

**CAMBODIAN RURAL DEVELOPMENT TEAM  
("CRDT")**

**Financial Statements  
for the year ended 31 December 2014  
and  
Report of the Independent Auditors**

## Organisation information

<b>Operating License</b>	Registered with the Ministry of Interior dated 25 June 2005
<b>Current funding Agency</b>	Hand in Hand India (“HiH”) Live and Learn Education Environment Cambodia (“LLEEC”) Worldwide Fund for Nature (“WWF”) Cooperation of Geneva Federation or Fédération Genevoise de Coopération (“FGC”) OneAction Association Australian Government (“AusAID”) Winrock International - Supporting Forestry and Bio-diversity (“Winrock/SFB”) The Forestry Administration of Cambodia/International Tropical Timber Organization (“FA/ITTO”) Critical Ecosystem Partnership Fund-International Union for Conservation of Nature and Natural Resources (“CEPF-IUCN”) International Center for Living Aquatic Resources Management, known as (“WorldFish”) VSO Cambodia Thai Environment Institute (“TEI”) Wetlands Alliance Program (“WAP”)
<b>Executing Agency</b>	Cambodian Rural Development Team
<b>Board of Directors</b>	Mr. Mao Savin            Chairman Ms. Chun Sothany      Member Ms. Tuy Sereivathana   Member Dr. Alex Diment        Member Mr. Marc Wancer        Member Mr. Peter Horn          Member
<b>Management Team</b>	Mr. Or Channy            Executive Director Mr. Chann Sarith        Finance and Admin Manager Mr. Sut Samedy          MCA Chief Manager Ms. Ul Socheat           Partnership and Communication Manager
<b>Registered Office</b>	No. 696, Street 2, Sangkat Kratie, Kratie City Kratie Province, Kingdom of Cambodia
<b>Principle Banker</b>	ACLEDA Bank Plc.
<b>Auditors</b>	KPMG Cambodia Ltd

# **Cambodia Rural Development Team (“CRDT”)**

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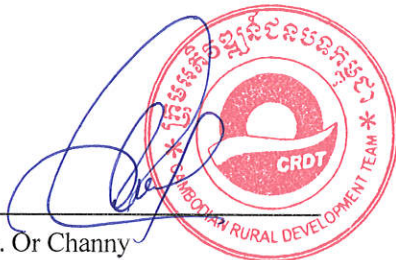
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## Statement by the Management

I do hereby state that, in my opinion, the accompanying balance sheet as at 31 December 2014 and the related statement of income and expenditure for the year then ended, and notes thereto (hereafter referred to as “the financial statements”) of Cambodian Rural Development Team (“the Organisation” or “CRDT”) as set out on pages 4 to 11 are prepared, in all material respects, in accordance with the basis of accounting and the accounting policies described in Note 2 to the financial statements.

*Signed on behalf of the management,*

  
Mr. Or Channy

*Executive Director*

Kratie Province, Kingdom of Cambodia

Date: 3 FEB 2016



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## **Report of the independent auditors**

### **To the donors**

We have audited the accompanying financial statements of Cambodian Rural Development Team (“CRDT” or “the Organisation”), which comprise the balance sheet as at 31 December 2014 and the statement of income and expenditure for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information as set out on pages 4 to 11. The financial statements have been prepared by the management of the Organisation based on the basis of accounting and the accounting policies described in Note 2 to the financial statements.

#### **Management’s responsibility for the financial statements**

Management is responsible for the preparation of these financial statements in accordance with the basis of accounting and the 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 the financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditors’ responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Cambodian International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity’s preparation of the financial statements 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 entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Basis for qualified opinion**

Insufficient documentations were available to support the restaurant and guest house income and its related expenditure amounting to US\$57,228 and US\$30,290 (included in Project activities), respectively, for a restaurant and guest house operated by CRDT, namely Le Tonle. There were no other satisfactory procedures that we could adopt to confirm that the income and expenditure were properly recorded during the year ended 31 December 2014.

### **Qualified Opinion**

In our opinion, except for the possible effects on the financial statements of the matter described in the basis for qualified opinion paragraph, the financial statements of Cambodian Rural Development Team for the year ended 31 December 2014 are prepared, in all material respects, in accordance with the basis of accounting and the accounting policies described in Note 2 to the financial statements.

### **Basis of accounting and restriction on distribution and use**

Without modifying our opinion, we draw attention to Note 2 to the financial statements, which describe the basis of accounting and the accounting policies adopted by the Organisation. The financial statements are prepared for the information and use of the management, Board of Directors and donors. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the management, Board of Directors and donors of the Organisation and should not be distributed to or used by any other parties.

