



Official Translation

Behmand Hoshiyar Audit Firm

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**Independent Auditor and Legal Inspector's Report
 To annual general ordinary assembly of Trustees of
 MAHAK Charity (Society to Support Children Suffering from Cancer)**

Report on the financial Statements

Introduction

1- We have audited the financial statements of MAHAK Charity Institute (Society to Support Children Suffering from Cancer) which comprise of the Financial Position Statement for the fiscal year closing on 20/03/2022 and Profit and Loss Statements, Change in equity, and cash flows statement for the fiscal year then ended and other explanatory notes (1-21).

Responsibility of Board of Directors about Financial Statements

2- Preparing aforesaid financial statements in accordance with accounting standards is a responsibility of MAHAK Institute's board of directors which includes designing, implementing and maintaining internal control relevant to the preparation of financial statements in a way to be free from material misstatement, whether due to fraud or error.

Responsibility of the Auditor

3- Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with accounting standards. Those standards require that we observe professional ethics requirements and plan and perform the audit in a way to obtain reasonable assurance as to whether the financial statements are free from any material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and other disclosures in the financial statements. Selecting the procedures depends on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to preparation and presentation of the financial statements 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting



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estimates made by board of directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate for expressing our opinion on the financial statements. Also as the legal inspector it is our responsibility to report to the general ordinary assembly of Trustees any non-compliance with stipulations set forth in the amendment of the trade act and articles of association of the company and other required items.

Expressing Opinion

4- In our Opinion, the present financial statements show that the financial status of MAHAK Charity Institute (Society to Support Children Suffering from Cancer) for the fiscal year closing on 20/03/2022, and Profit and Loss Statements and cash flows statement for the fiscal year then ended, are favorable from all material aspects according to accounting standards.

Emphasize on Special Topics

5- In accordance with Note 7-7 of financial statements during the reported fiscal year, 3 parts of 6 parts of a residential apartment located in Dabestan Street, Seyed Khandan- Tehran; 2 parts of 6 parts of a residential apartment located in Pirozi Street, Nabard- Tehran; 3 parts of 6 parts of a residential apartment located in 20th Alley, Velenjak- Tehran; and the whole 100% (6 parts) of a residential apartment located in Pirozi Street, Imam Ali- Tehran, for a total amount of 54 billion IRR; and 3 parts of 6 parts of a plot of land with area of 718/33 m2 located in Damavand County for an amount of 18 billion IRR according to the official judicial expert's report was donated to the charity institution and reflected in the accounts. The evidence of this institution's investigation is the documents and title deeds described above.

6- In accordance with Note 14-1-1 of the financial statements, a part of the donated funds (including coins) to this charity institution based on a contract for leasing a safe (the access to it is disclosed in note 14-1-1 of the financial statements) was kept at Saderat Bank- Somayeh branch. In this regard, although on the date of the financial position statement, the balance with the said safe was not covered by insurance, but negotiations are underway by the management of the institution to insure it.

The audit firm opinions regarding the content of paragraphs (6) and (7) had not adjusted.

Report regarding other legal & regulatory requirements of the auditor

Report regarding other legal responsibilities of the inspector

7- The provisions of Articles 106 and 124 of the amendment of the trade act, respectively, regarding the registration and announcement of the change in board of directors and approval of balance sheet in the official gazette and determining the limits of the manager's powers have not been observed.



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8- According to the confirmation received from the banks, the authorized signatories of the bank accounts of the institution, are the former members of the board of directors of the institution under report, the related details on the inspector's duties are included in this report.

9- As it is evident from the financial position statement for the fiscal year under report, based on the decision of the Board of Directors of MAHAK Institute, a major part of the financial resources at their power was spent on investing in the country's banking system like the previous year, and for this reason, the amount of 1,094 billion IRR at rates of 18 to 21% of the revenue was obtained (compared to the amount of 741 billion IRR of the previous year's revenue). Another part of the financial resources was in the form of foreign currency cash balance with the banks, which due to the increase in the exchange rate during the fiscal year under the report, in the framework of the accounting standards, the amount of 27 billion IRR has been recognized as the foreign exchange loss (in SANA Rate System) in the accounts (Note 6 of the financial statements). On the other hand, as can be seen from the profit and loss statement, the institution's medical expenses have increased significantly compared to the previous year due to the increase in the general level of prices (mainly the increase in the purchase rates of drugs and medical equipment) (Note 4 of the financial statements). In addition, according to the nature and performance of this institution, foreign currency funds were deposited to the institution's bank accounts abroad by third parties (donator), and subsequently, due to the issues caused by international sanctions in the transfer of funds, the said foreign currency financial resources were not able to be withdrawn for purchasing medicines and medical equipment. Based on the above-mentioned, in order to continue the support services for patients, it is necessary to take appropriate decisions to increase the income sources in compliance with the provisions of the MAHAK Institute's article of association.

