

**REPORT OF FACTUAL FINDINGS IN CONNECTION WITH THE FINANCIAL REPORT OF
THE FOUNDATION PROPULSION FUND REGARDING THE PROJECT
“ASTRA ZENECA YOUNG HEALTH PROGRAMME SERBIA“**

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REPORT OF FACTUAL FINDINGS

To: FOUNDATION PROPULSION FUND

Dear Sir/Madame,

In accordance with the Contract that you agreed with us, we provide our Report of Factual Findings (“the Report”), with respect to the accompanying interim Financial Report for the period covering 10 April 2018 to 3 July 2019. You requested certain procedures to be carried out in connection with your interim Financial Report and the Charitable Partnership Agreement for the Project “AstraZeneca Young Health Programme Serbia” between you (“Recipient”) and AstraZeneca UK Limited Representative Office Belgrade (“Sponsor”).

OBJECTIVE

Our engagement was an expenditure verification which is an engagement to perform certain agreed-upon procedures with regard to the Financial Report for the Charitable Partnership Agreement for the Project “AstraZeneca Young Health Programme Serbia” between you and AstraZeneca UK Limited Representative Office Belgrade. The objective of this expenditure verification is for us to carry out certain procedures to which we have agreed and to submit to you a report of factual findings with regard to the procedures performed.

The procedures to be carried out are listed in Chapter 1 of this Report. We report the details of our factual findings which result from the procedures that we performed in Chapter 2 of this Report.

STANDARDS AND ETHICS

Our engagement was undertaken in accordance with:

- International Standard on Related Services (‘ISRS’) 4400 *Engagements to perform Agreed-upon Procedures regarding Financial Information* as promulgated by the International Federation of Accountants (‘IFAC’);
- the *Code of Ethics for Professional Accountants* issued by the IFAC. Although ISRS 4400 provides that independence is not a requirement for agreed-upon procedures engagements, the Contracting Authority requires that the auditor also complies with the independence requirements of the *Code of Ethics for Professional Accountants*;

PROCEDURES PERFORMED

As requested, we have performed the procedures listed in Chapter I of this Report.

These procedures were performed to assist the AstraZeneca UK Limited Representative Office Belgrade in evaluating whether the expenditure claimed by you in the accompanying Financial Report is eligible in accordance with the terms and conditions of the Charitable Partnership Agreement for the Project “AstraZeneca Young Health Programme Serbia”.

Because the procedures performed by us did not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the accompanying Financial Report.

Had we performed additional procedures, or had we performed an audit or review of the financial statements of the Foundation Propulsion Fund in accordance with International Standards on Auditing, other matters might have come to our attention that would have been reported to you.

SOURCES OF INFORMATION

The Report sets out information provided to us by you in response to specific questions or as obtained and extracted from your accounts and records.

FACTUAL FINDINGS

The total expenditure which is the subject of this expenditure verification amounts to EUR 50,000. The total amount of expenditure verified by us amounts to EUR 37,223.91 (it is 74.45% of the of the total amount of expenditure reported by you in the Financial Report).

We report the details of our factual findings which result from the procedures that we performed in Chapter 2 of this Report and in the Annex 1 to this Report.

USE OF THIS REPORT

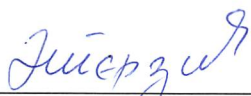
This Report is solely for the purpose set forth above under objective.

This Report is prepared solely for your own confidential use and solely for the purpose of submission by you to the AstraZeneca UK Limited Representative Office Belgrade.

This Report relates only to the interim Financial Report specified above and does not extend to any of your financial statements.

We look forward to discussing our Report with you and would be pleased to provide any further information or assistance which may be required.

Yours sincerely,



Jelena Terzić, Certified Auditor

MOORE STEPHENS
Revizija i Računovodstvo d.o.o.
Studentski trg 4, Beograd

28 February 2020



Bogoljub Aleksić, Managing Partner

MOORE STEPHENS
Revizija i Računovodstvo d.o.o.
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28 February 2020



MOORE

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CHAPTER I – PROCEDURES PERFORMED

We have performed the procedures to which we have agreed. These procedures are as follows:

- (1) Verify that funds paid by Sponsor were properly reflected in the accounting records of the Recipient.
- (2) Obtain a listing of all project-related expenditures during the period from 10 April 2018 to 3 July 2019 and perform the procedures listed below.

The Auditor should ensure that the overall ECR is at least 70 %. The Expenditure Coverage Ratio ('ECR') is the total amount of expenditure verified by the Auditor, expressed as a percentage of the total amount of expenditure reported by the Recipient in the Financial Report.

Value should be the principal factor used by the Auditor to select expenditure items for verification. The Auditor selects high-value expenditure items to ensure an appropriate coverage of expenditure.

We have carried out, for each expenditure item selected, the following verification procedures:

- (a) Verify that the expenditure item was incurred during the reporting period and paid by the date of preparing financial report;
 - (b) Verify that expenditure item is recorded in the Recipient's accounting system and was recorded in accordance with the applicable accounting standards of the country where the Recipient is established and the Recipient's usual cost accounting practices;
 - (c) Verify that expenditure item is substantiated by appropriate evidence and supporting documents;
 - (d) Verify that the monetary value of expenditure item agrees with underlying documents (e.g. invoices, salary statements);
- (3) Verify exchange rate used for conversion of expenditure incurred in local currency into reporting currency.

Also, terms of the engagement concerning project expenditure verification include the following:

- The period of transactions covered by verification engagement is from 10 April 2018 to 3 July 2019.
- The total expenditure which is the subject of this verification amounts to EUR 50,000.00. These expenditures were claimed in the accompanying financial report.

