

**BUDDHISM FOR SOCIAL DEVELOPMENT ACTION (BSDA)**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**AND**

**REPORT OF THE INDEPENDENT AUDITORS**

# **BUDDHISM FOR SOCIAL DEVELOPMENT ACTION (BSDA)**

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**BSDA**  
BUDDHISM FOR SOCIAL DEVELOPMENT ACTION ORGANIZATION

## REPORT OF THE MANAGEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

The Management of **Buddhism for Social Development Action** ("the Organisation") submits its report together with the audited financial statements for the year ended 31 December 2022 ("the period").

### DIRECTORS

The Directors of the Organisation during the year and up to the date of this report are:

Name	Position
1. Mr. Kurt Bredenberg	Chairman
2. Mrs. Ty Ratana	Secretary
3. Mr. Isac Lyne	Member
4. Mr. Ven.Hour Sokrath	Member
5. Mr. Kim Chamroeun San	Member
6. Miss. Sok Vannary	Member
7. Miss. Nara Sokhema	Member

### MANAGEMENT COMMITTEE

The members of the Management team responsible for the overall direction and management during the year and to the date of this report are:

Name	Position
1. Ms. Chhon Srors	Executive Director
2. Mr. Aun Kimseng	Deputy Director
3. Mr. Sok Vannra	Admin/HR Manager
4. Mr. Bean Yim	Finance Manager
5. Miss Un Chanthay	Smile School Manager & Staff Representative
6. Mrs. Orn Leakhena	Senior Education Specialist

### MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Organisation's management is responsible for the preparation of the financial statements for the year ended 31 December 2022, which are prepared, in all material respects, to show the fund received and paid for the period and fund balance.

In preparing the financial statements, management is required to:

- Adopt appropriate accounting policies which are supported by reasonable and prudent judgments and estimates and then apply them consistently;
- Comply with the disclosure requirements of the accounting policies set out in note 2 to the financial statements or, if there have been appropriately disclosed, explained and quantified in the financial statements;
- Maintain adequate accounting records and an effective system of internal control;

- Control and direct effectively the Organisation in all material decisions affecting its operations and performance and ascertain that such decisions and/or instructions have been properly reflected in the financial statements.

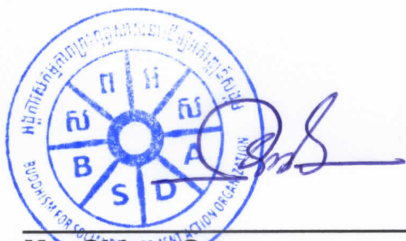
Management is also responsible for safeguarding the assets of the Organisation and hence, taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management assumes the responsibility to provide and has provided, the auditor with all accounting records, supporting and other documents, minutes, and any pertinent information and explanations, either orally or by written confirmation, necessary for the audit.

## APPROVAL OF THE FINANCIAL STATEMENTS

The Board of Director hereby, approve the accompanying statement of receipts and payments, together with the notes thereto, which have been properly drawn up and give a true and fair view of the fund balance of the Organisation as at 31 December 2022, and of its fund receipts and payments for the year then ended, in accordance with the Cambodian Financial Reporting Standard for Not-For-Profit Entities (CFRS for NFPEs).

On behalf of the the Board of Directors,



**Ms. Chhon Srors**  
Executive Director

Phnom Penh, Kingdom of Cambodia  
Date: 28 July 2023

**INDEPENDENT AUDITOR'S REPORT  
TO THE MANAGEMENT OF COMMUNITY ADVANCEMENT ORGANISATION**

***Report on the Audit of the Financial Statements***

***Opinion***

We have audited the financial statements of **Buddhism for Social Development Action ("the Organisation")**, which comprise the statement of Receipts and Payments for the year ended 31 December 2022 and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the cash balance of the Organisation as at 31 December 2022, and its fund receipts and payments for the year then ended in accordance with the Cambodian Financial Reporting Standards for Not-For-Profit Entities ("CFRS for NFPEs").

**Basis of Opinion,**

We conducted our audit in accordance with the Cambodian International Standards on Auditing (CISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We are independent of the Organisation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the requirements of the Kampuchea Institute of Certified Public Accountants and the Auditors' Code of Ethics for Certified Public Accountants and Auditors (KICPAA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of KICPAA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter - Basis of accounting**

We draw attention to Note 2 to the financial statements, which describe the basis of accounting. The financial statements are prepared to assist the Organisation in preparing the financial statement in accordance with the requirement of the Accounting and Audit Regulator ("ACAR") and the Prakas on the implementation of the Cambodian Financial Reporting Standard for Not-for-Profit Entities ("CFRS for NFPEs") of the Ministry of Economic and Finance ("MoEF"). As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect to this matter.