10- According to explanatory note 23 and the confirmation received from the managers for the fiscal year under the report, transactions subject to Article 129 of the amendment of the Trade Act have not been carried out.

11- The report of the board of directors on the activity and general situation of the MAHAK Institute, the subject of Article 232 of the amendment of the Trade Act, which was prepared to be submitted to the ordinary general meeting of the Board of Trustees, has been examined by this institute. According to the investigations carried out, our opinion has not been drawn to the important matters that indicate the contradiction of the information contained in the report with the documents provided by the board of directors.

Report regarding other legal & regulatory responsibilities of the auditor

12- The internal controls governing the financial reporting of MAHAK Institute in some cases, it should be mentioned that the comprehensive systems such as HIS and DRM systems have been established in the institution, but the mentioned system was not linked with the financial system, in that the management of the institution is taking measures to solve them.



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13- In execution of Article 33 of Anti Money Laundry Directive by auditors, the stipulations of the aforesaid law, any related bylaw and directives had been audited by this institute in the framework of checklists notified by related authorities (including the executive regulations of Article 14 of the supplementary Anti-Money Laundry Law approved on 14/10/2019 by Government Body notified in December 2020) and accounting standards. In this regard, according to the stipulations of the executive regulations of Article 14 of the aforesaid Law, part of the content of the said checklist related to the training of employees and introducing the representative of the company to the Anti-Money Laundering Unit, but due to the type and nature of MAHAK institution's activity, the institution is not fully able to comply with the other items listed in the aforementioned Checklist and Law.

Date: 02/07/2022

Behmand Hoshiyar Audit Firm

Signed by: Mr. Mohammad Ali Nazeri (No. 831452)

Signed by: Mr. Abbas Hoshi (No. 800899)

Signed by: Mr. Mousa Golnazi (No. 002928)





MAHAK Charity (Society to Support Children Suffering from Cancer)
Financial statements
For the fiscal year closing on March 20th 2022

To: Ordinary General Assembly of Trustee

Respectfully, please find attached financial statements of MAHAK Charity (Society to Support Children Suffering from Cancer) for fiscal year closing on 20/03/2022. Contents of financial statements are as follows:

- Profit & Loss Statement
- Financial Position Statement
- Change in equity Statement
- Cash flow Statement
- Explanatory Notes:
Background and Activity
Highlights of accounting procedures
Notes on financial statements and other financial information

Financial statements were prepared as per accounting standards and were confirmed and signed by board of directors on 28/06/2022.

Members of Board of Directors	Position	Signature
Zia Mottahedan	Chairman of the board of directors-Non Executive	Signed
Shirin Aminollahi	Vice president of the board of directors- Non Executive	Signed
Soheyla Siahpoush Koliai	Member of the board of directors- Non Executive	Signed
Saideh Ghods	Member of the board of directors- Non Executive	Signed
Saba Kamgar	Member of the board of directors- Non Executive	Signed
Mohsen Rouzrokh	Member of the board of directors- Non Executive	Signed
Ali Khajavi Mazandarani	Member of the board of directors- Non Executive	Signed
Arasb Ahmadian	Managing Directors (off the member of board of directors)	Signed

Signed and seal by Behmand Hoshiyar Audit Firm





MAHAK Charity (Society to Support Children Suffering from Cancer)
Profit & Loss Statement
For the fiscal year closing on March 20th 2022

	Notes	2022	2021
		IRR	IRR
Continuing operations			
Revenue and Contribution	3	4,823,220,600,511	3,385,924,766,774
Medical and Support Expenses	4	(3,091,035,419,530)	(1,929,024,870,077)
Gross Revenue		1,732,185,180,981	1,456,899,896,697
General and Administrative Expenses (salary, wage, production revenue)	5	(1,108,161,337,633)	(805,049,514,572)
Operating Revenue		624,023,843,348	651,850,382,125
Net Other Non-operating Revenue and Expenses	6	1,099,182,459,441	1,110,678,232,204
Net Revenue		1,723,206,302,789	1,762,528,614,329

Note: explanatory notes are an integral part of the financial statements.





