

American Auditing

AUDITED FINANCIAL STATEMENTS

for the fiscal year ended on 31 December 2018

**ANH DUONG CENTER COMMUNITY
SUPPORT & DEVELOPMENT (ADC)**

AA COMPANY

**CÔNG TY TNHH KIỂM TOÁN MỸ (AA)
WWW.AA.COM.VN**

No. /2018/HĐKT-AA

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENT FOR THE FISCAL YEAR ENDED ON 31 DECEMBER 2018 OF ANH DUONG CENTER COMMUNITY SUPPORT & DEVELOPMENT (ADC)

To: **Board of Directors
ANH DUONG CENTER COMMUNITY SUPPORT & DEVELOPMENT (ADC)**

We have audited the Financial statements of ANH DUONG CENTER COMMUNITY SUPPORT & DEVELOPMENT (ADC), including: the Balance sheet statement as at 31 December 2018, the Income statement and notes to the financial statements, for the fiscal year ended on 31 December 2018.

RESPONSIBILITIES OF BOARD OF DIRECTORS ON FINANCIAL STATEMENTS

Board of Directors are responsible for the preparation and presentation of the Financial statements on a true and fair basis in compliance with Vietnamese Accounting Standards, Vietnamese Accounting Regimes and other relevant regulations. The responsibilities of Board of Directors include: designing, implementing and maintaining a sound internal control system related to the preparation and presentation of the Financial statements without material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in specific circumstances.

AUDITORS' RESPONSIBILITIES

Our responsibility is to express an opinion on the Financial statements based on our fieldwork audit performance. We have performed our fieldwork audit in compliance with Vietnamese Standards on Auditing. These standards require us to comply with professional ethical behaviour, make plans and perform fieldwork audit to obtain reasonable assurance that whether the Financial statements are free of material misstatements or not.

Our fieldwork audit performance includes performing audit procedures to obtain audit evidences on the figures and notes to Financial statements. These procedures were selected on the basis of auditors' professional judgement on risks of occurrences of material misstatements in the Financial statements, whether due to frauds or errors. To make risk assessments, auditors have considered the internal control system of the Company, related to preparation and presentation of the Financial statements on a true and fair view, in order to design the audit procedures appropriated to specific circumstances. However, this is not for the purpose of expressing auditors' opinion on the effectiveness of the Company's internal control system. An audit performance also includes making judgement on applied accounting policies and the reasonableness of Board of Directors' important estimates as well as considering overall presentation of the Financial statements.

We believe that the obtained audit evidences are sufficient and appropriate for the basis of our audit opinion.

AUDIT OPINION

Because of the materiality of the causes mentioned in paragraph "Basis of Disclaimer of Opinion", we have not collected sufficiently appropriate audit evidences for the basis of our audit opinion. Therefore, we refuse to express our opinion on the Financial statements of O- YONG VINA COMPANY LIMITED for the fiscal year ended on 31 December 2018.

Ho Chi Minh city, 28 February 2019

ON BEHALF OF AMERICAN AUDITING LIMITED



NGUYEN HUU TRI

Director

Practice Registration Certificate

No.: 0476-2018-070-1

TRAN NGOC HUNG

Auditor

Practice Registration Certificate

No.: 1084-2018-070-1



ANH DUONG CENTER
CMT8, LONG MY, HAU GIANG

BALANCE SHEET

As at 31 December, 2018

<u>Code</u>	<u>ITEMS</u>	<u>at 31/12/2018</u>	<u>at 31/12/2017</u>
	ASSETS	-	-
	Fixed Assets	-	-
010	Intangible assets- shop	-	-
014	Intangible assets- Others	-	-
028	Tangible assets	-	-
028a	Depreciable assets	-	-
040	Financial Assets	5,613,250,000	4,604,450,000
044	Total assets (I)	5,613,250,000	4,604,450,000
	Current assets (II)	-	-
050	Stock of raw materials	-	-
060	Stock of goods	-	-
064	Advances, repayment under orders	-	-
068	Repayment under order	-	-
072	Other payables	1,191,797,963	534,769,393
084	Cash in bank	363,075,775	1,610,636,266
088	Cash on hand	7,960,745	2,067,443
092	Prepaid expenses	-	-
096	Total II	1,562,834,483	2,147,473,102
110	TOTAL (I+II)	7,176,084,483	6,751,923,102
	LIABILITIES & EQUITY	-	-
	Ownership	-	-
120	Social or individual capital	1,538,825,068	1,538,825,068
124	Difference from revaluation	-	-
126	Legal provisions	-	-
130	Regulated provisions	-	-
132	Other provisions	-	-
134	Carried to new accounting year	5,098,593,210	2,557,058,631
136	Current year result	(170,789,919)	2,541,534,579
140	Regulated provisions	-	-
142	Total ownership (I)	6,466,628,359	6,637,418,278
	DEBTS	-	-
154	Provision for risks and expenses	-	-
156	Loan and dept	-	-
164	Advances and repayment under order in progress	-	-
166	Suppliers and related accounts	-	-
172	Other debts	709,456,124	114,504,824
174	Prepaid profit	-	-
176	Total II	709,456,124	114,504,824
180	Total (I+II)	7,176,084,483	6,751,923,102

