

PONLEU NEY KDEY SANGKHUM (PNKS)

**Report of the board of directors
and
Audited financial statements**

For the year ended 31 December 2020

PONLEU NEY KDEY SANGKHUM (PNKS)

Financial Statements For the year ended 31 December 2020

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ORGANISATION INFORMATION

Legal Status

The Organisation is registered as a Local Non-Government Organisation (NGO) under the Ministry of Interior on 30 January 2001 to improve community welfare and dignity for vulnerable groups, especially people with disability, women, children and youth through empowerment, and capacity development of community networks and local authorities with a focus on health, natural resource management, food security, democracy and good governance.

Executing Agency Ponleu Ney Kdey Sangkhum (PNKS)

Board of Directors Ms. Barbara Soung, Deputy Chair Board
Mr. Mark Smith, Secretary
Mr. Ly Yasak, Member
Ms. Kem KeoThyda, Member
Ms. Cho Cho Myaing, Treasurer

Organisation Management Mr. Leak Chowan, Program Development Manager
Ms. Mok Sopheakveary, Finance Manager
Mr. Long Doeun, Project Manager
Mr. Sun Chanthou, Project Manager

Address

#19B, St. 145 Phnom Penh
Kingdom of Cambodia

Banker

Foreign Trade Bank of Cambodia
ACLEDA Bank Plc.
Amret Bank

Auditors

Donasco & Co., Ltd.
Certified Public Accountants

Building 53, 1st floor, Room 1A,
Street 446, Toul Tumpong 1, Khan Chamkarmorn, Phnom Penh
and Kingdom of Cambodia

Registration Information

Registration No. 096៧៧៧៧

30 January 2001



អង្គការពង្រឹងភ្នំសង្កៀប
លេខ: ០.១១៦/២១ ពនកស

REPORT OF THE BOARD OF DIRECTORS For the year ended 31 December 2020

The Board of Directors of Ponleu Ney Kdey Sangkhum (PNKS), (“the Organisation”) submits its report together with the audited financial statements for the year ended 31 December 2020 (“the period”).

THE ORGANISATION

The Organisation was registered in Cambodia as a local Non-Government Organisation (NGO) under the Ministry of Interior on 30 January 2001 with register number 096៧៧៧៧.

PNKS goal for 2017 to 2019 includes individual, group and systemic change. Central is people in our target areas seeing opportunities for improved living conditions, freedom, environment, and hope, are accessible and the future is in their own hands. These BP will connect and empower individuals, groups and whole villages to define and find ways to realize their aspirations. VDAs can best do this if they have strong relationships with their VL, CC and SSCs and the behavior attitudes relationships and policies of these organizations is aligned towards grass roots participatory village development. The systemic dimension of PNKS’ goal therefore is strong relationships and common direction amongst VDA, CDA, VL, SSC and CC.

STATEMENT OF MANAGEMENT’S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Organisation’s management is responsible for the preparation of the financial statements for the year ended 31 December 2020, which is prepared, in all material respects, to show the fund received and disbursed for the period and fund balance.

In preparing these financial statements, management is required to:

- select suitable accounting policies and then apply them consistently; and
- make judgments and estimates that are reasonable and prudent.

Management is responsible for ensuring that proper accounting records are kept which enables the Organisation to prepare financial statements in accordance with the accounting policies described in Note 2 to the financial statements. Management 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.

ទូរស័ព្ទ: ផ្ទះលេខ១៩៧ ផ្លូវ១៤៥ ផ្សារដើមថ្កូវ ចំការមន ០២៣ ២១៩ ៥៥៤ pnksinfo@online.com.kh	ត្រៃវែង: ភូមិជ្រុះ ឃុំរំចេក ស្រុកព្រះស្នួច ០១២ ១៩៧ ៦៦៩៦ pnksinfo@online.com.kh	កំពង់ស្ពឺ: ភូមិព្រះម្លប់ ឃុំភារីមានជ័យ ស្រុកបរសេដ្ឋ ០២៥ ៦៦៦ ៦៦១២ pnksinfo@online.com.kh	ព្រះវិហារ: ភូមិស្នាង ឃុំស្នាង ស្រុកជ័យសែន ០៦៦ ២១៩ ៥៥៤ pnksinfo@online.com.kh
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REPORT OF THE BOARD OF DIRECTORS (Continued)

For the year ended 31 December 2020

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

APPROVAL OF THE FINANCIAL STATEMENTS

We hereby approve the accompanying financial statements of the Organisation as set out on pages 7 to 22 which are prepared, in all material respects, to present the Organisation's financial position as at 31 December 2020, and the results of its operation for the year ended 31 December 2020, in accordance with the accounting policies described in Note 2 to financial statements, and comply with the related financial agreements.

