

HLB Ukraine

Audit & Tax Services

Inspired Around the World



**NON-GOVERNMENT ORGANIZATION
“DETECTOR MEDIA”**

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR’S REPORT**

as at and for the year ended 31.12.2016

CONTENTS

	Page
Independent Auditor's Report	3
Statement of Financial Position	5
Statement of Comprehensive Income	6
Statement of Cash Flows	7
Statement of Changes in Reserves	8
Notes to Financial Statements	9

Ref. No. 70/4-AB
as of 10.05.2017

INDEPENDENT AUDITOR'S REPORT

To the Supervisory Board of NGO «Detector Media»

Opinion

We have audited the financial statements of NGO «Detector Media» (hereinafter referred to as the Organization), which comprise the statement of financial position as at December 31, 2016, statement of comprehensive income, statement of changes in reserves and statement of cash flows for the year then ended and Notes to the financial statements, including the summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRSs).

Emphases of Matter

Without further qualifying our opinion we draw attention to Note 2.1 to the financial statements, which indicates that currently, IFRS do not contain specific guidelines for non-profit and non-governmental organizations concerning the accounting treatment and presentation of financial statements. Where the IFRS are silent or do not give guidance on how to treat transactions specific to the not-for-profit sector, accounting policies have been based on the general IFRS principles, as detailed in the basis of measurement of the IASB Framework for the Preparation and Presentation of Financial Statements.

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 ethical requirements that are relevant to our audit of the financial statements in Ukraine, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company'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, misinterpretations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 Organization to cease to continue as a going concern.

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.

General Director
HLB UKRAINE LLC
Certificate No. 006812 ACU,
Certificate ACCA DipIFR No. 1734596

Senior Auditor
Certificate A No. 005809 ACU,
Certificate ACCA DipIFR No. 1638058



Olga Samusieva

Kateryna Zolina

May 10, 2017

HLB UKRAINE LLC
11/11 Gusovskogo Street, office 3, Kyiv, Ukraine

I. STATEMENT OF FINANCIAL POSITION

		(in thousands of USD)	
Item	Note	As at 31.12.2016	As at 31.12.2015
Assets			
Fixed assets, net	4	8	5
Intangible assets, net	5	125	17
Advances issued		8	3
Cash and cash equivalents	3	167	64
Total assets		308	89
Reserves and liabilities			
Reserves	9	169	54
Total reserves		169	54
Income of future periods	2.12	133	22
Current provisions	6	6	2
Payables		-	11
Total current liabilities		139	35
Total reserves and liabilities		308	89

This Statement of Financial Position is to be read in conjunction with the notes to and forming part of the financial statements.

Executive Director



Diana Dutsyk

II. STATEMENT OF COMPREHENSIVE INCOME

Statement of Comprehensive Income was prepared according to principle of accrual of income and expenses.

Item	Notes	(in thousands of USD)	
		2016	2015
Operating income			
Grants, recognized as income	2.13	352	390
		352	390
Operating expenses			
Remuneration for employees (incl. taxes)		(58)	(22)
Social taxes		(9)	(8)
Depreciation		(9)	(5)
Inventories		(3)	(3)
Third-party services and sub-grants	8	(273)	(352)
		(352)	(390)
Net Surplus		-	-
Currency differences allocated to provisions		6	2
Translation currency differences		(13)	(2)
Net comprehensive income		(7)	-

This Statement of Comprehensive Income is to be read in conjunction with the notes to and forming part of the financial statements.

Executive Director



Diana Dutsyk

III. STATEMENT OF CASH FLOWS

Statement of Cash Flows was prepared according to direct method.

