

AT&C

**SOVANN PHOUM ORGANIZATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

SOVANN PHOUM ORGANIZATION

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

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ORGANISATION SOVANN PHOUM

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STATEMENT BY THE BOARD OF DIRECTORS

I, Out Sarang, on behalf of the Board of Directors of Sovann Phoum Organization do hereby state that the financial statements of Sovann Phoum Organization ('the Organisation'), together with the notes set out on pages 4 to 11, present fairly, in all material respects, of the financial position of Organization as at 31 December 2010 and the results of its operations for the year then ended in accordance with the basis set out in Note 2 to the financial statements.

Signed on behalf of the Board of Directors,



Mr. Out Sarang
Executive Director
Date: 24 March 2011
Phnom Penh, Kingdom of Cambodia

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AT&C

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTOR OF SOVANN PHOUM ORGANIZATION

We have audited the financial statements of Sovann Phoum Organization ('the Organisation') for the year ended 31 December 2010 on pages 4 to 11 which has been prepared in accordance with the accounting policies set out in note 2 to the financial statements and accounting principles generally accepted in Cambodia.

Respective responsibilities of the management and the auditors

This financial is the responsibility of the Organisations' management. Our responsibility is to express an independent opinion on these financial statements based on our audit.

This report, including the opinion, has been prepared for and only for the Organisation and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, except where expressly agreed by our prior consent in writing.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

The Organisation's policy is to prepare the accompanying financial statements under the cash basis of accounting modified to include the recognition of account receivable and payable. Under the cash basis, income is recognised when received rather than when earned, and expenses are recognised when paid rather than when incurred.

As indicated in note 2, significant accounting policies, to the financial statements, the accompanying financial statements is not prepared to present the financial position and its receipts and disbursements in accordance with International Financial Reporting Standards. The accounting principles and practices utilized in Cambodia may differ from those permitted under International Financial Reporting Standards.


Limitation in audit scope

1. Under note 9 to the statement of receipts, disbursements and fund balance, the balance of severance fund from School Health Promotion Project (SHPP) funded by Plan International Cambodia transferred to Sovann Phoum Organisation amounting to US\$1,771 it was derived from the unaudited statement of receipts, disbursements and fund balance of the Project for the year ended 31 December 2009. We were unable to satisfy ourselves by other audit procedures.

2. The inventories amounting of US\$ 4,939 do not have a proper system of control or year ended stock count for verification for the purpose of our audit. There were no other satisfactory audit procedures that we could adopt to confirm the accuracy and completeness of this recorded.

Opinion

In our opinion, except for the matters referred to under 1 to 2 in the caption *limitation in audit scope*, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at 31 December 2010 and the results of its operations for the year then ended in accordance with the basis set out in Note 2 to the financial statements and accounting principles generally accepted in Cambodia.


 AT&C (CAMBODIA) CO., LTD.
 Phnom Penh, Kingdom of Cambodia
 Date: 24 March 2011



SOVANN PHOUM ORGANIZATION

BALANCE SHEET
AS AT 31 DECEMBER 2010

	Notes	2010 US\$	2009 US\$
ASSETS			
Non-current assets			
Property, plant and equipment	3	23,366	29,072
Loan	4	8,126	16,992
		<u>31,492</u>	<u>46,064</u>
Current assets			
Inventory	5	4,939	7,339
Receivables	6	2,111	2,178
Cash and cash equivalents	7	102,588	81,223
		<u>109,638</u>	<u>90,740</u>
LIABILITIES			
Current Liabilities			
Severance fund		4,752	2,853
		<u>4,752</u>	<u>2,853</u>
Net current assets		<u>104,886</u>	<u>87,887</u>
TOTAL NET ASSETS		<u>136,378</u>	<u>133,951</u>
REPRESENTED BY:			
FUNDS BALANCE	10	<u>136,378</u>	<u>133,951</u>

