

**Public charity fund «BF MEREKE»**

Special purpose report

*For the year ended 31 December 2023,  
with independent auditor's report*

**CONTENTS**

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Independent auditor's report

**Special purpose report**

Special purpose report of activities.....	1
Special purpose report of financial position .....	2
Notes to the special purpose report.....	3-9



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## INDEPENDENT AUDITOR'S REPORT

To the Management of Charity Fund BF Mereke

### **Opinion**

We have audited the Special purpose financial statements of Charity Fund BF Mereke (the "Fund"), which comprise the balance sheet as at December 31, 2023, the income statement for the year then ended, and notes to the Special purpose financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying Special purpose financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023, and its financial performance for the year then ended in accordance with accounting policies disclosed in Note 2 approved by the steering committee of the Fund.

### **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 responsibility for the audit of the financial statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Important Circumstances Basic Accounting Principles and Restrictions on Use and Distribution**

We draw attention to Note 2 to the Special purpose financial statements, which sets out the main accounting principles. The Special purpose financial statements have been prepared for the purpose of disclosing information on the Fund's total receipts and expenditures, and the balance sheet of the Fund. Accordingly, this Special purpose financial statements may not be applicable for other purposes. Our audit report is intended solely for the Management and participants of the Fund, as well as for the sponsors of the Fund, and should not be used by any other party or transmitted to any other party than the specified parties. Our opinion has not been modified in relation to this circumstance.

### **Responsibilities of management for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting policies disclosed in Note 2 to the Special purpose financial statements, 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.

Those charged with governance are responsible for overseeing the preparation of the Fund's Special purpose financial statements.

### **Auditor's responsibility 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

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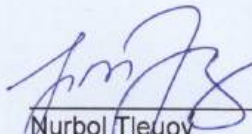
aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Special purpose financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, 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 partner in charge of the audit resulting in this independent auditor's report is Nurbol Tleuov.

  
Nurbol Tleuov  
Auditor/Director  
TGS Saryarqa LLP



Auditor qualification certificate No. MΦ-0002029 dated February 20, 2020



State audit license for audit activities on the territory of the Republic of Kazakhstan No. 20014819 issued by the State internal audit committee of the Ministry of Finance of the Republic of Kazakhstan on October 7, 2020

6, Saryarka Ave., BC Arman, office 337, Astana  
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April 15, 2024

**SPECIAL PURPOSE REPORT OF ACTIVITIES**

<i>In thousands of tenge</i>	Note	2023	2022
Contributions	4	215,145	76,321
<b>Expenses:</b>			
Operating services	5	(145,396)	(58,610)
General and administrative expenses	6	(32,052)	(14,354)
<b>Total expenses</b>		<b>(177,448)</b>	<b>(72,988)</b>
Other operating income		3,055	
Income tax expenses		-	-
<b>Surplus of contributions over expenses</b>		<b>40,752</b>	<b>3,357</b>

Director



## SPECIAL PURPOSE REPORT OF FINANCIAL POSITION

<i>In thousands of tenge</i>	Note	31 December, 2023	31 December, 2022
<b>Current assets</b>			
Inventories		1,077	184
Other current assets		4,370	100
Cash and cash equivalents	3	39,294	4,934
<b>Total current assets</b>		<b>44,741</b>	<b>5,217</b>
<b>Non-current assets</b>			
Property, plant and equipment		2,296	1,084
<b>Total non-current assets</b>		<b>2,296</b>	<b>1,084</b>
<b>Total assets</b>		<b>47,037</b>	<b>6,301</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Contributions surplus		46,512	6,124
<b>Total equity</b>		<b>46,512</b>	<b>6,124</b>
<b>Current liabilities</b>			
Trade accounts payable		189	25
Other taxes payable		130	56
Other current liabilities		206	96
<b>Total current liabilities</b>		<b>525</b>	<b>177</b>
<b>Total equity and liabilities</b>		<b>47,037</b>	<b>6,301</b>

Director



**NOTES TO THE SPECIAL PURPOSE REPORT**

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**1. GENERAL INFORMATION**

Public charity fund «BF MEREKE» (hereinafter – the «Fund») was founded in 20 November, 2020 in accordance with laws of the Republic of Kazakhstan. The Fund is a non-governmental and non-profit organization.

