

Mai Nha Children Foundation (Vietnam)

Report of factual findings

31 December 2022

Mai Nha Children Foundation (Vietnam)

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REPORT OF FACTUAL FINDINGS

To: The Director of Mai Nha Children Foundation (Vietnam)

We have performed the procedures agreed with you and enumerated below with respect to the review of the financial statements for the year ended 31 December 2022 of Mai Nha Children Foundation (Vietnam) (“the Foundation”) in accordance with the Foundation’s accounting policy. Our engagement was undertaken in accordance with the International Standard on Related Services No. 4400 “Engagement to Perform Agreed-upon Procedures Regarding Financial Information” as promulgated by the International Federation of Accountants (“IFAC”). The procedures were performed solely to assist you for internal management use purpose and are summarized as follows:

1. We obtained the trial balance for the financial year from 1 January 2022 to 31 December 2022 for statutory accounts and reconciled with relevant sub-ledgers;
2. We obtained the financial statements for the year ended 31 December 2022 prepared by the Director and checked if the Director:
 1. selected suitable accounting policies and then apply them consistently
 2. made judgments and estimates that are reasonable and prudent ;
 3. stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
 4. prepared the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue its business; and
 5. financial statements are prepared considering the requirements of the Director and based on the Foundation’s accounting policies and the format of the financial statements which is created by the Director.
3. We reviewed the balance sheet of the Foundation as at 31 December 2022 with a specific focus on the following:
 - 3.1. Cash and bank:
 - a. Performed bank statement reconciliation with all banks as at 31 December 2022;
 - b. Performed cash on hand reconciliation as at 31 December 2022; and
 - c. Reviewed the appropriateness of valuation of balance in foreign currency following Foundation’ accounting policies.
 - 3.2. Other receivables:
 - a. Reviewed subsequent collection and supporting documents of any outstanding balance as at 31 December 2022. The samples were chosen for every significant balance above the threshold stated in section 5 as at 31 December 2022; and
 - b. Reviewed the appropriateness of valuation of balance in foreign currency following the Foundation’ accounting policies.
 - 3.3. Fixed Assets:
 - a. Reviewed the net book value of fixed assets as at 31 December 2022 and depreciation for the year ended 31 December 2022 following the Foundation’s accounting policies; and
 - b. Tested additions and disposals for the year ended 31 December 2022 following the threshold as stated in section 5.

3.4. Other short-term and long-term assets:

- a. Reconciled with relevant documentation for every significant balance above the threshold stated in section 5 as at 31 December 2022.

3.5. Payroll:

- a. Reconciled payable to employee as at 31 December 2022 with payroll sheet and compared to subsequent payments;
- b. Reviewed labour contracts of employee following Labour Law and relevant local regulation as at 31 December 2022 and reconciled with payroll sheet (5-7 samples randomly chosen to verify reliability);
- c. Recalculated the Health, Social and Unemployment Insurance following relevant local regulation as at 31 December 2022 and reconciled with declaration and balance (5-7 samples randomly chosen to verify reliability);
- d. Recalculated Personal Income Tax following relevant local regulation as at 31 December 2022 and reconciled with declaration and balance (5-7 samples randomly chosen to verify reliability); and
- e. Reviewed the payroll policy and recalculated the provisions as at 31 December 2022 following relevant local regulation including:
 - 13th month salary;
 - Bonus;
 - Unused annual leave;
 - Severance allowance; and
 - Other allowances.

3.6. Other payables:

- a. Reviewed subsequent payment and supporting documents of any outstanding balance. The samples were chosen for every significant balance above the threshold stated in section 5 as at 31 December 2022; and
- b. Reviewed the appropriateness of valuation of balance in foreign currency following the Foundation's accounting policies.

4. Present a reviewed statement of funds of the Foundation for the year ended 31 December 2022, including detailed testing of the statement of fund accounts of the year with a specific focus on the following:

4.1. Fund receipts:

- a. Reviewed the appropriateness of the cut-off and completeness of fund receipts; and
- b. Reviewed the supporting documents (contracts, invoices or other supporting documents). The samples were chosen following the threshold as stated in section 5.

