

Financial statements and independent auditor's report

Clear Cambodia

31 December 2017

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Report of Management

The Organisation

Clear Cambodia ("the Organisation") is a local Christian non-governmental organisation that received official registration from the Ministry of Interior of the Royal Government of Cambodia on 15 October 2010.

The Organisation implements the Water Filter Project ("the Project") which was initiated by Hagar International, an International NGO, in October 1999. On 1 January 2010, the Board of Directors of Hagar International handed over the financial and accounting management of the Project to Clear Cambodia. The mission of the Project is to help the rural Cambodian people in collaborating with community leaders and local authorities to sustainably improve their health through increased access to clean potable water, sanitation facilities, and to a healthy environment.

The Organisation's main source of funding is from Charity: Water ("the Grantor") which is an independent, grassroots organisation based in New York City, USA working to bring clean and safe drinking water to people in developing countries. The Grantor is committed to ensuring that all of the money that it raised for water projects is used on water projects and strives to be completely transparent in how its money is used and accounted for.

On 17 January 2017, the Organisation entered into a grant agreement No. KH.CLR.2H.16.236 with the Grantor for implementing the Project. The Project will deliver approximately 569 new community household BioSand filters, 82 new school BioSand filters, and 8 new institutional packages (water point and latrine block) in schools with total planned number of daily water users to be served of 149,400 in Cambodia from 1 February 2017 to 31 January 2018.

The Project has been implemented in 15 provinces to date (Kampong Chhnang, Pursat, Battambang, Siem Reap, Kampong Thom, Kratie, Kandal, Prey Veng, Svay Rieng, Takeo, Stung Treng, Kampong Cham, Tboung Khmum, Kampong Speu, and Kampot), and installed more than 216,065 BioSand filters, 446 School Bio-Sand filters, 547 Hand Washing Station, 46 School Latrines and 14 Garbage Kiln that impacted about 1,188,865 beneficiaries and 210,192 students in the selected rural areas. Presently, the Organisation actively implements the Project in 6 provinces (Prey Veng, Svay Rieng, Kampong Cham, Tboung Khmum, Battambang and Kampot).

The Organisation's registered office is at No. 86, Street 608, Sangkat Boeung Kak II, Khan Toul Kork, Phnom Penh, Cambodia.

The Organisation has 92 employees as at 31 December 2017 (2016: 86 employees).

Results

The Organisation prepares an annual budget for its expenditures based on available funds in each year. The actual excess and deficit for the year is accumulated with the fund balance.

Surplus of income over expenditure for the year ended 31 December 2017 was USD23,801 (2016: USD8,938).

Management

The members of the Organisation's Management during the year and to the date of this report are as follows:

Name	Position	Date of appointment
Mr. Yim Viriya	Executive Director	1 November 2010
Mr. Chan Monty	Funding Manager	1 June 2015
Ms. Ko Sokmean	Operations Manager	1 March 2017
Mr. Mao Savath	Program Manager	1 November 2010
Mr. Nhim Sambath	Human Resource Manager	23 May 2011
Mrs. Vann Chhorvy Vanny	School WASH Project Manager	26 January 2018
Mr. Ky Ka	Water Partnering Service Manager	26 January 2018
Mr. Ly Sok Hun	Finance Manager	1 March 2017
Mrs. Pann Mala	Monitoring and Evaluation Manager	26 January 2018

Auditors

The financial statements for the year ended 31 December 2017 have been audited by Grant Thornton (Cambodia) Limited.

Responsibility of Management in respect of the financial statements

Management is responsible for the financial statements which shows the Organisation's fund balance as at 31 December 2017, and its financial performance and cash flows for the year then ended, prepared, in all material respects, in accordance with the basis of accounting described in note 2 to the financial statements.

In preparing the financial statements, Management is required to:

- select suitable accounting policies and then apply them consistently;
- ensure that proper accounting records are kept which enable the financial statements to be prepared in compliance with the basis of accounting set out in note 2 to the financial statements; and,
- ensure the completeness of information concerning property and goods belonging to the Organisation.


