

BUDDHISM FOR SOCIAL DEVELOPMENT ACTION (BSDA)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

AND

REPORT OF THE INDEPENDENT AUDITORS

BUDDHISM FOR SOCIAL DEVELOPMENT ACTION (BSDA)

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BUDDHISM FOR SOCIAL DEVELOPMENT ACTION

REPORT OF THE MANAGEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

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 2023 ("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. Hour Sokrath	Member
5. Mrs. Anheng Leakhena	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 Chanthy	Smile School Manager & Staff Representative
6. Mrs. Chan Samnang	Project manager

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 2023, 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 2023, 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 SMT of BSDA,



Ms. Chhon Srors
Executive Director

Phnom Penh, Kingdom of Cambodia
Date: 28 June 2024

**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 2023 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 2023, 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.

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 blue circular stamp is positioned on the left, containing the text "REACHS & PARTNERS Co., Ltd." in the center, with Khmer text around the perimeter. To the right of the stamp is a handwritten signature in blue ink, consisting of stylized loops and a long horizontal line extending to the right.

E Bunthet
Partner

Phnom Penh, Kingdom of Cambodia
Date: 28 June 2024

BUDDHISM FOR SOCIAL DEVELOPMENT ACTION (BSDA)

STATEMENT OF FUND RECEIPTS AND PAYMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

		2023		2022	
	Notes	US\$	KHR'000	US\$	KHR'000
OPERATING RECEIPTS					
Grant receipt	3	620,210	2,549,063	569,525	2,327,649
Other income / Private donation		14,468	59,463	13,147	53,732
Other income for Smile Restaurant	4	36,256	149,012	-	-
TOTAL OPERATING RECEIPTS		670,934	2,757,538	582,672	2,381,381
OPERATING PAYMENTS					
General and administrative expenses	5	271,069	1,114,094	232,201	949,005
Project expenses	6	272,331	1,119,280	455,858	1,863,092
Other expenses for Smile Restaurant	7	24,865	102,195	-	-
TOTAL OPERATING PAYMENTS		568,265	2,335,569	688,059	2,812,097
Operating surplus/(deficit)		102,669	421,969	(105,387)	(430,716)
CAPITAL PAYMENTS					
Property and equipment	8	8,560	35,182	7,442	30,415
Increase/(Decrease) in bank accounts and cash on hand		94,109	386,788	(112,829)	(461,131)
Bank accounts and cash at the beginning of the year		150,511	614,837	246,931	1,005,997
Currency translation differences		-	(2,351)	-	7,232
Bank accounts and cash at the end of the financial year		244,620	999,273	134,102	552,098
REPRESENTED BY:					
Cash on hand		621	2,537	917	3,775
Cash at bank	9	216,199	883,173	133,185	548,323
Cash on hand - Smile Restaurant		835	3,411	-	-
Cash at bank - Smile Restaurant	10	26,965	110,152	-	-
		244,620	999,273	134,102	552,098

The accompanying notes on pages 7 to 12 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 2023

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 Bachey 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 2023

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").

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.

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 4,110 (2022: US\$1 to Riel 4,087), and the closing rate was US\$1 to Riel 4,085, (2022: US\$1 to Riel 4,117).

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.

BUDDHISM FOR SOCIAL DEVELOPMENT ACTION (BSDA)

NOTES TO THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

BUDDHISM FOR SOCIAL DEVELOPMENT ACTION (BSDA)

NOTES TO THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Operation of Smile Restaurant

Smile Restaurant is a canteen operated under the direction of BSDA to support the activities of the organisation. On 12 October 2023, the Organisation registered and obtained a patent for the operation of Canteen activities, Smile Restaurant, from the General Department of Taxation as part of business activities under BSDA. To comply with the requirement for tax declaration purposes, the accounting records for Smile Restaurant were maintained separately from the not-for-profit activities of BSDA's account. However, in preparation of whole organisation's financial statements, transactions of the Smile restaurant are included in their respective lines of income, expenditure and cash balance. Inter-transactions between not-for-profit and restaurant operations are eliminated in full in the whole organisation's financial statements.

