



Cambodia

**CLEAR CAMBODIA**

**Financial Statements  
for the year ended 31 December 2022  
and  
Report of the Independent Auditors**

# Clear Cambodia

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## Organisation information

|                            |   |
|----------------------------|---|
| <b>Organisation name</b>   | Clear Cambodia  |
| <b>Registration number</b> | ១៥០៨ ស.ជ.ណា dated 15 October 2010   |
| <b>VAT TIN</b>             | K005-105007889  |
| <b>Registered Office</b>   | No. 86, Street 608<br>Sangkat Boeung Kak II<br>Khan Tuol Kork, Phnom Penh<br>Kingdom of Cambodia  |
| <b>Main Donor</b>          | Charity Global, Inc. (also known as “Charity: Water”)   |
| <b>Management Team</b>     | Mr. Yim Viriya                      Executive Director<br>Mr. Ly Sok Hun                      Finance Manager<br>Mr. Chan Monty<br>Ms. Ko Sokmean<br>Mr. Mao Savath<br>Mr. Ket Chanto<br>Mrs. Vann Chhorvy Vanny<br>Mr. Ky Ka<br>Mrs. Pann Mala |
| <b>Principal bankers</b>   | Maybank (Cambodia) Plc.<br>ACLEDA Bank Plc.<br>JTrust Royal Bank Ltd.<br>Prasac Microfinance Institution  |
| <b>Auditors</b>            | KPMG Cambodia Ltd   |

## Report of management

The management of Clear Cambodia ("the Organisation") presents its report and the Organisation's audited financial statements as at 31 December 2022 and for the year then ended.

### The Organisation

Clear Cambodia is a local Christian non-governmental organisation that received its 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, an international NGO, in October 1999. 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.

### Results

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

Surplus of income over expenses for the year ended 31 December 2022 was US\$15,852 (2021: US\$231,135).

### Events after the balance sheet date

No significant events occurred after the balance sheet date requiring disclosure or adjustment other than those already disclosed in the accompanying notes to the financial statements.

### The management

Members of the management during the year and at the date of this report are:

|                         |                                    |
|-------------------------|------------------------------------|
| Mr. Yim Viriya          | Executive Director                 |
| Mr. Chan Monty          | Fundraising Manager                |
| Ms. Ko Sokmean          | Operations Manager                 |
| Mr. Mao Savath          | Household WASH Program Manager     |
| Mr. Ket Chanto          | Admin and Human Resource Manager   |
| Mrs. Vann Chhorvy Vanny | School WASH Program Manager        |
| Mr. Ky Ka               | Water Partnership Services Manager |
| Mr. Ly Sok Hun          | Finance Manager                    |
| Mrs. Pann Mala          | Monitoring and Evaluation Manager  |

## Statement of management's responsibilities in respect of the financial statements

Management is responsible for the financial statements comprise of statement of receipts and payments which are prepared, in all material respects, in accordance with Cambodian Financial Reporting Standard for Not-For-Profit Entities ("CFRS for NFPEs") for the year ended 31 December 2022. In preparing these financial statements, management is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Organisation will continue operations in the foreseeable future; and
- Set overall policies for the Organisation, ratify all decisions and actions that have a material effect on the operations and performance of the Organisation, and ensure they have been properly reflected in the financial statements.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Organisation and to ensure that the accounting records comply with the applicable accounting policy. It is also responsible for safeguarding the assets of the Organisation and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management has confirmed that the Organisation has complied with the above requirements in preparing the accompanying financial statements.

## Approval of the financial statements

I, the undersigned, do hereby state that in my opinion, the accompanying financial statements, which comprise the statement of receipts and payments for the year ended 31 December 2022 and notes as set out on pages 7 to 27 present fairly, in all material respects, in accordance with Cambodian Financial Reporting Standard for Not-For-Profit Entities ("CFRS for NFPEs").

*On behalf of the Management,*



Mr. Yim Viriya  
*Executive Director*

Phnom Penh, Kingdom of Cambodia

Date: 09 May 2023





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## **Report of the Independent Auditors**

### **To the Donors**

### **Clear Cambodia**

#### ***Opinion***

We have audited the accompanying financial statements of Clear Cambodia (“the Organisation”), which comprises the statement of receipts and payments for the year ended 31 December 2022 and notes, comprising significant accounting policies and other explanatory information as set out on pages 7 to 27 (hereafter referred to as “the financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the receipts and payments of the Organisation for the year ended 31 December 2022 in accordance with Cambodian Financial Reporting Standard for Not-For-Profit Entities (“CFRS for NFPEs”).

#### ***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 *Auditors’ Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organisation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Cambodia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### ***Other Matter***

As stated in Note 2 to the financial statements, the Organisation adopted Cambodian Financial Reporting Standard for Not-For-Profit Entities (“CFRS for NFPEs”) on 1 January 2022 with a transition date of 1 January 2021. These standards were applied retrospectively to the comparative information in these financial statements, including, the statement of receipts and payments of the Organisation for the year ended 31 December 2021 and related explanatory notes.

#### ***Other Information***

Management is responsible for the other information. The other information comprised the Report of management as set out on pages 2 to 3.



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.

### ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with CFRS for NFPEs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, 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 cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organisation's financial reporting process.

### ***Auditors' 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 auditors' 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 misstatements 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 the purpose of 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 management.
- Conclude on the appropriateness of 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 auditors' 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 auditors' report. However, future events or conditions may cause the Organisation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.

