the Statement of Equity and the Statement of Cash Flows (using the direct method) for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2021, and the results of its operations and its cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRSs) and the requirements for the preparation of financial statements set out in the Law of Ukraine "On Accounting and Financial Reporting in Ukraine" No. 996-XIV of 16 July 1999.

#### **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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code) and ethical requirements applicable in Ukraine to our audit of the financial statements, and perform other duties of ethics in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Explanatory paragraph – effects of martial law, pandemic & economic crisis and political instability**

We draw attention to Note 2.4. 'Fund's going concern' in these financial statements, which states that the effects of martial law imposed on 24 February 2022, the continuing Ukraine's and global economic crisis, political instability and epidemiological situation related to the COVID-19 coronavirus disease spread as well as the outcome thereof could not reasonably be predicted and all of this can have a negative impact on the Company's operations.

Our opinion is not modified in respect of this matter.

#### **Other matters**

The predecessor auditor expressed an unmodified audit opinion on the 2020 Fund's financial statements in the report dated 9 April 2021.

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

The Fund's management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and the requirements for the preparation of financial statements set out by the Law of Ukraine "On Accounting and Financial Reporting in Ukraine" No. 996-XIV of 16 July 1999, 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 Fund'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 Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

### **Auditor's 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 auditor's 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, and not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies applied 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 Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund 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.

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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 key audit partner on the audit resulting in this independent auditor's report is  
Yevhenii Popov  
Auditor's certificate No. 007515.

Registration number in the Register of Auditors and Audit Entities: 101045

For and on behalf of Kreston Ukraine LLC

Director  
Andrii Domrachov  
Auditor's certificate No. 004891

Registration number in the Register of Auditors and Audit Entities: 101004

Palladium City BC  
172 Antonovycha Street, Kyiv, 03150, Ukraine

10 April 2022



## MANAGEMENT'S STATEMENT OF RESPONSIBILITIES FOR FINANCIAL STATEMENTS

for the year ended 31 December 2021

The financial statements of the State Institution "Energy Efficiency Fund" (hereinafter — the Fund) are general purpose financial statements which have been prepared for the purpose of presenting fairly the Fund's financial position, financial performance and cash flows in order to meet the requirements of a wide range of users in making economic decisions.

The conceptual basis of these financial statements are accounting policies and principles based on the requirements of International Financial Reporting Standards (hereinafter — IFRS), International Accounting Standards (IAS) and Interpretations (IFRIC, SIC), as issued by the International Accounting Standards Board (IASB) at 1 January 2020 and are officially published on the website of the Ministry of Finance of Ukraine. The management is responsible for the accuracy, reliability and objectivity of the information contained in the financial statements.

In preparing the financial statements, the Fund was also guided by the requirements of national legislative and regulatory acts on the organization and maintenance of accounting and the preparation of financial statements in Ukraine, to the extent they do not conflict with the IFRS requirements.

The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods. These financial statements have been prepared within reasonable limits of materiality and in light of information available up to 31 December 2021 inclusive.

To fulfil its responsibility relating to the integrity of the financial statements, management maintains financial management systems and practice designed to provide reasonable assurance that transactions are properly authorized, that assets are safeguarded and that accounting is maintained properly.

The financial statements were signed and approved for issuance on 28 February 2022.

Kreston Ukraine, an independent auditor, has audited the financial statements of the State Institution "Energy Efficiency Fund" in accordance with International Standards on Auditing and has expressed its opinion on the fairness of presentation upon completion of such audit in the accompanying auditor's report.

10 April 2022

Director

Chief Accountant



Yehor Fareniuk

Valentyna Kulinska

STATE INSTITUTION "ENERGY EFFICIENCY FUND" (EDRPOU code: 42325431)  
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**BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)**

as at 31 December 2021

Annex 1  
to the National Accounting Regulation (Standard) 1,  
General Requirements for Financial Statements

Entity <b>STATE INSTITUTION "ENERGY EFFICIENCY FUND"</b> Territory City of Kyiv Pecherskyi district Legal organizational business form <b>State institution (agency, enterprise)</b> Type of economic activity other financial support activities, except insurance and pension funding Average number of employees <sup>1</sup> 65 <b>Address: 24 Dilova Street, Kyiv, 03150, phone: 044 222-95-90</b> Unit of measurement: thousands of hryvnias without decimals (apart from section IV Statement of financial results (Statements of comprehensive income) (Form No. 2), which is presented in hryvnias and kopeks)	Date (year, month, day)	CODES		
	EDRPOU	2021	12	31
		42325431		
	KOATUU	8038200000		
	KOPFG	425		
KVED	66.19			

Prepared in accordance with (put "v" where appropriate):

National Accounting Regulations (Standards)

International Financial Reporting Standards

v
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**BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)**

as at 31 December 2021

Form No. 1

DKUD Code

1801001

Assets	Line code	At the beginning of the reporting period	At the end of the reporting period	Note
1	2	3	4	5
<b>I. Non-current assets</b>				
Intangible assets	1000	308	2 365	5.1
historical cost	1001	363	2 494	
accumulated amortization	1002	(55)	(129)	
Construction in progress	1005	-	-	
Property, plant and equipment	1010	2 817	2 442	5.2
historical cost	1011	3 162	3 387	
depreciation	1012	(345)	(945)	
Investment property	1015	-	-	
Non-current biological assets	1020	-	-	
Non-current financial investments: accounted for using the equity method	1030	-	-	
other financial investments	1035	-	-	
Non-current receivables	1040	-	-	
Deferred tax assets	1045	-	-	
Other non-current assets	1090	-	-	
<b>Total Section I</b>	<b>1095</b>	<b>3 125</b>	<b>4 807</b>	
<b>II. Current assets</b>				
Inventories	1100	258	192	5.3
Current biological assets	1110	-	-	
Trade receivables	1125	-	-	
Receivables related to: advances paid	1130	665	584	5.4
budget settlements	1135	1	8	
including income tax	1136	-	-	
Accrued income receivable	1140	716	26	5.5



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Accrued income receivable	1140	716	26	5.5
Other current receivables	1155	68	14 293	5.6
Current financial investments	1160	-	-	
Cash and cash equivalents	1165	2 665 600	2 634 764	5.7
Prepaid expenses	1170	-	-	
Other current assets	1190	3	87	5.8
<b>Total Section II</b>	<b>1195</b>	<b>2 667 311</b>	<b>2 649 954</b>	
<b>III. Non-current assets held for sale and disposal groups</b>	<b>1200</b>			
<b>Balance</b>	<b>1300</b>	<b>2 670 436</b>	<b>2 654 761</b>	
<b>Equity and liabilities</b>	<b>Line code</b>	<b>At the beginning of the reporting period</b>	<b>At the end of the reporting period</b>	<b>Note</b>
1	2	3	4	5
<b>I. Equity</b>				
Registered (share) capital	1400	2 719 329	2 819 329	5.9
Revaluation surplus	1405			
Additional capital	1410			
Reserve capital	1415			
Retained earnings (accumulated deficit)	1420	( 460 232)	( 1 761 101)	
Unpaid capital	1425	-	-	
Withdrawn capital	1430	-	-	
<b>Total Section I</b>	<b>1495</b>	<b>2 259 097</b>	<b>1 058 228</b>	
<b>II. Long-term liabilities and provisions</b>				
Deferred tax liabilities	1500			
Long-term bank loans	1510			
Other long-term liabilities	1515			
Long-term provisions	1520	385 777	1 090 461	5.10
Targeted funding	1525			
<b>Total Section II</b>	<b>1595</b>	<b>385 777</b>	<b>1 090 461</b>	
<b>III. Current liabilities and provisions</b>				
Short-term bank loans	1600			
Current portion of: long-term debt	1610			
trade payables	1615	4 932	2	5.11
budget settlements	1620	-	-	
including income tax	1621	-	-	
insurance settlements	1625	-	-	
employee benefits	1630	102	111	5.12
Current provisions	1660	19 782	504 770	5.13
Deferred income	1665	746	1 189	5.14
Total current liabilities	1690	-	-	
<b>Total Section III</b>	<b>1695</b>	<b>25 562</b>	<b>506 072</b>	
<b>IV. Liabilities related to non-current assets held for sale and disposal groups</b>	<b>1700</b>			
<b>Balance</b>	<b>1900</b>	<b>2 670 436</b>	<b>2 654 761</b>	

28 February 2022

Director

Chief Accountant



Yehor Fareniuk

Valentyna Kulinska

**STATEMENT OF FINANCIAL PERFORMANCE (Statement of Comprehensive Income)**  
for the year ended 31 December 2021

Entity **STATE INSTITUTION "ENERGY EFFICIENCY FUND"**  
(name)

Date (year, month, day)  
EDRPOU

CODES		
2021	12	31
42325431		

**STATEMENT OF FINANCIAL PERFORMANCE (Statement of Comprehensive Income)**  
**for 2021**

DKUD Code 1801003

Form No. 2

**I. Financial performance**

Item	Line code	For the reporting period	For the same period of the previous year	Notes
1	2	3	4	5
Net sales revenue	2000	-	-	
Cost of sales	2050	-	-	
Gross: profit	2090	-	-	
loss	2095	-	-	
Other operating income	2120	23 909	2 126	5.15
Administrative expenses	2130	( 50 075)	( 34 334)	5.16
Distribution expenses	2150	( 764 )	( 5 578 )	5.17
Other operating expenses	2180	( 1 166 526)	( 391 622)	5.18
Operating results: profit	2190	-	-	
loss	2195	( 1 193 456)	( 429 408)	
Income from equity interests	2200	-	-	
Other finance income	2220	-	-	
Other income	2240	200	370	5.19
Finance costs	2250	( 107 606)	( 14 700)	5.20
Losses from equity interests	2255	-	-	
Other expenses	2270	(7)	-	
Financial result before taxation: profit	2290	-	-	
loss	2295	(1 300 869 )	(443 738 )	
Income tax expense (benefit)	2300	-	-	
Profit (loss) on discontinued operations after taxation	2305	-	-	
Net financial result: profit	2350	-	-	
loss	2355	( 1 300 869)	( 443 738)	

**II. Comprehensive income**

Item	Line code	For the reporting period	For the same period of the previous year	Notes
1	2	3	4	5
Upward (downward) revaluation of non-current assets	2400	-	-	
Upward (downward) revaluation of financial instruments	2405	-	-	
Accumulated foreign currency translation differences	2410	-	-	
Share of other comprehensive income of associates and joint ventures	2415	-	-	
Other comprehensive income	2445	-	-	
Other comprehensive income before taxation	2450	-	-	
Income tax related to other comprehensive income	2455	-	-	
Other comprehensive income after taxation	2460	-	-	

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<b>Comprehensive income (total of lines 2350, 2355, and 2460)</b>	<b>2465</b>	<b>(1 300 869)</b>	<b>(443 738)</b>	
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**III. Elements of operating expenses**

Item	Line code	For the reporting period	For the same period of the previous year	Notes
1	2	3	4	5
Materials	2500	485	1 124	5.21
Employee benefits	2505	35 253	23 713	5.22
Social charges	2510	7410	4 963	5.23
Depreciation and amortization	2515	680	327	5.24
Other operating expenses	2520	1 173 537	401 407	5.25
<b>Total</b>	<b>2550</b>	<b>1 217 365</b>	<b>431 534</b>	

**IV. EARNINGS PER SHARE**

Item	Line code	For the reporting period	For the same period of the previous year	Notes
1	2	3	4	5
Weighted-average annual number of ordinary shares	2600	-	-	
Adjusted weighted-average annual number of ordinary shares	2605	-	-	
Net earnings (loss) per ordinary share	2610	-	-	
Diluted net earnings (loss) per ordinary share	2615	-	-	
Dividend per ordinary share	2650	-	-	

28 February 2022

Director

Yehor Farenjuk

Chief Accountant

Valentyna Kulinska



**STATEMENT OF CASH FLOWS (USING THE DIRECT METHOD)**

for the year ended 31 December 2021

	<b>CODES</b>		
Date (year, month, day)	2021	12	31
Entity <b>STATE INSTITUTION "ENERGY EFFICIENCY FUND"</b> (name)	EDRPOU 42325431		