Fund mission:

- Involving society in a culture of charity;
- Contribution and formation of a healthy lifestyle for young people;
- Promoting the further development of the Republic of Kazakhstan through educated and well-mannered youth.

The main activity of the Fund is the implementation of projects in such areas as education, sports, as well as charitable assistance to socially vulnerable, low-income segments of the population.

The Participants of the Fund are the following individuals:

- Dashina Irina Nikolaevna;
- Serikova Gulshat Kayirzhanova.

The Members of the Board of Trustees of the Fund are the following individuals:

- Mekenbaeva Moldir Erlanovna;
- Nokesh Nursultan Kairatuly;
- Beisenbinov Dostan Zhanbolatovich
- Kairat Arman Tolegenuly.

The registered office of the Fund is located at: Republic of Kazakhstan, Astana city, Esil district, avenue st. Turan 40/2 NP 2.

These special purpose reports of the Fund were approved by the Director of the Fund on 15 April, 2024.

**2. BASIS OF PREPARING SPECIAL PURPOSE REPORT AND SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS**

These special purpose reports have been prepared in accordance with the approved accounting policies of the Fund.

The report have been prepared for the purpose of disclosing information on the financial position and on the activities of the Fund for 2023. These reports may not be applicable for any other purpose, nor does the report contain information on changes in the Fund's cash flows as at and for the years ended 31 December, 2023 and 2022.

The report are presented in tenge, which is the functional currency of the Fund.

**Classification of assets and liabilities as current and non-current**

In the special purpose report of financial position, the Fund presents assets and liabilities based on their classification as current and non-current in the statement of financial position. An asset is current if:

- it is supposed to be realized or it is intended for sale or consumption within the normal operating cycle;
- it is intended primarily for trading purposes;
- it is supposed to be implemented within 12 (twelve) months after the end of the reporting period; or
- it represents cash or cash equivalents, unless there are restrictions on its exchange or use to pay off obligations for at least 12 (twelve) months after the end of the reporting period.

All other assets are classified as non-current.

Liabilities are current, if:

- it is supposed to be extinguished within the normal operating cycle;
- it is held mainly for trading purposes;
- it is repayable within 12 (twelve) months after the end of the reporting period; or
- the Company does not have an unconditional right to defer repayment of the obligation for at least 12 (twelve) months after the end of the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**NOTES TO THE SPECIAL PURPOSE REPORT (continued)****2. BASIS OF PREPARING SPECIAL PURPOSE REPORT AND SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)****Inventories**

Inventories are carried at the lower of either the cost or net realizable value. The cost of inventories, other than those represented by real estate, is accounted for using the weighted average cost method. The cost of inventories represented by real estate relating to individual residential properties is determined using the object cost identification method.

The cost of inventories includes all costs incurred in the ordinary course of business to bring them to the site and bring them to their present condition. The value of inventories represented by real estate is the cost of their construction, including an appropriate portion of overheads.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs to sell.

**Cash and cash equivalents, bank deposits**

Cash and cash equivalents include cash in banks and on hand.

**Property plant and equipment***Recognition and evaluation*

Items of property, plant and equipment are valued at cost less accumulated depreciation. The cost of property, plant and equipment consists of the purchase price of the asset, import duties and taxes (other than reimbursable taxes), less trade discounts. The cost of transporting an asset to the right place and bringing it into a condition necessary for operation, including the costs of employee benefits that are directly related to the construction or acquisition of the asset, are not included in the cost of the asset and are recognized as expenses in the period in which they are incurred.

The initial valuation of independently created items of property, plant and equipment, the production period, construction of which is less than one year, is determined on the basis of the same principles as when purchasing, and includes the purchase price of raw materials and materials spent on the production of items of property, plant and equipment, import duties, taxes (except reimbursed).

