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Registered number: 07464396

SSB NO.1 PLC

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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SSB NO.1 PLC

COMPANY INFORMATION

DIRECTORS	Peter Malcolm *(Appointed on 31 January 2024)* Colin Benford *(Resigned on 31 January 2024)* Apex Corporate Services (UK) Limited Apex Trust Corporate Limited
COMPANY SECRETARY	Apex Trust Corporate Limited
REGISTERED NUMBER	07464396
REGISTERED OFFICE	*From 20 March 2023* 6th Floor 125 London Wall London United Kingdom EC2Y 5AS *Up to 20 March 2023* Bastion House 6th Floor, 140 London Wall London England EC2Y 5DN
INDEPENDENT AUDITOR	Grant Thornton Chartered Accountants & Statutory Auditors 13-18 City Quay Dublin 2 D02 ED70 Ireland
BANKER & ARRANGER	The Bank of New York Mellon One Canada Square London E14 5AL United Kingdom
CORPORATE ADMINISTRATOR	Apex Corporate Services (UK) Limited 6th Floor 125 London Wall London United Kingdom EC2Y 5AS
TRUSTEE	BNY Mellon Corporate Trustee Services Limited One Canada Square London E14 5AL United Kingdom

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SSB NO.1 PLC

STRATEGIC REPORT

INTRODUCTION

The Board of Directors (or the "Directors") present their Strategic Report for the financial year ended 31 December 2023.

PRINCIPAL ACTIVITIES, BUSINESS REVIEW AND FUTURE DEVELOPMENTS

SSB No. 1 Plc (or the "Company") was incorporated in England and Wales on 8 December 2010, as a public Company with limited liability under the Companies Act 2006.

The principal activity of the Company is to provide finance to JSC Oschadbank (Joint Stock Company 'State Savings Bank of Ukraine') ("SSBU" or the "Borrower") under the terms of the original offering prospectus. Since incorporation, the Company has issued a series of loan notes (the "Notes"). Each of these issuances is described in detail below including changes to the Notes following a long term restructuring of Ukrainian debt as part of the International Monetary Fund ("IMF") restructuring plan for the region during April 2015.

Originally, the Company issued two Tranches of Loan Participation Notes ("Tranche 1" and "Tranche 2"), due 10 March 2016. Tranche 1 was issued on 10 March 2011 for an Aggregate Nominal Amount of USD 500,000,000. Tranche 2 was issued on 18 July 2011 for an Aggregate Nominal Amount of USD 200,000,000. The issue price was 100% and 100.75% of the Aggregate Nominal Amount for Tranche 1 and Tranche 2 respectively, resulting in total gross proceeds of USD 701,500,000.

On 20 March 2013, the Company issued a further USD 500,000,000 of Notes ("Tranche 3") at par. The Notes bear interest at 8.875% per annum and were due on 20 March 2018.

The proceeds from the issue of the above Tranche 1, 2 and 3 Notes were used to provide financing to SSBU (the "Loans"). All of the above Notes were issued on Euronext Dublin and were restructured in 2015 as described in further detail below.

In order for SSBU to meet the targets set by the IMF, a long term restructuring agreement was reached with the Company's noteholders (the "Noteholders") on 3 August 2015. All of the existing Tranche 1 to 3 Notes were cancelled and new Loan Participation Notes were issued of the same principal value. The Tranche 1 and 2 Notes were consolidated into one issuance known as the Loan Participation Notes due 2023 (the "2023 Notes"). The Tranche 3 Notes became known as the Loan Participation Notes due 2025 (the "2025 Notes"). Together, the 2023 Notes and the 2025 Notes are called the Loan Participation Notes (the "Loan Participation Notes"). The Loan Participation Notes are listed on Euronext Dublin. The original Loans to SSBU were also amended in line with the new Note terms.

On 25 November 2015, the Company was novated in as the new lender of a further loan to SSBU for USD 100,000,000 from the original lender, The Royal Bank of Scotland Plc ("RBS"). To finance the new loan, the Company issued a new tranche of Notes (the "2024 Notes") of the same value as the Loan. The original RBS loan was due to mature on 19 January 2017 and as part of the restructuring, is now due in 2024. The 2024 Notes are listed on Euronext Dublin.

Together, the Loan Participation Notes and the 2024 Notes are described as the new Notes 2024 (the "New Notes"). The principal terms for the restructured loans (the "New Loans") are described below.

The New Notes are issued on a limited recourse basis and as such, the Noteholders will only be paid to the extent that SSBU can meet its obligations in respect of the New Loans. Key terms of the New Notes and corresponding New Loans to SSBU include:

- Staggered capital repayments;
- An increase in note coupon and loan interest rates; and
- An extension in maturity date .

These terms are summarised below:

New Loans	Nominal	Maturity date	Interest rate
	USD		%
2024 Loan	6,250,000	2024	6 month LIBOR + 6.875%
2025 Loan	75,000,000	2025	9.625

The full terms of the New Notes and the New Loans are documented in the corresponding Prospectus issued on Euronext Dublin.

As described in Note 1.2, the Directors have treated the restructuring of the New Notes as a modification of the financial instruments in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the United Kingdom (the "UK").

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STRATEGIC REPORT (continued)

PRINCIPAL ACTIVITIES, BUSINESS REVIEW AND FUTURE DEVELOPMENTS (continued)

There were no changes or restructuring of the New Notes during the financial year to 31 December 2023. The Company has continued to settle the interest on the New Notes using the proceeds of repayment from the New Loans. All interest accrued on the New Notes has been paid as and when due. There has been no default on the New Loans and all interest repayments scheduled have been received on the due dates set in the New Loan agreements.

All interest due on the New Loans in 2023 was received and the Company continues to operate in line with the normal course of business as at the date of these financial statements.

Capital repayments were made during the financial year. An amount of USD 35,000,000 relating to the 2023 Notes was paid in March 2023. An amount of USD 6,250,000 relating to the 2024 Notes was paid in January 2023 with a further tranche of USD 6,250,000 paid in July 2023. An amount of USD 25,000,000 relating to the 2025 Notes was paid in March 2023 with a further tranche of USD 25,000,000 paid in September 2023. No restructuring of the New Notes was required to meet these future liabilities.

FINANCIAL KEY PERFORMANCE INDICATORS

The Company receives interest from the Borrower and pays it to the Noteholders. During the financial year ended 31 December 2023, the Company earned interest income of USD 11,482,591 (2022: USD 22,350,475) and incurred an interest expense of USD 11,432,859 (2022: USD 22,338,168). In line with IFRS 9 requirements, during the financial year, the expected credit losses ("ECL") was USD 9,794,870 (2022: USD 11,499,903).

Most of the administration expenses were paid for upfront. The Borrower reimburses the Company for any other expenses that were not paid upfront. The Company also retains a very minimal amount of profit of USD Nil per year for the 2023 Notes and USD 508 per year for the 2024 and 2025 Notes. These profits are taxable profits as disclosed in note 8 of the financial statements. These profit figures are for the full term to maturity of each tranche. Given the nature, purpose and operations of the Company, any profits/losses will ultimately be borne by the Noteholders. As a result of this set up, the Directors consider that it is not necessary to present any financial key performance indicators. The impact of IFRS 9 has been presented separately.

PRINCIPAL RISKS AND UNCERTAINTIES

Impact of the Ukraine and Russian war

In the context of continuing full-scale military operations in 2023, high level of security risks, significant level of budget deficit and dependence on external financial aid, the indicators of development of Ukraine’s economy showed positive dynamics. The development of alternative ways of exporting Ukrainian products, favorable weather conditions, high yields of agricultural crops and the adaptability of Ukrainian business had a positive impact on GDP indicator. At the same time, massive rocket attacks that occurred continuously throughout the year, shortage of electricity supply, disproportion in the labor market, the decrease in prices for Ukrainian export goods, and logistical problems relatedto the blocking of borders significantly reduced the level of export revenues and incomes of enterprises and the public. International support and borrowing on the domestic market made it possible to support Ukrainian economy and balance the state budget deficit.

The assumptions underlying the assessment of business continuity do not take into account external factors that may change in the future, namely: changes in the capital market situation in Ukraine and the world as a whole, other and/or macroeconomic influences not included in SSBU's assessments, geopolitical changes, significant changes in legislation, including banking, changes in reporting and accounting standards, changes in tax legislation, changes in the operational design of the National Bank of Ukraine's ("NBU") monetary and exchange rate policy, as well as other changes that may occur in the future and that SSBU cannot control. Also, based on the future plans established by SSBU to improve its profitability and liquidity in the future, it is unlikely that there will not be sufficient income to cover operating expense of the Company.

The unpredictable development of military operations on the territory of Ukraine causes significant uncertainty, which may affect assumptions on SSBU's ability to maintain business continuity and, consequently, on the SSBU's ability to ensure the sale of its assets and repayment of liabilities.

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STRATEGIC REPORT (continued)

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

The Company is a securitisation Company which has been structured to avoid, as far as possible, significant financial risk. Certain estimates in the financial statements are based wholly or in part on estimates or assumptions made by the Directors, taking into consideration the current market and economic conditions. There is, therefore, a risk that these may be subject to change in future periods.

The principal risks arise on the Company's financial instruments as described below.

