

THE VINACAPITAL FOUNDATION

AUDITED FINANCIAL STATEMENTS

For the year ended 31 December 2018

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STATEMENT OF THE BOARD OF DIRECTORS AND THE EXECUTIVE DIRECTOR

The Board of Directors and the Executive Director of The VinaCapital Foundation (the "Foundation") present this report together with the Foundation's financial statements for the year ended 31 December 2018.

THE BOARD OF DIRECTORS AND THE EXECUTIVE DIRECTOR

The members of the Board of Directors and the Executive Director of the Foundation who held office during the year and until the date of this report are as follows:

Board of Directors

Mr. Don Lam	Chairman of the Board, VinaCapital Foundation CEO, VinaCapital
Ms. Robin King Austin	Vice Chairwoman of the Board, VinaCapital Foundation CEO and Executive Director, VinaCapital Foundation (resigned from 1 February 2018)
Mr. Brook Taylor	Member of the Board, Treasurer and Chair of Audit Committee, VinaCapital Foundation COO, VinaCapital
Mr. Nguyen Hong Nam	Member of the Board, VinaCapital Foundation Founder and Managing Director, NQT Education Centres
Mr. Pham Phu Ngoc Trai	Member of the Board, VinaCapital Foundation Chairman and CEO, Global Integration Business Consultants
Ms. Katherine Yip	Member of the Board, VinaCapital Foundation Chairman, KYG International
Ms. Jocelyn Tran	Member of the Board, VinaCapital Foundation Senior Director/Hub Leader, Wal-Mart Global Sourcing Vietnam and Cambodia
Mr. Le Nhan Phuong, MD, Mph	Member of the Board, VinaCapital Foundation Medical Doctor Executive Director, RHE
Ms. My Nguyen	Member of the Board, VinaCapital Foundation CEO, MMSoft Co., Ltd

CEO and Executive Director

Mr. Kivette Jesse Walter Radman	Appointed from 1 February 2018
Ms. Robin King Austin	Resigned from 1 February 2018

THE BOARD OF DIRECTORS AND THE EXECUTIVE DIRECTOR'S STATEMENT OF RESPONSIBILITY

The Board of Directors and the Executive Director of the Foundation are responsible for preparing the Foundation's financial statements using the functional currency, being Vietnam Dong ("VND"), for the year ended 31 December 2018 which give a true and fair view of the financial position of the Foundation as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs"). Also, the Board of Directors and the Executive Director are responsible for preparing the financial statements using United States Dollars ("USD"), being the presentation currency, based on the above-mentioned VND financial statements and in accordance with policies disclosed in Note 3 of the Notes to the financial statements. In preparing these financial statements in the presentation currency, the Board of Directors and the Executive Director are 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 on the going concern basis unless it is inappropriate to presume that the Foundation will continue in business; 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.

STATEMENT OF THE BOARD OF DIRECTORS AND THE EXECUTIVE DIRECTOR (Continued)

The Board of Directors and the Executive Director are responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Foundation and that the financial statements are in compliance with IFRSs. The Board of Directors and the Executive Director are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

The Board of Directors and the Executive Director confirm that the Foundation has complied with the above requirements in preparing these financial statements.

For and on behalf of the Board of Directors and the Executive Director,

A red circular stamp from The VinaCapital Foundation, Hanoi branch. The text inside the stamp reads "CHỨC THE VINACAPITAL FOUNDATION", "VĂN PHÒNG DỰ ÁN TẠI", and "TP. HỒ CHÍ MINH". A blue ink signature is written over the stamp.

Kivette Jesse Walter Radman
CEO and Executive Director
The VinaCapital Foundation
25 April 2019

No.: 882/VN1A-HC-BC

INDEPENDENT AUDITORS' REPORT

**To: The Board of Directors and the Executive Director
The VinaCapital Foundation**

Opinion

We have audited the accompanying financial statements of The VinaCapital Foundation (the "Foundation"), prepared on 25 April 2019, as set out from page 5 to page 24, which comprise the statement of financial position as at 31 December 2018, and the statement of income and expenditure, statement of change in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Foundation as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the financial statement section of our report. We are independent of the Foundation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 3 of the Notes to the financial statements, which describes the basis of accounting for the translation of the financial statements from its functional currency of Vietnam Dong ("VND") to presentation currency of United States Dollar ("USD"). These financial statements presented in USD are prepared for the Foundation's management purposes and as a result, it may not be suitable for another purpose.

The Board of Directors and the Executive Director's responsibilities for the Financial Statements

The Board of Directors and the Executive Director are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as the Board of Directors and the Executive Director determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statement, the Board of Directors and the Executive Director are responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Board of Directors and the Executive Director either intend to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

The Board of Directors and the Executive Director are responsible for overseeing the Foundation's financial reporting process.