		(in thousands of USD)	
Item	Note	2016	2015
I. Cash flows from main activities			
Incomings from:			
Donors targeted disbursements received		608	454
Donors refund		(8)	-
	9	600	498
Outgoings for:			
Third-party services and sub-grants		(279)	(357)
Payments to employees		(44)	(18)
Social Taxes Payment		(40)	(26)
Income tax		-	(1)
Purchase of intangible assets		(120)	(2)
Purchase of non-current assets		(8)	(5)
	9	(491)	(410)
Net cash flows from main activity		109	44
Opening cash balance		64	23
Exchange differences impact	9	(6)	(3)
Closing cash balance		167	64

This Statement of Cash Flows is to be read in conjunction with the notes to and forming part of the financial statements.

Executive Director



Diana Dutsyk

IV. STATEMENT OF CHANGES IN RESERVES FOR 2016

	(in thousands of USD)		
	Targeted reserves	Unrestricted reserves	Total
Balance as at January 01, 2016	45	9	54
Received in 2016	608	-	608
Refund to donors	(8)	-	(8)
Used for operational expenses	(336)	(4)	(340)
Used for purchase of non-current assets	(132)	-	(132)
Transfer between reserves	(2)	2	-
Translation currency difference	(12)	(1)	(13)
Balance as at December 31, 2016	163	6	169
incl.:			
temporary shortage of reserves	(15)	-	(15)
not used reserves	178	6	184

STATEMENT OF CHANGES IN RESERVES FOR 2015

	(in thousands of USD)		
	Targeted reserves	Unrestricted reserves	Total
Balance as at January 01, 2015	(8)	-	(8)
Received in 2015	454	-	454
Used for operational expenses	(380)	(2)	(382)
Used for purchase of non-current assets	(8)	-	(8)
Transfer between reserves	(11)	11	-
Translation currency difference	(2)	-	(2)
Balance as at December 31, 2015	45	9	54
incl.:			
temporary shortage of reserves	(11)	-	(11)
not used reserves	56	9	65

Executive Director



Diana Dutsyk

V. NOTES TO FINANCIAL STATEMENTS

1. Information on the organization

Non-Government Organization Detector-Media (hereinafter referred to as “the Organization”) is a media platform and sustainable think-tank that promotes the formation of democratic, free and professional media in Ukraine as well as the making up of the critical, thoughtful and sensible media consumer.

It was founded in 2004 under brand *Telekritika* and was rebranded in April 2016 as *Detector-Media*.

Detector Media conducts its activities without purpose to gain profit, principal activities are as follows:

- Promoting the higher quality of content (especially news) in the Ukrainian media
- Promoting economic recovery of the media market in Ukraine, more pluralism, transparent and understandable market relations
- Improving the educational level and skills of journalists
- Improving public policy in the information area
- Increase media literacy
- Counteraction of the manipulative impacts and propaganda in Ukraine and world

The activities of the Organization are financed by grants and donations.

Main sources of the Organization’s property formation are international grants. On August 9th, 2016, the Organization signed Agreement with the Swedish International Development Cooperation Agency (SIDA), represented by the Embassy of Sweden in Kyiv to support its core activities to ensure sustainable development of the organization. The implementation period is 1 July 2016 – 30 June 2019 with the ceiling budget of 6,000,000 SEK.

During 2016 year the Organization was also financed by National Endowment for Democracy, Internews Network Inc., Ministry of Foreign Affairs of the Netherlands, the Council of Europe and Ministry of Foreign Affairs of the Czech Republic (Note 9).

Legal address: 15, Ryzka Street, Kyiv 04060.

Actual address: 7/9 Yaroslavskyi pereulok, of. 10, Kyiv, Ukraine.

The Organization’s Financial Statements were approved by the management for issue on 24.04.2017

Average number of full-time employees (persons): 4 (2015: 4).

2. Accounting policy

2.1. Compilation framework

The Organization’s Financial Statements were compiled in compliance with the International Financial Reporting Standards based on historic cost approach.

Currently, IFRS does not contain specific guidelines for non-profit and non-governmental organizations concerning the accounting treatment and presentation of financial statements.

Where the IFRS are silent or do not give guidance on how to treat transactions specific to the not-for-profit sector, accounting policies have been based on the general IFRS principles, as detailed in the basis of measurement of the IASB Framework for the Preparation and Presentation of Financial Statements.