4.2. Use of funds:

- a. Reviewed the valuation, appropriateness of the cut off and completeness of expenses;
- b. Randomly selected all transactions above the threshold as stated in section 5 with the maximum of 25 samples and some random samples under this threshold with the maximum of 5 samples from the bank book and cash book of the year to reconcile with the supporting documentation and checked cut-off appropriateness; and
- c. Reviewed the classification of expenses in the following categories: employees expenses, food for children, other children related expenses, building expenses,

transportation expenses, other admin expenses, interest, exchange gain/loss, bank charges.

5. We selected and reviewed (including vouching to the corresponding supporting documents) transactions above VND 2,000,000 (“selected items”).
6. We verified invoicing of selected items as well as reconciliation of the values invoiced with those of the accounting and with the original documents (contracts, invoices and/or receipts). In justified exceptional cases, if access to original documents is not given, certified invoice copies can be accepted within the scope of the work.

We report our findings below:

1. With respect to item 1, we obtained the trial balance for the financial year from 1 January 2022 to 31 December 2022 and reconciled with relevant sub-ledgers without significant misstatements found.
2. With respect to item 2, we obtained the financial statements for the year ended 31 December 2022 prepared by the Director and checked that the Director:
 - a. Selected suitable accounting policies and then applied them consistently;
 - b. Made judgments and estimates that were reasonable and prudent;
 - c. Stated whether applicable accounting standards had been followed, subject to any material departures disclosed and explained in the financial statements;
 - d. Prepared the financial statements on a going concern basis unless it is inappropriate to presume that the Foundation will continue its business; and
 - e. Financial statements are prepared considering the requirements of the Director and based on the Foundation’s accounting policies and the format of the financial statements which is created by the Director.
3. With respect to item 3.1:
 - a. We performed bank statement reconciliation with all banks as at 31 December 2022 with no exception noted.
 - b. For cash count minutes, we reconciled the actual cash balances as per physical cash counts prepared by the Foundation on 31 December 2022 with booked balances presented on the balance sheet as at 31 December 2022 with no difference noted.
 - c. We reviewed the appropriateness of valuation of the balance in foreign currency following relevant applicable local regulation and noted that the Foundation followed the Circular No. 200/2014/TT-BTC on exchange rate applied for payment transactions in currencies other than Vietnam Dong. However, at closing date, the Foundation has not revaluated the balance of cash at banks in currencies other than VND (e.g: USD) using the buying exchange rate of the commercial bank where the Foundation has the most of its transactions, resulting to the understatement of cash and understatement of financial income amounting of VND30,135,885.

The adjustment to increase cash and increase financial income with amount of VND30,135,885 was corrected by the Director in the accompanied financial statements for the year ended 31 December 2022 (**Appendix 1**).
4. With respect to item 3.2:
 - a. We reviewed subsequent collection and supporting documents every significant balance above the threshold stated in section 5 as at 31 December 2022 with no exception noted.
 - b. We reviewed the appropriateness of valuation of the balance in foreign currencies following relevant applicable local regulation with no exception noted.

5. With respect to item 3.3:
 - a. We reviewed the net book value of fixed assets as at 31 December 2022 and depreciation for the year ended 31 December 2022 following the Foundation's accounting policies with no exception noted.
 - b. We tested additions and disposals of fixed assets for the year ended 31 December 2022 following the threshold as stated in section 5 with no exception noted.
6. With respect to item 3.4, we reconciled with relevant documentation for every significant balance above the threshold stated in section 5 as at 31 December 2022 for other short-term and long-term assets with no exception noted.

7. With respect to item 3.5:

- a. We reconciled payables to employees as at 31 December 2022 with payroll sheet and compared to subsequent payments with no exception noted.
- b. We reviewed the labour contracts of employees following the Labour Law and relevant local regulations as of 31 December 2022 and reconciled with payroll sheet with no exception noted.
- c. We recalculated the Health, Social and Unemployment Insurance ("SHUI"), Trade Union fee following relevant local regulation as of 31 December 2022 and reconciled with declarations and noted that there was no expenses recorded as well as contribution for Trade Union for the year ended 31 December 2022.

