

**CHRISTINA NOBLE CHILDREN'S
FOUNDATION, MONGOLIA**
(Incorporated in Mongolia)

Audited Financial Statements
31 December 2016

CHRISTINA NOBLE CHILDREN'S FOUNDATION, MONGOLIA

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

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CHRISTINA NOBLE CHILDREN'S FOUNDATION, MONGOLIA

GENERAL INFORMATION

DIRECTOR: Thomas Minter

REGISTERED ADDRESS: Room 304, Tanan Center,
33 Oyutnii Street, Khoroo 8,
Sukhbaatar District, Ulaanbaatar 14192

PRINCIPAL BANKERS: Trade and Development Bank LLC
Khan Bank LLC
Golomt Bank LLC

AUDITORS: Ernst & Young Mongolia Audit LLC
Certified Public Accountants

CHRISTINA NOBLE CHILDREN'S FOUNDATION, MONGOLIA

STATEMENT BY DIRECTOR AND EXECUTIVES

We, Thomas Minter, being the Director of CHRISTINA NOBLE CHILDREN'S FOUNDATION, MONGOLIA ("the Foundation"), and Magsarmaa Davaasambuu, being the officer primarily responsible for the financial management of the Foundation, do hereby state that, in our opinion, the accompanying financial statements set out on pages 6 to 19 give a true and fair view of the financial position of the Foundation as at 31 December 2016 and its performance and cash flows for the year then ended, in accordance with the accounting policies of the Foundation.

THOMAS MINTER
Director

Ulaanbaatar, Mongolia

Date: 2017.06.16



MAGSARMAA DAVAASAMBUU
Accountant



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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of CHRISTINA NOBLE CHILDREN'S FOUNDATION, MONGOLIA

Opinion

We have audited the accompanying financial statements of CHRISTINA NOBLE CHILDREN'S FOUNDATION, MONGOLIA (the "Foundation") which comprise the statement of financial position as at 31 December 2016, and the statement of income and expenditures, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Foundation as at 31 December 2016, and its financial performance and cash flows for the year then ended in accordance with the accounting policies of the Foundation as set out in Note 2.

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 Foundation in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (the "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.

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 accounting policies set out in Note 2, 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.



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INDEPENDENT AUDITOR'S REPORT (CONT'D.)

To the Board of Trustees of CHRISTINA NOBLE CHILDREN'S FOUNDATION, MONGOLIA

Auditors' Responsibilities for the Audit of the Financial Statement

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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT (CONT'D.)

To the Board of Trustees of CHRISTINA NOBLE CHILDREN'S FOUNDATION, MONGOLIA

Other matter

This report is made solely to the Board of Trustees of the Foundation, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.



Ernst & Young Mongolia Audit LLC
ERNST & YOUNG MONGOLIA AUDIT LLC
Certified Public Accountant



PETER MARKEY
Director

Ulaanbaatar, Mongolia

Date: **2017 .06. 16**

CHRISTINA NOBLE CHILDREN'S FOUNDATION, MONGOLIA

**STATEMENT OF INCOME AND EXPENDITURES
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	2016 USD	2015 USD
INCOME	3	<u>1,108,391</u>	<u>1,049,755</u>
LESS: EXPENDITURES	4		
Administration		156,408	176,524
Sponsorship programme		344,243	354,601
'Blue Skies Ger Village' programme		201,072	203,562
Boys' Prison programme		22,546	20,252
Day Care programme		36,064	35,262
Health Care programme		21,172	23,252
Arts & Music programme		19,091	13,892
Sports programme		15,649	9,614
Education Scholarship programme		19,124	26,149
Give-a-Ger programme		32,766	36,765
Special Assistance Fund		4,935	4,864
Horticulture project		-	4,386
General donations		2,308	372
TOTAL EXPENDITURES		<u>875,378</u>	<u>909,495</u>
NET INCOME OVER EXPENDITURES		<u>233,013</u>	<u>140,260</u>
Other comprehensive income for the year:			
Exchange differences on translation of foreign currencies		(157,758)	(42,499)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>75,255</u>	<u>97,761</u>

The accompanying notes form an integral part of the financial statements.