2.2. Application of estimates

Compilation of the Financial Statements requires applying estimates and assumptions which effect the amounts reported in the Financial Statements and the notes. These estimates are based on the information that was known at the moment of the Financial Statements compilation. Therefore actual influence of these assumptions may differ from that esteemed at the moment of the Financial Statements compilation.

2.3. Foreign currency translation

Financial statements of the Organization are presented in USD. Functional currency of the Organization is Ukrainian hryvnia.

Transactions made in foreign currencies are reflected by the Organization in the functional currency at exchange rate effective on the date of transaction. Currency differences arise upon revaluation of foreign currency balances at the bank accounts and upon exchange of foreign currency for hryvnia. Such currency differences are included into the structure of reserves and are reflected in other comprehensive income in the Statement of Comprehensive Income.

During the transfer of reporting from functional currency to presentation currency, items of the Balance Sheet are translated at the spot rate of the functional currency, which operates as at the Balance Sheet date, and items of the Statement of comprehensive income and Statement of cash flow are translated at the rate of NBU as at the transaction date.

Exchange rates were as follows:

Currency	(UAH for 1 USD)	
	31.12.2016	31.12.2015
USD	27,190858	24,000667
Average USD exchange rate for reporting year	25,545772	21,829001

2.4. Intangible assets

Purchased software is capitalized on the basis of expenses incurred while its purchase and implementation for use.

Depreciation is accrued according to straight-line method. Expected term of useful life is as follows:

- Software - 10 years,
- web-sites – 10 years,
- copyrights – 30-35 years (depending upon the term defined in the copyright agreement).

Expenses connected with maintenance of software are reflected in the Statement of Comprehensive Income during the financial period in which they were incurred.

2.5. Fixed assets

Fixed assets acquired using donor funds are reflected at the cost of purchase less accumulated depreciation as at the last balance sheet date and any accumulated loss from impairment.

Depreciation of fixed assets is accrued using straight-line method, term of useful life is fixed when taking into account.

The Organization's expenses which are connected with repairs and technical maintenance of office equipment, are reflected in the Statement of Comprehensive Income during the financial period in which they were incurred.

Terms of useful life and method and standards of depreciation accrual are reviewed at the year-end and are updated if necessary.

2.6. Cash and cash equivalents

Cash consists of cash on bank accounts.

2.7. Accounts receivable

Accounts receivable are advance payments provided to the suppliers and overpayment on taxes.

Accounts receivable are recognized and reflected according to fair value (original of the proposed amount or amount in invoice), with further evaluation according to depreciated value with deduction of allowance for impairment.

Allowance for impairment is established in case when there is evidence that Organization has no possibility to collect all amounts of receivables in compliance with initial terms of accounts receivable. The amount of allowance is the difference between the carrying amount and recoverable amount. When the full receipt of the amount receivable is not considered probable any more, bad debts are written-off as they become known, and bad debts are reflected in structure of current operational expenses.

2.8. Inventories

The cost of inventories includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Expenditure is recognized at the moment such inventories are delivered or consumed. The cost of inventories write-off is based on the "first-in first-out" principle.

2.9. Reserves

Reserves are classified as either targeted or unrestricted reserves.

a) Targeted reserves

Targeted reserves are represented by the amount of excess of targeted voluntary contributions of the Donors over expenses for transactions approved by the Donors.

Donors' targeted contributions

Contributions received by the Organization from almost all Donors are earmarked for specific usage. At the end of the financial year, any such funds which have not yet been spent are recorded under this heading. In cases where the funds cannot be used, the Organization either obtains agreement for reallocation for a different purpose or reimburses the funds to the donor, in which case they are recognized as a liability before the effective payment takes place.

Advances paid to suppliers do not decrease the amount of restricted reserves (except for advances for audit of the reporting year), since there is no confirmation of reserves usage for restricted purposes.