According to Article 4 and 5 of Decree No.191/2013/ND-CP on Trade Union: *"Subjects of remitting trade-union fee as prescribed at Clause 2 Article 26 of the Law on trade union include agencies, organizations and enterprises, regardless of whether such agencies, organizations and enterprises has been had grassroots trade-union organizations or not and the remittance level shall be 2% of salary fund which are used as the basis for social insurance payment for employees. This salary fund shall be total salaries of employees under objects payable social insurance in accordance with law on social insurance"*

As per above regulation, trade union expenses for the year ended 31 December 2022 and other payables as at 31 December 2022 were both understated by the same amount of VND14,155,425.

The adjustment to increase Project management and implementation costs and other payables with amount of VND14,155,425 was corrected by the Director in the accompanied financial statements for the year ended 31 December 2022 (**Appendix 1**).

- d. We recalculated the Personal Income Tax ("PIT") following relevant local regulations as of 31 December 2022 and reconciled with declarations and balances with no exception noted.
- e. We reviewed the payroll policy and recalculated the provisions as at 31 December 2022 following relevant local regulation without significant issues noted including:
 - 13th month salary;
 - Bonus;
 - Unused annual leave;
 - Severance allowance; and
 - Other allowances.

8. With respect to item 3.6:

- a. We reviewed subsequent payment and supporting documents of any outstanding balance. The samples were chosen for every significant balance above the threshold stated in section 5 as at 31 December 2022 with no exception noted.
- b. We reviewed the appropriateness of valuation of balance in foreign currency following the Foundation's accounting policies with no exception noted.

9. With respect to item 4.1:

- a. We reviewed the valuation, appropriateness of the cut-off and completeness of fund receipts with no exception noted.
- b. We reviewed the supporting documents (contracts, invoices or other supporting documents) for samples following the threshold as stated in section 5 with no exception noted.

10. With respect to item 4.2:

- a. We reviewed the appropriateness of the cut-off and completeness of expenses with no exception noted.
- b. We randomly selected all transactions above the threshold as stated in section 5 with the maximum of 25 samples and some random samples under this threshold with the maximum of 5 samples from the bank book and cash book of the year to reconcile with the supporting documentation and checked cut-off appropriateness with no exception noted.
- c. We reviewed the classification of expenses in the following categories: employees expenses, food for children, other children related expenses, building expenses, transportation expenses, other admin expenses, interest, exchange gain/loss, bank charges with no exception noted.

Because the above procedures do not constitute an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the review of the Foundation's financial statements for the year ended 31 December 2022.

Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with International Standards on Auditing or International Standards on Review Engagements, or had we performed separate evaluation/valuation engagement, other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the items specified above and do not extend to any financial statements of the Foundation, taken as a whole.

Bui Xuan Vinh
Deputy General Director
Audit Practicing Registration Certificate
No. 0842-2023-177-1

Ho Chi Minh City, Vietnam

20 December 2023

APPENDIX 1: Financial Statements for the year ended 31 December 2022

Mai Nha Children Foundation (Vietnam)

BALANCE SHEET
As at 31 December 2022

VND

<i>ITEMS</i>	<i>Notes</i>	<i>Ending balance</i>	<i>Beginning balance</i>
A. CURRENT ASSETS		6,183,376,425	7,048,565,314
<i>I. Cash</i>	4	6,183,376,425	7,048,565,314
B. NON-CURRENT ASSETS		3,313,246,463	3,472,827,671
<i>I. Fixed assets</i>		3,237,257,935	3,458,827,675
1. Tangible fixed assets	5	2,669,269,188	2,876,306,172
Cost		4,580,989,476	4,580,989,476
Accumulated depreciation		(1,911,720,288)	(1,704,683,304)
2. Intangible fixed assets	6	567,988,747	582,521,503
Cost		726,638,000	726,638,000
Accumulated amortisation		(158,649,253)	(144,116,497)
<i>II. Other long-term asset</i>		75,988,528	13,999,996
1. Long-term prepaid expenses	7	75,988,528	13,999,996
TOTAL ASSETS		9,496,622,888	10,521,392,985

The accompanying notes are an integral part of these financial statements

APPENDIX 1: Financial Statements for the year ended 31 December 2022

(continued)

Mai Nha Children Foundation (Vietnam)

BALANCE SHEET (continued)

