

**MEKONG PLUS  
SVAY RIENG OFFICE**

**REPORT OF INDEPENDENT AUDITORS  
AND  
STATEMENT OF FUND RECEIPTS AND DISBURSEMENTS  
FOR THE YEAR ENDED 24 DECEMBER 2013**

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## STATEMENT BY MANAGEMENT

We do hereby state that in our opinion, the accompanying Statement of Fund Receipts and Disbursements together with the notes thereto are properly drawn up so as to give a true and fair view of the Fund Receipts and Disbursements of Mekong Plus – Svay Rieng Office for year ended 24 December 2013, in accordance with the accounting policies set out in note 2 to the Statement of Fund Receipts and Disbursements.

Signed on behalf of the Management



Mr. Bernard Kervyn

Director

Date: 2 January 2015





## REPORT OF INDEPENDENT AUDITORS TO THE MANAGEMENT OF MEKONG PLUS

We have audited the accompanying Statement of Fund Receipts and Disbursements (“the Financial Statement”) and a summary of significant accounting policies and other explanatory notes of Mekong Plus – Svay Rieng Office for the year ended 24 December 2013.

### Management’s responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this Financial Statement in accordance with the cash basis of accounting except product sales which are recognised on an accrual basis. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Financial Statement that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditors’ responsibility

Our responsibility is to express an opinion on this Financial Statement 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 as to whether the Financial Statement is free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statement. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the Financial Statement, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity’s preparation and fair presentation of the Financial Statement 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 Statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

(Continued)



**REPORT OF INDEPENDENT AUDITORS  
 TO THE MANAGEMENT OF MEKONG PLUS (Continued)**

**Opinion**

In our opinion, the accompanying Statement of Fund Receipts and Disbursements presents fairly, in all material respects, the fund receipts and disbursements of Mekong Plus – Svay Rieng Office for the year ended 24 December 2013, in accordance with the accounting policies set out in note 2 to the Statement of Fund Receipts and Disbursements.

**Other matters**

Your attention is drawn to the following matters:

- Note 3 to the Financial Statement: income received from Mekong Plus should be eliminated in case of consolidation of this Financial Statement with the financial statements of Mekong Plus.
- Note 4 to the Financial Statement: The production process has changed during the year. Actually, raw materials and related costs of final products destined to related partners namely Mekong Quilt Phnom Penh and Siem Reap and Mekong Creation, were provided directly by these partners.

**Morison Kak & Associés**  
 Certified Public Accountants,  
 Statutory Auditors

**Key KAK**  
 Managing Partner

Date: 2 January 2015

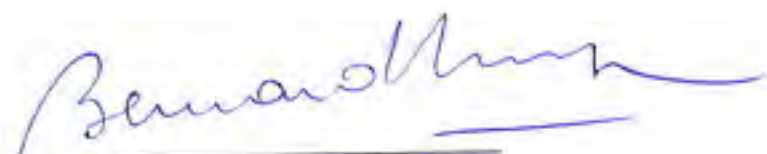




Mekong Plus  
Svay Rieng Office

STATEMENT OF FUND RECEIPTS AND DISBURSEMENTS  
For the year ended 24 December 2013

		25/12/2012 to 24/12/2013	26/12/2011 to 24/12/2012
<b>FUND RECEIPTS</b>			
	Notes		
Incomes from Mekong Plus	3	118,404	100,699
Product sales	4	-	26,372
Other income	5	3,006	2,447
		<u>121,410</u>	<u>129,518</u>
<b>DISBURSEMENTS</b>			
Programme direct cost			
Agriculture	6	3,147	3,699
Health and sanitation	7	13,515	9,177
Community income generation	8	13,139	33,100
Programme indirect cost			
Personnel and related costs	9	54,735	39,037
Office running costs	10	19,296	16,754
Capitalised expenditure		1,187	210
Professional fee		1,704	834
Skill developments		7,097	6,136
		<u>113,820</u>	<u>108,947</u>
<b>Surplus of receipts over disbursements</b>		<b>7,590</b>	<b>20,571</b>
Fund balance brought forward		<u>57,492</u>	<u>36,921</u>
<b>FUND BALANCE CARRIED FORWARD</b>		<b><u>65,082</u></b>	<b><u>57,492</u></b>
<i>Represented by:</i>			
Cash on hand		2,506	1,691
Cash in bank		59,649	5,562
Receivables	11	3,282	62,487
Payables		(355)	(12,248)
		<u>65,082</u>	<u>57,492</u>



Mr. Bernard Kervyn  
Director

Date: 2 January 2015

*The accompanying notes form an integral part of this Statement of Fund Receipts and Disbursements.*

**NOTES TO THE STATEMENT OF FUND RECEIPTS AND DISBURSEMENTS**

For the year ended 24 December 2013

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**1. Background**

Mekong Plus (the "Organisation") was established in 2003 in Belgium. It was previously known under the name of Vietnam Plus, established in France in 1994. The Organisation has been registered with the Ministry of Foreign Affairs and International Cooperation on 17 September 2009.

