

PONLEU NEY KDEY SANGKHUM (PNKS)

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

For the year ended 31 December 2018

PONLEU NEY KDEY SANGKHUM (PNKS)

Financial Statements

For the year ended 31 December 2018

CONTENTS	PAGE
Organization information	1
Report of the board of directors	2-3
Audited financial statements	
Independent auditor's report	4-6
Statement of financial position	7
Statement of income and expenses	8
Statement of cash flows	9
Notes to financial statements	10-22
Statement of income, expenses and fund balance by donors FY 2018	23
Statement of income, expenses and fund balance by donors FY 2017	24

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, Chairman
Mr. Mark Smith, Secretary
Mr. Ly Yasak, Member
Ms. Kem KeoThyda, Member
Mr. Tep Sokhoeun, Member

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. CPAs
House No. 344, Street 10BT
Boeung Tumpun, Khan Meanchey
Phnom Penh, Kingdom of Cambodia

Registration Information

Registration No. 096៧៧៧៧
30 January 2001



ដើម្បីការរស់នៅប្រសើររបស់អ្នកក្រ
Committed to better living for the poor

អង្គការពន្លឺនៃភ្នំសង្ក្រម

លេខ: ០៨៨៧/ ពនកស
/ ១៩

REPORT OF THE BOARD OF DIRECTORS

For the year ended 31 December 2018

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 2018 (“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 096សជណ.

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 2018, 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.

ភ្នំពេញ: ផ្ទះលេខ១៩ បេ ផ្លូវ១៤៥ ក្រុងសៀមរាប: ភូមិក្រសាជេត ឃុំរំចេក	កំពង់ស្ពឺ: ភូមិព្រះម្លប់ ឃុំភារីមានជ័យ	កំពត: ភូមិកំពង់ត្រាច ឃុំកំពង់ត្រាចលិច
ផ្សារដើមផ្លូវ ចំការមន	ស្រុកព្រះស្តេច	ស្រុកបរសេដ្ឋ
០២៣ ២១៩ ៥៥៥	០១២ ១៩៧ ៦៦៩៦	០២៥ ៦៦៦ ៦៦១២
pnksinfo@online.com.kh	pnks_pv@yahoo.com	pnks_ks@yahoo.com



ដើម្បីការរស់នៅប្រសើររបស់អ្នកក្រ
Committed to better living for the poor

អង្គការពន្លឺនៃភ្នំសង្ឃឹម

លេខ: ពនកស

REPORT OF THE BOARD OF DIRECTORS (Continued)

For the year ended 31 December 2018

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 2018, and the results of its operation for the year ended 31 December 2018, 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:

Ms. Barbara Soung
Deputy Chair Board
Ponleu Ney Kdey Sangkhum (PNKS)
Date: 20 February 2019



Mr. Chowan Leak
Program Development Manager
Ponleu Ney Kdey Sangkhum (PNKS)
Date: 20 February 2019

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 2018, 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 2018 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

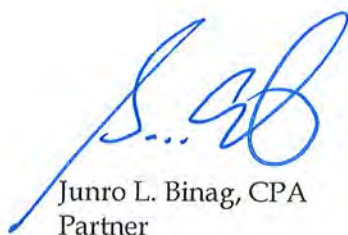
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee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

House No. 344, Street 10BT
Boeung Tumpun, Khan Meanchey
Phnom Penh, Kingdom of Cambodia

Date: 20 February 2019

PONLEU NEY KDEY SANGKHUM (PNKS)

Statement of Financial Position

As at 31 December 2018

	Notes	2018 USD	2017 USD
ASSETS			
Current assets			
Cash	4	194,232	167,050
Prepaid expenses		110	-
Staff loans		-	7,506
		194,342	174,556
TOTAL ASSETS		194,342	174,556
LIABILITIES			
Non-current liabilities			
Staff pension and severance pay	5	47,361	80,786
Car replacement	6	15,691	13,811
		63,052	94,597
Current liabilities			
Accrued expenses	7	12,134	2,782
Taxes payable	8	406	418
Other payables	9	1,070	109
		13,610	3,309
TOTAL LIABILITIES		76,662	97,906
NET ASSETS		117,680	76,650
FUND BALANCE			
Fund balance, beginning		76,650	98,110
Surplus (deficit) for the year		41,030	(21,460)
TOTAL FUND BALANCE		117,680	76,650

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

PONLEU NEY KDEY SANGKHUM (PNKS)

Statement of Income and Expenses For the year ended 31 December 2018

	NOTES	TOTAL 2018 USD	TOTAL 2017 USD
INCOME			
Funds received from donors	10	581,970	426,276
Other income	11	2,041	6,284
		584,011	432,560
EXPENSES			
Staff costs	12	252,853	230,136
Administrative costs	13	83,911	66,325
VDA a strong self-reliance CBO	14	65,561	58,964
SSC function for school	15	43,468	23,311
CDA the people voice represent	16	29,027	28,635
Capital costs	17	24,799	8,364
Boundary partner development		13,569	-
Livelihood programme		10,167	-
CC adopt pro-poor	18	9,064	4,676
VL Democratic Leadership	19	6,151	6,064
Social accountability		3,122	25,000
Community initiative		1,247	-
Other expense		42	2,545
		542,981	454,020
SURPLUS (DEFICIT) FOR THE YEAR		41,030	(21,460)
FUND BALANCE, BEGINNING		76,650	98,110
FUND BALANCE, ENDING		117,680	76,650

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 2018

	Notes	2018 USD	2017 USD
CASH FLOWS FROM OPERATING ACTIVITIES			
Deficit for the year		41,030	(21,460)
(Increase) decrease in:			
Staff loans		7,506	2,828
Cash advance			1,351
Prepaid expenses		(110)	
Increase (decrease) in:			
Staff welfare and fund payable		(33,425)	11,674
Car replacement		1,880	(1,319)
Accrued expenses		9,352	(3,902)
Tax payable		(12)	353
Other payables		961	(500)
Cash flows provided by operating activities		27,182	(10,975)
NET INCREASE (DECREASE) IN CASH		27,182	(10,975)
CASH BALANCE, BEGINNING		167,050	178,025
CASH BALANCE, ENDING	5	194,232	167,050

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 2018

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. 096៧៧៧៧. 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 for 2017-19 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.