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

SOVANN PHOUM ORGANIZATION

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2010

	<u>Notes</u>	<u>2010</u> <u>US\$</u>	<u>2009</u> <u>US\$</u>
INCOME			
Revenue	8	12,295	32,142
Other income		637	-
Interest income		1,857	1,286
Other income		82	
		<u>14,871</u>	<u>33,428</u>
EXPENDITURE			
Cost of books		2,637	3,705
Local office and project costs		189	357
Material and supplies		346	880
Human resources		8	53
Depreciation charge	3	6,226	7,968
Other expenses		3,558	1,657
		<u>12,964</u>	<u>14,620</u>
NET INCOME FOR THE YEAR		<u>1,907</u>	<u>18,808</u>

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

SOVANN PHOUM ORGANIZATION

STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE
FOR THE YEAR ENDED 31 DECEMBER 2010

	<u>Notes</u>	<u>2010 US\$</u>	<u>2009 US\$</u>
RECEIPTS			
Cash receipt from publications		8,365	23,538
Cash receipts from training services		2,065	-
Interest received		1,857	1,286
Interest from loan		1,865	8,604
Food security		-	163
Other income		719	-
Repayment of advances from staff		-	2,066
Repayment from loan		8,868	32,907
Staff severance fund deposit		<u>2,593</u>	<u>1,164</u>
		<u>26,332</u>	<u>69,728</u>
DISBURSEMENTS			
Publication		2,637	3,705
Loans		-	8,800
Local office/ project costs		189	357
Materials and supplies		346	880
Human resources		8	53
Repayment of advances to others		-	1,730
Other expenses		<u>3,558</u>	<u>1,657</u>
		<u>6,738</u>	<u>17,182</u>
Excess/ (Deficit) of receipts over disbursements		19,594	52,546
Cash and cash equivalents as at beginning of year		81,223	28,677
Transferred of severance fund from SHPP Project	9	<u>1,771</u>	-
Cash and cash equivalents as at end of year	7	<u>102,588</u>	<u>81,223</u>

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

SOVANN PHOUM ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

1. GENERAL

Sovann Phoum Organization (the Organization) is a local non-governmental organization initiated by Enfants et Development (E&D) and registered with the Ministry of Interior on 10 April 2000. The Organization is principally engaged in producing health educational materials and conducting child training in order to achieve financial sustainability.

The address of the Organization's registered office is N0. 48, Boeung Kak 2, Toul Kork, Phnom Penh, Kingdom of Cambodia.

As at 31 December 2010, the Organization has 28 employees (2009: 31 employees)

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements expressed in United States dollars ("US\$") have been prepared under the historical cost convention and using cash basis of accounting modified to include the recognition of account receivable and payable. On this basis, receipts are recognised when received rather than when earned, and disbursements are recognised when paid rather than when incurred.

The financial statements are not intended to present the financial position and receipts and disbursements in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Cambodia. The accounting principles and practices utilised in Cambodia may differ from those generally accepted in countries and jurisdictions other than Cambodia.

2.2 Foreign currency translations

The Organization transacts primarily in and maintains its accounting records in United States dollars ("US\$"). Monetary assets and liabilities in currencies other than US\$ are translated into US\$ at the rates of exchange ruling at the balance sheet date and transactions in currencies other than US\$ are translated into US\$ at the rates of exchange prevailing on the transaction dates. Exchange differences are recognised immediately in the income statement.

2.3 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments which are readily convertible into known amounts of cash without notice and which are within three months of maturity when acquired, and bank overdrafts.

SOVANN PHOUM ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Property, plant and equipment

The cost of property and equipment comprises of its purchase price and any directly attributable costs of bringing the assets to working condition for its intended use. Expenditure for addition, improvements and renewal are capitalized and expenditure for maintenance and repairs are charge to the income and expenditure statement. When assets are disposal or retied, their cost and accumulated depreciation are eliminated from the balance sheet and any gain or loss resulting from their disposal is include in the income and expenditure statement.

Depreciation is calculated on the straight-line method to write off the cost of each asset to its residual values over its estimated useful life as follows:

Computer	20%
Equipment and furniture	5% - 20%
Motor and vehicles	12.5% - 20%
Tools and equipment	5% - 33%

2.5 Inventories

Inventories are stated at the lower of cost, which is determined on the weighted average basis, and realizable value.

2.6 Receivables

Receivable are carried at anticipated value. An allowance is made for doubtful receivables based on a review of all outstanding amounts at the year end. Bad debts are written off in the year in which they are identified.

