

Buddhism for Social Development Action (BSDA)

**Report of the Directors and
Audited financial statements**

For the year ended 31 December 2020

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Organization Information

Legal Status

Buddhism for Social Development Action ("the Organization"), is a non-governmental organization funded by many donors such as Eco Solidar, AUPADAMA Foundation, Save the children international in Cambodia, Globe Med, La Maison des Enfants, Population Services International ("PSI"), Rotary Club of Calgary, World Vision International.

The Organization began providing services in Kampong Cham Province with the approval of the Ministry of Interior, on 05 July 2005.

Board of Directors

Board of Directors during the year and to the date of this report are:

Name	Position
Mr. Kurt Bredenberg	Chairman
Miss. Hum Mary	Vice Chairman
Mrs. Ty Ratana	Secretary
Mr. Isac Lyne	Member
Mr. Kim Chamroeun San	Member
Mr. Sok Monirith	Member
Miss Sovann Nakry	Member

Management

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

Names	Positions
Mr. Thorn Vandong	Founder & Executive Director
Ms. Chhon Srors	Deputy Director
Mr. Aun Kimseng	Program Director
Mr. Say Sokhoeun	Operation Director
Mr. Sok Vannra	Senior Admin/HR Manager
Mr. Bean Yim	Finance Manager
Miss Un Chanthly	Vice manager of Smile Institute/Staff Representative

Banker

ACLEDA Bank Plc.

Auditors

V Chartered Accountants Co., Ltd
Phnom Penh Center, Building H, Room 482-485 (4th loor) Samdach Sothearos Blvd., Phnom Penh, Cambodia

BUDDHISM FOR SOCIAL DEVELOPMENT ACTION (BSDA)

REPORT OF THE DIRECTORS

For the year ended 31 December 2020

The Board of Directors ("the Directors") of Buddhism for Social Development Action (BSDA) ("the Organization") submits its report together with the audited financial statement for the year ended 31 December 2020.

STATEMENT OF MANAGEMENT' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENT

The Organization's management is responsible for the preparation of the financial statements for the year ended 31 December 2020, which are in accordance with the accounting policies described in Note 2 to the financial statements and comply with the related financial agreements.

APPROVAL OF THE FINANCIAL STATEMENTS

We hereby approve the accompanying financial statements of the Organization as set out on pages 5 to 12 which are prepared, in all material respects, in accordance with the accounting policies described in Note 2 to the financial statements, and comply with the related financial agreement.

On behalf of the Organization's Directors:




Ms. Chhon Srors
Executive Director
25 June 2021



INDEPENDENT AUDITOR'S REPORT

To: The Board of Directors of Buddhism for Social Development Action (BSDA)

Opinion

We have audited the financial statements of Buddhism for Social Development Action (BSDA) ("the Organization") which comprise the statement of financial position as at 31 December 2020 and statement of income and expenditures for the year ended 31 December 2020, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Organization for the year ended 31 December 2020 are prepared, in all material respects, in accordance with the accounting policies set out in Note 2 to the financial statement and the financial reporting provision of its applicable funding agencies.

Basis for Opinion

We conducted our audit in accordance with 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 Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Cambodia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Emphasis of Matter — Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 2 to the financial statements, which describe the basis of accounting. The financial statement is prepared to assist the Organization in complying with the financial reporting provisions of its applicable funding agencies. As a result, the financial statement may not be suitable for another purpose. Our report is intended solely for the Organization and its applicable funding agencies and should not be distributed to or used by parties other than the Organization and its applicable funding agencies. Our opinion is not modified in respect of this matter.

Responsibilities of the Management and Those Charged with Governance for the Financial Statement

Management is responsible for the preparation of the financial statement in accordance with the financial reporting provisions of the Organization and its applicable funding agencies and for such internal control as management determines is necessary to enable the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statement, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is 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 misstatements of the financial statement, 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 Organization'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 Organization'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 statement 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 Organization to cease to continue as a going concern

We communicate with those charged with governance 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.



Priscilla S. Palad

Partner

V Chartered Accountants Co., Ltd

Phnom Penh Center, Building H, Room 482-485 (4th Floor)

Samdach Sothearos Blvd., Phnom Penh, Cambodia

25 June 2021

BUDDHISM FOR SOCIAL DEVELOPMENT ACTION (BSDA)
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 In US\$	2019 In US\$
ASSETS			
Non Current asset			
Property and equipment		36,460	34,470
Current assets			
Inventory		2,947	3,718
Other receivables	3	9,186	18,651
Cash and cash equivalents	4	177,470	216,752
Total current assets		189,603	239,121
		226,063	273,590
LIABILITIES			
Other payables	5	50,232	38,613
Total liabilities		50,232	38,613
NET ASSETS			
Net assets		175,832	234,977
Total net assets		175,832	234,977
Total liabilities & net assets		226,063	273,590

The accompanying notes are an integral part of these financial statements.

**BUDDHISM FOR SOCIAL DEVELOPMENT ACTION (BSDA)
STATEMENT OF INCOME AND EXPENDITURES
FOR THE YEAR ENDED 31 DECEMBER 2020**

		2020	2019
	Note	In US\$	In US\$
Income			
Grant receipt	6	601,958	675,575
Sale revenue	7	34,285	122,511
Other income / Private donation		34,240	15,584
Bank interests		503	341
		670,986	814,011
Expenditure			
Personnel costs	8	103,536	106,924
Program costs	9	351,094	372,965
Indirect costs	10	62,715	67,803
Infrastructure and other equipment	11	187,946	99,439
Cost of sales		-	59,651
		705,291	706,783
SURPLUS (DEFICIT) FOR THE YEAR		(34,305)	107,228

The accompanying notes are an integral part of these financial statements.

