

**AUDITED FINANCIAL STATEMENTS**

*for the fiscal year ended on 31 December 2018*

**THIEN CHI CENTER COMMUNITY  
SUPPORT & DEVELOPMENT**



## INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENT

**To: Board of Directors**

**THIEN CHI CENTER COMMUNITY SUPPORT & DEVELOPMENT**

We have audited the Financial statements of THIEN CHI CENTER COMMUNITY SUPPORT & DEVELOPMENT, 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

### BASIS OF QUALIFIED OPINION

In our opinion, because of the materiality of the causes mentioned in paragraph "Basis of Adverse Opinion", the Because of the materiality of the causes mentioned in paragraph "Basis of Disclaimer of Opinion", we have not collected

Ho Chi Minh city, 28 February 2019

**ON BEHALF OF AMERICAN AUDITING LIMITED**

**Director**



**Auditor**

**NGUYEN HUU TRI**

Director

Practice Registration Certificate

No.: 0476-2018-070-1

**TRAN NGOC HUNG**

Auditor

Practice Registration Certificate

No.: 1084-2018-070-1

THIEN CHI CENTER

**BALANCE SHEET**

From January 1 to December 31, 2018

<u>Code</u>	<u>ITEMS</u>	<u>31/12/2018</u>	<u>30/12/2017</u>
	<b>ASSETS</b>	-	-
	<b>Fixed Assets</b>	-	-
010	Intangible assets- shop	-	-
014	Intangible assets- Others	82,674,000	-
028	Tangible assets	-	-
028a	Depreciable assets	-	-
040	Financial Assets	12,089,650,000	11,700,800,000
<b>044</b>	<b>Total assets (I)</b>	<b>12,172,324,000</b>	<b>11,700,800,000</b>
	<b>Current assets (II)</b>		
050	Stock of raw materials	929,946,962	1,101,692,583
060	Stock of goods	-	-
064	Advances, repayment under orders	-	-
068	Repayment under order	-	-
072	Other payables	1,624,387,190	553,567,642
084	Cash in bank	3,877,873,654	4,366,332,304
088	Cash on hand	12,165,827	11,576,205
092	Prepaid expenses	-	-
096	<b>Total II</b>	<b>6,444,373,633</b>	<b>6,033,168,734</b>
<b>110</b>	<b>TOTAL (I+II)</b>	<b>18,616,697,633</b>	<b>17,733,968,734</b>
	<b>LIABILITIES &amp; EQUITY</b>		
	<b>Ownership</b>		
120	Social or individual capital	6,243,542,392	6,243,542,392
124	Difference from revaluation	-	-
126	Legal provisions	-	-
130	Regulated provisions	-	-
132	Other provisions	-	-
134	Carried to new accounting year	11,345,601,969	8,023,785,523
136	Current year result	241,310,667	3,321,816,446
140	Regulated provisions	-	-
<b>142</b>	<b>Total ownership (I)</b>	<b>17,830,455,028</b>	<b>17,589,144,361</b>
	<b>DEBTS</b>		
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	786,242,605	144,824,373
174	Prepaid profit	-	-
<b>176</b>	<b>Total II</b>	<b>786,242,605</b>	<b>144,824,373</b>
<b>180</b>	<b>Total (I+II)</b>	<b>18,616,697,633</b>	<b>17,733,968,734</b>