**Statement of cash flows (using the direct method)  
for 2021**

Form No. 3 DKUD Code

**1801004**

Item	Line code	For the reporting period	For the same period of the previous year	Notes
1	2	3	4	5
<b>I. Cash flows from operating activities</b>				
Proceeds from:		-	-	
Sales of goods and services	3000			
Taxes and duties refunded	3005	-	-	
including value added tax	3006	-	-	
Targeted funding	3010	-	-	
Proceeds from return of advances	3020	3	-	
Interest for remaining account balance	3025	10 929	1 410	5.26
Forfeits (penalties and fines) received	3035	28		5.27
Other proceeds	3095	179	122	5.28
Payments for:				5.29
Purchase of goods and services	3100	(11 896 )	(5 571 )	
Wages and salaries	3105	(27 535 )	(18 602 )	
Social charges	3110	(7 367 )	(4 901 )	
Taxes and duties paid	3115	(6 549 )	(4 520 )	
Advances paid	3135	(102)	(234)	
Advances returned	3140	-	-	
Targeted contributions	3145	-	-	
Other expenditures	3190	( 86 019 )	( 5 076 )	5.30
Net cash flow from operating activities	3195	-128 329	-37,372	
<b>II. Cash flows from investing activities</b>				
Proceeds from sales of:		-	-	
financial investments	3200			
non-current assets	3205	-	-	
Proceeds from:		-	-	
interest	3215			
dividends	3220	-	-	
Receipts from derivatives	3225	-	-	
Other proceeds	3250	-	-	
Payments for acquisition of:				
financial investments	3255	-	-	
non-current assets	3260	(2 507 )	(2 888 )	5.31
Payments for derivatives	3270	-	-	
Other payments	3290	-	-	
Net cash flows from investing activities	3295	-2 507	-2 888	

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<b>III. Cash flows from financing activities</b>				
Proceeds from:				
Equity	3300	100 000	-	5.32
Borrowings received	3305	-	-	
Other proceeds	3340	-	-	
Expenditure on:				
Purchase of treasury shares	3345	-	-	
Repayment of borrowings	3350	-	-	
Dividends paid	3355	-	-	
Other payments	3390	-	-	
Net cash flows from financing activities	3395	100 000	-	
Net cash flows for the reporting period	3400	- 30 836	- 40 260	
<b>Cash and cash equivalents at the beginning of the year</b>	<b>3405</b>	<b>2 665 600</b>	<b>2 705 860</b>	
Effect of exchange rate changes on cash and cash equivalents	3410	-	-	
<b>Cash and cash equivalents at the end of the year</b>	<b>3415</b>	<b>2 634 764</b>	<b>2 665 600</b>	

28 February 2022

Director

Yehor Fareniuk

Chief Accountant

Valentyna Kulinska



STATE INSTITUTION "ENERGY EFFICIENCY FUND" (EDRPOU code: 42325431)  
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**STATEMENT OF EQUITY**

for the year ended 31 December 2021

(year, month, day)

Entity

**STATE INSTITUTION "ENERGY EFFICIENCY FUND"**

(name)

Date

EDRPOU

CODES		
2021	12	31
42325431		

**Statement of equity  
for 2021**

Form No. 4

DKUD Code

1801005

Item	Line code	Registered (share) capital	Revaluation surplus	Additional capital	Reserve capital	Retained earnings (accumulated deficit)	Unpaid capital	Withdrawn capital	Total	Notes
1	2	3	4	5	6	7	8	9	10	11
<b>Balance at the beginning of the year</b>	<b>4000</b>	2 719 329	-	-	-	(460 232)	-	-	2 259 097	
<b>Adjustments:</b>										
Change in accounting policy	4005	-	-	-	-	-	-	-	-	
Correction of errors	4010	-	-	-	-	-	-	-	-	
Other changes	4090	-	-	-	-	-	-	-	-	
<b>Restated balance at the beginning of the year</b>	<b>4095</b>	2 719 329	-	-	-	(460 232)	-	-	2 259 097	
<b>Net profit (loss) for the reporting period</b>	<b>4100</b>	-	-	-	-	( 1 300 869)	-	-	(1 300 869)	
<b>Other comprehensive income for the reporting period</b>	<b>4110</b>	-	-	-	-	-	-	-	-	
<b>Distribution of profit:</b>										
Payments to shareholders (dividends)	4200	-	-	-	-	-	-	-	-	
Reinvestment in share capital	4205	-	-	-	-	-	-	-	-	
Allocations to reserve capital	4210	-	-	-	-	-	-	-	-	
<b>Participants' contributions:</b>										
Contributions to share capital	4240	100 000	-	-	-	-	-	-	100 000	
Repayment of capital obligations	4245	-	-	-	-	-	-	-	-	
<b>Capital distribution:</b>										
Treasury shares (participatory interest) purchased	4260	-	-	-	-	-	-	-	-	
Treasury shares (participatory interest) sold	4265	-	-	-	-	-	-	-	-	
Annulment of purchased treasury shares (participatory interest)	4270	-	-	-	-	-	-	-	-	

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Withdrawn capital	4275	-	-	-	-	-	-	-	-
Other changes in equity	4290	-	-	-	-	-	-	-	-
<b>Total changes in equity</b>	<b>4295</b>	100 000	-	-	-	(1 300 869)	-	-	(1 200 869)
<b>Balance at the end of the year</b>	<b>4300</b>	<b>2 819 329</b>	-	-	-	<b>(1 761 101)</b>	-	-	<b>1 058 228</b>

Entity  
**STATE INSTITUTION "ENERGY EFFICIENCY FUND"**  
(name)

Date (year, month, day)  
EDRPOU

CODES		
2020	12	31
42325431		

**Statement of equity  
for 2020**

Form No. 4    DKUD Code    1801005

Item	Line code	Registered (share) capital	Revaluation surplus	Additional capital	Reserve capital	Retained earnings (accumulated deficit)	Unpaid capital	Withdrawn capital	Total	Notes
1	2	3	4	5	6	7	8	9	10	11
<b>Balance at the beginning of the year</b>	<b>4000</b>	2 719 329	-	-	-	(16 494)	-	-	2 702 835	
<b>Adjustments:</b>										
Change in accounting policy	4005	-	-	-	-	-	-	-	-	
Correction of errors	4010	-	-	-	-	-	-	-	-	
Other changes	4090	-	-	-	-	-	-	-	-	
<b>Restated balance at the beginning of the year</b>	<b>4095</b>	2 719 329	-	-	-	(16 494)	-	-	2 702 835	
<b>Net profit (loss) for the reporting period</b>	<b>4100</b>	-	-	-	-	(443 738)	-	-	(443 738)	
<b>Other comprehensive income for the reporting period</b>	<b>4110</b>	-	-	-	-	-	-	-	-	
<b>Distribution of profit:</b>										
Payments to shareholders (dividends)	4200	-	-	-	-	-	-	-	-	
Reinvestment in share capital	4205	-	-	-	-	-	-	-	-	
Allocations to reserve capital	4210	-	-	-	-	-	-	-	-	
<b>Participants' contributions:</b>										
Contributions to share capital	4240	-	-	-	-	-	-	-	-	
Repayment of capital obligations	4245	-	-	-	-	-	-	-	-	
<b>Capital distribution:</b>										
Treasury shares (participatory interest) purchased	4260	-	-	-	-	-	-	-	-	
Treasury shares (participatory interest) sold	4265	-	-	-	-	-	-	-	-	
Annulment of purchased	4270	-	-	-	-	-	-	-	-	

STATE INSTITUTION "ENERGY EFFICIENCY FUND" (EDRPOU code: 42325431)  
 Financial statements for the year ended 31 December 2021, thousands of UAH

Treasury shares (participatory interest) sold	4265	-	-	-	-	-	-	-	-	
Annulment of purchased treasury shares (participatory interest)	4270	-	-	-	-	-	-	-	-	
Withdrawn capital	4275	-	-	-	-	-	-	-	-	
Other changes in equity	4290	-	-	-	-	-	-	-	-	
<b>Total changes in equity</b>	<b>4295</b>	-	-	-	-	(443 738)	-	-	(443 738)	
<b>Balance at the end of the year</b>	<b>4300</b>	<b>2 719 329</b>	-	-	-	<b>(460 232)</b>	-	-	<b>2 259 097</b>	

28 February 2022

Director

Yehor Fareniuk

Chief Accountant

Valentyna Kulinska





## NOTES TO THE FINANCIAL STATEMENTS

### 1. General information

The State Institution "Energy Efficiency Fund" (hereinafter - the Fund) was incorporated by Resolution of the Cabinet of Ministers of Ukraine No. 1099 of December 20, 2017 in accordance with the Law of Ukraine "On Energy Efficiency Fund" No. 2095-VIII of June 8, 2017.

#### **Fund full name and abbreviation:**

in Ukrainian:

full - Державна установа "Фонд енергоефективності",

abbreviated - ДУ "Фонд енергоефективності";

in English:

full - State Institution "Energy efficiency Fund",

abbreviated - SI "Energy efficiency Fund".

#### **Fund legal and actual address:**

Legal address: 24 Dilova Street, Kyiv, 03150.

Actual address: 24 Dilova Street, Kyiv, 03150

Contact phone: (044) 222-9590

e-mail address: [info@eefund.org.ua](mailto:info@eefund.org.ua)

website: <https://eefund.org.ua/>

#### **Purpose, principles and activities**

The Fund is established to support the initiatives on energy efficiency, implement tools for stimulation and support of implementation of energy efficiency of buildings and energy saving measures, particularly, in residential sector taking into consideration the national plan on energy efficiency, on reduction of carbon dioxide emissions for the purpose of implementation of the Paris Agreement, implementation of acquis communautaire of the European Union and the Energy Community Treaty and to ensure compliance of Ukraine with its international obligations and commitments in the energy efficiency area.

The Fund is a state institution, a legal entity of public law.

EDRPOU code: 42325431.

The Fund is an institution that does not intend to make a profit and is registered with the Main Department of the State Tax Service of Ukraine in Kyiv as a non-profit organization by the Decision on inclusion of a non-profit organization in the Register No. 1826554600325 of August 6, 2018, with the status of non-profit: 0031 budgetary institution. Date of the non-profitability attribute assignment: July 24, 2018.

The Fund's registered paid-up share capital is UAH 2 819 329 220 (two billion eight hundred nineteen million three hundred twenty-nine thousand two hundred twenty). According to the Charter, the Fund's founder is the State represented by the Cabinet of Ministers of Ukraine.

The State's share in the Fund's share capital is 100%.

As at 31 December 2021 and 31 December 2020, the number of employees of the Fund was 65 and 54, respectively.

The Fund uses an automated accounting system. The accounting department is headed by the Chief Accountant.

#### **Fund management bodies are the following:**

Supervisory Board, which is the Fund's highest management body

Board of Directors, which is the Fund's executive body that exercises current management of its activities.

#### **Fund control bodies.**

The Fund establishes the permanent Internal Audit Unit as a component of the internal control system.

The Internal Audit Unit is subordinated and reportable to the Supervisory Board and functions on the basis of the regulation approved by the Supervisory Board.

## **2. Basis and general principles of preparation and compilation of financial statements**

### **2.1. Statement of compliance with International Financial Reporting Standards**

The Company's annual financial statements are compiled in accordance with International Financial Reporting Standards. More broadly, the term 'International Financial Reporting Standards' refers to standards and interpretations approved by the International Accounting Standards Board (IASB):

- International Financial Reporting Standards (IFRS);
- International Accounting Standards (IAS);
- Interpretations developed by the Committee on International Financial Reporting Interpretations (IFRIC) or Standing Interpretation Committee (SIC).

The Fund has been preparing its financial statements in accordance with IFRSs since they were first adopted as the conceptual basis for preparing these financial statements.

The annual financial statements are prepared on the historical cost basis and are presented in Ukrainian hryvnias. All amounts are rounded to the nearest thousand, unless otherwise indicated.

Paragraph 5 of Article 12 of the Law of Ukraine "On Accounting and Financial Reporting in Ukraine" requires entities who prepare IFRS financial statements to prepare and submit financial statements based on the Taxonomy of financial statements under international standards in a single electronic format (iXBRL).

The Fund, as a reporting entity, is registered on the Portal of the Financial Reporting Collection Center "Financial Reporting System" and submits financial statements based on the IFRS UA XBRL Taxonomy.