Svay Rieng Operation ("Svay Rieng Office") is one of the branch offices of Mekong Plus. Project activities which are currently being implemented in Svay Rieng Office are as follows:

- Health and sanitation activities consisting in the provisions of financial support to poor villagers in community to build latrines in order to have access to the low-cost hygienic latrines and providing health training both in community and school.
- Agriculture activities focusing on the provisions of technical training and setting up and extend models in the agronomy and live stocks.
- Community employment consisting in the provisions of training skills both in the community and in Vietnam in the production of quilt, paper mache, cross stitch, rag rug and durries.

Mekong Plus – Svay Rieng Office is located in Phum Choak Khum Choak, Romdol District, Svay Rieng Province.

The Financial Statement is made up to from 25 December 2012 to 24 December 2013 and represents the operations of Mekong Plus – Svay Rieng Office only.

**2. Significant accounting policies**

The significant policies adopted in the preparation of the Financial Statement are set out below:

**2.1 Basis of preparation**

The Financial Statement of Mekong Plus – Svay Rieng Office is expressed in United States Dollar (USD) and prepared under the cash basis of accounting except for product sales which are recognised on an accrual basis. This is a comprehensive basis of accounting which does not produce financial statements which are compatible with the Cambodian International Financial Reporting Standards. Under the cash basis of accounting, incomes are recognised when received rather than when earned and expenses are recognised when paid rather than when incurred.

**2.2 Income from Mekong Plus**

Income from Mekong Plus is recognised when funds are credited to the bank account of Mekong Plus – Svay Rieng Office.

**2.3 Disbursements**

Disbursements are recognised as expenses when they are paid rather than when they are incurred.



**NOTES TO THE STATEMENT OF FUND RECEIPTS AND DISBURSEMENTS**  
For the year ended 24 December 2013

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**2. Significant accounting policies (Continued)**

**2.4 Fixed assets**

All items of fixed assets are expended upon acquisition in accordance with the cash basis of accounting. This practice differs from the Cambodian International Financial Reporting Standards which require the capitalisation and depreciation of those assets according to their estimated useful life. An asset register has been maintained for management control purposes.

**2.5 Receivables**

Receivables are measured net realisable value. Any uncollectible receivables are written off and recognised as expenses.

**2.6 Payables**

Payables are recognised when there are obligations to pay or settle and they are measured at amount to be paid or settled.

**2.7 Foreign currencies transaction**

The Financial Statement is expressed in USD. Transactions in currencies other than USD are converted to USD at the rate of exchange ruling at the transaction dates. Exchange differences are expended in the Financial Statement.

**3. Income from Mekong Plus**

This represents amount transferred by Mekong Plus to Mekong Plus – Svay Rieng Office during the current financial year.

**4. Product sales**

The production process has changed during the year. Actually, raw materials and related costs of final products destined to related partners namely Mekong Quilt Phnom Penh and Siem Reap and Mekong Creation, were provided directly by these partners.

**5. Other income**

Most of this amount represents the contribution from beneficiaries of USD 10 each to build latrine at their home.



NOTES TO THE STATEMENT OF FUND RECEIPTS AND DISBURSEMENTS  
For the year ended 24 December 2013

6. Agriculture

	25/12/2012 to 24/12/2013	26/12/2011 to 24/12/2012
	USD	USD
Village livestock agents	103	17
Agronomy programme	1,046	1,749
Livestock programme	1,998	1,933
	<u>3,147</u>	<u>3,699</u>

7. Health and sanitation

	25/12/2012 to 24/12/2013	26/12/2011 to 24/12/2012
	USD	USD
Health education in community and school	8,307	2,794
Poor family program	530	1,635
Latrine constructions	4,678	4,748
	<u>13,515</u>	<u>9,177</u>

8. Community income generation

	25/12/2012 to 24/12/2013	26/12/2011 to 24/12/2012
	USD	USD
Community wages	606	15,058
Community skill training	12,533	3,696
Raw materials	-	-
Other expenses	-	14,346
	<u>13,139</u>	<u>33,100</u>

9. Personnel and related costs

	25/12/2012 to 24/12/2013	26/12/2011 to 24/12/2012
	USD	USD
Salary and bonus costs	50,644	36,621
Benefit costs	3,623	1,478
Hospitality costs	468	938
	<u>54,735</u>	<u>39,037</u>

NOTES TO THE STATEMENT OF FUND RECEIPTS AND DISBURSEMENTS  
For the year ended 24 December 2013

10. Office running costs

	25/12/2012 to 24/12/2013	26/12/2011 to 24/12/2012
	USD	USD
Office utilities	1,566	1,357
Communication	3,132	2,705
Office supplies	1,622	3,136
Repair and maintenance	4,687	4,195
Rental expense	6,381	4,195
Other expenses	1,908	1,166
	<u>19,296</u>	<u>16,754</u>

11. Receivables

	25/12/2012 to 24/12/2013	26/12/2011 to 24/12/2012
	USD	USD
Deposits	2,820	2,820
Receivable from Mekong Quilt – Siem Reap shop	-	23,733
Receivable from Mekong Quilt – Phnom Penh shop	-	20,272
Receivable from Mekong Creation shop	-	11,638
Staff loans	400	500
Staff advances	62	3,524
	<u>3,282</u>	<u>62,487</u>