For **KPMG Cambodia Ltd**

  
  
Taing YoukFong  
Partner

Phnom Penh, Kingdom of Cambodia

9 May 2023



## Clear Cambodia

### Statement of receipts and payments for the year ended 31 December 2022

|   | Note | 2022               |                     | 2021               |                     |
|---|------|--------------------|---------------------|--------------------|---------------------|
|   |      | US\$               | KHR'000<br>(Note 3) | US\$               | KHR'000<br>(Note 3) |
| <b>Operating receipts</b>                         |      |                    |                     |                    |                     |
| Donations, fundraising and other similar receipts | 4    | 4,363,449          | 17,833,416          | 3,280,508          | 13,345,107          |
| Contribution by beneficiaries                     | 5    | 153,572            | 627,649             | 129,966            | 528,702             |
| Other operating receipts                          | 6    | 46,085             | 188,349             | 96,518             | 392,635             |
| Total operating receipts                          |      | <u>4,563,106</u>   | <u>18,649,414</u>   | <u>3,506,992</u>   | <u>14,266,444</u>   |
| <b>Operating payments</b>                         |      |                    |                     |                    |                     |
| Volunteer and employee related payments           | 7    | (1,100,040)        | (4,495,863)         | (893,721)          | (3,635,657)         |
| Program/Project by activities                     | 8    | (3,346,682)        | (13,677,889)        | (2,180,636)        | (8,870,827)         |
| Other operating payments                          | 9    | (41,073)           | (167,865)           | (22,048)           | (89,691)            |
| Total operating payments                          |      | <u>(4,487,795)</u> | <u>(18,341,617)</u> | <u>(3,096,405)</u> | <u>(12,596,175)</u> |
| <b>Operating surplus</b>                          |      | <u>75,311</u>      | <u>307,797</u>      | <u>410,587</u>     | <u>1,670,269</u>    |
| <b>Capital receipts</b>                           |      |                    |                     |                    |                     |
| Receipts from the sale of resources               |      | <u>225</u>         | <u>920</u>          | <u>839</u>         | <u>3,413</u>        |
| <b>Capital payments</b>                           |      |                    |                     |                    |                     |
| Purchases of resources                            | 10   | <u>(59,684)</u>    | <u>(243,930)</u>    | <u>(180,291)</u>   | <u>(733,424)</u>    |
| <b>Capital deficit</b>                            |      | <u>(59,459)</u>    | <u>(243,010)</u>    | <u>(179,452)</u>   | <u>(730,011)</u>    |

# Clear Cambodia

## Statement of receipts and payments (continued) for the year ended 31 December 2022

|   | Note | 2022             |                     | 2021             |                     |
|---|------|------------------|---------------------|------------------|---------------------|
|   |      | US\$             | KHR'000<br>(Note 3) | US\$             | KHR'000<br>(Note 3) |
| <b>Net increase in cash</b>                         |      | 15,852           | 64,787              | 231,135          | 940,258             |
| Cash and cash at banks at the beginning of the year |      | 1,052,114        | 4,286,312           | 820,979          | 3,320,860           |
| Currency translation difference                     |      | -                | 45,717              |                  | 25,194              |
| Cash and cash at banks at the end of the year       | 11   | <u>1,067,966</u> | <u>4,396,816</u>    | <u>1,052,114</u> | <u>4,286,312</u>    |
| <b>Represented by:</b>                              |      |                  |                     |                  |                     |
| Cash at banks                                       | 11   | 879,789          | 3,622,091           | 876,002          | 3,568,832           |
| Term deposits                                       | 11   | <u>188,177</u>   | <u>774,725</u>      | <u>176,112</u>   | <u>717,480</u>      |
| Cash and cash at banks                              |      | <u>1,067,966</u> | <u>4,396,816</u>    | <u>1,052,114</u> | <u>4,286,312</u>    |

Prepared by:



Mr. Ly Sok Hun  
*Finance Manager*

Date: 09 May 2023

Approved by:



Mr. Yim Viriya  
*Executive Director*

Date: 09 May 2023

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

# Clear Cambodia

## Notes to the financial statements for the year ended 31 December 2022

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

### 1. Background

Clear Cambodia is a local Christian non-governmental organisation that received its 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”). 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 Global, Inc. (“Charity: Water” or “the Grantor”) which is an independent, grassroots organisation based in New York City, United States of America, 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 project and strives to be completely transparent on how its money is used and accounted for.

The Organisation often enters into grant agreements with Grantors for implementing the Project which involves the establishment for the following:

- Household BioSand filters,
- Community BioSand filters,
- Wells and latrines,
- Community water dams,
- Community ponds,
- School rebuilding,
- Water piped systems,
- and other activities within the conditions of each agreement

The details of grant information are described in Note 4 to the financial statements.

The Project has been implemented in twenty provinces to date (Banteay Meanchey, Battambang, Kampong Cham, Kampong Chhnang, Kampong Speu, Kampong Thom, Kampot, Kandal, Kep, Kratie, Oddor Mean Chey, Preah Vihea, Prey Veng, Pursat, Rattanakiri, Siem Reap, Stung Treng, Svay Rieng, Takeo and Tboung Khmum) to install more than 337,666 Household BioSand filters, 1,719 School BioSand filters, 1,712 hand washing stations, 620 school latrines and 653 garbage kiln (incinerator) that served about 1,876,933 beneficiaries and 708,445 students in the selected rural areas.

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

As at 31 December 2022, the Organisation had 113 employees (2021: 106 employees).



# Clear Cambodia

## Notes to the financial statements (continued) for the year ended 31 December 2022

### 2. Significant accounting policies

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

#### (a) Statement of compliance

The financial statements have been prepared in accordance with the Cambodian Financial Reporting Standard for Not-for-Profit Entities (“CFRS for NFPEs”). These are the first set of financial statements prepared in accordance with CFRS for NFPEs and the transitional provisions in Appendix B of CFRS for NFPEs has been applied.

In the previous financial years, the financial statements were prepared in accordance with a modified cash receipts and disbursements basis of accounting. This is a basis of accounting that is designed to meet the requirements of the Organisation; it is not designed to produce financial statements that are compatible with International Financial Reporting Standards.

The Organisation has applied consistently to all periods presented in these financial statements and in preparing the opening CFRS for NFPEs statement of receipts and payments at 1 January 2021 for the purposes of the transition to CFRS for NFPEs.

An explanation of how the transition to CFRS for NFPEs has affected the reported statement of receipts and payments of the Organisation is provided in Note 13.

These financial statements were authorised for issue by the Organisation’s management on 9 May 2023.

#### (b) Basis of measurement

The financial statements expressed in United States Dollars (US\$) have been prepared under the historical cost convention.

#### (c) Foreign currency transactions

The Organisation transacts its operations and maintains its accounting records primarily in United States Dollars (“US\$”). Transactions in currencies other than US\$ are converted into US\$ at the rates of exchange prevailing on the transaction dates. Exchange differences are recognised in the statement of receipts and payments.