For KPMG Cambodia Ltd



Nge Huy  
*Partner*

Phnom Penh, Kingdom of Cambodia

3 February 2016

## Cambodia Rural Development Team (“CRDT”)

### Balance sheet As at 31 December 2014

	Note	2014 US\$	2013 US\$
<b>Assets</b>			
Cash on hand		7,849	7,528
Cash at banks	3	57,021	130,045
Loans	4	32,986	5,750
Cash advances		955	850
		<u>98,811</u>	<u>144,173</u>
<b>Liabilities</b>			
Other tax payable		611	337
		<u>98,200</u>	<u>143,836</u>
<b>Net assets</b>			
		<u><u>98,200</u></u>	<u><u>143,836</u></u>
<b>Represented by:</b>			
Fund balance at the end of the year		<u><u>98,200</u></u>	<u><u>143,836</u></u>

*The accompanying notes form an integral part of these financial statements.*

## Cambodia Rural Development Team (“CRDT”)

### Statement of income and expenditure for the year ended 31 December 2014

	Note	2014 US\$	2013 US\$
<b>Income</b>			
Funds received from donors	5	425,919	448,368
Tour, restaurant and guest house income	6	151,068	89,056
Other income	7	22,278	31,079
		<hr/>	<hr/>
		599,265	568,503
		<hr/>	<hr/>
<b>Expenditure</b>			
Human resources	8	257,342	212,730
Non-expendable equipment	9	20,429	32,445
Project activities	10	282,141	287,587
Administrative and operating expenses	11	83,098	55,273
		<hr/>	<hr/>
		643,010	588,035
		<hr/>	<hr/>
<b>Deficit of income over expenditure</b>		(43,745)	(19,532)
<b>Fund balance at the beginning of the year</b>		143,836	165,514
<b>Fund returned to donors</b>	12	(1,891)	(2,146)
		<hr/>	<hr/>
<b>Fund balance at the end of the year</b>		98,200	143,836
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*The accompanying notes form an integral part of these financial statements.*



# **Cambodia Rural Development Team (“CRDT”)**

## **Notes to the financial statements for the year ended 31 December 2014**

These notes form an integral part of, and should be read in conjunction with, the accompanying financial statements.

### **1. Background and activities**

Cambodian Rural Development Team (“CRDT”) (“the Organisation” or “CRDT”) is an organisation that has technical expertise and extensive experience in environmentally appropriate agriculture development, food security improvement, market linkage and income generation support, natural resource management, non-timber forest products, water and sanitation, renewable energy technologies, eco-tourism and community empowerment. CRDT was founded in 2001 and registered with the Ministry of Interior as a local NGO on 25 June 2005.

The main objectives of the Organisation are:

- **Food Security:** Supporting livestock, agriculture and vegetable production, and increasing the yield of rice crops in order to ensure communities have access to a protein-rich and varied diet and to diversify food sources to equip villagers to adapt to the climate change.
- **Income Generation:** Enabling farmers to identify value chains and directly access markets in order to generate income to raise standards of living. Also, diversifying income through the creation of small businesses such as community based tourism.
- **Waste and Sanitation:** The construction of open wells and rain water collectors to provide communal access to cleaner drinking water. River hand pumps provide irrigation, and toilet construction aids hygiene and health of both the villagers and the environment.
- **Renewable Energy:** Working to reduce climate change through using micro-hydropower to generate electricity, and installing bio-digesters of the Organisation's own design to capture methane gas from manure which is then used for lighting, cooking fuel and producing organic fertilizer.
- **Environmental Education & Waste Management:** Demonstrating how livelihoods link to sustainability, forming values to enable communities to understand their environment, reduce exploitation and manage their natural resources responsibly, at a time of climatic uncertainty.

As at 31 December 2014 the Organisation had 48 staff (2013: 37 staff).

# **Cambodia Rural Development Team (“CRDT”)**

## **Notes to the financial statements (continued) for the year ended 31 December 2014**

### **2. Summary of significant accounting policies**

The following significant accounting policies have been adopted by the Organisation in the preparation of these financial statements.

#### **(a) Basis of preparation**

The financial statements, which are expressed in United States Dollars (“US\$”), have been prepared in accordance with a modified cash basis of accounting. This is a basis of accounting that is designed to meet the requirements of the Organisation; it is not designed to produce financial statements that are compatible with International Financial Reporting Standards.

Under this basis of accounting, income is recognised when funds are received rather than when it is earned and expenditure is recognised when payments are made rather than when it is incurred, except for the treatments of the following:

- (i) Advance payments to staff are initially recognised as receivables and only recognised as expenditure when they have been liquidated by invoices supporting the related expenditure;
- (ii) Loans are recorded in the balance sheet until they are settled; and
- (iii) Tax payables are recorded in the balance sheet until they are paid.

#### **(b) Non-expendable equipment**

The cost of non-expendable equipment is charged to expenditure upon acquisition. For control and management purposes, a memorandum account for non-expendable items is maintained by way of a non-expendable items listing.