FINANCIAL INSTRUMENTS

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 Company's principal business objective rests on the SSBU Loans. The ability of SSBU to make repayments is the key credit risk faced by the Company. The key estimates and assumptions used by the Company relate to the assessment of a provision for credit losses, as required by IFRS 9. SSBU has been able to meet all its obligations under the terms of the amended loan agreements up to the date of signing these financial statements. The probability of default and loss given default has been assessed and a provision for credit losses expected within the next 12 months has been estimated.

Liquidity risk

Liquidity risk reflects the risk that the Company will encounter difficulty in raising funds to meet commitments associated with its financial instruments, should the cash flows from its assets differ from those expected.

Because the payment and receipt of interest on financial liabilities and financial assets respectively, are matched and the administration expenses were either paid upfront or are reimbursed by the Borrower, there is limited liquidity risk.

Interest rate risk

Interest rate risk exists where interest rates on financial assets and liabilities are set on different bases or reset at different times. There is minimal interest rate risk for the Company because the interest receivable on the financial asset is matched to the interest payable on the financial liabilities.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for the shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. This was considered at the onset of the transaction by loaning the Note proceeds to a government owned bank. The cost of capital was also considered by agreeing and paying most of the fees upfront. The capital structure of the Company consists of debt, which includes the borrowings disclosed in note 13 to the financial statements and equity attributable to the share trustee, comprising issued share capital and retained earnings as disclosed in the Statement of financial position.

Further details of the Company's financial risk management objectives and policies are set out in note 15 to the financial statements.

GOING CONCERN

All of the Company's operating expenses were paid at the onset of the transaction except fees relating to the Company audit, corporation tax and ongoing operational costs. The performance of the Company depends on the SSBU's credit quality and its ability to make payments under the amended loan agreements. SSBU is 100% owned by the Government of Ukraine and the majority of its business is conducted in Ukraine. Consequently, SSBU's performance and the credit risk to which the Company is exposed to is dependent upon the stability of the Ukrainian Government and the Ukrainian economy.

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STRATEGIC REPORT (continued)

Economic update in Ukraine

The affirmation of Ukraine's Long-Term Foreign-Currency IDR at 'CC' reflects Fitch's view that a further foreign-currency commercial debt restructuring is probable, given the magnitude of economic damage from the war with Russia and resulting large fiscal needs in the medium term, and that a degree of burden sharing by commercial creditors is a likely condition of the large financial assistance extended by the official sector.

The 24-month deferral in August of Ukraine's Eurobond payments provided USD 6 billion of external debt service relief, but leaves medium-term debt sustainability risks unresolved. Sovereign external debt service rises to a relatively high USD 5.4 billion in 2024 (excluding USD 3.5 billion deferred Eurobond interest payments, which could be capitalised) and USD 7.0 billion in 2025. While the timing of any such restructuring remains uncertain, there will be greater impetus for negotiations if the security outlook improves, and as the expiration of the Eurobond standstill draws closer.

As at 24 July 2024: Fitch Ratings has downgraded Ukraine's Long-Term foreign-currency (LTFC) Issuer Default Rating (IDR) to 'C' from 'CC'. Fitch typically does not assign Outlooks to sovereigns with a rating of 'CCC+' or below.

However, the credit rating changes that occurred during the financial year did not have any significant impact on the ECL provision recorded at financial year end. No defaults happened on the Loans and all capital repayments were made.

Impact of the Ukraine and Russian war

There is still a material uncertainty, primarily due to the unpredictable impact of ongoing hostilities on the territory of Ukraine on the assumptions underlying management's assessments, that may cast significant doubt on the Company's ability to continue as a going concern. However the Directors have considered the potential impact of this event and they believe that this uncertainty and the respective risk of the Company's insolvency are sufficiently mitigated by the fact the structure of the Company operates in such a manner that the Noteholders will bear any shortfall given the limited recourse nature of the Notes. Also, based on the future plans established by SSBU to improve its profitability and liquidity in the future, it is unlikely that there will not be sufficient income to cover operating expense of the Company.

SSBU

During the financial year ended 31 December 2023, SSBU continued to receive and increase overall local currency customer deposits. Provisions for ECL on interest bearing assets, including non-performing loan portfolio amounted to Ukrainian hryvnia; UAH 9,675,823,000 as at 31 December 2023 (2022: UAH 11,039,456,000), Net assets were UAH 28,724,508 as at 31 December 2023 (2022: UAH 22,181,531).

Against the background of the current situation, the possibility of the emergence of external factors that may have a negative impact on the stability of the banking system in general, and therefore on the results of operations and financial condition of the bank, the nature and consequences of which cannot be determined at the present time, is not excluded.

Conclusion

In conclusion, the war has negatively affected the SSBU's performance indicators. In spite of the current difficult conditions, the bank's operating activity is profitable. The war's most destructive impact has been on the quality of servicing of customer liabilities, which led to a build-up of loan loss provisions. The respective losses have been set off by a positive revaluation of indexed Government notes, which occurred on the back of devaluation of the UAH against the USD. SSBU takes all necessary steps to secure its financial stability. This includes pursuing prudent credit and investment policy; and cost optimization, policy directed at achieving acceptable profit margins.

Based on the current outlooks of SSBU, the Group's operations are negatively affected by the ongoing military invasion of Ukraine, with the magnitude of further developments or the timing of their cessation being uncertain. Therefore, these events or conditions indicated that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. However, SSBU has paid all the Loan interest due to date in full and has complied with all its contractual covenants to date.

The Directors, in preparing the financial statements, have continued to adopt the going concern basis.

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STRATEGIC REPORT (continued)

DIRECTORS' DUTIES AND SECTION 172 STATEMENT

The Directors are aware of their duty to act in accordance with the Companies Act. These include a fundamental duty to promote the success of the Company for the benefit of its members as a whole. This duty is central to the Board's decision-making processes and outcomes.

a) The likely consequences of any decision in the long-term
The principal activity of the Company is to provide finance to SSBU under the terms of the original offering prospectus. The Company receives interest from SSBU and pays it to the Noteholders. As such, all decisions made by the Board of Directors (the "Board") are taken after full consultation with senior management from SSBU.

b) Interests of the Company's employees
The Company has no employees and services required are contracted to third parties.

c) The need to foster the Company's business relationships with suppliers, customers and others
The Directors consider the principal business relationship of the Company to be the relationship with funding providers. The Board of Directors believes that through maintaining regular contact and being transparent in all dealings with these providers a positive business relationship has been achieved.

d) The impact of the Company's operations on the community and environment
The principal activity of the Company is to provide finance to SSBU and its operations are based on SSBU's ability to repay the interest and principal on the Loan advanced. The Directors therefore consider that the Company's operations are an integral part of SSBU.

e) The desirability of the Company maintaining a reputation for high standards of business conduct
The Board recognises the importance of the business's reputation with its funding providers. To this end, the Company has always complied with the terms of the Notes and other liabilities as stipulated by lenders, on time and in full.

f) The need to act fairly as between members of the Company
All its USD 81,245 ordinary share capital is held by Apex Trust Nominees No.1 Limited, a Company incorporated in the United Kingdom under the terms of a discretionary trust, ultimately for charitable purposes.

September 27, 2024 | 4:39 PM BST

This report was approved by the Board on ……...and signed on its behalf.

Peter Malcolm

Director
Peter Malcolm

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SSB NO.1 PLC

DIRECTORS' REPORT

The Directors present their report and the audited financial statements for the financial year ended 31 December 2023.

RESULTS AND DIVIDENDS

The profit for the financial year, after taxation, amounted to USD 381 (2022: USD 582).

The profit before tax, which comprises the loss loan allowance, amounts to USD 508 (2022: USD 719) and the issuer profit of USD 508 (2022: USD 719) which is taxable as per note 8 to the financial statements. However the loss loan allowance is not taxable and corporation tax is charged on the issuer profit.

No dividends were declared or paid by the Company during the current or prior financial year and the Directors do not propose a final dividend (2022: USD nil).

FUTURE DEVELOPMENTS

Information on future developments is included in the Strategic Report on page 2.

FINANCIAL RISK MANAGEMENT

Information on financial risk management is included in the financial instruments section of the Strategic Report and in note 15 to the financial statements.

CAPITAL STRUCTURE

Information on the capital structure of the Company is included in the Capital Management section of page 3 to the Strategic Report.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity is currently in force.

CORPORATE GOVERNANCE

The Directors have been charged with governance in accordance with the transactional documentation detailing the mechanism and structure of the transaction. The structure of the Company is such that the key policies have been predetermined at the time of issuance and the operational roles have been assigned to third parties with their roles strictly governed by the transaction documents.

The transaction documentation provides for procedures that have been designed for safeguarding assets against unauthorised use or disposition; for maintaining proper accounting records, along with the preparation of these financial statements; and for the reliability and usefulness of financial information used within the business or for publication. Such procedures are designed to manage rather than eliminate the risk of failure to achieve business objectives whilst enabling the Directors to comply with the regulatory obligations.