3. GRANT RECEIPT

	2023		2022	
	US\$	KHR'000	US\$	KHR'000
EcoSolidar	289,000	1,187,790	240,000	980,880
EcoSolidar HER	92,000	378,120	139,805	571,383
AEA-EU-COSAVED	68,858	283,006	89,062	363,996
WVI TRUST FUND	98,828	406,183	38,688	158,118
Cooperation Committee for Cambodia - INSIP	23,300	95,763	-	-
Cooperation Committee for Cambodia - SNFVP	23,300	95,763	-	-
La Maison Des Enfants	19,950	81,995	20,925	85,520
GlobeMed	4,974	20,443	-	-
APSARA FONDAZIONE	-	-	25,724	105,134
KAPE	-	-	10,000	40,870
Save the Children-CRIP	-	-	5,321	21,748
Rotary Club of Calgary I	-	-	-	-
Rotary Club of Calgary II	-	-	-	-
GIZ	-	-	-	-
	620,210	2,549,063	569,525	2,327,649

4. OTHER INCOME FOR SMILE RESTAURANT

This represents the amount of income generated from selling food and beverages to general customers by a restaurant, Smile Restaurant, as described in note 2.13.

5. GENERAL AND ADMINISTRATIVE EXPENSES

	2023		2022	
	US\$	KHR'000	US\$	KHR'000
Personnel costs	141,236	580,480	139,147	568,694
Administrative Costs	126,498	519,907	92,006	376,028
Rental expenses	3,335	13,707	1,048	4,283
	271,069	1,114,094	232,201	949,005

BUDDHISM FOR SOCIAL DEVELOPMENT ACTION (BSDA)

NOTES TO THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

6. PROJECT EXPENSES

	2023		2022	
	US\$	KHR'000	US\$	KHR'000
Bamboo resort (*)	-	-	163,953	670,076
Project implementation	233,719	960,585	213,702	873,400
Program costs	38,612	158,695	78,203	319,616
	272,331	1,119,280	455,858	1,863,092

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

7. OTHER EXPENSE FOR SMILE RESTAURANT

This represents the amount of other expenses incurred in Smile Restaurant as described in note 2.13.

8. PROPERTY AND EQUIPMENT

	2023		2022	
	US\$	KHR'000	US\$	KHR'000
Computer and IT equipment	8,560	35,182	7,442	30,415
	8,560	35,182	7,442	30,415

9. CASH AT BANK

The Organisation maintains the following savings accounts at Acleda Bank:

	2023		2022	
	US\$	KHR'000	US\$	KHR'000
ACLEDA Bank Plc.				
1000-01-068789-1-9	81,004	330,901	53,736	221,232
1000-00-198634-4-4	33,301	136,035	27,390	112,765
1000-02-535207-1-2	16,802	68,636	15,378	63,311
1000-20-661123-1-3	5,342	21,822	13,000	53,521
1000-01-858229-3-9	17	69	12,104	49,832
1000-00-198634-2-2	12	49	4,729	19,469
1000-02-750207-1-4	1,654	6,757	2,962	12,195
1000-20-198634-1-4	1,355	5,535	1,171	4,821
1000-00-198634-5-4	-	-	1,147	4,722
1000-00-198634-2-0	68,966	281,726	893	3,676
1000-02-321179-1-9	4,019	16,418	420	1,729
1000-02-864516-1-3	136	556	137	564
1000-02-718283-1-6	1,485	6,066	92	379
1000-01-257858-1-8	1,714	7,002	19	78
1000-00-198634-3-4	205	837	5	21
1000-00-198634-1-4	5	20	2	8
1000-00-198634-2-4	182	744	-	-
	216,199	883,173	133,185	548,323

BUDDHISM FOR SOCIAL DEVELOPMENT ACTION (BSDA)**NOTES TO THE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023****10. CASH AT BANK – SMILE RESTAURANT**

Smile Restaurant maintains the following savings accounts at Acleda Bank and ABA Bank:

	2023		2022	
	US\$	KHR'000	US\$	KHR'000
ACLEDA Bank Plc.				
1000-01-858229-29	4,694	19,175	-	-
1000-01-858229-19	331	1,352	-	-
1000-01-258148-1-8	4,560	18,628	-	-
Sub-total (A)	9,585	39,155	-	-
Advanced Bank of Asia Ltd (ABA)				
005750361	16,895	69,016	-	-
002875992	485	1,981	-	-
Sub-total (B)	17,380	70,997	-	-
Total (A)+(B)	26,965	110,152	-	-