



**The VinaCapital Foundation**

**Financial statements**

**for the year ended 31 December 2014**



**The VinaCapital Foundation  
Foundation Information**

**Establishment Certificate No.** C200711501675 26 April 2007

The Establishment Certificate was issued by the state of North Carolina in the United States of America for an unlimited period of operation.

**Operating Licence No.** BM 453/UB-HD 20 June 2008  
BM 138/UB-HD 13 January 2010  
79/CNV-VPDA 16 May 2014

The licence and update were issued by the Committee for Foreign NGO Affairs (COMINGO) and the Bureau of External Affairs – Ministry Of Foreign Affairs in Vietnam. The Operating Licence was originally valid from 25 June 2008 to 28 July 2010, and has subsequently been extended to 16 May 2019.

<b>Board of Directors</b>	Don Di Lam	Chairman
	Robin King Austin	Member
	Nguyen Hong Nam	Member
	Pham Phu Ngoc Trai	Member
	Katherine Yip	Member
	Le Nhan Phuong	Member
	Jocelyn Tran	Member
	Brook Taylor	Treasurer

Robin King Austin acts as Executive Director on behalf of the Board. This has been registered and approved in the Operating Licence.

**Registered Office** 16 Holly Tree Lane, Post Office Box 1357  
Highlands, Macon Country  
North Carolina 28741  
The United States of America

**Representative Office** 24 Nguyen Thai Binh street, District 1  
Ho Chi Minh City  
Vietnam

**Auditor** KPMG Limited  
Vietnam

## **The VinaCapital Foundation Statement of the Board of Directors**

The Board of Directors is responsible for the financial statements of The VinaCapital Foundation (“the Foundation”) of each financial year. To the best of the Directors’ knowledge, the financial statements give a true and fair view of the financial position of the Foundation as at 31 December 2014, and of the results of operations and the cash flows of the Foundation for the year then ended in accordance with accounting policies as described in Note 2 to the financial statement.

The Board of Directors is required to select suitable accounting policies and then to apply them consistently. The Directors are also responsible for:

- ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Foundation; and
- safeguarding the assets of the Foundation and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Directors confirms that they have complied with the above requirements in preparing the financial statements.

### **Approval of the financial statements**

We hereby approve the accompanying financial statements on pages 5 to 23 which give a true and fair view of the financial position of the Foundation as at 31 December 2014, and of the results of operations and the cash flows for the year then ended in accordance with accounting policies as described in Note 2 to the financial statement.

On behalf of the Board of Directors



VĂN PHÒNG  
DU AN TAI  
TP. HO CHI MINH

**Robin King Austin**  
*CEO and Executive Director*

Ho Chi Minh City, Vietnam

Date: 18 March 2015



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## **INDEPENDENT AUDITORS' REPORT**

### **To the Board of Directors The VinaCapital Foundation**

We have audited the accompanying financial statements of The VinaCapital Foundation ("the Foundation"), which comprise the balance sheet as at 31 December 2014 and the statements of income and cash flows for the year then ended, and the explanatory notes thereto which were authorised for issue by the Foundation's Board of Directors on 18 March 2015, as set out on pages to 23.

### **Management's Responsibility**

The Foundation's Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with accounting policies as described in Note 2 to the financial statements and for such internal controls as the Board of Directors 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 International 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 of 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 judgement, 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 controls relevant to the entity'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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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.



### **Auditor's Opinion**

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of The VinaCapital Foundation as at 31 December 2014 and of its results of operations and cash flows for the year then ended in accordance with accounting policies as described in Note 2 to the financial statements.

### **Emphasis of Matter**

Without qualifying our opinion, we draw attention to Note 2 to the financial statements, which describes the basis of preparation of the financial statements. The financial statements are prepared solely to assist the members of the Foundation to assess the financial position and performance of the Foundation as at and for the year ended 31 December 2014. As a result, the financial statements may not be suitable for other purposes.