# Clear Cambodia

## Notes to the financial statements (continued) for the year ended 31 December 2022

### 2. Significant accounting policies (continued)

#### (d) Recognition of fund receipts

The Organisation classifies its fund receipts into two categories: operating receipts and capital receipts.

##### (i) Operating receipts:

###### a. Donations, fundraising and other similar receipts

These pertain to funds received from donors and donations from partners in order for the Organisation to carry out its projects.

###### b. Receipts from providing goods or services

This represents income generated from sale of Media Sand and Gravel and School WASH products (Community BioSand filters, latrines), management fees, and income generated from other activities.

###### c. Contribution from members

This represents contributions by members 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 US\$5 per BioSand filter
- 120,000 Cambodian Riel or US\$30 per latrine
- 160,000 Cambodian Riel or US\$40 per well

Portion of contributions by beneficiaries for the construction of BioSand filter in the previous year is allocated to Reserved fund and Major capital expenditure fund accounts in the following year based on specific percentages approved by the Grantor.

##### (ii) Capital receipts:

These pertain to receipts from sale of the Organisations resources during the year.

All forms of receipts are recognised when received and recorded as gross amount of bank charges, if any.

# Clear Cambodia

## Notes to the financial statements (continued) for the year ended 31 December 2022

### 2. Significant accounting policies (continued)

#### (e) Recognition of fund payments

The Organisation classifies its fund payments into two categories: operating payments and capital payments.

##### (i) Operating payments comprise:

###### a. Volunteer and employee related payments

These pertain to the salaries and other benefits of the Organisation's staff.

###### *Provident fund*

Provident fund comprises accumulated fund and interest set aside in a separate bank account in form of term deposit, for the staff in the event of job termination or retirement. The fund is funded monthly at 6% of employees' salary for employees less than 3 years of service, 7% for 3 - 7 years, 8% for 7 - 11 years, 9% for 11-15 years and 10% for 15 - 20 years. The provident fund of 40% shall be given to the staff who works 2 years consecutively in case requested by staff to support the needs of employees such as death of a family member, medical expenses or natural disaster.

###### *Life insurance*

This is a private life insurance fund established by the Organisation in the event of a staff member's death with a sum assured amounting to US\$5,000 to be paid by the Organisation. The Organisation contributes US\$70 annually for each staff member after confirmed probation into the fund which is separately maintained in a separate bank account in the form of term deposit.

###### b. Program/Project by activities

These pertain to the payments directly related to the Organisation's projects and activities.

###### c. Payments related to providing goods and services

These are the general expenses incurred by the Organisation.

##### (ii) Capital payments comprise:

###### a. Purchase of resources

###### b. Repayment of borrowings.

All payments are recognised when paid.



# Clear Cambodia

## Notes to the financial statements (continued) for the year ended 31 December 2022

### 2. Significant accounting policies (continued)

#### (f) Cash and cash equivalents

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

#### (g) Non-expendable items

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

### 3. Translation of United States Dollars into Khmer Riel

The financial statements are expressed in United States Dollars (“US\$”) which is the Organisation’s functional currency. The translations of US\$ amounts into Khmer Riels (“KHR”) meets the presentation requirements pursuant to Law on Accounting and Auditing and has been done in accordance with the translation method of CFRS for NFPEs Section A17.2, *Consistency of Presentation*.

Cash and cash at banks are translated at the closing rate as at the reporting date. The statement of receipts and payments are translated into KHR at the average rate for the year, which has been deemed to approximate the exchange rate at the date of transaction as exchange rates have not fluctuated significantly during the year. Exchange differences arising from the translation are recognised in the statement of receipts and payments.

The Organisation uses the following exchange rates:

|                  |       |   | <b>Closing<br/>rate</b> | <b>Average<br/>rate</b> |
|------------------|-------|---|-------------------------|-------------------------|
| 31 December 2022 | US\$1 | = | KHR4,117                | KHR4,087                |
| 31 December 2021 | US\$1 | = | KHR4,074                | KHR4,068                |

The translation to Khmer Riel should not be construed as representations that the United States Dollars amounts have been, could have been, or could in the future be, converted into Khmer Riel at this or any other rate of exchange.

# Clear Cambodia

## Notes to the financial statements (continued) for the year ended 31 December 2022

### 4. Donations, fundraising and other similar receipts

|                             | 2022             |                     | 2021             |                     |
|-----------------------------|------------------|---------------------|------------------|---------------------|
|                             | US\$             | KHR'000<br>(Note 3) | US\$             | KHR'000<br>(Note 3) |
| Grant income (*)            | 4,074,247        | 16,651,447          | 3,192,955        | 12,988,941          |
| Donation from partners (**) | 289,202          | 1,181,969           | 87,553           | 356,166             |
|                             | <u>4,363,449</u> | <u>17,833,416</u>   | <u>3,280,508</u> | <u>13,345,107</u>   |

(\*) Breakdown of grant income is as follows:

|                            | 2022             |                     | 2021             |                     |
|----------------------------|------------------|---------------------|------------------|---------------------|
|                            | US\$             | KHR'000<br>(Note 3) | US\$             | KHR'000<br>(Note 3) |
| Charity: Water             | 2,843,386        | 11,620,918          | 2,173,850        | 8,843,222           |
| Income (from other donors) | 464,103          | 1,896,789           | 456,605          | 1,857,469           |
| Neverthirst INC            | 766,758          | 3,133,740           | 562,500          | 2,288,250           |
|                            | <u>4,074,247</u> | <u>16,651,447</u>   | <u>3,192,955</u> | <u>12,988,941</u>   |

