

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

*For the year ended 31 December 2005 and
cumulative as at that date
with Report of Independent Auditors*

Charitable Organisation “Foundation of Olena Franchuk “ANTI AIDS”

Statement of Cash Receipts and Disbursements
For the Year ended 31 December 2005 and
Cumulative as at that date

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Independent Auditors' Report

To the Founders of Charitable Organisation "Foundation of Olena Franchuk "ANTI AIDS"

We have audited the accompanying statement of cash receipts and disbursements of the Charitable Organisation "Foundation of Olena Franchuk "ANTI AIDS" ("Foundation") for the year ended 31 December 2005 and cumulative as at that date. This statement is the responsibility of Foundation's management. Our responsibility is to express an opinion on the accompanying statement based on our audit.

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

In our opinion, the accompanying statement of cash receipts and disbursements has been properly prepared, in all material respects, in accordance with the cash receipts and disbursements basis of accounting as described in Note 2.

Without qualifying our opinion, we draw attention to Note 2 to the accompanying statement of cash receipts and disbursements. The Foundation's policy is to prepare the accompanying statement on the cash receipts and disbursements basis of accounting and is not intended to be a presentation in conformity with International Financial Reporting Standards.

Ernst & Young Audit Services

31 August 2006

Charitable Organisation "Foundation of Olena Franchuk "ANTIAIDS"
Statement of Cash Receipts and Disbursements
For the Year ended 31 December 2005 and
cumulative as at that date

(in US dollars)

	Notes	Cumulative from commencement to 31 December 2004	2005	Cumulative from commencement to 31 December 2005
CASH RECEIPTS COLLECTED:				
Receipts from individuals		61,880	3,768	65,648
Receipts from legal entities		631,351	503,920	1,135,271
Total collected	3	693,231	507,688	1,200,919
EXPENSES PAID:				
CATEGORY 1:				
Information and education campaigns on HIV/AIDS.		(240,378)	(195,712)	(436,090)
CATEGORY 2:				
Material aid to people with HIV/AIDS and medical entities.		(21,129)	(70,067)	(91,196)
CATEGORY 3:				
Material aid to the Kyiv City orphanage "Berizka"		(307,820)	(215,261)	(523,081)
CATEGORY 4:				
International cooperation		0	(4,442)	(4,442)
Administrative expenses		(48,911)	(96,323)	(145,234)
Total expenses		(618,238)	(581,805)	(1,200,043)
Translation difference		291	2,711	3,002
Cash remaining as at 31 December		75,284	3,878	3,878

Signed and authorised for release on behalf of the Foundation on 31 August 2006:

Olga Rudneva



Director

Lilia Dzyadyk



Accountant



The accompanying notes are an integral part of this statement

Charitable Organisation "Foundation of Olena Franchuk "ANTIAIDS"

Notes to the Statement of Cash Receipts and Disbursements For the Year ended 31 December 2005 and cumulative as at that date

1. General Information

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

The Foundation's goals are:

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

The Foundation's projects implemented during 2003-2005 were mainly focused on the following directions:

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

2. Summary of Significant Accounting Policies

Basis of presentation

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

Foreign Currencies

The presentation currency for the purpose of this financial statement is the United States dollar ("US dollar"). Ukrainian entities, by law, are required to conduct business using the Ukrainian hryvnia. Accordingly, transactions included in the financial statement that were not already measured in US dollars (primarily Ukrainian hryvnias) have been remeasured into US dollars using the average exchange rate ruling during 2005 (5.1247 hryvnias for one US dollar). The remaining cash balance as at the reporting date is translated into the presentation currency using the closing exchange rate at that date (5.05 hryvnias for one US dollar). The resulting translation difference is separately disclosed in this financial statement.

Charitable Organisation "Foundation of Olena Franchuk "ANTIAIDS"

Notes to the Statement of Cash Receipts and Disbursements
For the Year ended 31 December 2005 and
cumulative as at that date

3. Cash Receipts Collected

Cash receipts collected for the year ended 31 December 2005 and cumulative as at that date include the following:

	<i>(in US dollars)</i> Cumulative from commencement to 31 December 2004	2005	Cumulative from commencement to 31 December 2005
Donations to charity	454,907	507,688	962,595
Receipts from charitable concert	228,314	-	228,314
Founders' contribution to the Charter Fund	10,010	-	10,010
	693,231	507,688	1,200,919