



Կառուցելով
բարեկեցիկ աշխարհ

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Independent auditors' report

To the founders and Board of Directors of Fund for Rural Development in Armenia

We have audited the accompanying financial statements of Fund for Rural Development in Armenia (the "Fund"), which comprise the statement of financial position as at 31 December 2013, and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year 2013, and a summary of significant accounting policies and other explanatory information.

Audited entity's responsibility for the financial statements

Management of the audited entity is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, 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.

Auditor's responsibility

Our responsibility is to express an opinion on the fairness of these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The audit procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management of the audited entity, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as at 31 December 2013, and its financial performance and cash flows for the year 2013 in accordance with International Financial Reporting Standards.

Ernst and Young CJSC

31 July 2014

Partner (Audit department)

On behalf of General Director H. Sarkisyan
(by power of authority dated 31 July 2013)


Sergei Taskaev


Eric Hayrapetyan



Statement of comprehensive income**For the year ended 31 December 2013***(Thousands of Armenian Drams)*

	Notes	2013 AMD'000	2012 AMD'000
Income from grants received	5	298,798	210,630
Finance income	6	213,576	247,142
Interest expense on financial liabilities measured at amortized cost		(61,815)	(46,997)
Other income/(expense)		8,115	(168)
Administrative expenses	7	(295,574)	(222,173)
Impairment loss		(369,376)	(45,888)
Net foreign exchange gain		1,687	10,446
(Loss)/profit before income tax		(204,589)	152,992
Income tax credit/(expense)	8	26,275	(6,638)
Total comprehensive (loss)/income for the year		(178,314)	146,354

Executive director

Chief accountant

31 July 2014



Tigran Khanikyan

Gohar Hovhannisyan

Statement of financial position As of 31 December 2013

(Thousands of Armenian Drams)

	Notes	2013 AMD'000	2012 AMD'000
Assets			
Property, equipment and intangible assets	9	8,061	13,202
Investments in projects	10	1,062,545	1,318,146
Deferred tax asset	8	31,719	-
Loans given	11	407,000	328,000
Non-current assets		1,509,325	1,659,348
Investments in projects	10	191,250	190,447
Loans given	11	50,863	13,419
Prepayments		60,021	33,832
Inventories		300	-
Trade receivables		8,064	-
Cash and cash equivalents	12	511,747	283,497
Current assets		822,245	521,195
Total assets		2,331,570	2,180,543
Fund balance			
Contribution from founders		1,513,896	1,213,564
Retained earnings		104,593	282,907
Total fund balance		1,618,489	1,496,471
Liabilities			
Loans and borrowings	13	548,270	425,037
Grants received	14	8,061	13,085
Deferred tax liability	8	-	40,442
Non-current liabilities		556,331	478,564
Loans and borrowings	13	38,999	32,980
Grants received	14	53,544	145,834
Other payables		13,317	14,233
Income tax payable		50,890	12,461
Current liabilities		156,750	205,508
Total liabilities		713,081	684,072
Total fund balance and liabilities		2,331,570	2,180,543

Statement of changes in funds**For the year ended 31 December 2013***(Thousands of Armenian Drams)*

	<i>Contribution from founders</i>	<i>Retained earnings</i>	<i>Total</i>
	<i>AMD'000</i>	<i>AMD'000</i>	<i>AMD'000</i>
31 December 2011	822,254	136,553	958,807
Total comprehensive profit/(loss) for the year			
Total comprehensive profit for the year	-	146,354	146,354
Transactions with founders, recorded directly in fund balance			
Contribution from founders (Note 8)	429,238	-	429,238
Deferred tax (Note 8)	(37,928)	-	(37,928)
Total transactions with founders, recorded directly in fund balance	391,310	-	391,310
31 December 2012	1,213,564	282,907	1,496,471
Total comprehensive profit/(loss) for the year			
Total comprehensive loss for the year	-	(178,314)	(178,314)
Transactions with founders, recorded directly in fund balance			
Contribution from founders (Note 8)	317,186	-	317,186
Deferred tax (Note 8)	(16,854)	-	(16,854)
Total transactions with founders, recorded directly in fund balance	300,332	-	300,332
31 December 2013	1,513,896	104,593	1,618,489