

THE A.D. SAKHAROV ARMENIAN HUMAN RIGHTS PROTECTION CENTRE NGO

SPECIAL PURPOSE FINANCIAL STATEMENTS

ON PROJECT N N-ARM-2025-3032

“PROTECTION OF HUMAN RIGHTS AND STRENGTHENING CIVIL SOCIETY”

FOR THE PERIOD FROM 1 APRIL 2025 TO 30 SEPTEMBER 2025

TOGETHER WITH

INDEPENDENT AUDITOR’S REPORT

CONTENTS

Independent Auditor's Report	3
1 Financial Report	5
I. INCOME/Receipts	5
II. EXPENDITURE/Payments	6
III. Balance of the project funds and cash status	8
2. Notes to the special purpose financial statements	9
2.1 Summary of significant accounting policies	9
2.2 Information on Project	9
2.3 Fixed assets of the Project	10



WE ARE AN INDEPENDENT MEMBER OF
THE GLOBAL ADVISORY
AND ACCOUNTING NETWORK

AMH Audit cjsc
Office V-03,
2 Arshakunyats Avenue,
Yerevan 0023, Armenia

Telephone: + 374 (60) 623 251
Mobile: + 374 (91) 472 751
E-mail: amhaudit@amhaudit.am
Website: amhaudit.am.hlb.global

INDEPENDENT AUDITOR'S REPORT

*To the Board of The A.D. Sakharov Armenian Human Rights Protection Centre NGO
To the Financing Partner Evangelisches Werk für Diakonie und Entwicklung e. V Brot für die Welt*

Qualified Opinion

We have audited the accompanying special purpose financial statements of the “Protection of Human Rights and Strengthening Civil Society” Project (“the Project”) implemented by “The A.D. Sakharov Armenian Human Rights Protection Centre” NGO (“the Organization”) for the period from 1 April 2025 to 30 September 2025, which comprise the Financial Report, and notes to the Financial Report, including a summary of significant accounting policies (together “financial statements”). The financial statements have been prepared by the management of the Project based on the financial reporting provisions of the Cooperation Agreement for project number N-ARM-2025-3032 between the Evangelisches Werk für Diakonie und Entwicklung e. V Brot für die Welt (“BfdW”) and the Organization signed on 4 April 2025 (“the Agreement”).

In our opinion,

- a) except for the matters described in the Basis for Qualified Opinion paragraph, the Project has adhered, in all material respects, to the terms of Agreement;
- b) the Project's funds have been used, in all material respects, exclusively for the purposes of the Project in accordance with the Agreement and the approved budget;
- c) the financial statements of the Project for the six-month period ended 30 September 2025 present fairly, in all material respects, its income and expenditures during the period and its funds and cash status at that date.

Basis for Qualified Opinion

In accordance with Section 5.3 “Procurement” of the Agreement, for all purchases with a value of EUR 1,000 or more, a tendering procedure is to be carried out before the order is placed or the agreement concluded. Our audit identified that during the reporting period there were three cases of concluded agreements with a total value of EUR 44,450 (AMD 19,669,279), for which the tendering procedures were not carried out in line with the mentioned requirements. During the reporting period total expenditures within all such agreements amounted to EUR 4,399 (AMD 3,846,541).

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

Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 2.1.2, to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the Project to comply with the financial reporting provisions of the

Agreement. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Organization and BfdW and should not be distributed to or used by parties other than Organization or BfdW. Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation of the financial statements in accordance with the financial reporting provisions of the Agreement, 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 Project’s ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to cease the Project or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Project’s financial reporting process.

Auditor’s 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 auditor’s 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.


Aram Hovhannisyan, FCCA
General Director
24 December 2025




Lilit Hovhannisyan
Engagement partner

1. Financial Report

Project number/project title: N-ARM-2025-3032 / Protection of Human Rights and Strengthening Civil Society
 Project partner: The A.D. Sakharov Armenian Human Rights Protection Centre NGO
 Project period: 1 April 2025 – 31 March 2027

