

**“Ayb Learning Hub” Foundation**

**Financial Statements  
for 2019**

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# Independent Auditors' Report

## To the Board of Trustees of "Ayb Learning Hub" Foundation

### Opinion

We have audited the financial statements of "Ayb Learning Hub" Foundation (the "Foundation"), which comprise the statement of financial position as at 31 December 2019, the statements of profit or loss and other comprehensive income, changes in fund balance and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

### 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Foundation in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) together with the ethical requirements that are relevant to our audit of the financial statements in the Republic of Armenia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the International Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

## Auditors' Responsibilities 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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.

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 Foundation'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 the 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 Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.

The engagement partner on the audit resulting in this independent auditors' report is:

Tigran Gasparyan  
Managing Partner, Director of KPMG Armenia LLC

*KPMG Armenia LLC*  
KPMG Armenia LLC  
29 June 2020



## Statement of Financial Position as at 31 December 2019

AMD'000	Note	31 December 2019	31 December 2018
<b>Assets</b>			
Cash and cash equivalents	6	76,036	24,060
Deposits in banks		71,477	53,295
Borrowings given	7	131,776	142,189
Trade and other receivables	8	31,513	40,063
Inventory		11,941	9,018
<b>Current assets</b>		<b>322,743</b>	<b>268,625</b>
Property, equipment and intangible assets	9	3,553,310	3,645,155
Deferred tax assets	16	14,387	13,328
<b>Non-current assets</b>		<b>3,567,697</b>	<b>3,658,483</b>
<b>Total assets</b>		<b>3,890,440</b>	<b>3,927,108</b>
<b>Liabilities and fund balance</b>			
Deferred revenue on tuition fees prepaid		188,445	156,830
Trade and other payables	10	70,685	55,800
Grants related to income	11	74,426	66,864
Grants related to assets	12	140,738	139,582
<b>Current liabilities</b>		<b>474,294</b>	<b>419,076</b>
Grants related to assets	11	3,404,511	3,497,456
<b>Non-current liabilities</b>		<b>3,404,511</b>	<b>3,497,456</b>
<b>Total liabilities</b>		<b>3,878,805</b>	<b>3,916,532</b>
Accumulated surplus		11,635	10,576
<b>Fund balance</b>		<b>11,635</b>	<b>10,576</b>
<b>Total liabilities and fund balance</b>		<b>3,890,440</b>	<b>3,927,108</b>

\* The Foundation has initially applied IFRS 16 at 1 January 2019, using the modified retrospective approach. Under this approach, comparative information is not restated and the cumulative effect of initially applying IFRS 16 is recognised in retained earnings at the date of initial application. See Note 5.

## Statement of Profit or Loss and Other Comprehensive Income for 2019

AMD'000	Note	2019	2018
Revenue	13	903,096	837,470
Contribution income	14	357,684	260,907
Other income		1,926	4,619
		<b>1,262,706</b>	<b>1,102,996</b>
Personnel expense		(778,436)	(659,637)
Depreciation and amortization expense		(140,738)	(139,585)
Other expenses	15	(348,778)	(310,334)
<b>Results from operating activities</b>		<b>(5,246)</b>	<b>(6,560)</b>
Net finance income		5,246	6,560
<b>Profit before income tax</b>		<b>-</b>	<b>-</b>
Income tax benefit/(expense)	16	1,059	2,442
<b>Total comprehensive income for the year</b>		<b>1,059</b>	<b>2,442</b>

\* The Foundation has initially applied IFRS 16 at 1 January 2019, using the modified retrospective approach. Under this approach, comparative information is not restated and the cumulative effect of initially applying IFRS 16 is recognised in retained earnings at the date of initial application. See Note 5.

The financial statements were approved by management on 29 June 2020 and were signed on its behalf by:



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Aram Pakhchanyan  
Executive Director




Armine Hovhannisyan  
Chief Accountant