Furthermore, as described in note 2.1 to the financial statements, the Organisation adopted Cambodian Financial Reporting Standard for Not-for-Profit Entities ("CFRS for NFPEs") on 01 January 2022 with a transition date of 01 January 2021. These standards were applied retrospectively to the comparative information in these financial statements, including the statement of receipts and payments of the Organisation for the year ended 31 December 2021 and related explanatory notes. We were not engaged to audit on the restated comparative information, and it is unaudited. Our responsibilities in respect of this comparative information are to determine whether the financial statements include the comparative information required by CFRS for NFPEs and whether such Information is appropriately classified. Our opinion is not modified in respect to this matter.

## **Other matter**

The financial statements of the Organisation as at and for the year ended 31 December 2021 were not audited.

## **Other information**

The Directors of the Organisation are responsible for the other information. The other information comprises report of the Management section of this report but does not include the financial statements of the Organisation and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting and accounting policies described in Note 2 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 Programme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Programme or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organisation's financial reporting process.

## ***Auditor's responsibility 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 CISAs 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 CISAs, 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 Programme'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 Programme's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Programme 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 management 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.

For REACHS & PARTNERS Co., Ltd.

A circular blue ink stamp is positioned on the left. The outer ring of the stamp contains text in Khmer script. The inner part of the stamp contains the text "REACHS & PARTNERS Co., Ltd." in English, with Khmer text above and below it. Overlaid on the right side of the stamp is a handwritten signature in blue ink, which appears to be "E Bunthet". A horizontal line extends from the end of the signature to the right.

E Bunthet  
Partner

Phnom Penh, Kingdom of Cambodia  
Date: 28 July 2023

**BUDDHISM FOR SOCIAL DEVELOPMENT ACTION (BSDA)****STATEMENT OF FUND RECEIPTS AND PAYMENTS  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2021**

		2022		2021 (Unaudited)	
	Notes	US\$	KHR'000	US\$	KHR'000
OPERATING RECEIPTS					
Donations	3	569,525	2,327,649	787,312	3,202,785
Other income		13,147	53,732	7,795	31,710
TOTAL OPERATING RECEIPTS		582,672	2,381,381	795,107	3,234,495
OPERATING PAYMENTS					
General and administrative expenses	4	232,201	949,005	347,726	1,414,549
Project expenses	5	455,858	1,863,092	351,333	1,429,223
TOTAL OPERATING PAYMENTS		688,059	2,812,097	699,059	2,843,772
Operating surplus/(deficit)		(105,387)	(430,716)	96,048	390,723
CAPITAL PAYMENTS					
Property and equipment	6	7,442	30,415	7,794	31,706
Increase/(Decrease) in bank accounts and cash on hand		(112,829)	(461,131)	88,254	359,017
Bank accounts and cash at the beginning of the year		246,931	1,005,997	158,677	641,848
Currency translation differences		-	7,232	-	5,132
Bank accounts and cash at the end of the financial year		134,102	552,098	246,931	1,005,997
REPRESENTED BY:					
Cash on hand		917	3,775	1,207	4,917
Cash at bank	7	133,185	548,323	245,724	1,001,080
		134,102	552,098	246,931	1,005,997

The accompanying notes on pages 7 to 11 form an integral part of these financial statements.



# **BUDDHISM FOR SOCIAL DEVELOPMENT ACTION (BSDA)**

## **NOTES TO THE FINANCIAL STATEMENTS**

**AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022**

### **1. GENERAL INFORMATION**

Buddhism for Social Development Action (BSDA) is a local NGO which was established on the 5th of January 2005 by seven monks founded at Wat Nokor Bacheay and registered with The Ministry of Interior on July 05, 2005. BSDA does not work for any political party or promote the religion of its members.

BSDA is a community-based organisation founded on the Buddhist principles of Metta to empower vulnerable people and to promote compassionate engagement in Social and Economic Development to contribute to the eradication of avoidable suffering.

#### **Vision**

BSDA envisions a society where people are empowered to live independently and have livelihood security.

#### **Mission**

BSDA's mission is to empower and enhance the quality of life of vulnerable people, especially women, children and youth, through education, health and livelihood development initiatives, in partnership with others.

#### **Core values**

Rooted in the Buddhist teachings of Metta practice, BSDA adheres to and promotes the following values:

- Serving the poor: Improving the livelihoods of poor families.
- Unity: Building trust, honesty and respect for each other as a family.
- Democratic approach: Promoting collective voice from community members, stakeholders and all levels of staff and engaging them in decision-making processes.
- Collaboration: Working together and in partnership with others wherever possible to maximise our impact.
- Integrity and accountability: In the management and use of aid, being accountable and transparent to communities, donors and stakeholders.