MAHAK Charity (Society to Support Children Suffering from Cancer)
Financial Position Statement
For the fiscal year closing on March 20th 2022

	Notes	20/03/2022	20/03/2021
		IRR	IRR
Assets			
Non-current assets			
Fixed tangible assets	7	1,525,612,379,259	1,458,091,897,521
Intangible assets	8	37,837,636,989	38,525,532,396
Long-term receivables	9	0	1,006,000,000
Other assets	10	2,910,800,000	2,798,000,000
Total non-current assets		1,566,360,816,248	1,500,421,429,917
Current assets			
Prepayments	11	8,910,275,013	6,989,135,576
Inventories of materials and goods	12	184,419,676,659	245,758,982,519
Commercial and non-commercial receivables	9	191,056,090,272	140,111,799,869
Short-term investments	13	6,141,000,000,000	4,559,218,000,000
Cash	14	1,298,050,739,763	1,091,502,488,017
Total current assets		7,823,436,781,707	6,043,580,405,981
Total assets		9,389,797,597,955	7,544,001,835,898
Equity and liabilities			
Equity			
Founders' Contribution	15	1,000,000	1,000,000
Net Assets	16	9,078,056,376,395	7,354,850,073,606
Total Founders' Contribution and Net Assets		9,078,057,376,395	7,354,851,073,606
Liabilities			
Current liabilities	17	301,240,221,560	189,150,762,292
Advance received	18	10,500,000,000	-
Total current liabilities		311,740,221,560	189,150,762,292
Total liabilities		311,740,221,560	189,150,762,292
Total equity and liabilities		9,389,797,597,955	7,544,001,835,898

Note: explanatory notes are an integral part of the financial statements.



شماره ۴۵۹۹۸۳



حامد صیادی

Official English Translator to the Judiciary

License No. 611

Hamed Sayadi



ردیف دفتر ثبت

جمهوری اسلامی ایران
توهه منسائیه - اداره مترجمین رسمی
To verify the authenticity of the translation, please scan the QR Code

**MAHAK Charity (Society to Support Children Suffering from Cancer)
Change in Equity Statement
For the fiscal year closing on March 20th 2022**

	Founders' Contribution	Net Assets	Total
	IRR	IRR	IRR
Balance at 20/03/2020	1,000,000	5,592,321,459,277	5,592,322,459,277
Net Change in equity for the year of 2021			
Net Revenue for the fiscal year of 2021	0	1,762,528,614,329	1,762,528,614,329
	1,000,000	7,354,850,073,606	7,354,851,073,606
Net Changes in equity for the year of 2022			
Net Revenue for the fiscal year of 2022	0	1,723,206,302,789	1,723,206,302,789
Balance at 20/03/2022	1,000,000	9,078,056,376,395	9,078,057,376,395





MAHAK Charity (Society to Support Children Suffering from Cancer)
Cash Flows Statement
For the fiscal year closing on March 20th 2022

	Note	Year ended	Year ended
		20/03/2022	20/03/2021
		IRR	IRR
Cash flows from operating activities			
Cash generated from operations	19	840,279,410,990	724,464,446,119
Cash Paid for Income Tax		-	-
Net cash flows from/(used in) operating activities		840,279,410,990	724,464,446,119
Cash flows from investing activities			
Cash received from sale of Fixed Tangible Assets		2,189,952,902	14,106,217,104
Cash Payments for purchase of Fixed Tangible Assets		(115,661,595,150)	(60,814,013,360)
Cash Payments for purchase of intangible assets		(5,754,022,491)	(29,682,528,600)
Cash received from return of short-term investments		2,443,218,000,000	4,147,747,293,940
Cash Payments for purchase of short-term investments		(4,025,000,000,000)	(5,498,682,569,933)
Cash Interest received from other investments		1,094,870,826,333	740,735,357,100
Net cash flows from/(used in) investing activities		(606,136,838,406)	(686,590,243,749)
Net cash flows from/(used in) before financing activities		-	-
Cash flows from financing activities			
Net cash flows from/(used in) received from financing activities		234,142,572,584	37,874,202,370
Net Increase (decrease) in cash		1,091,502,488,017	694,039,058,115
Cash at the beginning of the year		(27,594,320,838)	359,589,227,532
Effect of exchange rate changes		1,298,050,739,763	1,091,502,488,017
Cash at the end of the year		903,699,417,702	760,207,314,335
Non-cash transactions	20		

All pages are signed and sealed by all aforesaid members and Behmand Hoshiyar Audit Firm

The translation is complete and accurate, and the translator is competent to translate from the foreign language to English.
March 2023