*KPMG Limited*

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**KPMG Limited**

Vietnam

Operating registration certificate No.: 4114000230

Audit Report No: 14-01-851

Ho Chi Minh City, 18 March 2015

**The VinaCapital Foundation**  
**Balance sheet as at 31 December 2014**

	Note	31/12/2014 USD	31/12/2013 USD
<b>ASSETS</b>			
<b>Current assets</b>		<b>557,002</b>	<b>397,050</b>
Cash in banks	3	555,002	397,050
Other receivables		2,000	-
<b>Long-term assets</b>		<b>7,162</b>	<b>13,088</b>
Tangible fixed assets	4	7,162	13,088
<i>Cost</i>		48,773	48,773
<i>Accumulated depreciation</i>		(41,611)	(35,685)
<b>TOTAL ASSETS</b>		<b>564,164</b>	<b>410,138</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>239,168</b>	<b>215,600</b>
Accounts payable	5	205,583	172,764
Taxes payable		12,976	9,232
Payable to employees		20,609	33,604
<b>Long-term liabilities</b>		<b>-</b>	<b>200,000</b>
Long term borrowings	6	-	200,000
<b>TOTAL LIABILITIES</b>		<b>239,168</b>	<b>415,600</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>324,996</b>	<b>(5,462)</b>
<b>EQUITY FUNDS</b>			
<b>Equity</b>			
Opening balance		(5,462)	(4,922)
Surplus/(deficit) for the year		330,458	(540)
<b>TOTAL EQUITY</b>		<b>324,996</b>	<b>(5,462)</b>

*The accompanying notes are an integral part of these financial statements*

**The VinaCapital Foundation**  
**Statement of income for the year ended 31 December 2014**

	Note	2014 USD	2013 USD
<b>Revenue</b>			
Donations	7	1,629,837	1,005,151
Donations provided directly to hospitals International Management Initiative for Vietnam (IMIV) Founding Sponsor donations	8	42,634	15,792
Donations from schools	9	41,604	140,641
	10	26,780	-
<b>Total Revenue</b>		<b>1,740,855</b>	<b>1,161,584</b>
<b>Expenses</b>			
<i>Program costs</i>			
Improving health care access and outcomes for poor children	11	(556,057)	(271,931)
Increasing capacity for pediatric and cardiac care	12	(206,492)	(56,718)
Education for disadvantaged children and youth	13	(86,122)	(68,318)
General program costs	14	(170,525)	(150,776)
Lotus Impact Fund costs	15	(64,863)	(179,176)
International Management Initiative for Vietnam (IMIV) costs	16	(71,747)	(178,445)
<i>Total Program costs</i>		<i>(1,155,806)</i>	<i>(905,364)</i>
Fundraising costs	17	(102,359)	(112,477)
Administration costs	18	(145,942)	(144,056)
<b>Total expenses</b>		<b>(1,404,107)</b>	<b>(1,161,897)</b>
<b>Foreign exchange losses</b>		<b>(6,290)</b>	<b>(227)</b>
<b>Surplus/(deficit) for the year</b>		<b>330,458</b>	<b>(540)</b>



Approved by:

*Robin King Austin*

**Robin King Austin**

*CEO and Executive Director*

18 March 2015

*The accompanying notes are an integral part of these financial statements*

**The VinaCapital Foundation**  
**Statement of cash flows for the year ended 31 December 2014 (Indirect method)**

	Note	2014 VND	2013 VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Surplus/(deficit) for the year		330,458	(540)
Adjustments for			
Depreciation		5,926	10,126
Long-term borrowings conversion to donation		(200,000)	-
<b>Operating profit before changes in working capital</b>		<b>136,384</b>	<b>9,586</b>
Change in receivables		(2,000)	-
Change in payables		23,568	27,195
<b>Net cash flows from operating activities</b>		<b>157,952</b>	<b>36,781</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from long-term borrowings		-	200,000
<b>Net cash flows from financing activities</b>		<b>-</b>	<b>200,000</b>
<b>Net cash flows during the year</b>		<b>157,952</b>	<b>236,781</b>
<b>Cash at the beginning of the year</b>		<b>397,050</b>	<b>160,269</b>
<b>Cash at the end of the year</b>	<b>3</b>	<b>555,002</b>	<b>397,050</b>

