

Audited Project Financial Statements

Project Number: 42275-013
Loan/Grant Number: 2929
Period covered: 1 January 2019 to 31 December 2019

VIE: Second Upper Secondary Education Development Project

Prepared by Ministry of Education and Training

For the Asian Development Bank
Date received by ADB: 30 June 2020

The audited project financial statements are documents owned by the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff. These documents are made publicly available in accordance with ADB's Access to Information Policy and as agreed between ADB and the Ministry of Education and Training.

**SECOND UPPER SECONDARY EDUCATION
DEVELOPMENT PROJECT**

Loan Number 2929-VIE (COL)

AUDITED FINANCIAL STATEMENTS
Fiscal year ended 31 December 2019



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REPORT OF THE PROJECT MANAGEMENT UNIT

The Project Management Unit of the Second Upper Secondary Education Development Project ("the Project") presents this report and the Financial Statements of the Project for the fiscal year ended 31 December 2019.

The Project

The Project is implemented under the Loan Agreement No. 2929-VIE (COL) dated 21 December 2012 ("the Agreement") between Socialist Republic of Vietnam and Asian Development Bank (ADB).

The Project Management Unit

Members of the Project Management Unit in the year and to the reporting date are:

Mr. Nguyen Hong Hai	Director	
Mrs. Dinh Thi Thu	Chief Accountant	Resigned on 01/06/2020
Mrs. Nguyen Thi Thu	Accountant in charge	Appointed on 01/06/2020

Auditors

The auditors of AASC Limited have taken the audit of financial statements of the Project.

Responsibilities of the Project Management Unit

The Project Management Unit is responsible for preparing the Project financial statements, including Statement of Funds and Expenditures, Statement of Budget versus Actual Expenses, Statement of Funds Balance, Statement of Cash flows, Statement of Advance Account and Statement of Withdrawals, which comply with the accounting policies described in the attached Notes to the Financial Statements. The Project Management Unit assures that the accounting policies are appropriately selected and consistently applied.

The Project Management Unit assures that the accounting records were fully maintained to prepare the financial statements in accordance with the applied accounting policies and to disclose, with reasonable accuracy at any time, the financial position of the Project.

The Project Management Unit is also responsible for maintaining an effective internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and comply with relevant laws, regulations and other provisions of the funding agreement, including over the procurement progress, that could have a direct and material financial effect on the Project financial statements ("The Requirements").

In addition, the Project Management Unit is also responsible for complying with the Requirements applicable to the Project, in which:

- The funds have been used in accordance with the conditions of the Loan Agreement No. 2929-VIE (COL) dated 21 December 2012;
- The Advance Account procedures have been operated in accordance with the Asian Development Bank's Loan Disbursement Handbook;

Adequate supporting documents, with respect to Statement of Expenditures, have been fully maintained to support to the replenishment requests submitted to the Asian Development Bank. The expenditures are eligible and in right purposes of Loan Agreement No. 2929-VIE (COL) dated 21 December 2012.

On behalf of the Project Management Unit



Nguyen Hong Hai
Director

Hanoi, 25 June 2020



No.: 250620.004/BCTC.FIS2

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

To: **The Project Management Unit**
Second Upper Secondary Education Development Project

Opinion

We have audited the accompanying financial statements of the Second Upper Secondary Education Development Project ("the Project") which comprise Statement of Funds balance as at 31 December 2019, Statement of Funds and Expenditures, Statement of Budget versus Actual Expenses, Statement of Cash flows, Statement of Advance Account, Statement of Withdrawals for the year then ended, and Notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Project, including the balance of the Advance Account as at 31 December 2019, funds received and expenditures incurred, movements of the Advance Account for the year then ended in accordance with the basis of the principal accounting policies described in the Notes to the Financial Statements and the provisions of the Loan Agreement No. 2929-VIE (COL) dated 21 December 2012.

Basis of 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 Statements section of our report. We are independent of Project Management Unit 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 the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Project Management Unit for the Financial Statements

The Project Management Unit is responsible for the preparation of the financial statements in accordance with the principal accounting policies described in Notes to the Financial Statements, 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.

In preparing the financial statements, management is responsible for assessing the Project'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 management either intends to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole 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 Project's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management'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 Project's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures 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 auditors' report. However, future events or conditions may cause the Project 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.

We communicate with the Project Management Unit 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 (if any).



Đo Mạnh Cường
Deputy General Director
CPA Registered No.:
0744-2018-002-1

Hanoi, 25 June 2020

A handwritten signature in black ink, appearing to read "Pham Anh Tuan".