Amounts, to be provided by the donors in order to cover actual expenses incurred by the Organization according to valid agreements, are also reflected in this article with opposite sign.

b) Unrestricted reserves

These are not subject to any legal or third-party restriction and can be applied as the Organization sees fit but in any case according to the purposes stipulated by the Organization's by-law.

Unrestricted reserves may be designated for specific purposes to meet future obligations or risks.

Unrestricted reserves include:

- i) voluntary contributions of natural and legal entities;
- ii) amounts of restricted reserves remaining unspent under finished projects and for which there is an appropriate agreement of the Donor;
- iii) income from currency exchange differences, if under the agreement with the Donor such income belongs to the Organizations.

2.10. Capital management

By its nature, the Organization does not have “capital”. Rather, it views the reserves as a proxy for capital in terms of IAS 1. The target and position of the various reserves are indicated in Notes 9.

There were no changes in the Organization’s approach to reserves management during the period. The governing bodies’ policy is to maintain a strong level of reserves so as to maintain donor confidence and to sustain future development of operations.

2.11. Liabilities and provisions

Provisions for unused vacation are formed by the Organization considering all days of unused vacation of the employees.

Provisions for audit of the reporting year are recognized in the structure of other current liabilities.

2.12. Income of future periods

Grant funds spent for purchase of non-current assets are firstly recognized as income of future periods. Inclusion into income of the reporting period is performed simultaneously with accrual of depreciation in the same amount or upon disposal of non-current assets in amount of residual cost of disposed non-current asset or upon actual use of inventories in the activity of the Organization.

2.13. Operating income

a) Grants, recognized as income

Contributions that are based on contracts for projects and unrestricted contributions are recognized as the expenditure is incurred.

Contributions in cash for direct funding of the costs of purchasing fixed assets are recognized as income simultaneously with accrual of depreciation, and prior to it are firstly recognized as income of future periods.

Contributions used for purchase of inventories are recognized as income at the moment of inventories usage, and up to that moment are accounted in the structure of income for future periods.

b) Foreign currency exchange differences

All currency differences received by the Organization from sale/purchase and reevaluation of foreign currency received from the donors are included into the structure of provisions. Such currency differences are recognized in the structure of other comprehensive income in the Statement of Comprehensive Income.

3. Cash and cash equivalents

	(in thousands of USD)	
	31.12.2016	31.12.2015
Cash in bank in UAH	121	44
Cash in bank in USD	46	20
Total	167	64

4. Fixed assets

Fixed assets of the Organization include digital and office equipment.

Index	Office equipment (USD'000)
Primary value:	
As at 31.12.2014	16
Purchase	3
Currency translation differences	(6)
As at 31.12.2015	13
Purchase	8
Currency translation differences	(1)
As at 31.12.2016	20
Depreciation:	
As at 31.12.2014	(8)
Current depreciation	(3)
Currency translation differences	3
As at 31.12.2015	(8)
Current depreciation	(5)
Currency translation differences	1
As at 31.12.2016	12
Residual value:	
As at 31.12.2016	8
As at 31.12.2015	5

As at 31.12.2016 the Organization has no non-current assets with limited term of use or pledged.

5. Intangible assets

Index	Copyrights (USD'000)	Web-sites (USD'000)	Software (USD'000)	Total (USD'000)
Primary value:				
As at 31.12.2014	-	27	2	29
Purchase	-	2	-	2
Currency translation differences	-	(9)	(1)	(10)
As at 31.12.2015	-	20	1	21
Purchase	100	22	-	122
Currency translation differences	(6)	(4)	-	(10)
As at 31.12.2016	94	38	1	133
Depreciation:				
As at 31.12.2014	-	(2)	(2)	(4)
Current depreciation	-	(2)	-	(2)
Currency translation differences	-	1	-	1
As at 31.12.2015	-	(3)	(2)	(5)
Current depreciation	(1)	(3)	-	(4)
Currency translation differences	-	-	1	1
As at 31.12.2016	(1)	(6)	(1)	(8)
Residual value:				
As at 31.12.2016	93	32	-	125
As at 31.12.2015	-	17	-	17