2.7 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Organization and the revenue can be reliably measured. For sales of goods, revenue is recognised when the significant risks and rewards of ownership of goods has passed to the buyer, which generally coincides with their delivery and acceptance.

Special funds contributed by the donors for publication are recognized under a cash basis of accounting. Under this basis, revenue recognized when cash is received rather than when earned.

SOVANN PHOUM ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

3. PROPERTY, PLANT AND EQUIPMENT

	Land US\$	Computer US\$	Equipment & Furniture US\$	Motor vehicles US\$	Tools and equipment US\$	Total US\$
COST						
As at 01 January 2010	7,871	21,356	18,159	35,624	16,543	99,553
Additions	-	520	-	-	-	520
As at 31 December 2010	7,871	21,876	18,159	35,624	16,543	100,073
ACCUMULATED DEPRECIATION						
As at 01 January 2010	-	16,487	14,278	32,948	6,768	70,481
Depreciation charge	-	2,400	876	2,194	756	6,226
As at 31 December 2010	-	18,887	15,154	35,142	7,524	76,707
NET BOOK VALUE						
As at 31 December 2010	7,871	2,989	3,005	482	9,019	23,366
As at 31 December 2009	7,871	4,869	3,881	2,676	9,775	29,072

SOVANN PHOUM ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

4. LOAN

The loan is provided to medium business and the maturity is 18 months. The interest rate of those loans is 3% per month.

5. INVENTORY

These consist of books and reading materials for health education.

6. RECEIVABLES

	2010 US\$	2009 US\$
Expense advances	11	78
Deposit- office and telephone	2,100	2,100
	<u>2,111</u>	<u>2,178</u>

7. CASH AND CASH EQUIVALANTS

	2010 US\$	2009 US\$
Cash on hand	386	2,961
Cash at bank	102,202	78,262
	<u>102,588</u>	<u>81,223</u>

8. REVENUE

	2010 US\$	2009 US\$
Sales of book and reading materials	8,365	23,538
Training course child-to-child	2,065	-
Interest from MC loan	1,865	8,604
	<u>12,295</u>	<u>32,142</u>

SOVANN PHOUM ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

9. TRANSFERRED OF SEVERANCE FUND FROM SHPP PROJECT

This represents balance of severance fund from School Health Promotion Project (SHPP) transferred to Sovann Phoum Organisation.

10. FUND BALANCE

	Project's capital contribution	Accumulated fund deficit	Total
	US\$	US\$	US\$
<u>2010</u>			
Balance as at 01 January 2010	113,064	20,887	133,951
Property and equipment transferred from projects	520	-	520
Net income for the year	-	1,907	1,907
Balance as at 31 December 2010	<u>113,584</u>	<u>22,794</u>	<u>136,378</u>
<u>2009</u>			
Balance as at 01 January 2009	112,717	2,079	114,796
Property and equipment transferred from projects	347	-	347
Net income for the year	-	18,808	18,808
Balance as at 31 December 2009	<u>113,064</u>	<u>20,887</u>	<u>133,951</u>

SOVANN PHOUM ORGANIZATION

***THE INTEGRATE DEVELOPMENT ON URBAN PHNOM PENH,
RURAL FAMILY EMPOWERMENT FOR VULNERABLE PEOPLE PROJECT,
HEALTH EDUCATION PROJECT AND SCHOOL HEALTH PROMOTION PROJECT***

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE
FOR THE YEAR ENDED 31 DECEMBER 2010**

**SOVANN PHOUM ORGANIZATION
THE INTEGRATE DEVELOPMENT ON URBAN PHNOM PENH,
RURAL FAMILY EMPOWERMENT FOR VULNERABLE PEOPLE PROJECT,
HEALTH EDUCATION PROJECT AND SCHOOL HEALTH PROMOTION PROJECT**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE
FOR THE YEAR ENDED 31 DECEMBER 2010**

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ORGANISATION SOVANN PHOUM

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STATEMENT BY THE MANAGEMENT

I state that, in my opinion as the Management of the Project,

The accompanying statement of receipts, disbursements and fund balance, together with the notes thereon of the Integrated Development on Urban Phnom Penh, Rural Family Empowerment for Vulnerable People Project, Health Education Project and School Health Promotion Project ("the Project"), mainly funded by EU (through E&D), CCFD, ACCER and PLAN International Cambodia, implemented by Sovann Phoum Organization ("the Organization") as at 31 December 2010 and of its receipts and disbursements for the year then ended, has been prepared, in all material respects, in accordance with the basis set out in Note 2 to the statement of receipts, disbursements and fund balance.