As at 31 December 2022

VND

<i>ITEMS</i>	<i>Notes</i>	<i>Ending balance</i>	<i>Beginning balance</i>
C. LIABILITIES		409,600,118	431,444,693
<i>I. Current liabilities</i>		337,633,118	323,477,693
1. Short-term accrued expenses	8	80,842,158	80,842,158
2. Other short-term payables	9	256,790,960	242,635,535
<i>II. Non - current liability</i>		71,967,000	107,967,000
1. Other long-term liabilities	9	71,967,000	107,967,000
D. FUNDS		9,087,022,770	10,089,948,292
<i>I. Funds</i>		9,087,022,770	10,089,948,292
1. Funds balance		9,087,022,770	10,089,948,292
TOTAL LIABILITIES AND FUNDS		9,496,622,888	10,521,392,985

Marc Witlox
Director

Ho Chi Minh City, Vietnam
20 December 2023

The accompanying notes are an integral part of these financial statements

APPENDIX 1: Financial Statements for the year ended 31 December 2022
(continued)

Mai Nha Children Foundation (Vietnam)

STATEMENT OF FUNDS AND USE OF FUNDS
For the year ended 31 December 2022

VND

<i>ITEMS</i>	<i>Notes</i>	<i>Current year</i>	<i>Previous year</i>
FUNDS RECEIPTS			
Funds received from Mai Nha alliances		-	1,203,621,014
Funds received from other donors		1,019,405,000	1,007,722,400
Total funds receipts	10	1,019,405,000	2,211,343,414
USE OF FUNDS			
Project management and implementation costs	11	(2,239,493,555)	(2,012,716,613)
Other losses		(26,000)	-
Financial gain/(loss)	12	217,189,033	(109,477,557)
Total use of funds		(2,022,330,522)	(2,122,194,170)
Net (decrease)/increase of funds during the year		(1,002,925,522)	89,149,244
Funds balance, beginning of the year		10,089,948,292	10,000,799,048
Funds balance, end of the year		9,087,022,770	10,089,948,292

Marc Witlox
Director

Ho Chi Minh City, Vietnam
20 December 2023

The accompanying notes are an integral part of these financial statements

APPENDIX 1: Financial Statements for the year ended 31 December 2022

(continued)

Mai Nha Children Foundation (Vietnam)

1. CORPORATE INFORMATION

Mai Nha Children Foundation (Vietnam) (“the Foundation”) is a non-governmental organisation operating in Vietnam under the Decision No. 1049/QĐ-UBND issued by the People’s Committee of Binh Thuan Province on 11 May 2011.

The Foundation’s current principal activities are to adopt, take care of, nurture, and educate orphans and abandoned children.

The foundation operates as a self-financing organisation. The operating funds include the funds in cash and equipment from the other Mai Nha alliances, consisting of Mai Nha France, Mai Nha Netherlands and Mai Nha United State of America, and from other donors.

The Foundation’s office is located in Thien Hoa Village, Thien Nghiep Commune, Phan Thiet City, Binh Thuan Province, Vietnam.

2. BASIS OF PREPARATION

The financial statements have been prepared on a modified cash-basis method of accounting. Funds are recognised upon actual receipts of cash and equipment. Expenditures for management and implementation of projects are recorded upon occurrence.

2.1 *Accounting standards and system*

The financial statements are prepared considering the requirements of the Director and based on:

- The financial statements which are prepared in accordance with the Foundation’s accounting policy as presented in *Note 3*; and
- The format of the financial statements which is created by the Director.

2.2 *Applied accounting documentation system*

The Foundation’s applied accounting documentation system is the General Journal system.

2.3 *Fiscal year*

The Foundation’s fiscal year applicable for the preparation of its financial statements starts on 1 January and ends on 31 December.

2.4 *Accounting currency*

The Foundation’s accounting currency is VND because majority of the Foundation’s transactions are VND-based.

APPENDIX 1: Financial Statements for the year ended 31 December 2022

(continued)

Mai Nha Children Foundation (Vietnam)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 *Changes in accounting policies and disclosures*

The accounting policies adopted by the Foundation in preparation of the financial statements are consistent with those followed in the preparation of the Foundation's financial statements for the year ended 31 December 2021.

3.2 *Cash*

Cash comprises cash on hand and cash in banks.

3.3 *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the statement of funds and use of funds as incurred.

When tangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the statement of funds and use of funds.

3.4 *Intangible fixed assets*

Intangible fixed assets are stated at cost less accumulated amortisation.