Binh Thuan, date December 31, 2018

**DIRECTOR**



*Nguyễn Văn Chân*

THIEN CHI CENTER

**OPERATION RESULT**

From January 1 to December 31, 2018

<u>Code</u>	<u>Description</u>	<u>Năm 2018</u>	<u>Năm 2017</u>
	<b>INCOME</b>		
<b>70</b>	<b>Sale of product</b>	<b>2,349,190,280</b>	<b>1,244,554,286</b>
701	Sales of product	2,349,190,280	1,244,054,286
703	Sales of assets	-	500,000
<b>71</b>	<b>Sales of services</b>	-	-
<b>72</b>	<b>Difference in re-assessment of assets</b>	-	-
<b>74</b>	<b>Subsidy</b>	<b>11,238,925,116</b>	<b>14,705,128,960</b>
	Subsidy from Sponsor	11,006,223,100	14,609,177,860
	Other subsidy	232,702,016	95,951,100
<b>76</b>	<b>Financial profits</b>	<b>379,022,355</b>	<b>531,572,281</b>
766	Difference of exchange rate	9,109,608	161,875,940
768	Interest from bank	5,196,247	30,506,841
768	Interest fro credit activities	364,716,500	339,189,500
<b>232</b>	<b>Total of income</b>	<b>13,967,137,751</b>	<b>16,481,255,527</b>
	<b>EXPENSES</b>		
<b>60</b>	<b>Purchase of material and provision</b>	<b>2,326,901,440</b>	<b>1,395,640,881</b>
601	Purchase of material	2,223,072,421	1,292,980,891
(*)	Purchase of other material, fuel	51,208,099	50,408,100
606	Purchase of energy	52,620,920	52,251,890
<b>61</b>	<b>External services purchase</b>	<b>3,705,963,103</b>	<b>3,767,725,126</b>
613	Location	180,311,296	141,290,600
615	Reparation expenses	195,769,090	211,527,156
617	The program costs	1,111,293,654	1,083,307,230
617a	Academic Capacity building for teachers & students	554,352,430	624,112,050
617b	Scholarships	1,403,360,100	1,351,109,190
618	Other External services purchase	260,876,533	356,378,900
<b>62</b>	<b>Other moving &amp; services</b>	<b>102,641,625</b>	<b>109,199,041</b>
<b>64</b>	<b>Staff expenses</b>	<b>5,471,510,257</b>	<b>5,550,488,208</b>
64a	Staff salary	4,649,656,257	4,890,355,208
64b	Salary and other allowances to local village workers	821,854,000	660,133,000
<b>64c</b>	<b>Other managerment expenses</b>	<b>2,112,736,000</b>	<b>2,331,324,576</b>
<b>66</b>	<b>Financial expenses</b>	<b>6,074,659</b>	<b>5,061,249</b>
<b>66a</b>	<b>Assets liquidation expenses</b>	-	-
<b>69</b>	<b>Exchange rate differences</b>	-	-
<b>67</b>	<b>Special expenses</b>	-	-
<b>68</b>	<b>Lost sale assets expenses</b>	-	-
	<b>Total of expenses</b>	<b>13,725,827,084</b>	<b>13,159,439,081</b>
	<b>RESULT OF OPERATION</b>	<b>241,310,667</b>	<b>3,321,816,446</b>
	profit taxes	-	-
	<b>PROFITS/LOSS</b>	<b>241,310,667</b>	<b>3,321,816,446</b>

(\*) Total of code 602;605

Binh Thuan, date December 31, 2018

**DIRECTOR**



*Nguyễn Văn Chân*

055-  
TY  
HỮU H  
N M  
CH

materials with the monthly interest 0,5%. In 2018, the project concentrates on the credit loan program without interest supporting the poor households and has also granted loan with 0,5% monthly interest to the poor households which have borrowed money at the 7th revolution in raising livestocks, cultivation or small trading.

The credit status is as follows: As of December 31, 2018 Thien Chi center has 3,945 households participating in borrowing.

#### 3.4.1 Supplying credit:

At 31/12/2018	Total	Economic program
	VND	VND
<b>Poor families</b>	<b>12,089,650,000</b>	<b>12,089,650,000</b>
+ Duc Linh	5.489.800.000	5.489.800.000
+ Tanh Linh	4.516.150.000	4.516.150.000
+ Ham Thuan Nam	2.083.700.000	2.083.700.000

#### 3.4.2 Income from credit operation in the year 2018:

- Interest from bank deposits and short-term: 5.196.247 VND
- Interest from credit operations: 364.716.500 VND

#### 3.4.3 Other income:

- Interest from social insurance funds for loans: 57.318.900 VND
- Other income: 171.966.116 VND

#### 3.5 Operating expenses:

In 2018, details of operating expenses are as follows:

Items		Amount( VND)
<b>1. Cost of material:</b>	-	<b>2,223,072,421</b>
1.1 Cost of handicrafts	1,819,939,400	-
1.2 Cost of bamboo bike	403,133,021	-
<b>2. Cost of other materials, tools:</b>	-	<b>51,208,099</b>
2.1 Stationery	20,916,500	-
2.2 Equipment and tools	30,291,599	-
2.3 Schools computer expenses	-	-
<b>3. Energy expenses:</b>	-	<b>52,620,920</b>
3.1 Gas, electricity, water	52,620,920	-
<b>4. Location expenses:</b>	-	<b>180,311,296</b>
4.1 Rental, office supplies	180,311,296	-
<b>5. Repairs &amp; petrol expenses:</b>	-	<b>195,769,090</b>
5.1 Repair motorbike, gasoline for staffs in mission	195,769,090	-



UNION OF SCIENCE & TECHNOLOGY ASSOCIATIONS BINH THUAN PROVINCE (VUSTA)

**THIEN CHI CENTER**

**COMMUNITY SUPPORT & DEVELOPMENT (TCC)**

Nga Hai, Phu Sum village, Ham My commune – Phan Thiet district – Viet Nam

Tel/Fax:(0252) 3899 224 Email:thichico@vnn.vn www.thienchi.org

\*\*\*\*\*

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

**1. Organization characteristics**

**Structure of ownership:** Thien Chi Center for community support and development (Thien Chi Center in short)

is a local non-profit organization, directly under The Union of Science and Technology Associations of Binh

Thuan province according to decision No.165 QĐ/LHH dated 8 Dec, 2005.