Management is also responsible for safeguarding the assets of the Organisation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management assumes the responsibility to provide, and has provided, the auditor with all accounting records, supporting and other documents, minutes, and any pertinent information and explanations, either orally or by written confirmation, necessary for the audit.

Approval of the financial statements

We hereby approve the accompanying financial statements set out on pages 7 to 20 which shows the statement of fund balance as at 31 December 2017, statement of income and expenditure, statement of changes in fund balance and statement of cash flows for the year then ended, prepared, in all material respects, in accordance with the accounting policies as described in note 2 to the financial statements.

On behalf of the Organisation's Management:



Yim Viriya
Executive Director

Phnom Penh, Kingdom of Cambodia
22 May 2018



Independent auditor's report

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To the Management of Clear Cambodia

Opinion

We have audited the accompanying financial statements of Clear Cambodia ("the Organisation"), which comprise the statement of fund balance as at 31 December 2017, statement of income and expenditure, statement of changes in fund balance and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies prepared in accordance with note 2 to the financial statements.

In our opinion, the accompanying financial statements of the Organisation for the year ended 31 December 2017 are prepared, in all material respects, in accordance with the accounting basis and accounting policies as set out in note 2 to the financial statements.

Emphasis of matter - Basis of accounting and restriction on distribution and use

We draw attention to note 2 to the financial statements which describes the basis of accounting and accounting policies adopted by the Organisation. The financial statements are prepared for the information and use of the Management and donors of the Organisation. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Management and donors of the Organisation and should not be distributed to or used by other parties other than the Management and donors of the Organisation.

Basis for opinion

We conducted our audit in accordance with Cambodian International Standards on Auditing ("CISAs"). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Organisation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements in the Kingdom of Cambodia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of Management

Management is responsible for the preparation of the financial statements in accordance with the basis of accounting as described in note 2 to the financial statements and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Organisation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Organisation or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with CISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organisation to cease to continue as a going concern.



We communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Grant Thornton

GRANT THORNTON (CAMBODIA) LIMITED

Certified Public Accountants

Registered Auditors



Ronald C. Almera

Partner – Audit and assurance

Phnom Penh, Kingdom of Cambodia

22 May 2018

Statement of income and expenditure

	Notes	For the year ended 31 December 2017 USD	For the year ended 31 December 2016 USD
Income			
Grant income	3	1,948,249	1,734,466
Contributions by beneficiaries	4	192,864	182,946
Earned income	5	132,778	71,855
Other income	6	11,450	17,346
Total income		2,285,341	2,006,613
Expenditure			
Personnel expenses	7	664,065	633,113
Household BioSand filters	8	601,386	569,664
Well and latrine construction costs	9	395,045	247,412
Community BioSand filters	10	231,424	261,603
Office running costs	11	145,670	101,831
Transportation costs	12	135,089	101,999
Non-expendable items	13	48,389	29,939
Ministry project and general activities	14	32,972	41,534
Professional fees	15	7,500	10,580
Total expenditure		2,261,540	1,997,675
Surplus of income over expenditure		23,801	8,938

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

Statement of fund balance

	Notes	31 December 2017 USD	31 December 2016 USD
Fund balance, beginning of the year		509,287	500,349
Surplus of income over expenditure		23,801	8,938
Fund balance, end of the year		533,088	509,287
Represented by:			
Cash and cash equivalents	16	626,685	628,695
Deposits	17	6,464	51,857
Inventories	18	131,194	15,225
Prepayments	19	3,272	9,465
Other receivables	20	14,193	14,835
13 th month salary payable		(32,530)	(27,920)
Provident fund	21	(148,230)	(120,912)
Provision for life insurance	22	(44,094)	(36,855)
Taxes payable		(1,805)	(2,041)
Other liabilities	23	(22,061)	(23,062)
		533,088	509,287