The cost of an intangible fixed asset comprises its purchase price and any directly attributable costs of preparing the intangible fixed asset for its intended use.

Expenditures for additions, improvements are added to the carrying amount of the assets and other expenditures are charged to the statement of funds and use of funds as incurred.

When intangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the statement of funds and use of funds.

Land use rights

The advance payment for land rental, of which the Land use right certificate is issued, are recorded as intangible fixed assets.

APPENDIX 1: Financial Statements for the year ended 31 December 2022 (continued)

Mai Nha Children Foundation (Vietnam)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Depreciation and amortisation

Depreciation of tangible fixed assets and amortisation of intangible fixed assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Land use right	50 years
Buildings and structures	25 years
Machinery and equipment	3 - 7 years

3.6 Prepaid expenses

Prepaid expenses are reported as short-term or long-term prepaid expenses on the balance sheet and amortised over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

The following types of expenses are recorded as prepaid expenses and are amortised to the income statement within 3 years:

- ▶ Tools and supplies

3.7 Payables and accruals

Payables and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Foundation.

3.8 Recognition of funds

Funds are recognised upon actual receipts of cash and equipment.

3.9 Project management and implementation costs

Expenditures for management and implementation of projects are recorded on accrual basis, upon occurrence.

4. CASH

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	24,993,000	25,482,000
Cash at banks	<u>6,158,383,425</u>	<u>7,023,083,314</u>
TOTAL	<u>6,183,376,425</u>	<u>7,048,565,314</u>

APPENDIX 1: Financial Statements for the year ended 31 December 2022

(continued)

Mai Nha Children Foundation (Vietnam)

5. TANGIBLE FIXED ASSETS

				VND
	<i>Buildings and structures</i>	<i>Machinery and equipment</i>	<i>Others</i>	<i>Total</i>
Cost:				
Beginning balance and ending balance	<u>4,227,507,767</u>	<u>323,556,709</u>	<u>29,925,000</u>	<u>4,580,989,476</u>
Accumulated depreciation:				
Beginning balance	1,412,848,713	261,909,591	29,925,000	1,704,683,304
- Depreciation for the year	<u>169,100,316</u>	<u>37,936,668</u>	-	<u>207,036,984</u>
Ending balance	<u>1,581,949,029</u>	<u>299,846,259</u>	<u>29,925,000</u>	<u>1,911,720,288</u>
Net carrying amount:				
Beginning balance	<u>2,814,659,054</u>	<u>61,647,118</u>	-	<u>2,876,306,172</u>
Ending balance	<u>2,645,558,738</u>	<u>23,710,450</u>	-	<u>2,669,269,188</u>

6. INTANGIBLE FIXED ASSETS

	VND
	<i>Land use right</i>
Cost:	
Beginning balance and ending balance	<u>726,638,000</u>
Accumulated amortization:	
Beginning balance	144,116,497
- Amortisation for the year	<u>14,532,756</u>
Ending balance	<u>158,649,253</u>
Net carrying amount:	
Beginning balance	<u>582,521,503</u>
Ending balance	<u>567,988,747</u>

APPENDIX 1: Financial Statements for the year ended 31 December 2022

(continued)

Mai Nha Children Foundation (Vietnam)

7. LONG-TERM PREPAID EXPENSES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Maintenance expense	71,321,868	-
Others	4,666,660	13,999,996
TOTAL	<u>75,988,528</u>	<u>13,999,996</u>

8. SHORT-TERM ACCRUED EXPENSES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Accrued personal income tax for expats	63,750,000	63,750,000
Others	17,092,158	17,092,158
TOTAL	<u>80,842,158</u>	<u>80,842,158</u>

9. OTHER LIABILITIES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term		
Social, Health, Unemployment Insurance	127,492,750	127,492,750
Personal income tax	16,800,000	16,800,000
Trade Union Fee	112,498,210	98,342,785
	<u>256,790,960</u>	<u>242,635,535</u>
Long-term		
Provision for pension (*)	71,967,000	107,967,000
TOTAL	<u>328,757,960</u>	<u>350,602,535</u>

(*) This is provision for the pension promised to Ms. Nguyen Thi Kieu. The promised pension will be paid monthly from the date she retired from her position as mother in the Foundation till her death.