Pham Anh Tuan
Auditor in-charge
CPA Registered No.:
0777-2018-002-1

STATEMENT OF FUNDS AND EXPENDITURES

Fiscal year ended 31 December 2019

	Note	Accumulated to 31/12/2018 VND	Year ended 31/12/2019 VND	Accumulated to 31/12/2019 VND
I. Funds				
1	3	1,337,002,311,841	113,395,537,924	1,450,397,849,765
2	5	309,445,479,332	29,786,601,542	339,232,080,874
3	4	4,476,720,849	(261,640,125)	4,215,080,724
		1,650,924,512,022	142,920,499,341	1,793,845,011,363
II. Expenditures				
1		860,453,499,705	21,794,486,495	882,247,986,200
2		469,685,907,316	-	469,685,907,316
3		1,231,600,000	-	1,231,600,000
4		9,335,134,300	1,530,132,500	10,865,266,800
5		174,189,086,484	41,301,813,600	215,490,900,084
6		4,280,299,965	3,373,726,130	7,654,026,095
7		42,888,266,096	8,108,565,854	50,996,831,950
8		13,079,580,650	10,924,174,450	24,003,755,100
9		47,106,522,452	7,588,842,264	54,695,364,716
10		26,158,871,508	13,994,029,448	40,152,900,956
	6	1,648,408,768,476	108,615,770,741	1,757,024,539,217
III. Surplus				
		2,515,743,546	34,304,728,600	36,820,472,146

STATEMENT OF BUDGET VERSUS ACTUAL EXPENDITURES

Fiscal year ended 31 December 2019

Categories	Budget (*)		Actual		Percentage	
	ADB Fund	Counterpart Fund	ADB Fund	Counterpart Fund	ADB Fund	Counterpart Fund
	VND	VND	VND	VND		
Works	-	-	7,056,057	21,787,430,438	-	-
Equipment	-	1,607,000,000	-	-	-	-
Textbooks and instruction materials	10,995,000,000	1,100,000,000	1,391,029,545	139,102,955	12.65%	12.65%
Staff development	48,994,000,000	5,444,000,000	37,172,232,240	4,129,581,360	75.87%	75.86%
Workshop, research and survey	4,456,000,000	-	3,373,726,130	-	75.71%	-
Consulting services	8,992,000,000	-	8,108,565,854	-	90.18%	-
Pilot initiatives of USE	12,823,000,000	-	10,924,174,450	-	85.19%	-
Project implementation support	3,598,000,000	4,398,000,000	3,399,997,847	4,188,844,417	94.50%	95.24%
Interest during construction	-	-	13,994,029,448	-	-	-
	89,858,000,000	12,549,000,000	78,370,811,571	30,244,959,170	87.22%	241.01%

(*) According to the 2019 financial budget approval under Decision No. 1181/QD-BGDDT dated 03 May 2019 and its revision under Decision No. 2691/QD-BGDDT dated 03 September 2019 by Ministry of Education and Training.

STATEMENT OF FUNDS BALANCE
 As at 31 December 2019

	Note	31/12/2019 VND	31/12/2018 VND
Surplus/(Deficit)			
Surplus as at beginning		2,515,743,546	16,048,023,817
Surplus/(Deficit) in the year		34,304,728,600	(13,532,280,271)
Surplus as at closing		36,820,472,146	2,515,743,546
<u>Represented by:</u>			
Current assets			
Cash on hand		16,252,603	18,572,608
Cash at bank, State treasury	7	49,167,060,310	27,426,565,970
Other receivables		20,701,117	284,138,456
Advances to contractors	8	702,962,000	4,716,896,657
Current liabilities		13,086,503,884	29,930,430,145
Payables to contractors	9	12,804,316,493	29,441,683,029
Taxes and payables to State Budget		268,076,759	177,285,441
Payables to employees		-	217,743,300
Other payables		14,110,632	93,718,375
Net worth		36,820,472,146	2,515,743,546

STATEMENT OF CASH FLOWS
Fiscal year ended 31 December 2019

	Note	Year ended 31/12/2019 VND	Year ended 31/12/2018 VND
CASH FLOWS OF THE PROJECT			
Surplus/(Deficit)		34,304,728,600	(13,532,280,271)
Decrease in receivables		4,277,371,996	298,904,336
(Decrease) in payables		(16,843,926,261)	(1,999,988,441)
Net cash flow of the Project's activities		21,738,174,335	(15,233,364,376)
Cash at beginning		27,445,138,578	42,678,502,954
Cash at closing	7	<u>49,183,312,913</u>	<u>27,445,138,578</u>

