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INDEPENDENT AUDITOR'S REPORT

To: Board of the International La Strada Association, Amsterdam

Report on the financial statements

We have audited the accompanying financial statements 2013 of La Strada International, Amsterdam, which comprise the balance sheet as at December 31th, 2013, the profit and loss account for the year then ended and the note, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility

Management of the company is responsible for the preparation and fair presentation of these financial statements and in accordance with the accounting policies selected and disclosed by the entity as set out on page 8 in the financial statements. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires 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 procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 entity's 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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 give a true and fair view of the financial position of The International La Strada International Association as at December 31th, 2013, and of its result for the year then ended in accordance with the accounting policies selected en disclosed by the entity as set out on page 8 in the financial statements.

Restriction of use and distribution

We draw attention to page 8 in the financial statements, which describes the basis of accounting. The accounting policies are selected and disclosed by the entity. Our opinion is not qualified in this respect. The financial statements of the International La Strada Association and our auditor's report thereon are intended solely for the use of the board of the International La Strada Association and may not be used for any other purpose.



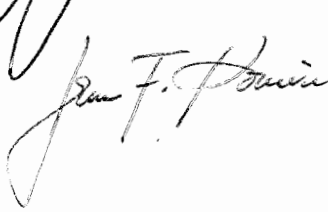
Haarlem, 18 maart 2014
Reg.nr.: 101342/215/336/1931
Ipa-Acon Accountants B.V.

mr. drs. J.C. Olij RA

1. BALANCE SHEET 31.12.2013

| | 31-12-2012 | 31-12-2013 |
|-------------------------------|-------------------|-------------------|
| ASSETS | | |
| Fixed Assets | 308 | 213 |
| Deposits | | |
| Office rent guarantee | 2.000 | 2.000 |
| Current Assets | | |
| Accounts receivable | 104.578 | 53.071 |
| Paid in advance | - | 52.447 |
| Liquid means | 115.428 | 283.730 |
| TOTAL ASSETS | 222.314 | 391.461 |
| | 31-12-2012 | 31-12-2013 |
| LIABILITIES | | |
| Accumulated Surplus | 20.301 | 25.831 |
| Grants to be spent | | |
| Grants to be spent | 82.877 | 281.731 |
| Short-term Liabilities | | |
| Income taxes payable | 6.075 | 8.347 |
| Other debts | 113.061 | 75.552 |
| TOTAL LIABILITIES | 222.314 | 391.461 |

March 12, 2014

 Irina AlKhovka
 Kateryna Serchenko
 Irena Ferčiková Konečná

| 2. PROFIT & LOSS | 2012 | 2013 | Budget 2013 |
|--|----------------|----------------|--------------------|
| Grants | | | |
| EU DAPHNE (operating costs) | - | 226.284 | 237.454 |
| Google grant | 184.966 | 106.947 | 22.167 |
| Sigrid Rausing Trust | 84.248 | 71.904 | 62.337 |
| Danish Programme - Belarus | 96.466 | 41.300 | 41.300 |
| KBF (COMP.ACT project) | 20.000 | - | - |
| EU (COMP.ACT project) | 154.796 | - | - |
| EU (NGO's & CO) | - | 35.370 | 39.973 |
| Contribution partners (NGO & CO) | - | 1.406 | - |
| ICCO - Belarus | 30.000 | 22.500 | 22.500 |
| OAK (Data protection) | - | 14.820 | 15.540 |
| Global Fund For Women | 20.207 | - | - |
| On the Road (ENPATES) | 1.202 | - | - |
| Other | - | - | 28.350 |
| | 591.885 | 520.531 | 469.621 |
| Other income | | | |
| Donations | 18.644 | 15.914 | 4.824 |
| Freedom to walk contribution | - | 3.778 | - |
| Interest | 2.989 | 2.330 | 2.000 |
| Various income | 7.250 | 7.271 | - |
| | 28.883 | 29.293 | 6.824 |
| Costs | | | |
| Personnel | 175.611 | 199.919 | 209.462 |
| External professionals | 46.625 | 31.612 | 31.150 |
| Organisational costs | 24.532 | 27.304 | 25.638 |
| Equipment | 839 | 95 | 500 |
| Lobby, advocacy and public relations | 2.742 | 6.258 | 5.302 |
| Information collection and dissemination | 776 | 13.930 | 3.500 |
| Coordination, strategy and capacity building | 8.559 | 95.306 | 119.782 |
| Specific events/projects | 363.556 | 164.880 | 81.111 |
| Various costs | 4.734 | 4.990 | - |
| | 627.974 | 544.294 | 476.445 |
| Financial surplus | 7.206- | 5.530 | - |