When property, plant and equipment is acquired in exchange for another asset, the actual cost of the item received is assumed to be equal to the carrying amount of the item given up, adjusted for the amount of cash or cash equivalents paid.

*Depreciation*

The cost of property, plant and equipment is systematically expensed over its useful life through depreciation. Depreciation charges for each period are recognized as an expense. Depreciation of items of property, plant and equipment is charged from the first day of the month following the month in which the asset becomes available for use and continues to accrue until it is disposed of and if the asset has not been used for a certain period of time.

Typically, each component of an item of property, plant and equipment is depreciated on a straight-line basis over its expected useful life, as this method most accurately reflects the expected consumption of the future economic benefits embodied in the asset, and the depreciation charge is included in profit or loss for the period.

Depreciation of property, plant and equipment is calculated by the straight-line method over the following useful lives:

	In years
Computers	4
Copying equipment (printers, copier, fax)	5
Furniture	10
Other property, plant and equipment	10

The expected useful lives and residual values of property, plant and equipment are reviewed periodically. If subsequent calculations differ significantly from previous calculations, then depreciation charges for the current and future periods are adjusted.



## NOTES TO THE SPECIAL PURPOSE REPORT (continued)

## 2. BASIS OF PREPARING SPECIAL PURPOSE REPORT AND SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

**Contributions**

Contributions are transfers from legal entities and individuals without a specific indication of the project and the purpose of spending. Contributions are recognized when funds are received from sponsors and are used to finance the Fund's projects within the Fund's mission, as well as to fund general and administrative expenses.

**Program services and general and administrative expenses**

Expenses are recognized upon receipt of services, transfer of goods and materials to institutions in the reporting period to which they occur, based on the order of the board of trustees and the signed act of acceptance of the transfer. Unused funds are accumulated in bank accounts or in the Fund's cash desk.

**Payroll payments and related taxes**

Payroll expenses, contributions to the pension fund and social insurance fund, paid annual leave and sick leave, and non-monetary benefits are accrued for the year in which the employees of the fund perform the relevant work. On behalf of its employees, the Fund pays such pension contributions and severance benefits, provided for by the requirements of the legislation of the Republic of Kazakhstan. Such payments are expensed as incurred. Fund volunteers do not receive wages from the fund or other compensation payments.

**Other operational expenses and incomes**

Other operating income and expenses include foreign exchange differences on transactions and balances of monetary assets and liabilities denominated in foreign currencies, as well as interest income on unused funds placed on deposits.

## 3. CASH AND CASH EQUIVALENTS

<i>In thousands of tenge</i>	31 December 2023	31 December 2022
Cash on current accounts	36,072	4,784
Cash on hand	3,222	150
	<b>39,294</b>	<b>4,934</b>

The following table shows the balance of cash placed with banks at the reporting date using Standard&Poor credit ratings:

Banks	Location	Rating		2023	2022
		2023	2022		
First Heartland Jusan JSC	Kazakhstan	B1/Positive	BB/Stable	32,099	2,389
Halyk Bank JSC	Kazakhstan	BB+/Stable	BB+/Stable	2,363	2,024
ForteBank JSC	Kazakhstan	BB-/Stable	B+/Positive	1,259	364
Kaspi Bank JSC	Kazakhstan	BB/ Stable	BB-/ Positive	351	
Bank RBK JSC	Kazakhstan	B1/ Positive	B2/ Positive	-	7
				<b>36,072</b>	<b>4,784</b>

## 4. CONTRIBUTIONS

<i>In thousands of tenge</i>	2023	2022
Donations from legal entities	145,976	3,781
Donations from individuals	69,169	72,540
	<b>215,145</b>	<b>76,321</b>

During 2023, the Fund received the bulk of the funds from legal entities, as well as from general sponsors and individuals in cash and non-cash.

In 2023, the following legal entities provided charitable assistance: NurAltynOrda LLP, Capital Resort LLP, SVOYDOM Astana LLP, OKZHETPES II LLP, SVOYDOM Almaty LLP, Altyn Sapa ALM LLP and others. Receipts from individuals were accepted through the cash register, donation boxes and through the Kaspi.kz and Homebank.kz mobile applications.

