

**MICRO-FINANCE ENTERPRISE DEVELOPMENT PROGRAM  
WORLD VISION CAMBODIA**

**FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 1 FEBRUARY 2001 TO 30 SEPTEMBER 2002**

**MICRO-FINANCE ENTERPRISE DEVELOPMENT PROGRAM  
WORLD VISION CAMBODIA**

**FINANCIAL STATEMENTS  
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## **STEERING COMMITTEE REPORT**

The Steering Committee submits its report and the audited financial statements of the Micro-finance Enterprise Development (MED) Program of World Vision Cambodia (“the Program”) for the period from 1 February 2001 to 30 September 2002

### **PRINCIPAL ACTIVITY**

MED is one of the poverty alleviation programs of World Vision Cambodia that makes credit available, accessible, convenient and affordable to marginalized Cambodians especially in the countryside. The MED Program started operating in February 2001 and now covers 11 districts in 4 provinces (Kandal-Takeo, Battambang, Kompong Speu, Kompong Thom), serving over 7,500 clients with a portfolio of over US\$ 240,000.

The MED Program will become a limited liability company over the next several months, which will be a transitional period.

### **RESULTS**

The results of operations for the period ended 30 September 2002 are set out in the profit and loss account on page 6.

### **BAD AND DOUBTFUL LOANS**

Before the financial statements of the Program were drawn up, the Steering Committee took reasonable steps to ascertain that appropriate actions had been taken in relation to the writing off of bad loans and the making of provision for bad and doubtful loans. They satisfied themselves that adequate provisions had been made for doubtful loans. At the date of this report, the Program has not identified and therefore not written off any bad loans yet.

At the date of this report, the Steering Committee is not aware of any circumstances which would render the amount of the provision for bad and doubtful loans in the financial statements of the Program inadequate to any material extent.

### **VALUATION OF ASSETS**

Before the financial statements of the Program were drawn up, the Steering Committee took reasonable steps to ensure that its assets, other than loans which were unlikely to be realised in the ordinary course of business at their value as shown in the accounting records of the Program, had been written down to an amount which they might be expected to realise.

At the date of this report, the Steering Committee is not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Program misleading in any material respect.

### **VALUATION METHODS**

At the date of this report, the Steering Committee is not aware of any circumstances that have arisen which would render adherence to the existing method of valuation of assets and liabilities in the financial statements of the Program misleading or inappropriate in any material respect.

## **CONTINGENT AND OTHER LIABILITIES**

At the date of this report, there does not exist:

- (a) any charge on the assets of the Program which has arisen since the end of the year which secures the liabilities of any other person;
- (b) any contingent liability in respect of the Program that has arisen since the end of the year other than in the ordinary course of its business operations.

No contingent or other liability of the Program has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the fiscal year which, in the opinion of the Steering Committee, will or may have a material effect on the ability of the Program to meet its obligations as and when they fall due.

## **CHANGE OF CIRCUMSTANCES**

At the date of this report, the Steering Committee is not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the MED Program, which would render any amount stated in the financial statements misleading in any material respect.

## **ITEMS OF AN UNUSUAL NATURE**

The results of the operations of the Program for the period ended 30 September 2002 were not, in the opinion of the Steering Committee, materially affected by any items, transactions or events of a material and unusual nature.

There has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Steering Committee, to substantially affect the results of the operations of the Program for the current period in which this report is made.

## **EVENTS SINCE THE BALANCE SHEET DATE**

No significant events occurred after the balance sheet date requiring disclosure or adjustment to the financial statements.

## **THE STEERING COMMITTEE**

The members of the Steering Committee during the period and at the date of this report are:

- Mr. Andy Leigh, Chairman
- Mr. Talmage Payne, member
- Ms. Kerry Anne Mckenzie, member
- Ms. Ruth Ellison, member
- Ms. Nop Vanthy, member
- Mr. Ray Sano, member
- Mr. Fredrick Christopher, member
- Mr. Rommel Caringal, (non-voting member)
- Mr. Khun Marshal, (non-voting member)

No members held any interest in the equity of the Program. No arrangements existed to which the Program is a party with the object of enabling the members to obtain an interest in the Program or in any body corporate. No member has a benefit, other than remuneration, by reason of a contract made by the Program or related party.