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

**Place of operation:** Binh Thuan 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.165QĐ/LHH dated 08/12/2005.

**3. Financial indicators:**

The below financial indicators have been performed in Binh Thuan province:

**3.1 Operating assets**

Assets include all working equipments whose values are over 30.000.000 VND. 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 (Unit: VND)**

	Year 2018	Year 2017
Total number of employees	45	53
Total salary	4.649.656.257	4.890.355.208
Monthly average salary per person	8.610.474	7.689.237

+ The policy of annual salary increase is unchanged. However, the average income of year 2018 increase to 11% due in part to the increase in Thien Chi Center payment employees over 5 years.

+ Thien Chi has a policy to allow employees to borrow money from social insurance fund (not exceeding 70% of their social insurance), monthly paid by installments. The total advance of employees as of 31/12/2018 is 600.360.748 VND

+ In 2008, Thien Chi Center has registered the social insurance to all employees.

**3.4 Credit operation**

Groups carry out loan operation. The credit loan granted to economic support has increased up to 5.000.000 without interest. Besides, in job creation program, the project continues to lend money to individuals up to 10.000.000 VND to support them to pay salary to the poor workers or purchase



<b>6. Training &amp; tools, stationery expenses:</b>	-	<b>3,263,131,784</b>
6.1 Non smoking day	20,000,000	-
6.2 Training to saving credit groups	37,706,000	-
6.3 Training to local village workers	26,025,000	-
6.4 Training to agricultural and veterinary classes	31,225,000	-
6.5 Cost of education materials	-	-
6.6 Cost of visiting agricultural program	1,160,000	-
6.7 Cost of modeling agricultural program	19,468,000	-
6.8 Cost of buying tools, seed agricultural program	150,000	-
6.9 Cost of photocopy of training materials	1,127,500	-
6.10 Cost of workshop model, competitions	-	-
6.11 Cost of education materials	61,961,554	-
6.12 Cost of training in health education	554,352,430	-
6.13 Purchase of equipment for schools	173,940,000	-
6.14 Medicines and vermifuges for schools	-	-
6.15 Scholarships	1,403,360,100	-
6.16 Counterparts	79,187,600	-
6.17 Staffs training	125,057,800	-
6.18 Training for women's right for employments	-	-
6.19 Cost for training play team	-	-
6.20 Purchase of medicines for mosquitoes impregnation	5,100,000	-
6.21 Purchase of net protect from mosquito	-	-
6.22 Cost of community latrines	60,500,000	-
6.23 Waste recycling expenses	-	-
6.24 Audit's fees	29,224,000	-
6.25 Project expansion assessing fee	-	-
6.26 Training to women's group	240,336,100	-
6.27 Poor households expenses	123,380,600	-
6.28 Support for the rist of agriculture & livestock	5,745,000	-
6.29 Support for charity house	65,000,000	-
6.30 Cost for road and bridges project	32,000,000	-
6.31 Cost of nylon bag collection	-	-
6.32 Training to handicrafts group	167,125,100	-
6.33 Support for volunteer	-	-
6.34 Computer center training fees	-	-
6.35 Donation for Computer Center	-	-
6.36 Loss on liquidation of assets	-	-
6.37 Depreciation expenses	-	-
6.38 Credit risk expenses	-	-
<b>7. Other expenses:</b>	-	<b>66,750,933</b>
7.1 Miscellaneous	66,750,933	-
<b>8. Cost of moving and other services:</b>	-	<b>102,641,625</b>
8.1 Transportation charges	3,950,371	-
8.2 Staff mission expenses	64,984,500	-
8.3 Post & telecommunication charges	33,706,754	-



<b>9. Staff expenses:</b>	-	<b>7,584,246,257</b>
9.1 Staff salary	4,031,546,482	-
9.2 Salary and other allowances to local village workers	821,854,000	-
9.3 Accident insurance to staffs	6,466,600	-
9.4 Social insurance to staffs	611,643,175	-
9.5 Project management cost	2,112,736,000	-
<b>10. Financial expenses:</b>	-	<b>6,074,659</b>
10.1 Financial expenses	6,074,659	-
10.2 Exchange rate differences	-	-
<b>11. Other :</b>	-	-
11.1 Other	-	-
<b>Total</b>		<b>13,725,827,084</b>

#### 4. Borrow money

In 2018, Thien Chi 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. Source

No	Name of supporter	VND
1	Dr.Eric Barthelme, via Mekong Plus	890,000,000
2	NEXT, via Mekong Plus	3,711,400,000
3	World Planet Foundation, via Mekong Plus	1,309,090,909
4	BENINA, via Mekong Plus	1,563,500,000
5	NICKEDO, via Mekong Plus	795,000,000
6	AAV organization, via Mekong Plus	1,934,500,000
7	Mekong Plus organization	101,549,091
8	American Embassy	532,356,000
9	Private Donations	93,827,100
10	LIN Center	75,000,000
	<b>Total</b>	<b>11,006,223,100</b>

Binh Thuan, December 31, 2018

Director,



Nguyen Van Than