

American Auditing

AUDITED FINANCIAL STATEMENTS

for the fiscal year ended on 31 December 2019

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

AA COMPANY

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



AUDITED FINANCIAL STATEMENTS

for the fiscal year ended on 31 December 2019

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

No.1003/2020/HĐKT-AA

**INDEPENDENT AUDITOR'S REPORT
ON FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED ON 31 DECEMBER 2019 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 2019, the Income statement and notes to the financial statements, for the fiscal year ended on 31 December 2019.

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

In our opinion, the Financial statements give a true and fair view, in all material respects, of financial position of ANH DUONG CENTER COMMUNITY SUPPORT & DEVELOPMENT (ADC) as at 31 December 2019 and of its results of operations and its cash flows for the fiscal year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Accounting system and in compliance with the relevant statutory requirements on preparation and presentation of financial statements.

Ho Chi Minh city, 10 March 2020

ON BEHALF OF AMERICAN AUDITING LIMITED



Nguyen Huu Tri

Audit Certificate No.: 0476/KTV

Issued by the Ministry of Finance

Tran Ngoc Hung

Audit Certificate No.: 1084/KTV

Issued by the Ministry of Finance



ANH DUONG CENTER
CMT8, LONG MY, HAU GIANG

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BALANCE SHEET

As at 31 December, 2019

<u>Code</u>	<u>ITEMS</u>	<u>At 31/12/2019</u>	<u>At 31/12/2018</u>
	ASSETS	-	-
	Fixed Assets	-	-
010	Intangible assets- shop	-	-
014	Intangible assets- Others	-	-
028	Tangible assets	-	-
028a	Depreciable assets	-	-
040	Financial Assets	5,294,040,000	5,613,250,000
044	Total assets (I)	5,294,040,000	5,613,250,000
		-	-
	Current assets (II)	-	-
050	Stock of raw materials	-	-
060	Stock of goods	-	-
064	Advances, repayment under orders	-	-
068	Repayment under order	-	-
072	Other payables	1,070,143,695	1,191,797,963
084	Cash in bank	336,142,511	363,075,775
088	Cash on hand	694,967	7,960,745
092	Prepaid expenses	-	-
096	Total II	1,406,981,173	1,562,834,483
		-	-
110	TOTAL (I+II)	6,701,021,173	7,176,084,483
	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	4,927,803,291	5,098,593,210
136	Current year result	(1,094,727,186)	(170,789,919)
140	Regulated provisions	-	-
142	Total ownership (I)	5,371,901,173	6,466,628,359
	DEBTS	-	-
154	Provision for risks and expenses	-	-
156	Loan and dept	-	-
164	Advances and repayment under order in progress	-	-

<u>Code</u>	<u>ITEMS</u>	<u>At 31/12/2019</u>	<u>At 31/12/2018</u>
166	Suppliers and related accounts	-	-
172	Other debts	1,329,120,000	709,456,124
174	Prepaid profit	-	-
176	Total II	1,329,120,000	709,456,124
		-	-
180	Total (I+II)	6,701,021,173	7,176,084,483

Hau Giang, December 31st, 2019

DIRECTOR



 Hồ Thị Kim Chuc



ANH DUONG CENTER
CMT8, LONG MY, HAU GIANG

OPERATION RESULT

From 01 January to 31 December, 2019

<u>Code</u>	<u>Description</u>	<u>Year 2019</u>	<u>Year 2018</u>
	INCOME	-	-
70	Sale of product	954,546,200	1,174,487,400
701	Sales of product	954,546,200	1,174,487,400
703	Sales of assets	-	-
71	Sales of services	-	-
72	Difference in re-assessment of assets	-	-
74	Subsidy	6,345,115,684	6,865,334,068
	Subsidy from Sponsor	6,318,139,534	6,827,886,068
	Other subsidy	26,976,150	37,448,000
76	Financial profits	94,472,098	15,311,819
766	Difference of exchange rate	-	-
768	Interest from bank	1,923,098	2,174,319
768	Interest fro credit activities	92,549,000	13,137,500
	Total of income	7,394,133,982	8,055,133,287
	EXPENSES	-	-
60	Purchase of material and provision	1,005,334,541	1,214,654,582
601	Purchase of material	954,546,200	1,174,487,400
(*)	Purchase of other material, fuel	37,055,500	25,818,000
606	Purchase of energy	13,732,841	14,349,182
61	External services purchase	4,166,534,746	3,839,165,240
613	Rental	71,832,700	72,802,000
615	Reparation expenses	157,665,440	147,757,828
617	The program costs	1,375,361,100	1,563,645,886
617a	Academic Capacity building for teachers & students	1,013,992,847	740,647,100
617b	Scholarships	1,016,190,000	1,098,562,500
618	Other External services purchase	531,492,659	215,749,926
62	Other moving & services	78,590,600	32,505,818
64	Staff expenses	2,751,664,857	2,611,745,526
65	Other managerment expenses	482,368,000	524,404,000
66	Financial expenses	4,368,424	3,448,040
69	Exchange rate differencec	-	-
67	Special expenses	-	-
68	Depreciation expenses	-	-
	Total of expenses	8,488,861,168	8,225,923,206
	RESULT OF OPERATION	(1,094,727,186)	(170,789,919)
	profit taxes	-	-
	PROFITS/LOSS	(1,094,727,186)	(170,789,919)

(*) Total of code 602; 605

Hau Giang, December 31st, 2019

DIRECTOR

VÀ PHÁT TRIỂN
CỘNG ĐỒNG
ANH DUONG



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

ANH DUONG CENTER COMMUNITY SUPPORT & DEVELOPMENT (ADC)

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

NOTES OF FINANCIAL STATEMENT From 01/01/2019 to 31/12/2019

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 depreciation in 2019 is 0 VND

3.3 Employee status

	Year 2019	Year 2018
Total number of employees:	24	25
Total salary:	2,143,589,857	2,002,255,526
Monthly average salary per person (VND):	7,443,020	6,674,185

- The policy of annual salary increase remains unchanged. However, the average income in 2019 increased by 11% compared to 2018 due to the employee's annual salary increase policy. In 2019, the payment of seniority and social insurance 9% of 2019 and 33% of seniority and social insurance 9% from before 2016 into the savings book for employees.

