

**INDEPENDENT AUDITOR'S REPORT**  
**“TAX ADVISER” LLC**  
**On the financial statement of**  
**The Public Foundation “Fair and Sustainable Development Solutions”**

***Opinion***

We have audited the accompanying financial statements of the “Fair and Sustainable Development Solutions” Public Foundation (hereinafter referred to as the Public Foundation), which includes the Statement of Financial Position as of December 31, 2017, the Statement of Total Annual Income, the Statement of Cash Flows, the Statement of Changes in Net Assets for the year ended on that date, 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 respects, the financial position of the “Fair and Sustainable Development Solutions” Public Foundation as of December 31, 2017, as well as its financial results and cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS).

***Basis for expressing an opinion***

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities in accordance with these standards are described further in the section "Auditor's responsibility for the audit of financial statements" of our conclusion. We are independent of the Organization in accordance with the Code of International Ethic Standards Board for Accountants (the Code of the IESBA) and the ethical requirements applicable to our audit of financial statements in the Kyrgyz Republic, and we have fulfilled other ethical duties in accordance with these requirements and Code of the IESBA. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

***Key issues of audit***

Key audit issues are issues that, according to our professional judgment, were the most significant for our audit of financial statements for the current period. These issues were considered in the context of our audit of the financial statements in general and in forming our opinion on this reporting, and we do not express a separate opinion on these matters.

***Execution of the project budget and intended use of funds***

Effective and intended use of funds of grantor is a key area for the management of the Public Foundation. Ineffective or inappropriate use of the fund's resources may lead to significant adverse consequences for the implementation of projects and the implementation of their budget, as well as in general in the financial and economic activities of the Public Foundation. For this reason, we identify as a significant risk non-intended and ineffective use of the funds of the foundation.

***Our Measures***

- We conducted a substantive testing of the state of internal control over the coordination and implementation of payments, the order of distribution of responsibilities and liabilities.
- We conducted the procedures for the inventory of funds in the Public Foundations, examined the internal rules and procedures related to the accounting and safety of funds.
- We have checked and evaluated the internal control over the formation and availability of

primary documentation confirming the fact and completeness of the receipt of goods, works and services provided to the Public Foundation.

### ***Responsibility of management for financial statements***

The management of the Public Foundation "Fair and Sustainable Development Solutions" is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS and for the internal control system that management considers necessary for the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing financial statements, the management of the Public Foundation is responsible for assessing the ability of the foundation to continue its activity continuously, for disclosing, as appropriate, information relating to activity continuity and for reporting on the basis of the assumption of activity continuity, unless the management intends to liquidate the foundation, terminate its activities or when it lacks any other real alternative, except for the liquidation or termination of its activity.

### ***Auditor's responsibility***

Our purpose is to obtain reasonable assurance that the financial statements are free from material misstatement, whether due to fraud or error, and in the issuance of an audit conclusion containing our opinion. Reasonable confidence is a high degree of confidence, but it is not a guarantee that an audit conducted in accordance with International Standards on Auditing always identifies significant distortions if they exist. Distortions may result from fraud or error and are considered significant if it can reasonably be assumed that individually or collectively they may affect the economic decisions of users made on the basis of these financial statements.

As part of an audit conducted in accordance with International Standards on Auditing, we apply professional judgment and maintain professional skepticism throughout the audit. In addition, we perform the following:

- identify and assess the risks of material misstatement of financial statements due to fraud or error; We develop and conduct audit procedures in response to these risks; we obtain audit evidence that is sufficient and appropriate to serve as a basis for expressing our opinion. The risk of not detecting a material misstatement as a result of unfair acts is higher than the risk of not detecting a significant distortion as a result of an error, since unfair acts may include collusion, fraud, intentional omission, misrepresentation or circumvention of the internal control system;
- we get an understanding of the internal control system that is relevant to the audit in order to develop audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control system of the Public Foundation;
- We assess the proper nature of the accounting policies applied and the reasonableness of accounting estimates and the corresponding disclosure of information prepared by management;
- We conclude that the management has accepted the assumption of continuity of activities, and on the basis of the audit evidence obtained, it is concluded whether there is a significant uncertainty in connection with events or conditions that may raise significant doubts about the ability of the Public Foundation to continue its activities. If we conclude that there is significant uncertainty, we must draw attention to our disclosure in the financial statements, or, if such disclosure is inappropriate, modify our opinion. Our

conclusions are based on the audit evidence received before the date of our audit report. However, future events or conditions can lead to the fact that the Public Foundation will lose the ability to continue its continuous activity;

- We evaluate the presentation of the financial statements as a whole, its structure and content, including disclosure of information, as well as whether the financial statements present the underlying operations and events in a manner that ensures their reliable representation.

We carry out informational interaction with the persons responsible for the implementation of the Project, bringing to their attention, among other things, information on the planned scope and timing of the audit, as well as significant comments on the audit results, including significant deficiencies in the internal control system that we identify in the audit process.

We also provide to the persons responsible for the implementation of the Project a statement that we have complied with all relevant ethical requirements for independence and informed these persons of all relationships and other issues that can reasonably be considered influencing the independence of the auditor, and, where necessary, on appropriate precautionary measures.

Of those questions that we brought to the attention of those who are responsible for the implementation of the Project, we identify the issues that were most significant for auditing financial statements for the current period and, therefore, are key issues of audit. We describe these issues in our audit opinion, except in cases where public disclosure of information on these issues is prohibited by law or regulation, or when in very rare cases we come to the conclusion that information about any matter should not be communicated in our conclusion, as it can reasonably be assumed that the negative consequences of the communication of such information will exceed the socially significant benefit from its communication.

#### ***Basis of accounting and restriction on distribution***

We draw your attention to Note 2 to the financial report that describes the basis for accounting. The financial report was prepared with the purpose of providing information to the Public Foundation "Fair and Sustainable Development Solutions". Therefore, the report cannot meet another purpose.

**«TaxAdviser» LLC**

*Registration certificate No.165178-3301-000*

*of the Kyrgyz Republic Ministry of Justice dated  
March 15, 2017,*

*office 141/1 Toktogula Street, Bishkek, Kyrgyz  
Republic*



**A.A. Mambetaliev, Director**

*Qualified Auditor Certificate of serial number A No.  
0163,*

*registration No.00257 dated March 11, 2008*

**May 15, 2018**