(\*\*) Breakdown of donation from partners is as follows:

|                                 | 2022           |                     | 2021          |                     |
|---------------------------------|----------------|---------------------|---------------|---------------------|
|                                 | US\$           | KHR'000<br>(Note 3) | US\$          | KHR'000<br>(Note 3) |
| Ministry of Environment         | 68,294         | 279,118             | -             | -                   |
| Community Generation            | 40,840         | 166,913             | -             | -                   |
| Good Hands                      | 40,500         | 165,524             | 17,916        | 72,882              |
| Good Trust                      | 39,622         | 161,935             | -             | -                   |
| Cambodia Rural Student Trust    | 29,935         | 122,344             | -             | -                   |
| World Vision International      | 18,750         | 76,631              | -             | -                   |
| Werner Helbig                   | 14,459         | 59,094              | -             | -                   |
| Rotary Club Calgary             | 9,457          | 38,651              | 8,204         | 33,374              |
| Sunshine Cambodia               | 6,851          | 28,000              | -             | -                   |
| Save The Children International | 4,619          | 18,878              | -             | -                   |
| Become More                     | 3,750          | 15,326              | -             | -                   |
| CWEF                            | 3,495          | 14,284              | -             | -                   |
| NPO Aozora                      | 2,700          | 11,035              | 10,332        | 42,031              |
| Pathfinders                     | 2,540          | 10,381              | -             | -                   |
| Child Care Plus                 | 1,800          | 7,357               | -             | -                   |
| Phemg Sophom                    | 1,350          | 5,517               | -             | -                   |
| Cam Agra Investment             | 240            | 981                 | -             | -                   |
| ChildFund Cambodia              | -              | -                   | 28,116        | 114,376             |
| World Vision Cambodia           | -              | -                   | 17,837        | 72,561              |
| Asia Fund                       | -              | -                   | 5,148         | 20,942              |
|                                 | <u>289,202</u> | <u>1,181,969</u>    | <u>87,553</u> | <u>356,166</u>      |

## Clear Cambodia

### Notes to the financial statements (continued) for the year ended 31 December 2022

#### 5. Contribution by beneficiaries

|                               | 2022           |                     | 2021           |                     |
|-------------------------------|----------------|---------------------|----------------|---------------------|
|                               | US\$           | KHR'000<br>(Note 3) | US\$           | KHR'000<br>(Note 3) |
| Contribution by beneficiaries | 151,047        | 617,329             | 127,878        | 520,208             |
| Other income                  | <u>2,525</u>   | <u>10,320</u>       | <u>2,088</u>   | <u>8,494</u>        |
|                               | <u>153,572</u> | <u>627,649</u>      | <u>129,966</u> | <u>528,702</u>      |

#### 6. Other operating receipts

|                               | 2022          |                     | 2021          |                     |
|-------------------------------|---------------|---------------------|---------------|---------------------|
|                               | US\$          | KHR'000<br>(Note 3) | US\$          | KHR'000<br>(Note 3) |
| Sale of media sand and gravel | 43,889        | 179,374             | 76,996        | 313,220             |
| Sale of water filters         | <u>2,196</u>  | <u>8,975</u>        | <u>19,522</u> | <u>79,415</u>       |
|                               | <u>46,085</u> | <u>188,349</u>      | <u>96,518</u> | <u>392,635</u>      |

#### 7. Volunteer and employee related payments

|                             | 2022             |                     | 2021           |                     |
|-----------------------------|------------------|---------------------|----------------|---------------------|
|                             | US\$             | KHR'000<br>(Note 3) | US\$           | KHR'000<br>(Note 3) |
| Salaries                    | 930,633          | 3,803,497           | 777,293        | 3,162,028           |
| Staff benefits/award        | 66,799           | 273,008             | 57,209         | 232,726             |
| Workshop and staff training | 40,354           | 164,926             | 16,648         | 67,724              |
| Insurance                   | 37,597           | 153,659             | 36,292         | 147,636             |
| Training activities         | <u>24,657</u>    | <u>100,773</u>      | <u>6,279</u>   | <u>25,543</u>       |
|                             | <u>1,100,040</u> | <u>4,495,863</u>    | <u>893,721</u> | <u>3,635,657</u>    |



# Clear Cambodia

## Notes to the financial statements (continued) for the year ended 31 December 2022

### 8. Program/Project by activities

|                                    | Note | 2022             |                     | 2021             |                     |
|------------------------------------|------|------------------|---------------------|------------------|---------------------|
|                                    |      | US\$             | KHR'000<br>(Note 3) | US\$             | KHR'000<br>(Note 3) |
| Well and latrine construction cost | A    | 1,287,168        | 5,260,656           | 400,101          | 1,627,611           |
| Community BioSand filters          | B    | 733,061          | 2,996,020           | 581,176          | 2,364,224           |
| Household BioSand filters          | C    | 636,052          | 2,599,545           | 658,710          | 2,679,632           |
| Transportation costs               | D    | 250,260          | 1,022,813           | 157,584          | 641,052             |
| Office running costs               | E    | 136,516          | 557,941             | 124,468          | 506,336             |
| General activities                 | F    | 78,612           | 321,287             | 39,100           | 159,059             |
| School rebuilding                  | G    | 73,416           | 300,051             | 33,047           | 134,435             |
| Water dam                          | H    | 67,811           | 277,144             | 95,689           | 389,263             |
| Student breakfast                  | I    | 30,702           | 125,479             | 10,658           | 43,357              |
| Piped system                       | J    | 19,660           | 80,350              | 48,342           | 196,655             |
| Community pond                     | K    | 18,429           | 75,319              | 19,570           | 79,611              |
| Professional fees                  |      | 9,680            | 39,562              | 10,050           | 40,883              |
| Non-expendable items               |      | 3,575            | 14,611              | 2,141            | 8,709               |
| Office rent                        |      | 1,740            | 7,111               | -                | -                   |
|                                    |      | <u>3,346,682</u> | <u>13,677,889</u>   | <u>2,180,636</u> | <u>8,870,827</u>    |

#### A. Well and latrine construction cost

|                             | 2022             |                     | 2021           |                     |
|-----------------------------|------------------|---------------------|----------------|---------------------|
|                             | US\$             | KHR'000<br>(Note 3) | US\$           | KHR'000<br>(Note 3) |
| School latrines             | 1,030,097        | 4,210,006           | 304,529        | 1,238,824           |
| Garbage kiln                | 140,261          | 573,247             | 62,999         | 256,280             |
| Hand pump                   | 82,149           | 335,743             | 25,592         | 104,108             |
| Fabrication and small tools | 14,367           | 58,718              | -              | -                   |
| Fuel and maintenance        | 10,354           | 42,317              | 2,549          | 10,369              |
| Water sampling test kits    | 5,334            | 21,800              | 2,642          | 10,748              |
| Monitoring system (iForm)   | 2,991            | 12,224              | 948            | 3,856               |
| Printed materials           | 1,510            | 6,171               | 347            | 1,412               |
| Training activities         | 105              | 430                 | 495            | 2,014               |
|                             | <u>1,287,168</u> | <u>5,260,656</u>    | <u>400,101</u> | <u>1,627,611</u>    |

