

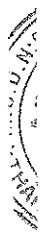
ANH DUONG COMMUNITY DEVELOPMENT AND SUPPORT CENTER

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

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STATEMENT OF THE DIRECTOR

The Director of the Anh Duong Community Development and Support Center (the "Center") presents this report together with the Center's financial statements for the year ended 31 December 2016.

THE DIRECTOR

Mrs. Ho Thi Kim Chuc - the Director who held office during the year and to the date of this report.

AUDITORS

Viet & Co Auditing Company Limited - An Independent Member of Morison KSi has expressed their willingness to accept reappointment.

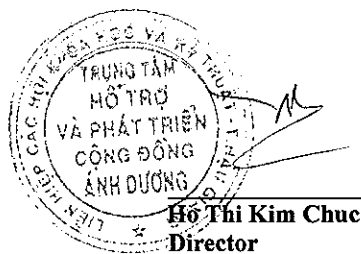
REPRESENTATIVE' STATEMENT OF RESPONSIBILITY

Director of the Center is responsible for preparing the financial statements, which give a true and fair view of the financial position of the Center, the income and expenditure and the receipts and disbursement for the year. In preparing these financial statements, the Director is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements comply with the selected accounting system; and
- Design and implement an effective internal control system for the purpose of properly preparing and presenting the financial statements so as to minimize errors and frauds.

Director is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Center and that the financial statements comply with the selected accounting system. Director is also responsible for safeguarding the assets of the Center and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

Director confirms that the Center has complied with the above requirements in preparing these financial statements.



Ho Thi Kim Chuc
Director
2 March 2017

No. 17.26 /VIET&CO-BCKT

INDEPENDENT AUDITORS' REPORT

To: Director of the Anh Duong Community Development and Support Center

We have audited the accompanying financial statements of the Anh Duong Community Development and Support Center (the "Center"), prepared on 2 March 2017 as set out on page 4 to page 9, which comprise the balance sheet as at 31 December 2016, and the statement of income and expenditure, and statement of receipts and disbursements for the year then ended, and the notes thereto (collectively referred to as the "financial statements").

Director Responsibility for the Financial Statements

Director is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting policies as described in Note II and for such internal control as Director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 Company'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 Center's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Director, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of, in all material respects, the financial position of the Office as at 31 December 2016, and its statement of income and expenditure, and statement of receipts and disbursements for the year then ended in accordance with the accounting policies set out in Note II to the financial statements.

ANH DUONG COMMUNITY DEVELOPMENT AND SUPPORT CENTER

No. 36, Cach Mang Thang 8 Street, Long My District
Hau Giang Province, Vietnam


Financial statements

For the year ended 31 December 2016

BALANCE SHEET
As at 31 December 2016

Unit: VND

Code	Description	Notes	Ending balance	Beginning balance
	ASSETS			
	Fixed assets		2,082,350,000	2,891,340,000
028	Tangible assets	III.1	-	356,980,000
028a	Depreciable assets	III.1	-	(162,140,000)
040	Financial Assets	III.2	2,082,350,000	2,696,500,000
	Current assets		2,289,414,479	1,738,505,343
072	Other receivables	III.3	702,430,000	827,828,221
084	Cash in bank	III.4	1,585,311,838	784,202,570
088	Cash on hand	III.4	1,672,641	126,474,552
110	Total		4,371,764,479	4,629,845,343
	LIABILITIES & EQUITY			
	OWNERSHIP		4,095,883,699	4,341,928,683
120	Social or individual capital		1,538,825,068	1,538,825,068
134	Carried to new accounting year		2,785,803,615	1,736,373,823
136	Current year result		(228,744,984)	1,066,729,792
	Liabilities		275,880,780	287,916,660
172	Other payables	III.5	275,880,780	287,916,660
180	Total		4,371,764,479	4,629,845,343


Trinh Thu Thao
Accountant



Thi Kim Chuc
Director
2 March 2017

The notes set out on pages 6 to 9 are an integral part of these financial statements