INDEPENDENT AUDITORS' REPORT (Continued)

Auditors' responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Executive Director.
- Conclude on the appropriateness of the Board of Directors and the Executive Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of business activities within the Foundation to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors and the Executive Director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Nguyen Minh Thao

Audit Partner

Audit Practising Registration Certificate

No. 1902-2018-001-1

BRANCH OF DELOITTE VIETNAM

COMPANY LIMITED

25 April 2019

Ho Chi Minh City, Vietnam

STATEMENT OF INCOME AND EXPENDITURE
For the year ended 31 December 2018

ITEMS	Notes	Year ended 31/12/2018 USD	Year ended 31/12/2017 USD
Total income from donations	5	1,990,204	2,148,130
Expenditure			
Cost of improving healthcare access and outcomes for poor children	6	762,981	676,518
Cost of increasing capacity for pediatric and cardiac care	10	428,373	270,001
Education costs for disadvantaged children and youth	15	74,929	62,083
General program costs	16	217,768	227,927
Total program costs		1,484,051	1,236,529
Fundraising costs	17	117,687	155,711
Administration costs	18	131,467	159,581
Total expenditure		1,733,205	1,551,821
Current year income over expenditure		256,999	596,309
Other losses		(1,432)	(174)
Foreign exchange losses		(11,489)	(1,390)
SURPLUS FOR THE YEAR		244,078	594,745
Other comprehensive income			
Foreign currency translation difference		(18,390)	4,253
TOTAL OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		(18,390)	4,253
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		225,688	598,998



Kivette Jesse Walter Radman
CEO and Executive Director
The VinaCapital Foundation
25 April 2019

STATEMENT OF FINANCIAL POSITION
As at 31 December 2018

	Notes	31/12/2018 USD	31/12/2017 USD
ASSETS			
<i>Non-current assets</i>			
Property and equipment	19	11,735	22,407
Other assets		3,437	3,437
Total non-current assets		15,172	25,844
<i>Current assets</i>			
Trade and other receivables	20	871,482	192,498
Cash and bank balances	21	830,886	1,209,072
Held-to maturity investments	21	268,875	331,805
Total current assets		1,971,243	1,733,375
TOTAL ASSETS		1,986,415	1,759,219
EQUITY AND LIABILITIES			
<i>Capital and reserves</i>			
Foreign currency translation reserve		(47,760)	(29,370)
Retained earnings		1,818,722	1,574,644
Total equity		1,770,962	1,545,274
<i>Current liabilities</i>			
Trade payables	22	189,273	143,011
Provisions	23	8,614	42,536
Other liabilities		17,566	28,398
Total current liabilities		215,453	213,945
Total liabilities		215,453	213,945
TOTAL EQUITY AND LIABILITIES		1,986,415	1,759,219



Kivette Jesse Walter Radman
CEO and Executive Director
The VinaCapital Foundation
25 April 2019

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STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2018

	Foreign currency translation reserves	Retained earnings	Total
	USD	USD	USD
Balance at 1 January 2017	(33,623)	979,899	946,276
Total surplus and other comprehensive income for the year			
Surplus for the year	-	594,745	594,745
Other comprehensive loss - Foreign currency translation difference	4,253	-	4,253
Balance at 31 December 2017	(29,370)	1,574,644	1,545,274
Total surplus and other comprehensive income for the year			
Surplus for the year	-	244,078	244,078
Other comprehensive income - Foreign currency translation difference	(18,390)	-	(18,390)
Balance at 31 December 2018	(47,760)	1,818,722	1,770,962



Kivette Jesse Walter Radman
CEO and Executive Director
The VinaCapital Foundation
 25 April 2019

STATEMENT OF CASH FLOWS
For the year ended 31 December 2018

	Year ended 31/12/2018 USD	Year ended 31/12/2017 USD
Cash flows from operating activities		
Surplus for the year	244,078	594,745
Adjustments for:		
Depreciation of property and equipment	10,539	7,414
Provisions	2,312	6,091
Loss on disposals of property and equipment	1,431	-
Movements in working capital:		
Changes in receivables	(678,984)	(173,573)
Changes in payables	(804)	(77,910)
Other cash inflows	-	174
Net cash (used in)/generated by operating activities	(421,428)	356,941
Cash flows from investing activities		
Payment for property and equipment	(1,298)	(17,915)
Net cash used in investing activities	(1,298)	(17,915)
Net (decrease)/increase in cash and cash equivalents	(422,726)	339,026
Cash and cash equivalents at the beginning of the year	1,540,877	1,197,598
Effects of exchange rate changes on financial statements	(18,390)	4,253
Cash and cash equivalents at the end of the year	1,099,761	1,540,877



[Signature]
Kivette Jesse Walter Radman
CEO and Executive Director
The VinaCapital Foundation
25 April 2019



1. GENERAL INFORMATION

The VinaCapital Foundation (the "Foundation") is a non-profit, non-governmental, non-religious and humanitarian organisation, 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 Operation License No. BM 453/UB-HD, dated 20 June 2008, which has subsequently been updated by Operation License No. BM 138/UB-DA, dated 13 January 2010 and Project Establishment License No. 79/CNV-VPDA, dated 16 May 2014. The Project Establishment Licenses consecutively cover the period from 16 May 2014 to 16 May 2019.