Reporting period: 1 April 2025 - 30 September 2025

I. INCOME/Receipts

Income sources	Total planned income in Euro	Total planned income in national currency	Income in national currency						Total income 1st - 6th reporting periods	Deviation from the plan (%) based on national currency
			1st reporting period Apr 25-Sep 25	2nd reporting period	3rd reporting period	4th reporting period	5th reporting period	6th reporting period		
1 Non-Bread for the World funds										
1.1 Funds balance from previous project	73,000	30,149,000	3,445,502	-	-	-	-	-	3,445,502	-89
1.2 Project partner's own means	-	-	-	-	-	-	-	-	-	-
1.3 Domestic funds raised by project partner	-	-	-	-	-	-	-	-	-	-
1.4 Foreign funds raised by project partner (except 1.6)	-	-	-	-	-	-	-	-	-	-
1.5 Project partner's funds raised by the European Union	-	-	-	-	-	-	-	-	-	-
1.6 Other German public funds raised by project partner	-	-	-	-	-	-	-	-	-	-
1.7 Interest and exchange gains from non Bread for the World funds	-	-	-	-	-	-	-	-	-	-
Total amount source 1.0	73,000	30,149,000	3,445,502	-	-	-	-	-	3,445,502	-89
2 Funds provided from Bread for the World	314,000	129,682,000								
2.1 Bank transfers:										
Bank transfer on 22 April 2025	-	-	18,522,000	-	-	-	-	-	18,522,000	
Bank transfer on 4 Jul 2025	-	-	14,208,000	-	-	-	-	-	14,208,000	
Total amount source 2.1	-	-	32,730,000	-	-	-	-	-	32,730,000	-
2.2 Interest	-	-	-	-	-	-	-	-	-	-
2.3 Exchange gains	-	-	-	-	-	-	-	-	-	-
Total amount source 2.0	314,000	129,682,000	32,730,000	-	-	-	-	-	32,730,000	-75
Total income	387,000	159,831,000	36,175,502	-	-	-	-	-	36,175,502	-77

Remarks (if necessary):

Debit notes (considered as income in the project account of Bread for the World)
 Debit notes are also considered as expenditure (see page 2).

Debit note n°.	Amount in national currency

Project number/project title: N-ARM-2025-3032 / Protection of Human Rights and Strengthening Civil Society

Reporting period: 1 April 2025 - 30 September 2025

II. EXPENDITURE/Payments

	Expenditure items	Total planned expenditure in EUR	Total planned expenditure in national currency	Expenditure in national currency						Total expenditure 1st - 6th reporting period	Deviation from the plan (%) based on national currency
				1st reporting period Apr 25 - Sep 25	2nd reporting period	3rd reporting period	4th reporting period	5th reporting period	6th reporting period		
1.0	Project activities	85,900	35,476,700	3,202,151	-	-	-	-	-	3,202,151	-91
1.1	Component 1: Human Rights Protection Component	3,600	1,486,800	253,480	-	-	-	-	-	-	-
1.1.1	18 consultations on component 1 (Honorary external consultants, transport, stationery, meeting supplies (av.200€ per consultation)	3,600	1,486,800	253,480	-	-	-	-	-	-	-
1.2	Component 2: Good Governance, Monitoring and Advocacy Component	7,800	3,221,400	219,725	-	-	-	-	-	-	-
1.2.1	12 consultations on component 2 (fees external consultant, transport, stationery and meeting supplies), 140€ per meeting	1,700	702,100	102,690	-	-	-	-	-	-	-
1.2.2	4 conferences, 310 € per conference (transportation costs, fee to facilitator, speakers, conference supplies), 12 Forums, 100€ per Forum	2,450	1,011,850	117,035	-	-	-	-	-	-	-
1.2.3	Organization of town-halls	3,650	1,507,450	-	-	-	-	-	-	-	-
1.3	Component 3: Educational and Research - Analytical Component	74,500	30,768,500	2,728,946	-	-	-	-	-	-	-
1.3.1	Seminar-courses 1035 hours*20 € (expert fees, coffee breaks, travel expenses, rent, etc.)	20,700	8,549,100	1,348,746	-	-	-	-	-	-	-
1.3.2	4 TV Discussions: Local government and civil society dialogue (broadcasting fee) 280 € per TV program	1,120	462,560	-	-	-	-	-	-	-	-
1.3.3	Research analytical Centers coordinators (Honorary 540 €/month for 3 coordinators)	12,960	5,352,480	1,260,000	-	-	-	-	-	-	-
1.3.4	Accommodation and transportation for activity, communication among branches and central office 24 months*229 €	5,500	2,271,500	120,200	-	-	-	-	-	-	-
1.3.5	5-day youth camp /for 30 people	8,750	3,613,750	-	-	-	-	-	-	-	-
1.3.6	Sub-grants to community active groups 6 times*4100 €	24,600	10,159,800	-	-	-	-	-	-	-	-
1.3.7	Monitoring, evaluation of sub-grants	870	359,310	-	-	-	-	-	-	-	-
2.0	Personnel	194,880	80,485,440	17,338,903	-	-	-	-	-	17,338,903	-78
2.1	Programme personnel	147,730	61,012,490	14,835,095	-	-	-	-	-	-	-
2.1.1	Director (60%*1274€ *24 months), investment:(25%*944€ *18 months)	22,600	9,333,800	2,329,692	-	-	-	-	-	-	-
2.1.2	Assistant of Director, Yerevan (60%*765€*24 months), investment: (25%*836€ *18 months)	14,800	6,112,400	1,539,744	-	-	-	-	-	-	-