#### **Strategy**

- Develop cross-cutting programs that contribute to livelihood security, especially for women, young people and vulnerable groups.
- Grow social enterprise to address the needs of youth and potential migrants, and provide income to help BSDA become more sustainable.
- Strengthen monitoring, evaluating and learning systems to demonstrate impact.
- Develop and implement a funding strategy to support sustainable impact.
- Strengthen organisational capacity to support program quality and learning.

## **BUDDHISM FOR SOCIAL DEVELOPMENT ACTION (BSDA)**

### **NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022**

#### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **2.1 Basis of preparation**

The statement of receipts and payments is expressed in United States Dollar ("US\$"), have been prepared under the cash basis of accounting and are in accordance with the Cambodian Financial Reporting Standard for Not-For-Profit Entities (CFRS For NFPEs").

The financial statements for the year ended 31 December 2022 are the Organisation's first financial statement that complies with the CFRS for NFPEs. The Organisation date of transition to the CFRS for NFPEs is 01 January 2021. The financial statements in the prior year and up to the year ended 31 December 2021 were prepared in accordance with a modified cash basis and other internal policies of the Organisation, collectively referred to as previous generally accepted accounting principles ("GAAP").

Accordingly, the Organisation prepared financial statements that comply with the CFRS for NFPEs applicable as at 31 December 2022, together with the information of the corresponding figure for the year ended 31 December 2021 as described in the summary of significant accounting policies. In preparing the financial statement, the Organisation's opening fund balance was prepared as at 01 January 2021, the Organisation's date of transition to CFRS for NFPEs.

##### **2.2 Functional and presentation currency**

The national currency of Cambodia is the Khmer Riel ("KHR"). However, as the Organisation transactions its operation and maintain accounting record in United State Dollars ("US\$"), the management has determined that US\$ be the functional and presentation currency of the Organisation as well as the Project as it reflects the economic substance of the underlying transactions and events of the Organisation.

##### **2.3 Foreign currency transactions**

Transactions are translated into functional currency using the exchange rates prevailing at the date of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the financial statements.

##### **2.4 Presentation in Khmer Riel (KHR)**

Translation from US\$ to KHR is prepared in accordance with Cambodian Law on Accounting and Auditing, which required the entity to prepare its financial statement in KHR.

The income and expenditure are translated into Khmer Riel using the average rate for the year. Assets and liabilities, which include cash and cash equivalent, receivable and payable and fund balance at the end of the reporting period, is translated at the closing rate as at the reporting date.

These translations are for compliance purposes only and should not be constituted as representations that the KHR amounts have been, could be, or could in the future be, converted into US\$ at this or any other rate of exchange.

## **BUDDHISM FOR SOCIAL DEVELOPMENT ACTION (BSDA)**

### **NOTES TO THE FINANCIAL STATEMENTS**

**AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022**

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **2.4 Presentation in Khmer Riel (KHR) (Continued)**

The Organisation has used the official rate of exchange published by the National Bank of Cambodia, and as at the reporting date, the yearly average rate was US\$1 to Riel 4,087 (2021: US\$1 to Riel 4,068), and the closing rate was US\$1 to Riel 4,117 (2021: US\$1 to Riel 4,074).

### **2.5 Cash and cash equivalents**

Cash and cash equivalents comprise petty cash, cash on hand and at banks and other financial institutions, bank overdrafts, term deposits and other restricted cash.

### **2.6 Recognition of receipt**

Receipt comprise all fund received during the financial year. Receipts include a donation from donors, public donations from fundraising activities, and capital receipts.

The receipt is recognised on the date it is received, even if it is banked on a later date. Receipts are defined as the funds received, gross of bank charges, by the Organisation from donors.

### **2.7 Recognition of payments or expenses**

Payment comprises all money paid during the financial year by cash, cheque, bank transfer or other method. Payment can be either operating payment or capital payment. Payment through cheque is recognised when a cheque is passed to the recipient rather than the later date when the cheque is presented and the money withdrawn from the bank account.

### **2.8 Capital receipt and payment**

Capital receipts include receipts from the sale of resources, such as the sale of physical assets, the sale of any investment, and the receipt from loan repayment.

Capital payment includes payment for the purchase of resources such as the purchase of physical assets, purchase of any investment, and repayment of borrowing.

### **2.9 Severance pay**

The Organisation has set up severance pay to provide a saving scheme for all eligible employees who are in Fixed Duration Contract (FDC) type. The severance pay is calculated at the rate of 5% of the employee's earnings. The fund is paid to the employee every year end with pro-rated data.