On behalf of the Management of the Project



Mr. Out Sarang
Executive Director

You Thay
Assistant Director

Phnom Penh, Kingdom of Cambodia
Date: 24 March 2011

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The logo for AT&C, consisting of the letters 'AT&C' in a white, bold, sans-serif font, set against a dark blue rectangular background.

INDEPENDENT AUDITOR'S REPORT TO THE MANAGEMENT OF SOVANN PHOUM ORGANIZATION

We have audited the accompanying statement of receipts, disbursements and fund balance of the Integrated Development on Urban Phnom Penh, Rural Family Empowerment for Vulnerable People Project, Health Education Project and School Health Promotion Project ("the Project"), on pages 4 to 9 which has been prepared in accordance with the accounting policies set out in note 2, significant accounting policies, to the statement of receipts, disbursement and fund balance.

Respective responsibilities of the Management and the auditors

The Project's management is responsible for the preparation of the statement of receipts, disbursements and fund balance which gives a true and fair view. In preparing the statement of receipts, disbursements and fund balance which gives a true and fair view, it is fundamental that appropriate accounting policies are selected and applied consistently.

It is our responsibility to form an independent opinion, based on our audit, on the statement of receipts, disbursements and fund balance and to report our opinion to you.

Basis of opinion

We conduct our audit in accordance with International Standards on Auditing. An audit includes and examination, on a test basis, of evidence relevant to the amounts and disclosures in the statement of receipts, disbursement and fund balance. It also includes an assessment of the significant estimates and judgments made by the management in the preparation of the statement of receipts, disbursements and fund balance, and of whether the accounting policies are appropriate to the Project's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the statement of receipts, disbursements and fund balance is free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the statement of receipts, disbursements and fund balance. We believe that our audit provides a reasonable basis for our opinion.

The Project's policy is to prepare the accompanying statement of receipts, disbursements and fund balance under the cash basis of accounting. Under this basis, income is recognised when received rather than when earned, and expenses are recognised when paid rather than when incurred.

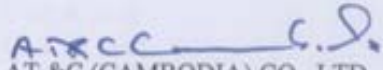
As indicated in note 2, significant accounting policies, to the statement of receipts, disbursements and fund balance, the accompanying statement of receipts, disbursements and fund balance is not prepared to present the financial position and its receipts and disbursements in accordance with International Financial Reporting Standards. The accounting principles and practices utilized in Cambodia may differ from those permitted under International Financial Reporting Standards.

Limitation in audit scope

The beginning of fund balance of School Health Promotion Project (SHPP) funded by Plan International Cambodia amounting to US\$1,620 it was derived from the unaudited statement of receipts, disbursements and fund balance of the Project for the year ended 31 December 2009. We were unable to satisfy ourselves by other audit procedures to obtain our own assurances as regards the opening fund balance figure would have an impact on the current year's statement of receipts, disbursements and fund balance for the year ended 31 December 2010

Opinion

In our opinion, except for the matters in the caption *limitation in audit scope*, the statement of receipts, disbursements and fund balance, as at 31 December 2010 and of its receipts and disbursements for the year then ended, has been prepared, in all material aspects, in accordance with the accounting policies set out in Note 2 to the statement of receipts, disbursements and fund balance and accounting principles generally accepted in Cambodia.