On behalf of the Organisation's Board of Directors:



Mr. Mark Smith
Secretary
Ponleu Ney Kdey Sangkhum (PNKS)
Date: 26 February 2021



Mr. Chohan Leak
Program Development Manager
Ponleu Ney Kdey Sangkhum (PNKS)
Date: 26 February 2021

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Ponleu Ney Kdey Sangkhum (PNKS)
#19B, St. 145 Phnom Penh, Kingdom of Cambodia

Opinion

We have audited the financial statements of Ponleu Ney Kdey Sangkhum (PNKS) ("the Organisation"), which comprise the statement of financial position as at 31 December 2020, the statement of income, expenses and fund balance, and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Organisation as at 31 December 2020 and for the year then ended are prepared, in all material respects, in accordance with the accounting principles set out in Note 2 to the financial statements and the financial reporting provision of the Organisation and its applicable funding agencies.

Basis of 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 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 of 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 describe the basis of accounting. The financial statements are prepared to assist the Organisation in complying with the financial reporting provisions of the Organisation and its applicable funding agencies. As a result, the financial statement may not be suitable for another purpose. Our report is intended solely for the Organisation and its applicable funding agencies and should not be distributed to or used by parties other than the Organisation and its applicable funding agencies. Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation of the financial statements in accordance with the financial reporting provisions of the Project and its applicable funding agencies and for such internal control as management determines is necessary to enable the preparation of financial statements that are free of 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 basis of accounting unless management either intends to liquidate the Organisation or 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.

Auditor's Responsibilities for the Audit of the Financial Statements

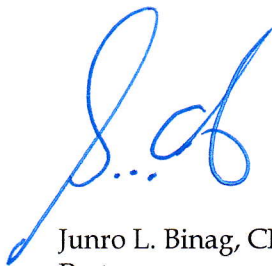
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 this 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 auditor's report to the related disclosures in the financial statement 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 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.



Junro L. Binag, CPA
Partner

Donasco & Co., Ltd.
Certified Public Accountants
Registered Auditors

Building 53, 1st floor, Room 1A,
Street 446, Toul Tumpong 1, Khan Chamkarmorn, Phnom Penh
and Kingdom of Cambodia

Date: 26 February 2021

PONLEU NEY KDEY SANGKHUM (PNKS)

Statement of financial position

As at 31 December 2020

	Notes	2020 USD	2019 USD
ASSETS			
Current assets			
Cash	4	253,801	171,759
Others receivable		-	110
		253,801	171,869
TOTAL ASSETS			
		253,801	171,869
LIABILITIES			
Current liabilities			
Payable to supplier	5	2,068	18,355
Accrued expenses	6	3,063	2,228
Tax payable	7	1,999	566
		7,130	21,149
Non-current liabilities			
Car replacement	8	30,216	23,235
Staff pension fund	9	19,112	12,746
		49,328	35,981
TOTAL LIABILITIES			
		56,458	57,130
NET ASSETS			
		197,343	114,739
FUND BALANCE			
Fund balance, beginning		114,739	117,680
Surplus (deficit) for the year		82,604	(2,941)
TOTAL FUND BALANCE			
		197,343	114,739

The accompanying notes on pages 10 to 22 form part of these financial statements.

PONLEU NEY KDEY SANGKHUM (PNKS)

Statement of income and expenses and fund balance For the year ended 31 December 2020

	NOTES	2020 USD	2019 USD
INCOME			
Funds received from donors	10	532,603	540,445
Other income	11	8,628	2,824
		541,231	543,269
EXPENSES			
Staff Costs	12	261,129	242,021
Administrative costs	13	80,602	97,348
Boundary partner development	14	32,730	35,338
VDA a strong self-reliance CBO	15	24,927	50,810
COVID-19 fighting	16	15,681	-
Capital costs	17	14,224	8,764
Community initiative	18	8,523	2,065
CDA the people voice represents	19	7,773	20,102
Capacity in Participatory design	20	5,001	-
VL Democratic Leadership	21	2,718	3,615
SSC function for school	22	1,818	54,627
CC adopt pro-poor	23	1,457	15,351
Open civic space	24	1,216	2,484
Livelihood programme		558	10,907
Other expense		270	876
Social accountability		-	1,902
		458,627	546,210
SURPLUS (DEFICIT) FOR THE YEAR		82,604	(2,941)
Fund balance, beginning		114,739	117,680
FUND BALANCE, ENDING		197,343	114,739

The accompanying notes on pages 10 to 22 form part of these financial statements.