## **AUDITORS**

The auditors, PricewaterhouseCoopers, have expressed their willingness to accept re-appointment.

## **RESPONSIBILITIES OF THE STEERING COMMITTEE IN RESPECT OF THE FINANCIAL STATEMENTS**

The Steering Committee is responsible for ensuring that the financial statements are properly drawn up so as to give a true and fair view of the financial position of the Program as at 30 September 2002, and of the results of its operations for the period then ended. In preparing these financial statements, the Steering Committee is required to:

- i) adopt appropriate accounting policies which are supported by reasonable and prudent judgements and estimates and then apply them consistently;
- ii) maintain adequate accounting records and an effective system of internal controls;
- iii) prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Program will continue operations in the foreseeable future;
- iv) set overall policies for the Program, ratify all decisions and actions by the management that have a material effect on the operations and performance of the Program, and ensure they have been properly reflected in the financial statements.

The Steering Committee confirms that the Program has complied with these requirements in preparing the financial statements.

On behalf of the Steering Committee

Mr. Andy Leigh  
Chairman of MED Steering Committee  
Date: 28 January 2003

**REPORT OF THE AUDITORS TO THE STEERING COMMITTEE  
AND DONORS OF THE MICRO-FINANCE ENTERPRISE DEVELOPMENT  
PROGRAM OF WORLD VISION CAMBODIA**

We have audited the financial statements of the Micro-finance Enterprise Development Program of World Vision Cambodia (“the Program”) for the period from 1 February 2001 to 30 September 2002, as set out on pages 5 to 16. These financial statements have been prepared in accordance with the accounting policies set out in notes 2 and 3 to the financial statements.

**Respective responsibilities of the Steering Committee and the auditors**

The Steering Committee of the Program is responsible for the preparation of financial statements which give a true and fair view. In preparing financial statements which give 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 of those financial statements, and to report our opinion to you.

This report, including the opinion, has been prepared for and only for the Program’s Steering Committee and donors, 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. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by management in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Program’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 financial statements are free of material misstatement. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

**Opinion**

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of the Program as at 30 September 2002, and of the results of its operations and its cash flows for the period then ended, in accordance with the accounting policies set out in notes 2 and 3 to the financial statements.

PRICEWATERHOUSECOOPERS (CAMBODIA) LIMITED  
Phnom Penh, Kingdom of Cambodia  
Date: 28 January 2003

**MICRO-FINANCE ENTERPRISE DEVELOPMENT PROGRAM  
WORLD VISION CAMBODIA**

**BALANCE SHEET  
AS AT 30 SEPTEMBER 2002**

	<b>Note</b>	<b>US\$</b>
<b>ASSETS</b>		
Cash on hand and in banks	4	308,564
Loans receivable, net	5	207,953
Fixed assets	6	<u>52,340</u>
Total Assets		<u>568,857</u>
 <b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
Community savings fund	7	20,752
Accruals and other liabilities		<u>10,234</u>
Total Liabilities		<u>30,986</u>
 <b>EQUITY</b>		
Loan fund capital	8	475,667
Fixed asset grants	8	60,370
Net income for the period		<u>1,834</u>
Total Equity		<u>537,871</u>
Total Liabilities and Equity		<u><u>568,857</u></u>

By: \_\_\_\_\_  
Mr. Rommel Caringal  
Program Manager  
28 January 2003

\_\_\_\_\_  
Ms. Sar Top Samphea  
Senior Accountant  
28 January 2003

The accompanying notes on pages 8 to 15 form an integral part of these financial statements.

