

**ARMENIAN CARITAS**  
Benevolent Non-governmental Organization

Independent auditor's opinion

Special purpose financial statements  
as of and for the years ended December 31, 2005

*\* Extracts from the document prepared by Grant Thornton Amyot JV LLC*

## Balance sheet

*“Armenian Caritas” Benevolent Non-governmental Organization*

*As of December 31*

*In thousand drams*

	Note	2005 Audited	2004 Audited
Assets			
<i>Non-current assets</i>			
Property, plant and equipment	3	52,965	41,088
Intangible assets		236	-
		<u>53,201</u>	<u>41,088</u>
<i>Current assets</i>			
Accounts receivable		1,482	3,708
Receivables from donors	4	8,794	46,264
Cash and cash equivalents	5	95,532	150,297
		<u>105,808</u>	<u>200,269</u>
Total assets		<u>159,009</u>	<u>241,357</u>
Equity and liabilities			
<i>Equity</i>			
Accumulated profit		2,342	-
		<u>2,342</u>	<u>-</u>
<i>Non-current liabilities</i>			
Grants related to assets	6	53,201	41,088
		<u>53,201</u>	<u>41,088</u>
<i>Current liabilities</i>			
Grants related to income	7	102,663	200,269
Accounts payable		803	-
		<u>103,466</u>	<u>200,269</u>
Total equity and liabilities		<u>159,009</u>	<u>241,357</u>

*Special purpose financial statements were signed by the Organization management on May 11, 2006.*

*The accompanying notes set out on pages 8-13 form an integral part of these special purpose financial statements.*

Yeghia KARAEHEYAN  
Executive Director

Seal

Vardan MURADYAN  
Finance Manager

## Income statement

*“Armenian Caritas” Benevolent Non-governmental Organization*

*For the year ended December 31*

*In thousand drams*

	Note	2005 Audited	2004 Audited
Income from grants		369,054	454,792
Program expenses	8	(299,858)	(389,910)
Administrative expenses	9	(68,857)	(64,882)
Loss on disposal of property, plant and equipment		(339)	-
Gain from exchange rate fluctuations, net		2,342	-
Profit for the year		<u>2,342</u>	<u>-</u>

## Cash flow statement

*“Armenian Caritas” Benevolent Non-governmental Organization*

*For the year ended December 31*

*In thousand drams*

	2005 Audited	2004 Audited
Cash flows from operating activities		
Profit for the year	2,342	-
<i>Adjusted for:</i>		
Depreciation and amortization	14,816	9,703
Loss on disposal of property, plant and equipment	339	-
<i>Operating profit before changes in working capital</i>	<u>17,497</u>	<u>9,703</u>
<i>Changes in working capital</i>		
Changes in inventories	-	584
Changes in accounts receivable	39,696	(33,466)
Changes in accounts payable	803	-
Grants and donations, net	<u>(85,493)</u>	<u>(17,256)</u>
<i>Net cash flow used in operating activities</i>	<u>(44,994)</u>	<u>(50,138)</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(26,965)	(14,116)
Acquisition of intangible assets	(303)	-
<i>Net cash flows from/(used in) investing activities</i>	<u>(27,268)</u>	<u>(14,116)</u>
<i>Net increase/(decrease) in cash and cash equivalents</i>	(54,765)	(54,551)
<i>Cash and cash equivalents at the beginning of the year</i>	<u>150,297</u>	<u>204,848</u>
<i>Cash and cash equivalents at the end of the year</i>	<u><u>95,532</u></u>	<u><u>150,297</u></u>

1. Receivables from donors	31.12.05	31.12.04
USAID	-	3,083
Caritas Spain	-	8,130
Caritas Germany	-	5,151
Caritas Italy	-	2,489
Other	8,794	27,411
	<u>8,794</u>	<u>46,264</u>

Donations/grants received for the Projects are follows:

	2005		2004	
	In thousand drams	<i>Equivalent in Euros</i>	In thousand drams	<i>Equivalent in Euros</i>
Assistance to the children	24,047	37,451	80,178	119,594
Water and sanitation	-	-	47,721	71,475
Support to elderly	18,989	35,497	9,685	14,627
Primary care dispensary	6,786	12,693	11,793	17,256
Trafficking and domestic violence	23,913	40,748	31,598	48,295
Home care	32,128	57,527	8,682	12,614
Community development	64,861	116,504	39,400	60,334
Parent school partnership	88,887	163,755	116,258	181,653
Social transition project	-	-	33,208	47,551
Other	26,647	47,196	-	-
	<u>286,258</u>	<u>511,371</u>	<u>378,523</u>	<u>573,399</u>
For administrative expenses	57,477	106,701	37,270	56,037
	<u>343,735</u>	<u>618,072</u>	<u>415,793</u>	<u>629,436</u>

Donations made by the Donors are detailed below:

	2005		2004	
	In thousand drams	<i>Equivalent in Euros</i>	In thousand drams	<i>Equivalent in Euros</i>
Cordaid	76,040	141,020	47,721	73,146
Caritas France	89,728	165,345	116,258	181,436
Caritas Germany	36,025	59,103	26,024	37,910
Caritas Italy	16,572	29,935	14,628	23,069
Caritas Spain	87,697	155,905	22,057	33,324
Caritas Sweden	-	-	32,210	48,276
Renovabis	17,159	30,000	41,215	63,247
USAID	4,925	7,819	25,365	38,580
JMF	5,049	9,518	3,090	4,758
Contribution	290	525	927	1,352
Other	10,250	18,902	86,298	124,338
	<u>343,735</u>	<u>618,072</u>	<u>415,793</u>	<u>629,436</u>

2. Program expenses	2005		2004	
	In thousand	<i>Equivalent</i>	In thousand	<i>Equivalent</i>

	drams	<i>in Euros</i>	drams	<i>in Euros</i>
Assistance to the children	18,166	27,682	108,635	163,952
Water and sanitation	15,047	27,173	13,703	21,619
Support to elderly	7,103	12,756	25,152	36,470
Primary care dispensary	22,821	40,638	17,013	25,405
Trafficking and domestic violence	22,188	38,175	33,674	51,157
Home care	15,047	26,153	24,718	37,773
Community development	33,501	59,955	52,811	79,915
Parent school partnership	129,559	225,465	29,052	46,478
Social transition project	-	-	55,049	80,323
Other	36,426	68,118	30,103	45,923
	<u>299,858</u>	<u>526,115</u>	<u>389,910</u>	<u>589,015</u>