 AT & C (CAMBODIA) CO., LTD.
 Phnom Penh, Kingdom of Cambodia
 Date: 24 March 2011



SOVANN PHOUM ORGANIZATION
 THE INTEGRATE DEVELOPMENT ON URBAN PHNOM PENH,
 RURAL FAMILY EMPOWERMENT FOR VULNERABLE PEOPLE PROJECT,
 HEALTH EDUCATION PROJECT AND SCHOOL HEALTH PROMOTION PROJECT

STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE
 FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	2010 US\$	2009 US\$
RECEIPTS			
Fund received from donors	3	201,664	121,655
Fund transferred from ACCER/SP		3,020	-
Vocational training		2,362	-
Other income	4	225	268
		<u>207,271</u>	<u>121,923</u>
DISBURSEMENTS			
Human resources	5	104,502	59,155
Equipment, materials and supplies	6	34,220	18,858
Local office/ project costs	7	27,041	14,976
Investment		-	1,805
Services	8	36,736	44,170
Exchange loss		2	9
		<u>202,501</u>	<u>138,973</u>
Surplus/ (Deficit) of receipts over disbursements		4,770	(17,050)
Fund balance at the beginning of year		24,812	41,862
The beginning of fund balance of SHPP Project	9	1,620	-
Fund transferred to ACCER/CDP		<u>(3,020)</u>	<u>-</u>
Fund balance at the end of year	10	<u>28,182</u>	<u>24,812</u>
Represented:			
Cash at bank		25,369	22,207
Cash on hand		2,063	3,130
Office rental deposit		750	750
Advance from Sovann Phoum		<u>-</u>	<u>(1,275)</u>
		<u>28,182</u>	<u>24,812</u>

The accompanying notes are an integral part of this statement of receipts, disbursements and fund balance.

SOVANN PHOUM ORGANIZATION
*THE INTEGRATE DEVELOPMENT ON URBAN PHNOM PENH,
RURAL FAMILY EMPOWERMENT FOR VULNERABLE PEOPLE PROJECT,
HEALTH EDUCATION PROJECT AND SCHOOL HEALTH PROMOTION PROJECT*

**NOTES TO THE STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE
FOR THE YEAR ENDED 31 DECEMBER 2010**

1. GENERAL

The Integrated Development on Urban Phnom Penh, Rural Family Empowerment for Vulnerable People Project, Health Education Project and School Health Promotion Project ("the Project"), is implemented by Sovann Phoum Organization ("the Organization") and its mainly funded by EU (through E&D), Comité Catholique Contre la Faim et pour le Développement (CCFD), Association Cantalienne Cambodge Entraide à la Reconstruction (ACCER), and PLAN International Cambodia.

The main goal of the project is to improve the living standard of family in need in those communities by providing moral, economic, educational, health care support with the particular focus on children and women.

2. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of accounting

The statement of receipts, disbursements and fund balance, expressed in United States dollars ("US\$"), is prepared under the historical cost convention using the cash basis of accounting. Under the cash basis of accounting, receipts are recognised when received rather than when earned, and disbursements are recognised when paid rather than when incurred.

b. Receipts and disbursements

Receipts are defined as the receipts of grants from donors. Disbursements represent all costs incurred in meeting project's objectives.

c. Foreign currency transaction

The statement of receipts, disbursements and fund balance is expressed in United States dollars (US\$) which is the functional currency. Transactions in currencies other than US\$ are converted to US\$ at the rate of exchange prevailing on the date of the transaction.

d. Fixed assets

The cost of fixed assets purchased during the year is treated as disbursement of funds in the statement of receipts, disbursements and fund balance in the year of purchase. For control purposes, Sovann Phoum maintains a fixed assets register.

e. Bank and cash balances

Bank and cash balances comprise bank saving accounts, and cash on hand that is short term and highly liquid balances readily convertible to cash with insignificant risk to change in value.

SOVANN PHOUM ORGANIZATION
 THE INTEGRATE DEVELOPMENT ON URBAN PHNOM PENH,
 RURAL FAMILY EMPOWERMENT FOR VULNERABLE PEOPLE PROJECT,
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NOTES TO THE STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE
 FOR THE YEAR ENDED 31 DECEMBER 2010

3. FUNDS RECEIVED FROM DONORS

	2010 US\$	2009 US\$
E&D	60,100	60,500
CCFD	14,049	38,385
ACCER	4,300	5,500
EU	19,930	17,270
PLAN International Cambodia	103,285	-
	<u>201,664</u>	<u>121,655</u>