## NOTES TO THE SPECIAL PURPOSE REPORT (continued)

## 5. OPERATING SERVICES

<i>In thousands of tenge</i>	2023	2022
<b>Education</b>		
Project "Scholarship program"	14,739	5,510
Project "Contribution to the future"	8,017	-
Project "Preparatory lessons"	2,223	-
Project "Summer camp"	804	1,100
Project "Sewing training"	693	246
Project "Trainings and seminars"	300	-
Project "Cultural development"	282	-
Profession training	152	299
<b>Social help</b>		
Project BLAGO	12,322	8,823
Project "Warm winter"	6,465	2,756
Project "Path to school"	5,829	4,104
Project "Wonderful day"	3,235	762
Project "Gift of warmth"	1,683	2,293
Project "Donor's day"	743	239
Project "Tree of miracles"	284	29
Project "Family helps family"	209	36
<b>Sport</b>		
Project "Sports talents"	29,261	970
Project "Boxing club"	1,889	909
Project "Chess section"	298	-
<b>One-time projects</b>		
Project "Healthy nations"	35,620	-
Project "Help in case of emergency"	11,141	4,599
Project "Special childhood"	5,515	-
Project "Organization of events"	3,692	-
Project "Orphanage"	-	9,720
Other projects	-	16,215
	<b>145,396</b>	<b>58,610</b>

Short description of the Fund's key and largest projects in 2023:

**Education**

- **Scholarship program:** Fund operates a special scholarship program for Nazarbayev University students. To date, 47 promising students are participating in the program. They receive monthly financial support from the Foundation. These students are future specialists in the fields of engineering, digital sciences, social sciences, humanities, and medicine. The global goal of the program is to promote the development of the country's scientific and human potential, as well as the involvement of talented youth in the culture of charity.
- **Contribution to the future:** Financial support was provided to support a student from Kazakhstan who enrolled in Stanford University to major in Computer Science. The money was used to partially pay for tuition (excluding the 85% tuition grant provided by the university), as well as flights. In addition, another Kazakh student received the opportunity to undergo a two-week educational program in Germany.
- **Preparatory lessons:** Within the framework of the project, preparatory courses were organized for schoolchildren in grades 6-9. Free classes were held in mathematics and English. 42 children received additional training.
- **Summer camp:** A summer educational camp was organized for 20 children from families under the care of the Foundation in the summer of 2023. The children who took part in the summer camp received vivid impressions and acquired new knowledge.

**Social Help**

- **BLAGO:** within the framework of the project, targeted social assistance was provided to needy families in the city of Astana; food baskets were purchased and collected for them. 933 families received essential products.

**NOTES TO THE SPECIAL PURPOSE REPORT (continued)**

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**5. OPERATING SERVICES (continued)***Social help (continued)*

- **Warm winter:** Many families under the care of the Foundation cannot independently purchase warm clothes for their children. Therefore, the Foundation decided to help them prepare for winter. As part of the project, 180 children are provided with outerwear.
- **Path to school:** by the beginning of the school year, 504 children received school backpacks with all the necessary school supplies.
- **Wonderful day:** The promotion includes festive events for children from orphanages. Thanks to this initiative, 539 children received gifts and took part in the festive event.
- **Gift of warmth:** Winters in Astana are always cold. To make their homes warmer, over 50 families living without central heating received coal supplies from the Foundation.
- **Donor's day:** "Donate blood - save someone's life" - this was the motto of the event, in which over 100 blood donors took part. One of the important tasks that we set for ourselves is to involve Kazakhstanis in social projects. Popularizing donation is a significant step for our society.
- **Tree of miracles:** On New Year's Eve, everyone wants to believe in miracles, especially children. 231 children - orphanages and children with special needs - received New Year's gifts from caring Kazakhstanis.
- **Family helps family:** during the event, a collection of clothes and household items was organized, which were later distributed to needy families. We managed to help 1,170 families.