STATEMENT OF ADVANCE ACCOUNT

For the period: From 01/01/2019 to 31/12/2019
 Account No: 1300201228929
 Serving bank: Vietnam Bank for Agriculture and Rural Development – Thang Long Branch
 Address: No.4, Pham Ngoc Thach Street, Dong Da District, Hanoi
 Loan Agreement No: 2929-VIE (COL)

ACTIVITIES	<u>Note</u>	<u>USD</u>	<u>USD</u>
Opening balance			1,185,321.49
Add:			
Total amounts deposited by the ADB		3,634,974.87	
Refund of bank charge		<u>246.22</u>	
			3,635,221.09
Deduct: Total amounts withdrawn			(2,679,415.91)
Closing balance			<u>2,141,126.67</u>
RECONCILIATION			
1. Amount advanced by the ADB			2,744,997.50
2. Deduct: Amount recovered by the ADB			-
3. Present outstanding amount advanced to			<u>2,744,997.50</u>
4. Closing balance			2,141,126.67
5. Add:			
Amounts withdrawn and not yet claimed	(1)	601,835.04	
Amounts withdrawn but could not be claimed	(2)	1,741.23	
Bank charges		<u>294.56</u>	
			603,870.83
6. Total advances accounted for			<u>2,744,997.50</u>
(1) <u>Withdrawal application No.</u>			<u>USD</u>
IA 157 dated 20/12/2019			526,614.27
IA 158 dated 21/01/2020			75,220.77
			<u>601,835.04</u>
(2) Payment for office rental in July 2020 that was rejected to replenish by the ADB.			

STATEMENT OF WITHDRAWALS
 Fiscal year ended 31 December 2019

Withdrawal applications			Amount claimed									Total
No.	Date	Original currency	1. Works	2. Equipment	4. Textbooks, instruction materials	5A. In-country training	6. Workshop, research and survey	7. Consulting services	8A. Block Grants	8B. Other Pilot activities	9. Project implementation support	
Advance Account												
IA152	28/01/2019	USD	-	38,197.57	-	283,053.62	-	44,234.36	311,949.24	24,712.89	66,994.68	769,142.36
IA154	01/02/2019	USD	-	-	35,154.39	904,853.67	47,996.54	87,170.53	31,431.78	29,899.06	16,198.34	1,152,704.31
IA155	17/10/2019	USD	-	-	-	470,928.25	45,229.56	211,490.52	114,968.19	-	100,139.41	942,755.93
IA156	12/12/2019	USD	-	-	19,828.93	621,181.15	-	24,397.02	90,487.92	-	16,313.91	772,208.93
Direct payment												
IA153	22/01/2019	VND	15,043,570,440	-	-	-	-	-	-	-	-	15,043,570,440
Total amounts in USD			-	38,197.57	54,983.32	2,280,016.69	93,226.10	367,292.43	548,837.13	54,611.95	199,646.34	3,636,811.53
Total amounts in VND			15,043,570,440	-	-	-	-	-	-	-	-	15,043,570,440

NOTES TO THE FINANCIAL STATEMENTS

Fiscal year ended 31 December 2019

1. Background

The Second Upper Secondary Education Development Project is implemented under the Loan Agreement No. 2929-VIE (COL) dated 21 December 2012 (the "Agreement") between Socialist Republic of Vietnam and the Asian Development Bank.

The objective of the Project is the improved readiness of upper secondary school graduates for tertiary and vocational career development.

The Project's total fund is estimated at USD 105 million, in which ADB finances USD 90 million, the State Budget finances USD 15 million.

The Project shall comprise the following 04 outputs:

- ▶ Output 1: Enhancing Quality of Upper Secondary Education (USE) to International Standards
 - (i) Improvement of teaching strategies through pre-service teacher training and in-service teacher training;
 - (ii) Provision of textbooks and development of instructional materials based on the new USE curriculum;
 - (iii) Improving the academic environment for gifted Upper Secondary School students;
 - (iv) Support for continuing education center to improve in-service teacher training;
 - (v) Improving quality of foreign language training and education;
 - (vi) Establishment of centers for pedagogical excellence;
 - (vii) Improved teaching of selected subjects;
 - (viii) Support for Academically disadvantaged groups
- ▶ Output 2: Increased Access and Retention of Disadvantaged Groups to USE
 - (i) New facility development at existing Upper Secondary Schools in the target districts;
 - (ii) Support for Ethnic minority boarding Upper Secondary Schools;
 - (iii) Pilot an inclusive education program for students with special needs;
 - (iv) Education for sustainable development support for disadvantaged groups;
 - (v) Capacity development of private sector schooling.
- ▶ Output 3: Strengthening Planning and Management of USE
 - (i) Capacity development of USE managers;
 - (ii) Provision of block grants to support local government;
 - (iii) Support for pilot research studies for USE;
 - (iv) Support for enhancement of research and training capacity for education management.
- ▶ Output 4: Support for Project Implementation, Quality Assurance and Monitoring
 - (i) Capacity development of CPMU, PPMUs and other implementing agencies;
 - (ii) Provision of equipment and facilities for project implementing agencies;
 - (iii) Project monitoring, quality assurance and evaluation.

The Project officially came into operation since 21 December 2012 and is expected to close on 30 June 2020.

The Project is managed by Project Management Unit of the Second Upper Secondary Education Development Project (CPMU), and its office is located at No. 112, Trung Hoa Street, Cau Giay District, Hanoi; 06 Universities and 33 Province Project Management Units (PPMU) as follows:

University	PPMU			
Hanoi National University of Education	Cao Bang	Lai Chau	Dak Lak	Binh Thuan
Can Tho University	Bac Kan	Dien Bien	Quang Tri	Thanh Hoa
Hue University of Education	Lao Cai	Phu Yen	Kon Tum	Quang Nam
Thai Nguyen University of Education	Yen Bai	Hoa Binh	Binh Dinh	Ninh Thuan
Ho Chi Minh University of Education	Ha Giang	Ha Tinh	Gia Lai	Tuyen Quang
Tay Nguyen University	Son La	Nghe An	Dak Nong	Lam Dong
	Ben Tre	An Giang	Hau Giang	Binh Phuoc
	Tra Vinh	Bac Lieu	Soc Trang	Tien Giang
	Tay Ninh			

2. Principal Accounting Policies

a. Basis of preparation of the Financial statements

The annual accounting period commences from 1st January and ends at 31st December.

The financial statements are prepared in accordance with Circular No. 107/2017/TT-BTC dated 10 October 2017 and adjusted to meet the requirement of the Asian Development Bank. The financial statements are presented in Vietnam Dong (VND), except the Statement of Advance Account and Statement of Withdrawals, which are prepared in United State Dollar (USD) and Vietnam Dong (VND).

The principal accounting policies are summarized as below:

b. Foreign currencies

Funds received from the Asian Development Bank in foreign currencies are translated into VND under exchange rates announced by Ministry of Finance at transaction dates.

Transactions in foreign currencies are translated to VND under actual exchange rates of Vietnam Bank for Agriculture and Rural Development – Thang Long Branch on their transaction dates. All exchange differences from these transactions are recorded as "Exchange rate differences" account and presented as "Other funds" on the Statement of Funds and Expenditures.

c. Funds and Expenditures

Funds:

- Funds received from the Asian Development Bank are recorded when remittance made into Advance Account or direct payments made to contractors/suppliers. Of which, capitalization of interest charges is recognized upon announcement by the ADB (twice per year).
- Counterpart funds of State Budget are recorded when payments are made directly to contractors/ suppliers of the Project or funds are remitted to the Project Management Unit for settlement of the Project's activities including any payments under the annual plan until 31 January of the following year.

Expenditures:

- Project expenditures are recognized when it is actually incurred.

d. Advance Account

Advance Account is the deposit account in USD opened at Vietnam Bank for Agriculture and Rural Development – Thang Long Branch for the Project's activities. Payments made via Advance Account are for eligible expenditures of the Project in accordance with the provisions of the Loan Agreement No. 2929-VIE (COL) dated 21 December 2012.

Interests of the Advance Account are initially recorded as "Other funds" on the Statement of Funds and Expenditures and are used to cover bank charges. At the end of the Project, outstanding interests will be returned to State budget. In case bank charges are not fully covered by the interests, the Project will plan to settle by the counterpart funds (according to Circular No.111/2016/TT-BTC dated 30 June 2016).