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

Statement of changes in fund balance

	General fund USD	Grant: Charity Water USD	Withholding reserve fund USD	Beneficiaries Contribution (Secondary Production Fund) USD	Major capital expenditure fund USD	National emergency fund USD	Staff Training/ Short Term Staffing Needs USD	Neverthirst Inc USD	Social venture fund USD	Other donors USD	Total USD
Balance 1 January 2017	242,089	130,247	60,539	49,645	8,267	4,000	-	9,127	-	5,373	509,287
Fund receipts	189,137	1,629,982	338	169,624	-	-	-	146,581	-	149,679	2,285,341
Allocation of fund	-	-	29,154	(51,962)	11,652	3,000	8,156	-	-	-	-
Fund used during the year	(137,878)	(1,694,354)	-	(126,543)	(12,000)	-	-	(151,950)	-	(138,815)	(2,261,540)
Balance 31 December 2017	293,348	65,875	90,031	40,764	7,919	7,000	8,156	3,758	-	16,237	533,088
Balance 1 January 2016	318,330	10,174	26,497	-	13,958	103,649	-	-	27,741	-	500,349
Fund receipts	107,788	1,659,590	52	175,506	-	-	-	41,112	-	22,565	2,006,613
Allocation of fund	(101,925)	148,829	33,990	-	12,474	(96,649)	-	-	(27,741)	31,022	-
Fund used during the year	(82,104)	(1,688,346)	-	(125,861)	(18,165)	(3,000)	-	(31,985)	-	(48,214)	(1,997,675)
Balance 31 December 2016	242,089	130,247	60,539	49,645	8,267	4,000	-	9,127	-	5,373	509,287

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Statement of cash flows

	Notes	For the year ended 31 December 2017 USD	For the year ended 31 December 2016 USD
Operating activities			
Surplus of income over expenditure		23,801	8,938
Changes in working capital:			
Change in deposits		45,393	(46,075)
Change in inventories		(115,969)	(15,225)
Change in prepayments		6,193	(7,768)
Change in other receivables		642	(2,706)
Change in provident fund	21	27,318	21,210
Change in provision for life insurance	22	7,239	6,441
Change in 13th salary payable		4,610	2,192
Change in taxes payable		(236)	237
Change in other liabilities		(1,001)	(7,257)
Net cash used in operating activities		(2,010)	(40,013)
Net change in cash and cash equivalents		(2,010)	(40,013)
Cash and cash equivalents, beginning of year		628,695	668,708
Cash and cash equivalents, end of year	16	626,685	628,695

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Notes to the financial statements

1. The Organisation

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The Organisation’s registered office is at No. 86, Street 608, Sangkat Boeung Kak II, Khan Toul Kork, Phnom Penh, Cambodia.

The Organisation has 92 employees as at 31 December 2017 (2016: 86 employees).

2. Summary of significant accounting policies

2.1 Basis of preparation of financial statements

The financial statements of the Organisation, expressed in United States dollar ("USD"), have been prepared based on the historical cost convention under the modified cash basis of accounting. Under this basis, income is recognised when received rather than when earned, and expenditure is recognised when paid rather than when incurred, except for deposits, prepayments, other receivables, inventories, staff compensation related accruals, taxes payable, and liabilities to suppliers.

The accounting policies set out below have been consistently applied by the Organisation during the year.

2.2 Fiscal year

The Organisation's fiscal year starts on 1 January and ends on 31 December.

2.3 Foreign currency transactions

The Organisation executes transactions and maintains its accounting records primarily in USD. Transactions in currencies other than USD are converted into USD at the rate of exchange prevailing on the transaction date. Fund balances denominated in currencies other than USD at the reporting date are translated into USD at the open market rates of exchange ruling at that date. Exchange differences are recognised in the statement of income and expenditure.