**MICRO-FINANCE ENTERPRISE DEVELOPMENT PROGRAM  
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**INCOME STATEMENT  
FOR THE PERIOD FROM 1 FEBRUARY 2001 TO 30 SEPTEMBER 2002**

	<b>Note</b>	<b>US\$</b>
<b>INCOME</b>		
Interest income from loans		48,017
Financial income		4,175
Other operating income		<u>2,927</u>
		<u>55,119</u>
<b>EXPENSES</b>		
Administrative expenses	9	298,807
Depreciation	6	8,031
Provision for bad and doubtful loans	5	1,292
Foreign exchange loss - net		<u>276</u>
		<u>308,406</u>
Loss from operations		(253,287)
Grant income	10	<u>255,121</u>
<b>Net income for the period</b>		<u><u>1,834</u></u>

The accompanying notes on pages 8 to 15 form an integral part of these financial statements.

**MICRO-FINANCE ENTERPRISE DEVELOPMENT PROGRAM  
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**CASH FLOW STATEMENT  
FOR THE PERIOD FROM 1 FEBRUARY 2001 TO 30 SEPTEMBER 2002**

	<b>Note</b>	<b>US\$</b>
<b>OPERATING ACTIVITIES</b>		
Net income for the period		1,834
Adjustments to reconcile net income with funds provided by operations:		
Provision for bad and doubtful loans		1,292
Depreciation of fixed assets		8,031
Changes in operating assets and liabilities:		
Loans receivable, net		(209,246)
Community savings fund		20,752
Accruals and other liabilities		<u>10,234</u>
Net cash outflow from operating activities		<u>(167,103)</u>
<b>FINANCING ACTIVITY</b>		
Loan fund capital received		<u>475,667</u>
<b>NET INCREASE IN CASH ON HAND AND IN BANKS</b>		<b>308,564</b>
<b>CASH ON HAND AND IN BANKS</b>		
At the beginning of the period		<u>-</u>
At the end of the period	4	<u>308,564</u>
<b>Non-cash activity:</b>		
Fixed asset grant		<u>60,370</u>

The accompanying notes on pages 8 to 15 form an integral part of these financial statements.

**WORLD VISION CAMBODIA  
MICRO-FINANCE ENTERPRISE DEVELOPMENT PROGRAM**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 1 FEBRUARY 2001 TO 30 SEPTEMBER 2002**

**1. BACKGROUND INFORMATION**

The Micro-finance Enterprise Development Program (“the Program”) of World Vision Cambodia (WVC) upholds WVC’s vision that *all Cambodian people live in peace, justice and prosperity*. In particular, the Program complements this vision by contributing to poverty alleviation through providing continued access of financial services to the poor in and around the areas covered by the Area Development Program (ADP). Access to affordable and stable financial resources is intended to generate jobs and stimulate asset creation.

WVC’s mission is to be a Christ-centered team of committed Cambodians working with the poor and vulnerable to transform lives, build community and bring justice. With the Program currently operating as a program under the legal control of WVC, the organisation’s vision and mission are still maintained. The Program is managed by and funded through World Vision Australia and World Vision USA and Area Development Projects of World Vision Cambodia. It was registered with the National Bank of Cambodia as a rural credit operator on 22 February 2002. The MED Program will become a separate limited liability company over the next several months’ transitional period.

The Program currently operates commercially through four branches located in the provinces of Kompong Speu, Kandal-Takeo, Battambang and Kampong Thom (which started its MED operations in September 2002). Its primary source of revenue is interest derived from providing loans to clients.

As at 30 September 2002, the Program had 32 employees.

**2. BASIS OF PREPARATION**

***Basis of accounting***

The financial statements, which are expressed in United States Dollars (US\$), are prepared under the historical cost convention and following the significant accounting policies disclosed in note 3.

The financial statements are not intended to present the financial position and results of operations 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 jurisdiction other than Cambodia.

***Basis of aggregation***

The financial statements include the financial statements of the head office, and the Program’s four provincial branches. On aggregation of balances, all significant inter-branch balances and transactions are eliminated in full.

