

# **Financial statements and independent auditor's report**

## **Clear Cambodia**

31 December 2019

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# Report of Management

The Management submits this report together with the audited financial statements of Clear Cambodia as at and for the year ended 31 December 2019.

## 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.

The Organisation often enters into grant agreements with Grantors for implementing the Project. The Project involves establishment of household BioSand filters, community BioSand filters, wells and latrines, water dams, community ponds, and other activities within the conditions of each agreement. The details of Grant information are described in note 3 to the financial statements. The Organisation plans to implement the Project in 16 provinces such as Kampong Chhnang, Pursat, Battambang, Siem Reap, Kampong Thom, Kratie, Kandal, Prey Veng, Svay Rieng, Takeo, Stung Treng, Kampong Cham, Tboung Khmum, Kampong Speu, Kampot and KEP.

As of 31 December 2019, the Project has been implemented actively in 10 provinces such as Prey Veng, Svay Rieng, Kampong Cham, Kampong Thom, Tboung Khmum, Battambang, Kampong Chhnang, Kampot, KEP and Siem Reap. The Organisation installed 264,470 Bio-Sand filters, 917 School Bio-Sand filters, 1,000 Hand Washing Station, 213 School Latrines and 203 Garbage Kiln (incinerator) that serve 1,434,132 beneficiaries and 386,886 students in selected rural areas.

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

The Organisation has 94 employees as at 31 December 2019 (2018: 92 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. Deficit/surplus of income over expenditure for the year ended 31 December 2019 was USD 2,536 (2018: USD59,785).

## 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	Fundraising Manager	1 June 2015
Ms. Ko Sokmean	Operations Manager	1 March 2018
Mr. Mao Savath	Program Manager	1 November 2010
Mr. Nhim Sambath	Human Resource Manager	23 May 2011
Mrs. Vann Chhorvy Vanny	School WASH Program Manager	26 January 2018
Mr. Ky Ka	Water Partnering Service Manager	26 January 2018
Mr. Ly Sok Hun	Finance Manager	1 March 2018
Mrs. Pann Mala	Monitoring and Evaluation Manager	26 January 2018

## Auditors

The financial statements as at and for the year ended 31 December 2019 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 2019, 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 6 to 18, which comprise the statement of fund balance as at 31 December 2019, 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  
03 April 2020



# Independent auditor's report

Grant Thornton (Cambodia) Limited  
20th Floor Canadia Tower  
315 Preah Ang Duong Street  
(corner Monivong Boulevard)  
Sangkat Wat Phnom  
Khan Daun Penh  
Phnom Penh  
Kingdom of Cambodia

T +855 23 966 520  
[www.grantthornton.com.kh](http://www.grantthornton.com.kh)

## To the Management of Clear Cambodia

### Opinion

We have audited the financial statements of Clear Cambodia (“the Organisation”), which comprise the statement of fund balance as at 31 December 2019, 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 as at and for the year ended 31 December 2019 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.

### 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.

### 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. Our opinion is not modified in respect of this matter.

### Other information

Management is responsible for the other information. The other information comprises the information included in the Report of Management but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibility of Management for financial statements**

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 responsibilities 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.

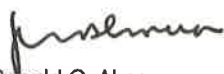
As part of an audit in accordance with CISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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.



**GRANT THORNTON (CAMBODIA) LIMITED**  
Certified Public Accountants  
Registered Auditors



**Ronald C. Almera**  
Partner – Audit and assurance

Phnom Penh, Kingdom of Cambodia  
03 April 2020

# Statement of income and expenditure

		For the year ended 31 December 2019 USD	For the year ended 31 December 2018 USD
	Note		
<b>Income</b>			
Grant income	3	2,511,892	2,239,438
Earned income	4	88,825	145,622
Contributions by beneficiaries	5	128,486	130,800
Donations from partners	6	119,021	79,176
Other income	7	29,792	2,756
<b>Total income</b>		<b>2,878,016</b>	<b>2,597,792</b>
<b>Expenditure</b>			
Personnel expenses	8	803,439	781,478
Household BioSand filters	9	667,556	607,511
Community BioSand filters	10	504,277	356,528
Well and latrine construction costs	11	376,248	340,258
Transportation costs	12	161,681	140,170
Office running costs	13	127,095	124,209
Ministry project and general activities	14	104,585	90,492
Non-expendable items	15	59,010	67,913
Professional fees	16	12,700	14,721
Water dam	17	56,238	11,737
Research and development		3,813	-
Community pond	18	3,910	2,990
<b>Total expenditure</b>		<b>2,880,552</b>	<b>2,538,007</b>
<b>(Deficit)/surplus of income over expenditure</b>		<b>(2,536)</b>	<b>59,785</b>