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, 2019 is: VND 230,250,000.

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 2019, 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 3th revolution for in raising livestock, cultivation or small trading.

The credit status is as follows: As of December 31, 2019 Anh Duong center has 2,211 households participating in borrowing.

3.4.1 Supplying credit (Unit: VND):

	Total	Economic program
	VND	VND
At 31/12/2019	5,294,040,000	5,294,040,000
a) Special loan	50,000,000	50,000,000
Job creation	50,000,000	50,000,000
b) Poor households	5,244,040,000	5,244,040,000

3.4.2 Income from credit operation in the year 2019:

- Interest banking: 1,923,098 VND
- Interest from unemployment fund: 92,549,000 VND

3.4.3 Other income

- Interest from social insurance funds for loans: 6,382,500 VND
- Other income: 20,593,650 VND

3.5 Operating expenses:

In 2019, Anh Duong performed all the activities of the project with the following expenses:

Items		Amount (VND)
1. Cost of material:	-	954,546,200
1.1 Cost of handicrafts	954,546,200	-
1.2 Cost of bamboo bike	-	-
2. Cost of other materials, tools:	-	37,055,500
2.1 Stationery	9,060,500	-
2.2 Equipment and tools	27,995,000	-
2.3 Schools computer expenses	-	-
3. Energy expenses:	-	13,732,841
3.1 Gas, electricity, water	13,732,841	-
4. Location expenses:	-	71,832,700
4.1 Rental, office supplies	71,832,700	-
5. Repairs & petrol expenses:	-	157,665,440
5.1 Repair motorbike, gasoline for staffs in mission	157,665,440	-
6. Training & tools, stationery expenses:	-	3,919,498,606
6.1 Non smoking day	4,000,000	-
6.2 Training to saving credit groups	5,161,500	-
6.3 Training to local village workers	39,155,000	-

6.4 Training to agricultural and veterinary classes	7,039,000	-
6.5 Cost of education materials	-	-
6.6 Cost of visiting agricultural program	5,226,000	-
6.7 Cost of modeling agricultural program	34,674,000	-
6.8 Cost of buying tools, seed agricultural program	5,699,500	-
6.9 Cost of photocopy of training materials	2,107,000	-
6.10 Cost of workshop model, competitions	-	-
6.11 Cost of education materials	82,359,600	-
6.12 Cost of training in health education	1,013,992,847	-
6.13 Purchase of equipment for schools	93,100,000	-
6.14 Medicines and vermifuges for schools	-	-
6.15 Scholarships	1,016,190,000	-
6.16 Counterparts	37,809,000	-
6.17 Staffs training	-	-
6.18 Training for women's right for employments	-	-
6.19 Cost for training play team	-	-
6.20 Purchase of medicines for mosquitoes impregnation	6,450,000	-
6.21 Purchase of net protect from mosquito	-	-
6.22 Cost of community latrines	42,500,000	-
6.23 Waste recycling expenses	-	-
6.24 Audit's fees	19,750,000	-
6.25 Project expansion assessing fee	-	-
6.26 Training to women's group	82,495,500	-
6.27 Poor households expenses	331,754,659	-
6.28 Support for the risk of agriculture & livestock	2,200,000	-
6.29 Support home	180,000,000	-
6.30 Cost for road and bridges project	591,950,000	-
6.31 Cost of nylon bag collection	-	-
6.32 Training to handicrafts group	94,038,800	-
6.33 Support for volunteer	31,646,200	-
6.34 Computer center training fees	-	-
6.35 Donation for Computer Center	190,200,000	-
6.36 Loss on liquidation of assets	-	-
6.37 Depreciation expenses	-	-
6.38 Credit risk expenses	-	-
7. Other expenses:	-	17,538,000
7.1 Miscellaneous	17,538,000	-
8. Cost of moving and other services:	-	78,590,600
8.1 Transportation charges	20,249,500	-
8.2 Staff mission expenses	47,043,000	-
8.3 Post & telecommunication charges	11,298,100	-



9. Staff expenses:	-	3,234,032,857
9.1 Staff salary	1,852,437,557	-
9.2 Salary and other allowances to local village workers	608,075,000	-
9.3 Accident insurance to staffs	5,020,200	-
9.4 Social insurance to staffs	286,132,100	-
9.5 Project management cost	482,368,000	-
10. Financial expenses:	-	4,368,424
10.1 Financial expenses:	4,368,424	-
10.2 Exchange rate differences	-	-
11. Other:	-	-
11.1 Other	-	-
Total		8,488,861,168

4. Borrow money

In 2019, 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 2019:

No.	Name of supporter	Amount (VND)
1	Private Donations	840,900,664
2	NEXT, via Mekong Plus	1,767,322,000
3	AAV organization, via Mekong Plus	1,000,000,000
4	Partage organization	1,674,198,069
5	Foundation D'entreprise Tryba	1,035,718,801
	Total	6,318,139,534

Hau Giang, December 31, 2019

Director



Ho Thi Kim Chuc

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FURTHER INFORMATION

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