Due to the nature of the securities which have been issued on the Euronext Dublin Stock Exchange, the Company is exempt from the disclosure requirements of the Irish Corporate Governance Annex, the provisions of the UK Code Corporate Governance Code and the Disclosure and Transparency Rules (DTR) of the Financial Conduct Authority, with the exception of DTR 7.2.5 as disclosed in the above paragraph. The Directors are therefore satisfied that there is no requirement for an audit committee or to publish a corporate governance statement.

DIRECTORS

The Directors who served during the financial year and are currently still serving:

Peter Malcolm
Apex Corporate Services (UK) Limited
Apex Trust Corporate Limited

None of the above Directors have any interest in shares of the Company. There are no directors' interests requiring disclosure under the Companies Act 2006.

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DIRECTORS' REPORT (continued)

DIRECTORS' DUTIES AND SECTION 172 STATEMENT

The Directors are aware of their duty to act in accordance with the Companies Act. These include a fundamental duty to promote the success of the Company for the benefit of its members as a whole. This duty is central to the Board's decision-making processes and outcomes.

This has been disclosed in the Strategic Report above.

EMPLOYEES

The Company had no employees during the financial year ended 31 December 2023 (2022: none). Apex Trust Corporate Limited performs the Company's secretarial and corporate and administration services.

EVENTS AFTER THE REPORTING DATE

Events after the reporting date are disclosed in note 18 to the financial statements.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

INDEPENDENT AUDITOR

Grant Thornton were appointed on 19 March 2020 as independent auditor in accordance with section 485 of the Companies Act 2006. The auditor, Grant Thornton, will be proposed for re-appointment in accordance with section 485 of the Companies Act 2006.

September 27, 2024 | 4:39 PM BST

This report was approved by the Board on …….. and signed on its behalf.

Peter Malcolm

Director

Peter Malcolm

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SSB NO.1 PLC

DIRECTORS' RESPONSIBILITY STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

The Directors are responsible for preparing the Strategic Report, the Directors' Report, and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with IFRSs, as adopted by the United Kingdom. Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company as at the financial year end date and of the profit or loss of the Company for the financial year.

International Accounting Standard 1 'Presentation of Financial Statements', requires that financial statements present fairly for each financial year the Company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's (the "IASB") 'Framework for the Preparation and Presentation of Financial Statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs.

In preparing these financial statements, the Directors are required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- state that the financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (the "IASB") and as adopted by the UK;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- make judgements and estimates that are reasonable and prudent.

The Directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2006 and the Listing Rules of Euronext Dublin and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

September 27, 2024 | 4:39 PM BST

This report was approved by the Board on …….. and signed on its behalf.

Peter Malcolm

Director

Peter Malcolm

Independent auditor's report to the members of SSB No.1 Plc

Opinion

We have audited the financial statements of SSB No.1 Plc (or the "Company") which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Equity, and the Statement of Cash Flows for the financial year ended 31 December 2023 and the related notes to the financial statements, including the summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards ("UK-adopted IAS").

In our opinion, the Company's financial statements:

- give a true and fair view in accordance with UK-adopted IAS of the assets, liabilities and financial position of the Company as at 31 December 2023 and of its financial performance and cash flows for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (or "ISAs UK") and applicable law. Our responsibilities under those standards are further described in the 'Responsibilities of the auditor 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 the United Kingdom, including the Financial Reporting Council's (or "FRC") Ethical Standard and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. 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.

Material uncertainty related to going concern

In forming our opinion, which is not modified, we draw attention to the going concern disclosures made in the Directors' report and Note 1.1 in the financial statements, which indicates that since 24 February 2023, the operations of JSC Oschadbank (Joint Stock Company 'State Savings Bank of Ukraine') ("SSBU" or the "Borrower"), are negatively affected by the ongoing military invasion of Ukraine, with the magnitude of further developments or the timing of their cessation being uncertain. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future. The validity of this assumption, as stated in Note 1.5, depends on the mitigation of the risk by the fact that the structure of the Company operates in such a manner that the Noteholders will bear any shortfall, given the limited recourse nature of the Notes. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classifications of liabilities that might be necessary should the Company be unable to continue in existence.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current financial year and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and the directing of efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and therefore we do not provide a separate opinion on these matters.

Independent auditor's report to the members of SSB No.1 Plc

Key audit matters (continued)

Overall audit strategy

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

In addition to the matter described in ''Material uncertainty related to going concern'', we have determined the matters described below to be the key audit matters to be communicated in our report.

Based on our considerations set out below, our audit area of focus included:

- Existence and valuation of financial assets (or "Loans") at amortised cost

How we tailored our audit scope

The Company is a special purpose vehicle with listed debt. The Directors control the affairs of the Company and they are responsible for the overall investment policy which is determined by them. The Company engages the Directors to manage certain duties and responsibilities with regards to the day-to-day management of the Company. We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the operational structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

The Company has delegated certain responsibilities to the Administrator including maintenance of the accounting records. The financial statements, which remain the responsibility of the Directors, are prepared on their behalf by the Administrator. The Company has appointed a Banker to hold the Company's assets.

In establishing the overall approach to our audit, we assessed the risk of material misstatement taking into account the nature, likelihood and potential magnitude of any misstatement. As part of our risk assessment, we considered the Company's interaction with the Administrator, and we assessed the control environment in place at the Administrator.

Materiality and audit approach

The scope of our audit is influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, such as our understanding of the Company and its environment, the history of misstatements, the complexity of the Company and the reliability of the control environment, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the Company as follows: 1% of Total Assets as at 31 December 2023. Total Assets was considered the most appropriate benchmark on which to measure our materiality based on the activities of the Company and the significance of the assets they hold.

Independent auditor's report to the members of SSB No.1 Plc

Key audit matters (continued)

Materiality and audit approach (continued)

We have set Performance materiality for the company at 75% of materiality, having considered our prior year experience of the risk of misstatements, business risks and fraud risks associated with the entity and its control environment. This is to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole.

We agreed with the Directors that we would report to them misstatements identified during our audit above 5% of materiality, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Significant matters identified

The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are set out below as significant risks together with an explanation of how we tailored our audit to address these specific areas in order to provide an opinion on the financial statements as a whole. This is not a complete list of all risks identified by our audit.

Significant matter	Description of Significant Matter and Audit Response
Financial assets at amortised cost (Loans) – existence and valuation (Notes 1.15, 9, and 15)	There is a risk that Financial assets at amortised cost do not exist and the balance included in the Statement of Financial Position of the Company at 31 December 2023 is not valued in line with UK-adopted IAS. There is a high degree of inherent judgement involved in the IFRS 9 loan loss provisioning approach and as such, management is required to make significant judgements on the assessment of provisions for impairment losses. The measurement assumptions relate to exposure at default, likely loss given default, assessing significant increases in credit risk (or "SICR") and future economic scenario modelling. The calculation is affected by management's consideration of the future economic environment. Management's process for assessing changes in the SICR include qualitative and quantitative factors of the financial position of SSBU including assessment of the current economic and political conditions of Ukraine including ratings provided by rating agencies. Significant auditor attention is deemed appropriate due to materiality of the Loans and the significant and subjective auditor judgment required to evaluate the results of audit procedures related to impairment testing. As a result, we considered existence and valuation as key audit matters. Based on our risk assessment, we focused our procedures on the definition and the timeliness of management's identification of any significant increase in credit risk as this affects the level of provisions. We undertook an assessment of the provisioning practices to compare them with the recognition and measurement requirements of IFRS 9, involving specialists where appropriate.

Independent auditor's report to the members of SSB No.1 Plc

	We evaluated the design and implementation of the controls over the credit origination and credit monitoring. Furthermore, we evaluated the design and implementation of controls over impairment identification and calculation. We involved internal modelling specialists in evaluating the methodology and suitability of the credit risk models, including the model used for the determination of significant increases in credit risk, by assessing compliance with IFRS 9 and the model validation framework. Furthermore, with the support of our internal specialists, we assessed the reasonableness of scenarios and probability-weighted outcome assumptions used in the ECL calculation by assessing the appropriateness of the forward-looking scenarios construct, the underlying macroeconomic variables and the weightings assigned, including the impact of the invasion of Ukraine.

Other information

Other information comprises information included in the annual report, other than the financial statements and our auditor's report thereon, including the Directors' Report and the Strategic Report. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies in the financial statements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Independent auditor's report to the members of SSB No.1 Plc

Responsibilities of the those charged with governance for the financial statements

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements which give a true and fair view in accordance with UK-adopted IAS, and for such internal control as Directors determine necessary to enable the preparation of financial statements 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.

Responsibilities of the auditor for the audit of the financial statements

The objectives of an auditor 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 their opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) 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.

A further description of an auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatement in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to Data Privacy law and the Listing Rules of Euronext Dublin, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and UK tax legislation. The audit engagement partner considered the experience and expertise of the engagement team to ensure that the team had appropriate competence and capabilities to identify or recognise non-compliance with the laws and regulation.

Independent auditor's report to the members of SSB No.1 Plc

Responsibilities of the auditor for the audit of the financial statements (continued)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

We also evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial performance and management bias through judgements and assumptions in significant accounting estimates, in particular in relation to significant one-off or unusual transactions. We apply professional scepticism through the audit to consider potential deliberate omission or concealment of significant transactions, or incomplete/inaccurate disclosures in the financial statements.