# Statement of fund balance

	Note	31 December 2019 USD	31 December 2018 USD
Fund balance, beginning of the year		592,873	533,088
(Deficit)/surplus of income over expenditure		(2,536)	59,785
<b>Fund balance, end of the year</b>		<b>590,337</b>	<b>592,873</b>
<b>Represented by:</b>			
Cash and cash equivalents	19	647,127	605,663
Inventories	20	130,548	114,215
Deposits	21	7,376	6,156
Prepayments	22	2,168	3,076
Other receivables	23	24,166	36,095
Provision for life insurance	24	(54,644)	(51,465)
Provident fund	25	(71,766)	(36,962)
13th month salary payable		(35,086)	(35,935)
Taxes payable		(1,832)	(1,693)
Other liabilities	26	(57,720)	(46,277)
		<b>590,337</b>	<b>592,873</b>

# 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	Other donors USD	Total USD
At 1 January 2019	340,583	39,459	117,893	35,277	(3,346)	7,000	1,779	11,432	42,796	592,873
Fund receipts	252,536	1,958,170	236	113,352	-	-	-	151,952	401,770	2,878,016
Allocation of fund	-	-	27,543	(46,272)	11,017	-	7,712	-	-	-
Fund used during the year	(214,830)	(1,990,455)	-	(57,385)	-	-	(5,900)	(150,540)	(461,442)	(2,880,552)
31 December 2019	378,289	7,174	145,672	44,972	7,671	7,000	3,591	12,844	(16,876)	590,337
At 1 January 2018	293,348	65,875	90,031	40,764	7,919	7,000	8,156	3,758	16,237	533,088
Fund receipts	241,429	1,835,313	266	116,659	-	-	-	154,046	250,079	2,597,792
Allocation of fund	-	-	27,596	(40,478)	11,038	-	1,844	-	-	-
Fund used during the year	(194,194)	(1,861,729)	-	(81,668)	(22,303)	-	(8,221)	(146,372)	(223,520)	(2,538,007)
31 December 2018	340,583	39,459	117,893	35,277	(3,346)	7,000	1,779	11,432	42,796	592,873

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

# Statement of cash flows

	Note	For the year ended 31 December 2019 USD	For the year ended 31 December 2018 USD
<b>Operating activities</b>			
(Deficit)/surplus of income over expenditure		(2,536)	59,785
<b>Changes in:</b>			
Inventories		(1,220)	16,979
Deposits		(16,333)	308
Prepayments		908	196
Other receivables		11,929	(21,902)
Provident fund	25	34,804	(111,268)
Provision for life insurance	24	3,179	7,371
13th salary payable		(849)	3,405
Taxes payable		139	(112)
Other liabilities	26	11,443	24,216
<b>Net cash from/(used) in operating activities</b>		<b>41,464</b>	<b>(21,022)</b>
<b>Net change in cash and cash equivalents</b>		<b>41,464</b>	<b>(21,022)</b>
Cash and cash equivalents, beginning of year		605,663	626,685
<b>Cash and cash equivalents, end of year</b>	19	<b>647,127</b>	<b>605,663</b>

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

# Notes to the financial statements

## 1. 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.

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The Organisation often enters into grant agreements with Grantors for implementing the Project. The Project involves establishment of household BioSand filters, community BioSand filters, wells and latrines, water dams, community ponds, and other activities within the conditions of each agreement. The details of Grant information are described in note 3 to the financial statements. The Organisation plans to implement the Project in 16 provinces such as Kampong Chhnang, Pursat, Battambang, Siem Reap, Kampong Thom, Kratie, Kandal, Prey Veng, Svay Rieng, Takeo, Stung Treng, Kampong Cham, Tboung Khmum, Kampong Speu, Kampot and KEP.

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The Organisation has 94 employees as at 31 December 2019 (2018: 92 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 other liabilities that are initially recognised and liquidated by presentation of supporting documents such as invoices and proof of payments. 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**

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 and expenditure when cash is paid rather than when incurred, except for the following which are accrued:

- Staff benefits which include 13<sup>th</sup> month salary, provident fund;
- 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 Employee benefits

### 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 3-7 years of service, 8% for 7-11 years of service, 9% for 11-15 years of service and 10% for 15-20 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.

### Seniority payments

With regard to the seniority payment described in the Prakas No. 443 issued by the Ministry of Labour and Vocational Training, the Organisation has not determined the amount to be paid to its employees for the service completed in current year and the years before 2019. Management has communicated to the employees about the challenge that would not allow the Organisation to fulfil this obligation in the current year. Management believes that there would be no material difference between the seniority payment and the existing employees benefit, being the provident fund.