PONLEU NEY KDEY SANGKHUM (PNKS)

Statement of cash flows For the year ended 31 December 2020

	NOTES	2020 USD	2019 USD
CASH FLOWS FROM OPERATING ACTIVITIES			
SURPLUS (DEFICIT) FOR THE YEAR		82,604	(2,941)
(Increase) decrease in:			
Others receivable		110	-
Increase (decrease) in:			
Payable to supplier		(16,287)	18,355
Accrued expenses		835	(9,906)
Tax payable		1,433	160
Supplier deposit		-	(1,070)
Car replacement		6,981	7,544
Staff pension fund		6,366	(34,615)
Cash flows provided by operating activities		82,042	(22,473)
NET INCREASE (DECREASE) IN CASH		82,042	(22,473)
CASH BALANCE, BEGINNING		171,759	194,232
CASH BALANCE, ENDING	4	253,801	171,759

The accompanying notes on pages 10 to 22 form part of these financial statements.

PONLEU NEY KDEY SANGKHUM (PNKS)

Notes to financial statements For the year ended 31 December 2020

1. NATURE OF OPERATIONS

Ponleu Ney Kdey Sangkhum (“PNKS” or “the Organisation”) was registered in Cambodia as a local Non-Government Organisation (NGO) under the Ministry of Interior on 30 January 2001 with Registration No. 096៨៧៧៧. The Organisation is governed by Governance Board whose members do not receive compensation.

VISION

People with a deep sense of hope and freedom because they see opportunities in their lives to express themselves and their own aspirations. Communities would be characterized by respectful and loving relationships, sharing of resources and ideas and peace on individual and group levels. People would feel well off if they have enough money but also opportunities, inclusive relationships a strong sense of community and a healthy, sustainable environment around them.

MISSION

PNKS mission is bringing hope and freedom to people in our target areas. We see hope as arising from people having the possibility of changing their circumstances and having some control over this change. From experience over our history this can best come about through strong, well-functioning civil society organizations with community oriented values working in a context where they can effectively initiate actions and express their values.

PNKS mission is to support and strengthen VDAs in communities so that they can open opportunities for individuals, groups and communities to define what they would like to change and help them access resources to effect those changes. Practically this means PNKS will support VDAs with resources and capacity in various areas of community development as well as working with them on their own organization and governance and vision and values.

As well as supporting VDAs PNKS sees its mission as contributing to the context in which VDAs operate, making it more conducive to change. Therefore, PNKS will also work to connect VDAs in different villages and support collective action by them. PNKS will also work on the way VL, CDA, CC and SSCs think, how they behave, the kinds of policy they make and their relationships with VDAs and each other. Our mission is to have all these actors working, from where they are, with a common vision of community led development based in justice, equality and sustainability.

GOAL

PNKS goal includes individual, group and systemic change. Central is people in our target areas seeing opportunities for improved living conditions, freedom, environment, and hope, are accessible and the future is in their own hands. These BP will connect and empower individuals, groups and whole villages to define and find ways to realize their aspirations. VDAs can best do this if they have strong relationships with their VDC, CC and SSCs, and the behavior, attitudes, relationships and policies of these organizations is aligned towards grass roots participatory village development.

PONLEU NEY KDEY SANGKHUM (PNKS)

Notes to financial statements For the year ended 31 December 2020

1. NATURE OF OPERATIONS (CONT'D)

GOAL (CONT'D)

The systemic dimension of PNKS' goal therefore is strong relationships and common direction amongst VDA, CDA, VDC, SSC and CC.

- Reduce vulnerability of people living in and around Prey Lang.

CORE VALUES

Love

We believe true love is not merely a feeling or a concept. We believe love should be put into action. The story of the Good Samaritan has touched our hearts and encouraged us to put love into action.