In response to these principal risks, our audit procedures included but were not limited to:

- enquiries of Company's Directors on the policies and procedures in place regarding compliance with laws and regulations, including consideration of known or suspected instances of non-compliance and whether they have knowledge of any actual, suspected or alleged fraud;
- inspection of the Company's regulatory and legal correspondence and review of minutes of Directors' meetings during the year to corroborate inquiries made;
- gaining an understanding of the internal controls established to mitigate risk related to fraud;
- discussion amongst the engagement team in relation to the identified laws and regulations and regarding the risk of fraud, and remaining alert to any indications of non-compliance or opportunities for fraudulent manipulation of financial statements throughout the audit;
- identifying and testing journal entries to address the risk of inappropriate journals and management override of controls;
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- challenging assumptions and judgements made by management in their significant accounting estimates on the provision for impairment losses against the Loans receivable balance; and
- review of the financial statement disclosures to underlying supporting documentation and inquiries of the Directors.

The primary responsibility for the prevention and detection of irregularities including fraud rests with those charged with governance and management. As with any audit, there remains a risk of non-detection or irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or override of internal controls.

Independent auditor's report to the members of SSB No.1 Plc

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



John Glennon (Senior Statutory Auditor)
For and on behalf of
Grant Thornton
Chartered Accountants & Statutory Auditors
13-18 City Quay
Dublin 2
Ireland

Date: 27 September 2024

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SSB NO.1 PLC

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Notes	Year ended 31-Dec-23 USD	Year ended 31-Dec-22 USD
Interest income	3	11,482,591	22,350,475
Interest expense	4	(11,432,859)	(22,338,168)
NET INTEREST INCOME		49,732	12,307
Professional fees	6	(181,932)	(224,878)
Other (expense)/income	7	(1,575,744)	6,376,335
Foreign exchange gain/(loss)		3,419	(4,695)
Loan loss provision adjustment on financial assets	9	1,705,033	(6,158,350)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX		508	719
Taxation	8	(127)	(137)
PROFIT FOR THE FINANCIAL YEAR		381	582
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		381	582

All amounts relate to continuing operations. There were no other recognised gains and losses for 2023 or 2022 other than those included in the Statement of comprehensive income.

The notes on pages 20 to 37 form an integral part of the financial statements.

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STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Notes	31-Dec-23 USD	31-Dec-22 USD
ASSETS			
Financial assets at amortised cost	9	71,407,699	167,123,077
Other receivables	10	2,403,081	5,242,918
Cash and cash equivalents	11	2,078,422	1,912,477
TOTAL ASSETS		75,889,202	174,278,472
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities at amortised cost	13	81,202,569	178,621,506
Other payables	12	814,779	1,785,493
		82,017,348	180,406,999
EQUITY			
Called up share capital presented as equity	14	81,245	81,245
Retained deficit		(6,209,391)	(6,209,772)
TOTAL EQUITY		(6,128,146)	(6,128,527)
TOTAL LIABILITIES AND EQUITY		75,889,202	174,278,472

September 27, 2024 | 4:39 PM BST

The financial statements were approved and authorised for issue by the Board on ……..... They were signed on its behalf by:

Peter Malcolm

Peter Malcolm
Director

The notes on pages 20 to 37 form an integral part of the financial statements.

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SSB NO.1 PLC

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Retained deficit	Share capital	Total
	USD	USD	USD
Balance as at 1 January 2022	(6,210,354)	81,245	(6,129,109)
Profit for the financial year	582	-	582
Balance as at 31 December 2022	(6,209,772)	81,245	(6,128,527)
Balance as at 1 January 2023	(6,209,772)	81,245	(6,128,527)
Profit for the financial year	381	-	381
Balance as at 31 December 2023	(6,209,391)	81,245	(6,128,146)

The notes on pages 20 to 37 form an integral part of the financial statements.

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SSB NO.1 PLC

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Year ended 31-Dec-23 USD	Year ended 31-Dec-22 USD
Operating profit before tax		508	680
Adjustments for:			
Interest income from financial assets	3	(11,431,385)	(22,331,059)
Interest expense	4	11,432,859	22,338,168
Loan loss provision adjustment on financial assets	9	(1,705,033)	6,158,350
Corporation tax paid		(137)	(130)
		(1,703,188)	**6,166,048**
Movements in working capital			
Decrease in other receivables	10	18,187	634
Increase/(decrease) in other payables (excluding tax)	12	1,850,946	(6,013,867)
Net cash generated from operations		**165,945**	**152,815**
Interest received		14,173,447	25,853,557
Interest paid		(14,173,447)	(25,853,557)
Net cash generated from operating activities		**165,945**	**152,815**
Cash flow from investing activities			
Redemption of financial assets at amortised cost		97,500,000	132,500,000
Net cash generated from investing activities		**97,500,000**	**132,500,000**
Cash flow from financing activities			
Redemption of financial liabilities at amortised cost		(97,500,000)	(132,500,000)
Net cash used in financing activities		**(97,500,000)**	**(132,500,000)**
Increase in cash and cash equivalents		165,945	152,815
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		1,912,477	1,759,662
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR		**2,078,422**	**1,912,477**

The restrictions on cash and cash equivalents are described in note 11.

The notes on pages 20 to 37 form an integral part of the financial statements.

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SSB NO.1 PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

1 ACCOUNTING POLICIES

General Information

SSB No.1 Plc was incorporated in England and Wales on 8 December 2010, as a public Company with limited liability under the Companies Act 2006.

The principal activities of the entity are set out in the Strategic Report on page 2.

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted for use in the United Kingdom. They have also been prepared on the going concern basis as referred to in the going concern section of the Strategic Report.

Due to the fact that the nature of the business is to provide finance, the Directors are of the opinion that it is more appropriate to use interest income and interest expense rather than turnover and cost of sales in preparing the Statement of comprehensive income.

Going concern

All of the Company's operating expenses were paid at the onset of the transaction except fees relating to the Company audit, corporation tax return and ongoing operational costs. The performance of the Company depends on the SSBU's credit quality and its ability to make payments under the amended loan agreements. SSBU is 100% owned by the Government of Ukraine and the majority of its business is conducted in Ukraine. Consequently, SSBU's performance and the credit risk to which the Company is exposed to is dependent upon the stability of the Ukrainian government and the Ukrainian economy.

Economic update in Ukraine

The affirmation of Ukraine's Long-Term Foreign-Currency IDR at 'CC' reflects Fitch's view that a further foreign-currency commercial debt restructuring is probable, given the magnitude of economic damage from the war with Russia and resulting large fiscal needs in the medium term, and that a degree of burden sharing by commercial creditors is a likely condition of the large financial assistance extended by the official sector.

The 24-month deferral in August of Ukraine's Eurobond payments provided USD 6 billion of external debt service relief, but leaves medium-term debt sustainability risks unresolved. Sovereign external debt service rises to a relatively high USD 5.4 billion in 2024 (excluding USD 3.5 billion deferred Eurobond interest payments, which could be capitalised) and USD 7.0 billion in 2025. While the timing of any such restructuring remains uncertain, there will be greater impetus for negotiations if the security outlook improves, and as the expiration of the Eurobond standstill draws closer.

As at 24 July 2024: Fitch Ratings has downgraded Ukraine's Long-Term foreign-currency (LTFC) Issuer Default Rating (IDR) to 'C' from 'CC'. Fitch typically does not assign Outlooks to sovereigns with a rating of 'CCC+' or below.

SSBU

During the financial year ended 31 December 2023, SSBU continued to receive and increase overall local currency customer deposits. Provisions for ECL on interest bearing assets, including non-performing loan portfolio amounted to Ukrainian hryvnia; UAH 9,675,823,000 as at 31 December 2023 (2022: UAH 11,039,456,000), Net assets were UAH 28,724,508 as at 31 December 2023 (2022: UAH 22,181,531).

Impact of the Ukraine and Russian war

In the context of continuing full-scale military operations in 2023, high level of security risks, significant level of budget deficit and dependence on external financial aid, the indicators of development of Ukraine's economy showed positive dynamics. The development of alternative ways of exporting Ukrainian products, favorable weather conditions, high yields of agricultural crops and the adaptability of Ukrainian business had a positive impact on GDP indicator. At the same time, massive rocket attacks that occurred continuously throughout the year, shortage of electricity supply, disproportion in the labor market, the decrease in prices for Ukrainian export goods, and logistical problems relatedto the blocking of borders significantly reduced the level of export revenues and incomes of enterprises and the public. International support and borrowing on the domestic market made it possible to support Ukrainian economy and balance the state budget deficit.

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1 ACCOUNTING POLICIES (continued)

1.1 Basis of preparation of financial statements (continued)

Impact of the Ukraine and Russian war (continued)

The assumptions underlying the assessment of business continuity do not take into account external factors that may change in the future, namely: changes in the capital market situation in Ukraine and the world as a whole, other and/or macroeconomic influences not included in the Bank's assessments, geopolitical changes, significant changes in legislation, including banking, changes in reporting and accounting standards, changes in tax legislation, changes in the operational design of the NBU's monetary and exchange rate policy, as well as other changes that may occur in the future and that the Bank cannot control. Also, based on the future plans established by SSBU to improve its profitability and liquidity in the future, it is unlikely that there will not be sufficient income to cover operating expense of the Company.