#### **(c) Foreign currency transactions**

The Organisation transacts and maintains its accounting records primarily in United States Dollars (“US\$”). Transactions in currencies other than US\$ are converted into US\$ at the exchange rates prevailing on the transaction dates. Monetary assets and liabilities denominated in currencies other than US\$ at balance sheet date are translated into US\$ at the open market rates of exchange ruling at that date. Exchange differences are recognised in the statement of income and expenditure.

### **3. Cash at banks**

This represents 14 bank accounts held at ACLEDA Bank Plc. which were maintained for the funds received from all donors.

## Cambodia Rural Development Team (“CRDT”)

### Notes to the financial statements (continued) for the year ended 31 December 2014

#### 4. Loans

	2014 US\$	2013 US\$
Staff loan*	4,373	5,750
Loans to third parties**	28,613	-
	<u>32,986</u>	<u>5,750</u>

(\*) Staff loans are granted to employees who are pursuing higher education. The loans are interest free and repayable within three years.

(\*\*) These loans are eligible for only Self-Help-Groups (“SHG”) of Mekong Credit Association (“MCA”) with a fixed interest rate of 2% per month and repayable within 12 months.

#### 5. Funds received from donors

	2014 US\$	2013 US\$
HiH	86,738	108,947
LLEEC	74,123	6,848
WWF	40,403	45,000
FGC	37,971	65,952
OneAction Association	34,242	-
AusAID	34,147	52,404
Winrock/SFB	29,675	-
FA/ITTO	28,176	-
CEPF-IUCN	18,000	-
WorldFish	15,420	-
VSO Cambodia	780	-
VSO Cambodia - Solar Energy Project	9,680	-
VSO Cambodia - International Citizen Service Programme (at Stung Treng) (“VSO-STICS”)	3,601	-
TEI	7,350	-
WAP	5,613	13,522
People from Japan (“KUSANONE”)	-	91,025
Critical Ecosystem Partnership Fund (“CEPF”)	-	42,783
Critical Ecosystem Partnership Fund-Ram Sa (“CEPF-RA”)	-	14,012
Fredskorpset (“FK”)	-	7,875
	<u>425,919</u>	<u>448,368</u>

## Cambodia Rural Development Team (“CRDT”)

### Notes to the financial statements (continued) for the year ended 31 December 2014

#### 6. Tour, restaurant and guest house income

	2014 US\$	2013 US\$
Tour income	93,840	78,723
Restaurant and guest house income	57,228	10,333
	<u>151,068</u>	<u>89,056</u>

#### 7. Other income

	2014 US\$	2013 US\$
General donation	8,457	26,118
Other income	10,719	4,961
Interest income from loans	3,102	-
	<u>22,278</u>	<u>31,079</u>

#### 8. Human resources

	2014 US\$	2013 US\$
Salaries and bonuses	232,002	201,109
Other staff benefits	25,340	11,621
	<u>257,342</u>	<u>212,730</u>

#### 9. Non-expendable equipment

	2014 US\$	2013 US\$
Computer and office equipment	13,509	28,299
Vehicles	6,920	4,146
	<u>20,429</u>	<u>32,445</u>

## Cambodia Rural Development Team (“CRDT”)

### Notes to the financial statements (continued) for the year ended 31 December 2014

#### 10. Project activities

The Project activities are supported by:

	2014 US\$	2013 US\$
CRDT Tour	63,778	51,459
LLEEC	49,341	1,041
HiH	33,296	45,511
FGC - Le Tonle	30,290	17,409
FA/ITTO	20,525	-
WWF	15,800	29,155
WorldFish	12,308	-
CRDT Core Fund	9,913	7,962
VSO Cambodia - Solar Energy Project	8,214	-
KUSANONE	8,189	81,465
AusAID	7,384	32,064
TEI	6,539	-
OneAction Association	5,720	-
Winrock/SFB	4,811	-
CEPF-IUCN	3,725	-
VSO-STICS	2,036	-
WAP	272	7,364
CEPF	-	9,920
CEPF-RA	-	3,182
FK	-	1,019
Instituto de Promoción y Apoyo al Desarrollo (“IPADE”)	-	36
	<u>282,141</u>	<u>287,587</u>

#### 11. Administrative and operating expenses

	2014 US\$	2013 US\$
Office rental	22,695	14,205
Repairs and maintenance	22,542	7,046
Professional fees	7,378	12,710
Utilities	5,432	4,011
Office hospitality	3,611	3,685
Communication	2,515	2,125
Other expenses	18,925	11,491
	<u>83,098</u>	<u>55,273</u>

# **Cambodia Rural Development Team (“CRDT”)**

## **Notes to the financial statements (continued) for the year ended 31 December 2014**

### **12. Fund returned to donors**

This represents the remaining funds transferred to donors after completion of the Project’s activities.