



**CÔNG TY TNHH KIỂM TOÁN VÀ DỊCH VỤ TƯ VẤN TÀI CHÍNH KẾ TOÁN THỦY CHUNG
THUY CHUNG AUDITING & ACCOUNTING FINANCIAL CONSULTATIVE SERVICE CO., LTD**

Head office: 54 Nguyen Cong Tru St., Dist 1, HCM City * Tel: (84.8) 8 213 781 - 8 210 094 * Fax: (84.8) 8 212 129 * Email: info@thuychung.vn
Branch: PTT Tower, Lot 07, Quang Trung Software city, Dist. #2, HCM City * Tel: (84.8) 437 1036 * Fax: (84.8) 437 1037 * Email: qtsc@thuychung.vn

No. 701

Hochiminh City, April 29th, 2008

AUDITOR'S REPORT
ON THE FINANCIAL STATEMENTS FROM 01/01/2007 TO 31/12/2007
TO THE ORGANIZATION VIETNAM PLUS IN VIETNAM

We have audited the financial statements from 1st January 2007 to 31st December 2007 on pages from 02 to 09 including Balance Sheet, Report of Result of Operation and Notes to the Financial Statements in Duc Linh and Tanh Linh districts of Binh thuan province and in Long My and Phung Hiep district of Hau Giang province.

The Organization's Director is responsible for the preparation of the financial statements. Our responsibility is to form an independent opinion based on our audit.

Basis of opinion

We conducted our audit in accordance with Vietnamese Standards on Accounting and Auditing as well as with international standards accepted by the Socialist Republic of Vietnam. We checked most of documents related with two programs of Organization: Economic program and Social program. An audit includes examination, on a test basis, of evidence relevant to the amounts and explanations in the financial statements, in order to make conclusion that the financial statements are free from significant material misstatement. We consider that our audit provides us reasonable basis for our opinion.

Opinion

In our opinion, in the all material respects, the financial statements give a true and fair view of the financial statement as at 31st December 2007. The Report of expenses, Report of result of Operations reflected truly real activities of your Organization in Binh thuan province for audited period from 01/01/2007 to 31/12/2007. The form of Reports have been prepared in accordance with accepted international standards and their contents are in accordance with characteristic and particulars of projects performed by your Organization in Binh Thuan, Hau Giang provinces.

Yours faithfully

DEPUTY GENERAL DIRECTOR - CPA



DANG DUC CHUYEN

Registration No.:0345/KTV

AUDITOR

NGUYEN TAN BINH

Registration No.:0843/KTV

VNPLUS

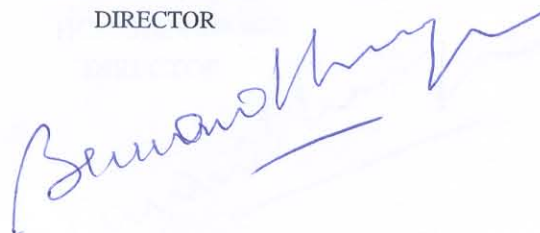
BALANCE SHEET

From January 1 to December 31, 2007

Code	ITEMS	31/12/2007	31/12/2006
	ASSETS	-	-
	Fixed Assets	-	-
010	Intangible assets- shop	-	-
014	Intangible assets- Others	-	-
028	Tangible assets	631,124,896	609,058,896
040	Financial Assets	1,594,576,500	1,895,989,600
044	Total Fix Assets (I)	2,225,701,396	2,505,048,496
	Current Assets		
050	Stock of raw materials	-	-
060	Stock of goods	-	-
064	Advances, repayment under orders	-	-
068	Repayment under order	268,991,700	290,245,000
072	Other payables	328,391,629	155,592,590
084	Cash in bank	2,958,338,929	2,987,952,096
088	Cash on hand	178,864,785	287,973,755
092	Prepaid expenses	-	-
096	Total Current Assets (II)	3,734,587,043	3,721,763,441
110	TOTAL ASSETS (I+II)	5,960,288,439	6,226,811,937
	LIABILITIES & EQUITY	-	-
	Ownership	-	-
120	Social or individual capital	802,331,476	2,212,169,323
124	Difference from revaluation	-	-
126	Legal provisions	-	-
130	Regulated provisions	-	-
132	Other provisions	-	-
134	Carried to new accounting year	2,833,093,443	1,323,221,611
136	Current year result	1,314,740,180	1,509,871,832
140	Regulated provisions	-	-
142	Total Ownership (I)	4,950,165,099	5,045,262,766
	Debts		
154	Provision for risks and expenses	-	-
156	Loan and dept	760,436,940	727,179,028
164	Advances and repayment under order in progre	-	-
166	Suppliers and related accounts	-	-
172	Other debts	249,686,400	454,370,143
174	Prepaid profit	-	-
176	Total Debts (II)	1,010,123,340	1,181,549,171
180	Total LIABILITIES & EQUITY (I+II)	5,960,288,439	6,226,811,937

