Independent Auditor's Report

On the Financial statements of
"Armenian Youth Achievements" NGO
For the year ended 31 December 2016

To the Management of "Armenian Youth Achievements" NGO

Opinion

We have audited the accompanying financial statements of "Armenian Youth Achievements" NGO (hereinafter "the Organization"), which comprise the statement of financial position as at December 31, 2016, and the statement of financial performance and net asset, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Foundation in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Management for the Financial Statements

Management of the Organization is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS for SME, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operation, or has no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is high level of assurance, but is not a guaranty that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements arise from fraud and error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

22 February 2017
"SOS-Audit" LLC

Manvel Ghazaryan
Director

Gnel Khachatryan, FCCA
Auditor

STATEMENT OF FINANCIAL POSITION

"Armenian Youth Achievements" NGO
As at 31 December 2016

	Note.	31.12.2016 AMD'000	31.12.2015 AMD'000
ASSETS			
Non-current assets			
Property, plant and equipment (PPE)	3	2,396	1,269
		2,396	**1,269**
Current assets			
Inventories		-	21
Advances paid	4	139	67
Cash	5	96,952	85,755
		97,091	**85,843**
Total assets		**99,487**	**87,112**
NET ASSETS AND LIABILITIES			
Net assets:			
Accumulated surplus		2,212	1,146
		2,212	**1,146**
Non-current liabilities			
Grant related to non-current assets	6	2,396	1,269
		2,396	**1,269**
Current liabilities			
Grant related to current assets	7	94,540	84,588
Payables	8	339	109
		94,879	**84,697**
TOTAL NET ASSETS AND LIABILITIES		**99,487**	**87,112**

The financial statements were approved by the Organization's management on 22 February 2017 and were signed on its behalf. The accompanying notes form an integral part of the financial statements.

Armine Hovhannisyan
Director

Natalya Tumanova
Chief Accountant