3. Funds received from the Asian Development Bank

	Year ended 31/12/2019		Accumulated to 31/12/2019	
	Original currency	Equivalent to VND	Original currency	Equivalent to VND
Advance Account	3,635,069.87	84,357,938,036	42,382,293.05	944,702,971,467
Advance (USD)	-	-	3,000,000.00	64,583,000,000
Replenishment (USD)	3,635,069.87	84,357,938,036	39,382,293.05	880,119,971,467
Direct payments		15,043,570,440		465,541,977,342
- USD	-	-	7,376,603.27	164,138,948,497
- VND	-	15,043,570,440	286,359,458,405	301,403,028,845
Interest capitalized (USD)	607,167.66	13,994,029,448	1,777,369.04	40,152,900,956
		<u>113,395,537,924</u>		<u>1,450,397,849,765</u>

4. Other funds

	Year ended	Accumulated
	31/12/2019	to 31/12/2019
	VND	VND
Sale of bid document and bank interest	-	109,420,390
Foreign exchange rate differences	(261,640,125)	4,105,660,334
	<u>(261,640,125)</u>	<u>4,215,080,724</u>

5. Counterpart fund

	Year ended 31/12/2019	Accumulated to 31/12/2019
	VND	VND
CPMU	9,881,044,802	90,655,004,268
Hanoi National University of Education	-	447,000,000
Can Tho University	-	419,381,000
Hue University of Education	-	164,822,728
Tay Nguyen University	-	434,883,000
Thai Nguyen University of Education	-	417,519,091
Ho Chi Minh University of Education	-	365,891,820
Cao Bang PPMU	-	4,148,876,091
Bac Kan PPMU	-	2,770,000,000
Lao Cai PPMU	-	4,365,855,000
Yen Bai PPMU	-	8,996,906,300
Ha Giang PPMU	-	7,721,274,479
Tuyen Quang PPMU	-	3,750,000,000
Lai Chau PPMU	-	3,880,357,000
Dien Bien PPMU	558,661,910	6,569,892,000
Son La PPMU	-	5,942,468,817
Hoa Binh PPMU	-	2,106,600,000
Thanh Hoa PPMU	-	11,218,889,445
Nghe An PPMU	-	7,013,425,920
Ha Tinh PPMU	-	2,500,519,000
Quang Tri PPMU	-	2,074,000,000
Quang Nam PPMU	-	3,828,146,637
Binh Dinh PPMU	11,153,779	5,285,422,269
Phu Yen PPMU	-	15,901,606,199
Ninh Thuan PPMU	-	6,568,616,955
Binh Thuan PPMU	-	2,024,939,302
Kon Tum PPMU	-	7,877,685,636
Gia Lai PPMU	500	5,386,403,408
Dak Lak PPMU	-	11,074,655,000
Dak Nong PPMU	-	5,193,232,545
Lam Dong PPMU	-	4,310,044,432
Binh Phuoc PPMU	1,362,107,201	5,007,450,744
Tay Ninh PPMU	-	1,312,481,636
Tien Giang PPMU	-	3,966,244,637
Ben Tre PPMU	-	2,063,314,963
Tra Vinh PPMU	-	10,072,194,123
An Giang PPMU	18,019,982,360	47,000,423,073
Hau Giang PPMU	-	4,008,644,892
Soc Trang PPMU	-	18,570,945,367
Bac Lieu PPMU	(46,349,010)	13,816,063,097
	29,786,601,542	339,232,080,874

6. Expenditures and Disbursements

Expenditures by funds and by outputs

No.	Categories	Year ended 31/12/2019				Accumulated to 31/12/2019			
		ADB Fund	Counterpart fund	Other	Total	ADB Fund	Counterpart fund	Others	Total
		VND	VND	VND	VND	VND	VND	VND	VND
Output 1	Enhancing Quality of USE to International Standards	24,042,992,247	2,386,098,943	-	26,429,091,190	357,737,939,461	36,038,023,064	-	393,775,962,525
Output 2	Increased Access and Retention of Disadvantage Group to USE	12,615,083,277	23,309,219,810	-	35,924,303,087	853,431,770,755	267,429,316,800	-	1,120,861,087,555
Output 3	Strengthening Planning and Management of USE	15,030,655,548	231,011,850	-	15,261,667,398	56,304,950,898	3,359,235,285	-	59,664,186,183
Output 4	Support for Project Implementation, Quality Assurance and Monitoring	26,682,080,499	4,318,628,567	-	31,000,709,066	149,367,933,225	33,245,949,339	109,420,390	182,723,302,954
		78,370,811,571	30,244,959,170	-	108,615,770,741	1,416,842,594,339	340,072,524,488	109,420,390	1,757,024,539,217