As at 31 December 2018, the Foundation had 19 staffs (as at 31 December 2017: 16 staffs).

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 its mission as follows:

1.1 Improving healthcare 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. Children are identified and referred by their local authority or by the Foundation's outreach clinics. Each local commune assesses financial situation 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 that provide the care. From 2006 to 2018, 6,887 children have been given surgery to correct congenital heart defects. Of these number 733 children received lifesaving operations in 2018.

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 500 to 1,000 children, including diagnostic testing, treatment, and placement on the cardiac surgery waiting list and post-operative check-ups. 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 of these children. Since 2007, free diagnostic heart clinics operated in 46 provinces and 257 districts (including districts, district-level towns and cities) in Vietnam. 114,909 at-risk children were examined; 9,003 of those were diagnosed as having heart conditions, and 6,588 of those children were identified to be in need of surgery.

Family grants and continuing care for disadvantaged children

The Foundation provides one year of post-operative medical continuing care, nutritional support, and money for destitute families of children receiving heart operations. The grants are determined on a case-by-case basis and are used for such thing as buying foods for families during the hospital stays, paying for transportation to and from the surgery, and cover post-operative care.

1.2 Increasing capacity for pediatric speciality care

A hospital's capacity to provide pediatric care, pediatric intensive care, pediatric emergency care, neonatal care, cardiac care, and cardiac surgery can be considerably increased by adding equipment and providing training. To that end, the Foundation has developed and implemented several large-scale capacity-building programs in this area:

Critical response: Training and equipment for emergency pediatric life support

The Foundation provides training on Pediatric Advance Life Support (PALS) and Advanced Pediatric Life Support (APLS) to doctors and nurses. PALS/APLS are standardised approaches to the evaluation and resuscitation of children in respiratory or cardiac arrest enabling doctors and nurses to save a child more quickly and prevent needless deaths.

This program provides emergency training and stocked crash-carts to emergency rooms and pediatric (Intensive Care Unit) ICU's. It also provides training to nurses on how to maintain equipment and assist doctors during critical situations. In 2018, the Foundation supported Cao Bang and Son La provinces, trained 58 doctors and 69 nurses from 26 provincial and district hospitals, with donations of 28 pediatric crash carts and other equipment.

Survive to Thrive: Neonatal care

Since 2010, this program is to provide funding, design and construction supervision, along with 43 pieces of equipment 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 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 expanded to support essential medical equipment for NICUs in referral hospitals in Quang Nam, Quang Ngai, Khanh Hoa, Kon Tum, and Son La. In 2018, the Foundation supported Kon Tum and Son La Hospitals, provincial and district hospitals in Kon Tum and Son La, with donations of 12 neonatal continuous positive airway pressure (CPAP) machines, 4 phototherapy units, 48 infusion and injection pumps, 1 incubator, 2 aerosol inhalers, 1 SpO2 pulse oximeters, 8ambu bags, 1 operating table, 1 anesthesia system, 1 vaccine cabinet, 2 medical set and 1 sterile drying cabinet.

The expansion has saved the lives of thousands of infants and children, including many in the central region's most disadvantaged rural and ethnic minority areas and helped to drastically reduce the infant mortality rate in the region.

1.3 *Hearing Program*

In 2016, VinaCapital Foundation (VCF) began partnering with the Starkey Hearing Foundation to provide professional hearing exams, doctor check up and hearing aids to hearing impaired. VCF has improved the hearing of 4,995 patients across Vietnam. Not only provide free hearing aids but also free Aftercare Program to ensure maintenance of hearing aids and provide hearing care for patient.

1.4 *Education for disadvantaged children and youth*

The Foundation recognises that a formal education is a key factor in breaking out of the poverty cycle, and has 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 exemplary indigenous impoverished girls 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 into universities and completed their university studies in 2017. The program success also depends on informal education that includes classes on life skills, computers and IT workshops, leadership skills and other relevant knowledge transfer.

Phase 2 of the program was started in June 2017 with 50 excellent ethnic girls from 36 provinces.