## 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 and expenditure and fund balance in the year of purchase. The Organisation maintains a fixed asset 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 BSF contribution's fund for the emergency needs such as fund shortages or curtailment of fund by the Grantor for the Organization to continue funding to staff and program operations. The reserve fund shall be kept at a maximum amount of USD250,000 for 2 months of staff and program operations.

## 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 2019 USD	For the year ended 31 December 2018 USD
Charity: Water		
Fund transferred	1,958,170	1,835,313
Neverthirst Inc	151,952	154,046
Income (from other donors)	401,770	250,079
	<b>2,511,892</b>	<b>2,239,438</b>

## 4. Earned income

	For the year ended 31 December 2019 USD	For the year ended 31 December 2018 USD
Income from water filters	13,938	80,501
Income from Media Sand and Gravel	74,887	65,121
	<b>88,825</b>	<b>145,622</b>

## 5. Contributions by beneficiaries

	For the year ended 31 December 2019 USD	For the year ended 31 December 2018 USD
Contribution from BioSand filters	127,699	119,708
Contribution from Household latrines	787	11,092
	<b>128,486</b>	<b>130,800</b>

## 6. Donations (from partners)

	For the year ended 31 December 2019 USD	For the year ended 31 December 2018 USD
Sustainable Cambodia	25,046	-
PNKS	36,710	26,850
Embassy of Republic of Poland	10,650	-
WERNER HELBIG	9,880	-
Chip Mong Insee Cement Corporation	8,140	20,280
Child Care Plus	7,980	-
Ten Days Missions	6,270	-
Community Generation	4,522	-
Stichting Waterworks	3,383	-
MASSACHUSETTS	3,160	-
HD&S Group Co., Ltd	2,690	-
The Rotary Club of Calgary	590	-
Cambodian Mine Action Centre	-	16,369
World renew	-	15,677
	<b>119,021</b>	<b>79,176</b>

## 7. Other income

Other income includes bank interest and gain from translation of cash held in Khmer Riel to USD. As of 31 December 2019, the Organisation has placed its bank balances with Aceda Bank Plc, J Trust Royal Bank, Kredit MFI, and Prasac MFI with interest rates ranging from 0.2% per annum to 8% per annum.

## 8. Personnel expenses

	For the year ended 31 December 2019 USD	For the year ended 31 December 2018 USD
Salaries	696,802	664,880
Staff benefits/award	49,192	48,359
Insurance	40,453	40,854
Workshop and staff training	16,992	27,385
	<b>803,439</b>	<b>781,478</b>

## 9. Household BioSand filters

	For the year ended 31 December 2019 USD	For the year ended 31 December 2018 USD
Training activities	164,120	151,810
Media sand and gravel	99,001	99,341
Cement	96,299	84,397
Diffuser plate	77,921	69,693
Water storage container	47,929	46,349
Lid	32,976	28,837
Fabrication and small tools	28,200	32,730
Pipe components	28,129	19,660
Construction gravel	23,732	19,842
Construction sand	18,439	17,085
Printed materials	17,153	20,528
Map Evaluation	15,248	-
Monitoring system (iForm)	12,691	12,394
Lubricant	2,987	2,917
Water Sampling Test Kits	1,742	1,796
Audio and visual equipment	989	132
	<b>667,556</b>	<b>607,511</b>



## 10. Community BioSand filters

	For the year ended 31 December 2019 USD	For the year ended 31 December 2018 USD
Concrete support frame	116,332	81,007
Training activities	105,491	76,558
Water storage container	102,103	75,953
Hand washing station	95,522	67,765
Fabrication and small tools	34,670	18,937
Media sand and gravel	24,132	17,286
Water sampling test kits	9,454	7,279
Pipe components	7,999	6,407
Printed materials	4,546	4,291
Map Evaluation	2,033	-
Monitoring system (iForm)	1,995	1,045
	<b>504,277</b>	<b>356,528</b>

## 11. Well and latrine construction costs

	For the year ended 31 December 2019 USD	For the year ended 31 December 2018 USD
School latrines	329,885	286,993
Garbage kiln	41,796	28,762
Household latrines	3,350	24,264
Monitoring system (iForm)	373	239
Map Evaluation	844	-
	<b>376,248</b>	<b>340,258</b>

## 12. Transportation costs

	For the year ended 31 December 2019 USD	For the year ended 31 December 2018 USD
Fuel and maintenance	102,959	96,872
Meal and lodging	48,420	32,853
Project site travel	7,140	7,345
Third party vehicle insurance	3,162	3,100
	<b>161,681</b>	<b>140,170</b>