*Sport*

- **Sports talents:** The project is aimed at supporting young talented athletes. Individual athletes have already received financial support from the Foundation: a hockey player from the youth team of HC "Barys" and an aspiring boxer, a participant in international competitions. Separately, we note that the Foundation also supports special athletes who participate in para-sports competitions, such as judo, volleyball and karate.
- **Boxing club:** on a regular basis, 40 children from low-income families are trained in boxing for free, training strength and endurance with a professional mentor.
- **Chess section:** 30 children attend the chess section, learning chess strategies, developing thinking and analytical skills.

*One-time project*

- **Healthy nation**
- **International master classes:** In 2023, 3 master classes were held for Kazakh doctors at two children's hospitals in Astana. The training was conducted by pediatric surgeons from Lithuania and Turkey in such areas as pediatric urology, anesthesiology and resuscitation, and conduction anesthesia. During the master classes, foreign doctors performed a number of free operations for Kazakh children who needed the help of specialized specialists. In total, over 15 children received treatment.
- **Rehabilitation after an accident:** providing assistance in the rehabilitation of an elderly person after an accident in one of the private Moscow clinics.
- **Purchase of special equipment:** provided the necessary equipment (binoculars) to a pediatric surgeon in one of the hospitals in Almaty.
- **Equipment of offices:** provided equipment for several offices in city children's hospitals No. 1 and No. 2 in Astana.

**NOTES TO THE SPECIAL PURPOSE REPORT (continued)**

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**5. OPERATING SERVICES (continued)***One-time project (continued)*

- **Purchase of a prosthesis:** provided targeted social assistance to a Kazakh citizen, helped with the purchase of a prosthetic leg.

**Help in case of emergency:**

- **Assistance in the restoration of housing:** provided support in the restoration of houses after a fire that occurred in the microdistrict. Koktal Astana. Two houses were damaged during the fire. The Foundation allocated funds for the purchase of construction materials.
- **Humanitarian assistance to Turkey:** during the devastating earthquake that occurred in Turkey in 2023, the Foundation allocated funds for the transfer of humanitarian assistance.
- **Assistance to flood victims:** The Fund provided financial assistance to flood victims in the village of Khobda, Aktobe region in 2023.
- **Assistance with medicines:** Humanitarian aid was aimed at purchasing medicines for residents of the Abay region affected by forest fires.

**Special childhood:**

- **Assistance in the treatment of a child with autism:** financial support is provided to a family raising a child diagnosed with autism for rehabilitation in one of the private clinics in St. Petersburg.
- **Marathon "Run for autism":** The organizers of the marathon are the Corporate Foundation "Bolashak" with the support of the Akimat of Astana and partners. The BF MEREKE Foundation acted as a partner of the marathon and provided financial support for the event.
- **Support for children from the "Sunny World" center:** PF "Sunny World" unites parents whose children have Down syndrome and conducts correctional classes for children. Assistance was provided in purchasing diesel fuel to heat the building where children study.

**Organization of events:**

- **Charity fair:** together with the international school "Spectrum" the Foundation organized a charity fair. The event took place in one of the capital's shopping centers. All money collected was used to purchase food, clothing and basic necessities for low-income families.
- **Halyk Batyrlary:** Financial support for veterans of the Afghan war, holders of the title "Halyk Batyrlary".
- **Charity dinner:** expenses were used to organize and conduct a charity dinner, in which all families under the care of the BF MEREKE Foundation took part.

## NOTES TO THE SPECIAL PURPOSE REPORT (continued)

## 6. GENERAL AND ADMINISTRATIVE EXPENSES

<i>In thousands of tenge</i>	2023	2022
Payroll expenses and related taxes	10,676	7,014
Office lease	9,362	4,972
Individual income tax withheld from individuals	2,923	—
Cleaning service	2,357	—
Service maintenance	1,006	—
Marketing expenses	687	858
Depreciation	578	349
Internet services	525	302
Events organization	429	—
Ventilation service	424	—
Inventories	302	458
Audit services	300	—
Bank commissions	255	236
Other expenses	2,237	165
	<b>32,052</b>	<b>14,354</b>