Hau Giang, December 31st, 2018

DIRECTOR





ANH DUONG CENTER
CMT8, LONG MY, HAU GIANG

OPERATION RESULT

From 01 January to 31 December, 2018

<u>Code</u>	<u>Description</u>	<u>Năm 2018</u>	<u>Năm 2017</u>
	INCOME	-	-
70	Sale of product	1,174,487,400	1,266,725,900
701	Sales of product	1,174,487,400	1,266,725,900
703	Sales of assets	-	-
71	Sales of services	-	-
72	Difference in re-assessment of assets	-	-
74	Subsidy	6,865,334,068	8,580,181,568
	Subsidy from Sponsor	6,827,886,068	8,518,450,068
	Other subsidy	37,448,000	61,731,500
76	Financial profits	15,311,819	10,556,118
766	Difference of exchange rate	-	-
768	Interest from bank	2,174,319	3,231,118
768	Interest fro credit activities	13,137,500	7,325,000
232	Total of income	8,055,133,287	9,857,463,586
	EXPENSES	-	-
60	Purchase of material and provision	1,214,654,582	1,326,455,911
601	Purchase of material	1,174,487,400	1,266,725,900
(*)	Purchase of other material, fuel	25,818,000	44,112,000
606	Purchase of energy	14,349,182	15,618,011
61	External services purchase	3,839,165,240	3,381,057,379
613	Location	72,802,000	71,984,000
615	Reparation expenses	147,757,828	116,529,880
617	The program costs	1,563,645,886	1,278,551,913
617a	Academic Capacity building for teachers & students	740,647,100	805,604,100
617b	Scholarships	1,098,562,500	975,500,000
618	Other External services purchase	215,749,926	132,887,486
62	Other moving & services	32,505,818	63,125,195
64	Staff expenses	2,611,745,526	1,983,479,659
65	Other management expenses	524,404,000	558,159,000
66	Financial expenses	3,448,040	3,651,863
69	Exchange rate differencecc	-	-
67	Special expenses	-	-
68	Depreciation expenses	-	-
	Total of expenses	8,225,923,206	7,315,929,007
	RESULT OF OPERATION	(170,789,919)	2,541,534,579
	profit taxes	-	-
	PROFITS/LOSS	(170,789,919)	2,541,534,579

(*) Total of code 602.605
Hau Giang, December 31st, 2018





UNION OF SCIENCE & TECHNOLOGY ASSOCIATIONS HAU GIANG PROVINCE (VUSTA)

ANH DUONG CENTER COMMUNITY SUPPORT & DEVELOPMENT (ADC)

CMT8-Long My ĐT/Fax:(0711 3871869Email:anhduong.longmy@gmail.com

NOTES OF FINANCIAL STATEMENT From 01/01/2018 to 31/12/2018

1. Organization characteristics

Structure of ownership: Anh Duong Center for community support and development (Anh Duong Center in short) is a local non-profit organization, directly under The Union of Science and Technology Associations of Hau Giang province according to decision No.16 QĐ/LHH dated 30/09/2008.

Scope of operation: consultancy, training, support and community development in rural areas.

Place of operation: Hau Giang province.

2. Forms of filling:

Using accounting software of WBILAN of COTE QUESTE-FRANCE to record all accounting transactions and check the use of funds received from donors as stipulated in the Decision No.16 QĐ/LHH dated 30/09/2008.

3. Financial indicators:

The below financial indicators have been performed in Hau Giang province:

3.1 Operating assets

Assets include all working equipments whose values are over 30.000.000VND. Certain obsolete and useless assets are liquidated this year and others are allocated to depreciation.

3.2. Depreciation

The total amount of depreclation in 2018 is **0 VND**

3.3 Employee status

	Year 2018	Year 2017
Total number of employees:	25	25
Total salary:	2,002,255,526	1,506,146,159
Monthly average salary per person (VND):	6,674,185	5,020,487

- The annual salary increase policy remains unchanged. However, the average income of 2018 increased by 32% compared to 2017 due to the policy of increasing annual salary for employees and in 2018 applying the seniority and social insurance payment of 9% to the savings book for employees in 2017 and 2018. From July 2009, Anh Duong Center participated in social insurance for all employees.

- Anh Duong Center has a policy for employees to borrow money from social insurance fund (not borrow more than 70% of their social insurance fund), and repay monthly. The total amount of advance employees up to December 31, 2018 is: VND 237,100,000.

3.4 Credit operation

Groups carry out loan operation. The credit loan granted to economic support has increased up to 5.000.000 VND without interest. Besides, in job creation program, the project continues to lend money to individuals up to 25,000,000 VND with the monthly interest 0,5%. In 2018, the project focuses on the credit loan program

without interest supporting the poor households and granted loan with 0,5% monthly interest which have borrowed money at the 7th revolution for in raising livestocks, cultivation or small trading.

The credit status is as follows: As of December 31, 2018 Anh Duong center has 2,349 households participating in borrowing.