**3. SIGNIFICANT ACCOUNTING POLICIES**

***Loans***

Loans to customers are stated in the balance sheet at the amount of principal outstanding less any amounts written off and provision for bad and doubtful loans.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Loans*

The adequacy of the provision for bad and doubtful loans is evaluated monthly by management. Factors considered in evaluating the adequacy of the provision include the size of the portfolio, previous loss experience, current economic conditions and their effect on clients, the financial situation of clients and the performance of loans in relation to contract terms. The provision for bad doubtful loans charged to expense is based on management's judgment of the amount necessary to maintain the provision balance at a level adequate to absorb losses.

Management provides for loan losses every month in order to maintain the allowance for doubtful debts at adequate levels. The adequacy of the allowance balance is determined by applying defined percentages to the outstanding balances in various aging categories, as follows:

<b>Loan aging status</b>	<b>Percentage (%) of provision applied</b>
31 - 60 days	10
61 - 90 days	30
More than 90 days	100

To the extent losses were previously provided on loans to be written off, write-offs are charged against the corresponding provision when management believes that the principal amounts are unlikely to be collected. The portion of loss not previously recognised is directly charged to the profit and loss account.

*Fixed assets*

Fixed assets are recorded at cost less accumulated depreciation. Depreciation is provided using the straight-line method over the estimated useful lives of the fixed assets at the following annual rates:

Computer	20% - 33.33%
Motor vehicles	20 %
Office furniture and fittings	10% - 20 %

Expenditure for maintenance and repairs that do not extend the useful lives of assets will be expensed in the year in which they are incurred.

Gains or losses on the sale and/or disposal of fixed assets are recognised upon the disposal of such assets.

*Donations and grants*

Grants received are recorded as income over the periods necessary to match them, on a systematic and rational basis, with the related costs which they are intended to compensate. In the case of the MED Program, the grants intended to cover the Program's operating expenses are recognised as income at the end of the same period as the relevant expense was recorded.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Donations and grants*

Funds received to finance the Program's lending operations (loan fund) and grants for fixed assets are shown as direct additions to the corresponding asset account and to the relevant equity account in the balance sheet.

*Interest income and expense recognition*

Interest earned on loans is recognized in the profit and loss account on a cash basis. Interest on loans is calculated using the declining balance method based on the loan principal amount outstanding.

Expenditure is recognized when incurred (accruals basis).

*Foreign currency translation*

Foreign currency transactions are accounted for at the exchange rates set by the WVC's finance department which approximate to the prevailing exchange rates at the respective dates of transactions. 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 profit and loss account.

*Related party transactions*

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

Transactions entered into by the Program with related parties consisted mainly of loan fund transactions, fixed asset grants and grant income received to cover the Program's operating expenses, as disclosed in notes 8 and 10 to the financial statements.

**4. CASH ON HAND AND IN BANKS**

	<b>30 September 2002</b>
	<b>US\$</b>
Cash on hand	20,810
Cash in banks	287,754
	<hr/>
	308,564
	<hr/>

Savings deposits in banks held in US\$ and Riel earn annual interest at 0.5% and 3%, respectively.

**WORLD VISION CAMBODIA  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**5. LOANS RECEIVABLE, NET**

An analysis of the loans provided to Cambodian rural residents follows:

	<b>30 September 2002 US\$</b>
Gross loans outstanding	209,236
Provision for bad and doubtful loans	(1,283)
Net	<u>207,953</u>
<b>By Branch:</b>	
Kandal/Takeo	96,614
Battambang	72,794
Kompong Speu	34,027
Kampong Thom	5,801
	<u>209,236</u>
<b>By Type:</b>	
Agriculture loans	110,529
Small business loans	98,707
	<u>209,236</u>

Agriculture and small business loans are all granted in Khmer riel. Further details of these loans are as follows:

	<b>Agriculture loans</b>	<b>Small business loans</b>
Term	4 to 8 months	4 to 8 months
Principal repayments	End of term	Monthly basis
Interest repayments	Monthly basis	Monthly basis
Annual interest rates	48%	48%

Movements in the provision for bad and doubtful loans are summarized as follows:

	<b>30 September 2002 US\$</b>
Balance at the beginning of the period	-
Provision during the period	1,292
Unrealised foreign exchange loss	(9)
Balance at end of the period	<u>1,283</u>

Total non-performing loans on which recognition of interest is suspended amounted to US\$ 1,473. Loans are considered as non-performing when they become overdue for a period of 30 days or more.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**6. FIXED ASSETS**

	<b>Motor vehicles US\$</b>	<b>Computer US\$</b>	<b>Office furniture &amp; fitting US\$</b>	<b>Total US\$</b>
<b>Cost</b>				
As at 1 February 2001	-	-	-	-
Additions	32,168	12,754	15,809	60,731
Disposals	-	-	(360)	(360)
As at 30 September 2002	<u>32,168</u>	<u>12,754</u>	<u>15,449</u>	<u>60,371</u>
<b>Accumulated depreciation</b>				
As at 1 February 2001	-	-	-	-
Charge for the year	3,881	3,068	1,082	8,031
Disposals	-	-	-	-
As at 30 September 2002	<u>3,881</u>	<u>3,068</u>	<u>1,082</u>	<u>8,031</u>
<b>Net book value</b>				
As at 30 September 2002	<u>28,287</u>	<u>9,686</u>	<u>14,367</u>	<u>52,340</u>

**7. COMMUNITY SAVINGS FUND**

The community savings fund represents the account maintained for interest earned by the ADP credit scheme in the Battambang area, which it was decided should be kept by the Program on a temporary basis. These funds, which are non-interest bearing, can be withdrawn anytime upon ADP's request.

**8. EQUITY**

	<b>WV-USA US\$</b>	<b>WV-AUS AUSAID US\$</b>	<b>ADPs US\$</b>	<b>Total US\$</b>
<b>Loan fund capital</b>				
As at 1 February 2001	-	-	-	-
Receipts during the period	39,764	95,215	429,845	564,824
Refunds during the period	(38)	(9,063)	(80,056)	(89,157)
As at 30 September 2002	<u>39,726</u>	<u>86,152</u>	<u>349,789</u>	<u>475,667</u>

**WORLD VISION CAMBODIA  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 1 FEBRUARY 2001 TO 30 SEPTEMBER 2002**

**8. EQUITY (Continued)**

	<b>WV-USA US\$</b>	<b>WV-AUS AUSAID US\$</b>	<b>ADPs US\$</b>	<b>Total US\$</b>
<b>Fixed asset grants</b>				
As at 1 February 2001	-	-	-	-
Grants received during the period	14,149	36,769	9,812	60,730
Transfer out	(360)	-	-	(360)
As at 30 September 2002	<u>13,789</u>	<u>36,769</u>	<u>9,812</u>	<u>60,370</u>
<b>Accumulated donations and grants</b>				
As at 30 September 2002	<u>53,515</u>	<u>122,921</u>	<u>359,601</u>	<u>536,037</u>

**9. ADMINISTRATIVE EXPENSES**

	<b>For the period from 1 February 2001 to 30 September 2002 US\$</b>
Salaries and staff benefits	233,488
Management Support Committee costs	16,949
Travel	13,512
Office expenses	7,526
Capacity building and training	7,789
Occupancy, utilities and rental	6,389
Professional fees	5,844
Communication	4,253
Printing and advertising	3,048
Others	9
	<u>298,807</u>

**WORLD VISION CAMBODIA  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 1 FEBRUARY 2001 TO 30 SEPTEMBER 2002**

**10. GRANT INCOME**

	WV-USA US\$	WV-AUS AUSAID US\$	Total US\$
Grant income	<u>58,379</u>	<u>196,742</u>	<u>255,121</u>
	<u>58,379</u>	<u>196,742</u>	<u>255,121</u>

**11. FAIR VALUES OF ASSETS AND LIABILITIES**

In the opinion of the Steering Committee, the carrying amounts of financial assets and liabilities included in the balance sheet are reasonable estimates of their fair values and of the credit risk associated with these assets. In making this assessment, the Steering Committee assumes that loans and advances to customers are mainly held to maturity. Fair value approximates to the book value of loans adjusted for provision for loan losses.