Expenditures by funds and by categories

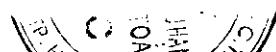
No.	Categories	Year ended 31/12/2019				Accumulated to 31/12/2019			
		ADB Fund	Counterpart fund	Other	Total	ADB Fund	Counterpart fund	Others	Total
		VND	VND	VND	VND	VND	VND	VND	VND
1	Works	7,056,057	21,787,430,438	-	21,794,486,495	632,830,465,980	249,417,520,220	-	882,247,986,200
2	Equipment	-	-	-	-	428,447,440,625	41,238,466,691	-	469,685,907,316
3	Vehicle	-	-	-	-	998,000,000	233,600,000	-	1,231,600,000
4	Textbooks and instruction material	1,391,029,545	139,102,955	-	1,530,132,500	10,726,163,845	139,102,955	-	10,865,266,800
5	Staff development	37,172,232,240	4,129,581,360	-	41,301,813,600	195,841,082,702	19,649,817,382	-	215,490,900,084
5A	<i>In-country training</i>	37,172,232,240	4,129,581,360	-	41,301,813,600	177,312,149,980	19,649,817,382	-	196,961,967,362
5B	<i>Overseas training</i>	-	-	-	-	18,528,932,722	-	-	18,528,932,722
6	Workshop, research and survey	3,373,726,130	-	-	3,373,726,130	7,654,026,095	-	-	7,654,026,095
7	Consulting services	8,108,565,854	-	-	8,108,565,854	50,996,831,950	-	-	50,996,831,950
8	Pilot initiatives of USE	10,924,174,450	-	-	10,924,174,450	24,003,755,100	-	-	24,003,755,100
8A	<i>Block Grants</i>	10,924,174,450	-	-	10,924,174,450	20,920,192,600	-	-	20,920,192,600
8B	<i>Other Pilot activities</i>	-	-	-	-	3,083,562,500	-	-	3,083,562,500
9	Project implementation support	3,399,997,847	4,188,844,417	-	7,588,842,264	25,191,927,086	29,394,017,240	109,420,390	54,695,364,716
10	Interest during Construction	13,994,029,448	-	-	13,994,029,448	40,152,900,956	-	-	40,152,900,956
		78,370,811,571	30,244,959,170	-	108,615,770,741	1,416,842,594,339	340,072,524,488	109,420,390	1,757,024,539,217

Disbursement by funds and by outputs

No.	Categories	Year ended 31/12/2019				Accumulated to 31/12/2019			
		ADB Fund	Counterpart fund	Other	Total	ADB Fund	Counterpart fund	Others	Total
		VND	VND	VND	VND	VND	VND	VND	VND
Output 1	Enhancing Quality of USE to International Standards	40,124,091,289	3,885,360,683	-	44,009,451,972	356,956,529,374	36,038,023,064	-	392,994,552,438
Output 2	Increased Access and Retention of Disadvantage Group to USE	11,853,232,665	21,469,017,992	-	33,322,250,657	852,391,812,233	266,424,285,497	-	1,118,816,097,730
Output 3	Strengthening Planning and Management of USE	12,640,098,591	231,011,850	-	12,871,110,441	49,735,894,556	3,359,235,285	-	53,095,129,841
Output 4	Support for Project Implementation, Quality Assurance and Monitoring	26,736,663,238	4,242,882,897	-	30,979,546,135	146,401,326,344	33,245,949,339	109,420,390	179,756,696,073
		91,354,085,783	29,828,273,422	-	121,182,359,205	1,405,485,562,507	339,067,493,185	109,420,390	1,744,662,476,082