6. Changes in current provision for payment of unused vacations

(in thousands of USD)

Unused provision as at January 01
Use of provision during the year
Expenses for creation of provision
Unused provision as at December 31

2016	2015
2	2
(2)	(2)
6	2
6	2

7. Related parties

a) Identity of related parties

Related parties are the Chairperson and senior management of the Organization, and close members of their families or households.

b) Transactions with related parties

There were transactions with the Chairperson, Ms. Ligachova-Chernolutska, connected with provision professional services. Total amount paid for services received from Ms. Ligachova-Chernolutska was as follows:

- for 2016 **43 thousand USD;**
- for 2015 **33 thousand USD.**

c) Remuneration

The salaries and benefits of the Organization's Executive Director are set by labour contract. His total remuneration includes employer expenses for social insurance and social benefits and amounts to **26 thousand USD** for 2016 (2015: 12 thousand USD).

8. Third party services and sub-grants

Services received by the Organization and sub-grants made for the year were as follows:

(in thousands of USD)

Journalists and editors services
Technical assistance
Lease
Project management services
TV channels monitoring
IT services
Sub-grants
Design services
Mediaresearch and sociology
Development of educational materials
Communication & Internet
Audit
Other
Total

2016	2015
89	107
48	71
26	22
26	37
20	68
16	7
10	-
8	12
7	3
5	-
4	2
-	10
14	14
273	352

9. Flow of the Donors' Cash Funds and matching with reserves

Cash flow on the projects which the Organization implemented in the period from 01.01.2016 to 31.12.2016 using donors' funds:

Statement on Receipt and Expenditure of the Donors' Cash Funds									
(in thousands of USD)									
Donor	Project	Cash as at 01.01.2016	Incomings/ refund	Outgoings	Transfers	Effect of change in ex-rates	Cash as at 31.12.2016	Matching with reserves	
								Accruals as at 31.12.2016	Payables as at 31.12.2016
the Swedish International Development Cooperation Agency (SIDA)	Core support to NGO "Detector Media", 2016-2019	-	173	(100)	-	(2)	72	-	2
	Short-term support to support the implementation of the recommendations of the system-based audit	37	-	(37)	-	-	-	-	-
National Endowment for Democracy	Fostering Freedom and Transparency in the Media (grant number 2016-200)	-	87	(87)	-	-	-	-	-
	Fostering Freedom and Transparency in the Media (grant number 2015-149)	8	-	(8)	-	-	-	-	-
Ministry of Foreign Affairs of the Czech Republic	Comprehensive Actions to Support Media Education in Ukraine	-	69	(66)	-	(1)	2	-	-
	Enhancing Public Participation and Experience Exchange in Creating of Public Broadcasting in Ukraine (2016)	-	40	(56)	-	1	(15)	-	-
The Council of Europe	Enhancing Public Participation and Experience Exchange in Creating of Public Broadcasting in Ukraine (2015)	-	9	(8)	(1)	-	-	-	-
	Subgrant F5051-DM-oo-IP (Strengthening Ukrainian journalism in Kyiv and seven selected regions and improving the quality of TV news)	-	62	(62)	-	-	-	-	-
Internews Network inc.	Carrying out monitoring of TV channels and social talk shows on coverage of IDPs, national minorities, Donbas residents and other groups affected by conflict	-	15	(15)	-	-	-	-	-
	Overview of international standards and best practices in media in times of conflict with recommendations (Supporting conflict sensitive journalism in Ukraine)	-	2	(2)	-	-	-	-	-
Organization for Security and Co- operation in Europe (OSCE)	Kremlin Influence Index	-	23	(16)	-	-	6	-	4
	The Black Sea Trust for Regional Cooperation (a Project of the German Marshall Fund)	-	-	-	-	-	-	-	-
								Reserves	
								10	