4. OTHER INCOME

	2010 US\$	2009 US\$
Interest income	215	263
Gain on foreign exchange	10	5
	<u>225</u>	<u>268</u>

5. HUMAN RESOURCES

	2010 US\$	2009 US\$
Local staff remuneration		
- Technical	63,887	46,913
- Administration	13,208	8,682
Bursaries	10,424	1,370
Others	16,983	2,190
	<u>104,502</u>	<u>59,155</u>

SOVANN PHOUM ORGANIZATION
 THE INTEGRATE DEVELOPMENT ON URBAN PHNOM PENH,
 RURAL FAMILY EMPOWERMENT FOR VULNERABLE PEOPLE PROJECT,
 HEALTH EDUCATION PROJECT AND SCHOOL HEALTH PROMOTION PROJECT

NOTES TO THE STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE
 FOR THE YEAR ENDED 31 DECEMBER 2010

6. EQUIPMENT, MATERIALS AND SUPPLIES

	2010	2009
	US\$	US\$
Vehicles	1,218	-
Furniture and computers	520	7
Training supplies	22,651	18,297
Travel for project training	-	372
First aid kit & medical supply	1,349	-
Hygiene materials	4,267	-
Others	4,215	182
	<u>34,220</u>	<u>18,858</u>

7. LOCAL OFFICE/ PROJECT COSTS

	2010	2009
	US\$	US\$
Consumables		
- Fuel	8,148	3,087
- Office supplies	1,891	1,574
- Documentation	87	118
Rental charge	7,827	4,650
Insurance	625	809
Others	66	72
Post and telecommunication	1,915	1,977
Repairs and maintenance	6,482	2,689
	<u>27,041</u>	<u>14,976</u>

SOVANN PHOUM ORGANIZATION
THE INTEGRATE DEVELOPMENT ON URBAN PHNOM PENH,
RURAL FAMILY EMPOWERMENT FOR VULNERABLE PEOPLE PROJECT,
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NOTES TO THE STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE
FOR THE YEAR ENDED 31 DECEMBER 2010

8. SERVICES

	2010	2009
	US\$	US\$
Audit	1,100	1,100
Training fee	5,981	780
Per diem for Sovann Phoum staff	10,850	3,874
Trainer fees for VT trainees	16,740	34,461
Publication	-	2,900
Public relation	-	247
Recruitment cost	-	749
Bank charge and exchange loss	148	59
Internal evaluation	947	-
Word aids campaign	970	-
	<u>36,736</u>	<u>44,170</u>

9. THE BEGINNING OF FUND BALANCE OF SHPP PROJECT

This represents the remaining fund balance of School Health Promotion Project from the previous year, funded by Plan International Cambodia.

SOVANN PHOUM ORGANIZATION
 THE INTEGRATE DEVELOPMENT ON URBAN PHNOM PENH,
 RURAL FAMILY EMPOWERMENT FOR VULNERABLE PEOPLE PROJECT,
 HEALTH EDUCATION PROJECT AND SCHOOL HEALTH PROMOTION PROJECT

NOTES TO THE STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE
 FOR THE YEAR ENDED 31 DECEMBER 2010

10. FUND BALANCE

	URBAN PROJECT E&D US\$	AFBRASSETH PROJECT		HEALTH EDUCATION PROJECT				SHPP PROJECT PLAN US\$	TOTAL US\$
		EU US\$	CCFD US\$	CDPP US\$	ACCR US\$	HERDC CCFD US\$	ACCR US\$		
RECEIPTS									
Fund received from donors	60,100	19,930	1,660	-	-	9,275	4,300	3,114	103,285
Fund transferred from ACCER/SP	-	-	-	3,020	-	-	-	-	3,020
Vocational training	2,362	-	-	-	-	-	-	-	2,362
Other income	18	6	16	15	-	39	22	58	225
	62,480	19,936	1,676	3,035	-	9,314	4,322	3,172	207,271
DISBURSEMENTS									
Human Resources	31,016	13,608	1,452	2,102	-	4,892	-	5,661	45,771
Equipment, materials and supplies	5,546	1,580	1,570	770	8	2,053	8	971	21,722
Local office/ project costs	7,345	2,445	249	40	899	9	671	671	15,383
Investment	-	-	-	-	-	-	-	-	-
Services	17,674	1,419	15	-	-	1,313	10	1,843	14,462
Exchange loss	-	1	-	-	-	1	-	-	2
	61,581	19,053	3,286	2,912	-	9,158	27	9,146	97,338
Surplus/ (Deficit) of receipts over disbursements	899	883	(1,610)	123	-	156	4,295	(5,974)	4,770
Fund Balance as at the beginning of year	1,492	242	3,499	48	-	3,849	5,652	10,030	24,812
The beginning of fund balance of SHPP Project	-	-	-	-	-	-	-	-	1,620
Fund transferred to ACCER/CDP	-	-	-	-	-	-	(3,020)	-	(3,020)
Fund Balance as at the end of year	2,391	1,125	1,889	171	-	4,005	6,927	4,056	28,182
Presented by:									
Cash at bank	1,027	490	1,855	164	-	3,599	6,819	3,882	25,369
Cash on hand	614	635	34	7	-	406	108	174	2,063
Office rental deposit	750	-	-	-	-	-	-	-	750
	2,391	1,125	1,889	171	-	4,005	6,927	4,056	28,182