3.4.1 Supplying credit (Unit: VND):

	Total VND	Economic program VND
At 31/12/2018	5,613,250,000	5,613,250,000
a) Special loan	19,000,000	19,000,000
<i>Job creation</i>	19,000,000	19,000,000
b) Poor households	5,594,250,000	5,594,250,000

3.4.2 Income from credit operation in the year 2018:

- Interest banking: 2,174,319 VND
- Interest from unemployment fund: 13,137,500 VND

3.4.3 Other income

- Interest from social insurance funds for loans: 4,099,000 VND
- Other income: 33,049,000 VND

3.5 Operating expenses:

In 2018, Anh Duong performed all the activities of the project with the following expenses:

Items		Amount(VND)
1. Cost of material:	-	1,174,487,400
1.1 Cost of handicrafts	1,174,487,400	-
1.2 Cost of bamboo bike	-	-
2. Cost of other materials, tools:	-	25,818,000
2.1 Stationery	4,578,000	-
2.2 Equipment and tools	19,710,000	-
2.3 Schools computer expenses	1,530,000	-
3. Energy expenses:	-	14,349,182
3.1 Gas, electricity, water	14,349,182	-
4. Location expenses:	-	72,802,000
4.1 Rental, office supplies	72,802,000	-
5. Repairs & petrol expenses:	-	147,757,828
5.1 Repair motorbike, gasoline for staffs in mission	147,757,828	-
6. Training & tools, stationery expenses:	-	3,583,672,412
6.1 Non smoking day	-	-
6.2 Training to saving credit groups	23,662,000	-
6.3 Training to local village workers	41,608,000	-
6.4 Training to agricultural and veterinary classes	4,611,000	-
6.5 Cost of education materials	-	-
6.6 Cost of visiting agricultural program	10,486,500	-
6.7 Cost of modeling agricultural program	31,340,000	-



6.8 Cost of buying tools, seed agricultural program	4,950,300	-
6.9 Cost of photocopy of training materials	766,500	-
6.10 Cost of workshop model, competitions	4,386,000	-
6.11 Cost of education materials	111,119,200	-
6.12 Cost of training in health education	740,647,100	-
6.13 Purchase of equipment for schools	298,181,263	-
6.14 Medicines and vermifuges for schools	-	-
6.15 Scholarships	1,098,562,500	-
6.16 Counterparts	55,583,000	-
6.17 Staffs training	21,240,000	-
6.18 Training for women's right for employments	-	-
6.19 Cost for training play team	-	-
6.20 Purchase of medicines for mosquitoes impregnation	8,850,000	-
6.21 Purchase of net protect from mosquito	-	-
6.22 Cost of community latrines	65,680,000	-
6.23 Waste recycling expenses	-	-
6.24 Audit's fees	24,378,000	-
6.25 Project expansion assessing fee	-	-
6.26 Training to women's group	72,643,500	-
6.27 Poor households expenses	108,816,926	-
6.28 Support for the rist of agriculture & livestock	2,000,000	-
6.29 Support home	70,000,000	-
6.30 Cost for road and bridges project	485,410,000	-
6.31 Cost of nylon bag collection	-	-
6.32 Training to handicrafts group	36,016,000	-
6.33 Support for volunteer	35,734,623	-
6.34 Computer center training fees	7,000,000	-
6.35 Donation for Computer Center	220,000,000	-
6.36 Loss on liquidation of assets	-	-
6.37 Depreciation expenses	-	-
6.38 Credit risk expenses	-	-
7. Other expenses:	-	34,933,000
7.1 Miscellaneous	34,933,000	-
8. Cost of moving and other services:	-	32,505,818
8.1 Transportation charges	2,750,000	-
8.2 Staff mission expenses	20,030,500	-
8.3 Post & telecommunication charges	9,725,318	-
9. Staff expenses:	-	3,136,149,526
9.1 Staff salary	1,689,355,666	-
9.2 Salary and other allowances to local village workers	609,490,000	-
9.3 Accident insurance to staffs	3,346,000	-
9.4 Social insurance to staffs	309,553,860	-
9.5 Project management cost	524,404,000	-
10. Financial expenses:	-	3,448,040
10.1 Financial expenses:	3,448,040	-
10.2 Exchange rate differences	-	-
11. Other :	-	-
11.1 Other	-	-
Total		8,225,923,206

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4. Borrow money

In 2018, Anh Duong Center borrowed money from Mekong Plus France without calculating interest rates to maintain the Center's activities.

No.	Name	VND
1	Mekong Plus France Organization	664.560.000

5. Funding sources:

Funds received from donors in 2018:

Name of supporter	Amount (VND)
Private Donations	477,464,355
Dr.Eric Barthelme, via Mekong Plus	700,000,000
NEXT, via Mekong Plus	2,335,440,000
World Planet Foundation, via Mekong Plus	500,000,000
Partage organization	1,444,700,944
Genesis Charitable Trust	299,713,739
Foundation D'entreprise Tryba	1,070,567,030
Total	6,827,886,068

Hau Giang, December 31, 2018

Director



Ho Thi Kim Chuc

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