Humility

We believe God created all men equal. No matter how rich or poor, young or old, no matter what our educational background, our social class - we are all equal. We value and respect people we work with and all the people around us.

Prayer

We believe God answers our prayers and He leads us in our decision-making. We believe that God is with us in our day to day life.

Accountability

We are obligated to accept our responsibilities. We are accountable for our actions, our decisions and for the money we spend, not just to our supporters but also to those we serve.

Commitment

We are accustomed to being in positions of responsibility; we are self-motivated, and willing to set goals and work to achieve them, never assuming the other person is responsible.

Honesty

We believe 'honesty' is a key to strength. Honesty includes 'being transparent'. We want to let people, including staff, donors, boundary partners, stakeholders and beneficiaries, know what they are supposed to know, promoting the sharing of information and practices, whether good or bad, to improve learning and understanding.

Cooperation

We believe 'cooperation' is a key to success. We get people involved. We value people's involvement in planning and problem-solving.

The current office of the Organisation is #19B, St. 145 Phnom Penh, Kingdom of Cambodia

The Organisation has thirty-five (35) and thirty-three (33) member staff as at 31 December 2020 and 31 December 2019, respectively.

PONLEU NEY KDEY SANGKHUM (PNKS)

Notes to financial statements For the year ended 31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and practices of the Organisation are set forth to facilitate the understanding of the financial statements:

2.1 Basis of preparation

The financial statements, expressed in United States Dollars (USD), is prepared under the historical cost convention.

The Organisation's policy is to prepare the financial statements on the modified cash basis. On this basis, receipts are recognized when received rather than when earned, and disbursements or expenses are recognized when paid rather than when incurred except for advance payments to staff, partners and contractors some accruals of project expenses and staff severance pay.

All fundamental accounting assumptions relating to going concern are followed in the financial statements except the cost of property and equipment are charged to expenses in the statement of income and expenses, instead of depreciation before arriving at the excess of income over expenses for the year.

The basis of accounting and accounting assumption used is designed to meet the requirements of the Organisation and financial reporting provision of the applicable funding agencies which is the comprehensive basis of accounting of the Organization; it is not designed to produce financial statements that are compatible with International Financial Reporting Standards.

Furthermore, the preparation of the financial statements requires management use of certain critical accounting estimates and the exercise of its judgment in the process of applying the Organisation's accounting policies.

The measurement bases and areas involving a higher degree of judgment or areas where assumptions and estimates are significant to the financial statements are more fully discussed in note 3.

2.2 Cash

Cash consists of cash on hand and cash in designated bank accounts for implementation of program activities of the Organisation.

Cash are stated at face value. Cash includes cash in bank and cash on hand. Cash in bank in savings accounts earn interest at the respective bank deposit rates and these are deposits held at call with banks.

Cash on hand is intended as working funds for a small amount of such as periodicals, reproduction cost, transportation, etc.

PONLEU NEY KDEY SANGKHUM (PNKS)

Notes to financial statements For the year ended 31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Staff loan

Other receivables, if any, include loan to officers and employees. Other receivables are recognized initially at its transaction cost, and subsequently measured at amortized cost less provision for impairment.

This pertains to long term loans receivable of the Organization with its staff. Loans provided to staff pertain to personal or emergency loan. Repayment of the loan is through monthly salary deduction.

2.4 Cash advance

Other receivables, if any, include advances to officers and employees. Other receivables are recognized initially at its transaction cost, and subsequently measured at amortized cost less provision for impairment.

2.5 Employee benefit plan

Seniority pay

Seniority fund is the organization's funds which are given to staff two times a year for assisting staff when they have no job because they are affected by termination of employment that is initiated by the employer. Follow the amendment of Cambodia labour law article 87, PNKS will pay the seniority fund to employee is working as below:

- Employee signed contract under Contract of Employment (Fixed Duration Contract): PNKS will pay seniority payment 5% of their salary received in the period of contract. This seniority payment will be pay by the end of contract period.
- Employee signed contract under Contract of Permanent (Unspecified Duration Contract): PNKS will pay seniority payment 15days a year. This seniority payment will pay 7.5days in June and 7.5days in December of follow year.

Staff pension

The Organisation has accrued for staff pension equal to 4.17% of the monthly salary but will be withheld and kept in a special bank account solely for the purpose of the pensions. PNKS will pay into the government pension scheme once it is functioning.