Disbursement by funds and by categories

No.	Categories	Year ended 31/12/2019				Accumulated to 31/12/2019			
		ADB Fund	Counterpart fund	Other	Total	ADB Fund	Counterpart fund	Others	Total
		VND	VND	VND	VND	VND	VND	VND	VND
1	Works	285,164,967	19,947,228,620	-	20,232,393,587	632,830,465,980	248,412,488,917	-	881,242,954,897
2	Equipment	15,043,570,440	1,499,261,740	-	16,542,832,180	428,447,440,625	41,238,466,691	-	469,685,907,316
3	Vehicle	-	-	-	-	998,000,000	233,600,000	-	1,231,600,000
4	Textbooks and instruction material	1,391,029,545	139,102,955	-	1,530,132,500	10,726,163,845	139,102,955	-	10,865,266,800
5	Staff development	38,436,606,278	4,129,581,360	-	42,566,187,638	191,102,614,490	19,649,817,382	-	210,752,431,872
5A	<i>In-country training</i>	38,436,606,278	4,129,581,360	-	42,566,187,638	172,573,661,768	19,649,817,382	-	192,223,499,150
5B	<i>Overseas training</i>	-	-	-	-	18,528,932,722	-	-	18,528,932,722
6	Workshop, research and survey	3,465,770,095	-	-	3,465,770,095	6,374,696,175	-	-	6,374,696,175
7	Consulting services	6,674,582,989	-	-	6,674,582,989	48,832,678,216	-	-	48,832,678,216
8	Pilot initiatives of USE	9,048,281,800	-	-	9,048,281,800	21,369,200,150	-	-	21,369,200,150
8A	<i>Block Grants</i>	8,973,140,800	-	-	8,973,140,800	18,285,637,650	-	-	18,285,637,650
8B	<i>Other Pilot activities</i>	75,141,000	-	-	75,141,000	3,083,562,500	-	-	3,083,562,500
9	Project implementation support	3,015,050,222	4,113,098,747	-	7,128,148,969	24,651,402,070	29,394,017,240	109,420,390	54,154,839,700
10	Interest during Construction	13,994,029,447	-	-	13,994,029,447	40,152,900,956	-	-	40,152,900,956
		91,354,085,783	29,828,273,422	-	121,182,359,205	1,405,485,562,507	339,067,493,185	109,420,390	1,744,662,476,082



Reconciliation between Expenditures and Disbursement
Fiscal year ended 31 December 2019

	VND
Project Implementation Expenditures	1,757,024,539,217
Add:	
Other receivables	20,701,117
Advances to contractors	702,962,000
Deduct:	
Payables to contractors	(12,804,316,493)
Taxes and payables to State Budget	(268,076,759)
Other payables (exclude account payable for bank interest)	(13,333,000)
Disbursements accumulated to closing	1,744,662,476,082

According to Loan Agreement No. 2929-VIE (COL) dated 21 December 2012, expenditures are funded as below:

No.	Category	ADB	Counterpart fund
1	Works		
1A	Construction (*)	100%	-
1B	Other works	-	100%
2	Equipment (*)	100%	-
3	Vehicle (*)	100%	-
4	Textbooks and instruction materials (*)	100%	-
5	Staff development		
5A	In-country training	90%	10%
5B	Overseas training	100%	-
6	Workshop, research and survey	100%	-
7	Consulting services	100%	-
8	Pilot initiatives of USE		
8A	Block Grants	100%	-
8B	Other Pilot activities	100%	-
9	Project implementation support	45%	55%
10	Interest during Construction	100%	-

(*) The expenditures pertain to taxes and duties are funded by the counterpart fund.

7. Cash at bank, state treasury

	31/12/2019	31/12/2018
	VND	VND
CPMU	49,015,802,621	26,950,022,434
Advance Account (USD)	48,970,817,839	26,942,812,068
Interest account of Advance Account (USD)	167,400	177,700
Current account (VND)	44,817,382	7,032,666
PPMU - Cash at State treasury	151,257,689	476,543,536
Tien Giang	96,702,440	96,702,440
Bac Kan	54,544,761	54,544,761
Gia Lai	10,488	201,031,960
Bac Lieu	-	124,264,375
	49,167,060,310	27,426,565,970

8. Advances to contractors

	31/12/2019	31/12/2018
	VND	VND
Works	-	6,224,612
Thanh Hung Construction Cooperative	-	6,224,612
Workshop, research and survey	233,002,000	-
Pomath JSC	233,002,000	-
Pilot initiatives of USE	-	188,100,000
Hai Phong Department of Education and Training	-	188,100,000
Advance to contractors at PPMU - Works	469,960,000	4,522,572,045
An Giang	469,960,000	3,976,922,500
Hau Giang	-	163,211,200
Phu Yen	-	382,438,345
	702,962,000	4,716,896,657