## Clear Cambodia

### Notes to the financial statements (continued) for the year ended 31 December 2022

#### 8. Program/Project by activities (continued)

##### B. Community BioSand filters

|                             | 2022           |                     | 2021           |                     |
|-----------------------------|----------------|---------------------|----------------|---------------------|
|                             | US\$           | KHR'000<br>(Note 3) | US\$           | KHR'000<br>(Note 3) |
| Training activities         | 180,548        | 737,900             | 98,506         | 400,722             |
| Hand washing station        | 164,166        | 670,946             | 125,535        | 510,676             |
| Concrete support frame      | 147,859        | 604,300             | 162,660        | 661,701             |
| Water storage container     | 142,204        | 581,188             | 110,822        | 450,824             |
| Media sand and gravel       | 30,836         | 126,027             | 23,170         | 94,256              |
| Fabrication and small tools | 18,647         | 76,210              | 25,562         | 103,986             |
| Pipe components             | 16,159         | 66,042              | 10,954         | 44,561              |
| Water sampling test kits    | 15,975         | 65,290              | 8,999          | 36,608              |
| Fuel and maintenance        | 9,409          | 38,455              | 6,919          | 28,146              |
| Monitoring system (iForm)   | 5,054          | 20,654              | 3,859          | 15,699              |
| Printed materials           | 2,204          | 9,008               | 4,190          | 17,045              |
|                             | <u>733,061</u> | <u>2,996,020</u>    | <u>581,176</u> | <u>2,364,224</u>    |

##### C. Household BioSand filters

|                             | 2022           |                     | 2021           |                     |
|-----------------------------|----------------|---------------------|----------------|---------------------|
|                             | US\$           | KHR'000<br>(Note 3) | US\$           | KHR'000<br>(Note 3) |
| Training activities         | 165,295        | 675,561             | 163,386        | 664,654             |
| Construction cement         | 86,608         | 353,967             | 88,059         | 358,224             |
| Diffuser plate              | 74,079         | 302,761             | 72,658         | 295,573             |
| Media sand and gravel       | 62,319         | 254,698             | 82,878         | 337,148             |
| Lid                         | 45,481         | 185,881             | 38,022         | 154,673             |
| Water storage container     | 43,200         | 176,558             | 46,200         | 187,942             |
| Plastic filter              | 33,779         | 138,055             | 37,150         | 151,126             |
| Pipe components             | 29,120         | 119,013             | 24,447         | 99,450              |
| Fabrication and small tools | 23,764         | 97,123              | 30,417         | 123,736             |
| Construction sand           | 20,287         | 82,913              | 17,965         | 73,082              |
| Construction gravel         | 17,658         | 72,168              | 17,777         | 72,317              |
| Printed materials           | 15,804         | 64,591              | 17,112         | 69,612              |
| Monitoring system (iForm)   | 11,333         | 46,319              | 15,874         | 64,575              |
| Lubricant                   | 4,497          | 18,379              | 3,634          | 14,783              |
| Water sampling test kits    | 2,816          | 11,509              | 1,935          | 7,872               |
| Fuel and maintenance        | 12             | 49                  | 1,196          | 4,865               |
|                             | <u>636,052</u> | <u>2,599,545</u>    | <u>658,710</u> | <u>2,679,632</u>    |

# Clear Cambodia

## Notes to the financial statements (continued) for the year ended 31 December 2022

### 8. Program/Project by activities (continued)

#### D. Transportation costs

|                      | 2022           |                     | 2021           |                     |
|----------------------|----------------|---------------------|----------------|---------------------|
|                      | US\$           | KHR'000<br>(Note 3) | US\$           | KHR'000<br>(Note 3) |
| Fuel and maintenance | 179,409        | 733,245             | 116,770        | 475,020             |
| Meal and lodging     | 61,306         | 250,558             | 33,831         | 137,625             |
| Project site travel  | 6,521          | 26,651              | 4,132          | 16,809              |
| Vehicle insurance    | 3,024          | 12,359              | 2,851          | 11,598              |
|                      | <u>250,260</u> | <u>1,022,813</u>    | <u>157,584</u> | <u>641,052</u>      |

#### E. Office running costs

|                      | 2022           |                     | 2021           |                     |
|----------------------|----------------|---------------------|----------------|---------------------|
|                      | US\$           | KHR'000<br>(Note 3) | US\$           | KHR'000<br>(Note 3) |
| Occupancy            | 55,440         | 226,583             | 47,073         | 191,493             |
| Logistic operations  | 28,425         | 116,173             | 23,101         | 93,975              |
| Communication        | 19,635         | 80,248              | 18,229         | 74,156              |
| Utilities            | 12,423         | 50,773              | 13,060         | 53,128              |
| Printed materials    | 7,682          | 31,396              | 3,326          | 13,530              |
| Stationeries         | 5,582          | 22,814              | 7,191          | 29,253              |
| Computer maintenance | 3,561          | 14,554              | 8,888          | 36,156              |
| Bank charges         | 3,518          | 14,378              | 3,600          | 14,645              |
| Office equipment     | 250            | 1,022               | -              | -                   |
|                      | <u>136,516</u> | <u>557,941</u>      | <u>124,468</u> | <u>506,336</u>      |