2.4 Recognition of revenue

Income

The Organisation classifies its income into five categories: grant income, donations, contributions by beneficiaries, earned income and other income. Income is recognised when cash is actually received.

Grant income

This represents fund received from the Grantor according to the grant agreement entered between the Organisation and the Grantor.

Donations

Donations are funds received from visitors or individuals interested in supporting general and specific activities of the Organisation. None have been received during the year.

Contributions by beneficiaries

This represents contributions by beneficiaries for the construction cost of BioSand filters, latrines, wells and hand washing tools. Amounts to be contributed by beneficiaries are defined in the agreement with the Grantor, as follows:

- 20,000 Cambodian Riel or USD5 per BioSand filter
- 120,000 Cambodian Riel or USD30 per latrine
- 160,000 Cambodian Riel or USD40 per well

A portion of contributions by beneficiaries for the construction of BioSand filter in the previous year is allocated to Reserved fund, Disaster relief fund/National emergency fund, Major capital expenditure fund and Social venture fund accounts in the following year based on specific percentages approved by the Grantor.

Earned income

This account represents income generated from sale of BioSand filters, wells, latrines, sand, management fees, and other income generated from other activities.

2.5 Recognition of expenditure

Expenditure is recognised in the statement of income, expenses and fund balance when cash is paid rather than when incurred, except for the following which are accrued:

- Staff benefits which include 13th month salary, provident fund and insurance;
- Insurance on motorbikes and vehicles;
- Contracted supplies which include rental, BioSand filter construction materials and fuel; and,
- Taxes which include tax on salary and withholding tax on rental.

2.6 Cash and cash equivalents

Cash consists of cash on hand and in banks that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

2.7 Receivables

Deposits

Deposits represent amounts deposited or advanced to contractors for services to be rendered in the future, such as rental and electricity.

Prepayments

Prepayments represent amounts prepaid to contractors, but services and goods are not yet received.

2.8 Provident fund

Provident fund comprises accumulated fund and interest set aside in separate bank account for the staff in the event of job termination or retirement. The fund is accrued monthly at 6% of employees' salary for employees with 3 years or less in service, 7% for 4-7 years of service, 8% for 8-11 years of service, 9% for 12-15 years of service and 10% for 16-20 years of service. The fund is also used to provide advances up to 50% of the remaining balance to support the needs of employees such as death of a family member, medical expenses or natural disaster.

2.9 Provision for life insurance

This is a private life insurance fund established by the Organisation internally in the event of staff member's death with a sum assured amounting to USD5,000 to be paid by the Organisation. The Organisation contributes USD70 annually for each staff member into the fund which is separately maintained in a bank account.

2.10 Unearned income

The grant received during the year is recognised as unearned income if the grant agreement specifies that the fund will be used for the next accounting period.

2.11 Payable and accrual

Payable and accrual are recognised for amounts to be paid in the future for goods and services received from contracted suppliers.

2.12 Fixed assets

The cost of fixed assets is expensed in the statement of income, expenditure and fund balance in the year of purchase. The Organisation maintains a fixed assets register for control and monitoring purposes, which includes land, vehicles, furniture and fittings, computers and office equipment.

2.13 Inventories

Inventories represent sawyer filters, stainless steel filters and NUF filters. Inventories are stated at the lower of cost or net realizable value. Cost is determined on a first-in, first-out basis. Net realizable value is the estimated selling price in the ordinary course of business, less selling expenses.

2.14 Funding management

The Organisation categorises its funds into three major types, which are Restricted fund, General fund and Reserve fund.

Restricted fund

Restricted fund is the fund received from the Grantor based on grant agreement and general donations to support specific projects or activities of the Organisation.

General fund

General fund is established using income generated from contributions by beneficiaries for latrines and wells, project management fees, surplus from income generating activities, general donations and other income. The Organisation established another three specific funds through allocation from the General fund as follows:

- Disaster relief fund/National emergency fund shall be used when there are requests from the Government of Cambodia for national emergency support.
- Major capital expenditure fund shall be used to acquire necessary major assets which are not funded or partly funded by the Grantor
- Social venture fund shall be used for income generating activities to raise more funds or income for sustainability of the Organisation.