We obtained a copy of the Charitable Partnership Agreement for the Project "AstraZeneca Young Health Programme Serbia" with its annexes, a listing of all project-related expenditures and the financial report.

We obtained an understanding of the terms and conditions of the Agreement for the Project by reviewing this Agreement, its annexes and other relevant information, and through inquiry of the Project Team.

CHAPTER II – FACTUAL FINDINGS

We report further below the findings resulting from the verification procedures specified in Chapter I.

(1) With respect to item 1, we found that the funds paid by Sponsor were properly reflected in the accounting records of the Recipient i.e. it was recorded in accordance with the provisions of the local accounting regulations. The funds paid by Sponsor amounted to EUR 50,000.00.

(2) The Expenditure Coverage Ratio is 74.45%. This ratio represents the total amount of expenditure (EUR 37,223.91 €) verified by us, expressed as a percentage of the total expenditure (EUR 50,000.00) which has been subject of this expenditure verification. Namely, the expenditure of EUR 50,000.00 was claimed in the financial report, and this implies that the funds from Sponsor were spent entirely.

With respect to item 2, for expenditure claimed in the financial report, we found following:

- (a) Expenditures were incurred and paid during the period from 10 April 2018 to 3 July 2019.
- (b) Expenditures are recorded in the Recipient's accounting system and were recorded in accordance with the applicable accounting standards in Republic of Serbia and the Recipient's usual cost accounting practices. In addition, Recipient keeps accounts by using an appropriate accounting and double-entry book-keeping system. This system is running in accordance with the accounting and bookkeeping policies and rules that apply in Republic of Serbia. As per Serbian regulation, the chart of accounts is prescribed by Ministry of Finance. So, the Recipient is obliged to use a prescribed chart of accounts in its accounting system. However, this system does not allow for transactions of project to be recorded in accordance with the respective components and disbursement categories of the budget. The Recipient bypasses this limitation by using separate spreadsheets for expenditure tracking per budget categories i.e. transaction listing. Accordingly, the financial report is supported by a transaction listing manually prepared from the Recipient's accounting records. We agreed the transactions through to the accounting system on an individual basis, gaining assurance that reported costs were recorded in the Recipient's accounting system.
- (c) Expenditures are substantiated by appropriate evidence and supporting documents. Namely, the documentation exists to support the expenditures in accordance with the Recipient's rules and regulations and the supporting documentation is in line with documentation usually used by the Recipient for similar transactions. Moreover, it includes documentations such as: employment and service contracts, salary slips, tax returns, invoices issued by suppliers, bank statements etc. In addition, the transactions per bank statements agree with that reflected in the accounting records and financial report.
- (d) The monetary value of expenditure item agrees with underlying documents.

(3) With respect to item 3, we found following:

On the one hand the functional currency in Serbia is not euro currency, and therefore the funds provided by Sponsor (the funds were paid in EUR currency) were exchanged in RSD. However, the entire amount of funds was not exchanged at once; instead, the funds were exchanged in four tranches (depending on RSD payment needs) during the reporting period. Each tranche was exchanged at the bank buying exchange rate ruling at date of conversion. On the other hand, for the purpose of financial reporting, the costs born in dinar were translated into euro by applying the exchange rate of 1 EUR:117.7964 RSD. This exchange rate is the bank buying exchange rate ruling at date of conversion of first tranche of EUR 20,000 into dinar (Uni Credit bank's buying exchange rate as on 4 April 2018).

ANNEX 1
FINANCIAL REPORT

propulsion

MISSION: OXYGEN

YOUNG HEALTH PROGRAMME 2018-2021

Supported by Astra Zeneca

Awarded by Charities Aid Foundation

Financial Report

For the period 27st March 2018 up to 28th February 2019

Belgrade, 12th July 2019

Dear Sirs,

The grant of 50,000 Euros awarded by the Charities Aid Foundation on behalf of Astra Zeneca was to allow Foundation Propulsion Fund to progress their overall goal to develop and implement a three-year programme of social responsibility for primary prevention of smoking in pre-adolescents, children aged 10-12 years in Serbia. Program elements covered:

- Community programme in elementary schools involving more than 500 children in extracurricular activities
- Online and offline campaign to promote “cool” and healthy lifestyle alternatives to smoking with up to 200,000 young people
- Dialogue with all stakeholders, especially educators and health professionals - advocacy campaign to strengthen tobacco control laws

More detailed narrative program overview is attached separately.

Yours faithfully,

Award from Award by Charities Aid Foundation for the period 27st March 2018 up to 28th February 2019. Total donation in amount of 50.000 Euros received on 4th April 2018.



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Deliverable	Costs Description	Total spent
Strategy	Art direction Communication services Social Media Management Program Expertize	5430€
Implementation of program	Program management Administration and logistic support Production coordination	16227€
Visual Identity and Production	Graphic and Web design Web programing Web hosting and domain Print info, promo, branding materials and transport Video production equipment and crew Animations Refreshment	10878€
Advocacy	Program Expertize Moderators Photography Rent of space and equipment Refreshment Transport costs Accommodation and food	5535€
Media Campaign	Support for small school activities Communication services Social Media Management Facebook adds and promotion Press clipping Extra costs	11930€
Total		50.000€

Note: During a project implementation, some of the advocacy, media campaign and production activities have been prolonged and implemented until June 2019.

Independent Financial Report will be additionally delivered.

I remain at your disposal for any further questions.

Financial report made by Dušan Matić, financial and administration manager

Dušan Matić, dmatic@propulsion.one, +381606840610

Financial report approved by Vildana Drljević, executive director

Vildana Drljević, VDrljevic@propulsion.one, +381606840630

(Handwritten signatures and blue circular stamp of the Propulsion Fund)



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We Design Impact