## Clear Cambodia

### Notes to the financial statements (continued) for the year ended 31 December 2022

#### 8. Program/Project by activities (continued)

##### F. General activities

|                             | 2022          |                     | 2021          |                     |
|-----------------------------|---------------|---------------------|---------------|---------------------|
|                             | US\$          | KHR'000<br>(Note 3) | US\$          | KHR'000<br>(Note 3) |
| Water storage container     | 18,872        | 77,130              | 7,647         | 31,108              |
| Household latrines          | 17,239        | 70,456              | 474           | 1,928               |
| Hand washing station        | 13,742        | 56,164              | 5,782         | 23,521              |
| Concrete support frame      | 6,585         | 26,913              | 18,800        | 76,478              |
| Fabrication and small tools | 6,172         | 25,225              | 2,696         | 10,967              |
| Training activities         | 5,278         | 21,571              | 1,217         | 4,951               |
| Fuel and maintenance        | 4,323         | 17,668              | 1,205         | 4,902               |
| Water sampling test kits    | 4,201         | 17,169              | -             | -                   |
| Pipe components             | 1,046         | 4,275               | 1,102         | 4,484               |
| Monitoring system (iForm)   | 647           | 2,644               | 147           | 598                 |
| Printed materials           | 507           | 2,072               | 30            | 122                 |
|                             | <u>78,612</u> | <u>321,287</u>      | <u>39,100</u> | <u>159,059</u>      |

##### G. School Rebuilding

|                             | 2022          |                     | 2021          |                     |
|-----------------------------|---------------|---------------------|---------------|---------------------|
|                             | US\$          | KHR'000<br>(Note 3) | US\$          | KHR'000<br>(Note 3) |
| School rebuilding           | 73,080        | 298,678             | 32,564        | 132,470             |
| Training activities         | 214           | 875                 | 374           | 1,521               |
| Printed materials           | 117           | 478                 | 44            | 179                 |
| Fabrication and small tools | 5             | 20                  | 65            | 265                 |
|                             | <u>73,416</u> | <u>300,051</u>      | <u>33,047</u> | <u>134,435</u>      |

##### H. Water Dam

|                           | 2022          |                     | 2021          |                     |
|---------------------------|---------------|---------------------|---------------|---------------------|
|                           | US\$          | KHR'000<br>(Note 3) | US\$          | KHR'000<br>(Note 3) |
| Water dam                 | 63,193        | 258,270             | 88,314        | 359,261             |
| Training activities       | 4,604         | 18,817              | 6,875         | 27,968              |
| Monitoring system (iForm) | 14            | 57                  | 500           | 2,034               |
|                           | <u>67,811</u> | <u>277,144</u>      | <u>95,689</u> | <u>389,263</u>      |

## Clear Cambodia

### Notes to the financial statements (continued) for the year ended 31 December 2022

#### 8. Program/Project by activities (continued)

##### I. Student Breakfast

|                             | 2022          |                     | 2021          |                     |
|-----------------------------|---------------|---------------------|---------------|---------------------|
|                             | US\$          | KHR'000<br>(Note 3) | US\$          | KHR'000<br>(Note 3) |
| Breakfast cost              | 30,620        | 125,144             | 10,551        | 42,921              |
| Printed materials           | 29            | 119                 | 107           | 436                 |
| Fabrication and small tools | 29            | 118                 | -             | -                   |
| Training activities         | 24            | 98                  | -             | -                   |
|                             | <u>30,702</u> | <u>125,479</u>      | <u>10,658</u> | <u>43,357</u>       |

##### J. Piped system

|                             | 2022          |                     | 2021          |                     |
|-----------------------------|---------------|---------------------|---------------|---------------------|
|                             | US\$          | KHR'000<br>(Note 3) | US\$          | KHR'000<br>(Note 3) |
| Piped system                | 15,923        | 65,077              | 47,206        | 192,034             |
| Training activities         | 2,818         | 11,517              | 395           | 1,607               |
| Fabrication and small tools | 606           | 2,477               | 52            | 212                 |
| Printed Materials           | 239           | 977                 | 95            | 386                 |
| Water sampling test kits    | 74            | 302                 | -             | -                   |
| Monitoring system (iForm)   | -             | -                   | 594           | 2,416               |
|                             | <u>19,660</u> | <u>80,350</u>       | <u>48,342</u> | <u>196,655</u>      |

##### K. Community pond

|                           | 2022          |                     | 2021          |                     |
|---------------------------|---------------|---------------------|---------------|---------------------|
|                           | US\$          | KHR'000<br>(Note 3) | US\$          | KHR'000<br>(Note 3) |
| Community pond            | 17,426        | 71,220              | 19,187        | 78,053              |
| Monitoring system (iForm) | 540           | 2,207               | 276           | 1,123               |
| Training activities       | 463           | 1,892               | 107           | 435                 |
|                           | <u>18,429</u> | <u>75,319</u>       | <u>19,570</u> | <u>79,611</u>       |

## Clear Cambodia

### Notes to the financial statements (continued) for the year ended 31 December 2022

#### 9. Other operating payments

|                             | 2022          |                     | 2021          |                     |
|-----------------------------|---------------|---------------------|---------------|---------------------|
|                             | US\$          | KHR'000<br>(Note 3) | US\$          | KHR'000<br>(Note 3) |
| Media sand and gravel       | 13,730        | 56,115              | 16,949        | 68,948              |
| Training activities         | 6,457         | 26,390              | -             | -                   |
| Fuel and maintenance        | 6,241         | 25,507              | -             | -                   |
| Fabrication and small tools | 5,723         | 23,390              | 4,151         | 16,886              |
| Pipe components             | 4,077         | 16,663              | 243           | 989                 |
| Printed materials           | 1,542         | 6,302               | -             | -                   |
| Water storage container     | 1,377         | 5,628               | -             | -                   |
| Aseptic sampling test       | 983           | 4,018               | 59            | 240                 |
| Garbage kiln                | 570           | 2,330               | 610           | 2,481               |
| Monitoring system (iForm)   | 373           | 1,522               | 13            | 53                  |
| Water sampling test kits    | -             | -                   | 23            | 94                  |
|                             | <u>41,073</u> | <u>167,865</u>      | <u>22,048</u> | <u>89,691</u>       |