**12. SUBSEQUENT EVENTS**

- a. The Program remitted interest income to Finance Department of World Vision Cambodia amounting to US\$ 14,501 (Riel 57,278,200) and US\$ 24,504 (Riel 96,791,600) on 31 October 2002 and 6 February 2003 respectively.
- b. As at 30 January 2003, the Program acquired new fixed assets amounting to US\$ 19,857.
- c. The Program has subsequently received loan funds capital amounting to US\$ 13,912, US\$ 7,144 and US\$ 20,290 from World Vision Canada, World Vision Australia and AUSAID respectively.
- d. In addition, the Program received the amounts of US\$ 3,918, US\$ 1,112, US\$ 8,841 and US\$ 5,000 for loan funds capital from ADPs in Kandal Steung, Rattanak Mondul, Kompong Tralach and Oudong I respectively.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 1 FEBRUARY 2001 TO 30 SEPTEMBER 2002**

**13. CURRENCY ANALYSIS**

As at 30 September 2002, the aggregate amounts of assets and liabilities denominated in currencies other than US\$ were as follows:

	<i>Thai Baht</i>	<i>Riel</i>	<i>Total</i>
<b>Assets in foreign currency</b>			
Cash in hand	-	298,758	298,758
Loans receivable - net	-	207,953	207,953
Other assets	-	-	-
	<hr/>	<hr/>	<hr/>
	-	506,711	506,711
<b>Liabilities in foreign currency</b>			
Community savings fund	-	20,752	20,752
Accruals and other liabilities	-	3,274	3,274
	<hr/>	<hr/>	<hr/>
	-	24,026	24,026
<b>Net on balance sheet position</b>	<hr/>	<hr/>	<hr/>
	-	482,685	482,685

**14. MATURITY PROFILE**

As at 30 September 2002, the maturity profile of assets and liabilities was as follows:

	<i>Total</i>	<i>Less than</i>	<i>From</i>	<i>From</i>	<i>From</i>	<i>Over</i>	<i>No fixed</i>
	<i>US\$</i>	<i>1 month</i>	<i>1 month to</i>	<i>3 months to</i>	<i>1 year to</i>	<i>5 years</i>	<i>date of</i>
	<i>US\$</i>	<i>US\$</i>	<i>3 months</i>	<i>1 year</i>	<i>5 years</i>	<i>US\$</i>	<i>maturity</i>
	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
<b>ASSETS</b>							
Cash on hand and in banks	308,564	308,564	-	-	-	-	-
Loans receivable, net	207,953	-	-	207,953	-	-	-
Fixed assets	52,340	-	-	-	41,709	10,631	-
<b>TOTAL ASSETS</b>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	568,857	308,564	-	207,953	41,709	10,631	-
<b>LIABILITIES</b>							
Community savings fund	20,752	20,752	-	-	-	-	-
Accruals	10,234	2,120	-	8,114	-	-	-
<b>TOTAL LIABILITIES</b>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	30,986	22,872	-	8,114	-	-	-
<b>Net liquidity surplus/(gap)</b>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	537,871	285,692	-	199,839	41,709	10,631	-

**WORLD VISION CAMBODIA  
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**SUPPLEMENTARY INFORMATION  
AS AT 30 SEPTEMBER 2002 AND FOR THE PERIOD  
FROM 1 FEBRUARY 2001 TO 30 SEPTEMBER 2002**

This SUPPLEMENTARY INFORMATION does not constitute part of the financial statements and was prepared only upon request for inclusion by the MED Program. The information presented for periods other than the period covered by the audit was not audited.

