



**FINANCIAL STATEMENTS**  
for the year ended 31 December 2018



**“MONGOLIAN FAMILY WELFARE  
ASSOCIATION”**  
Non-Government Organization

## INDEPENDENT AUDITOR'S REPORT

To the Board of Governance of "Mongolian Family Welfare Association" NGO

### Report on the Audit of the Financial Statements

#### Auditor's opinion

We have audited the accompanying financial statements of "Mongolian Family Welfare Association" NGO which comprise of:

- the statement of financial position as at 31 December 2018;
- the statement of net result, statement of changes in assets and statement of cash flows for the year ended 31 December 2018;
- Other explanatory 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 "Mongolian Family Welfare Association" NGO as at 31 December 2018, and its financial performance and its cash flow statement for the year then ended in accordance with the Law of Accounting and "Accounting forms and instructions applicable for non-government organizations" approved by order No. 385 of the Minister of Finance dated December 30, 2005.

#### Basis for Opinion

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 NGO in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Mongolia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

## INDEPENDENT AUDITOR'S REPORT (continued)

### Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Law of Accounting and "Accounting forms and instructions applicable non-government organizations" adopted by Mongolian Minister of Finance order No. 385 dated December 30, 2005, 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 NGO's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the NGO or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the NGO'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.



“MONGOLIAN FAMILY WELFARE ASSOCIATION” NGO

STATEMENT OF FINANCIAL POSITION

as of 31 December 2018

	Notes	At 31 Dec 2018 MNT'000	At 31 Dec 2017 MNT'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment-net	3	880,243	663,236
Intangible assets	4	5,053	3,740
<b>Total non-current assets</b>		<b>885,296</b>	<b>666,976</b>
<b>Currents assets</b>			
Inventories	5	43,357	109,839
Trade and other receivables	6	593	2,032
Prepayments and prepaid expenses	7	238	2,250
Cash and cash equivalents	8	112,403	246,503
<b>Total current assets</b>		<b>156,591</b>	<b>360,624</b>
<b>TOTAL ASSETS</b>		<b>1,041,887</b>	<b>1,027,600</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	9	93,872	13,450
<b>Total current liabilities</b>		<b>93,872</b>	<b>13,450</b>
<b>Total Liabilities</b>		<b>93,872</b>	<b>13,450</b>
<b>Net assets</b>			
Unrestricted fund	10	948,015	1,005,490
Restricted fund	10	-	8,660
Accumulated net result		-	-
<b>Total net assets</b>		<b>948,015</b>	<b>1,014,150</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>		<b>1,041,887</b>	<b>1,027,600</b>

The notes set out on pages 10 - 20 form an integral part of these financial statements.

# “MONGOLIAN FAMILY WELFARE ASSOCIATION” NGO

## STATEMENT OF NET RESULTS

for the year ended 31 December 2018

	Notes	For 2018 MNT'000	For 2017 MNT'00
<b>OPERATING INCOME</b>			
Funding for projects	11	368,880	503,362
Income from medical services	12	104,840	113,362
Rental income	13	13,427	15,239
Membership Fee	14	4,848	7,615
Income from donors	15	28,182	23,546
Other income	16	55,099	22,578
<b>Total operating income</b>		<b>575,276</b>	<b>685,702</b>
<b>OPERATING EXPENSE</b>			
Project implementing expense	17	(317,685)	(439,251)
Project personnel costs	18	(188,947)	(160,646)
General and administrative expenses	19	(138,206)	(130,552)
<b>Total operating expense</b>		<b>(644,838)</b>	<b>(730,449)</b>
Other gains or losses	20	3,427	(4,180)
<b>Net results for the year</b>		<b>(66,135)</b>	<b>(48,927)</b>

The notes set out on pages 10 – 20 form and integral part of these financial statements.