### **2.2. Functional currency and presentation currency, the level of rounding**

The functional currency of these financial statements is the national currency of Ukraine, the hryvnia. The financial statements are presented in thousands of Ukrainian hryvnias and all values are rounded to the nearest thousand Ukrainian hryvnias.

### **2.3. Financial statement reporting period**

The statements have been prepared as at 31 December 2021 and for the reporting period - calendar year: from 1 January 2021 to 31 December 2021.

Comparative information is disclosed in the financial statements, in other words, all the amounts in the financial statements for the current period are compared to the previous period.

The 2021 financial statements were approved on 23 February 2022.

### **2.4. Fund's going concern**

On 31 December 2019, COVID-19 started to spread across the world significantly affecting the economic situation of both Ukraine and the Fund. At the date of preparation of these financial statements, a significant number of companies in the country are forced to cease or limit their activities for an indefinite time. Measures taken to curb the spread of the virus include traffic restrictions, quarantine, social distances, suspension of infrastructure facilities, closure of the country's borders, etc., and slow down the economic activity of companies, including the Fund. The financial system in the country at the date of preparation of these financial statements is relatively stable, but faces significant currency risks.

The Fund has determined that these events are non-adjusting post balance sheet events in relation to the 2021 financial statements. Accordingly, the financial position as at 31 December 2021 and performance for the year ended 31 December 2021 were not adjusted to reflect the impact of events related to COVID-19.

At the date of preparation of these financial statements, the duration and impact of the COVID-19 pandemic as well as the effectiveness of state support remain uncertain, which makes it impossible to reliably estimate the extent, duration and severity of these effects and their impact on the Fund's financial position and performance in future periods.

On February 21, 2022, the leadership of the Russian Federation recognized the independence of the self-proclaimed "LPR" and "DPR" and decided to introduce units of the Armed Forces of the Russian Federation in the temporarily occupied territories of Donetsk and Luhansk regions.

Such actions are a continuation of the Russian Federation's policy of escalating armed aggression against Ukraine, imposing separatism, provoking interethnic and interfaith conflicts, riots that threaten the security, life, and health of citizens, state sovereignty, constitutional order, and territorial integrity of Ukraine.

The subversive activities of the special services of the Russian Federation, the activities of separatist forces, criminal and illegal military groups in the occupied territories of Donetsk and Luhansk regions, their terrorist activities have become an armed confrontation and threaten to spread to other regions of Ukraine.

On 23 February 2022, in order to normalize the situation in the state, protect and guard the state border, combat crime, maintain public safety and order, create conditions for the proper functioning of state authorities, local governments and other civil society institutions, prevent attempts to seize power or change the constitutional order of Ukraine by force, the National Security and Defense Council (NSDC) approved a decision to impose a state of emergency on the territory of Ukraine, except for Donetsk and Luhansk regions, where a special regime already applies. With 335 deputies voting in favor, the Verkhovna Rada ratified the state of emergency in Ukraine. The state of emergency started at midnight on Thursday 24 February.

In the early hours of Thursday, February 24, 2022, the President of the Russian Federation (hereinafter - the RF) addressed his nation, announcing a full-scale offensive in Ukraine. Martial law was imposed from 5:30 am, February 24, 2022 throughout Ukraine-controlled territory, following Russia's invasion in the areas bordering with the RF and the Republic of Belarus and in the vicinity of the terrorist groups "DPR" and "LPR". Ukrainian President Volodymyr Zelensky has announced about imposing martial law across the country for a period of 30 days. The decision had been proposed by the Council of National Defense and Security of Ukraine and is in accordance with article 106, paragraph 20 of the Constitution of Ukraine and with the Law of Ukraine on the Legal Regime of Martial Law. People's deputies approved the Presidential Decree "On the imposition of martial law in Ukraine" of 24 February 2022 No. 64/2022 by 300 votes.

Due to the uncertainty and duration of the events related to the COVID-19 outbreak and Russia's military invasion of Ukraine, the Fund has no practical way to accurately and reliably estimate the quantitative effect of these events on its financial position and financial performance. At present, the Fund closely monitors the financial consequences caused by these events. Given the specifics of the Fund's activities, this effect is not significant.

Considering the above factors, the Management believes that it is well placed to ensure future business continuity. The going concern principle is appropriate for the preparation of these consolidated financial statements in the absence of significant uncertainties that are beyond the Fund's control and cast doubt on the ability to continue as a going concern.

## **2.5. Adoption of new and revised standards**

Certain new standards and clarifications have been published that are mandatory for annual periods beginning on or after January 1, 2022, and that the Fund has not early adopted.

It is expected that the following standards and interpretations after entry into force will not significantly affect the Fund's financial statements.

### **IFRS standards and amendments issued as at 31 December 2021 but not yet effective.**

#### **IAS 16 Property, Plant and Equipment.**

##### **The effective date is January 1, 2022. Earlier application is permitted.**

The paragraph 17 of the current version of IAS 16 states that directly attributable costs include the costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling any items produced while bringing the asset to that location and condition. For example, equipment testing costs, net of proceeds from sale of testing's output, and well testing costs, net of proceeds from sale of oil and gas from well testing, are included in original cost. Effective January 1, 2022, a company is prohibited from deducting from the cost of property, plant and equipment amounts received from selling items produced

while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss.

**IAS 37 Provisions, Contingent Liabilities and Contingent Assets.**

**The effective date is January 1, 2022. Earlier application is permitted.**

The paragraph 68 of the current version of IAS 37 does not specify which costs an entity includes in determining the 'cost of fulfilling' a contract for the purpose of assessing whether a contract is onerous. With respect to cost accounting, this produces a difference in financial statements between entities with onerous contracts in their portfolios. As of 1 January 2022, the Amendments clarify in paragraph 68 of IAS 37 that the cost of fulfilling a contract comprises costs that relate directly to the contract, and include both:

- (a) the incremental costs of fulfilling that contract—for example, direct labor and materials; and
- (b) an allocation of other costs that relate directly to fulfilling contracts—for example, an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract among others. The amendments indicate that the costs to include to assess the "cost of fulfilling a contract" are the costs that relate directly to the contract - i.e. direct and allocated costs.

**IFRS 3 Business Combinations.**

**The effective date is January 1, 2022. Earlier application is permitted.**

Updating the references in IFRS 3 to the Conceptual Framework Basis of Financial Reporting without changing the accounting requirements for business combinations. IFRS 3, Business Combinations specifies how an entity should account for the assets and liabilities it acquires when it obtains control of a business. IFRS 3 requires an entity to refer to the Conceptual Framework for Financial Reporting to determine what constitutes an asset or a liability. Current IFRS 3 requires the acquirer to apply the definitions of an asset and a liability and supporting guidance in the Conceptual Framework adopted by the IASB in 2001 rather than the Conceptual Framework issued in 2018. As of 1 January 2022, the amendments updated the reference requiring an acquirer to refer to the 2018 Conceptual Framework to determine what constitutes an asset or a liability. Further, the amendments add an exception for liabilities and contingent liabilities. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying IFRS 3 should instead refer to IAS 37, 'Provisions, Contingent Liabilities and Contingent Assets', or IFRIC 21, 'Levies', rather than the 2018 Conceptual Framework.

**Annual Improvements to IFRSs 2018-2020 Cycle: IFRS 1 First-time Adoption of International Financial Reporting Standards.**

**The effective date is January 1, 2022. Earlier application is permitted.**

Paragraph D16(a) IFRS 1 provides a subsidiary that becomes a first-time adopter later than its parent with an exemption relating to the measurement of its assets and liabilities. The exemption in paragraph D16(a) IFRS 1 does not apply to components of equity. Accordingly, before the amendment to IFRS 1, a subsidiary that became a first-time adopter later than its parent might have been required to keep two parallel sets of accounting records for cumulative translation differences based on different dates of transition to IFRSs. The amendment to IFRS 1 extends the exemption in paragraph D16(a) IFRS 1 to cumulative translation differences to reduce costs for first-time adopters. The amendment allows a subsidiary applying IFRS 1: D16 (a) (which adopts IFRS later than its parent) to measure the cumulative effect of exchange differences in other comprehensive income, based on that measurement performed by the parent at its date of transition to IFRS.

**Annual Improvements to IFRSs 2018-2020 Cycle: IFRS 9 Financial Instruments.**

**The effective date is January 1, 2022. Earlier application is permitted.**

The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether a modification of a financial instrument is substantial and whether to derecognize a financial liability. Thus, as of 1 January 2022, in determining 'fees paid net of fees received' a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

That is, fees in the 10 per cent test includes only fees paid or received between the borrower and the lender, including fees paid to or received from other parties.

If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognized as part of the gain or loss on the extinguishment. If the exchange or

modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortized over the remaining term of the modified liability.

It is not applied in the financial statements for the year ended 31 December 2021.

**Annual Improvements to IFRSs 2018-2020 Cycle: IFRS 16 Leases.**

**The amendment only regards an illustrative example, so no effective date is stated.**

The amendment illustrates the requirements for lease incentives. Before the amendment, Illustrative Example 13 had included as part of the fact pattern a reimbursement relating to leasehold improvements; the example had not explained clearly enough the conclusion as to whether the reimbursement would meet the definition of a lease incentive. The IASB decided to remove the potential for confusion by deleting from Illustrative Example 13 the reimbursement relating to leasehold improvements. Therefore, the amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor.

**Annual Improvements to IFRSs 2018-2020 Cycle: IAS 41 Agriculture.**

**The effective date is January 1, 2022. Earlier application is permitted.**

The amendment addresses the tax effects in fair value measurement. Currently, paragraph 22 of IAS 41 requires an entity to exclude cash flows for taxation when measuring the fair value using a present value technique. The amendment excludes the requirement in IAS 41:22, which states that tax-related cash flows are not included in the calculation of the fair value of biological assets. The amendment reconciles IAS 41 and IFRS 13.

As of 1 January 2022, the requirement to exclude cash flows for taxation when measuring fair value applying IAS 41.22 is removed.

**IAS 1 Presentation of Financial Statements. The effective date is January 1, 2023. Earlier application is permitted.**

The amendments clarify the criterion in IAS 1 for classifying a liability as long-term: a requirement for an entity to have the right to defer repayment for at least 12 months after the reporting period.

The essence of the amendments:

- it is clarified that a liability is classified as long-term if an entity has the right to defer settlement of the liability for at least 12 months and a company's right to defer settlements must exist at the end of the reporting period;
- the classification depends only on the existence of such a right and does not depend on the probability that a company plans to exercise this right - the classification is not affected by the intentions or expectations of management as to whether the company exercises its right to defer settlements;
- clarification of the effect of credit terms on the classification - if the right to defer settlement of a liability depends on an entity's compliance with certain conditions, then this right exists at the end of the reporting period only if the entity meets those conditions at the end of the reporting period. The entity shall comply with these conditions by the end of the reporting period, even if the creditor verifies their compliance at a later date; and
- 'Settlement' is defined as the extinguishment of a liability with cash, other economic resources or an entity's own equity instruments that are classified as equity.

**IAS 1 Presentation of Financial Statements:**

**Practice Statement (IFRS PS) 2 'Making Materiality Judgements'. The effective date is January 1, 2023. Earlier application is permitted.**

The amendments include:

replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies; and adding guidance on how entities shall apply the concept of materiality in making decisions about accounting policy disclosures.

Information about an accounting policy is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that primary users of general purpose financial statements make on the basis of those financial statements. However, not all accounting policies that relate to material transactions, other events or conditions are (themselves)

material to an entity's financial statements. Disclosure of immaterial accounting policy information may be acceptable, although it is not required.

**IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.**

**The effective date is January 1, 2023. Earlier application is permitted.**

Before these amendments, IAS 8 included definitions of 'accounting policies' and 'change in accounting estimate'. The combination of a definition of one item (accounting policies) with a definition of changes in another item (change in accounting estimate) obscured the distinction between the two definitions.

To make that distinction clearer, the Board replaced the definition of a change in accounting estimate with a definition of accounting estimates.

The definition of a change in accounting estimates is replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

An entity develops an accounting estimate to achieve the objective set out by an accounting policy. Developing accounting estimates involves the use of judgements or assumptions based on the latest reliable information.