In addition, in 2018 we have a new program called "Stepping up to school, brighten up the future" which has contributed 466 scholarships to ethnic minority students in Dong Nai, Cao Bang, Dak Lak ... Along with that is the program to improve the library for students of Tan Nhut 6 Primary School in Binh Chanh District, Ho Chi Minh City.

A Brighter Path: Scholarships for Heartbeat Vietnam Alumni

From time to time, the Foundation encounters exemplary students through the Heartbeat Vietnam program. These are students have demonstrated academic excellence despite their illness and after surgery. The Foundation provides these students with scholarships through high school and university.

A Brighter Path: HSBC scholarships for Indigenous Girls

HSBC Scholarships for Indigenous Girls is a commitment by the Foundation and HSBC that provides four year scholarships to 15 poor girls from ethnic communities. The program utilises the professional experience and volunteer spirit of HSBC employees through the mentoring of scholarship awardees. Each girl is paired with a female HSBC professional to learn from their wisdom, skills and experience. HSBC funds the scholarship program and the Foundation serves as an organizer and mobilizer of additional resources to help the girls reach their full potential. Four of these girls are attending medical school and support continues for an extra 2 years.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

2.1 Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Foundation has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2018.

IFRS 9 Financial Instruments

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets.

IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include (a) impairment requirements for financial assets and (b) limited amendments to the classification and measurement requirements by introducing a "fair value through other comprehensive income" (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9:

- All recognized financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement are required to be subsequently measured at amortized cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognized in profit or loss;
- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss;
- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized; and

- The application of IFRS 9 have an insignificant impact on amounts reported in respect of the Foundation's financial assets and financial liabilities.

IFRIC 22 addresses how to determine the 'date of transaction' for the purpose of determining the exchange rate to use on initial recognition of an asset, expense or income, when consideration for that item has been paid or received in advance in a foreign currency which resulted in the recognition of a non-monetary asset or nonmonetary liability (for example, a non-refundable deposit or deferred revenue).

The Interpretation is effective for annual reporting periods beginning on or after 1 January 2018 with earlier application permitted. Entities can apply the Interpretation either retrospectively or prospectively. Specific transition provisions apply to prospective application.

The application of IFRIC 22 have an insignificant impact on amounts reported in respect of the Foundation's financial assets and financial liabilities.

The Foundation has not applied the following new and revised IFRSs that have been issued but are not yet effective:

1. Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted.

IFRS 16 provides a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. IFRS 16 will supersede the current lease guidance including IAS 17 Leases and the related interpretations when it becomes effective.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. Furthermore, the classification of cash flows will also be affected as operating lease payments under IAS 17 are presented as operating cash flows; whereas under the IFRS 16 model, the lease payments will be split into a principal and an interest portion which will be presented as financing and operating cash flows respectively.

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THE VINACAPITAL FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (Continued)

The Board of Directors and the Executive Director anticipate that the application of IFRS 16 in the future will not have a significant impact on amounts reported in respect of the Foundation's financial assets and financial liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards.

3.2 Basis of preparation

The financial statements have been prepared on a historical cost basis except for certain financial assets and financial liabilities that are measured at fair values at the end of financial year, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Foundation takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Functional and presentation currency

The Foundation's functional currency is Vietnam Dong ("VND"). Any transactions arising in foreign currencies are translated at exchange rates ruling at the transaction date for accounting records. The balances of monetary items denominated in foreign currencies as at the balance sheet date are retranslated at the exchange rates on the same date for reporting purposes. Exchange differences arising from the translation of these accounts are recognized in the statement of profit or loss and other comprehensive income.

For management purposes, the Board of Directors and the Executive Director prepare the financial statements using United States Dollars ("USD") as presentation currency based on the following principles:

- Assets and liabilities are translated into USD at the actual closing rate of the commercial bank where the Foundation has most transactions with (i.e. USD/VND 23,245 for assets and USD/VND 23,155 for liabilities).
- Retained earnings are translated into USD based on the statement of income and expenditure.
- Items of the statement of income and expenditure and the statement of cash flow are translated into USD at the actual transaction rates at the dates of the transactions.

Exchange differences arising from the translation of the financial statements prepared in functional currency (VND) into USD are presented in the "Foreign currency translation reserve" line item in the statement of financial position and "Foreign currency translation difference" line item in the Statement of income and expenditure.

3.3 The principal accounting policies are set as below

Estimates

The preparation of financial statements in conformity with IFRS requires the Board of Directors and the Executive Director to make judgements, estimates and assumptions that affect the application of the Foundation's accounting policies and reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected.

Income recognition

Income from donation is recognized when the donation is received or becomes receivable and it is probable that the Foundation will comply with the conditions attached to the donation, if any.