2.1.3	Project coordinator (60%*1040€*24 months), investment: (25%*872€*18 months)	18,900	7,805,700	1,954,700	-	-	-	-	-	-
2.1.4	Regional project coordinators 3 employees (60%*763€*24 months*3)	32,960	13,612,480	3,299,332	-	-	-	-	-	-
2.1.5	Assistant, regional coordinators 3 employees (60%*469€*24 months*3)	20,260	8,367,380	2,064,253	-	-	-	-	-	-
2.1.6	Lawyer, Yerevan (60%*1006€*24 months)	14,480	5,980,240	1,274,909	-	-	-	-	-	-
2.1.7	Lawyers, regional 3 employees (40%*824€*24 months*3)	23,730	9,800,490	2,372,465	-	-	-	-	-	-
2.2	Administrative personnel	47,150	19,472,950	2,503,808	-	-	-	-	-	-
2.2.1	Accountant (60%*1006€*24 months), investment: (25%*872€*18 months)	18,410	7,603,330	1,905,752	-	-	-	-	-	-
2.2.2	Updating, specialist, website maintenance	4,000	1,652,000	-	-	-	-	-	-	-
2.2.3	Coordinator of 2 active community groups, Gegharkunik 78 day, 22 €	1,700	702,100	-	-	-	-	-	-	-
2.2.4	Coordinator of 2 active community groups, Syunik, 78 day, 22 €	1,700	702,100	-	-	-	-	-	-	-
2.2.5	Coordinator of 2 active community groups, Shirak, 78 day, 22 €	1,700	702,100	-	-	-	-	-	-	-
2.2.6	Translator (40%*620€*24 months)	5,960	2,461,480	598,056	-	-	-	-	-	-
2.2.7	Fundraiser (50%*1140€*24 months)	13,680	5,649,840	-	-	-	-	-	-	-
3.0	Administration	89,100	36,798,300	5,262,334	-	-	-	-	-	5,262,334
3.1	Rent for 4 offices, every month Yerevan-1370€, Gyumri-500€, Gavar-250€, Goris-250€	56,950	23,520,350	4,298,101	-	-	-	-	-	-
3.2	Utilities for 4 offices (water, electricity, gas, communication software licences, internet, bank fees, stationery, postal fees, etc.)	17,150	7,082,950	964,233	-	-	-	-	-	-
3.3	Audit fees (4 project audit reports, 1 institutional audit)	15,000	6,195,000	-	-	-	-	-	-	-
4.0	Procurement	4,800	1,982,400	1,107,000	-	-	-	-	-	1,107,000
4.1	Technical equipment+auxiliary devices, updating and modernization of the organization's technical equipment (1 Xerox-printer, 4 laptops, USB memory storage)	4,800	1,982,400	1,107,000	-	-	-	-	-	-
	Subtotal	374,680	154,742,840	26,910,388	-	-	-	-	-	26,910,388
7.0	Reserve*	12,320	5,088,160	-	-	-	-	-	-	-100
	Total expenditure	387,000	159,831,000	26,910,388	-	-	-	-	-	26,910,388

Remarks (if necessary):

Debit notes (considered as expenditure in the project account of Bread for the World).

Debit note n°.	Amount in national currency

* If expenditure is booked under the item "7. Reserve", the auditor describes in an explanatory note the nature of expenditure and confirms the consent of Bread for the World.

Project number/project title: N-ARM-2025-3032 / Protection of Human Rights and Strengthening Civil Society

Reporting period: 1 April 2025 - 30 September 2025

III. Balance of the project funds and cash status

(in national currency)

1. Balance of the project funds at the start of the reporting period:	-
2. Plus total income during the reporting period:	36,175,502
3. Less total expenditure during the reporting period:	26,910,388
4. Balance of the project funds at the end of the reporting period:	<u>9,265,114 (A)</u>

5. Cash status

Cash in hand: -

Cash at bank: 9,265,114

6. Balance of cash at the end of the reporting period: 9,265,114 (B)

Reconciliation of differences between (A) and (B), if applicable: - (*)

Creditors	Debtors

7. Detailed information on creditors and debtors (structured according to the approved expenditure items):

This is to confirm that the contents of this financial report are in accordance with the information and structure of the expenditure and income plan and with the cooperation agreement between project partner and Bread for the World.