In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

**IAS 12 Income Taxes.**

**The effective date is January 1, 2023. Earlier application is permitted.**

A transaction that is not a business combination may lead to the initial recognition of an asset and a liability and, at the time of the transaction, affect neither accounting profit nor taxable profit. For example, at the commencement date of a lease, a lessee typically recognizes a lease liability and the corresponding amount as part of the cost of a right-of-use asset. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of the asset and liability in such a transaction. The exemption provided by paragraphs 15 and 24 does not apply to such temporary differences and an entity recognizes any resulting deferred tax liability and asset.

An entity applying the amendment for the first time shall, at the beginning of the earliest comparative period presented:

(a) recognize a deferred tax asset—to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized;  
and a deferred tax liability for all deductible and taxable temporary differences associated with:

(i) right-of-use assets and lease liabilities; and  
(ii) decommissioning, restoration and similar liabilities and the corresponding amounts recognized as part of the cost of the related asset; and

(b) recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

**IFRS 17 Insurance Contracts.**

**The effective date is January 1, 2023. Earlier application is permitted.**

- Some types of contracts excluded from the scope of IFRS 17.
- Simplified presentation of assets and liabilities relating to insurance contracts in the statement of financial position.
- Effect of accounting estimates made in previous interim financial statements.
- Recognition and allocation of insurance acquisition cash flows
- Change in consideration of reinsurance recoveries in the income statement.
- Allocation of contractual service margin (CSM) attributable to investment services.
- Financial risk mitigation options for inward reinsurance contracts and non-derivative financial instruments.
- Deferral of the effective date of IFRS 17, and the fixed expiry date for the temporary exemption for insurers from applying IFRS 9 until 1 January 2023.

- Simplified treatment of liabilities for claims settlement of contracts acquired before the date of transition to IFRS 17.
- Easier application of techniques to mitigate financial risk.
- Option to determine whether an investment contract meets the definition of an investment contract with discretionary participation features using information available at the time of transition to the new standard rather than at the time of contract inception.

## **IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures**

### **'Sale or Contribution of Assets between an Investor and its Associate or Joint Venture'. Effective date to be determined by the IASB. Earlier application is permitted.**

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognized in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognized in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The Fund's management expects that the entry into force of these standards and interpretations will not have a material impact on the financial statements. As at today, the Fund does not plan early adoption of the listed standards and interpretations.

### ***2.5. Format and titles of financial statements***

The Fund applies the form and composition of the financial statements items as defined in accordance with the National Accounting Regulation (Standard) 1, General Requirements for Financial Statements, approved by the Order of the Ministry of Finance of Ukraine of February 7, 2013 No. 73, registered with the Ministry of Justice of Ukraine on February 28, 2013 under No. 336/22868 (hereinafter - NAR(S) 1).

The Fund applies the norms of the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) in accounting for business transactions and events.

### ***2.6. Methods of presenting information in financial statements***

Under IAS 1, the Statement of Comprehensive Income provides for the presentation of expenses recognized in profit or loss under a classification based on the 'function of expense' method, whereby expenses are classified according to their function as part of the cost of production or, for example, expenses for administrative or other operating activities. However, since information about the nature of expenses is useful for predicting future cash flows, this information is given in Notes 5.21-5.25.

Cash flows from operating activities are presented in the statement of cash flows using the direct method, whereby major classes of cash inflows or outflows are disclosed. Information on the main types of cash receipts and cash payments is formed on the basis of the Fund's accounting records.

### ***2.7. Information on changes in accounting policies***

The Fund selects and applies its accounting policies consistently for similar transactions, other events and conditions, unless an IFRS specifically requires or permits categorization of items for which different policies may be appropriate. The Fund did not apply changes in accounting policies in 2021 compared to the accounting policies that the Fund used to prepare the financial statements for the period ended 31 December 2020.

## **3. Significant accounting judgments, estimates and assumptions**

### **3.1. Estimates, judgments and assumptions**

The preparation of financial statements in conformity with IFRS requires management to make certain judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Management makes a number of estimates and assumptions relating to the reporting

of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with IFRS. The estimates and underlying assumptions are based on factors believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. The preliminary estimates and underlying assumptions are constantly reviewed for the need to be changed. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. The Fund's assets and liabilities are initially measured upon acquisition or inception and subsequently measured at the balance sheet date for each reporting period in accordance with the requirements of International Financial Reporting Standards. Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies is presented below.

### **3.1.1. Making judgments regarding transactions, events or conditions in the absence of specific IFRS guidance**

In the absence of an IFRS Standard that specifically applies to a transaction, other event or condition, the Fund's management uses its judgement in developing and applying an accounting policy that results in information that is reliable and relevant to the economic decision making needs of the user, in the sense that the financial statements:

- present fairly the Fund's financial position, financial performance and cash flows;
- reflect the economic substance of a transaction and not just its legal form;
- are neutral, ie free from bias;
- are complete in all material respects.

In exercising judgment, the Fund's management refers to the acceptability of the following sources, in descending order:

- the requirements in IFRS on similar and related issues; and
- the definitions, recognition criteria, and measurement concepts for assets, liabilities, income, and expenses in the Framework.

In exercising judgment, the Fund's management considers the most recent pronouncements of other standard-setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature, and accepted industry practices, to the extent that they do not conflict with the above sources.

### **3.1.2. Recognition of elements of financial statements**

An asset is a resource controlled by the Fund as a result of past events and which are used to pay Grants under the terms of the Fund's programs and to support the Fund's operations.

Assets (non-current/current) and liabilities by maturity (non-current/current) are classified on initial recognition depending on the period of existence, use, and ownership of them by the Fund compared to a period of twelve months. An asset is classified as current if it is:

- expected to be used within 12 months; or
- cash or cash equivalents, unless its exchange or use to settle an obligation is restricted within twelve months after the balance sheet date.

All other assets are classified as non-current.

When incurred, current receivables for goods and services are recognized as assets simultaneously with the recognition of revenue from sales of goods, works and services, and are measured at fair value as of the date of recognition. Currently, the Fund has no such receivables due to the absence of such economic transactions in its operating activities.

A liability is a present obligation of the Fund arising from past events, the settlement of which is expected to result in an outflow of resources embodying economic benefits.

A liability is classified as short-term (current) when it satisfies any of the following criteria:

- it is expected to be settled within 12 months from the date of occurrence;
- it is expected to be settled within 12 months after the balance sheet date; or the Fund does not have an unconditional right to defer settlement of the liability until 12 months after the balance sheet date.

Liabilities that do not meet any of the above criteria are classified as non-current. The portion of long-term liabilities required to be paid within the coming 12 months are categorized as current liabilities. Non-current



and current liabilities are split into trading, financial, obligations to Beneficiaries on payment of Grants under the terms of the Fund programs, and other liabilities.

To determine the date of recognition or settlement of assets and liabilities, the Fund's contracts, program documents, and applicable laws are used.

Quantitative criteria and qualitative attributes of materiality of information on business transactions, events and items of the Fund's financial statements.

The materiality threshold is set:

- for assets, liabilities, and equity of the Fund at 0,001 % of total assets, liabilities, and equity, respectively;
- for a decrease in the usefulness of the items of property, plant and equipment at the deviation of the residual value from their fair value by 10%;
- for items of the financial statements at UAH 1000.

Unless required by IFRS, the Fund does not offset assets, liabilities, income and expenses.

The Fund keeps unchanged the presentation and classification of items in financial statements from period to period. The Fund will reclassify comparative amounts when there are changes in the presentation or classification of items in the financial statements, otherwise disclose the case.

Equity is the residual interest in the assets of the Fund after deducting all its liabilities.

Income is increases in economic benefits during the accounting period in the form of inflows (or enhancements) of assets or decreases of liabilities that result in increases in equity, other than those relating to contributions from equity participants.

Expenses are decreases in economic benefits during the accounting period in the form of outflows or depletions of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to owners (equity participants).

Income and expenses are recognized on an accrual basis.

The elements to be recognized in the financial statements are those that:

- meet the definition of an element;
- satisfy the criteria for recognition.

The criteria for recognition:

- it is probable that any future economic benefit associated with the item that meets the definition of an element will flow to or from the entity; and
- the item's cost or value can be measured with reliability.

All assets held by the Fund are controlled and are measured reliably. Assets and liabilities are measured so that the provisions created for them and the actions taken exclude the possibility of transferring existing financial risks to future reporting periods.

### **3.2. Judgments concerning property, plant and equipment and intangible assets**

The Fund splits property, plant and equipment and intangible assets - both those received for its own funds and those received from project partners under memorandums and agreements on international technical assistance. Such property, plant and equipment and intangible assets are accounted for separately.

For all property, plant and equipment and intangible assets, the accounting model used is historical value (cost).

### **3.3. Judgments concerning inventories**

Tangible inventories are assets held by the Fund for consumption in the process of meeting administrative (managerial) needs.

Tangible inventories comprise:

- household materials (tangible assets necessary to ensure the Fund's activities, as well as for the repair and maintenance of other non-current assets);
- low-value items – items used by the Fund for no more than one year (regardless of their value);
- low-value non-current tangible assets that are not put into operation.

Inventories are measured at the balance sheet date at the lower of: cost or net realizable value.

#### **3.4. Judgments concerning lease costs**

In 2020, the Fund entered into a contract for the lease of non-residential real estate (office premises). The term of the contract does not exceed twelve months from the start date of the lease, so the Fund in its accounting classifies such a lease as an operating (short-term) and does not recognize in the balance sheet (statement of financial position) a right-of-use asset. Lease costs are recognized in the Statement of Financial Performance as operating expenses on a monthly basis. The contract expired on October 31, 2021.

#### **3.5 Judgments concerning a reflection of provisions**

The Fund creates a provisions both in accordance with the requirements of current legislation - a leave pay provision, and in accordance with the terms of the Fund's programs - a provision for the payment of Grants to ultimate beneficiaries as part of its statutory activities.

The leave pay provision is created during the year on a monthly basis by dividing the double wage fund for the current month by the number of calendar days (minus holidays). At December 31 of each reporting year, a leave pay provision is reviewed and the results are reflected in the balance sheet (statement of financial position).

The provision for the payment of Grants may be current or non-current. Non-current provisions are reported at their amortized cost. The effective interest rate is set once for each individual Beneficiary, depending on the date the provision is recognized and the approximate term of repayment. The discount rate setting is prescribed in the Fund's accounting policy. In 2021, such rates range from 12.64% to 11.03 % for each Beneficiary individually depending on the month of accession to the Fund program, as the weighted average rates for the previous fiscal year (at the rate of the month of accession to the Fund Program) in the national currency of the relevant maturity, calculated by the NBU and given in the statistical data "Financial markets statistics" available at the link <https://bank.gov.ua/statistic/sector-financial/data-sector-financial#1ms> in the section "para 4.1.1.2. Interest rates on new loans to non-financial corporations by maturity".

#### **3.6 Judgments concerning fair value**

Cash is initially and subsequently measured at fair value equal to its nominal value.

The Fund's management believes that the above disclosures on fair value are sufficient and does not believe that there is any material information beyond the financial statements regarding fair value application, which can be useful for users of financial statements.

These financial statements have been prepared on a historical cost basis, measuring at fair value certain financial instruments in accordance with IFRS 9, Financial Instruments, using valuation techniques for financial instruments permitted under IFRS 13, Fair Value Measurement, and where the effect of the time value of money is material to the amount of provision that is expected to be required to settle the obligation. Such valuation techniques include using the current market value of a similar instrument, discounted cash flow analysis or other fair value measurement models. The estimated fair values of financial assets and liabilities are determined using available market information and appropriate valuation techniques and discount rates for appropriate financial instruments.

These financial statements have been prepared under the historical cost convention, except for non-current provisions measured at discounted value.

The Fund applies IFRS-compliant methods for determining fair value and amortized cost.

The Fund measures its current receivables and payables at the amount of the original invoice, contract, if the effect of discounting is immaterial.

The Fund's receivables and payables are measured initially at their nominal (contractual) value, and subsequently, based on the assumption that receivables and payables are current, the Fund assumes that their nominal value is fair value and is not amortized.

These financial statements have been prepared on the assumption that the Fund is an organization that is able to continue as a going concern in the near future.

#### **4. Significant provisions of the Accounting Policy**

Accounting policies are the specific principles, bases, conventions, rules and practices applied by the Fund that result in financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply.

The accounting policy complies with all IFRSs effective at the end of the reporting period (Note 2.4.) for which the IFRS financial statements are prepared.