Expenditure

Expenses are recognized in the statement of income and expenditure on an accrual basis.

Foreign currencies

In preparing of the financial statements of the Foundation, transactions in currencies other than the Foundation's functional currency (foreign currencies) are recognized at the rate of exchange prevailing at the date of the transactions. At the end of each reporting financial year, monetary items denominated in foreign currencies are retranslated at the rate prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate prevailing at the date when fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Lease payments

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except another systematic basis is more representative of the time pattern in which economic benefits from leased assets are consumed.

Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

Employee benefits

Under the Vietnamese Labour Code, when an employee who has worked at the Foundation for 12 months or more (the "eligible employees") voluntarily terminates his/her labour contract, the employer is required to pay the employee a severance allowance calculated based on their years of service and the employee's compensation at termination.

Pursuant to Law on Social Insurance, effective from 1 January 2009, the Foundation and its employees are required to contribute to an employment insurance fund managed by the Vietnam Social Insurance Agency when the Foundation has more than 10 staff members. As at 1 January 2014, the Foundation met the criteria. With the application of this unemployment insurance scheme, the Foundation is no longer required severance allowances for the service period after 1 January 2014. However, the severance allowance to be paid to existing eligible employees as at 31 December 2017 will be determined based on the eligible employees' years of services as at 31 December 2013 and their average salary for the six-month period prior to the termination date. Full provision for this severance allowance has been provided for in the financial statements.

Contributions payable by the Foundation to the unemployment insurance fund for the period in exchange for the services rendered by employees is recognized as an expense in the statement of income and expenditure.

Taxation

Under the current laws of the United States of America and Vietnam, the Foundation is not required to pay corporate income tax on the surplus from its activities.

Property and equipment

Recognition and measurement

Property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation of these assets commences when the assets are ready for their intended use.

When significant parts of an item of property or equipment have different useful lives, they are accounted for as separated items (major components) of property and equipment.

Any gain or loss arising on the disposal of an item of property and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in other profits or losses in statement of income and expenditure.

Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits of the expenditure will flow of the Foundation. Ongoing repairs and maintenance are expensed as incurred.

Depreciation

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the straight-line basis over their estimated useful lives. Depreciation is recognized in statement of income and expenditure. The estimated useful lives are as follows:

- Office equipment 3 years
- Office furniture 7 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Provisions

A provision is recognized if, as a result of a past event, the Foundation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at the pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability.

Financial instruments

Financial assets and financial liabilities are recognized on the Foundation's statement of financial position when the Foundation becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss ("FVTPL"), cash and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'receivables'. Receivables are measured at amortized cost using the effective interest method less any impairment. Interest income is recognized by applying the effective interest rate method, except for short-term receivables where the recognition of interest would be immaterial.

THE VINACAPITAL FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (Continued)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Foundation's past experience of collecting payments.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial assets is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered as doubtful, it is written down based on the Board of Directors and the Executive Director's estimation. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

Derecognition of financial assets

The Foundation derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Foundation neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Foundation recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Foundation retains substantially all the risks and rewards of ownership of a transferred financial asset, the Foundation continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

Financial liabilities

Classification as debt or equity

Financial liabilities issued by the Foundation are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Other financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost, using the effective interest method with interest expense recognized on an effective yield basis.

Derecognition of financial liabilities

The Foundation derecognizes financial liabilities when, and only when, the Foundation's obligations are discharged, cancelled or they expire.

Cash and bank accounts

Cash and bank accounts comprise cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.



Trade payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method with interest expense recognized on an effective yield basis.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical judgments in applying accounting policies

In the application of the Company's accounting policies, which are described in Note 3, the Board of Directors and the Executive Director are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In the process of applying the Company's accounting policies, which are described in Note 3 to the financial statements, the Board of Directors and the Executive Director did not make any critical accounting judgements that will have a significant effect on the amounts recognized in the financial statements.

Key sources of estimation uncertainty

Useful lives of property, plant and equipment

The useful lives of tangible and intangible assets are depreciated using a straight-line method over their estimated useful lives as disclosed in Note 3 as above.

5. DONATIONS

During the year, donations were received from government, foundations, many other corporations and individuals.

6. COST OF IMPROVING HEALTH CARE ACCESS AND OUTCOMES FOR POOR CHILDREN

	Year ended 31/12/2018	Year ended 31/12/2017
	USD	USD
Heart surgeries (Note 7)	721,093	655,419
Tumor surgeries (Note 8)	14,450	7,642
Provincial outreach clinics for poor children (Note 9)	26,061	8,698
Family grants and continuing care for heart alumni	1,377	4,759
	762,981	676,518

7. HEART SURGERIES

All payments for heart surgeries costs were made directly to hospitals.