Statement on Receipt and Expenditure of the Donors' Cash Funds											Matching with reserves			Reserves
Donor	Project	Cash as at 01.01.2016	Incomings/ refund	Outgoings	Transfers	Effect of change in ex-rates	Cash as at 31.12.2016	Accruals as at 31.12.2016	Advance payment as at 31.12.2016	Payables as at 31.12.2016	Reserves as at 31.12.2016			
U.S. Department of State represented by U.S. Embassy in Kyiv	Award number: SUP30015GR044 (Monitoring of media space/facilitate expert discussions of the media reforms)	-	10	(10)	-	-	-	-	-	-	-			
	Award number: SUP30016GR023 (Development of media environment by increasing media literacy of the population and increasing professional level of the journalists)	-	17	(6)	-	(1)	10	-	-	-	10			
Ministry of Foreign Affairs of the state of Netherlands	KIE Innovative Tools to Support Investigative Journalism in Ukraine	-	60	(8)	-	(1)	50	-	-	-	50			
The Federal Republic of Germany, represented by the Embassy of Germany in Kyiv	Learning German Experience to Improve Journalism in Ukraine	-	33	(6)	-	(2)	25	-	-	-	25			
The Office of the High Commissioner of Human Rights (UN)	ARDS/XB/Ukraine/2016 (Overcoming Hate Speech in media (Ukraine))	-	8	(3)	-	-	5	-	-	-	5			
The Danish International Development Agency (DANIDA) via MYMEDIA/NIRAS A/S	Media and Democratization Programme in the Eastern Partnership Countries and Turkey	8	(8)	-	-	-	-	-	-	-	-			
Civil Society Organization "The Initiative Center to Support Social Action "Ednannia"	Strengthening the organizational capacity of NGO "Detector Media"	-	2	-	-	-	2	-	-	-	2			
Unrestricted funds	Unrestricted funds	11	-	(2)	1	-	10	(6)	2	-	6			
Total		64	600	(491)	-	(6)	167	(6)	8	-	169			

9. Flow of the Donors' Cash Funds and matching with reserves (continued)

Cash flow on the projects which the Organization implemented in the period from 01.01.2015 to 31.12.2015 using donors' funds:

Statement on Receipt and Expenditure of the Donors' Cash Funds										(in thousands of USD)		
										Matching with reserves		Reserves
Donor	Project	Cash as at 01.01.2015	Incomings	Outgoings	Influence of currency exchange	Transfers	Cash as at 31.12.2015	Accruals as at 31.12.2015	Advance payment as at 31.12.2015	Payables as at 31.12.2015	Reserves as at 31.12.2015	
Internews Network Inc.	Subgrant F5051-DM-oo-IP (Strengthening Ukrainian journalism in Kyiv and seven selected regions and improving the quality of TV news)	(2)	129	(122)	-	(5)	-	-	-	-	-	
	Conducting bi-monthly media monitoring and TV show creation in Ukraine	-	52	(51)	-	(1)	-	-	-	-	-	
	Fostering Freedom and Transparency in the Media (grant number 2015-149)	-	56	(48)	(1)	-	8	-	1	-	9	
National Endowment for Democracy	Promoting a Pluralistic and Balanced Media Environment in Ukraine	20	-	(20)	-	-	-	-	-	-	-	
Solidarity Foundation via Association of the Polish Journalists	Media Production Center	-	62	(62)	-	-	-	-	-	-	-	
The Council of Europe	Enhancing Public Participation and Experience Exchange in Creating of Public Broadcasting in Ukraine	-	28	(28)	-	-	-	-	-	(8)	(8)	
	Monitoring of journalistic standards during Parliamentary Elections - 2014	-	6	(5)	-	(1)	-	-	-	-	-	
	Series of public awareness activities as to public broadcasting principles and added value, monitoring and discussions as to of the quality state broadcaster's news programmes	-	4	(1)	-	(3)	-	-	-	-	-	
	Monitoring of journalistic standards during Parliamentary Elections - 2015	-	19	(19)	-	-	-	-	-	-	-	
The Swedish International Development Cooperation Agency (SIDA)	Short-term support to support the implementation of the recommendations of the system-based audit	-	65	(26)	(2)	-	37	-	2	-	39	

