

## **SOS CHILDREN'S VILLAGES OF UZBEKISTAN**

### **INDEPENDENT AUDITOR'S REPORT**

#### **ON THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2019 AND FOR THE YEAR THEN ENDED**

## ABBREVIATIONS

CV	SOS Children's Village
Association, Subsidiaries	Association «SOS Children's Villages of Uzbekistan», including National office in Tashkent and Subsidiaries (Children's Village Tashkent, Children's Village Samarqand, Children's Village Khorezm)
Children's Village Tashkent	Subsidiary of Association «SOS Children's Villages of Uzbekistan» in Tashkent
Children's Village Samarqand	Subsidiary of Association «SOS Children's Villages of Uzbekistan» in Samarqand
Children's Village Khorezm	Subsidiary of Association «SOS Children's Villages of Uzbekistan» in Khorezm region
FSP	Family Strengthening Program
HGFD	Hermann-Gmeiner Fonds Deutschland e. V.
NO	National Office
BMZ	Bundesministerium für Wirtschaftliche
SOS KDI IO	SOS-Kinderdorf International, International Office
IBPP	Institution Building and Partnership Programme
SOS KDI	SOS-Kinderdorf International
YF	Youth Facility
UZS	Uzbek Soum
RU	Republic of Uzbekistan
UNICEF	United Nations Children's Fund

## INDEPENDENT AUDITOR'S REPORT

**To the Board of SOS Children's Villages of Uzbekistan**

**To Ms. Gulnoza Abidova, Director of SOS Children's Villages of Uzbekistan**

### **Opinion**

We have audited the accompanying Balance Sheet of the Association "SOS Children's Villages of Uzbekistan" (hereinafter as Association) as of 31 December 2019 and the related Statements of Financial Activities, Statement of Changes in the Accumulated Funds, Movement of Restricted Funds, Cash Flow Statement for the year then ended, and a Summary of disclosures and other explanatory notes.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with SOS Accounting Standard (version 1.0).

### **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 Association 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 the Republic of Uzbekistan, 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 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 SOS Accounting Standard (version 1.0) based on International Financial Reporting Standards (IFRSs), 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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 consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism 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 Association'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 Association'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 Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statements present the underlying transactions and in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Association to express an opinion on the financial statement. We are responsible for the direction, supervision and performance of the Association audit. We remain solely responsible for our audit opinion.

We communicate with the Association's management 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.

We also provide the Association's management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Auditor:**

**TSIAR-FINANS LLC**  
**2A, Chust Street**  
**Tashkent, 100077**  
**Republic of Uzbekistan**

*TSIAR-FINANS LLC*



**Tashkent, 05 June 2020**

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1. IDENTIFICATION

1.1. Audit Assignment

**Client:** SOS Children's Villages of Uzbekistan  
Ms. Gulnoza Abidova, Director  
Sh. Rashidov Street 16, floor 6,  
Tashkent, Republic of Uzbekistan  
Phone: (+ 998 78) 140 97 27/28/29  
Fax: (+ 998 78) 140 97 30  
E-mail: [gulnoza.abidova@sos-kd.uz](mailto:gulnoza.abidova@sos-kd.uz)

**Contractor:** TSIAR-FINANS, LLC  
Mr. Sobir Safaev, Director  
2A, Chust str., 100077,  
Tashkent, Republic of Uzbekistan  
Phone/Fax: (+99871) 262-08-41; 262-08-47; 262-50-70, 262-50-90  
E-mail: [sobir.safayev@ciar.uz](mailto:sobir.safayev@ciar.uz)

**Assignment:** Audit of the financial statements as of 31 December 2019

**Date of Assignment:** 18 February 2020

1.2. Audit Team in Charge

**Audit Team Leader:** Mariya Fisher

**Auditors** Karina Grigoryants  
Ulugbek Abdusattarov

**Auditor assistants** Madinakhon Askarova  
Farrukh Usmanov  
Laziz Ibrakhimov

## 1.3. Client's Profile

<b>Full name according to the foundation documents:</b>	Non-government Non-commercial Organization Association «SOS Children's Villages of Uzbekistan»	
<b>Legal status in public registry office:</b>	Non-government Non-commercial Organization	
<b>Tax ID:</b>	202 793 075	
<b>Key operational profile:</b>	<ul style="list-style-type: none"> <li>▪ Enabling favourite environment for the physical, intellectual and spiritual development of children left with no parental care as well as for children from families with hard life conditions through the regulation of activities targeted on the social protection and legal support;</li> <li>▪ Development Aid in line with the ideas and principals of the founder of international organization SOS Kinderdorf International Mr. German Gmeiner as well as financial support for the implementation of projects and programs intended to educate and provide professional care to the children with no parental care by enabling in the families of SOS Children's Villages of Uzbekistan the environment close to the real family;</li> <li>▪ Economic empowerment to the families in the hard life conditions and support of organizations providing preschool and school education in order to improve education nationwide;</li> <li>▪ Observation of child rights in line with the UN Convention on the Child Rights dated 20th November 1989;</li> <li>▪ Implementation of the model of long-term family care and information on the issue of family approach in the area of child, youth care and community empowerment.</li> </ul>	
<b>Persons contacted:</b>		
Association Director	-	Gulnoza Abidova
Finance manager		Azizjon Azimov
Chief accountant		Lidiya Li
Director of the SOS Children's Village Tashkent until June 2019		Khusayn Rustamov
Interim Director of the SOS Children's Village Samarqand from June to December 2019		Zebo Isakova
Chief accountant of the SOS Children's Village Tashkent		Bakhrom Aziztaev
Director of the SOS Children's Village Samarqand until May 2019		Feruz Egamberdiev
Interim Director of the SOS Children's Village Samarqand from May to December 2019		Ulugbek Mamarizaev
Interim Director of the SOS Children's Village Samarqand from December 2019		Dilrabo Davronova
Chief accountant of the Children's Village Samarqand		Ulugbek Mamarizaev
Director of the SOS Children's Village Khorezm	-	Umidbek Latipov
Chief accountant of the Children's Village Khorezm		Ruslan Kurbanov