Accounting and preparation of financial statements is carried out in compliance with the principles of prudence, full disclosure, consistency, continuity, accrual and matching of revenues and expenses, prevalence of essence over form, and periodicity.

The accounting policy of the Fund is designed in accordance with the requirements of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Before preparing the annual report, a full annual end of year stocktaking of the Fund's assets and liabilities on the balance sheet were carried out. The results of the stocktaking are reflected in the Fund's balance sheet as at 31 December 2021.

##### **4.1 Inventories**

###### Initial recognition

Inventories are considered assets if it is probable that any future economic benefit will arise from their use associated with the implementation of a set of actions aimed at solving tasks that meet the Fund's statutory objectives, and they have a value that can be measured with reliability.

Inventories are included in the balance sheet at historical cost, which comprises their purchase price or production cost.

###### Disposal value

When disposed of, inventories are valued using the first in, first out (FIFO) method of inventory valuation.

Analytical accounting data for inventories are presented in a quantitative and summarized form.

Inventories received free of charge as an international technical assistance from project partners. Such inventories are accounted for using the grant accounting model under IAS 20. Such inventories are considered a grant related to assets in the form of a nonmonetary asset and are accounted for using the income method, under which the grant is recognized in profit or loss over the project's life at the amount of the original cost of the inventories received.

The historical cost of such inventories is their fair value at date of receipt.

For such inventories to appear on the balance sheet, the "Targeted funding" account is used with analytical accounting by project's partners. Such inventories are expensed as a component of cost related to statutory activities using the identified cost method, with a corresponding posting on the "Deferred income" account.

##### **4.2 Property, plant and equipment**

###### Initial asset recognition

Property, plant and equipment is considered an asset if its expected useful life (operation) is more than one year and if it is probable that the Fund will receive future economic benefits from its use associated with the implementation of a set of actions aimed at solving tasks that meet the Fund's statutory objectives, and it has a value that can be measured with reliability.

Initial measurement depending on the method of obtaining

**Acquisition of property, plant and equipment at the expense of the Fund according to the target funding estimate.**

An item of property, plant and equipment appears on the Fund's balance sheet at historical cost, plus any costs specified in IAS 16.

**Property, plant and equipment granted free of charge in the form of technical assistance from partners for the project 'Support of the National Energy Efficiency Fund and of a climate-friendly reform agenda (S2I) in Ukraine' implementation are accounted for on a separate general ledger accounts.**

Such property, plant and equipment are accounted for using the grant accounting model under IAS 20. Such property, plant and equipment are considered a grant related to assets in the form of a nonmonetary asset and are accounted for using the income approach, under which a grant is recognised in profit or loss over the project's life or the useful life and in the proportions in which depreciation is charged.

The historical cost of such an item is its fair value at date of receipt.

For such property, plant and equipment to appear on the balance sheet, the "Targeted funding" account is used with analytical accounting by project's partners and subsequent gradual (periodic) attribution to "Deferred income" account in the proportions in which depreciation on those property, plant and equipment is charged.

The residual value and the useful life of property, plant and equipment are determined by the Committee in the act of commissioning.

Free use of property, plant and equipment under a contract (memorandum) on the provision of temporary free use of property as technical assistance from partners for the project 'Support of the National Energy Efficiency Fund and of a climate-friendly reform agenda (S2I) in Ukraine' implementation according to Article 107 of the Fund's Charter.

The accounting for such property, plant and equipment is in accordance with IFRS 16 Leases.

If the underlying asset is a low-value asset within the meaning of IFRS 16, the Fund recognizes the lease payments associated with such a lease as an expense on a straight-line basis over the lease term.

The historical cost of such an item of property, plant and equipment is its fair value at date of receipt, plus any other costs directly attributable to bringing the item to working condition for its intended use. Such property, plant and equipment are recorded in account 01 "Rented non-current assets".

Depreciation is not charged.

If such asset does not meet the above criteria, the historical cost of the item is its fair value at date of receipt and a "right-of-use asset" is recognized in the Fund's assets.

For such a right-of-use asset to appear on the balance sheet, the "Targeted funding" account is used with analytical accounting by project's partners and subsequent gradual (periodic) attribution to "Deferred income" account in the proportions in which depreciation on those right-of-use asset is charged.

Gratuitous receipt is documented by an act of acceptance – transfer, and, together with the technical documentation, is transferred to the relevant departments.

Useful lives and residual values of property, plant and equipment are set out in Orders when the respective property, plant and equipment are put into operation or are ready for use.

Subsequent measurement

After initial recognition, property, plant and equipment (irrespective of the method of receipt) are carried at cost less any accumulated depreciation and any accumulated impairment losses.

At the end of each reporting year, the Fund assesses whether there is any indication that an item of property, plant and equipment may be impaired. The procedures for impairment testing and accounting for impairment losses are set forth in the "Impairment" section of the Accounting Policy.

Depreciation

Depreciation in accounting is calculated on a straight-line basis over the estimated useful life of the asset, which is indicated in the act of commissioning.

Depreciation of an asset ceases at the earlier of

- the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with IFRS 5, Non-current Assets Held for Sale and Discontinued Operations; and
- the date that the asset is derecognized.

Derecognition

Property, plant and equipment or significant component thereof is removed from the statement of financial position on disposal or when it is withdrawn from use and no future economic benefits are expected from its continued use.

Also, the asset is derecognized under property, plant and equipment on reclassification to assets held for sale. Subsequently, such assets are accounted for in accordance with IFRS 5.

Any gain or loss arising from derecognition of the asset (calculated as the difference between the net proceeds from disposal of the asset and its carrying amount) is included in profit or loss statement for the year in which the asset is derecognized.

Subsequent expenses

Expenses related to current repairs and maintenance of property, plant and equipment, both owned and rented, in proper condition are recognized as expenses of the period in which they are incurred.

Accounting for computer equipment

When computer equipment is recognized on the balance sheet, the unit of an item of property, plant and equipment is deemed to be that equipment itself with installed software needed for the operation of such equipment, which is documented in the act of commissioning of property, plant and equipment. The historical cost of such an item comprises the equipment cost and the software cost. Software that meets the criteria for recognition as an intangible asset is accounted for individually.

The useful life of property, plant and equipment is established considering the allowable useful lives of property, plant and equipment under tax law.

<b>Groups of property, plant and equipment</b>	<b>Useful life</b>
Machines and equipment	2 - 5 years
Vehicles	5 - 7 years
Office equipment	4 - 8 years
Other property, plant and equipment	5 - 7 years

#### **4.4 Intangible assets (IA)**

IA recognition

Purchased or received intangible asset is shown in the balance sheet only if it is probable that any future economic benefit will arise from their use associated with the implementation of a set of actions aimed at solving tasks that meet the entity's statutory objectives, and it has a value that can be measured with reliability.

Intangible assets received free of charge (software for computer equipment received in the form of technical assistance from project partners for the project 'Support of the National Energy Efficiency Fund and of a climate-friendly reform agenda (S2I) in Ukraine' implementation according to Article 107 of the Fund's Charter) are accounted for under IAS 20.

Where the software is an integral part of the related hardware, computer software is treated as a property, plant and equipment.

IA initial measurement

The historical cost of an intangible asset comprises its purchase price and any directly attributable cost of preparing it for its intended use.

The historical cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended.

#### IA useful life

The useful life of an intangible asset is established according to the documents of title when it appears on the balance sheet.

Where the term of the right to use an intangible asset is not determined in accordance with the document of title such a useful life may be determined by the Fund itself, but may not be less than two and more than 10 years.

An intangible asset with an indefinite useful life is not amortized. For such IA, the Fund verifies the reduction in the usefulness of the intangible asset with an indefinite useful life by comparing its recoverable amount with its carrying value each year.

The useful life of an intangible asset is reviewed at the end of the reporting period if the asset's useful life or conditions for future economic benefits are expected to change in the next period.

#### Subsequent measurement

After initial recognition, an intangible asset is carried at cost model less any accumulated amortization and any accumulated impairment losses.

#### Amortization

Intangible assets are amortized on a straight-line basis over their expected useful lives. Amortization begins when the asset is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Intangible assets are amortized until the value of the asset becomes equivalent to its residual value.

#### Residual value

For intangible assets, residual value is zero.

#### Subsequent expenses

Subsequent expenses associated with an intangible asset incurred after the initial recognition of an intangible asset are recognized by the Fund as expenses in the period in which they are incurred.

#### Derecognition

Intangible assets are removed from the statement of financial position when no future economic benefits are expected from its continued use to flow to the Fund. Gains or losses arising from derecognition of the intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the assets and are recognized in the statement of profit or loss when the asset is disposed.

### **4.5 Financial instruments**

Financial assets.

Classification of financial assets.

A financial asset is recognized at the moment when the Fund becomes a party to the contract in respect of this asset. A classification of financial assets is made on the basis of both:

- the entity's business model for managing financial assets; and
- the contractual cash flow characteristics of the financial asset.

At initial recognition of such assets, the Fund's finance office determines which of the following categories the financial asset belongs to:

- financial assets measured at amortized cost when both of the following conditions are met:
  - the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
  - the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- financial assets measured at fair value through profit or loss;
- financial assets measured at fair value through other comprehensive income.

Initial recognition and initial measurement.

Accounts receivables and deposits are recognized on the date of their / occurrence / receipt. All other financial assets are initially recognized on the date of the transaction, as a result of which the Fund becomes a party to the relevant contract.

At initial recognition, a financial asset or a financial liability is measured at its fair value plus or minus, in the case of a financial asset or a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or the financial liability.

When an entity uses settlement date accounting for an asset that is subsequently measured at cost or amortized cost, the asset is recognized initially at its fair value on the trade date.

Subsequent measurement.

After initial recognition, depending on the chosen classification, a financial asset is measured:

- amortized cost; or
- fair value:
  - through profit or loss;
  - through other comprehensive income

Financial assets at amortized cost.

The following elements are recognized in profit or loss:

- interest income calculated using the effective interest rate method;
- expected credit losses and recoveries of any amounts written off.

Financial assets at fair value.

Gains and losses arising from changes in fair value are recognized in other comprehensive income. The following elements are recognized in profit or loss:

- interest income calculated using the effective interest rate method;
- expected credit losses and recoveries of any amounts written off.

Impairment

For debt instruments at amortized cost or at fair value through other comprehensive income, the reduced usefulness requirements for the recognition and estimation of a provision for losses are applied.

At each reporting date, financial assets are assessed to determine whether their credit risk (risk of default) has changed since initial recognition.

The amount of expected credit losses is determined as:

- the difference between contractual cash flows and cash flows expected to be received (the amount of cash "shortfall");
- weighted by the degree of probability of possible results of loss;
- discounted using the original effective interest rate.

Expected credit losses on a financial asset are determined by creating an allowance for its impairment.

If in a subsequent period the amount of a previously recognized impairment loss decreases, the impairment loss is reversed by reducing the allowance account accordingly.

Impairment losses (reversals of impairment losses) are included in finance costs (income) for the period in profit or loss as they arise.

Derecognition, write-off

A financial asset is derecognized only if:

- the contractual rights on cash flow of the financial asset terminate; or
- all the risks and rewards of ownership of the financial asset are substantially transferred.

A financial asset is transferred only if:

- the contractual rights on cash flow of the financial asset are transferred; or

the Fund has retained the contractual rights to receive the cash flows from the financial asset, but has assumed a contractual obligation to pass those cash flows on to one or more recipients.

On derecognition of a financial asset, the difference between the carrying amount (as at the date of derecognition) and the recoverable amount is recognized in profit or loss in accordance with IFRS 9, paragraph 3.2.12.

Any previously recognized components of other comprehensive income related to the financial asset being disposed of are included in the financial result from its disposal by transferring these components to profit or loss.

When an asset transfer results in the creation of new financial assets or financial liabilities, such assets or liabilities are recognized separately and measured on initial recognition at fair value.

Financial liabilities

Classification of financial liabilities

The financial liabilities include:

- trade payables and other current liabilities;
- obligations to the Beneficiary on the results of implementation of energy efficiency measures for each individual stage of the project by reducing (using) the reserve (provision) that was previously created.

Initial measurement

On initial recognition, the financial liability is measured at fair value (transaction price).

Derecognition of financial liabilities.

A financial liability is derecognized when, and only when, it is extinguished, i.e. when it is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in profit or loss.