HCMC Date 29/04/2008

DIRECTOR



OPERATION RESULT

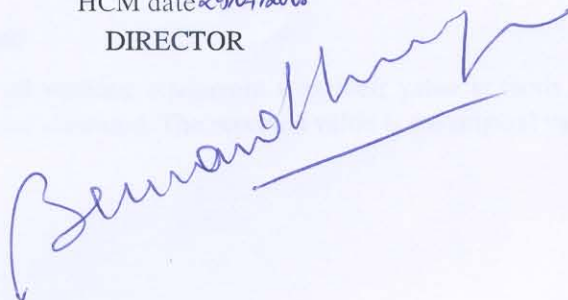
From January 1 to December 31, 2007

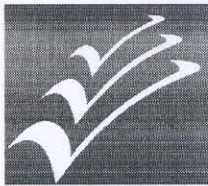
Code	Description	Year 2007	Year 2006
	INCOME	-	-
70	Sale of product	1,240,000	81,181,200
701	Sales of product	-	6,930,000
703	Sales of assets	1,240,000	74,251,200
71	Sales of services	550,000	123,954,862
72	Difference in re-assessment of assets	242,757	1,260,094
74	Subsidy	7,075,556,681	6,260,612,495
	Subsidy from Sponsor	7,069,523,681	6,177,819,595
	Other subsidy	6,033,000	82,792,900
76	Financial profits	216,249,282	294,947,746
766	Difference of exchange rate	175,916,062	283,093,626
768	Interest from bank	40,333,220	11,854,120
768	Interest fro credit activities	-	-
	Total of income	7,293,838,720	6,761,956,397
	EXPENSES	-	-
60	Purchase of material and provision	166,919,419	170,097,586
601	Purchase of material	6,999,000	48,148,000
(*)	Purchase of other material, fuel	137,489,910	102,220,179
606	Purchase of energy	22,430,509	19,729,407
61	External services purchase	4,118,900,388	3,417,247,155
613	Location	56,610,000	68,095,001
615	Reparation expenses	196,902,500	209,837,999
617	Training , stationary & research expenses	3,852,076,095	3,121,100,155
618	Other External services purchase	13,311,793	18,214,000
62	Other moving & services	131,288,576	261,723,124
64	Staff expenses	1,401,357,157	1,268,458,700
65	Other management expenses	140,760,000	69,300,000
66	Financial expenses	19,873,000	65,258,000
67	Special expenses	-	-
	Total of expenses	5,979,098,540	5,252,084,565
	RESULT OF OPERATION	1,314,740,180	1,509,871,832
	profit taxes	-	-
	PROFITS/LOSS	1,314,740,180	1,509,871,832

(*) Total of code 602;605

HCM date 29/04/2008

DIRECTOR





Việt Nam plus
développement
communautaire

NOTES TO FINANCIAL STATEMENTS For fiscal year 2007

1. Organization characteristics

Structure of ownership: Vietnam Plus is a French charity organization operating under the License No. AV 084 UB – HD of the Commission for Non-Government Organization to date 20/04/2008.

Scope of operation: The principal activities are in the sectors of Health, Education and Community Development as:

- Saving – Credit
- Support to poor family
- Agriculture – Veterinarian
- Job Creation
- Theatre Education
- Health Education
- Hygiene Environment
- Computer Center

Place of operation: Duc Linh District, Tanh Linh District (since March, 2001) and Ham Thuan Nam District (since March, 2006) of Binh Thuan Province, in Binh Minh District (since January, 2002) of Vinh Long Province, in Chau Thanh District of Dong Thap province (since January, 2004) and in Long My and Phung Hiep District of Hau Giang province (since September, 2004) and HCM City.

2. Forms of filing

Using software WBILAN of COTE QUEST-FRANCE accounting software company to check the use of sponsored fund and operations stipulated in the License no AU 084/UB-HĐ.

3. Financial indicators

These below financial indicators have been performed in Ho Chi Minh City, Duc Linh, Tanh Linh and Ham Thuan Nam District of Binh Thuan Province, Binh Minh District of Vinh Long, Chau Thanh District of Dong Thap, in Long My and Phung Hiep District of Hau Giang province.

3.1. Operating assets

Assets include all working equipment with their value is more than 1.000.000 VND. Annual depreciation is not allocated. The reported value is the original value.