STATEMENT OF INCOME AND EXPENDITURE
 For the year ended 31 December 2016

Unit: VND

Codes	Description	Notes	Current year	Previous year
	INCOME			
70	Sale of product		1,195,643,400	1,263,028,400
701	Sales of product		1,195,643,400	1,259,678,400
703	Sales of assets		-	3,350,000
74	Subsidy		6,039,463,684	8,178,776,028
	Subsidy from Sponsor	IV.1	5,997,935,684	8,068,800,588
778	Other subsidy	IV.2	41,528,000	109,975,440
76	Financial profits		11,991,100	9,389,200
768	Interest from bank		5,891,100	7,526,700
768a	Interest from credit activities		6,100,000	1,862,500
	Total of income		7,247,098,184	9,451,193,628
	EXPENSES			
60	Purchase of material and provision		1,267,632,260	1,384,549,604
601	Purchase of material	IV.3	1,195,643,400	1,259,678,400
602	Purchase of other material, fuel	IV.3	54,212,500	105,969,700
606	Purchase of energy	IV.3	17,776,360	18,901,504
61	External services purchase		3,545,876,902	3,223,928,038
613	Location	IV.3	109,766,000	75,631,200
615	Reparation expenses	IV.3	172,710,230	303,533,990
617	Training, stationary & research expenses	IV.3	3,037,225,249	2,759,948,658
618	Other External services purchase	IV.3	226,175,423	84,814,190
62	Other moving & services	IV.3	61,609,096	165,273,448
64	Staff expenses	IV.3	2,140,995,910	1,513,024,996
64a	Staff salary		1,735,585,910	1,108,827,996
64b	Salary and other allowances to local village workers		405,410,000	404,197,000
65	Other management expenses	IV.3	459,119,000	966,150,000
66	Financial expenses	IV.3	610,000	211,750
67	Special expenses		-	1,076,601,000
68	Depreciation expenses		-	54,725,000
	Total of expenses		7,475,843,168	8,384,463,836
	Result of operation		(228,744,984)	1,066,729,792
	Profit taxes		-	-
	(LOSS) PROFITS		(228,744,984)	1,066,729,792


 Trinh Thu Thao
 Accountant


 Ho Thi Kim Chuc
 Director
 2 March 2017

The notes set out on pages 6 to 9 are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

I. GENERAL INFORMATION

Anh Duong Community Development and Support Center (the "Center") is a Social Organization, it belongs to the Union of Science and Technology Associations in Hau Giang province under decision No. 16QD/LHH on September 30th, 2008.

Center's main industries include: providing the consultative services, training and services about activities toward increasing in society. The Center also organizes the training activities, transforms the modern Science and Technology gadgets to serve customers from home country to all over the world.

The number of employees as at 31 December 2016 was 20 (31 December 2015: 27).

The Center is located at No. 36, Cach Mang Thang 8 Street, Long My District, Hau Giang Province, Vietnam.

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basic of preparation

The financial statements have been prepared on the modified cash basic and in accordance with the accounting policies set out in this note. The financial statements have been prepared only for the purpose of providing financial information Director and donors of the Center. Accordingly, these financial statements are not intended to be a presentation in accordance with Vietnamese Accounting Standards or other generally accepted accounting principles.

Accounting currency

The financial statements are prepared in Vietnam Dong (VND) which is also the Center's accounting currency.

Fiscal year

The Center's fiscal year applicable for the preparation of its financial statements starts on 1 January and ends on 31 December.

Cash

Cash comprises cash on hand and cash in bank.

Recognition of income

Income is recognised when received rather than when earned.

Recognition of expenditure

Expenditure is recognised when paid rather than when incurred.

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ANH DUONG COMMUNITY DEVELOPMENT AND SUPPORT CENTERNo. 36, Cach Mang Thang 8 Street, Long My District
Hau Giang Province, Vietnam**Financial statements**

For the year ended 31 December 2016

NOTES TO THE FINANCIAL STATEMENTS (continued)*These notes are an integral part of and should be read in conjunction with the accompanying financial statements***III. ADDITIONAL INFORMATION OF ITEMS PRESENTED IN THE BALANCE SHEET****1. Fixed assets**

	Machinery and equipment VND
COST	
Beginning balance	356,980,000
Additions	<u>(356,980,000)</u>
Ending balance	<u>-</u>
ACCUMULATED DEPRECIATION	
Beginning balance	162,140,000
Change for the year	<u>(162,140,000)</u>
Ending balance	<u>-</u>
NET CARRYING AMOUNT	
Beginning balance	<u>194,840,000</u>
Ending balance	<u>-</u>

2. Financial assets

	Ending balance VND	Beginning balance VND
Job Creation	48,500,000	36,500,000
Poor households	<u>2,033,850,000</u>	<u>2,660,000,000</u>
Total	<u>2,082,350,000</u>	<u>2,696,500,000</u>

3. Receivables

	Ending balance VND	Beginning balance VND
Mekong Quilts	600,000,000	670,828,221
Advance receivables employees	<u>102,430,000</u>	<u>157,000,000</u>
Total	<u>702,430,000</u>	<u>827,828,221</u>

4. Cash

	Ending balance VND	Beginning balance VND
Cash on hand	1,672,641	126,474,552
Cash in bank	<u>1,585,311,838</u>	<u>784,202,570</u>
Total	<u>1,586,984,479</u>	<u>910,677,122</u>

5. Payables

The staff of the Center will be supported the personal fund of 9% of the total amount received from the Centre after deducting basic salary. The Center will retain this Fund and will return when employees leave.