## 13. Office running costs

	For the year ended 31 December 2019 USD	For the year ended 31 December 2018 USD
Occupancy	57,253	54,178
Logistic operations	23,791	20,669
Communication	16,969	16,734
Utilities	12,041	11,873
Computer maintenance	5,900	8,071
Bank charges	5,796	6,419
Stationeries	5,345	6,266
	<b>127,095</b>	<b>124,209</b>

#### 14. Ministry project and general activities

	For the year ended 31 December 2019 USD	For the year ended 31 December 2018 USD
Media sand and gravel	40,702	21,004
Arsenic sampling test	14,210	-
Water storage container	13,784	23,512
Concrete support frame	11,857	14,078
Hand washing station	7,080	6,486
Training activities	6,688	7,013
Fabrication and small tools	6,422	5,235
Pipe components	893	1,028
Household latrines	603	2,190
Garbage kiln	555	6,397
Monitoring system (i-Form)	521	426
Access for school wash	516	-
Water sampling test kits	448	2,765
Printed materials	192	358
Diffuser plate	85	-
Lid	29	-
	<b>104,585</b>	<b>90,492</b>

#### 15. Non-expendable items

	For the year ended 31 December 2019 USD	For the year ended 31 December 2018 USD
Vehicles	49,980	39,996
Computers and printers	5,840	6,746
Office equipment	2,577	4,193
Sawyer filters	361	3,781
Stainless Steel filters	252	9,900
NUF filters	-	3,297
	<b>59,010</b>	<b>67,913</b>

#### 16. Professional fees

	For the year ended 31 December 2019 USD	For the year ended 31 December 2018 USD
Technical consultancy	6,800	8,221
Internal and external audit fees	5,900	6,500
	<b>12,700</b>	<b>14,721</b>

#### 17. Water dam

	For the year ended 31 December 2019 USD	For the year ended 31 December 2018 USD
Water dam	55,288	11,630
Training activities	950	107
	<b>56,238</b>	<b>11,737</b>

## 18. Community pond

	For the year ended 31 December 2019 USD	For the year ended 31 December 2018 USD
Community pond	3,384	2,346
Training activities	429	644
	<b>3,813</b>	<b>2,990</b>

## 19. Cash and cash equivalents

	31 December 2019 USD	31 December 2018 USD
Cash in banks	647,127	605,663
	<b>647,127</b>	<b>605,663</b>

## 20. Inventories

	31 December 2019 USD	31 December 2018 USD
Stainless steel filters	83,600	83,852
NUF filters	39,163	22,218
Sawyer filters	7,785	8,145
	<b>130,548</b>	<b>114,215</b>

## 21. Deposits

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

## 22. Prepayments

This account represents prepayments for office rental and telecommunications expenses.

## 23. Other receivables

	31 December 2019 USD	31 December 2018 USD
Cash advance for project implementation	23,169	32,743
Cash advance for office use	997	3,352
	<b>24,166</b>	<b>36,095</b>

## 24. Provision for life insurance

Movements in provision for life insurance provision are as follows:

	31 December 2019 USD	31 December 2018 USD
As at 1 January	51,465	44,094
Contributions	8,121	7,210
Interest	67	175
Payments	(5,009)	(14)
<b>As at 31 December</b>	<b>54,644</b>	<b>51,465</b>

## 25. Provident fund

Movements in provident fund are as follows:

	31 December 2019 USD	31 December 2018 USD
As at 1 January	36,962	148,230
Contributions	44,621	41,657
Interest	60	1,132
Payments	(9,877)	(154,057)
<b>As at 31 December</b>	<b>71,766</b>	<b>36,962</b>

## 26. Other liabilities

	31 December 2019 USD	31 December 2018 USD
Accrued expenses	44,026	46,277
Amounts withheld as warranty for construction	13,694	-
	<b>57,720</b>	<b>46,277</b>

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

## 27. Taxes

### Applicable Taxes

The Organisation is not subjected to income tax when its incomes is generated from pure activities that support the Organisation's principal objectives. The exemption includes legal funds or donations from individuals and other donors, resources or assets of the Organisation, contributions from members, and other sources of income. For other income generated from separate principal objectives, the Organisation is obligated to register at the tax administration as a taxpayer in compliance with Prakas No. 025 MEF.PrK dated 21 January 2018 and to pay patent tax in accordance with Prakas No. 198 MEF.PrK dated 26 February 2018.

Besides income tax, the Organisation has obligations to withhold and pay salary tax and other applicable taxes in accordance with the Cambodian Law on Taxations.

### 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.

## 28. Post-reporting date events

No adjusting or significant non-adjusting events have occurred between 31 December 2019 until the date of authorisation of these financial statements.

## 29. Approval of the financial statements

The financial statements as at and for the year ended 31 December 2019 were approved by the Management of the Organisation on 03 April 2020.