3. NOTES TO THE BALANCE AS AT 31 DECEMBER

| | 31-12-2012 | 31-12-2013 |
|-----------------------------|----------------|----------------|
| ASSETS | | |
| Fixed Assets | | |
| Hardware and software | | |
| - balance 1-1 | 403 | 308 |
| - investments | - | - |
| - depreciations | 95- | 95- |
| - balance 31-12 | <u>308</u> | <u>213</u> |
| | | |
| Receivable accounts | | |
| EU DAPHNE, operating grant | - | 36.321 |
| EU Comp.Act | 87.790 | - |
| On the Road; ENPATES | 13.682 | 13.682 |
| Interest from Bank | 2.989 | 2.330 |
| Various receivables | 117 | 738 |
| | <u>104.578</u> | <u>53.071</u> |
| | | |
| Paid in advance | | |
| Prepayment project partners | - | 50.929 |
| Prepayment others | - | 1.518 |
| | <u>-</u> | <u>52.447</u> |
| | | |
| Liquid means | | |
| Cash | 2.833 | 2.093 |
| ING current account | 21.198 | 4.251 |
| ING savings account | 91.397 | 277.386 |
| | <u>115.428</u> | <u>283.730</u> |

| | 31-12-2012 | 31-12-2013 |
|---------------------------|---------------|----------------|
| LIABILITIES | | |
| Grants to be spend | | |
| Sigrd Rausing Trust | 62.337 | 60.518 |
| ICCO, Belarus | 5.000 | - |
| EU - NGO's & CO | - | 175.268 |
| OAK Data Protection | 15.540 | 720 |
| Google Grant | - | 45.225 |
| | <u>82.877</u> | <u>281.731</u> |

Liabilities which are not included in the balance sheet

Office Rent, termination time of the contract is six month.

The total for office rent costs for six months in 2014 is € 7,104 (including servicecosts)

Income tax

| | | |
|-----------------|--------------|--------------|
| Tax declaration | <u>6.075</u> | <u>8.347</u> |
|-----------------|--------------|--------------|

Other debts

| | | |
|---|----------------|---------------|
| Reservation holiday allowance | 5.677 | 8.400 |
| Audit costs | 3.267 | 4.719 |
| LS Bulgaria | 6.199 | 1.500 |
| LS Ukraine | 6.199 | 1.500 |
| LS Netherlands | - | 1.500 |
| LS Macedonia | 6.176 | 1.500 |
| LS Belarus | 2.496 | 17.628 |
| LS Czech Republic | 6.183 | - |
| Fees, NGO Platform | - | 17.100 |
| Annual Study visits | - | 5.750 |
| ASI/KOK/LEFO - COMP.ACT | 47.627 | - |
| Korzh- Development M&E | 5.000 | 5.000 |
| Gianotten - printing materials COMP.ACT | 7.477 | - |
| On the Road- COMP.ACT | 1.501 | - |
| Pension fund | 715 | 1.566 |
| Various debts | 14.544 | 9.389 |
| | <u>113.061</u> | <u>75.552</u> |

4. NOTES TO PROFIT & LOSS ACCOUNTS

| | 2012 | 2013 |
|--|----------------|----------------|
| Personnel | | |
| Gross salaries | 150.419 | 155.139 |
| Social security taxes | 21.789 | 22.054 |
| Pension costs | 15.904 | 16.324 |
| Employer's health insurance contribution | 5.351 | 5.197 |
| Volunteers & interns | 300 | 660 |
| Other staff costs | - | 545 |
| Income sickness insurance | 18.152- | - |
| | <u>175.611</u> | <u>199.919</u> |

External professionals

| | | |
|---------------------------------------|---------------|---------------|
| External consultant office management | 36.617 | - |
| External marketing manager | - | 14.944 |
| External bookkeeper | 6.112 | 8.047 |
| External computer network updater | 2.750 | 6.776 |
| Salary administration/ACN | 1.146 | 1.845 |
| | <u>46.625</u> | <u>31.612</u> |