	Year ended 31/12/2018	Year ended 31/12/2017
	USD	USD
In co-operation with HCMC Sponsoring Association for Poor Patients		
Dong Thap Province	12,827	2,702
Nghe An Province	39,694	1,483
An Giang Province	18,918	14,728
Kien Giang Province	6,276	-
Dak Lak Province	26,382	6,667
Daknong Province	5,552	453
Khanh Hoa Province	2,281	1,422
Binh Phuoc Province	4,488	-
Tra Vinh Province	15,150	10,841
Quang Nam Province	24,877	1,743

THE VINACAPITAL FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (Continued)

	Year ended 31/12/2018	Year ended 31/12/2017
	USD	USD
Long An Province	2,341	861
Lam Dong Province	11,332	4,363
Quang Binh Province	18,975	2,573
Ho Chi Minh City	18,637	13,246
Ninh Thuan Province	8,949	1,306
Binh Thuan Province	25,159	5,438
Quang Ngai Province	19,587	1,124
Tien Giang Province	10,394	-
Ba Ria - Vung Tau Province	12,451	-
Gia Lai Province	16,244	-
Bac Lieu Province	7,659	-
Binh Duong Province	5,090	-
Can Tho Province	4,732	-
Soc Trang Province	13,775	-
Bac Ninh Province	9,610	-
Ben Tre Province	4,693	-
Binh Dinh Province	14,358	-
Ca Mau Province	3,354	-
Cambodia	1,944	-
Dong Nai Province	23,809	-
Ha Nam Province	1,132	-
Ha Noi City	2,293	-
Ha Tinh Province	21,743	-
Hai Duong Province	3,236	-
Hai Phong Province	3,736	-
Hau Giang Province	3,354	-
Hoa Binh Province	1,300	-
Hung Yen Province	443	-
Kon Tum Province	9,637	-
Nam Dinh Province	3,626	-
Ninh Binh Province	3,262	-
Phu Tho Province	1,776	-
Phu Yen Province	13,935	-
Quang Ninh Province	1,523	-
Quang Tri Province	1,540	-
Son La Province	4,761	-
Tay Ninh Province	12,325	-
Thai Nguyen Province	6,349	-
Thanh Hoa Province	6,784	-
Vinh Long Province	9,786	-
Vinh Phuc Province	4,570	-
Yen Bai Province	15,109	-
	<u>521,759</u>	<u>68,949</u>
In co-operation with Giving It Back to Kids		
Quang Ngai Province	-	19,180
Quang Nam Province	-	46,829
	-	<u>66,009</u>
In co-operation with Tien Giang.6	-	<u>1,112</u>
Heart surgeries costs by the Foundation		
Da Nang City	21,947	23,112
Quang Nam Province	-	-
Walk in cases	53,449	406,391
Heartbeat Vietnam Program	14,701	15,591
Scar Of Life 8	109,237	-
Scar Of Life 7	-	74,255
	<u>199,334</u>	<u>519,348</u>
	<u>721,093</u>	<u>655,419</u>

THE VINACAPITAL FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. TUMOR SURGERIES

	Year ended 31/12/2018	Year ended 31/12/2017
	USD	USD
Tumor surgeries	14,450	7,642
	14,450	7,642

9. PROVINCIAL OUTREACH CLINICS FOR POOR CHILDREN

	Year ended 31/12/2018	Year ended 31/12/2017
	USD	USD
Quang Ngai Outreach Clinic	1,436	-
FedEx Care Week	430	3,673
Kontum Outreach clinic	-	538
Nghe An Outreach Clinic	-	1,177
Lam Dong Outreach Clinic	651	-
Dong Thap Outreach Clinic	2,317	-
Thai Nguyen Outreach Clinic	1,078	-
Bac Lieu Outreach Clinic	-	829
Dak Lak Outreach Clinic	808	-
Yen Bai Outreach Clinic	3,201	361
Ninh Thuan Outreach Clinic	4,296	-
Tay Ninh Outreach Clinic	-	103
Ha Tinh Clinic	-	639
Vinh Phuc Clinic	595	-
Phu Yen Clinic	668	671
Khanh Hoa Outreach Clinic	1,316	-
Binh Dinh Outreach Clinic	465	-
Gia Lai Outreach Clinic	543	-
Hung Yen Outreach Clinic	-	707
Ha Giang Outreach Clinic	1,662	-
Tra Vinh Outreach Clinic	2,166	-
Dien Bien Outreach Clinic	863	-
Binh Thuan Outreach Clinic	725	-
Tien Giang Outreach Clinic	429	-
Kien Giang Outreach Clinic	1,500	-
Expenses for Outreach Staff	185	-
Travel for outreach staff	726	-
	26,061	8,698