Reserve fund

The Reserve fund is established through allocation from the General fund for the emergency needs such as fund shortages or curtailment of fund by the Grantor for the Organisation to continue its operations. Reserve fund shall be kept at a maximum amount of USD75,000 for 2-month operational expenditure.

2.15 Contingencies

Contingent liabilities are not recognised in the financial statements but are disclosed in the notes unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognised in the financial statements but are disclosed in the notes when inflows of economic benefits are probable.

3. Grant income

Grant income represents fund received from the following:

	For the year ended 31 December 2017 USD	For the year ended 31 December 2016 USD
Charity Water		
Fund transferred	1,649,000	1,659,590
Unused fund transferred back	(19,018)	-
Neverthirth Inc	146,581	41,112
Samaritan's Purse Canada	352	8,568
Others	171,334	25,196
	1,948,249	1,734,466

4. Contributions by beneficiaries

	For the year ended 31 December 2017 USD	For the year ended 31 December 2016 USD
Contribution from BioSand filters	124,918	115,718
Contribution from Household latrines	67,946	67,228
	192,864	182,946

5. Earned income

	For the year ended 31 December 2017 USD	For the year ended 31 December 2016 USD
Sale of water filters	132,778	71,855
	132,778	71,855

6. Other income

Other income includes bank interest and gain from translation of cash held in Khmer Riel to USD.

7. Personnel expenses

	For the year ended 31 December 2017 USD	For the year ended 31 December 2016 USD
Salaries	587,100	535,963
Staff benefits/award	44,887	45,184
Insurance	30,179	24,571
Workshop and staff training	1,899	27,395
	664,065	633,113

8. Household BioSand filters

	For the year ended 31 December 2017 USD	For the year ended 31 December 2016 USD
Training activities	141,666	82,826
Media sand and gravel	90,834	114,030
Cement	85,730	85,927
Diffuser plate	73,377	76,651
Water storage container	35,335	46,779
Fabrication and small tools	34,069	32,685
Lid	31,340	30,901
Printed materials	20,121	24,943
Construction gravel	19,833	21,638
Pipe components	17,239	18,689
Construction sand	16,642	17,497
Monitoring system (GPS)	10,171	12,287
Monitoring and evaluation	9,921	1,511
Audio and visual equipment	6,291	81
Plastic tap	5,616	-
Lubricant	3,201	3,219
	601,386	569,664

9. Well and latrine construction costs

	For the year ended 31 December 2017 USD	For the year ended 31 December 2016 USD
School latrines	272,358	129,669
Household latrines	122,687	117,743
	395,045	247,412

10. Community BioSand filters

	For the year ended 31 December 2017 USD	For the year ended 31 December 2016 USD
Training activities	61,643	90,978
Fabrication and small tools	41,221	57,929
Water storage container	43,067	43,172
Concrete Support Frame	43,340	40,053
Media sand and gravel	31,267	22,490
Printed materials	5,795	3,728
Monitoring system (GPS)	2,281	1,507
Pipe components	2,810	1,083
Monitoring and evaluation	-	663
	231,424	261,603

11. Office running costs

	For the year ended 31 December 2017 USD	For the year ended 31 December 2016 USD
Occupancy	45,977	43,541
Logistic operations	40,255	14,538
Computer maintenance	18,358	3,814
Communication	16,208	14,778
Utilities	12,397	12,001
Stationaries	6,425	4,277
Bank charges	6,050	8,882
	145,670	101,831

12. Transportation costs

	For the year ended 31 December 2017 USD	For the year ended 31 December 2016 USD
Fuel and maintenance	84,098	61,567
Meal and lodging	38,342	28,350
Project site travel	9,506	8,971
Third party vehicle insurance	3,143	3,111
	135,089	101,999