*The accompanying notes are an integral part of these financial statements*



**The VinaCapital Foundation**  
**Statement of cash flows for the year ended 31 December 2014**  
**(Indirect method – continued)**

**NON-CASH ACTIVITIES**

	<b>2014</b>	<b>2013</b>
	<b>VND</b>	<b>VND</b>
Long-term borrowings conversion to donation	200,000	-

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Approved by:



**Robin King Austin**  
*CEO and Executive Director*

18 March 2015

## **The VinaCapital Foundation**

### **Notes to the financial statements for the year ended 31 December 2014**

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

#### **1. Reporting entity**

The VinaCapital Foundation (“the Foundation”) is a non-profit, non-governmental, non-religious and humanitarian organization, established under Certificate No. C200711501675 dated 26 April 2007 issued by the state of North Carolina in the United States of America for an unlimited period of operation. The Internal Revenue Service has confirmed permanent status as a 501(c)3 public charity. In order to operate in Vietnam, the Foundation obtained operating license No. BM 453/UB-HD, dated 20 June 2008, which has subsequently been updated by operating license No. BM 138/UB-DA, dated 13 January 2010 and project establishing license No. 79/CNV-VPDA, dated 16 May 2014. The project establishing licenses consecutively cover the period from 16 May 2014 to 16 May 2019.

As at 31 December 2014, the Foundation had 14 staff members (31/12/2013: 17 staff members).

The mission of the Foundation is to empower the youth and children of Vietnam by providing opportunities for growth through health and education projects. The Foundation engages in a number of different programs that support the mission as follows:

#### **A. Improving health care access and outcomes for poor children**

##### **Heartbeat Vietnam (HBVN)**

The program assists poor children with congenital heart disease to receive life-saving heart surgery in Vietnam. Most children are identified and referred by their local authority. Each local commune assesses the children and provides families with documentation of their family economic status and a poverty certificate. The local Department of Labor, Invalids, and Social Affairs (DOLISA) refers children to the Foundation. In most cases, the Foundation shares the cost with the local provincial government and National Insurance program for children. All parties pay directly to the hospital.

##### **Heartbeat Myanmar**

In 2013 the Foundation began an effort to build capacity for children's heart surgeries in Myanmar with a training program for the heart team at Yankin Children's Hospital in Yangon. The program has included bringing the entire team to Vietnam to train with advanced heart teams, and sending Vietnamese experts to Myanmar to do surgeries and hands on training. In addition, in 2014, a cardiologist spent three months training at Cath Lab, and three nurses spent two months training at ICU (Intensive Care Unit) of Children No. 1 hospital. Over 500 children have been saved by the program.

## **The VinaCapital Foundation**

### **Notes to the financial statements for the year ended 31 December 2014 (continued)**

#### **Tumor Surgery**

The Tumor program was started in 2012 to build capacity for surgeons in Vietnam to approach difficult tumor cases. During three visits to Vietnam Dr. McKay McKinnon, a cranio-facial plastic surgeon from Chicago, has trained surgeons from Viet Duc hospital, VINMEC International hospital in Hanoi and Cho Ray hospital, FV Hospital, Children No. 2 Hospital in Ho Chi Minh City. His surgeries are being replicated with local doctors. In 2015, Dr. McKay McKinnon will be focusing on building a cranio-facial program in Hanoi and in Ho Chi Minh City and will continue to do surgeries on this extremely disadvantaged group of young people.