9. Payables to contractors

	31/12/2019	31/12/2018
	VND	VND
Works	-	284,333,522
Nguyen Khoa Co.,Ltd	-	284,333,522
Equipment	-	16,542,832,180
Thang Long Chemicals and Instruments JSC	-	16,542,832,180
In-country training	4,738,468,212	6,002,842,250
Vietnam Aviation Tourism Company	997,021,100	576,279,000
Vietnam Educational Equipment and Technology JSC	814,405,272	288,794,250
Da Nang Trade Union Tourist Co.,Ltd	680,588,750	806,625,000
Van Phat Commercial and Building JSC	455,737,500	1,082,025,000
Hanoi Construction and Investment Company	524,340,000	-
Huu Nghi Nghe An JSC	-	1,162,507,500
Thanh Thanh Tourist Co.,Ltd	-	745,920,000
VNU University of Education	-	606,361,500
Others	1,266,375,590	734,330,000
Workshop, research and survey	1,512,331,920	1,371,373,885
Educational Book JSC in Hanoi city	930,706,920	814,000,000
Centre for Environmental Education and Social Issues	581,625,000	557,373,885
Consulting Services	2,164,153,734	730,170,869
Ben Vung Development Consulting JSC	1,825,781,728	91,472,843
Egen Consultants Co.,Ltd	149,372,006	638,698,026
Others	189,000,000	-
Project implementation support	279,230,339	93,306,173
Others	279,230,339	93,306,173

9. Payables to contractors (continued)

Pilot initiatives of Upper Secondary Education	2,634,554,950	946,762,300
Institute of Education Management in Ho Chi Minh City	1,906,872,000	-
Hai Phong Department of Education and Training	399,070,000	-
Thanh Da Hotel	246,100,000	-
Ninh Binh Department of Education and Training	-	437,520,300
Quang Tri Department of Education and Training	-	434,101,000
Quang Ba Hotel Trading Tourist and Service JSC	-	75,141,000
Others	82,512,950	-
Expenditures cover by the counterpart fund at PPMU	1,475,577,338	3,470,061,850
Bac Kan	1,430,967,156	1,430,967,156
Hau Giang	44,610,182	44,610,182
Binh Phuoc	-	1,300,231,001
Gia Lai	-	46,572,500
Dien Bien	-	558,661,910
Bac Lieu	-	77,865,322
Binh Dinh	-	11,153,779
	12,804,316,493	29,441,683,029

10. Subsequent events

There have been no significant events occurring after the reporting date, which would require adjustments or disclosures to be made in the financial statements.

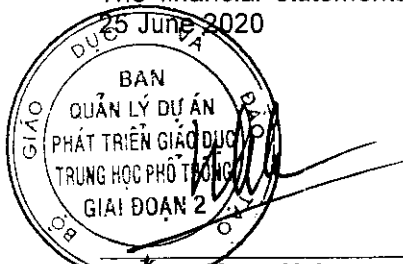
11. Corresponding figures

The corresponding figures are the financial statements for the fiscal year ended as at 31 December 2018 audited by AASC Limited. In which, some items in Expenditures and Disbursements note is represented as follows:

Items	Presented in year 2018 report VND	Represented VND	Variances VND
Expenditures and Disbursements			
Total disbursement by ADB fund	1,319,319,666,440	1,314,131,476,723	(5,188,189,717)
Total disbursement by counterpart fund	313,571,015,595	309,239,219,763	(4,331,795,832)

12. Approval of the Financial Statements

The financial statements were approved by the Project Management Unit for issuance on



Nguyễn Hồng Hai
Director

Hanoi, 25 June 2020

Nguyễn Thị Thu
Accountant in charge

RECONCILIATION OF FUNDS

Fiscal year ended 31 December 2019

Withdrawal applications						
No.	Date	Original currency	Amount claimed (a)	Amount received (b)	Variances (b-a)	Note
Advance Account			3,636,811.53	3,634,974.87	(1,836.66)	
IA 152	28/01/2019	USD	769,142.36	769,132.36	(10.00)	(1)
IA 154	01/02/2019	USD	1,152,704.31	1,152,638.88	(65.43)	(2)
IA 155	17/10/2019	USD	942,755.93	941,004.70	(1,751.23)	(3)
IA 156	12/12/2019	USD	772,208.93	772,198.93	(10.00)	(1)
Direct payments			15,043,570,440	15,043,570,440	-	
IA 153	22/01/2019	VND	15,043,570,440	15,043,570,440	-	
Total in		USD	3,636,811.53	3,634,974.87	(1,836.66)	
Total in		VND	15,043,570,440	15,043,570,440	-	

- (1) Bank charges.
- (2) Including USD 0.43 of telephone charge which was not claimed due to incorrect funding ratio, the remaining amount is bank charges.
- (3) Including USD 1,741.23 of rental in July 2020 which not be claimed because Loan Agreement is expired on 30/06/2020, the remaining amount is bank charges.