2.6 Tax payable

Tax payable pertains to withholding tax payable for the office rental and the salaries of the staff. Staff salaries and withholding tax were withheld with related salary tax as required by the Cambodian Tax Law.

PONLEU NEY KDEY SANGKHUM (PNKS)

Notes to financial statements For the year ended 31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Accrued Expenses

Accrued expenses pertain to expense recognized in the books such as the audit fee, consultancy and a project expense before it is paid for. It is a liability, and is usually current. These expenses are typically periodic and documented on the Organization's financial position due to the high probability that they will be collected.

2.8 Income taxation

No provision for income tax has been raised as the Organisation is registered not-for-profit non-government Organisation under the Ministry of Interior and is exempt from income tax under Article 9 of the Law on Taxation in Cambodia.

2.9 Capital expenditures

Capital expenditures are charged to expense when incurred. This practice differs from International Accounting Standards which require the capitalization and depreciation of property and equipment. Fixed asset register is maintained to control and monitor the assets acquired by the Organisation.

2.10 Recognition of receipt

Receipts or income are recognized when received in the Organisation's designated account rather than when earned, committed or budgeted.

2.11 Recognition of disbursements or expenditure

Disbursements or expenses are recognized when paid rather than when incurred except for advance payments to staff, partners and contractors which are initially recognized as advances and recognized as expenditure when they are liquidated by presentation of supporting invoices and some accruals of project expenses.

2.12 Local currency transactions

Measurement currency

The financial statements are presented in USD, which is the functional and widely accepted and used currency in the Kingdom of Cambodia.

Transactions and balances

Transactions are translated into the measurement currency using the exchange rates prevailing at the date of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income and expenses.

PONLEU NEY KDEY SANGKHUM (PNKS)

Notes to financial statements For the year ended 31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 Impairment of assets

The carrying amounts of the Organisation's assets are reviewed at each date of statement of financial position to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The impairment loss is charged to the statement of income and expenses unless it reverses a previous revaluation in which case it will be charged to equity. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

3. MANAGEMENT'S SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

Judgments. The preparation of the Organisation's financial statements requires management to make estimates and assumptions that affect the amounts reported in the Organisation's financial statements and accompanying notes. The estimates and assumptions used in the Organisation's financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the Organisation's financial statements. Actual results could differ from such estimates, judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Estimates. In the application of the Organisation's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not easily apparent from other source. The estimates and associated assumption are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in period of revision and future periods if the revision affects both current and future periods.

PONLEU NEY KDEY SANGKHUM (PNKS)

Notes to financial statements For the year ended 31 December 2020

4. CASH

This account consists of:

	Notes	2020 USD	2019 USD
Cash on hand			
Petty cash-PP	a	500	500
Petty cash-PV	a	500	500
Petty cash-PVH	a	500	-
Petty cash-KS	a	-	500
Cash on hand-PP	b	2,473	1,042
Cash on hand-PV	b	1,053	1,328
Cash on hand-PVH	b	100	-
Cash on hand-KS	b	-	325
Cash in bank			
Current Account-FTB-Bank-PP	c	117,150	68,195
Savings Account- FTB-Bank-SWF	c	19,112	12,746
Savings Account- Amret Bank-Reserve Fund	d	56,999	48,710
Savings Account- Amret Bank-Car replacement	d	30,216	23,235
Current Account - Acleda-Bank-PVH	e	2,237	-
Current Account- Acleda-Bank-PP	e	15,463	7,145
Current Account- Acleda-Bank-PV	e	6,743	1,303
Current Account- Acleda-Bank-Danmission	e	755	3,516
Current Account- Acleda-Bank-KS	e	-	2,714
		253,801	171,759

- a. Petty cash represents cash fund of the Organisation. The petty cash is mainly used for daily operation or for project expenses of the Organisation which is lower than 50USD.
- b. Cash on hand represents cash fund of the Organisation. The cash on hand is mainly used for daily operation or for project expenses of the Organisation. Cash on hand need to kept money minimum 500\$ and maximum 3000\$.
- c. Cash in bank compose of current and savings accounts. Current account ears zero interest rate while savings account earns 0.50% per year.
- d. Cash in bank represent savings accounts earns 1.2 % per year.
- e. Cash in bank represent current account ears zero interest rate.