The total of fixed-asset in 2007:

	<u>Beginning balance</u>	<u>Increasing</u>	<u>Decreasing</u>	<u>Unit: VND Ending balance</u>
Assets and tools	609,058,896	181,708,000	159,642,000	631,124,896
<i>In Duc Linh</i>	246,039,300	36,500,000	108,367,000	174,172,300
<i>In Thanh Linh</i>	84,797,596	3,318,000	0	88,115,596
<i>In Long My</i>	7,510,000	3,930,000	0	11,440,000
<i>In Ham Thuan Nam</i>	18,560,000	38,100,000	0	56,660,000
<i>At schools</i>	252,152,000	99,860,000	51,275,000	300,737,000

3.2 Employee status

<u>Items</u>	<u>Current year</u>	<u>Previous year</u>
Total of employees (person)	25	32
Total of salary (VND)	944,856,507	1,034,778,400
Average salary of each employee (VND/person/month)	3,565,496	3,126,219

The total of salary increases by 14% in comparison with the year of 2006. Average income increased due to the new policy of salary increase in 2007.

In 2007, the policy of increasing salary for staffs do not change as 2006. However, in 2007, there was an adjustment made to the salaries of employees who had salary increase of 300.000 as from October, 2007. Employee who has worked enough one year increased by 500.000 VND / time and has worked enough six months increased salary one time with three degrees as follows:

- † Degree A: 300.000 VND/time
- † Degree B: 200.000 VND/time
- † Degree C: 100.000 VND/time

The Viet Nam Plus has a policy to allow employees to borrow money from social insurance fund (not exceeding 70% of his or her social insurance), monthly paid by instalments. The total advance of employees at 31 December 2007 is of 176.904.613 VND.

In year 2007, the bad debt of Pham Hong Hanh now is prosecuted to the court to recollect money and Miss Hanh paid for the project is 21.253.300 VND and now still owed:

➤ Pham Hong Hanh:	268.991.700 VND
Total	268.991.700 VND

VNPLUS set up the social insurance regime in its organization by itself, add 9% of monthly salary expenses to raise the insurance fund. However from 01/01/2007, Viet Nam Plus transferred to Thien Chi all of mission employees in Duc Linh and social insurance fund in 2006 and 2007 together with annuity in 2007 with amount: 270.000.000đ.

3.3 Credit operation

Groups carry out loan operations. Interest rate of 1,2% per month is applied for the credit of economic development. Fixed interest rate is pre-charged during the first eight weeks after giving loan. Loan of economic support as follows: in phase 1 - VND 500.000/ member, in phase 2 - VND 800.000/ member and in phase 3 - VND 1.000.000/ member, in phase 4 - VND 1.200.000/member, in phase 5 - VND 1.500.000/member, in phase 6 - VND 2.000.000/member. The project is now carrying out the model of daily borrowing and payment 500.000 and 1.000.000 VND / person. Beside that, for the purpose of job creation, the project gives its support to 5 individuals borrowing 10.000.000 for salary payment and material purchase for production with the borrowing interest of 1% per month. Loan for social support is of VND 250.000 / person or VND 300.000 / person used for the need of constructing latrine. Make lend supporting society without interest.

Now, the saving credit program still have bad debts in some communes. The loan status such as follows:

3.3.1 Supplying credit:

	<u>Turn of phase</u>	<u>Total VND</u>	<u>Turn of phase</u>	<u>Eco.program VND</u>	<u>Social program Turn of phase VND</u>
As at 31/12/2007		1.200.650.000		1.200.650.000	
Loan for job creation		20.000.000		20.000.000	
Poor family		1.180.650.000		1.180.650.000	
<i>Tánh Linh</i>		<i>481.425.000</i>		<i>481.425.000</i>	
<i>Hàm Thuận Nam</i>		<i>164.400.000</i>		<i>164.400.000</i>	
<i>Long Mỹ</i>		<i>534.825.000</i>		<i>534.825.000</i>	

3.3.2 Outstanding balance of credit loan:

	<u>Total VND</u>	<u>Eco. Program VND</u>	<u>Social program VND</u>
As at Dec 31, 2007	183.926.500	181.263.500	2.663.000
Tanh Linh	178.133.000	176.015.000	2.118.000
Binh Minh	5.793.500	5.248.500	545.000

In which, credit and social bad debt are: 183.926.500 VND.

	<u>Credit debt</u>	<u>Social debt</u>
• Tánh Linh:	176.015.000	2.118.000
○ <i>Lạc Tánh:</i>	<i>79.061.000</i>	<i>2.118.000</i>
○ <i>Đồng Kho:</i>	<i>43.250.000</i>	
○ <i>Gia An:</i>	<i>4.907.000</i>	
○ <i>Gia Huynh:</i>	<i>23.965.000</i>	
○ <i>Đồng Kho chợ:</i>	<i>24.832.000</i>	
• Bình Minh:	5.248.500	545.000
○ <i>Thuận An</i>	<i>1.536.500</i>	<i>545.000</i>
○ <i>Đồng Thành</i>	<i>3.712.000</i>	

3.3.3 Credit funds of Long My's woman:

	Total VND	Eco. Program VND	Social Program VND
As at 31/12/2007	210.000.000	210.000.000	

3.3.4 Income from credit operation in the year of 2007 is 0 VND.

3.4 Operating expenses

In 2007, operating expenses increase a lot in comparison with last year. The reason is that: new activities occur and are expending the action areas:

- The pilot project for processing garbage into fertilizer of microorganism.
- Program for respiratory diseases.