CHRISTINA NOBLE CHILDREN'S FOUNDATION, MONGOLIA

**STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	2016 USD	2015 USD
NON-CURRENT ASSETS			
Intangible assets	5	1,577	3,315
Property and equipment	6	<u>202,127</u>	<u>213,535</u>
		<u>203,704</u>	<u>216,850</u>
CURRENT ASSETS			
Other receivables	7	638,140	614,078
Prepaid expenses		-	4,821
Supplies	8	9,514	2,087
Cash and bank balances	9	<u>155,447</u>	<u>106,551</u>
		<u>803,101</u>	<u>727,537</u>
TOTAL ASSETS		<u>1,006,805</u>	<u>944,387</u>
CURRENT LIABILITY			
Other payables	10	<u>4,147</u>	<u>16,984</u>
		<u>4,147</u>	<u>16,984</u>
REPRESENTED BY:			
Accumulated funds		1,294,058	1,061,045
Reserve of exchange difference on translation		<u>(291,400)</u>	<u>(133,642)</u>
		<u>1,002,658</u>	<u>927,403</u>

The accompanying notes form an integral part of the financial statements.

CHRISTINA NOBLE CHILDREN'S FOUNDATION, MONGOLIA

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Accumulated Fund USD	Reserve of Exchange Differences USD	Total USD
At 1 January 2015	<u>920,785</u>	<u>(91,143)</u>	<u>829,642</u>
Net surplus of income over Expenditures	140,260	-	140,260
Other comprehensive income for the year: Exchange differences on translation of foreign currencies	-	(42,499)	(42,499)
At 31 December 2015	<u>1,061,045</u>	<u>(133,642)</u>	<u>927,403</u>
Net surplus of income over Expenditures	233,013	-	233,013
Other comprehensive income for the year: Exchange differences on translation from functional currency	-	(157,758)	(157,758)
At 31 December 2016	<u>1,294,058</u>	<u>(291,400)</u>	<u>1,002,658</u>

The accompanying notes form an integral part of the financial statements.

CHRISTINA NOBLE CHILDREN'S FOUNDATION, MONGOLIA

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 USD	2015 USD
CASH FLOW FROM OPERATING ACTIVITIES			
Net surplus of income over expenditure		233,013	140,260
<i>Adjustments for:</i>			
Loss on write off and disposal of property and equipment	4, 6	–	6,871
Depreciation of property and equipment	4, 6	40,125	42,432
Amortization of intangible assets	4, 5	1,084	2,202
Unrealized foreign exchange gain	3	(98,612)	(24,937)
Donation income on computer software	5	–	(1,595)
Exchange realignment		(102,332)	(28,645)
Excess before working capital changes		73,278	136,588
<i>Changes in working capital:</i>			
Decrease (increase) in receivables		40,941	(210,147)
Decrease (increase) in prepaid expenses		4,821	(4,574)
Increase in inventories		(7,427)	(54)
Decrease in payables		(12,825)	(3,858)
Net cash flow from/(used in) operating activities		98,788	(82,045)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property and equipment	6	(83,489)	(42,341)
Purchase of intangible assets	5	–	(2,613)
Net cash flow used in investing activities		(83,489)	(44,954)
Net decrease in cash and bank balances		15,299	(126,999)
Effect of exchange rate changes on cash and bank balances		33,597	4,150
Cash and bank balances brought forward		106,551	229,400
Cash and bank balances carried forward	9	155,447	106,551

The accompanying notes form an integral part of the financial statements.

CHRISTINA NOBLE CHILDREN'S FOUNDATION, MONGOLIA

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2016

1. GENERAL INFORMATION

CHRISTINA NOBLE CHILDREN'S FOUNDATION, MONGOLIA ("the Foundation") commenced operations on 17 August 1997 and was registered with the Ministry of Justice of Mongolia as a non-profit organisation on 5 September 1997. The objectives of the Foundation are to help Mongolian street children to maximise their potential, to serve children in need of emergency or long term medical care, and to provide them with educational opportunities and vocational training.