#### **4.6 Leases**

Fund as a lessee.

Lease classification

The Fund recognizes, measures and presents leases in its financial statements in accordance with IFRS 16, Leases.

At the commencement date of a contract, the Fund evaluates whether the contract is a lease or contains a lease. The lease term is defined together with both: periods covered by an option to extend the lease; and periods covered by an option to terminate the lease.

Initial recognition

A right of use asset is recognized and an associated liability at the inception of the lease (if the lease is at the expense of the Fund's own funds) or the "Targeted Funding" account (if at the expense of donors).

Determining the present value of the lease payments is calculated using the interest rate implicit in the lease agreement if it is available.

Otherwise, the weighted average lending rate in the national currency of the relevant maturity on the date of the lease agreement, calculated by the NBU and given in the statistical data "Financial markets statistics" available at the link <https://bank.gov.ua/statistic/sector-financial/data-sector-financial#1ms> in the section "para 4.1.1.2. <https://bank.gov.ua/statistic/sector-financial/data-sector-financial - 1ms> Interest rates on new loans to non-financial corporations by maturity".

Initial direct costs incurred in entering into a lease agreement are included in the value of the right-of-use asset.

Right of use asset subsequent measurement.



The right-of-use asset upon recognition is carried at cost less any accumulated depreciation and any accumulated impairment losses, and adjusted for any revaluation of the lease liability.  
The requirements of IAS 36 Impairment of Assets apply to impairment of right-of-use assets.

Subsequent measurement of lease liabilities.

After initial recognition, the lease liability is increased by accrued interest, decreased by lease payments, and adjusted by the lease reassessment.

Interest on lease liabilities after the commencement date is recognized in profit or loss.

The Fund does not apply the above lease accounting treatment to short-term leases (12 months or less) and leases for which the underlying asset is of low value within the meaning of IFRS 16. In this case, the Fund recognizes the lease payments associated with such a lease as an expense on a straight-line basis over the lease term.

#### **4.7 Provisions**

##### Classification

The Fund recognizes the following types of provisions:

- for grant pay to the Beneficiaries of an energy efficiency project, with sub-accounts opened for each stage of the project. Analytical accounting of such reserves is carried out per Beneficiaries
- for leave pay
- other provisions satisfying the recognition criteria

##### Recognition

Provision is recognized in accounting and financial statements if the following criteria are met:

- The Fund has a current obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- the amount of the obligation can be measured reliably.

##### Provision measurement method

The most likely outcome is used according to paragraphs 36-52 of IAS 37. According to paragraph 36, the amount recognized as a provision shall be the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. This best estimate means the amount that the Fund would reasonably pay to settle the obligation at the end of the reporting period, provided that there is no proof that the estimated obligation may be significantly less or more than the calculated amount.

Provisioning costs are recorded as expenses for the period.

Where the effect of the time value of money is considered material, the relationship between the nominal amount and the present amount of a provision is more than 1%. When discounting is applied, the effect of unwinding the discount is recorded as an increase in the book value of the provision and the borrowing costs (finance costs) are recognized simultaneously.

##### Discount rate

At initial recognition of a provision that meets the conditions of the Accounting Policy, the weighted average rates for the previous fiscal year in the national currency of the relevant maturity, calculated by the NBU and given in the statistical data "Financial markets statistics" available at the link <https://bank.gov.ua/statistic/sector-financial/data-sector-financial#1ms> in the section "para 4.1.1.2. Interest rates on new loans to non-financial corporations by maturity". It is determined that this rate is most consistent with the condition that the discount rate should be a rate that reflects current market assessments of the time value of money and the risks inherent in the obligation.

##### Subsequent measurement of provision

When preparing the financial statements, a provision is reviewed at the end of each reporting period and is adjusted to reflect the current best estimate. When discounting is applied, the book value of the provision increases in each period to reflect the passage of time. This increase is recognized as a borrowing cost.

Contingent assets and contingent liabilities are not recognized in the statement of financial position.  
The information is disclosed in the notes to the financial statements.

#### **4.8 Impairment**

At the end of each reporting year, the presence of any indicators of asset impairment is reviewed and, if any, the amount of the expected recovery of the asset value is determined. An asset is impaired if its carrying amount exceeds its recoverable amount.

The impairment loss is recognized as an expense in the income statement.

At 31 December 2021, there is no evidence of impairment of the Fund's assets.

#### **4.9 Expenses**

The Fund recognizes expenses based on the matching principle provided for in the conceptual framework of IAS 1, Presentation of Financial Statements, and if:

- it is not probable that an outflow of assets embodying economic benefits will be required;
- the amount of costs can be measured with reliability.

The Fund classifies expenses based on the nature of expenses in accordance with IAS 1.

#### **4.10 Related parties**

The related parties include individuals and legal entities in accordance with the list approved by the Board of Directors of the Fund for disclosing information about transactions with related parties.

The criteria for determining related parties are:

For individuals:

- a) being part of those charged with governance of the Fund;
- b) being part of key management (that is, those members of management who have the authority and responsibility for planning, directing and controlling the activities of the Fund);
- c) being a close family member of any person referred to in subparagraph (a) or (b);
- d) having a significant business relationship with any person referred to in subparagraph (a) or (b);

Transactions with related parties are required to be disclosed.

#### **4.11 Statement of cash flows**

The statement of cash flows is prepared by the direct method from the Fund's accounting registers.

#### **4.12 Employee benefits**

Remuneration of the Fund's employees is performed in accordance with the provisions on remuneration of labor, staff schedule, established tariff rates, using the data of the timesheet.

Employee benefits are short-term payments.

All short-term employee benefits are recognized and measured as liabilities (accrued expenses).

The Fund does not have long-term pension plans for employee payments.

#### **4.13 Equity**

Elements of the Fund's equity

##### **Registered (share) capital. Unpaid capital.**

The provisions regulating the order of formation, size and amending share capital are set in Art. 27- Art. 32 of the Charter of SI "Energy Efficiency Fund". The equity is made up of funds received from the state budget to the appropriate account of the Fund opened with the State Treasury of Ukraine.

Debts of participants on formation of share capital at the end of the reporting period are recorded in the "Unpaid capital" account broken down by participants. In the Statement of Financial Position (Balance Sheet) and the Statement of Equity such debts are reported as a negative amount in a separate item "Unpaid capital" and are disclosed in the notes to the financial statements providing full information on the participants, amounts, terms and reasons for incomplete formation of share capital.

##### **Revaluation capital**

Revaluation capital is designed to record and summarize information about the financial instrument upward (downward) revaluation, which, in accordance with international accounting standards, are recorded in equity with disclosure in the statement of financial performance (statement of comprehensive income).

**Additional capital**

The assets received in accordance with Article 22 of the Charter, except for contributions to the share capital, are shown within "Additional capital" item. At 31 December 2021, there was no such assets.

**Reserve capital**

Due to the specific activity of the Fund, which is not aimed at generating profit, the reserve capital is not formed through retained earnings. There are no other legal grounds for the formation of reserve capital.

**Retained earnings (accumulated deficit)**

This equity item represents the allocation of financial result from the Fund's activities during the reporting period.

All changes in equity items are reflected in the Statement of Equity, which is an integral part of the Fund's financial statements, accompanying by their disclosure in the notes to the financial statements.

**Grants**

Government grants are not recognized until there is reasonable assurance that the Fund will comply with the conditions attached to it and that the grants will be received during the period in which the Fund recognizes the expenses that the grants are intended to compensate. Specifically, grants whose primary condition is that the Fund should purchase, construct or otherwise acquire non-current assets are recognized as government grants (grants) in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

## 5. Information items disclosure

### 5.1. Movement in intangible assets by groups

	Computer software	Accounting software	EDI system	Reuse projects "Overhaul (thermal modernization) of reinforced concrete"	IA in the process of creating
<b>As at 31 December 2020</b>					
Historical cost	165	35	-	-	163
Accumulated amortization	-45	-10	-	-	-
<b>Net carrying amount</b>	<b>120</b>	<b>25</b>	<b>-</b>	<b>-</b>	<b>163</b>
Receipts (historical cost)	-	7	-	-	163
Amortization charge	33	10	-	-	-
<b>As at 31 December 2021</b>					
Historical cost	152	42	330	890	1080
Accumulated amortization	-72	-22	-5	-30	-
<b>Net carrying amount</b>	<b>80</b>	<b>20</b>	<b>325</b>	<b>860</b>	<b>1080</b>
Receipts (historical cost)	-	7	330	890	1080
Disposals (historical cost)	13	-	-	-	163
Removal of amortization	6	-	-	-	-
Amortization charge	-33	-12	-5	-30	-

In 2021:

- 2 (two) accounting software licenses were purchased additionally;
- the creation of the IA item "Album of technical solutions" was completed, and the IA was recognised on the balance sheet;
- the creation of IA IT - a platform for receiving applications under the Fund's Program named 'Energodim' - was started, the first stage was completed. No impairment was identified at 31 December 2021.

### 5.2 Movements in property, plant and equipment by groups

	Machines and equipment	Vehicles	Other property, plant and equipment	Total
<b>As at 31 December 2019</b>				
Historical cost	1 075		53	<b>1 128</b>
Accumulated depreciation	-60		-1	<b>-61</b>
<b>Net carrying amount</b>	<b>1015</b>		<b>52</b>	<b>1 067</b>
Additions (historical cost)	1077	580	377	<b>2 034</b>
Disposals (historical cost)				
Removal of accumulated depreciation				
Depreciation charge	-269	-10	-5	<b>-284</b>
<b>As at 31 December 2020</b>				
Historical cost	2 152	580	430	<b>3 162</b>

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Accumulated depreciation	-329	-10	-6	<b>-345</b>
<b>Net carrying amount</b>	<b>517</b>	<b>2 372</b>	<b>95</b>	<b>2 984</b>
Additions (historical cost)	225			<b>225</b>
Disposals (historical cost)				
Removal of accumulated depreciation				
Depreciation charge	-748	-114	-38	<b>-900</b>
<b>As at 31 December 2021</b>				
Historical cost	2 377	580	430	<b>3 387</b>
Accumulated depreciation	-777	-124	-44	<b>-945</b>
<b>Net carrying amount</b>	<b>1 600</b>	<b>456</b>	<b>386</b>	<b>2 242</b>

There were no disposals or impairment losses during 2021.

There are no property, plant and equipment and intangible assets on the balance sheet that are temporarily withdrawn from use or classified as held for sale and/or in respect of which there are statutory restrictions of ownership, use or disposal.

As at 31 December 2021, there are no fully depreciated property, plant and equipment.

### 5.3. Inventories

The Fund's "Inventories" on the balance sheet are to ensure administrative (managerial) needs and are presented as follows:

	as at 31 December 2021	as at 31 December 2020
Low-value items at warehouses	5	4
Consumables to ensure the operation of office equipment, and other inventories	109	126
Other non-current tangible assets	78	128
<b>TOTAL</b>	<b>192</b>	<b>258</b>

Taking into account market insights and pricing trends for inventories as at 31 December 2020 and 31 December 2021, a downward revaluation of inventories is not needed. As at 31 December 2020 and 31 December 2021, the inventories are not pledged.

As at 31 December 2021, inventories were expensed in the amount of UAH 485 thousand (as at 31 December 2020: UAH 1 124 thousand).

### 5.4. Advances paid

	as at 31 December 2021	as at 31 December 2020
Guarantee payment under the lease agreement, insurance of leased property	17	246
Payments for repair of office equipment		7
Telecommunication services fee		4
Email, site, and security services, etc.	481	223
On-line access to services and software		131
Periodicals	17	24
Car insurance	22	23
Other	47	7
<b>TOTAL</b>	<b>584</b>	<b>665</b>

### 5.5. Accrued income receivable

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	as at 31 December 2021	as at 31 December 2020
Interest earned on current account balances	26	716
<b>TOTAL</b>	<b>26</b>	<b>716</b>

#### 5.6. Other current receivables

	as at 31 December 2021	as at 31 December 2020
Settlements with the International Finance Corporation	13 618	-
Settlements with associations of co-owners of apartment buildings	651	-
Compulsory state social insurance settlements	22	68
Other	2	-
<b>TOTAL</b>	<b>14 293</b>	<b>68</b>

In this table, as at 31 December 2021, UAH 13 618 thousand settlements with the International Finance Corporation and UAH 651 thousand settlements with associations of co-owners of apartment buildings represent financial debt.