**BUDDHISM FOR SOCIAL DEVELOPMENT ACTION (BSDA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. Background information

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

BSDA is a community-based organization 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 maximize our impact.

Integrity and accountability: In the management and use of aid, being accountable and transparent to communities, donors and stakeholders.

STRATEGY DIRECTION:

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 organizational capacity to support program quality and learning.

**BUDDHISM FOR SOCIAL DEVELOPMENT ACTION (BSDA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Significant accounting policies

The Organization's policy is to prepare the accompanying financial statements on the modified cash basis. On this basis, incomes are recognized when received rather than when earned except for deferred income and expenses which are recognized when paid rather than when incurred; except for the accrual of severance pay and other expenses. Please see recognition of income and disbursements for further disclosure.

This basis of accounting is designed to meet the requirements of the Organization and the financial reporting provision of the grant or fund agreements with the applicable funding agencies, which is the comprehensive basis of accounting of the Organization; it is not designed to produce financial statements that are compatible with Cambodian International Financial Reporting Standards (CIFRS).

All fundamental accounting assumption relating to going concern are followed in the financial statements except the cost of property and equipment are charged to expenses in the statement of income, expenses and fund balance and depreciation of fixed assets of social enterprise before arriving at the excess of income over expenses for the year.

Other receivables

Other receivables, if any, include advances to officers and employees, prepayments and inter-project receivables.

Other payables

This pertains to inter-project payables, withholding tax payable on salaries, and accrual of expenses.

Income

Fund received is primarily defined as grant income from donors, which is recognized as income when received rather than earned.

Expenditure

Expenditure represents all costs incurred to support BSDA's set objectives and are recognized when paid rather than incurred, except for:

(i) Advance payments to implement activities are initially recognized as amounts due from recipients and recognized as expenditure when they are liquidated by invoices supporting the related expenditure.

(ii) Other payables pertains to inter-project payables , withholding tax payable on salaries, and accrual of expenses as payable account in the statement of financial position until they are settled.

Non-expendable equipment

The cost of non-expendable items is charged to expenditure upon acquisition. For control and monitoring purposes, BSDA maintains a fixed assets register for its vehicles, furniture, computers and office equipment.

Foreign currency translation

The financial statements are presented in USD, which is the functional and widely accepted and used currency in the Kingdom of Cambodia.

Transactions are translated into the measurement currency using the exchange rates prevailing at the date of transactions.

BUDDHISM FOR SOCIAL DEVELOPMENT ACTION (BSDA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

3. Other receivables

	2020	2019
	In US\$	In US\$
Other current assets	798	3,560
Prepayment	4,800	4,800
Intra-Project Receivable	3,588	10,291
	9,186	18,651

4. Cash and cash equivalents

	2020	2019
	In US\$	In US\$
Cash in Bank	175,609	214,554
Cash on hand	1,861	2,198
	177,470	216,752

5. Other payables

	2020	2019
	In US\$	In US\$
Inter project payables	32,218	17,828
Accrual Payable	17,339	20,348
Return for Withholding Tax	204	136
Return for Tax on Salary	360	302
NSSF Payable	111	-
	50,232	38,613

**BUDDHISM FOR SOCIAL DEVELOPMENT ACTION (BSDA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

6. Grant receipts

	2020	2019
	In US\$	In US\$
Eco Solidar Mekong Kampuchea Kids ("MKK")	180,246	204,350
Eco Solidar Hanchey Eco-Retreat (HER)	120,692	197,000
Save the Children International in Cambodia under a project Basic Education (the donor NORAD)	61,216	89,303
Globe Med	8,117	6,955
La Maison des Enfants	26,725	28,423
Kampuchean Action for Primary Education (KAPE)	68,406	-
Population Services International ("PSI")	-	35,117
Rotary Club of Calgary I	42,751	68,929
Rotary Club of Calgary II	1,653	16,245
World Vision International	35,794	29,253
WWI TRUST FUND	56,358	-
	601,958	675,575

7. Sale revenue

	2019	2019
	In US\$	In US\$
Smile Restaurant	34,155	118,087
Handmade Gift	130	1,967
Metta Garage	-	2,457
	34,285	122,511

8. Personnel costs

	2020	2019
	In US\$	In US\$
Staff salaries	96,764	101,991
Benefits	6,772	4,932
	103,536	106,924

9. Program costs

	2020	2019
	In US\$	In US\$
Project implementation costs	332,492	351,066
Scholarship expense	13,500	16,164
Staff capacity building	2,384	4,437
Monitoring and evaluation	2,717	1,298
	351,094	372,965

**BUDDHISM FOR SOCIAL DEVELOPMENT ACTION (BSDA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

10. Indirect costs

	2020	2019
	In US\$	In US\$
Administration costs	33,291	28,745
Overhead charges	348	9,150
Rental	10,959	16,928
Travel	10,520	5,084
Professional fee	6,131	4,549
Small equipment and maintenance	1,454	3,213
Advertising and promotion	12	133
	62,715	67,803

11. Infrastructure and other equipment

	2020	2019
	In US\$	In US\$
Infrastructure	187,048	98,883
Equipment	898	556
	187,946	99,439

12. SUBSEQUENEVENTS

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) a pandemic. As a result, economic uncertainties have arisen which are likely to negatively impact on net income of social enterprise. Other financial impact could occur though such potential impact is unknown at this time

13. Authorization of the financial statements

The financial statements for the year ended 31 December 2020 were approved by the Management on 25 June 2021.