#### 10. Purchase of resource

|                         | 2022          |                     | 2021           |                     |
|-------------------------|---------------|---------------------|----------------|---------------------|
|                         | US\$          | KHR'000<br>(Note 3) | US\$           | KHR'000<br>(Note 3) |
| NUF filters             | 44,148        | 180,433             | 4,161          | 16,927              |
| Vehicles                | 8,730         | 35,680              | 87,345         | 355,320             |
| Computers and printers  | 2,974         | 12,155              | 9,548          | 38,841              |
| Office equipment        | 2,102         | 8,591               | 3,084          | 12,546              |
| Sawyer filters          | 1,730         | 7,071               | 2,095          | 8,522               |
| Stainless steel filters | -             | -                   | 74,058         | 301,268             |
|                         | <u>59,684</u> | <u>243,930</u>      | <u>180,291</u> | <u>733,424</u>      |



## Clear Cambodia

### Notes to the financial statements (continued) for the year ended 31 December 2022

#### 11. Cash and cash at banks

|                   | 2022             |                     | 2021             |                     |
|-------------------|------------------|---------------------|------------------|---------------------|
|                   | US\$             | KHR'000<br>(Note 3) | US\$             | KHR'000<br>(Note 3) |
| Cash at banks     | 879,788          | 3,622,087           | 876,002          | 3,568,832           |
| Term deposits (*) | 188,178          | 774,729             | 176,112          | 717,480             |
|                   | <u>1,067,966</u> | <u>4,396,816</u>    | <u>1,052,114</u> | <u>4,286,312</u>    |

(\*) These represent term deposits placed solely at Prasac Microfinance Institution with the original maturity of 12 months and earning interest at 7.25% per annum (2021: 7.25% per annum).

#### 12. Related party and transactions

|                                   | 2022          |                     | 2021          |                     |
|-----------------------------------|---------------|---------------------|---------------|---------------------|
|                                   | US\$          | KHR'000<br>(Note 3) | US\$          | KHR'000<br>(Note 3) |
| Key management remuneration       | 41,903        | 171,258             | 39,858        | 162,142             |
| Salaries to other related parties | 28,067        | 114,710             | 24,960        | 101,537             |
|                                   | <u>69,970</u> | <u>285,968</u>      | <u>64,818</u> | <u>263,679</u>      |

#### 13. Explanation of transition to CFRS for NFPEs

As stated in Note 2, these are the Organisation's first set of financial statements prepared in accordance with CFRS for NFPEs.

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended 31 December 2022 and the comparative information presented in these financial statements for the year ended 31 December 2021.

In preparing its opening CFRS for NFPEs statement of receipts and payments, the Organisation has adjusted amounts reported previously in financial statements prepared in accordance with modified cash receipts and disbursement basis ("Previous GAAP") relating to the preparation of the financial statements.

## Clear Cambodia

### Notes to the financial statements (continued) for the year ended 31 December 2022

#### 13. Explanation of transition to CFRS for NFPEs (continued)

##### Reconciliation of cash

The following reconciliation summarise the impacts on initial application of CFRS for NFPEs on the Organisation's financial positions as at 31 December 2021 and as at 1 January 2021 and the Organisation's statement of receipts and payments for the year ended 31 December 2021.

##### Statement of financial position

|                                     | Note | 31 December 2021         |   |                        | 1 January 2021           |   |                        |
|-------------------------------------|------|--------------------------|---|------------------------|--------------------------|---|------------------------|
|                                     |      | Previous<br>GAAP<br>US\$ | Effect of transition<br>to CFRS for NFPEs<br>US\$ | CFRS for NFPEs<br>US\$ | Previous<br>GAAP<br>US\$ | Effect of transition<br>to CFRS for NFPEs<br>US\$ | CFRS for NFPEs<br>US\$ |
| <b>ASSETS</b>                       |      |                          |   |                        |                          |   |                        |
| Cash and cash equivalents           |      | 876,002                  | -   | 876,002                | 847,765                  | -   | 847,765                |
| Term deposits                       |      | 176,112                  | -   | 176,112                | 164,522                  | -   | 164,522                |
| Inventories                         | A    | 49,175                   | (49,175)  | -                      | 113,751                  | (113,751)   | -                      |
| Deposits and prepayments            | A    | 20,891                   | (20,891)  | -                      | 14,527                   | (14,527)  | -                      |
| Other receivables                   | A    | 3,524                    | (3,524)   | -                      | 5,857                    | (5,857)   | -                      |
|                                     |      | <u>1,125,704</u>         | <u>(73,590)</u>                                   | <u>1,052,114</u>       | <u>1,146,422</u>         | <u>(134,135)</u>                                  | <u>1,012,287</u>       |
| <b>LIABILITIES AND FUND BALANCE</b> |      |                          |   |                        |                          |   |                        |
| <b>Liabilities</b>                  |      |                          |   |                        |                          |   |                        |
| Provident fund                      | B    | 138,634                  | (138,634)   | -                      | 98,718                   | (98,718)  | -                      |
| Provision for life insurance fund   | B    | 72,335                   | (72,335)  | -                      | 62,844                   | (62,844)  | -                      |
| Payables and accruals               | B    | 201,701                  | (201,701)   | -                      | 184,852                  | (184,852)   | -                      |
|                                     |      | <u>412,670</u>           | <u>(412,670)</u>                                  | <u>-</u>               | <u>346,414</u>           | <u>(346,414)</u>                                  | <u>-</u>               |