Organisational costs

| | | |
|---------------------------------------|---------------|---------------|
| Office rent (including service costs) | 13.714 | 14.072 |
| Office utilities | 180 | 916 |
| Porto costs | 539 | 842 |
| Telephone costs | 1.076 | 1.584 |
| Administration costs - Internet cost | 946 | 653 |
| Administration costs - other | 1.074 | 1.540 |
| Canteen & representation cost | 642 | 938 |
| Copy costs | 149 | 450 |
| Bank costs & payment differences | 332 | 485 |
| Annual audit costs | 3.267 | 4.719 |
| Local travel LSI staff | 2.613 | 1.105 |
| | <u>24.532</u> | <u>27.304</u> |

| | 2012 | 2013 |
|--|------------|-----------|
| Equipment | | |
| Computers | - | - |
| Depreciation hardware and software | 95 | 95 |
| Maintenance and development costs Intranet | 744 | - |
| | <u>839</u> | <u>95</u> |

Lobby, advocacy and public relations

| | | |
|---|--------------|--------------|
| Travel to international meetings | 776 | 3.898 |
| Food & Accommodation international meetings | 1.298 | 1.320 |
| Membership fees for international networks | 299 | 200 |
| Promotion representation materials | 369 | 840 |
| | <u>2.742</u> | <u>6.258</u> |

Information collection and dissemination

| | | |
|--|------------|---------------|
| Maintenance of website/documentation centre | 776 | 3.430 |
| Maintenance of intranet / data collection analysis | - | 10.500 |
| | <u>776</u> | <u>13.930</u> |

Coordination, strategy and capacity building

| | | |
|---------------------------------------|--------------|---------------|
| AM I daily lodging costs | 3.023 | - |
| AM I International & local Travel | 905 | - |
| AM II daily lodging costs | 363 | - |
| Teambuilding event | 196 | - |
| National Capacity Building programme | 717 | - |
| Study visits; daily allowance | - | 484 |
| Study visits; travel | - | 1.015 |
| Human Rights Day campaign | - | 7.475 |
| Social standards, day costs | - | 6.423 |
| Social standards, travel | - | 4.406 |
| NGO platform; daily allowance | - | 20.875 |
| NGO platform; travel | - | 13.999 |
| NGO platform; preparation meeting | - | 1.629 |
| NGO platform; participation fees | - | 17.100 |
| Board meeting I Food & Accommodation | 1.661 | 521 |
| Board meeting I Travel | 871 | 254 |
| Board meeting II Food & Accommodation | - | 479 |
| Board meeting II Travel | - | 543 |
| Fundraising seminar | - | 16.527 |
| Structure working group meeting | 823 | - |
| Trainers fee | - | 3.576 |
| | <u>8.559</u> | <u>95.306</u> |

| | 2012 | 2013 |
|--|----------------|----------------|
| Specific events/projects | | |
| COMP. Act project activity costs | 76.748 | - |
| COMP. Act non-LSI staff | 15.365 | - |
| NGO's & CO; partners | - | 16.501 |
| NGO's & CO; assesment NGO's | - | 1.600 |
| NGO's & CO; launch meeting, other costs | - | 1.695 |
| GOOGLE | 144.280 | 79.723 |
| ENPATES costs excluding LSI staff costs | 2.513 | - |
| OAK DATACT; external legal advice / report | - | 4.500 |
| Danish programme | 94.650 | 39.486 |
| ICCO - Belarus | 30.000 | 21.375 |
| | <u>363.556</u> | <u>164.880</u> |
| Various costs | | |
| Various costs | 4.734 | 4.990 |
| | <u>4.734</u> | <u>4.990</u> |

5. ACCOUNTING PRINCIPLES

General

The annual accounts are prepared on the basis of the historical cost price. Unless otherwise recorded, assets and liabilities are recorded at their conversion value. Profits are booked in the period in which they were realised. Losses are booked in the year in which they are foreseeable. As a non-profit association under Dutch law ('Vereniging'), LSI records profits made as project costs still to be paid.

ACCOUNTING PRINCIPLES FOR THE BALANCE SHEET

Fixed assets

Purchases above € 450,- each are capitalized on the balance.

Depreciation period is five years.

Receivables

Receivables are included at face value, less any provision for doubtful accounts. These provisions are determined by individual assessment of the receivables.