The unpredictable development of military operations on the territory of Ukraine causes significant uncertainty, which may affect assumptions on SSBU's ability to maintain business continuity and, consequently, on the SSBU's ability to ensure the sale of its assets and repayment of liabilities.

The Company is a securitisation Company which has been structured to avoid, as far as possible, significant financial risk. Certain estimates in the financial statements are based wholly or in part on estimates or assumptions made by the Directors, taking into consideration the current market and economic conditions. There is, therefore, a risk that these may be subject to change in future periods.

The principal risks arise on the Company’s financial instruments are described in note 15 to the financial statements .

1.2 Restructuring of Notes and Loans

In 2015, the restructuring of the Notes was undertaken. The Loan Notes were assessed to confirm the impact in accordance with IAS 39 and whether the restructuring resulted in an instrument with substantially different terms. When the Company modifies its existing liabilities with terms that are substantially different, the exchange is accounted for as an extinguishment of the original liability and recognition of a new liability. Any difference in the carrying value between the two financial instruments should be recognised in the Statement of comprehensive income immediately.

If the terms are not found to be substantially different, then a revised Effective Interest Rate ("EIR") should be calculated and the change in the carrying value of the two instruments will be released to profit and loss gradually through the revised EIR.

In accordance with the relevant account standard at the time, IAS 39, the discounted present value of the cash flows under the new terms of the Notes, discounted using the original effective interest rate, was less than 10 per cent of the discounted present value of the remaining cash flows of the original Notes. As a result, the New Notes were treated as modified Notes as opposed to extinguished. The costs associated with the restructuring were included in the new EIR calculation and will be amortised over the life of the new Notes.

The underlying Loans to SSBU were also treated as modified Loans. The USD 2,160,000 cash received up-front to pay for the cost of modifying the 2023 and 2025 Notes was recognised as other income through profit or loss. The USD 180,000 cash received upfront to pay for the issue costs of the 2024 Notes was included in the EIR calculation and will be amortised over the life of the new Loans.

During 2023, there were no further restructuring of the Loan Notes. The classification has not changed under the implementation of IFRS 9.

1.3 Standards effective during the financial year

The following relevant new IFRS standards, amendments to standards and interpretations are mandatory for the financial year beginning on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

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1 ACCOUNTING POLICIES (continued)

1.3 Standards effective during the financial year (continued)

Annual Improvements to IFRS Standards: 2018-2020 Cycle

As part of its process to make non-urgent but necessary amendments to IFRS Standards, the IASB has issued the Annual Improvements to IFRS Standards 2018–2020. The amendments include:

a) IFRS 1 First-time Adoption of International Financial Reporting Standards–Subsidiary as a first-time adopter. The amendment permits a subsidiary that applies the exemption in paragraph D16(a) of IFRS 1 to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards.

b) IFRS 9 Financial Instruments–Fees in the '10 per cent' test for derecognition of financial liabilities. The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. The borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

c) IFRS 16 Leases–Lease incentives. The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

d) IAS 41 Agriculture–Taxation in fair value measurements. The amendment removes the requirement in paragraph 22 of IAS 41 to exclude cash flows for taxation when measuring the fair value of a biological asset using a present value technique. This is to ensure consistency with the requirements in IFRS 13 Fair Value Measurement.

IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendment – Onerous Contracts – Cost of Fulfilling a Contract)

Some contracts may be loss-making from the outset or become loss-making during their life cycle. The amendments to IAS 37 Provision, Contingent Liabilities and Contingent Assets, which clarify the types of costs a company includes as the 'the costs of fulfilling a contract' when assessing whether a contract is onerous.

Conceptual Framework for Financial Reporting (Amendments to IFRS 3)

a) For a provision or contingent liability that would be within the scope of IAS 37, the acquirer shall apply IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events.

b) For a levy that would be within the scope of IFRIC 21, the acquirer shall apply IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

c) The acquirer shall not recognise a contingent asset at the acquisition date.

IAS 16 Property, Plant and Equipment (Amendment to Proceeds before Intended Use)

Under the amendments, proceeds from selling items before the related item of PPE is available for use should be recognised in profit or loss, together with the costs of producing those items. IAS 2 *Inventories* should be applied in identifying and measuring these production costs.

Companies will therefore need to distinguish between:

a) costs associated with producing and selling items before the item of PPE is available for use; and
b) costs associated with making the item of PPE available for its intended use.

Making this allocation of costs may require significant estimation and judgement.

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1.4 Standards issued but not yet effective

The following relevant new IFRS standards, amendments and interpretations have been issued but not effective for the financial year beginning on 1 January 2024, as adopted by the UK and have not been early adopted.

Description	Effective date
Amendments IFRS 16 Leases for Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2024

The Directors have considered the new standards, amendments and interpretations as detailed in the above table and does not plan to adopt these standards early. The application of all of these standards, amendments or interpretations will be considered in detail in advance of a confirmed effective date by the Company. The Directors have concluded that none of the above will be relevant.

1.5 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expense, in particular over recoverability of assets. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements on carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates used in the financial statements.

Estimates

The key estimates and assumptions used by the Company relate to the provision for ECL recognised in the Statement of comprehensive income.

Provision for ECL – an appropriate allowances for estimated credit losses are recognised in profit or loss annually. Directors estimate the provision based a variety of external factors and historical and forward looking data. Directors analyse the credit risk attached to the loan receivable and determine if this has increased significantly since the initial recording of the loan. This allows Directors to classify the loan into various stages which have different considerations for calculating the expected credit losses. Directors have determined that the Loan receivable is in stage 2, which is defined in note 1.16. Directors then determine the probability of default via analysis of external data and internal factors. This is then multiplied to the loss given default – being the percentage that could be lost – and the exposure at loss. Directors have used various rating agencies such as S&P and Spraying's to arrive at the probability of default. These ratings are arrived at via independent calculations and analysis. Directors believe credit risk to be low and as such is satisfied to utilise the external ratings. A sensitivity analysis is performed by increasing the probability of default:

Increase in PD	ECL (USD)
+10%	979,487
+20%	1,958,974
+30%	2,938,461

Refer to note 9 with regards to the carrying value of the related assets disclosed above.

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1 ACCOUNTING POLICIES (continued)

1.5 Critical accounting judgements and key sources of estimation uncertainty (continued)

Cumulative amortisation on Loans and financial liabilities

Financial assets

The principal activity of the Company is to provide finance to JSC Oschadbank (Joint Stock Company 'State Savings Bank of Ukraine') ("SSBU" or the "Borrower") under the terms of the original offering prospectus. The issuance of the loans to SSBU were made at a discount. In line with IFRS 9 requirements, any discount on financial assets is amortised using the effective interest rate method and an amortization figure should be calculated each year based on the maturity of the Loans and recorded to reflect the correct unamortised balance which should reflect an amount for the remaining term of the Loans to maturity date.

Financial liabilities

The Company issued the Notes 2023 at a premium and all other Notes at a discount. In line with IFRS 9 requirements, any discount on financial liabilities is amortised using the effective interest rate method and an amortization figure should be calculated each year based on the maturity of the Notes and recorded to reflect the correct unamortised balance which should reflect an amount for the remaining term of the Notes to maturity date.

Significant judgment and estimates applied by Directors in performing going concern assessment.

As stated in the Directors' Report, given the recent Ukraine/Russia events, there is still a material uncertainty, primarily due to the unpredictable impact of ongoing hostilities on the territory of Ukraine on the assumptions underlying management's assessments, that may cast significant doubt on the Company's ability to continue as a going concern. However, the Directors have considered the potential impact of this event and they believe that this uncertainty and the respective risk of the Company's insolvency are sufficiently mitigated by the fact the structure of the Company operates in such a manner that the Noteholders will bear any shortfall given the limited recourse nature of the Notes. Also, based on the future plans established by SSBU to improve its profitability and liquidity in the future, it is unlikely that there will not be sufficient income to cover operating expense of the Company.

1.6 Interest income and receivable

Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's carrying amount. The cash received up-front to pay for transaction costs is amortised through interest income using the effective interest rate.

1.7 Other income

Other income represents reimbursement of administration expenses by the borrower in accordance with the Loan agreement and is recognised on an accruals basis.

1.8 Administration expenses

Administration expenses are recognised on an accruals basis. They include corporate service fees, accounting fees and audit fees.

1.9 Interest expense and payable

Interest expense is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to that liability's carrying amount. Both transaction costs and the Note issuance premium (note 13) are amortised through interest expense using the effective interest rate.

1.10 Foreign currencies

The financial statements of the Company are prepared in US Dollars ("USD ") as this is the currency for which the financial assets and liabilities are issued. Transactions in foreign currencies are recorded using the rate of exchange at the date of the transaction. Monetary assets and liabilities are translated into US Dollar at the market rates of exchange ruling at the reporting date. Exchange differences arising from the translation of foreign currencies are reflected in the Statement of comprehensive income.

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1 ACCOUNTING POLICIES (continued)

1.11 Taxation

The Company has elected to be taxed under the "permanent" tax regime for securitisation companies (contained in Statutory Instrument 2006/3296), under which the Company is taxed broadly by reference to its net cash flows during the period, and not by reference to its accounting profits, to the extent that these differ.

