

MRIYA AID ORG INC.

Financial Statements

For The Six Month Period Ended August 31, 2022

In U.S. Dollars

MRIYA AID ORG INC.

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INDEPENDENT AUDITOR'S REPORT

To the Directors of
Mriya Aid Org Inc.

Qualified Opinion

We have audited the financial statements of Mriya Aid Org Inc. (the Organization), which comprise the statement of financial position as at August 31, 2022, and the statements of changes in net assets, statement of revenue and disbursements and cash flows for the six month period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of Mriya Aid Org Inc. as at August 31, 2022, and the results of its operations and its cash flows for the period then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, Mriya Aid Org Inc. derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, the verification of these revenues was limited to the amounts recorded in the records of the organization. Therefore, we were not able to determine whether any adjustments might be necessary with respect to donation revenue, excess of revenue over disbursements, and cash flows from operations for the period ended August 31, 2022.

We conducted our audit in accordance with Canadian generally accepted auditing standards. 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 Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, 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 Canadian accounting standards for not-for-profit organizations, 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 Canadian generally accepted auditing standards 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 Canadian generally accepted auditing standards, 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 Organization's internal control.

3.

- 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 Organization'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.
- 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 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.

GGFL LLP

Chartered Professional Accountants, Licensed Public Accountants
Ottawa,
November 15, 2022.

GGFL 

MRIYA AID ORG INC.
STATEMENT OF FINANCIAL POSITION
(IN U.S. DOLLARS)
AS AT AUGUST 31, 2022

	2022
ASSETS	
Current	
Cash	\$ 187,501
Cryptocurrency	<u>20,462</u>
	<u>\$ 207,963</u>
NET ASSETS	<u>\$ 207,963</u>

Approved on behalf of the board:

_____ director

MRIYA AID ORG INC.
STATEMENT OF CHANGES IN NET ASSETS
(IN U.S. DOLLARS)

FOR THE SIX MONTH PERIOD ENDED AUGUST 31, 2022

	2022
Balance, beginning of period	\$ -
Net result for the period	<u>207,963</u>
Balance, end of period	<u><u>\$ 207,963</u></u>

MRIYA AID ORG INC.
STATEMENT OF REVENUE AND DISBURSEMENTS
(IN U.S. DOLLARS)
FOR THE SIX MONTH PERIOD ENDED AUGUST 31, 2022

	2022
Revenue	
Donations	\$ 794,618
Disbursements	
Bank fees	23,093
Drones	310,355
Logistics	67,974
Tactical medicine	27,055
Thermal and night vision goggles	144,568
	573,045
Excess of revenue over disbursements for the period	221,573
Loss on disposition of cryptocurrency	(13,610)
Net result for the period	\$ 207,963

MRIYA AID ORG INC.
STATEMENT OF CASH FLOWS
(IN U.S. DOLLARS)

FOR THE SIX MONTH PERIOD ENDED AUGUST 31, 2022

	2022
<hr/>	
CASH PROVIDED BY (USED IN)	
Operating activities	
Net result for the period	\$ 207,963
Changes in operating net assets	
Cryptocurrency	<u>(20,462)</u>
Increase in cash	187,501
Cash, beginning of period	<u>-</u>
Cash, end of period	<u>\$ 187,501</u>

MRIYA AID ORG INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2022

1. Purpose of the organization

Mriya Aid Org Inc. (the "Organization") is dedicated to helping Ukraine defend itself against Russia by securing and sending medical supplies, non-lethal military equipment and humanitarian aid to the frontlines. Mriya Aid Org Inc. incorporated under the Ontario Business Corporations Act on April 22, 2021 and was issued a Certificate of Continuance under the Ontario Not-for-Profit Corporations Act on April 13, 2022. The organization commenced operations on March 1, 2022. The organization is a not-for-profit organization under the Income Tax Act.

2. Significant accounting policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Cash and cash equivalents

Cash and cash equivalents can include cash on hand, balances with financial institutions (net of temporary overdrafts), online payment processors and short-term highly liquid investments.

Foreign currency translation

Foreign currency transactions and balances have been translated to U.S. dollars using the temporal method. Monetary assets and liabilities denominated in foreign currencies are translated into U.S. dollars at the rate of exchange on the period end date. Non-monetary assets and liabilities are translated into U.S. dollars at the exchange rate prevailing when the assets were acquired or liabilities incurred. Revenues and disbursements are translated at the annual average rate of exchange. Translation gains or losses are included in the determination of income for the period.

Intangible assets

Intangible assets, including cryptocurrency, are initially recognized and measured at cost.

Intangible assets with indefinite useful lives are not amortized and are tested for impairment when an event or circumstance indicates a potential impairment. When the carrying amount of the intangible asset exceeds its fair value, an impairment charge is recognized by the excess and is reported as a separate line item in the statement of revenue and disbursements.

MRIYA AID ORG INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022

2. Significant accounting policies (continued)

Contributed supplies, equipment and services

Contributed medical supplies, non-lethal military equipment and volunteers' contributed services are not recognized in the financial statements because of the difficulty in determining their fair value.

Revenue recognition

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the period in which the related disbursements are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Financial instruments

Measurement of financial instruments

The organization initially measures its financial assets and liabilities at fair value. The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income .

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the writedown is recognized in net income.

Transaction costs

Transaction costs are recognized in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance, or assumption.

3. Financial instruments

Risks and concentrations

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposure and concentrations at August 31, 2022.

MRIYA AID ORG INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022

3. Financial instruments (continued)

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization's main credit risks relate to cash held by online payment processors not covered by the Canada Deposit Insurance Corporation.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and other price risk. The entity is mainly exposed to currency risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.