Statement on Receipt and Expenditure of the Donors' Cash Funds

Donor	Project	Cash as at 01.01.2015	Incomings	Outgoings	Influence of currency exchange	Transfers	Cash as at 31.12.2015	Matching with reserves			Reserves
								Accruals as at 31.12.2015	Advance payment as at 31.12.2015	Payables as at 31.12.2015	
U.S. Department of State represented by U.S. Embassy in Kyiv	Award number SUP30015GR044 (Monitoring of media space/facilitate expert discussions of the media reforms)	-	9	(9)	-	-	-	-	-	(2)	(2)
Organization for Security and Co-operation in Europe (OSCE)	Carrying out monitoring of TV channels and social talk shows on coverage of IDPs, national minorities, Donbas residents and other groups affected by conflict	-	8	(8)	-	-	-	-	-	(1)	(1)
The Danish International Development Agency (DANIDA) via MYMEDIA/NIRAS A/S	Media and Democratization Programme in the Eastern Partnership Countries and Turkey	1	13	(6)	-	-	8	-	-	-	8
International Renaissance Foundation	Training and consultations on development of the organization's strategic plan	-	3	(3)	-	-	-	-	-	-	-
IREX	Ukraine Media Support and Advocacy Program	3	-	(3)	-	-	-	-	-	-	-
Unrestricted funds	Unrestricted funds	1	-	-	-	10	11	(2)	-	-	9
Total		23	454	(410)	(3)	-	64	(2)	3	(11)	54

Executive Director

Diana Dutsyk



10. Political and Economic Situation in Ukraine

Following political unrest, which started in November 2013, in March 2014, the Russian Federation annexed the Crimea that was not recognised by Ukraine and many other countries. After the events in Crimea tensions spread to the East of Ukraine, primarily in the Donetsk and Lugansk regions. Some of these areas have been invaded by illegal armed groups with the support of Russia, which led to an undeclared war between Ukraine and Russia.

As at the end of 2016, part of the Donetsk and Lugansk regions remains under control of the illegal armed groups and Ukrainian authorities are not currently able to fully enforce Ukrainian laws on this territory.

The military conflict in the Donetsk and Lugansk regions has deepened the ongoing economic crisis, caused a fall in the country's gross domestic product and foreign trade, deterioration in state finances, significant devaluation of the national currency. Following the devaluation of the national currency, the National Bank of Ukraine extended certain administrative restrictions on currency conversion transactions, which among others included restrictions on early repayment of foreign loans and cash withdrawals from banks. However, partial slackening of the factors that caused the devaluation of Ukrainian hryvnia, as well as stabilisation of the hryvnia exchange rate in 2016 allowed the NBU to relax the existing foreign currency regulation measures, particularly reducing to 65% the mandatory requirement to convert foreign currency proceeds to local currency and allowed partial repatriation of dividends. At the same time, the Ukrainian economy re-oriented to other markets and adapted to the changes in the environment during that period. As a result, in 2016 the country's gross domestic product (GDP) justified the forecasts by tending to positive, yet insignificant growth (1.8%); annual inflation rate was 12.4% (2015: 43.4%).

Similarly, the banking sector was on track for gradual recovery during the reporting year, with a particular growth in retail deposits and loans to real sector. The National Bank of Ukraine continued to remove failed banks from the market, although on a smaller scale than in prior two years.

Management of the Organization believes it is taking appropriate measures to support the sustainability of NGO "Detector Media" in the current circumstances. These financial statements reflect management's current assessment of the impact of the Ukrainian business environment on the operations and the financial position of the Organization. The future business environment may differ from management's assessment.