PONLEU NEY KDEY SANGKHUM (PNKS)

Notes to financial statements For the year ended 31 December 2020

5. PAYABLE TO SUPPLIER

This account consists of:

	2020	2019
	USD	USD
Consultant for 10 years analysis report	1,343	-
Car fixing	594	-
Quarantine for making Covid-19 billboard	126	-
Printing planner 2019	5	-
School WASH project	-	18,355
	2,068	18,355

6. ACCRUED EXPENSES

This account consists of:

	2020	2019
	USD	USD
Professional fee	3,063	2,225
Printing services	-	3
	3,063	2,228

7. TAX PAYABLE

This account consists of:

	2020	2019
	USD	USD
Withholding tax	1,569	257
Salary tax	430	309
	1,999	566

8. CAR REPLACEMENT

This car replacement is pertaining to the yearly computation of the vehicle depreciation expenses according to its estimated useful life set by the Organization less the expected salvage value at the end of its life. The Organization reserved certain amount and charge to each donor base on the percentage of usage per donor so that they will not request big amount of funds when its time to replace their vehicle.

PONLEU NEY KDEY SANGKHUM (PNKS)

Notes to financial statements

For the year ended 31 December 2020

9. STAFF PENSION FUND

This account consists of:

The Organisation has accrued for staff pension fund was changed equal to 4.17% of the monthly salary but will be withheld and kept in a special bank account solely for the purpose of the pensions. PNKS will pay into the government pension scheme once it is functioning.

	2020	2019
	USD	USD
Beginning of the year	12,746	47,361
Contributions during the year	7,887	7,000
Interest income	69	92
Payment to staff	(1,590)	(41,707)
	19,112	12,746

10. FUNDS RECEIVED FROM DONORS

This account consists of:

	2020	2019
	USD	USD
Mission Alliance	223,881	232,088
Transform Aid International	134,282	113,693
Tear Australia	129,169	146,483
Danmission	28,093	33,912
Diaconaat	17,178	14,269
	532,603	540,445

11. OTHER INCOME

This account consists of:

	2020	2019
	USD	USD
Income from office sharing	1,395	2,824
Bank interest	590	-
Gain on exchange rate	23	-
Sale of material or asset	6,620	-
	8,628	2,824

PONLEU NEY KDEY SANGKHUM (PNKS)

Notes to financial statements For the year ended 31 December 2020

12. STAFF COSTS

This account consists of:

	2020	2019
	USD	USD
Direct Costs		
Staff salary	183,149	162,616
Staff insurance and benefits	23,669	24,092
Staff Capacity Development		
Strengthen organization	15,141	15,156
Group capacity	3,193	9,190
Connect PNKS to networks	300	300
Capacity individual TNA-based	380	960
Indirect Costs		
Salary costs-PP	31,018	25,964
Staff insurance and benefits-PP	4,279	3,743
	261,129	242,021

13. ADMINISTRATIVE COSTS

This account consists of:

	2020	2019
	USD	USD
Direct Costs		
Transportation costs	23,700	25,554
Premises costs	24,233	24,318
Monitoring and evaluation	17,284	28,994
Visiting project	1,312	3,627
Indirect Costs		
PP Office supplies and communication	4,096	4,087
External financial audit	3,900	4,000
PP rent and utilities	3,793	3,412
PP transportation	1,880	2,249
Governing Board of Directors	404	1,107
	80,602	97,348

PONLEU NEY KDEY SANGKHUM (PNKS)

Notes to financial statements For the year ended 31 December 2020

14. BOUNDARY PARTNER DEVELOPMENT

This account consists of:

	2020	2019
	USD	USD
Enhance Community Peace by BP	18,076	19,113
Strengthen BP network	6,261	5,444
Strengthen BP good governance	4,851	9,994
Increase CCA & strengthen envir	3,542	787
	32,730	35,338

15. VDA A STRONG SELF-RELIANCE CBO

This account consists of:

	2020	2019
	USD	USD
Support the initiative of VDA	11,008	18,624
Build knowledge to VDA member	7,455	16,416
Build community trust toward	5,541	10,312
Enhance VDA& EC regular meeting	923	5,458
	24,927	50,810

16. COVID-19 FIGHTING

This pertains to the expenses to support the communities affected by Covid19.