ព្រះរាជាណាចក្រកម្ពុជា
ជាតិ សាសនា ព្រះមហាក្សត្រ



ក្រសួងព្រះបរមរាជវាំង
រាជធានីភ្នំពេញ

SOVANN PHOUM ORGANIZATION

MICRO CREDIT FUND PROJECT

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE
FOR THE YEAR ENDED 31 DECEMBER 2010**

Table with multiple columns and rows, containing financial data for the year 2010. The text is very faint and difficult to read.

AT&C (Cambodia)
CPAs and management consultants
228 C, street 155, tuol tumpoung 1, chamkarmon
po box 2511, phnom penh 12310
t: + 855 (0) 23-224-018/217-848
f: + 855 (0) 23-217-848
m: + 855 (0) 12-661-196/16-660-066
e: info@at-c.com.kh

The logo for AT&C, consisting of the letters 'AT&C' in a white, bold, sans-serif font, centered within a dark blue square.

The Board of Directors
Sovann Phoum Organization
48 Street 608 Sangkat Boeung Kok II
Khan Toul Kork, Phnom Peng

Dear Sirs,

**MICRO CREDIT FUND PROJECT
REPORT ON THE AGREED UPON PROCEDURE**

We have performed the procedure agreed with you and enumerated below with respect of the books and account of the Micro Credit Fund Project (the Project) implemented by Sovann Phoum Organization (the Organization) for the year ended 31 December 2010. These procedures and control and are summarized as follows:

- 1- We check the statement of receipts and disbursement drawn up from the books of account on the test basis of the original vouchers, invoices and other document.
- 2- We compared the book keeping and documentation against the adopt accounting practice and their applicability.
- 3- We reconciled the funds received from donors for the micro credit activities against their contract.
- 4- We reconciled the funds transfer from the Integrated Development on Urban Phnom Penh unused in accordance with the objectives of the project.
- 5- We checked the bank balance of the account maintained with a licensed bank in Cambodia.
- 6- We obtained cash confirmation on the cash balance.

We report our finding as follows:

- The statement of receipts and disbursements is in agreement with the books of account on the test basis of original vouchers, invoices and other documents.
- The book keeping and documentation were observed to be reasonable to support the statement of receipts and disbursements. Further work is required to ascertain their adequacy.

- The funds received are in accordance with the contracts signed with donors
- The funds transferred from the Integrated Development on Urban Phnom Penh, were observed to be used in accordance with the objective of the project.
- The bank balance was in agreement with the bank statement
- The cash amount was confirmed as correct by custodian

Because the above procedure do not contribute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the controls existing during the year nor the true and fair view of the financial statement for the year ended on 31 December 2010.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any parties without our written consent. This report relates only the items specified above and does not extend to any financial statement of the Project, taken as a whole.


