



The VinaCapital Foundation
Financial Statements
for the year ended 31 December 2015

**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.

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

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

Board of Directors	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 Operation Licence.

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

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

Auditors KPMG Limited
Vietnam

The VinaCapital Foundation Statement of the Board of Directors

The Board of Directors of The VinaCapital Foundation (“the Foundation”) presents this report together with the Foundation’s financial statements for the year ended 31 December 2015.

The Board of Directors of the Foundation is responsible for preparing the financial statements of the reporting period, which give a true and fair view of the financial position of the Foundation as at 31 December 2015 and of its financial performance and its cash flows for the year ended 31 December 2015. In preparing these financial statements, the Board of Directors is 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 a going concern basis unless it is inappropriate to assume that the Foundation will continue its operations; and
- design and implement an effective internal control system for the purpose of properly preparing the financial statements so as to minimise errors and frauds.

The Board of Directors is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Foundation and to ensure that the financial statements comply with International Financial Reporting Standards (“IFRS”).

The Board of Directors is responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Directors confirms that the Foundation has complied with the above requirements in preparing these financial statements.

Approval of the financial statements

We hereby approve the accompanying financial statements on pages 5 to 39 which give a true and fair view of the financial position of the Foundation as at 31 December 2015 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

On behalf of the Board of Directors



Robin King Austin
Robin King Austin
CEO and Executive Director

Ho Chi Minh City, Vietnam

Date: 4 July 2016



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INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

To the Board of Directors The VinaCapital Foundation

We have audited the accompanying financial statements of The VinaCapital Foundation ("the Foundation"), which comprise the statement of financial position as at 31 December 2015, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended and notes, comprising a summary of significant accounting policies and other explanatory information, as set out on pages 5 to 39.

Management's responsibility for the financial statements

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

Auditors' 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 our 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, we consider internal control 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 control. 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 opinion.



Opinion

In our opinion, the financial statements give a true and fair view of the financial position of The VinaCapital Foundation as at 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other matter

We draw attention to the fact that the statements of financial position as at 31 December 2014 and 1 January 2014 and the statements of profit or loss and other comprehensive income, changes in equity and cash flow for the year ended 31 December 2014 and the related explanatory information in notes were not audited by us and accordingly, we do not express an opinion on them.

KPMG Limited

KPMG Limited
Ho Chi Minh City, Vietnam

4 July 2016

The VinaCapital Foundation
Statement of financial position as at 31 December 2015

	Note	31/12/2015 USD	31/12/2014 USD	1/1/2014 USD
ASSETS				
Current assets		645,559	557,002	397,050
Cash and cash equivalents	4	645,559	555,002	397,050
Other receivables		-	2,000	-
Non-current assets		4,325	7,162	13,088
Property and equipment	5	4,325	7,162	13,088
TOTAL ASSETS		649,884	564,164	410,138
LIABILITIES				
Current liabilities		372,843	277,617	249,505
Accounts payable	6	315,085	205,583	172,764
Taxes payable		3,269	12,976	9,232
Payables to employees		11,799	20,609	33,604
Provisions	7	42,690	38,449	33,905
Non-current liabilities		-	-	200,000
Long-term borrowings	8	-	-	200,000
TOTAL LIABILITIES		372,843	277,617	449,505
EQUITY				
Retained earnings/(accumulated losses)		277,041	286,547	(39,367)
TOTAL EQUITY		277,041	286,547	(39,367)
TOTAL LIABILITIES AND EQUITY		649,884	564,164	410,138

Approved by:


 ★ Robin King Austin
 CEO and Executive Director

4 July 2016

The accompanying notes are an integral part of these financial statements

The VinaCapital Foundation
Statement of profit or loss and other comprehensive income for the year ended 31
December 2015