The Foundation is established and domiciled in Mongolia. The principal place of activity of the Foundation is located at Room 304, Tanan Center, 33 Oyutnii Street, Khoroo 8, Sukhbaatar District, Ulaanbaatar 14192, Mongolia.

The financial statements were authorised for issue by the management in accordance with a resolution of the Board of Trustees dated on 16 June 2017.

2. ACCOUNTING POLICIES

2.1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with the accounting policies of the Foundation as summarised in Note 2.2 (a) to (k). These accounting policies are based on International Financial Reporting Standards but do not require the extensive disclosures regarding financial risk management objectives and policies and fair values of financial instruments under IFRS 7, or related party transactions under IAS 24.

The financial statements have been prepared on the historical cost basis. The reporting currency used in the financial statements is the United States Dollars, which is denoted by the symbol USD, except when otherwise indicated.

2.2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Donation income

Donations and sponsorships are recognised on an accrual basis and when the Foundation's right to claim the donations and sponsorships is established.

Income from fundraising activity is recognised when the activity is completed.

b) Interest income

Interest income is on bank deposits and balances and is recognised using the effective interest method.

2.2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

c) Foreign currency translation

The financial statements are presented in United States Dollar (USD). The Foundation's functional currency is Mongolian National Tugrik (MNT). Transactions in foreign currencies are initially recorded at the rates ruling at the date of the transaction. Foreign currency monetary assets and liabilities are translated at exchange rates at the reporting date. All exchange differences are taken to profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

d) Expenditures

Expenditures including programmes, projects, administrative and other expenses are recognized in the statement of income and expenditures in the period they are incurred.

e) Property and equipment

All items of property and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Foundation and the cost of the item can be measured reliably. The carrying amount of any replaced part is derecognised. All other repairs and maintenance are charged to the statement of income and expenditure during the financial period in which they are incurred.

Depreciation of property and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life as follows:

<u>Category</u>	<u>Useful life in Years</u>
Buildings	5 – 20
Motor vehicles	10
Gers and related equipment	3 – 10
Computers and office equipment	3 – 10

The residual values, useful life and depreciation method are reviewed at each financial reporting date. The effects of any revision are recognised in the statement of income and expenditure.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in profit or loss.

f) Intangible asset

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization (calculated on a straight-line basis over their useful lives) and accumulated impairment losses, if any.

2.2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

f) Intangible asset (Cont'd.)

The useful lives of intangible assets are assessed as either finite or indefinite. All intangible assets held by the Foundation have finite useful lives.

Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of income and expenditures in the expense category that is consistent with the function of the intangible assets.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the statement of profit or loss when the asset is derecognized.

The intangible assets of the Foundation consist of computer software and a land lease which are amortized using the straight-line method over their estimated useful lives. The estimated useful life of the computer software is three (3) years. The land lease is amortized over five (5) years and was fully amortized as at 31 December 2016.

g) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, receivables are carried at cost less any allowance for impairment.

An allowance for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Foundation will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are derecognised when they are assessed as uncollectible.

h) Cash and bank balances

For the purpose of the statement of cash flow, cash and bank balances include cash on hand and at banks, which have an insignificant risk of changes in value.

CHRISTINA NOBLE CHILDREN'S FOUNDATION, MONGOLIA

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2016

2.2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

i) Impairment of assets

At end of each reporting period, the Foundation reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs. An impairment loss is charged to the statement of income and expenditure immediately when it arises.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. The reversal is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the statement of income and expenditure immediately.

j) Provisions

Provisions are recognised when the Foundation has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each end of reporting period and adjusted to reflect the current best estimate. Where the effect of time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

k) Taxation

The Foundation is exempt from income tax in accordance with the Business Entity Income Tax Law of Mongolia.