10. COST OF INCREASING CAPACITY FOR PEDIATRIC AND CARDIAC CARE

	Year ended 31/12/2018	Year ended 31/12/2017
	USD	USD
Survive to Thrive (training equipment) (Note 11)	31,143	87,954
Critical response: PALS training and crash carts (Note 12)	303,982	136,203
ROP Infant Surgeries (Note 13)	29,948	254
CME Knowledge Hub (Note 14)	28,218	18,773
Ho Chi Minh University of Med Disadvantaged Students	-	1,309
Starkey hearing aid program	35,082	25,508
	428,373	270,001

THE VINACAPITAL FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. SURVIVE TO THRIVE (TRAINING EQUIPMENT)

	Year ended 31/12/2018	Year ended 31/12/2017
	USD	USD
Equipment purchases	30,413	85,531
Other	730	2,423
	31,143	87,954

12. CRITICAL RESPONSE: PALS TRAINING AND CRASH CARTS

	Year ended 31/12/2018	Year ended 31/12/2017
	USD	USD
Equipment purchases	237,444	75,934
Travel and meeting expenses	17,445	15,517
Monitoring and evaluation	3,100	1,177
Crash cart delivery and training	2,663	12,547
Food and beverage	545	2,542
Trainer's stipends	24,628	18,721
Other costs	18,157	9,765
	303,982	136,203

13. ROP INFANT SURGERIES

	Year ended 31/12/2018	Year ended 31/12/2017
	USD	USD
Surgery cost	14,507	254
Others	15,441	-
	29,948	254

14. CME KNOWLEDGE HUB

	Year ended 31/12/2018	Year ended 31/12/2017
	USD	USD
Software development costs	26,073	15,622
Others	2,145	3,151
	28,218	18,773

15. EDUCATION COSTS FOR DISADVANTAGED CHILDREN AND YOUTH

	Year ended 31/12/2018	Year ended 31/12/2017
	USD	USD
Indigenous minority girls education empowerment	63,744	41,713
Heartbeat Vietnam scholarships	634	1,796
HSBC scholarships for ethnic women	10,551	17,289
VietnamWorks Dream Fund	-	1,285
	74,929	62,083

16. GENERAL PROGRAM COSTS

	Year ended 31/12/2018	Year ended 31/12/2017
	USD	USD
Salaries and related expenses	188,968	205,262
Other costs	28,800	22,665
	217,768	227,927

THE VINACAPITAL FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. FUND RAISING COSTS

	Year ended 31/12/2018	Year ended 31/12/2017
	USD	USD
Salaries and related expenses	99,649	141,418
Marketing and public relations	8,466	4,753
Travel expenses	3,482	2,484
Other costs	6,090	7,056
	117,687	155,711

18. ADMINISTRATION COSTS

	Year ended 31/12/2018	Year ended 31/12/2017
	USD	USD
Salaries and related expenses	70,018	90,401
Office rental	21,293	21,235
Security fees	-	-
Professional fees	11,417	10,842
Bank charges	3,340	3,679
IT, facility and stationery expenses	7,145	9,470
Travel expenses	1,127	311
Other costs	17,126	23,644
	131,467	159,581

19. PROPERTY AND EQUIPMENT

	Office equipment	Office furniture	Total
	USD	USD	USD
COST			
As at 1 January 2018	55,912	11,798	67,710
Additions	916	382	1,298
Written-off	-	(6,788)	(6,788)
As at 31 December 2018	56,828	5,392	62,220
ACCUMULATED DEPRECIATION			
As at 1 January 2018	37,396	7,907	45,303
Charge for the year	9,371	1,168	10,539
Written-off	-	(5,357)	(5,357)
As at 31 December 2018	46,767	3,718	50,485
NET BOOK VALUE			
As at 31 December 2017	18,051	4,356	22,407
As at 31 December 2018	10,061	1,674	11,735

20. TRADE AND OTHER RECEIVABLES

	31/12/2018	31/12/2017
	USD	USD
Donation from VinaCapital	425,579	-
Run for the hearts - Ho Chi Minh	184,612	22,025
Scar of Life	138,071	-
Hanoi run for children	34,550	-
Run for the heart - Hanoi	-	143,357
Donation from other Foundations	88,670	20,797
Other receivables	-	6,319
	871,482	192,498

THE VINACAPITAL FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (Continued)

21. CASH AND BANK ACCOUNTS

	31/12/2018	31/12/2017
	USD	USD
Bank accounts in the United States of America	63,234	91,377
Bank accounts in Vietnam	1,036,527	1,449,500
	1,099,761	1,540,877

Bank accounts in Vietnam including cash equivalents of USD 425,898 (2017: USD 851,766) represent VND fixed deposits at commercial banks with terms of less than three months and earning interest at rates ranging from 4.5% per annum (2017: from 4.2% to 5.5% per annum).