10. FUNDS RECEIPTS

	VND	
	<i>Current year</i>	<i>Previous year</i>
Funds from Mai Nha affiliates	-	1,203,621,014
Donation from other donors	1,019,405,000	1,007,722,400
TOTAL	<u>1,019,405,000</u>	<u>2,211,343,414</u>

APPENDIX 1: Financial Statements for the year ended 31 December 2022
(continued)

Mai Nha Children Foundation (Vietnam)

11. PROJECT MANAGEMENT AND IMPLEMENTATION COSTS

		VND
	<i>Current year</i>	<i>Previous year</i>
Wages and salaries	1,254,416,825	1,093,446,671
Children related cost	615,537,850	578,373,500
Building related cost	301,222,076	298,306,076
Others	68,316,804	42,590,366
TOTAL	<u>2,239,493,555</u>	<u>2,012,716,613</u>

12. FINANCIAL GAIN/(LOSS)

		VND
	<i>Current year</i>	<i>Previous year</i>
Foreign exchange gain/(loss)	<u>217,189,033</u>	<u>(109,477,557)</u>

13. EVENTS AFTER THE BALANCE SHEET DATE

There is no matter or circumstance that has arisen since the balance sheet date that requires adjustment or disclosure in the financial statements of the Foundation.

Marc Witlox
Director

Ho Chi Minh City, Vietnam
20 December 2023

APPENDIX 2: Summary of corrected adjustments for the year ended 31 December 2022

Mai Nha Children Foundation (Vietnam)

No.	WP. ref	Description	FS code	Dr.	Cr.	Amount	
Unadjusted profit after tax							
1	E30.2	To adjust bank balance due to using improper ER					
1		Dr. Cash	111	30,135,885		30,135,885	
1		Cr. Finance income	21		30,135,885	(30,135,885)	
2	H33	To propose adjustment for trade union payable for the year 2022					
2		Dr. General and administrative expenses	26	14,155,425		14,155,425	
2		Cr. Other short-term payables	319		14,155,425	(14,155,425)	

APPENDIX 3: USD-converted statement of funds and use of funds

Mai Nha Children Foundation (Vietnam)

<i>ITEMS</i>	<i>Notes</i>	<i>Current year</i>	<i>Previous year</i>
FUNDS RECEIPTS			
Funds received from Mai Nha alliances		-	52,837
Funds received from other donors		43,250	44,237
Total funds receipts	11	43,250	97,074
USE OF FUNDS			
Project management and implementation costs	12	(95,015)	(88,355)
Other losses		(1)	-
Financial losses		9,215	(4,806)
Total use of funds		(85,801)	(93,161)
Net increase of funds during the year		(42,551)	3,913
Funds balance, beginning of the year		442,930	432,467
Foreign exchange rate difference arisen from conversion		(14,846)	6,550
Funds balance, end of the year		385,533	442,930

APPENDIX 4: USD-converted balance sheet

Mai Nha Children Foundation (Vietnam)

<i>ITEMS</i>	<i>Notes</i>	<i>Ending balance</i>	<i>Beginning balance</i>
A. CURRENT ASSETS		262,341	309,419
<i>I. Cash</i>	4	262,341	309,419
B. NON-CURRENT ASSETS		140,571	152,452
<i>I. Fixed assets</i>		137,347	151,837
1. Tangible fixed assets	5	113,249	126,265
Cost		194,357	201,097
Accumulated depreciation		(81,108)	(74,832)
2. Intangible fixed assets	6	24,098	25,572
Cost		30,829	31,898
Accumulated amortisation		(6,731)	(6,326)
<i>II. Other long-term asset</i>		3,224	615
1. Long-term prepaid expenses	7	3,224	615
TOTAL ASSETS		402,912	461,871
C. LIABILITIES		17,379	18,941
<i>I. Current liabilities</i>		14,325	14,200
1. Short-term accrued expenses	8	3,430	3,549
2. Other short-term payables	9	10,895	10,651
<i>II. Non - current liability</i>		3,054	4,741
1. Other long-term liabilities	9	3,054	4,741
D. FUNDS		385,533	442,930
<i>I. Funds</i>		385,533	442,930
1. Funds balance		385,533	442,930
TOTAL LIABILITIES AND FUNDS		402,912	461,870