NOTES TO THE FINANCIAL STATEMENTS (continued)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

IV. ADDITIONAL INFORMATION OF ITEMS PRESENTED IN THE INCOME AND EXPENDITURE

1. Fund from donors

	Current year <u>VND</u>	Previous year <u>VND</u>
Several funders channeled through Mekong Plus	3,680,000,000	5,090,000,000
Partage organization	677,649,067	910,938,967
Foundation D'entreprise Tryba	624,429,292	361,558,562
Sai Gon Childrents Charity	387,105,150	349,629,000
HSBC bank	147,033,333	281,812,750
Private Donations	481,718,842	6,200,000
Others	-	1,068,661,309
Total	<u>5,997,935,684</u>	<u>8,068,800,588</u>

2. Fund from others

	Current year <u>VND</u>	Previous year <u>VND</u>
Lending rate	31,396,000	80,503,500
Interest loans to employees	10,032,000	29,471,940
Others	100,000	-
Total	<u>41,528,000</u>	<u>109,975,440</u>

3. Operating Expenses

Items	Current year <u>VND</u>	Previous year <u>VND</u>
1. Cost of materials	1,195,643,400	1,259,678,400
1.1 Cost of handicrafts	1,195,643,400	1,259,678,400
2. Cost of other materials and tools	54,212,500	105,969,700
2.1 Stationery	7,859,500	23,853,700
2.2 Equipment and tools	41,233,000	56,904,000
2.3 Schools computer expenses	5,120,000	25,212,000
3. Energy expenses	17,776,360	18,901,504
3.1 Gas, electricity, water	17,776,360	18,901,504
4. Location expenses:	109,766,000	75,631,200
4.1 Rental, office supplies	109,766,000	75,631,200
5. Repairs and petrol expenses	172,710,230	303,533,990
5.1 Repair motorbike, gasoline for staffs in mission	172,710,230	303,533,990
6. Training and tools, stationery expenses	3,037,225,249	2,759,948,658
6.1 Non smoking day	-	32,635,000
6.2 Training to credit saving staffs	21,001,800	4,737,000
6.3 Training to local village workers	28,854,000	31,998,000
6.4 Training to agricultural and veterinary classes	39,335,400	68,048,000
6.5 Cost of education materials	114,464,029	277,228,130
6.6 Cost of training in health education	678,423,500	427,076,748
6.7 Purchase of equipment for schools	58,100,000	115,386,000
6.9 Scholarships	769,100,000	939,042,600
6.10 Counterparts	72,152,000	56,703,800
6.11 Staffs training	23,374,940	64,204,300
6.12 Cost for breathing medicine	13,950,000	200,000
6.13 Cost of community latrines	8,200,000	419,703,000

ANH DUONG COMMUNITY DEVELOPMENT AND SUPPORT CENTER

No. 36, Cach Mang Thang 8 Street, Long My District

Hau Giang Province, Vietnam

Financial statements

For the year ended 31 December 2016

NOTES TO THE FINANCIAL STATEMENTS (continued)*These notes are an integral part of and should be read in conjunction with the accompanying financial statements***IV. ADDITIONAL INFORMATION OF ITEMS PRESENTED IN THE INCOME AND EXPENDITURE (continued)****3. Operating Expenses (continued)**

Items	Current year VND	Previous year VND
6. Training and tools, stationery expenses (continued)		
6.14 Auditing expenses	22,363,280	22,246,000
6.15 Cost for accessing of project expansion	18,756,000	180,000
6.16 Cost of training women	131,687,300	167,171,080
6.17 Cost of road and bridges project	751,900,000	-
6.18 Training to handicrafts group	97,359,000	129,299,000
6.19 Support for volunteer	2,484,000	-
6.20 Training to computer centers	8,180,000	4,090,000
6.21 Donation for Coputer Center	177,540,000	-
7. Other service costs	226,175,423	84,814,190
7.1 Service costs	49,274,623	40,814,190
7.2 Cost for poor house hold	176,900,800	44,000,000
8. Depreciation expenses	-	54,725,000
9. Other expenses	-	1,076,601,000
9.1 Cost of road and bridges project	-	1,068,101,000
9.2 Lost on sale of fixed assest	-	8,500,000
10. Cost of moving and other services	459,119,000	966,150,000
10.1 Transportation charges	390,000	5,795,000
10.2 Staff mission expenses	458,729,000	960,355,000
11. Post and telecommunications charges	61,609,096	165,273,448
12. Staff expenses	2,140,995,910	1,513,024,996
12.1 Staff salary	1,490,210,250	821,800,000
12.2 Salary and other allowances to local village workers	405,410,000	404,197,000
12.3 Accident insurance to staffs	3,471,000	19,767,916
12.4 Social insurance to staffs	241,904,660	267,260,080
13. Financial expenses	610,000	212,750
13.1 Financial expenses	610,000	212,750
Total	<u>7,475,843,168</u>	<u>8,384,464,836</u>

V. OTHER INFORMATION**Subsequent events**

There have been no significant events occurring after the balance sheet date which would require adjustments to or disclosures to be made in the financial statements.



Trinh Thu Thao
Accountant



Ho Thi Kim Chuc
Director
2 March 2017