Held to maturity investments

Held-to maturity investments represents VND fixed deposits at commercial banks with terms of over three months and less than six months that earn interest at rates ranging from 5.1% to 9.0% per annum (2017: 7.2% to 7.8% per annum).

22. TRADE PAYABLES

	31/12/2018	31/12/2017
	USD	USD
Heart surgery costs	163,834	128,177
Professional fees	11,069	10,435
Others	14,370	4,399
	189,273	143,011

23. PROVISIONS

	Year ended 31/12/2018	Year ended 31/12/2017
	USD	USD
Opening balance	42,536	36,445
Provision made during the year	2,312	6,091
Payment during the year	(36,234)	-
Closing balance	8,614	42,536

24. FINANCIAL INSTRUMENTS

Capital risk management

The capital structure of the Foundation consists of reserves and retained earnings. The Foundation manages its capital to ensure that it will be able to continue as a going concern while maximising the return to owners through the optimisation of the equity amounts.

Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses) for each class of financial asset and financial liability are disclosed in Note 3.

Categories of financial instruments

	Carrying amounts		Fair value	
	31-12-2018	31-12-2017	31-12-2018	31-12-2017
	USD	USD	USD	USD
Financial assets				
Cash and bank balances	1,099,761	1,540,877	1,099,761	1,540,877
Trade and other receivables	871,482	192,498	871,482	192,498
	1,971,243	1,733,375	1,971,243	1,733,375
Financial liabilities				
Trade payables	189,273	143,011	189,273	143,011
	189,273	143,011	189,273	143,011

Financial risk management objectives

The Foundation has set up risk management system to identify and assess the risks exposed by the Foundation and designed control policies and procedures to manage those risks at an acceptable level. Risk management system is reviewed on a regular basis to reflect changes in market conditions and the Foundation's operations.

Financial risks include credit risk and liquidity risk.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Foundation. At the balance sheet date, the Foundation has a concentration of credit risk relating to the receivable from Gamuda Land Vietnam Company Limited in relation to its Run for the Heart event in Ho Chi Minh City (as stated in Note 20). The Foundation's exposure to credit risk is monitored on an on-going basis and at the balance sheet date has been assessed as low.

Liquidity risk management

The purpose of liquidity risk management is to ensure the availability of funds to meet present and future financial obligations. Liquidity is also managed by ensuring that the excess of maturing liabilities over maturing assets in any period is kept to manageable levels relative to the amount of funds that the Foundation believes can generate within that period. The Foundation's policy is to regularly monitor current and expected liquidity requirements to ensure that the Foundation maintains sufficient reserves of cash, borrowings and adequate committed funding from its owners to meet its liquidity requirements in the short and longer term.

The following table details the Foundation's remaining contractual maturity for its non-derivative financial assets and financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial assets and undiscounted cash flows of financial liabilities based on the earliest date on which the Foundation can be required to pay. The inclusion of information on non-derivative financial assets is necessary in order to understand the Foundation's liquidity risk management as the liquidity is managed on a net asset and liability basis.

31 December 2018	<u>Carrying amount</u>	<u>Fair value</u>	<u>Within 1 year</u>
	USD	USD	USD
Cash and bank balances	1,099,761	1,099,761	1,099,761
Trade and other receivables	871,482	871,482	871,482
Trade payables	189,273	189,273	189,273
Net liquidity gap	1,781,970	1,781,970	1,781,970
31 December 2017	<u>Carrying amount</u>	<u>Fair value</u>	<u>Within 1 year</u>
	USD	USD	USD
Cash and bank balances	1,540,877	1,540,877	1,540,877
Trade and other receivables	192,498	192,498	192,498
Trade payables	143,011	143,011	143,011
Net liquidity gap	1,590,364	1,590,364	1,590,364

The Board of Directors and the Executive Director assessed the liquidity risk at low level. The Board of Directors and the Executive Director believe that the Foundation has and will be able to generate sufficient funds to meet its financial obligations as and when they fall due.



THE VINACAPITAL FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (Continued)

25. RELATED PARTY TRANSACTIONS AND BALANCES

	Year ended 31/12/2018	Year ended 31/12/2017
	USD	USD
Salaries and allowances of executives	88,500	103,000
Donations received from members of the Board of Directors and the Executive Director	32,033	23,125
	120,533	126,125

26. APPROVAL OF FINANCIAL STATEMENTS

The accompanying financial statements were approved by the Board of Directors and the Executive Director and authorised for issue on 25 April 2019.



Kivette Jesse Walter Radman
CEO and Executive Director
The VinaCapital Foundation
 25 April 2019