PRINCIPLES FOR THE DETERMINATION OF RESULTS

General

The result is determined by the difference between the received project incomes (grants) and the costs and other liabilities of the year, valued against the historical cost prices.

Assessment

The result is determined by the difference between the received project incomes (grants) and the expended grants in the present year, taking account of the accounting principles relating to this matter.

Project statement 2013

31-12-2013

| | Core | | | | | Total Core | NGO's & CO | Google - LS Czec | Danish Program | ICCO-Belarus | Other | Total |
|--|---------------|---------------|---------------|----------------|---------------|----------------|---------------|------------------|----------------|---------------|---------------|----------------|
| | SRT | Google | OAK | EU-Daphne | Other | | | | | | | |
| Personnel | 45.418 | 13.781 | 10.320 | 111.965 | 1.815 | 183.299 | 16.620 | - | - | - | - | 199.919 |
| External professionals | 5.657 | 103 | - | 23.492 | 2.000 | 31.252 | 360 | - | - | - | - | 31.612 |
| Organisation costs | 5.772 | 949 | - | 19.458 | 1.125 | 27.304 | - | - | - | - | - | 27.304 |
| Equipment | 36 | - | - | 59 | - | 95 | - | - | - | - | - | 95 |
| Lobby, advocacy and public relations | 885 | 220 | - | 5.153 | - | 6.258 | - | - | - | - | - | 6.258 |
| Information collection and dissemination | - | 11.787 | - | 2.143 | - | 13.930 | - | - | - | - | - | 13.930 |
| Coordination, strategy and capacity building | 14.136 | 384 | - | 64.014 | 16.772 | 95.306 | - | - | - | - | - | 95.306 |
| Various costs | - | - | - | - | - | - | - | - | - | - | 4.990 | 4.990 |
| Overhead | - | - | - | - | - | - | - | - | - | - | - | - |
| <i>Specific events/projects:</i> | | | | | | | | | | | | |
| OAK - DATACT; external legal advice / report | - | - | 4.500 | - | - | 4.500 | - | - | - | - | - | 4.500 |
| NGO's & CO | - | - | - | - | - | - | 19.796 | - | - | - | - | 19.796 |
| Google costs | - | 210 | - | - | - | 210 | - | 79.513 | - | - | - | 79.723 |
| Danish programme | - | - | - | - | - | - | - | - | 39.486 | - | - | 39.486 |
| ICCO - Belarus | - | - | - | - | - | - | - | - | - | 21.375 | - | 21.375 |
| | 71.904 | 27.434 | 14.820 | 226.284 | 21.712 | 362.154 | 36.776 | 79.513 | 39.486 | 21.375 | 4.990 | 544.294 |
| EU DAPHNE (operating costs) | - | - | - | 226.284 | - | 226.284 | - | - | - | - | - | 226.284 |
| Google grant | - | 27.434 | - | - | - | 27.434 | - | 79.513 | - | - | - | 106.947 |
| Sigrid Rausing Trust | 71.904 | - | - | - | - | 71.904 | - | - | - | - | - | 71.904 |
| Danish Programme | - | - | - | - | 1.814 | 1.814 | - | - | 39.486 | - | - | 41.300 |
| EU (NGO's & CO) | - | - | - | - | - | - | 35.370 | - | - | - | - | 35.370 |
| Contribution partners (NGO's & CO) | - | - | - | - | - | - | 1.406 | - | - | - | - | 1.406 |
| ICCO - Belarus | - | - | - | - | 1.125 | 1.125 | - | - | - | 21.375 | - | 22.500 |
| OAK (Data protection) | - | - | 14.820 | - | - | 14.820 | - | - | - | - | - | 14.820 |
| Donations | - | - | - | - | 14.995 | 14.995 | - | - | - | - | 919 | 15.914 |
| Freedom to walk contribution | - | - | - | - | 3.778 | 3.778 | - | - | - | - | - | 3.778 |
| Interest | - | - | - | - | - | - | - | - | - | - | 2.330 | 2.330 |
| Various income | - | - | - | - | - | - | - | - | - | - | 7.271 | 7.271 |
| | 71.904 | 27.434 | 14.820 | 226.284 | 21.712 | 362.154 | 36.776 | 79.513 | 39.486 | 21.375 | 10.520 | 549.824 |
| Financial result | - | - | - | - | - | - | - | - | - | - | 5.530 | 5.530 |