1.12 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank. Additionally, there are restricted funds held on behalf of the distribution agent for onward payment to the respective Noteholders. See note 11 to the financial statements for further details.

1.13 Other receivables

This includes interest accrued on the financial assets and corporate service fees which were paid upfront for the Company's operating activities and are amortised on a straight-line basis over the life of the financial assets/liabilities.

Interest accrued on the financial assets are calculated using the interest rate associated with each Loan. The financial assets are amortised as described in note 1.15.

1.14 Other payables

This includes interest payable on the financial liabilities and deferred income which was received upfront to pay for the Company’s operating activities. Interest is recorded using the effective interest rate.

Interest accrued on the financial liabilities are calculated using the interest rate associated with each Note. The financial liabilities are amortised as described in note 1.15.

1.15 Financial instruments

The financial instruments held by the Company include the following:

- Financial assets at amortised cost; and
- Financial liabilities

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at fair value through profit or loss ("FVTPL"):

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Classification

On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at Fair Value through Other Comprehensive Income ("FVOCI") as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets at amortised cost

Loans have been classified as financial assets at amortised cost as the contractual terms of the financial asset give rise to cash flows that are solely payments of capital and interest on the principal amounts outstanding. They are measured on initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. The provision for ECL is estimated annually and the difference is recognised in profit or loss.

Financial liabilities

Notes issued are classified as other financial liabilities at amortised cost and are initially recognised at fair value at the date of issuance of the liabilities and are subsequently measured at amortised cost using the effective interest rate method. See accounting policy note 1.2 for restructuring of the financial liabilities.

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1 ACCOUNTING POLICIES (continued)

1.15 Financial instruments (continued)

Subsequent measurement

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by ECL. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities

Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss is also recognised in profit or loss.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss. Any interest in such transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Offsetting

Financial assets and liabilities are set off and the net amount presented in the Statement of financial position when, and only when, the Company has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions.

1.16 Impairment

IFRS 9 introduces a new impairment model that requires the recognition of ECL on all financial assets at amortised cost. ECL are estimated based on the repayment profile of the Loans. The assessment is performed annually.

Significant Increase in Credit Risk

For the purposes of the Company's credit risk oversight, a significant increase in credit risk is identified when the financial asset goes into arrears exceeding 30 days. This period is reasonable given the structure of the Loans.

Definition of Default

An event of default is defined as when SSBU goes into payment arrears and the Company determines that the borrower can no longer repay the Loan. The primary evidence of an event of default is SSBU going into payment arrears. No such instances exist in the Company as at the Statement of comprehensive income date (2021: none). Credit risk is monitored through SSBU's performance and the state of the Ukrainian economy.

Therefore, a three-stage approach to impairment has been applied as follows:

Stage 1 Performing - the recognition of 12 month ECL, that is the portion of lifetime ECL from default events that are expected within 12 months of the reporting date, if credit risk has not increased significantly since initial recognition;

Stage 2 Underperforming – Loan is in arrears as at the reporting date of 30 days, lifetime ECL are recognised reflecting the increased credit risk since initial recognition; and

Stage 3 Non-performing loans - lifetime ECL for loans that are in default and a repayment is not expected reflecting the impairment of the asset.

The loan will move back from Stage 2 or Stage 3 to Stage 1 when the account is no longer in arrears. Refer to note 1.5 where the Directors have determined that the Loan receivable is in stage 2.

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2 SEGMENTAL REPORTING

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity).

Operating segments are identified on the basis of the Company's principal activity and location. The principal activity of the Company is to provide finance to SSBU through a loan portfolio and its results are derived from the performance of the loan portfolio. The Company's operations are fully carried out in the United Kingdom and thereby this is the Company's only operating segment.

3 INTEREST INCOME

	Year ended 31-Dec-23 USD	Year ended 31-Dec-22 USD
Interest income on financial assets	**11,431,385**	22,331,059
Bank interest	**51,206**	19,416
	11,482,591	22,350,475

The interest income on financial assets includes amortisation at EIR of USD 79,588 (2022: USD 123,974).

4 INTEREST EXPENSE

	Year ended 31-Dec-23 USD	Year ended 31-Dec-22 USD
Interest payable on financial liabilities	**11,432,859**	22,338,168
	11,432,859	22,338,168

The interest payable on financial liabilities includes amortisation at EIR of USD 81,062 (2022: USD 131,082).

5 DIRECTORS AND EMPLOYEES

The Company has no employees (2022: none). The Directors did not receive any remuneration for their services during the financial year (2022: USD nil).

6 PROFESSIONAL FEES

	Year ended 31-Dec-23 USD	Year ended 31-Dec-22 USD
Auditor's remuneration for the audit of the Company's statutory accounts	**66,510**	64,199
Corporate services, accounting fee, bank fees and other professional fees	**115,422**	160,679
	181,932	224,878

The Company has no employees and services required are contracted from third parties.

7 OTHER (EXPENSE)/INCOME

	Year ended 31-Dec-23 USD	Year ended 31-Dec-22 USD
Other (expense)/income	**(1,575,744)**	6,376,335

The negative figure is mainly due to the reversal of the ECL provision during the financial year.

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8 TAXATION

	Year ended 31-Dec-23 USD	Year ended 31-Dec-22 USD
UK corporation tax charge on profit for the financial year	**127**	**137**

Factors affecting tax charge for the financial year
The tax assessed for the financial year is calculated at the standard rate of corporation tax in the UK of 25% (2022: 19%).

	Year ended 31-Dec-23 USD	Year ended 31-Dec-22 USD
Profit on ordinary activities before tax	**508**	719
Profit on ordinary activities multiplied by standard rate of corporation tax in UK of 25% (2022:19%)	**127**	137
Effects of:		
Permanent difference relating to Taxation of Securitisation Company Regulations 2006	**127**	137
Tax charge under Taxation of Securitisation Company Regulations 2006	**127**	137
Current tax charge for the financial year	**127**	137

The profit before tax, which comprises the loss loan allowance, amounts to USD 508 (2022: USD 719) and the issuer profit of USD 508 (2022: USD 719) which is taxable as per note 8 to the financial statements. However the loss loan allowance is not taxable and corporation tax is charged on the issuer profit.

Factors that may affect future tax charges

The Company is taxed in accordance with Statutory Instrument No. 3296 The Taxation of Securitisation Companies Regulations 2006 which requires that tax is charged on the profits 'retained by the issuer'. The actual retained profit for the financial year amounted to USD 508 (2022: USD 719).

The Directors are satisfied that Company meets the definition of a securitisation Company as defined by both the Finance Act 2005 and the subsequent legislation and that no incremental unfunded tax liabilities will arise.

The Directors have accordingly elected that the Company be taxed by reference to its net cash margin, and not its accounting profit.

9 FINANCIAL ASSETS

	31-Dec-23 USD	31-Dec-22 USD
Financial assets at amortised cost:		
Balance brought forward	**178,750,000**	311,250,000
Repayment during the financial year	**(97,500,000)**	(132,500,000)
Less discount on financial assets	**(6,310,740)**	(6,310,740)
Cumulative amortisation of discount on financial assets	**6,263,309**	6,183,720
ECL provision	**(9,794,870)**	(11,499,903)
Balance at 31 December	**71,407,699**	167,123,077

Reconciliation of Loan balance

Balance brought forward	**167,123,077**	305,657,453
Repayment during the financial year	**(97,500,000)**	(132,500,000)
Current year amortisation of discount*	**79,589**	123,974
Loan loss provision adjustment	**1,705,033**	(6,158,350)
Balance at 31 December	**71,407,699**	167,123,077

	31-Dec-23 USD	31-Dec-22 USD
Financial assets due within one year	**56,250,000**	132,500,000
Financial assets due after one year	**15,157,699**	34,623,077
	71,407,699	167,123,077

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9 FINANCIAL ASSETS (continued)

The Loans issued are to Joint Stock Company SSBU. The first loan had a principal value of USD 700,000,000 and was originally due for repayment on 10 March 2016, bearing interest at 8.25%. The second loan had a principal value of USD 500,000,000 bearing interest at 8.875% and was originally due for repayment on 20 March 2018.

On 3 August 2015, all the existing Notes were cancelled and the New Notes were issued of the same value (see note 13). The Loans to SSBU were also amended in line with the New Notes. The key terms of the new loans are described in the table below.

On 25 November 2015, the Company was novated in as the new lender of a further loan to SSBU for USD 100,000,000 from the original lender, The Royal Bank of Scotland Plc ("RBS"). To finance the New Loan, the Company issued the 2024 Notes of the same value. The original RBS loan was due to mature on 19 January 2017 and as part of the restructuring, it is now due in 2024. The 2024 Notes are listed on Euronext Dublin.

The terms of the New Loans are listed below. In addition to these new terms, the New Loans will also have staggered capital repayments commencing 10 March 2019. The terms of the Notes are listed in note 13.