#### **Mobile medical outreach clinics**

The Foundation started a program in 2007 to hold provincial outreach clinics staffed by volunteer doctors and surgeons from major heart centers in Vietnam. Each outreach clinic provides free care to between 200 and 500 children, including diagnostic testing, treatment, and placement on the cardiac surgery waiting list and post-operative checkups. These clinics enable hundreds of poor children to be examined and diagnosed by the country's top cardiologists and surgeons without having to leave their home province. The clinics increase early detection of heart conditions in children and train provincial doctors in the diagnosis and treatment these children.

#### **Family grants and continuing care for disadvantaged children**

The Foundation provides one year of post-operative medical care, nutritional support, and money for destitute families of disadvantaged children receiving heart operations. Family grants are one-time and are used to buy food for families during the hospital stays and/or transportation to and from the surgery.

### **B. Increasing capacity for pediatric and cardiac care**

The capacity for pediatric care, pediatric intensive care, pediatric emergency care, neonatal care, cardiac care, and cardiac surgery can be dramatically and immediately increased by adding equipment and providing training. To that end, the Foundation has developed and implemented several large-scale capacity-building programs:

#### **Instruments in hand: Medical equipment donations**

The Foundation supplies hospitals throughout Vietnam with critical new or refurbished medical equipment, which improves the standard of care for thousands of patients through increased quality and access to services.

#### **Onsite and offsite training program**

The Foundation supports onsite training programs, which focus on training local medical professionals through preceptorship visits conducted by exemplary cardiac care professionals spanning areas such as diagnosis, crisis stabilization, surgery and post-operative intensive care.

The Foundation also supports offsite training visits for Vietnamese doctors through mentoring fellowships to exemplary medical institutions overseas. Doctors from Vietnam have been sponsored to study in Ireland, Switzerland and the USA.

## **The VinaCapital Foundation**

### **Notes to the financial statements for the year ended 31 December 2014 (continued)**

#### **Critical Response: Training & equipment for emergency pediatric life support**

The Foundation provides training on pediatric advance life support (PALS) to doctors and nurses. PALS is a standardized approach to the evaluation and resuscitation of children in respiratory or cardiac arrest.

This program provides emergency training and stocked crash carts to emergency rooms and pediatric ICU. It also provides training to nurses on how to maintain equipment and assist doctors in applying code.

#### **Telemedicine Programs: Distance learning to save lives**

The Foundation operates a series of video-conference training seminars aimed at improving capacity for cardiac and pediatric care in Vietnam and other Asian countries. This regional program links surgeons and doctors in developing countries with the world's best doctors in cardio-thoracic surgery, cardiology, and pediatric ICU care and neonatal care through interactive lectures.

#### **Survive to Thrive: Supporting neonatal care in Vietnam**

This program provided funding, design and construction supervision for a new neonatal intensive care and high dependency unit at Da Nang Hospital for women and children. The facilities now operate closer to international standards of pediatric care. The new facilities have greatly improved the care and survival of infants in central Vietnam and are helping the hospital meet its target of reducing infant mortality by a minimum of 1% per year. The program from 2011 to 2014 has assisted the unit with obtaining additional equipment and significant training has enabled the new neonatal intensive care and high dependency unit to become a regional center of excellence in health care and medical training. The program has saved the lives of thousands of infants and children, including many in the central region's most disadvantaged rural and ethnic minority areas. It has also helped drastically reduce the infant mortality rate in the region.

### **C. Education for disadvantaged children and youth**

The Foundation recognizes that a formal education is a key factor in breaking out of the poverty cycle, and created programs that aim to make education more accessible to the most disadvantaged youth in Vietnam.

#### **A Brighter Path: Scholarships for ethnic minority girls**

This program offers hope for a brighter future and a break from the poverty cycle for ethnic minority girls in Vietnam by providing 47 tribal girls from impoverished communities with scholarships to attend high school and university. Each student receives a seven-year scholarship (three years of high school and four years of university) that includes support for tuition, books, food, housing, and uniforms or clothing. All girls in the program were accepted to university and are in their third year of study.