17. CAPITAL COSTS

This account consists of:

	2020	2019
	USD	USD
Motorbike	8,320	2,050
Equipment and furniture	5,904	6,714
	14,224	8,764

PONLEU NEY KDEY SANGKHUM (PNKS)

Notes to financial statements For the year ended 31 December 2020

18. COMMUNITY INITIATIVE

This account consists of:

	2020	2019
	USD	USD
Community initiative for NRM	3,930	166
Community initiative for educate	1,975	212
Community initiative for govern	1,649	37
Community initiative for health	969	1,650
	8,523	2,065

19. CDA THE PEOPLE VOICE REPRESENTS

This account consists of:

	2020	2019
	USD	USD
Link CDA network	6,852	13,936
Develop CDA capacity governance	722	4,114
Enhance CDA & EC regular meeting	199	2,052
	7,773	20,102

20. CAPACITY IN PARTICIPATORY DESSGN

This pertains to the expense for strengthening the capacity in participatory action research and co-design activities, process and mind-sets to implement new community development projects.

21. VL DEMOCRATIC LEADERSHIP

This account consists of:

	2020	2019
	USD	USD
Build VL relationship with CSO	1,552	1,618
Build VL on servant leadership	1,166	1,997
	2,718	3,615

PONLEU NEY KDEY SANGKHUM (PNKS)

Notes to financial statements For the year ended 31 December 2020

22. SSC FUNCTION FOR SCHOOL

This account consists of:

	2020	2019
	USD	USD
Support SSC for school improvement	1,695	50,920
Strengthen SSC M&E, Advocacy	123	3,707
	1,818	54,627

23. CC ADOPT PRRO-POOR

This account consists of:

	2020	2019
	USD	USD
Strengthen CC capacity governance	1,457	8,855
Promote freedom political view	-	4,139
Promote CC inclusive development	-	2,357
	1,457	15,351

24. OPEN CIVIC SPACE

This account consists of:

	2020	2019
	USD	USD
Awareness of human right & gender	1,216	2,460
Strengthen evidence-based advocacy	-	24
	1,216	2,484

25. ABBREVIATION

MA: Mission Alliance
TAI: Transform Aid International
VDA: Village Development Association
CBO: Community Based Organization
SSC: School Support Committee
CDA: Commune Development Association
CC: Commune Councilor
VL: Village Leader
EC: Executive Committee

PONLEU NEY KDEY SANGKHUM (PNKS)

Statement of income, expenses and fund balance by donor FY 2020
For the year ended 31 December 2020

	Transform Aid International		Tear Fund Australia		Danmission
	Somleng Project USD	Together Build Community Dignity Project USD	Somleng Project USD	Prey Lang Project USD	Somleng Project USD
INCOME					
Funds received from donors	61,098	73,184	94,114	35,055	28,093
Other income	-	-	-	-	-
	61,098	73,184	94,114	35,055	28,093
EXPENSES					
Staff Costs	59,151	-	48,584	19,186	14,407
Administrative costs	18,017	814	11,347	7,611	5,928
Boundary partner development	-	-	-	5,673	1,651
VDA a strong self-reliance CBO	4,528	-	7,936	-	2,342
COVID-19 fighting	8,399	-	2,741	238	966
Capital costs	-	6,942	-	1,488	-
Community initiative	-	-	-	606	306
CDA the people voice represents	1,042	-	2,154	-	1,004
Capacity in Participatory design	-	5,001	-	-	-
VL Democratic Leadership	452	-	798	-	103
SSC function for school	1,514	-	153	-	23
CC adopt pro-poor	115	-	499	-	-
Open civic space	-	-	-	243	122
Livelihood programme	-	-	-	-	-
Social accountability	-	-	-	-	-
Other expense	-	-	-	-	-
TOTAL EXPENSES	93,218	12,757	74,212	35,045	26,852
SURPLUS (DEFICIT) FOR THE YEAR	(32,120)	60,427	19,902	10	1,241
Fund balance, beginning	45,688	-	12,130	-	851
FUND BALANCE, ENDING	13,568	60,427	32,032	10	2,092

PONLEU NEY KDEY SANGKHUM (PNKS)

Statement of income, expenses and fund balance by donor FY 2020
For the year ended 31 December 2020