New loans

New Loans	Nominal	Maturity date	Interest rate
	USD		%
2024 Loan	6,250,000	2024	6 month LIBOR + 6.875%
2025 Loan	75,000,000	2025	9.625

Provision for expected credit losses movement:

31-Dec-2023	Stage 1 (USD)	Stage 2 (USD)	Stage 3 (USD)
ECL provision as at 01 January	-	**11,499,903**	-
Movement during the financial year	-	- **1,705,033**	-
ECL provision as at 31 December	-	**9,794,870**	-

The financial asset movement for each stage is evidenced below:

31-Dec-2023	Stage 1 (USD)	Stage 2 (USD)	Stage 3 (USD)
Financial assets as at 01 January	-	**173,281,427**	-
Repayment during the financial year	-	**(97,500,000)**	
Amortisation of discount	-	**79,589**	-
Financial assets as at 31 December	-	**75,861,016**	-

The provision for ECL as of 1 January 2023 was USD 11,499,903 which decreased to USD 9,794,870 in 2023; a decrease of USD 1,705,033. This occurred due to repayments that occurred on the assets, which in turn reduced the carrying value of the assets. This caused a decrease in the value of the ECL provision.

31-Dec-2022	Stage 1 (USD)	Stage 2 (USD)	Stage 3 (USD)
ECL provision as at 01 January	-	**5,341,553**	-
Movement during the financial year	-	**6,158,350**	-
ECL provision as at 31 December	-	**11,499,903**	-

31-Dec-2022	Stage 1 (USD)	Stage 2 (USD)	Stage 3 (USD)
Financial assets as at 01 January	-	**305,657,453**	-
Repayment during the financial year	-	**(132,500,000)**	-
Amortisation of discount	-	**123,974**	-
Financial assets as at 31 December	-	**173,281,427**	-

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10 OTHER RECEIVABLES

	31-Dec-23	31-Dec-22
	USD	USD
Interest receivable on the financial assets	**2,382,437**	5,204,087
Other debtors	**20,644**	38,831
	2,403,081	5,242,918

Interest receivable amounting to USD 2,382,437 (2022: USD 5,042,974) is all due within one year.

11 CASH AND CASH EQUIVALENTS

Cash comprises cash on hand and demand deposits which are subject to an insignificant risk of changes in value.

A balance of USD 1,954,083 (2022: USD 1,784,208) of this is restricted cash. This balance is held on behalf of the distribution agent for onward payment to the respective Noteholders. The amount relates to interest which has accrued on the Notes which has not been claimed since the restructuring took place. See note 13 to the financial statements.

	31-Dec-23	31-Dec-22
	USD	USD
Cash at bank	**2,078,422**	1,912,477

The Company's cash and cash equivalents is held with The Bank of New York Mellon and Barclays Bank UK PLC.

12 OTHER PAYABLES

	31-Dec-23	31-Dec-22
	USD	USD
Interest payable on financial liabilities issued	**2,382,437**	5,204,087
Other creditors*	**(1,567,785)**	(3,418,731)
Corporation tax payable	**127**	137
	814,779	1,785,493

*Included in other creditors is USD 1,954,083 (2022: USD 1,784,208) which relates to cash held on behalf of the distribution agent for onward payment to the respective Noteholders. The amount relates to interest which has accrued on the Notes that has not been claimed since the restructuring took place.

13 FINANCIAL LIABILITES

	31-Dec-23	31-Dec-22
	USD	USD
Financial liabilities	**178,750,000**	311,250,000
Repayment during the financial year	**(97,500,000)**	(132,500,000)
Less discount on Notes	**(8,465,759)**	(8,465,759)
Add: Cumulative amortisation of net discount on Notes	**8,418,328**	8,337,265
	81,202,569	178,621,506

Balance brought forward	**178,621,506**	310,990,424
Repayment during the financial year	**(97,500,000)**	(132,500,000)
Add: current year amortisation of net discount on Notes	**81,063**	131,082
	81,202,569	178,621,506

The above financial liabilities are fixed interest Loan Participating Notes.

	31-Dec-23	31-Dec-22
	USD	USD
Financial liabilities due within one year	**56,250,000**	132,500,000
Financial liabilities due after one year	**24,952,569**	46,121,506
	81,202,569	178,621,506

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13 FINANCIAL LIABILITES (continued)

Tranche 1 was issued on 10 March 2011 for an Aggregate Nominal Amount of USD 500,000,000. Tranche 2 was issued on 18 July 2011 for an Aggregate Nominal Amount of USD 200,000,000. The issue price was 100% and 100.75% for Tranche 1 and Tranche 2 respectively, resulting in total gross proceeds of USD 701,500,000. Both Tranche 1 and 2 were repayable 10 March 2016.

A further issue was made on 20 March 2013 for an Aggregate Nominal Amount of USD 500,000,000. The issue price was 100%. The Note premium and transaction costs for all tranches are amortised over the life of the Notes at the effective interest rate.

On 3 August 2015, a long-term restructuring agreement was reached with the Noteholders. All the existing Notes were cancelled and the new Notes issued of the same value. The Tranche 1 & 2 Notes were consolidated into one issuance known as the 2023 Notes. The Tranche 3 became known as the 2025 Notes. The Loan to SSBU was also amended in line with the Notes. See note 9 to the financial statements.

In the process of reprofiling the Loan Notes (2023 and 2025 Loan Notes), there was an exchange mechanism available which allowed 2016 Noteholders to switch acquire 2025 Notes instead of 2023 Notes. Similarly, it allowed 2018 Noteholders to switch to 2023 instead of 2025 Notes. Hence, temporary Loan Notes were issued for the period March 2015 to September 2015 to accommodate this exchange mechanism. In September, the temporary 2023 and 2025 loan notes were exchanged with equivalent permanent 2023 and 2025 Loan Notes. This exchange mechanism had no net effect neither on the interest expense for the financial year, nor on the year-end balance of Loan Notes.

Furthermore, on 25 November 2015, the Company was novated in as the new lender of a further loan to SSBU for USD 100,000,000 from RBS. To finance the new Loan, the Company issued a new tranche of 2024 Notes of the same value. The loan was due to mature on 19 January 2017 and as part of the restructuring is now due in 2024. The 2024 Notes are listed on the Euronext Dublin.

The New Notes were treated as modified Notes as opposed to extinguished. The costs associated with the restructuring were included in the new EIR calculation and will be amortised over the life of the New Notes.

The underlying Loans to SSBU were also treated as modified Loans. The USD 2,160,000 cash received up-front to pay for the cost of modifying the 2023 and 2025 Notes was recognised as other income through profit or loss.

All transaction costs associated with the modification of the New Loans and New Notes have been capitalised and amortised over their new maturity. The transaction costs are amortised over the new maturity using the EIR method.

The USD 180,000 cash received upfront to pay for the issue costs of the 2024 Notes was included in the EIR calculation and will be amortised over the life of the new Loans.

The terms of the Notes are listed below. In addition to these new terms, the new Notes will also have staggered capital repayments commencing 10 March 2019.

New Loans	Nominal	Maturity date	Interest rate
	USD		%
2024 Loan	6,250,000	2024	6 month LIBOR + 6.875%
2025 Loan	75,000,000	2025	9.625

All the New Notes are listed on Euronext Dublin, and the Company has charged by way of security to the Trustee, all its rights to receive principal and interest on the Loan under the Loan Agreement.

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14 SHARE CAPITAL

	31-Dec-23 USD	31-Dec-22 USD
Authorised		
50,000 - Ordinary shares of £1 each	**81,245**	81,245
Allotted, called up and fully paid		
50,000 - Ordinary shares of £1 each	**81,245**	81,245
Presented as follows:		
Called up share capital presented as equity	**81,245**	81,245

The entity has an authorised number of shares of 50,000 shares of £1 each. See note 16 to the financial statements for more information. These shares represent the only shares authorised and confer the holder with the rights to the control of the entity. There have been no further issues of shares during the financial year. There are no shares reserved for issue under options and contracts for the sale of shares as at the reporting date.

15 FINANCIAL INSTRUMENTS

The principal activity of the Company is to provide finance to SSBU under the terms of the original offering prospectus. Since incorporation, the Company has issued a series of Notes. Each of these issuances is described in the Directors' Report including changes to the Notes following a long term restructuring of Ukrainian debt as part of the IMF restructuring plan for the region during April 2015.

The Company is not engaged in any other activities.

Risk management framework
The Board has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The risk profile of the Company is such that market, credit, liquidity and other risks of the financial asset are borne fully by the holders of Notes issued.

The Company has exposure to the following risks from its use of financial instruments:
(a) Market risk;
(b) Credit risk;
(c) Liquidity risk;
(d) Operational risk; and
(e) Concentration risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk and the Company's management of capital.

The Company's financial instruments comprise of three tranches of financial assets, financial liabilities, cash and cash equivalents, other receivables and other payables and other items arising directly from its operations. It is, and has been throughout the period, the Company's policy that no trading in financial instruments shall be undertaken.

Because the payment and receipt of interest on financial liabilities and financial assets respectively are matched and the expenses were either paid upfront or are reimbursed by the borrower, there is limited liquidity and interest rate risk. The Company has therefore not presented a sensitivity analysis to interest rate risk. The principal risks arising from the Company's financial instruments are foreign exchange and credit risk. The Board reviews and agrees policies for managing each of these risks and these are summarised below.