13. Non-expendable items

	For the year ended 31 December 2017 USD	For the year ended 31 December 2016 USD
Office equipment	21,534	4,674
Land	12,657	15,335
Vehicles	9,700	1,780
Computers and printers	4,498	8,150
	48,389	29,939

The Organisation purchased plots of land in 2011, 2016, and 2017 amounting to USD12,796, USD15,335, and USD12,657, respectively, in Kampong Speu province and registered these land with the Department of Land Planning and Urbanisation under the names of Messrs. Mao Savath, Kim Heng and Hout Chea ("Trustees"). Subcontract agreement was prepared between the Organisation and the Trustees stating that the land belongs to the Organisation and the Trustees agreed that it will be used exclusively for the Organisation's purposes. They have no right to sell, rent or do anything on these land neither by themselves nor by their family members nor by other individuals.

14. Ministry project and general activities

	For the year ended 31 December 2017 USD	For the year ended 31 December 2016 USD
Training activities	21,635	22,015
Water storage container	4,836	12,597
Concrete Support Frame	3,467	1,163
Fabrication and small tools	1,972	3,558
Printed materials	987	509
Diffuser plate	75	-
Media sand and gravel	-	1,692
	32,972	41,534

15. Professional fees

	For the year ended 31 December 2017 USD	For the year ended 31 December 2016 USD
Internal and external services	6,500	5,000
Technical consultancy	1,000	5,580
	7,500	10,580

16. Cash and cash equivalents

	31 December 2017 USD	31 December 2016 USD
Cash in banks	626,397	628,695
Cash on hand	288	-
	626,685	628,695

17. Deposits

This account represents deposits for office rental, contractors, suppliers of construction materials and use of electricity.

18. Inventories

	31 December 2017 USD	31 December 2016 USD
Stainless steel filters	93,752	-
NUF filters	25,515	-
Sawyer filters	11,927	15,225
	131,194	15,225

19. Prepayments

This account represents prepayments for office rental, water testing kits and telecommunications expenses.

20. Other receivables

	31 December 2017 USD	31 December 2016 USD
Cash advance for project implementation	13,773	13,646
Cash advance for office use	420	1,189
	14,193	14,835

21. Provident fund

Movements of provident fund are as follows:

	31 December 2017 USD	31 December 2016 USD
As at 1 January	120,912	99,702
Contributions	34,855	31,646
Interest	9,916	7,229
Payments	(17,453)	(17,665)
As at 31 December	148,230	120,912

22. Provision for life insurance

Movements of provision for life insurance provision are as follows:

	31 December 2017 USD	31 December 2016 USD
As at 1 January	36,855	30,414
Contributions	7,082	6,301
Interest	163	152
Payments	(6)	(12)
As at 31 December	44,094	36,855

23. Other liabilities

	31 December 2017 USD	31 December 2016 USD
Accrued expenses	21,774	23,062
Other payables	287	-
	22,061	23,062

Accrued expenses represent amounts owed to consultants, contractors, suppliers of construction materials, printing houses and others.

24. Tax contingency

The taxation system in Cambodia is characterised by numerous taxes and frequently changing legislation which is often unclear, contradictory and subject to interpretation. Often, differing interpretations exist among numerous taxation authorities and jurisdictions. Taxes are subject to review and investigation by a number of authorities, who are enabled by law to impose severe fines, penalties and interest charges. These facts may create tax risks in Cambodia substantially more significant than in other countries. Management believes that it has adequately provided for tax liabilities based on its interpretation of current tax legislations. However, the relevant authorities may have differing interpretations and the effects since the incorporation of the Organisation could be significant.

25. Post-reporting date events

No adjusting or significant non-adjusting events have occurred between 31 December 2017 until the date of authorisation of these financial statements.

26. Approval of the financial statements

The financial statements for the year ended 31 December 2017 were approved by the Management of the Organisation on 22 May 2018.

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