Remarks (if necessary): (*)

Armenia, Yerevan, 24 December 2025

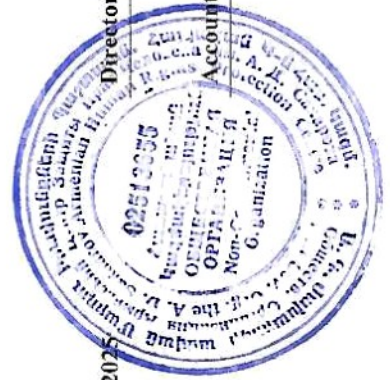
(Place, Date)

Meri Khachatryan

(Name and signature of authorised signatory)

Ani Movsesyan

(Name and signature of authorised signatory)



2. Notes to the special purpose financial statements

2.1 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these special purpose financial statements are set out below. These policies have been consistently applied to all the periods presented.

2.1.1 Special purpose financial statements

The special purpose financial statements of the “Protection of Human Rights and Strengthening Civil Society” Project (hereinafter “the Project”) prepared by “The A.D. Sakharov Armenian Human Rights Protection Centre” NGO (hereinafter “Organization”) comprise the Financial Report, which includes the statements on Income/receipts, Expenditure/payments for the period from 1 April 2025 to 30 September 2025 and Balance of the project funds and cash status as at 30 September 2025, and notes to the Financial Report, which includes a summary of significant accounting policies and other explanatory notes.

2.1.2 Cash basis of accounting

The Organization has prepared the financial statements in accordance with cash receipts and disbursements (cash-basis), which is other comprehensive basis of accounting and is not provided for compliance with International Financial Reporting Standards. According to this basis expenditures and income are recognized when cash are received or payments are made.

2.1.3 Functional and presentation currency

The special purpose financial statements are presented in Armenian Drams ("AMD"), which is the Foundation's functional currency and the currency in which these special purpose financial statements are presented. All financial information presented in AMD has been rounded to the nearest 1 AMD.

2.1.4 Project and reporting period

The Project period is from 1 April 2025 to 31 March 2027. These special purpose financial statements cover the period from 1 April 2025 to 30 September 2025.

2.1.5 Incomes and expenses

Inventory and property acquired are expensed during the period of acquisition. This policy is in line with the requirements set in the agreements with the donors.

2.1.6 Foreign currency transactions

The incomes and expenses are reported in AMD in the special purpose financial statements. The accounting records are maintained in AMD. The incoming Project funds are translated into AMD based on exchange rates at which the Organization converts each incoming funding in foreign currency. The conversion is done at commercial exchange rates provided by the bank for each such transaction.

2.2 Information on Project

Objective 1 - In the three regions of Armenia (Shirak, Gegharkunik, Syunik) and in Yerevan, citizens successfully defend their rights.

Indicator 1.1 - 45% of 7,100 citizens, who received legal advice and advocacy support from the Sakharov Centre, successfully defend their rights through extra-judicial means or at court; at least 65% of them are women.

Indicator 1.2 - At least 40% of the 900 forcibly displaced persons from Nagorno-Karabakh, who are sheltered in Yerevan and in Shirak, Gegharkunik, Syunik regions, and been counselled, successfully defend their rights through extra-judicial means or at court; at least 55% of them are women.

Objective 2 - Civil society interests in human rights, socio-economic, environmental and health sphere have been taken into account in legislation on local, regional, and central levels.

Indicator 2.1 - Approximately 35% of 60-90 advocacy initiatives of the Sakharov Centre and its partners lead to changes in the legislation, sub-law documents, regional and local programs, agendas and procedures.

Objective 3 - The initiatives and active engagement of young people and local leaders bring positive changes in community development.


Indicator 3.1 - At least 55% of Civil Society School trainees (450 individuals and 50 groups, 55% of them are women) are using their knowledge and skills in their work and civic activities for positive changes in social, economic, educational, cultural, ethical, environmental and other spheres in their communities and regions.

2.3 Fixed assets of the Project

During the reporting period the Project didn't acquire fixed assets with acquisition costs of EUR 800 or more.

Armenia, Yerevan, 24 December 2025  Director Meri Khachatryan
(Place, Date) (Name and signature of authorised signatory)



Accountant  Ani Movsesyan
(Name and signature of authorised signatory)