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15 FINANCIAL INSTRUMENTS (continued)

(a) Market risk

Market risk embodies the potential for both losses and gains and includes interest rate risk, currency risk and price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the returns on risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. There may be a timing mismatch between payments of interest on the Notes and payments of interest on the financial assets and, in the case of floating rate financial assets, the rates at which they bear interest may adjust more or less frequently, and on different dates and based on different indices than the interest rate of the Notes issued.

Interest income on financial assets will normally match the interest expense on financial liabilities, where no swap arrangement has been entered into. Any shortfall on interest income will be borne by the Noteholders.

Currency risk

The functional currency of the Company is US Dollars. The Company is exposed to foreign exchange risk because the functional currency differs from the currency in which other expenses are incurred and the currency in which its cash at bank is held. This risk however is very minimal.

The financial liabilities and the financial asset held by the Company as at 31 December 2023 and 31 December 2022 are denominated in USD.

At 31 December 2023 and 31 December 2022 the following assets were denominated in foreign currency:

	31-Dec-23	31-Dec-22
	USD	USD
Cash and cash equivalents	68,219	70,081

Management expect the fluctuation of the Company's non-denominated USD deposits held in Pounds Sterling ("GBP") to be minimal. The exposure to GBP Sterling (GBP 58,275) is not seen as an unstable currency with high volatility when pairing with US Dollars.

Hence, the currency risk as at 31 December 2023 and 31 December 2022 is considered as minimal as all the financial assets and financial liabilities are denominated in the reporting currency, which is US Dollars, except the bank balances which are denominated in GBP.

The conversion rate used at financial year is as follows:

	31-Dec-23	31-Dec-22
USD : GBP	1.1050	1.2026

Price risk

Price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its Company or all factors affecting all instruments traded in the market.

All financial assets and financial liabilities are measured at amortised cost and there is no price risk.

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15 FINANCIAL INSTRUMENTS (continued)

(b) Credit risk

The Loans have been issued to one counterparty, SSBU and therefore, the credit risk is highly concentrated.

SSBU is 100% owned by the Government of Ukraine. The credit risk is linked closely to both the performance of the Ukrainian economy and the finances of the Government of Ukraine. During the financial year ended 31 December 2022, SSBU continued to receive and increase overall local currency customer deposits. Provisions for ECL on interest bearing assets, including non-performing loan portfolio amounted to UAH 9,675,823,000 as at 31 December 2023 (2022: UAH 11,039,456,000), Net assets were UAH 28,721,508 as at 31 December 2023 (2022: UAH 22,181,531).

Based on current outlooks of SSBU, since 24 February 2022 the Group's operations are negatively affected by the ongoing military invasion of Ukraine, with the magnitude of further developments or the timing of their cessation being uncertain. Therefore, these events or conditions indicated that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. However, SSBU has paid all the Loan interest due to date in full and has complied with all its contractual covenants to date. The Loan is neither past due nor impaired. In this respect, the Directors consider the Company's loan receivable within Stage 2 as there has not been a significant increase in credit risk.

The Company's maximum exposure to credit risk in the event that counterparties fail to perform their obligations as at 31 December 2022 and 31 December 2021 in relation to each class of recognised financial assets is set out below:

	31-Dec-23 USD	31-Dec-22 USD
Financial assets at amortised cost	71,407,699	167,123,077
Other receivables	2,403,081	5,242,918
Cash and cash equivalents	2,078,422	1,912,477
	75,889,202	174,278,472

SSBU being the counter party of the Company has long term credit rating of CCC- (Fitch) and credit rating CCC+ (S&P). This demonstrates the maximum credit exposure of the counterparty.

Cash and cash equivalents

The Company held cash and cash equivalents of USD 2,078,422 as at 31 December 2023 (2022: USD 1,912,477), which represents its maximum credit exposure on these assets. The credit rating for the Company's banker, The Bank of New York is AA- (S&P), Aa1 (Moody's), AA+ (Fitch); Barclays Bank UK PLC is A/ Positive (S&P), A1/ Negative (Moody's) and A+/ Stable (Fitch).

Other receivables

Other receivables mainly include interest receivable from financial assets held by the Company as at the financial year end.

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15 FINANCIAL INSTRUMENTS (continued)

(c) Liquidity risk

Liquidity risk reflects the risk that the Company will encounter difficulty in raising funds to meet commitments associated with its financial instruments, should the cash flows from its assets differ from those expected.

Because the payment and receipt of interest on financial assets and liabilities respectively, are matched and the administration expenses were either paid upfront or are reimbursed by the borrower, there is limited liquidity risk.

The Company's liabilities due within one year are disclosed in the Statement of financial position. As described in note 13 to the financial statements, the Company's main liabilities are its Notes issued. Loan and Note repayments were made in the financial year 2023.

The following are the contractual maturities of financial assets and liabilities at 31 December 2023:

	Up to 1 year	1-2 years	2-5 years	Over 5 years	Total
	USD	USD	USD	USD	USD
Financial assets at amortised cost	62,662,488	26,203,125	-	-	88,865,613
Other receivables	2,403,081	-	-	-	2,403,081
Cash and cash equivalents	2,078,422	-	-	-	2,078,422
Financial liabilities at amortised cost	(62,662,488)	(26,203,125)	-	-	(88,865,613)
Other payables	(814,779)				(814,779)
	3,666,724	-	-	-	3,666,724

The following are the contractual maturities of financial assets and liabilities at 31 December 2022:

	Up to 1 year	1-2 years	2-5 years	Over 5 years	Total
	USD	USD	USD	USD	USD
Financial assets at amortised cost	111,444,229	62,525,882	26,203,125	-	200,173,236
Other receivables	5,242,918	-	-	-	5,242,918
Cash and cash equivalents	1,912,477	-	-	-	1,912,477
Financial liabilities at amortised cost	(111,444,229)	(62,525,882)	(26,203,125)	-	(200,173,236)
Other payables	(1,785,493)				(1,785,493)
	5,369,902	-	-	-	5,369,902

(d) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

Operational risk arises from all of the Company's operations. The Company was incorporated with the purpose of engaging in those activities outlined in note 1 to the financial statements. All management and administration functions were outsourced to Apex Trust Corporate Limited.

(e) Concentration risk

As at the financial year end, the Company's financial assets were concentrated in the following assets types:

	31-Dec-23	31-Dec-22
	USD	USD
Loans receivable from SSBU	71,407,699	167,123,077
	71,407,699	167,123,077

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15 FINANCIAL INSTRUMENTS (continued)

(f) Fair values

Financial assets and liabilities that are measured at fair value are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: unobservable inputs for the asset or liability.

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis as at each financial year end:

Fair values	Carrying amount 2023 USD	Fair value 2023 USD
Assets		
Financial assets (level 3)	**71,407,699**	**71,407,699**
Liabilities		
Financial liabilities (level 3)	**(81,202,569)**	**(81,202,569)**

	Carrying Amount 2022 USD	Fair value 2022 USD
Assets		
Financial assets (level 3)	**167,123,077**	**167,123,077**
Liabilities		
Financial liabilities (level 3)	**(178,621,506)**	**(178,621,506)**

The carrying value is based on amortised cost using effective interest rate method. The carrying value approximates the fair value of the financial assets and financial liabilities per above table. No fair values have been disclosed for current assets in either period because their carrying amount approximates to fair value because of their short-term maturities.

Measurement of fair value of financial instruments

Financial assets and financial liabilities (level 3)

The New Loans and New Notes issued have been classified as financial assets and liabilities. They are measured on initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. A provision for ECL is assessed annually based on the requirements of IFRS 9. No reconciliation and sensitivity analysis Level 3 has been provided as these instruments are carried at amortised cost.

(g) Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for the shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. This was considered at the onset of the transaction by loaning the Note proceeds to a government-owned bank which is expected to have a lower risk of default. The cost of capital was also considered by agreeing and paying most of the fees upfront. The capital structure of the Company consists of debt, which includes the borrowings disclosed in note 13 and equity attributable to the share Trustee, comprising issued share capital and deficit as disclosed in the Statement of financial position.

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16 CONTROLLING PARTIES

The Company is controlled by its Directors. All its USD 81,245 ordinary share capital is held by Apex Trust Nominees No.1 Limited, a Company incorporated in the United Kingdom under the terms of a discretionary trust, ultimately for charitable purposes.

17 RELATED PARTY TRANSACTIONS

Subsidiaries of the Apex group provide Directors and corporate services to the Company. During the financial year, the total fees incurred for these services were USD 69,264 (2022: USD 88,353) and USD 17,917 (2022: USD 36,612) was prepaid at the financial year end.

The Company advanced loans to SSBU with a principal amount of USD 81,250,000 (2022: USD 178,750,000) and a carrying amount of USD 71,407,699 (2022: USD 167,123,077). The interest received during the financial year was USD 11,431,385 (2022: USD 22,331,059) and interest accrued at the end of the financial year was USD 2,382,437 (2022: USD 5,204,087).

All transactions with the related parties were at arm's length.

18 SIGNIFICANT EVENTS

Peter Malcolm was appointed as director on 31 January 2024 and Colin Benford resigned on the same date.

There were no other significant events occurring after the date of the statement of financial position up to the date of signing of the financial statements.