*1. Balance sheets*

	Note	30 September 2002 US\$	30 September 2001 US\$
<b>ASSETS</b>			
Cash on hand and in banks	3	308,564	27,379
Loans receivable, net	4	207,953	36,937
Fixed assets		<u>52,340</u>	<u>11,640</u>
Total Assets		<u>568,857</u>	<u>75,956</u>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Community savings fund		20,752	-
Accruals and other liabilities		<u>10,234</u>	<u>465</u>
Total Liabilities		<u>30,986</u>	<u>465</u>
<b>EQUITY</b>			
Loan fund capital		475,667	59,694
Fixed asset grant		60,370	13,559
Net income for the period		<u>1,834</u>	<u>2,238</u>
Total Equity		<u>537,871</u>	<u>75,491</u>
Total Liabilities and Equity		<u>568,857</u>	<u>75,956</u>

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2. *Statements of income and retained earnings*

	Note	For the year ended 30 September 2002 US\$	For the period from 1 February to 30 September 2001 US\$
<b>INCOME</b>			
Interest income from loans		44,143	3,874
Financial income		4,175	-
Other operating income		2,635	292
		<u>50,953</u>	<u>4,166</u>
<b>EXPENSES</b>			
Administration expenses	5	182,474	116,333
Depreciation		6,112	1,919
Provision for bad and doubtful loans		1,292	-
Foreign exchange loss - net		267	9
		<u>190,145</u>	<u>118,261</u>
Loss from operations		139,192	114,095
Grant income		<u>138,788</u>	<u>116,333</u>
<b>Net income for the period</b>		(404)	2,238
Retained earnings at the beginning of the period		2,238	-
Currency revaluation at balance sheet date		<u>-</u>	<u>-</u>
<b>RETAINED EARNINGS AT THE END OF THE PERIOD</b>		<u>1,834</u>	<u>2,238</u>

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3. *Cash in hand*

The details of cash in hand by location are as follows:

	<b>30 September 2002 US\$</b>	<b>30 September 2001 US\$</b>
Cash on hand	20,810	6,378
Cash in banks	287,754	21,001
	<u>308,564</u>	<u>27,379</u>

4. *Loans receivable*

An analysis of the loans provided to Cambodia rural residents follows:

	<b>30 September 2002 US\$</b>	<b>30 September 2001 US\$</b>
Gross loans outstanding	209,236	36,937
Provision for bad and doubtful loans	(1,283)	-
Net	<u>207,953</u>	<u>36,937</u>
<b>By Branch:</b>		
Kandal/Takeo	96,614	10,820
Battambang	72,794	26,117
Kampong Speu	34,027	-
Kampong Thom	5,801	-
	<u>209,236</u>	<u>36,937</u>
<b>By Type:</b>		
Agriculture loans	110,529	9,234
Small business loans	98,707	27,703
	<u>209,236</u>	<u>36,937</u>

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4. *Loans receivable (continued)*

Movements in the provision for bad and doubtful loans are summarized as follows:

	<b>30 September 2002 US\$</b>	<b>30 September 2001 US\$</b>
Balance at the beginning of the period	-	-
Provision for bad and doubtful loans	1,292	-
Unrealised foreign exchange loss	(9)	-
	<u>1,283</u>	<u>-</u>
Net	<u>1,283</u>	<u>-</u>

5. *Administrative expenses*

	Note	<b>For the year ended 30 September 2002 US\$</b>	<b>For the period from 1 February to 30 September 2001 US\$</b>
Salaries and staff benefits		134,430	99,058
Management Support Community costs		11,945	5,004
Travel		9,967	3,544
Office expenses		6,422	1,104
Capacity building and training		5,113	2,677
Occupancy, utilities and rental		3,986	2,403
Professional fees		5,844	-
Communication		2,404	1,849
Printing and advertising		2,354	694
OtherS		9	-
		<u>182,474</u>	<u>116,333</u>