	Mission Alliance		Diaconaat		OTHER USD	2020 USD	2019 USD
	Somleng Project USD	Prey Lang Project USD	Somleng Project USD	Prey Lang Project USD			
INCOME							
Funds received from donors	101,263	122,618	-	17,178	-	532,603	540,445
Other income	-	-	-	-	8,628	8,628	2,824
	101,263	122,618	-	17,178	8,628	541,231	543,269
EXPENSES							
Staff Costs	67,549	52,252	-	-	-	261,129	242,021
Administrative costs	15,263	21,605	-	17	-	80,602	97,348
Boundary partner development	-	25,406	-	-	-	32,730	35,338
VDA a strong self-reliance CBO	10,121	-	-	-	-	24,927	50,810
COVID-19 fighting	2,741	596	-	-	-	15,681	
Capital costs	-	5,794	-	-	-	14,224	8,764
Community initiative	-	7,611	-	-	-	8,523	2,065
CDA the people voice represents	3,573	-	-	-	-	7,773	20,102
Capacity in Participatory design	-	-	-	-	-	5,001	
VL Democratic Leadership	1,365	-	-	-	-	2,718	3,615
SSC function for school	128	-	-	-	-	1,818	54,627
CC adopt pro-poor	843	-	-	-	-	1,457	15,351
Open civic space	-	851	-	-	-	1,216	2,484
Livelihood programme	-	-	558	-	-	558	10,907
Social accountability	-	-	-	-	-	-	1,902
Other expense	-	-	-	-	270	270	876
TOTAL EXPENSES	101,583	114,115	558	17	270	458,627	546,210
SURPLUS (DEFICIT) FOR THE YEAR	(320)	8,503	(558)	17,161	8,358	82,604	(2,941)
Fund balance, beginning	5,245	1,444	610	-	48,771	114,739	117,680
FUND BALANCE, ENDING	4,925	9,947	52	17,161	57,129	197,343	114,739

PONLEU NEY KDEY SANGKHUM (PNKS)

**Statement of income, expenses and fund balance by donor FY 2019
For the year ended 31 December 2020**

	Transform Aid International	Danmission	Diaconaat	Mission Alliance- Somleng Project	Mission Alliance- Somleng Prey Lang	Tear Fund Australia	Other	TOTAL 2019	TOTAL 2018
	USD	USD	USD	USD	USD	USD	USD	USD	USD
INCOME									
Funds received from donors	113,693	33,912	14,269	150,365	81,723	146,483	-	540,445	581,970
Other income	-	-	-	-	-	-	2,824	2,824	2,041
	113,693	33,912	14,269	150,365	81,723	146,483	2,824	543,269	584,011
EXPENSES									
Staff costs	62,495	16,632	4,069	63,290	29,500	66,035	-	242,021	252,853
Administrative costs	15,743	8,451	14	26,860	11,802	34,478	-	97,348	83,911
VDA a strong self-reliance CBO	20,899	4,162	-	15,009	-	10,740	-	50,810	65,561
SSC function for school	3,412	4,301	-	32,923	-	13,991	-	54,627	43,468
Boundary partner development	-	537	-	-	32,298	2,503	-	35,338	13,569
CDA the people voice represent	3,531	2,630	-	7,927	-	6,014	-	20,102	29,027
CC adopt pro-poor	4,990	1,374	-	4,391	-	4,596	-	15,351	9,064
Livelihood programme	-	-	7,756	1,681	-	1,470	-	10,907	10,167
Capital costs	1,770	770	-	646	2,848	2,730	-	8,764	24,799
VL Democratic Leadership	1,259	161	-	1,119	-	1,076	-	3,615	6,151
Open civic space	-	74	-	-	2,154	256	-	2,484	-
Community initiative	-	-	-	-	2,065	-	-	2,065	1,247
Social accountability	-	-	1,902	-	-	-	-	1,902	3,122
Other expense	-	-	-	-	-	-	876	876	42
	114,099	39,092	13,741	153,846	80,667	143,889	876	546,210	542,981
SUPLUS (DEFICIT) FOR THE YEAR	(406)	(5,180)	528	(3,481)	1,056	2,594	1,948	(2,941)	41,030
FUND BALANCE, BEGINNING	46,094	6,031	82	8,726	388	9,536	46,823	117,680	76,650
FUND BALANCE, ENDING	45,688	851	610	5,245	1,444	12,130	48,771	114,739	117,680