

**GLOBAL ENVIRONMENT FACILITY SPECIAL CLIMATE  
CHANGE FUND GRANT No. TF010940**

**IMPLEMENTED BY "EUROPA REINSURANCE  
FACILITY LIMITED"  
REPORT OF INDEPENDENT AUDITORS  
AND  
SPECIAL PURPOSE FINANCIAL STATEMENTS  
FOR THE 4 MONTHS ENDED 20 APRIL 2016  
AND THE YEAR ENDED  
31 DECEMBER 2015**

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CONTENTS**

	<b>Page</b>
Statement of Management Responsibilities	3
Report of Independent Auditors	4-5
Balance Sheet	6
Statement of Sources and Uses of Funds	7
Statement of Project Activities	8
Statement of Designated Accounts	9
Notes to the Special Purpose Financial Statements	10-13

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## REPORT OF INDEPENDENT AUDITORS

### TO THE MANAGEMENT OF "EUROPA REINSURANCE FACILITY LIMITED"

1. We have audited the accompanying special purpose financial statements of the Global Environment Facility Special Climate Change fund (the "Project") which comprise the special purpose balance sheets as of 20 April 2016 and 31 December 2015, statement of sources and uses of funds, statement of project activities and statement of designated account for the year then ended and a summary of significant accounting policies and other explanatory notes. We have also audited the Project's compliance with the conditions of the relevant Grant Agreement and the World Bank guidelines.

#### *Management's responsibility for the financial statements*

2. Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting described in Note 2 of the accompanying special purpose financial statements. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditors' responsibility*

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing ("ISA") applicable to the audit of financial statements and to compliance auditing, with special reference to ISA 800 "The Independent Auditor's Report on Special Purpose Audit Engagements" and to the relevant Grant Agreement and the World Bank guidelines. Those standards require 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 and about whether the Project has complied with the conditions of the relevant agreements, guidelines, laws and regulations.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 entity'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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

6. In our opinion:
- a) the accompanying special purpose financial statements referred to above, present fairly, in all material respects, the balance sheets of the Project as of 20 April 2016 and 31 December 2015 and related sources and uses of funds and project activities and movement in the designated account for the 4 months ended 20 April 2016 and the year ended 31 December 2015 in accordance with the basis of accounting described in Note 2 to the accompanying special purpose financial statements; and
  - b) the Project was, in all material respects, in compliance with the conditions of the relevant Grant Agreement and the World Bank guidelines for the 4 months ended 20 April 2016 and the year ended 31 December 2015.

*Moore Stephens Berleant*

24 June 2016