 AT&C (CAMBODIA) CO., LTD.
 Phnom Penh, Kingdom of Cambodia
 Date: 24 March 2011



SOVANN PHOUM ORGANIZATION
MICRO CREDIT FUND PROJECT

STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE
FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	2010 US\$	2009 US\$
RECEIPTS			
Repayment by borrowing customers	3	142,788	175,756
Customers' deposit	4	25,305	22,832
Interest received from loans and advances	5	19,664	23,043
Interest received from bank deposit		903	1,195
Fund received from EdM		6,455	4,685
Fund received from DBN		6,428	-
Foreign exchange gain		1,461	59
Write off collected from MC loan		63	-
Penalty from MC loan		201	-
		<u>203,268</u>	<u>227,570</u>
DISBURSEMENTS			
Human resource		22,093	19,106
Equipment, materials and supplies		-	499
Local office/ project costs		3,116	3,087
Loan to customers	3	171,240	154,898
Withdrawals by customer's deposit	4	22,316	23,178
Services		514	601
MC loan write off		8,404	3,003
Exchange loss		1,106	820
		<u>228,789</u>	<u>205,192</u>
(Deficit)/ Excess of receipts over disbursements		(25,521)	22,378
Fund balance at beginning of year		<u>70,758</u>	<u>48,380</u>
Fund balance at the end of year		<u>45,237</u>	<u>70,758</u>
Represented by:			
Cash on hand		3,314	3,654
Cash at bank		<u>41,923</u>	<u>67,104</u>
		<u>45,237</u>	<u>70,758</u>

The accompanying notes are an integral part of this statement of receipts, disbursements and fund balance.

SOVANN PHOUM ORGANIZATION
MICRO CREDIT FUND PROJECT

NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

1. PRINCIPAL

Micro Credit Fund Project (the Project) is implemented by Sovann Phoum Organization (the Organization). The project provides micro finance to the poor and disadvantage families of target arrears of suburban Project to invest in economic activities and to increase target group income in reducing poverty. The activities of the Project are mainly funded by EU through Enfants et Development (E&D), Entrepreneur du Monde (EdM) and Don Boule de Neige (DBN).

2. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of accounting

The statement of receipts, disbursements and fund balance, expressed in United States dollars ("US\$"), is prepared under the historical cost convention using the cash basis of accounting. Under the cash basis of accounting, receipts are recognised when received rather than when earned, and disbursements are recognised when paid rather than when incurred.

b. Income

Fund is recognized on receipt rather than earned basis, which differs from International Financial Reporting Standards.

c. None-expendable expenditure

Non-expendable expenditure consists of property and equipment, and is charge to expenses upon acquisition. This practice differs from International Financial Reporting Standards, which require the capitalization and depreciation of property and equipment.

For control and management purpose, a memorandum is maintained by the way of a property and equipment listing.

d. Foreign currency transaction

The statement of receipts, disbursements and fund balance is expressed in United States dollars (US\$) which is the functional currency. Transactions in currencies other than US\$ are converted to US\$ at the rate of exchange prevailing on the date of the transaction.

e. Bank and cash balances

Bank and cash balances comprise bank saving accounts and cash on hand that is short term and highly liquid balances readily convertible to cash with insignificant risk to change in value.

SOVANN PHOUM ORGANIZATION
MICRO CREDIT FUND PROJECT

NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

3. LOAN TO CUSTOMERS AND REPAYMENTS

The project maintains a database of borrowing customers, which is maintained by Organization. The total loan to customers as at 31 December 2010 is US\$171,240 (2009: US\$154,898). The interest rate of those loans is 3% per month.

The micro credit loans to customers during the year were funded as follows:

	<u>2010</u> US\$	<u>2009</u> US\$
Sovann Phom Micro Credit	134,984	135,318
DBN	<u>36,256</u>	<u>19,580</u>
	<u>171,240</u>	<u>154,898</u>

The repayments by borrowing customers during the year were as follows:

	<u>2010</u> US\$	<u>2009</u> US\$
Sovann Phom Micro Credit	116,117	157,275
DBN	<u>26,671</u>	<u>18,481</u>
	<u>142,788</u>	<u>175,756</u>

4. CUSTOMERS' DEPOSIT AND WITHDRAWALS

These are deposits received from customers, which bear interest at negotiated rate of 2% per year disbursement and repayable on demand. The project maintains a record of customers' deposit in a memorandum for control and management purposes.

5. INTERST INCOME FROM LOANS

Interest income received from borrowing customers was earned at the rate of 3% per month.