	Note	2015 USD	2014 USD
Revenue			
Donations	9	1,290,878	1,629,837
International Management Initiative for Vietnam (IMIV) Founding Sponsor donations	10	-	41,604
Donations from schools	11	12,298	26,780
Total revenue		1,303,176	1,698,221
Expenses			
Costs of improving health care access and outcomes for poor children	12	(624,441)	(513,423)
Costs of increasing capacity for pediatric and cardiac care	13	(179,263)	(206,492)
Education costs for disadvantaged children and youth	14	(76,243)	(86,122)
General program costs	15	(158,012)	(170,525)
Lotus Impact Fund costs	16	-	(64,863)
International Management Initiative for Vietnam (IMIV) costs	17	-	(71,747)
<i>Total program costs</i>		<i>(1,037,959)</i>	<i>(1,143,172)</i>
Fund raising costs	18	(85,517)	(102,359)
Administration costs	19	(189,922)	(155,826)
Total expenses		(1,313,398)	(1,371,357)
Foreign exchange gains/(losses)		716	(950)
(Loss)/profit before tax		(9,506)	325,914
Tax expense		-	-
(Loss)/profit for the year		(9,506)	325,914
Other comprehensive income for the year		-	-
Total comprehensive income for the year		(9,506)	325,914

Approved by:

 Robin King Austin
 CEO and Executive Director

4 July 2016

The accompanying notes are an integral part of these financial statements

The VinaCapital Foundation
Statement of changes in equity for the year ended 31 December 2015

	Retained earnings USD
Balance at 1 January 2015	286,547
Total comprehensive income for the year	
Loss for the year	(9,506)
Balance at 31 December 2015	<u>277,041</u>
	(Accumulated losses)/ retained earnings USD
Balance at 1 January 2014	(39,367)
Total comprehensive income for the year	
Profit for the year	325,914
Balance at 31 December 2014	<u>286,547</u>

Approved by:


Robm King Austin
CEO and Executive Director
 4 July 2016

The VinaCapital Foundation
Statement of cash flows for the year ended 31 December 2015

	Note	2015 USD	2014 USD
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit for the year		(9,506)	325,914
Adjustments for			
Depreciation		2,837	5,926
Long-term borrowings waived		-	(200,000)
		(6,669)	131,840
Change in receivables		2,000	(2,000)
Change in accounts payable, other payables and provisions		95,226	28,112
Net cash flows from operating activities		90,557	157,952
Net cash flows during the year		90,557	157,952
Cash and cash equivalents at the beginning of the year		555,002	397,050
Cash and cash equivalents at the end of the year	4	645,559	555,002
NON-CASH TRANSACTIONS			
		2015 USD	2014 USD
Conversion of long-term borrowings to donations		-	200,000

Approved by:



Robin King Austin
 CEO and Executive Director

4 July 2016

The accompanying notes are an integral part of these financial statements

The VinaCapital Foundation

Notes to the financial statements for the year ended 31 December 2015

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 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 2015, the Foundation had 13 staff members (31/12/2014: 14 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 its 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. Children are identified and referred by their local authority or by VCF 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. From 2006 to 2015, 4,418 children have been given surgery to correct congenital heart defects (526 children in 2015).

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 of training at ICU (Intensive Care Unit) of Children No. 1 hospital. In 2015, the VN training team went back to Myanmar for their final visit.

The VinaCapital Foundation
Notes to the financial statements for the year ended 31 December 2015 (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 by local doctors. In 2015, Dr. McKay McKinnon focused on building a cranio-facial program in Hanoi and in Ho Chi Minh City and did surgeries on this extremely disadvantaged group of young people. Over 65 doctors were trained via live broadcast, training clinics, and 17 patients received operations during Dr. Mc Kinnon's visits.

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. In 2015, free diagnostic heart check-up was provided in 19 provinces and 45 districts in Vietnam, 7,824 children were examined, 791 of those were diagnosed with heart conditions, and 469 were in need of surgeries.

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 at-risk extremely 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.

The VinaCapital Foundation

Notes to the financial statements for the year ended 31 December 2015 (continued)

Critical Response: Training & equipment for emergency pediatric life support

The Foundation provides training on pediatric advance life support (PALS) or Advance Pediatric Life Support (APLS) to doctors and nurses. PALS/APLS is a standardized approach 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 death.

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 assistance to doctors during a critical situation or code.

Survive to Thrive: Neonatal Care

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 2015 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 by enabling doctors to save babies from their first breath.

Ho Chi Minh University of Medicine Disadvantaged Students

This program is designed to support underprivileged students at University of Medicine and Pharmacy, Ho Chi Minh City in tuition and self-development. In 2015, the program supported 76 sophomore medical students. The aim of the program is to increase the number of doctors serving in rural areas, especially in Mekong Delta. After a year, 45% of the supported students had higher academic performance and better soft skills including public speaking, teamwork, time management.

C. 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 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 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 to university and completing their university study in 2016.