CHRISTINA NOBLE CHILDREN'S FOUNDATION, MONGOLIA

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2016

3. INCOME

The significant categories of income of the Foundation recognised are as follows:

	2016 USD	2015 USD
Administration	128,914	131,762
Sponsorship programme	394,681	388,453
'Blue Skies Ger Village' programme	221,651	278,699
Boys' Prison programme	30,092	22,718
Day Care programme	30,887	29,835
Health Care programme	22,744	–
Arts & Music programme	16,935	14,885
Sports programme	17,313	10,448
Education Scholarship programme	3,008	26,817
Give-a-Ger programme	68,065	43,467
Special Assistance Fund	12,308	13,209
Horticulture project	–	5,010
General donations	61,097	57,089
Bank interest income (Note 9)	2,084	2,426
Unrealized foreign exchange gain	98,612	24,937
	<u>1,108,391</u>	<u>1,049,755</u>

4. EXPENDITURES BY NATURE

	2016 USD	2015 USD
Direct financial assistance	339,773	367,199
Salaries	329,309	309,996
Loss on write-off of property and equipment (Note 6)	–	6,871
Depreciation of property and equipment (Note 6)	40,125	42,432
Food	20,659	27,899
Supplies and stationary	25,211	34,812
Transportation	21,280	23,481
Office rent	16,292	13,716
Renovation, repair and maintenance	14,675	15,511
Coal and firewood	9,793	6,892
Professional services	6,509	13,538
Clothing	11,562	8,766
Amortisation of intangible assets (Note 5)	1,084	2,202
Other expenses	39,106	36,180
	<u>875,378</u>	<u>909,495</u>

CHRISTINA NOBLE CHILDREN'S FOUNDATION, MONGOLIA

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2016

5. INTANGIBLE ASSETS

	Computer software USD	Land lease USD	Exchange realignment USD	Total USD
At 31 December 2016				
Cost				
At 1 January 2016	4,208	9,061	(858)	12,411
Exchange realignment	–	–	(800)	(800)
At 31 December 2016	<u>4,208</u>	<u>9,061</u>	<u>(1,658)</u>	<u>11,611</u>
Accumulated depreciation				
At 1 January 2016	719	8,536	(159)	9,096
Charge for the year (Note 4)	1,084	–	–	1,084
Exchange realignment	–	–	(146)	(146)
At 31 December 2016	<u>1,803</u>	<u>8,536</u>	<u>(305)</u>	<u>10,034</u>
Net carrying amount	<u>2,405</u>	<u>525</u>	<u>(1,353)</u>	<u>1,577</u>
At 31 December 2015				
Cost				
At 1 January 2015	–	9,061	(198)	8,863
Additions	4,208	–	–	4,208
Exchange realignment	–	–	(660)	(660)
At 31 December 2015	<u>4,208</u>	<u>9,061</u>	<u>(858)</u>	<u>12,411</u>
Accumulated depreciation				
At 1 January 2015	–	7,053	240	7,293
Charge for the year (Note 4)	719	1,483	–	2,202
Exchange realignment	–	–	(399)	(399)
At 31 December 2015	<u>719</u>	<u>8,536</u>	<u>(159)</u>	<u>9,096</u>
Net carrying amount	<u>3,489</u>	<u>525</u>	<u>(699)</u>	<u>3,315</u>

In 2015, the Foundation purchased a computer software at cost of USD 4,208 which includes donation income of USD 1,595.