### **2.10 Seniority pay**

Staff who are in Unspecified Duration Contract (UDC) type shall receive a seniority pay equivalent to 15 days of her/his total earned each year. The seniority payment will be paid in December or pro-rata paid based on the length of employment till June or December. Seniority pay is not applicable for staff members who are dismissed as a result of disciplinary or serious miss conduct.

### **2.11 Taxation**

#### **Income taxation**

No provision for income tax has been raised as the Organisation is registered as a local Non-Government Organisation (NGO) and not-for-profit Organisation; hence it is exempted from income tax under Article 9 of the Cambodian Tax Law.

## BUDDHISM FOR SOCIAL DEVELOPMENT ACTION (BSDA)

### NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

#### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### 2.11 Taxation (Continued)

###### Value Added Tax (VAT)

The Organisation is not registered for VAT. Therefore, the amount recorded in the financial statements are inclusive of VAT (if any).

###### Other taxes

Other tax expenses are recognised when paid. Other tax refunds or payable balances at the reporting date are disclosed in the note to resource and commitment.

##### 2.12 Fund balance

Fund balance represents the cumulative general fund balance of the Organisation.

#### 3. DONATIONS

	2022		2021 (Unaudited)	
	US\$	KHR'000	US\$	KHR'000
EcoSolidar	240,000	980,880	182,323	741,690
EcoSolidar HER	139,805	571,383	224,890	914,853
AEA-EU-COSAVED	89,062	363,996	55,655	226,405
WVI TRUST FUND	38,688	158,118	96,110	390,975
APSARA FONDAZIONE	25,724	105,134	28,966	117,834
La Maison Des Enfants	20,925	85,520	32,934	133,976
KAPE	10,000	40,870	59,724	242,957
Save the Children-CRIP	5,321	21,748	4,341	17,659
Rotary Club of Calgary I	-	-	88,065	358,248
Rotary Club of Calgary II	-	-	8,445	34,354
GlobeMed	-	-	4,795	19,506
GIZ	-	-	1,064	4,328
	<b>569,525</b>	<b>2,327,649</b>	<b>787,312</b>	<b>3,202,785</b>

#### 4. GENERAL AND ADMINISTRATIVE EXPENSES

	2022		2021 (Unaudited)	
	US\$	KHR'000	US\$	KHR'000
Personnel costs	139,147	568,694	113,815	462,999
Administrative Costs	92,006	376,028	231,143	940,290
Rental expenses	1,048	4,283	2,768	11,260
	<b>232,201</b>	<b>949,005</b>	<b>347,726</b>	<b>1,414,549</b>

**BUDDHISM FOR SOCIAL DEVELOPMENT ACTION (BSDA)****NOTES TO THE FINANCIAL STATEMENTS****AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022****5. PROJECT EXPENSES**

	<b>2022</b>		<b>2021 (Unaudited)</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Bamboo resort (*)	163,953	670,076	154,663	629,169
Project implementation	213,702	873,400	180,633	734,815
Program costs	78,203	319,616	16,037	65,239
	<b>455,858</b>	<b>1,863,092</b>	<b>351,333</b>	<b>1,429,223</b>

(\*) This expense represents the expenditure for the construction of buildings in Bamboo Resort. Construction cost is funded by EcoSolidar.

**6. PROPERTY AND EQUIPMENT**

	<b>2022</b>		<b>2021 (Unaudited)</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Computer and IT equipment	7,442	30,415	7,794	31,706
	<b>7,442</b>	<b>30,415</b>	<b>7,794</b>	<b>31,706</b>

**7. CASH AT BANK**

The Organisation maintains the following savings accounts at Acleda Bank:

	<b>2022</b>		<b>2021 (Unaudited)</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
1000-01-068789-1-9	53,736	221,232	21,922	89,311
1000-00-198634-4-4	27,390	112,765	24,979	101,764
1000-02-535207-1-2	15,378	63,311	16,141	65,758
1000-20-661123-1-3	13,000	53,521	20,956	85,375
1000-01-858229-3-9	12,104	49,832	9,047	36,857
1000-00-198634-2-2	4,729	19,469	24,059	98,016
1000-02-750207-1-4	2,962	12,195	4,602	18,749
1000-20-198634-1-4	1,171	4,821	773	3,149
1000-00-198634-5-4	1,147	4,722	616	2,510
1000-00-198634-2-0	893	3,676	89,867	366,118
1000-02-321179-1-9	420	1,729	729	2,970
1000-02-864516-1-3	137	564	143	583
1000-02-718283-1-6	92	379	31,818	129,627
1000-01-257858-1-8	19	78	47	191
1000-00-198634-3-4	5	21	11	45
1000-00-198634-1-4	2	8	8	33
1000-00-198634-2-4	-	-	6	24
	<b>133,185</b>	<b>548,323</b>	<b>245,724</b>	<b>1,001,080</b>