#### 5.7. Cash and cash equivalents

	as at 31 December 2021	as at 31 December 2020
Local currency cash	2 634 764	2 665 600

#### 5.8. Other current assets

	as at 31 December 2021	as at 31 December 2020
Monetary items	87	3
<b>TOTAL</b>	<b>87</b>	<b>3</b>

#### 5.9. Registered (share) capital

	as at 31 December 2020	as at 31 December 2020
<b>Share capital</b>	2 819 329	2 719 329
<b>TOTAL</b>	<b>2 819 329</b>	<b>2 719 329</b>

The Fund's founder is the State represented by the Cabinet of Ministers of Ukraine. The Charter capital is formed exclusively by the state budget.

There is no debt on the contributions to the Charter capital at 31 December 2021.

#### 5.10. Long-term provisions

This item reflects the guarantees created for the future payment of grants to the Beneficiaries under the Fund's Program.

	as at 31 December 2021	as at 31 December 2020
<b>Balance of the provision at the beginning of the year</b>	<b>385 777</b>	<b>2 227</b>
Gross non-current provision	1 333 171	464 250
Adjustment	(6 189)	
Discount rates *		
Discount	(250 516)	(114 010)
Discount amortization	107 606	14 700
Used	(35 637)	(1 509)
Reclassified to current provisions	(489 080)	(4 732)
Discount relating to provisions that are reclassified as current	45 329	612

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Recognized balance of current provision for the 3rd stage of Package A due to changes in the conditions of the program "Energodim", adopted by the decision of SB of 17 Decembr 2020 and effective from 1 January 2021	-	24 239
<b>Balance of the provision at the end of the year</b>	<b>1 090 461</b>	<b>385 777</b>

The term of non-current provisions is up to 2 years, the currency of these provisions is hryvnia.

\*Discount rates depending on the period of accession to the Program in 2020 are:

February, March - 16,10%; April - 15,92%; May -15,78%; June - 15,73%; July - 15,35%; August - 15,00%; September - 14,49%; October - 13,90%; November - 13,38%; December - 13,13%.

Discount rates depending on the period of accession to the Program in 2021 are:

January - 12,64%, February - 12,36%, March - 11,97%; April - 11,65%; May -11,42%; June - 11,26%; July - 11,15%; August - 11,05%; September - 11,07%; October - 11,08%; November - 11,03%; December - 11,15%.

### 5.11. Current trade payables

	as at 31 December 2021	as at 31 December 2020
Advertising on TV and on the Internet		4 926
Other	2	6
<b>TOTAL</b>	<b>2</b>	<b>4 932</b>

### 5.12. Current employee benefits payable

According to IAS 19, the Fund pays employees in accordance with official salaries and an approved staff schedule. In the reporting period, remuneration was paid to natural persons who are not members of the Fund staff with the application of contracts of civil law nature (contracts with members of the Supervisory Board, contract for services rendered).

At 31 December 2021, there are no current employee benefits payable. There is no overdue debts on payment of salaries and wages at 31 December 2020.

	as at 31 December 2021	as at 31 December 2020
Remuneration to members of the Supervisory Board	110	102
Other	1	-
<b>TOTAL</b>	<b>111</b>	<b>102</b>

### 5.13. Current provisions

This item represents the provision for leave pay and the reserve for future disbursement of Beneficiary Grants under the Fund's Program.

	as at 31 December 2021	as at 31 December 2020
<b>Vacation reserve</b>		
<b>Vacation reserve balance at the beginning of the year</b>	<b>1 319</b>	<b>482</b>
Additions for the year	3 068	1 956
Used	(2 079)	(1 119)
<b>Vacation reserve balance at the end of the year</b>	<b>2 308</b>	<b>1 319</b>

<b>Reserve for Grant Payment</b>		
<b>Balance of the Reserve for Grant Payment at the beginning of the year</b>	<b>18 441</b>	<b>706</b>
Additions	73 073	41 292
Used (Grants paid)	(32 528)	(3 438)
Adjustment of the Reserve for Grant Payment (contract termination)	(275)	-
Reclassified from non-current reserves to current	489 080	4 732
Reclassified to payments on Package A tranches in 3 stages	-	(24 239)

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Discount on reserves reclassified to current	(45 329)	(612)
<b>Balance of the Reserve for Grant Payment at the end of the year</b>	<b>502 462</b>	<b>18 441</b>

<b>Reserve for future payments</b>		
<b>Balance at the beginning of the year</b>	<b>22</b>	<b>-</b>
Additions for the year	-	<b>22</b>
Used during the year	(22)	-
<b>Balance of the Reserve for Future Payments at the end of the year</b>	<b>0</b>	<b>22</b>
<b>Total reserves</b>	<b>504 770</b>	<b>19 782</b>

#### 5.14. Deferred income

	as at 31 December 2021	as at 31 December 2020
<b>Balance at the beginning of the year</b>	<b>746</b>	<b>939</b>
Assets received from partners according to the Memorandum in the framework of international technical assistance	-	177
Accrued costs associated with the use of assets	(201)	(370)
Accrued in accordance with the DASU' requirements	644	-
<b>Balance at the end of the year</b>	<b>1 189</b>	<b>746</b>

#### 5.15. Other operating income

	for 2021	for 2020
Interest on current account balances	10 238	2 126
IFC reimbursement for Grants	13 619	-
Other	52	-
<b>Total:</b>	<b>23 909</b>	<b>2 126</b>

#### 5.16. Administrative expenses

	for 2021	for 2020
Material costs	485	1 124
Employee benefits, including accruals	42 660	28 676
Amortization	680	327
Business trips	87	54
Lease payments	2723	3 627
Utility costs	1407	
Other (services of third-party organizations to ensure the functioning of the Fund)	2 033	526
<b>TOTAL</b>	<b>50 075</b>	<b>34 334</b>

#### 5.17. Distribution expenses

	for 2021	for 2020
Advertising on TV and on the Internet	662	4 926
Marketing services	102	652
<b>TOTAL</b>	<b>764</b>	<b>5 578</b>

#### 5.18. Other operating expenses

	for 2021	for 2020
Costs of Grant activities (provisioning):	(1 152 804)	(391 532)



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	for 2021	for 2020
Gross costs of grant activities	1 403 320	505 542
Discount on non-current provisions	(250 516)	(114 010 )
Grant costs reimbursable by IFC	(13 618)	-
Other	(104)	(90)
<b>TOTAL</b>	<b>(1 166 526)</b>	<b>(391 662)</b>

#### 5.19. Other income

	for 2021	for 2020
Income to the extent of depreciation on assets received according to the Memorandum of Technical Assistance:		
property, plant and equipment	168	160
intangible assets	32	33
low-value non-current tangible assets	-	177
<b>Total:</b>	<b>200</b>	<b>370</b>

#### 5.20. Finance costs

	for 2021	for 2020
Amortization expense of discount that arises when non-current provision for payments (Grants) is recognized	107 606	14 700
<b>TOTAL</b>	<b>107 606</b>	<b>14 700</b>

#### 5.21. Elements of operating expenses – material costs

	for 2021	for 2020
Inventories (including stationery, printing materials, image products, and supplies for office equipment)	376	284
Non-current tangible assets put into operation (furniture, office supplies, and low-value equipment)	109	840
<b>TOTAL</b>	<b>485</b>	<b>1 124</b>

#### 5.22. Elements of operating expenses – labor costs

	for 2021	for 2020
Employees	30 999	20 752
Vacation reserve	2 518	1 608
Supervisory Board	1 634	1 323
Contracts (except for members of the Supervisory Board)	102	30
<b>TOTAL</b>	<b>35 253</b>	<b>23 713</b>

#### 5.23. Elements of operating expenses – deductions for social events

	for 2021	for 2020
Employees	6 457	4 305
Vacation reserve	550	348
Supervisory Board	360	291
Contracts (except for members of the Supervisory Board)	22	6
Unified social contribution for sick leave	21	13
<b>Total:</b>	<b>7 410</b>	<b>4 963</b>

#### 5.24. Elements of operating costs – depreciation and amortization

	for 2021	for 2020
Property, plant and equipment (own funds)	432	124

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Property, plant and equipment (international technical assistance)	168	160
Intangible assets (international technical assistance)		33
Intangible assets (own funds)	80	10
<b>TOTAL</b>	<b>680</b>	<b>327</b>

#### 5.25. Elements of operating expenses — other operating expenses

	for 2021	for 2020
Expenses from initial recognition of provisions for Grant activity	1 166 422	391 532
Services (Notes 5.16 and 5.17)	6 927	9 807
Business trips	87	54
Reimbursement of expenses to Supervisory Board members (transportation)	15	14
Other	86	
<b>TOTAL</b>	<b>1 173 537</b>	<b>401 407</b>

#### 5.26. Interest for remaining account balance

	for 2021	for 2020
Receipts with Ukrgasbank JSC	10 492	1 410
Receipts with Privatbank JSC	437	
<b>Total:</b>	<b>10 929</b>	<b>1 410</b>

#### 5.27. Forfeits (penalties and fines) received

	for 2021	for 2020
Non-fulfillment of economic obligations	28	-
<b>Total:</b>	<b>28</b>	<b>-</b>

#### 5.28. Other proceeds

	for 2021	for 2020
Business trip advances returned	3	1
Provision for contract obligations	-	16
Sick leaves at the expense of the social insurance fund	141	105
Return on DASU' requests	35	-
<b>TOTAL</b>	<b>179</b>	<b>122</b>

#### 5.29. Payment of goods (services)

	for 2021	for 2020
Stationery and office supplies	103	73
Maintenance of office equipment	112	137
Leases of non-current assets	4 001	3 605
Marketing activities and printing	5 688	653
Audit services	172	203
Postal, telecommunication services, and Internet	233	82
Access to online services, security services, periodicals, etc.	907	526
Other	680	292
<b>TOTAL</b>	<b>11 896</b>	<b>5 571</b>

#### 5.30. Other expenditures

	for 2021	for 2020
Grant activity	85 318	4 947
Payments of sick leave at the expense of the social insurance fund	124	97

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Business trips	93	32
Other	484	-
<b>TOTAL</b>	<b>86 019</b>	<b>5 076</b>

**5.31. Expenditure on the acquisition of non-current assets**

	for 2021	for 2020
Intangible assets	2 143	170
Computer and office equipment	217	1 434
Other	147	704
Car	-	580
<b>TOTAL</b>	<b>2 507</b>	<b>2 888</b>

**5.32. Additions to equity**

	for 2021	for 2020
Share capital formation	100 000	-
<b>TOTAL</b>	<b>100 000</b>	<b>-</b>

## 6. Other information disclosures

### 6.1 Contingent assets

The Fund accounts for contingent assets on off-balance sheet accounts.

Under the terms of the Grant Agreement, "the Fund may initiate the return of the Grant or a portion thereof in the cases specified in the Terms and the Program, as well as take all necessary actions provided for in the Terms and the Program". Thus, the Tranche paid to the final Beneficiaries as a partial reimbursement of the costs incurred for energy efficiency measures may be reimbursed to the Fund in the event of non-compliance with the Program.

At the time of payment of the next Tranche to the Beneficiary, the Fund recognizes the contingent asset and records on the off-balance sheet accounts in the context of the Beneficiaries and stages.

#### Status of "Contingent assets" off-balance sheet account

	2021	2020
<b>Balance at the beginning of the year</b>	4 094	21
Contingent assets recognized	85 318	4 946
Decrease in contingent assets due to the implementation by the Beneficiary of the Fund Program and the Grant receipt	(42 689)	(873)
<b>Balance at the end of the year</b>	<b>46 723</b>	<b>4 094</b>

### 6.2 Contingent liabilities

The Fund accounts for contingent liabilities on off-balance sheet accounts.

According to the terms of the Grant Agreement, any Tranche can be transferred to the Beneficiary's account:

- by the Fund itself in full; or
- by the Fund with the involvement of any third parties who are partners of the Fund, including Donors in accordance with the Agreement on the financing of the event "Energy Efficiency Support Program in Ukraine — EE4U" and the Agreement on Financing the event "Program support energy efficiency in Ukraine — EE4U-II" (EE4U and EE4U-II) concluded between the Government of Ukraine and the European Commission. Any Tranche financed by partners of the Fund (including Donors) may be transferred to the Beneficiary's account in several installments - from the Fund and from partners of the Fund (Donors). However, if the Fund's partners or Donors are unable or refuse to co-finance any Tranche at any time and for any reason, such Tranche shall be funded and transferred by the Fund itself in full.