## Clear Cambodia

### Notes to the financial statements (continued) for the year ended 31 December 2022

#### 13. Explanation of transition to CFRS for NFPEs (continued)

##### Statement of financial position (continued)

|   | Note | 31 December 2021   |   |                     | 1 January 2021     |   |                     |
|---|------|--------------------|---|---------------------|--------------------|---|---------------------|
|   |      | Previous GAAP US\$ | Effect of transition to CFRS for NFPEs US\$ | CFRS for NFPEs US\$ | Previous GAAP US\$ | Effect of transition to CFRS for NFPEs US\$ | CFRS for NFPEs US\$ |
| <b>LIABILITIES AND FUND BALANCE (continued)</b> |      |                    |   |                     |                    |   |                     |
| <b>Fund balance</b>                             |      |                    |   |                     |                    |   |                     |
| Retained surplus                                | C    | 495,309            | 339,080                                     | 834,389             | 602,457            | 212,279                                     | 814,736             |
| General fund                                    |      |                    |   |                     |                    |   |                     |
| Fund for short-term staffing                    |      | 10,000             | -   | 10,000              | 10,000             | -   | 10,000              |
| Major capital expenditure                       |      | 13                 | -   | 13                  | 7,225              | -   | 7,225               |
| National emergency fund                         |      | 7,000              | -   | 7,000               | 7,000              | -   | 7,000               |
| Reserved fund                                   |      | 200,712            | -   | 200,712             | 173,326            | -   | 173,326             |
|   |      | <u>713,034</u>     | <u>339,080</u>                              | <u>1,052,114</u>    | <u>800,008</u>     | <u>212,279</u>                              | <u>1,012,287</u>    |
| <b>Total liabilities and fund balance</b>       |      | <u>1,125,704</u>   | <u>(73,590)</u>                             | <u>1,052,114</u>    | <u>1,146,422</u>   | <u>(134,135)</u>                            | <u>1,012,287</u>    |

# Clear Cambodia

## Notes to the financial statements (continued) for the year ended 31 December 2022

### 13. Explanation of transition to CFRS for NFPEs (continued)

#### Reconciliation of statement of receipts and payments for the year ended 31 December 2021

|   | Note | 2021                     |  |                           |
|---|------|--------------------------|--|---------------------------|
|   |      | Previous<br>GAAP<br>US\$ | Effect of transition<br>to CFRS for<br>NFPEs<br>US\$ | CFRS for<br>NFPEs<br>US\$ |
| <b>Receipts</b>   |      |                          |  |                           |
| Grant income  |      | 3,192,955                | -  | 3,192,955                 |
| Contributions by beneficiaries                          |      | 129,710                  | -  | 129,710                   |
| Earned income   |      | 96,518                   | -  | 96,518                    |
| Donation from partners                                  | A    | 85,220                   | 2,332  | 87,552                    |
| Other income  |      | 1,096                    | -  | 1,096                     |
|   |      | <u>3,505,499</u>         | <u>2,332</u>   | <u>3,507,831</u>          |
| <b>Expenditure</b>                                      |      |                          |  |                           |
| Household BioSand filters                               | B    | 625,537                  | 33,173   | 658,710                   |
| Community BioSand filters                               | B    | 577,741                  | 3,435  | 581,176                   |
| Well and latrine construction cost                      | B    | 589,799                  | (189,698)  | 400,101                   |
| Water Dam   | B    | 122,826                  | (27,137)   | 95,689                    |
| Community pond  | B    | 19,916                   | (346)  | 19,570                    |
| Student breakfast                                       | B    | 10,657                   | 1  | 10,658                    |
| School rebuilding                                       | B    | 36,544                   | (3,497)  | 33,047                    |
| Piped system  | B    | 58,907                   | (10,565)   | 48,342                    |
| Personnel expenses                                      | B    | 997,529                  | (103,808)  | 893,721                   |
| Mission expense   | B    | 165,398                  | (7,814)  | 157,584                   |
| Non-expendable items                                    | B    | 110,718                  | 71,715   | 182,433                   |
| General activities                                      | B    | 136,773                  | (75,626)   | 61,147                    |
| Office running costs                                    | B    | 130,078                  | (5,610)  | 124,468                   |
| Professional fees                                       |      | 10,050                   | -  | 10,050                    |
|   |      | <u>3,592,473</u>         | <u>(315,777)</u>                                     | <u>3,276,696</u>          |
| <b>(Deficit)/Surplus of income<br/>over expenditure</b> |      | <u>(86,974)</u>          | <u>318,109</u>                                       | <u>231,135</u>            |

# Clear Cambodia

## Notes to the financial statements (continued) for the year ended 31 December 2022

### 13. Explanation of transition to CFRS for NFPEs (continued)

#### A. Reversal of assets

As the Organisation has complied with CFRS for NFPEs which is equivalent to cash basis, all payments made should be recognised as an expense during the period. As such, these assets are reversed from the corresponding expense accounts as well as in retained earnings for those balances carried forward from the previous year.

#### B. Reversal of liabilities

These liabilities are reversed from the corresponding expense accounts as well as in retained earnings for those balances carried forward from the previous year to the years of which the payments were actually made to be in-line with the principle of CFRS for NFPEs.

#### C. Impact on retained surplus

These mostly pertain to the beginning balances of all assets and liabilities which are reversed during the year.

all payments made should be recognised as an expense during the period. These assets are adjusted in the corresponding expense accounts as well as in retained earnings for those balances carried forward from the previous year.

### 14. Tax contingencies

According to Article 6 of Prakas No. 464 MEF. Prk dated on 12 April 2018 issued by the Ministry of Economy and Finance and the Instruction No. 3303 GDT issued by General Department of Taxation ("GDT") on 6 February 2020 on the Instruction for Implementation of Tax Obligation of Associations or Non-Governmental Organisation, income is exempted from tax for any organisations which are organised and operated exclusively for religious, charitable, scientific, literacy, or education purposes and of which the property or income are not used for any private interest.

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 obliged:

- to register at the tax administration as a taxpayer in compliance with Prakas No. 025 MEF. Prk dated 21 January 2018 which is subsequently replaced by Prakas No. 009 MEF. Prk dated 12 January 2021; and
- to pay patent tax in accordance with Prakas No. 198 MEF. Prk dated 26 February 2018 which was subsequently replaced by Prakas No. 193 MEF. Prk dated 26 March 2021.

# Clear Cambodia

## Notes to the financial statements (continued) for the year ended 31 December 2022

### 14. Tax contingencies (continued)

In addition, Prakas No. 464 required NGOs which have separated business activities aside from their sole objective of non-profit activities to register its business activities as a separate company under sole proprietorship for and must have separate accounting record for these separate business activities. Since recent years, other than donor's funding, the Organisation has income generated from contribution from beneficiaries and earned income which are aside from the Organisation's main objective.

As a date of these financial statements, Clear Cambodia is still assessing the impact and explore the solution to comply with the requirement.

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. The application of tax laws and regulations to many types of transactions are susceptible to varying interpretations.

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 tax legislation. However, the relevant authorities may have different interpretations and the effects could be significant.