CHRISTINA NOBLE CHILDREN'S FOUNDATION, MONGOLIA

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2016

6. PROPERTY AND EQUIPMENT

	Buildings USD	Motor vehicles USD	Gers and related equipment USD	Computers and office equipment USD	Total USD	Exchange realignment	Total
At cost							
At 1 January 2016	227,683	68,746	153,987	19,366	469,782	(73,469)	396,313
Additions	-	55,109	19,647	8,734	83,489	-	83,489
Exchange realignment	-	-	-	-	-	(91,117)	(91,117)
At 31 December 2016	227,683	123,855	173,633	28,100	553,271	(164,586)	388,685
Accumulated depreciation							
At 1 January 2016	96,486	51,981	52,880	5,903	207,250	(24,472)	182,778
Charge for the year (Note 4)	16,625	4,924	12,925	5,651	40,125	-	40,125
Exchange realignment	-	-	-	-	-	(36,345)	(36,345)
At 31 December 2016	113,111	56,905	65,805	11,554	247,374	(60,817)	186,558
Net carrying amount	114,572	66,949	107,829	16,546	305,896	(103,770)	202,127

CHRISTINA NOBLE CHILDREN'S FOUNDATION, MONGOLIA

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2016

6. PROPERTY AND EQUIPMENT (CONT'D.)

	Buildings USD	Motor vehicles USD	Ger and related equipment USD	Computers and office equipment USD	Total USD	Exchange realignment USD	Total USD
At cost							
At 1 January 2015	227,683	68,746	128,182	15,406	440,017	(51,444)	388,573
Additions	-	-	37,156	5,185	42,341	-	42,341
Write-off (Note 4)	-	-	(11,351)	(1,225)	(12,576)	-	(12,576)
Exchange realignment	-	-	-	-	-	(22,025)	(22,025)
At 31 December 2015	227,683	68,746	153,987	19,366	469,782	(73,469)	396,313
Accumulated depreciation							
At 1 January 2015	75,863	49,578	43,319	1,763	170,523	(16,040)	154,483
Charge for the year (Note 4)	20,623	2,403	14,041	5,365	42,432	-	42,432
Write-off (Note 4)	-	-	(4,480)	(1,225)	(5,705)	-	(5,705)
Exchange realignment	-	-	-	-	-	(8,432)	(8,432)
At 31 December 2015	96,486	51,981	52,880	5,903	207,250	(24,472)	182,778
Net carrying amount	131,197	16,765	101,107	13,643	262,532	(48,997)	213,535

CHRISTINA NOBLE CHILDREN'S FOUNDATION, MONGOLIA

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2016

7. OTHER RECEIVABLES

	2016 USD	2015 USD
Receivables from other Christina Noble Children's Foundation offices	454,231	435,098
Receivables from Christina Noble Children's Foundation, International	176,091	176,091
Receivables from employees	6,323	1,303
Other receivables	1,495	1,586
	<u>638,140</u>	<u>614,078</u>

Receivables from other Christina Noble Children's Foundation offices are related to the operational expenditure.

Receivables from Christina Noble Children's Foundation, International represent reserve cash held by its headquarters which will be drawn down gradually to support the Mongolian operations.

Receivables from employees are non-interest bearing, unsecured and have no standard fixed terms of repayment.

8. SUPPLIES

Supplies represent supply materials purchased for use of programmes such as Blue Skies Ger Village Day Care and Music and Art.

9. CASH AND BANK BALANCES

	2016 USD	2015 USD
Cash on hand	438	3,679
Cash at banks	155,009	102,872
	<u>155,447</u>	<u>106,551</u>

Cash at banks consists of MNT (Mongolian National Tugrik) and USD (United States Dollar) current accounts, which bear fixed interest rates. The Foundation earned interest income amounting to USD 2,084 in 2016 (2015: USD 2,426), refer to Note 3.

10. OTHER PAYABLES

Other payables and accruals represent professional and other service fees payable to the correspondent suppliers.

The normal credit terms granted to the Foundation range from fifteen (15) days to three (3) months.

CHRISTINA NOBLE CHILDREN'S FOUNDATION, MONGOLIA

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2016

11. EVENTS AFTER THE END OF THE REPORTING PERIOD

On 5 June 2017, the Foundation entered into an agreement with Hasu Engineering LLC for an amount of MNT 274 million for construction of community hall in the Blue Skies Ger Village.

Management is not aware of other events that occurred after the end of the reporting period until the date of approval of these financial statements, which would have any impact thereon.