In this regard, the Fund has a contingent liability regarding possible payments of a share (50%) of the full amount of the Tranche in the event of refusal of the Fund's partners to pay.

On 13 December 2021, the Reimbursement Agreement of 2 December 2021 entered into force between the Fund and IFC to change the funding conditions of IFC Grants. Under the terms of the Reimbursement Agreement, the Fund pays 100% of the Grant Tranche to the condominiums, followed by reimbursement of the IFC's share to the Fund (currently 50% of the Grant Tranche payment costs).

The Fund creates contingent liabilities on off-balance sheet accounts by Beneficiaries and project stages.

#### Status of "Contingent liabilities" off-balance sheet account

	2021	2020
Balance at the beginning of the year	507 043	3 777
Contingent liabilities recognized	1 403 519	505 343
Grant payments made by the Fund's partner (IFC)	(60 957)	(2 077)
IFC's share paid by the Fund under the Reimbursement Agreement	(13 618)	-
<b>Balance at the end of the year</b>	<b>1 835 987</b>	<b>507 043</b>

### 6.3 Lease of non-current assets

In 2020, the Fund entered into lease agreements for non-residential premises, which expired on 31 October 2021.

This lease covers a period not exceeding twelve months from the date of transfer of the non-current assets for lease. Lease payments are recorded as operating expenses for the period.

In 2021, the Fund entered into a lease agreement for non-residential premises with the SPFU. The lease price is UAH 1,00 per year. The lease term is 4 years 11 months.

#### 'Leased non-current assets' are accounted for in the off-balance-sheet account (at fair value)

	2021	2020
Office spaces	27 741	30 915

### 6.4 Related party transactions.

Individuals.

#### Wages and salaries or remunerations (tax deducted) were paid in UAH

	for 2021	for 2020
<b>Members of the Fund's Supervisory Board (2 persons)</b>	1 319	981
<b>Fund's Board of Directors (5 persons)</b>	3 872	2 187

#### Included in the payables as at 31 December 2021 and 31 December 2020 (in UAH) were:

	for 2021	for 2020
<b>Members of the Fund's Supervisory Board (2 persons)</b>	111	102
<b>Fund's Board of Directors (3 persons)</b>	-	-

### 6.5. Fair value of financial instruments

The estimated fair value of financial instruments is determined by taking into account various market information and appropriate valuation techniques. However, such a valuation requires a reasonable judgment in interpreting market information. Accordingly, such valuations do not always reflect the amounts that may be received in the current market situation.

The carrying amount of cash and cash equivalents, trade and other receivables and payables is almost equal to their fair value due to the short maturity of these instruments.

Below is given a comparison of the carrying values and fair values of all financial instruments owned by the Fund that are reflected in the Statement of Financial Position:

#### Comparison of the carrying values and fair values of all financial instruments

	<b>31 December 2021</b> <i>thousands of UAH</i>	<b>31 December 2020</b> <i>thousands of UAH</i>
<b>Financial assets</b>		
Cash and cash equivalents	2 634 764	2 665 600
Accrued income receivable	26	716
Receivables from settlements with the International Finance Corporation	13 618	
Receivables from settlements with associations of co-owners of apartment buildings	651	
<b>Total</b>	<b>2 649 059</b>	<b>2 666 316</b>
<b>Financial liabilities</b>		
Trade payables	2	4 932
<b>Total</b>	<b>2</b>	<b>4 932</b>

## 6.6. Financial risk management

The Fund has a number of financial risks as a result of its activities, which are presented below. The Foundation aims to control and minimize the negative consequences of these risks through its risk management policies and risk management processes.

### (A) Credit risk

Credit risk represents the risk of losses due to the inability of the counterparty to fulfill its financial obligations. It arises mainly from the Fund's cash and cash equivalents, counterparty cash and cash equivalents and accounts receivable.

#### *(I) Cash and cash equivalents*

The Fund manages credit risk on its cash and cash equivalents through its cash and cash equivalents held with the State Treasury of Ukraine and state banks.

#### *(II) Counterparty cash and cash equivalents*

The Fund manages credit risk arising from cash and cash equivalents on settlements with counterparties by fully limiting the use of these funds for the Fund's needs.

#### *(III) Accounts receivable*

The Fund is not exposed to credit risk, although it may arise as a result of bad debts on settlements of business operations, or when grant activities are conducted when the beneficiary must return the grant funds due under the terms of the Program.

The Fund on a regular basis carries out control of settlements in order to minimize possible overdue receivables. The Fund has no concentration of credit risk associated with accounts receivable from one counterparty.

### (B) Market risk

Market risk represents the risk of losses due to changes in market prices and rates, such as currency rates and interest rates. The Fund is not exposed to market risk due to the lack of investments in financial instruments, and, accordingly, the lack of open positions on such instruments.

#### *(I) Currency risk*

The Fund is not exposed to currency risk on cash and cash equivalents and has no receivables or payables in foreign currencies.

#### *(II) Interest rate risk*

The risk of interest rate changes is negligible, since the Fund does not have financial obligations that would provide interest expenses.

### (B) Liquidity risk

Liquidity risk represents a risk of loss due to the inability of the Fund to fulfill its obligations in a timely manner. The Fund manages liquidity risk by managing cash and cash equivalents held on the accounts of the State Treasury of Ukraine and the State Bank.

The contractual maturity of the Fund's financial commitments is generally up to one year, except for grant obligations for the Beneficiaries under the Fund Program (Note 5.10). Accounts payable for services and other liabilities on settlements with counterparties have a maturity period of up to three months.

All liabilities of the Fund are fully covered by highly liquid assets, which are represented by cash and cash equivalents.

Liquidity risk is a risk of failure of complying with Fund's financial liabilities at the date of their settlement. The Fund's approach to liquidity management is to ensure, as far as possible, the Company has adequate liquidity to meet its obligations in a timely manner (both under normal circumstances and in the event of unusual situations), avoiding unacceptable losses or risk damage to the Company's reputation.

The Fund's management is liable for maintaining the required level of liquidity. The related structure of maintaining of the Fund's requirements of short-, medium- and long-term financing and for liquidity control was developed by the Fund's management. The Fund manages the risk of loss of liquidity through sufficient

reserves, the use of bank resources and loans, as well as through continuous monitoring, predictable and actual cash flow, as well as a combination of terms of payment on assets and obligations of the Fund. Liquidity analysis is to compare assets, grouped according to their degree of liquidity and arranged in descending order of liquidity, with liabilities, grouped by maturity dates and arranged in ascending order of maturity.

#### Assets in descending order according to their liquidity

Assets	31 December 2021	31 December 2020
Most liquid assets (A1)	2 634 764	2 665 600
Quick assets (A2)	14 998	1 453
Slow assets (A3)	192	258
Sticky assets (A4)	4 807	3 125
<b>Total</b>	<b>2 654 761</b>	<b>2 670 436</b>

#### Liabilities in ascending order according to their maturity

Equity and liabilities	31 December 2021	31 December 2020
Most urgent liabilities (L1)	506 072	25 562
Current liabilities (L2)	-	-
Non-current liabilities (L3)	1 090 461	385 777
Equity (L4)	1 058 228	2 259 097
<b>Total</b>	<b>2 654 761</b>	<b>2 670 436</b>

The table below defines the absolute values of payment surpluses or deficits as at 31 December 2021 and 31 December 2020:

Aggregation of line items in the Statement of Financial Position	Excess (deficit)	
	31 December 2021	31 December 2020
Group 1 (A1-L1)	2 128 692	2 640 038
Group 2 (A2-L2)	14 998	1 453
Group 3 (A3-L3)	(1 090 269)	(385 519)
Group 4 (A4-L4)	(1 053 421)	(2 255 972)

A statement of financial position is considered to be absolutely liquid, if:  $A1 > L1$ ,  $A2 > L2$ ,  $A3 > L3$ ,  $A4 < L4$ . The statement of financial position as at 31 December 2021 is not sufficiently liquid, since three conditions  $A1 > L1$ ,  $A2 > L2$  and  $A4 < L4$  out of four liquidity conditions are met. As at 31 December 2020, the financial position is not absolutely liquid, since three conditions  $A1 > L1$ ,  $A2 > L2$  and  $A4 < L4$  are met.

The following table provides an analysis of the Fund's liquidity as at 31 December 2021 and 31 December 2020 with the use of liquidity ratios calculation.

Liquidity ratios	31 December 2021	31 December 2020
Absolute liquidity ratio	5,2	104,28
Quick liquidity ratio	5,2	104,3
Current liquidity ratio	5,2	104,3

The absolute liquidity ratio shows the amount of short-term payables that an entity can repay immediately. This ratio should not be below 0,2. As at 31 December 2021, the Fund may immediately repay 100% of its payables (as at 31 December 2020: 100%).

The quick liquidity ratio shows how liquid funds of the company cover its current liabilities. Liquid assets include all current assets of the entity except inventories. The recommended ratio ranges from 0,7-0,8 to 1,5. As at 31 December 2021, the Fund's liquid funds cover its short-term debt by 100% (as at 31 December 2020: 100%).

ДЕРЖАВНА УСТАНОВА «ФОНД УНЕРГОЕФЕКТИВНОСТІ» (код ЄДРПОУ 42325431)  
Фінансова звітність за рік, що закінчився 31 грудня 2021 року, тис. грн

Коефіцієнт швидкої ліквідності показує наскільки ліквідні кошти підприємства покривають його короткострокову заборгованість. В ліквідні активи підприємства включаються всі оборотні активи підприємства, за винятком товарно-матеріальних запасів. Рекомендоване значення даного показника від 0,7-0,8 до 1,5. Станом на 31.12.2021 ліквідні кошти Фонду покривають її короткострокову заборгованість на 100% (на 31.12.2020 – 100%).

Коефіцієнт поточної ліквідності показує чи достатньо у підприємства коштів, які можуть бути використані ним для погашення своїх короткострокових зобов'язань протягом року. Рекомендоване значення даного показника від 1 до 2. Станом на 31.12.2021 та на 31.12.2020 у показник 104,3 та 5,2% відповідно. Фонд має достатньо коштів для погашення своїх короткострокових зобов'язань.

### 6.7. Події після звітного періоду

Після закінчення звітного періоду до часу опублікування фінансової інформації у фінансово-господарській діяльності Фонду не відбулося суттєвих подій, які вимагали б коригування після звітного періоду сум, визнаних у фінансовій звітності, або визнання раніше не визнаних статей відповідно до вимог МСБО 33.

З початку 2020 року спалах коронавірусу COVID-19 розповсюдився по всьому світу, вплинувши на світову економіку та фінансові ринки. Внаслідок невизначеності і тривалості подій, пов'язаних зі спалахом коронавірусу COVID-19, Фонд не має практичної можливості точно та надійно оцінити кількісний вплив зазначених подій на фінансовий стан і фінансові результати діяльності у 2021 році.

Керівництво Фонду визначило, що спалах коронавірусу COVID-19 не є коригуючою подією по відношенню до фінансової звітності за 2021 рік. Відповідно, фінансовий стан на 31.12.2021 і результати діяльності за рік, що закінчився 31 грудня 2021 року, не було скориговано на вплив подій, пов'язаних з COVID-19.

23 лютого 2022 року на території України буде введений надзвичайний стан, таке рішення ухвалили на засіданні Ради національної безпеки та оборони.

24 лютого 2022 року строком на 30 днів по всій території України запроваджено воєнний стан. Воєнний стан запроваджений Указом Президента України №64/2022 «Про введення воєнного стану в Україні», який затверджений Верховною Радою України. Таке рішення ухвалено у зв'язку з військовою агресією Російської Федерації проти України на підставі пропозиції Ради національної безпеки і оборони відповідно до українського законодавства.

В теперішній час керівництво Фонду уважно слідкує за фінансовими наслідками, викликаними зазначеними подіями.

### 6.8. виправлення помилок

У звітному періоді (2021 рік) виправлення помилок минулих періодів не відбувалосьь.

28.02.2022

Директор

Головний бухгалтер



Є.Г. Фаренюк

В.В. Кулінська