Detail of costs as bellows:

Items	Amount (VND)
1. Cost of material	6,999,000
1.1. Cost of handicrafts	2,169,000
1.2. Cost of manioc leaves	4,830,000
2. Cost of other material, fuel, equipment	137,489,910
2.1 Cost of stationery	24,920,750
2.2 Cost of equipments and tools for management	104,066,660
2.3 Cost of repairing Community computer	8,502,500
3. Cost of energy	22,430,509
3.1 Cost of gas, electricity, water	22,430,509
4. Cost of location	56,610,000
4.1 Cost of hiring offices	56,610,000
5. Cost of reparation, petrol	196,902,500
5.1 Cost of motorbike for staffs go on mission	196,902,500
6. Cost of training & equipments, stationery	3,852,076,095
6.1 Cost of responding The Day of No Smoking	39,918,000
6.2 Cost of training new saving – credit members	8,512,000
6.3 Cost of training collaborators	16,865,000
6.4 Cost of training in agriculture and livestock	203,289,043
6.5 Cost of training in handicraft	0
6.6 Cost of English teacher	98,196,372
6.7 Cost of education materials	172,639,500
6.8 Cost of training heath in schools	103,267,800
6.9 Cost of equipment for schools	104,959,900
6.10 Cost of medicines for schools	20,217,335
6.11 Scholarships	472,710,000

6.12 Cost of training computer for teacher	4,125,000	
6.13 Cost of counterparts	52,862,000	
6.14 Cost of training staffs	49,540,400	
6.15 Cost of acting in plays	147,525,600	
6.16 Cost of training for team of theatre	69,367,745	
6.17 Cost of breathing medicine	3,215,000	
6.18 Cost of malaria medicine	8,476,000	
6.19 Cost of Community Wells	271,900,000	
6.20 Cost of waste recycling	64,532,000	
6.21 Cost of auditing	10,626,000	
6.22 Cost of expertise for evaluation	800,000	
6.23 Cost of sponsoring for training and managing	904,000,000	
6.24 Cost of women training	82,623,900	
6.25 Cost of helping households in need	183,129,500	
6.26 Cost of planting trees	744,177,000	
6.27 Cost of collecting nylon	14,601,000	
7. Cost of other external services		13,311,793
7.1 Cost of miscellaneous	13,311,793	
8. Cost of moving and other services		131,288,576
8.1 Cost of transports	13,862,000	
8.2 Cost of going on mission	39,897,500	
8.3 Cost of telephone, fax, sending letters	67,370,612	
8.4 Bank charges 22	5,905,005	
8.5 Bank charges 25	2,326,615	
8.6 Bank charges 21	1,834,600	
8.7 Bank charges 74	75,600	
8.8 Bank charges 84	16,644	
9. Staff expenses		1,542,117,157
9.1 Cost of salary for staffs	939,126,507	
9.2 Cost of salary for Director	140,760,000	
9.3 Cost of salary for collaborators	220,579,000	
9.4 Cost of accident insurance for staffs	5,730,000	
9.5 Cost of social insurance for staffs	74,692,800	
9.6 Staffs annuity	161,228,850	
10. Financial expense		19,873,000
10.1 Other expenses	19,873,000	
Total		5,979,098,540

4. Sponsorship

4.1 The sponsored sources received in 2007:

Sources	7,069,523,681
Canada Fund	29,634,000
M.Janssens	438,850,000
OPUSA	479,840,000
Viet Nam Plus Pari	3,131,982,000
MeKong Plus	350,000,000
Thiện Chí	440,000,266
Terre D'Occreations	21,685,000
Việt Nam Quilt	300,000,000
Private Donations	76,660,735
Ruffordsmall grants Foundation	162,108,960
Soutien Durian Reconstruction MAI	31,041,000
Nhan tu Aide Au VietNam ASBL	1,607,721,720

The remaining amount at end of 2007: 4,950,165,099 VND

4.2. Loans:

	Increasing of 2007 VND	Decreasing of 2007 VND	Ending Balances 2007 VND
Total	259,503,292	152,500,380	841,136,940
Deposit of credit receiver			151,915,000
Individuals			47,478,388
Franternite Saint Paul			165,057,378
Loan from UP		107,940,000	261,743,262
Loan from Zebunet			
Loan from Kiva	259,503,292	44,560,380	214,942,912

HCM City, date 29 month 4 year 2008

DIRECTOR