PONLEU NEY KDEY SANGKHUM (PNKS)

Notes to Financial Statement For the year ended 31 December 2018

1. NATURE OF OPERATIONS (CONT'D)

GOAL (CONT'D)

VDAs can best do this if they have strong relationships with their VL, CC and SSCs and the behaviour 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.

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

PONLEU NEY KDEY SANGKHUM (PNKS)

Notes to Financial Statement For the year ended 31 December 2018

1. NATURE OF OPERATIONS (CONT'D)

The Organisation has thirty six (36) and thirty three (33) member staff as at 31 December 2018 and 31 December 2017, respectively.

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

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.

PONLEU NEY KDEY SANGKHUM (PNKS)

Notes to Financial Statement For the year ended 31 December 2018

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

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.

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

Severance pay

The Organisation has accrued for staff severance fund expenses granted to all regular employees based on the amount contributed regularly to the staff severance fund, equivalent to 50% of each employee's salary per year. The Organisation deposits on a yearly basis its contribution to the staff severance fund in a savings account held at FTB Bank under the Organisation name. This will be paid to the staff at the end of their employment with the Organisation.

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 Statement For the year ended 31 December 2018

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 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 and staff severance pay.

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 Statement For the year ended 31 December 2018

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 Statement For the year ended 31 December 2018

4. CASH

This account consists of:

	Notes	2018 USD	2017 USD
Cash on hand			
Petty cash-PP	a	500	500
Petty cash-PV	a	500	500
Petty cash-KS	a	500	500
Cash on hand-PP	a	84	1,948
Cash on hand-PV	a	440	573
Cash on hand-SWF	a	-	171
Cash on hand-KS	a	1,111	875
Cash in bank			
Current Account-FTB-Bank-PP	b	75,826	36,918
Savings Account- FTB-Bank-SWF	b	40,428	73,104
Current Account- Acleda-Bank-PP	b	1,782	1,840
Current Account- Acleda-Bank-PV	b	7,024	8,269
Current Account- Acleda-Bank-KS	b	4,875	5,197
Current Account- Acleda-Bank-Danmission	b	696	1,370
Savings Account- Amret-Bank-Reserve Fund	b	46,435	26,308
Savings Account- Amret -Bank-Car replacement	b	14,031	8,977
		194,232	167,050

- 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 in bank compose of current and savings accounts. Current account ears zero interest rate while savings account earns 4% per year.

5. STAFF PENSION AND SEVERANCE PAY

The Organisation has accrued for staff severance fund expenses granted to all regular employees based on the amount contributed regularly to the staff severance fund, equivalent to 50% of each employee's salary per year. The Organisation deposits on a yearly basis its contribution to the staff severance fund in a savings account held at FTB Bank under the Organisation name. This will be paid to the staff at the end of their employment with the Organisation.

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.

PONLEU NEY KDEY SANGKHUM (PNKS)

Notes to Financial Statement For the year ended 31 December 2018

5. STAFF PENSION AND SEVERANCE PAY (CONT'D)

This account consists of:

	Staff Pension USD	Severance Pay USD	TOTAL 2018 USD	2017 USD
Beginning of the year	44,614	36,172	80,786	69,112
Contributions during the year	6,928	6,920	13,848	13,098
Interest income	-	264	264	1,515
Staff loan	-	(7,417)	(7,417)	-
Payment to staff (a)	(40,120)	-	(40,120)	(2,939)
	11,422	35,939	47,361	80,786

a. The organization made payments for pension fund last January 2018 for 32 of staff amounting to 40,120 USD.

6. 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.

7. ACCRUED EXPENSES

This account consists of:

	2018 USD	2017 USD
Pond digging	9,012	-
Professional fee	2,002	1,920
Printing services	869	-
Contribution of community for pond digging in Kampong Trach District	251	-
Re-register name of organization with MOI	-	800
NSSF payment	-	62
	12,134	2,782

PONLEU NEY KDEY SANGKHUM (PNKS)

Notes to Financial Statement For the year ended 31 December 2018

8. TAX PAYABLE

This account consists of:

	2018	2017
	USD	USD
Salary tax	269	353
Withholding tax	137	65
	406	418

9. OTHER PAYABLES

This account consists of:

	2018	2017
	USD	USD
Supplier deposit	1,070	-
Others	-	109
	1,070	109

10. FUNDS RECEIVED FROM DONORS

This account consists of:

	2018	2017
	USD	USD
Mission Alliance (MA)	202,835	115,154
Transform Aid International (TAI)	160,024	88,504
TEAR Fund Australia	133,496	143,000
Danmission	70,432	54,894
Diaconaat	15,183	24,724
	581,970	426,276

11. OTHER INCOME

This account consists of:

	2018	2017
	USD	USD
Bank interest	1,218	1,113
Income from office sharing	720	2,510
Others	78	151
Sale of assets	25	2,510
	2,041	6,284

PONLEU NEY KDEY SANGKHUM (PNKS)

Notes to Financial Statement For the year ended 31 December 2018

12. STAFF COSTS

This account consists of:

	2018	2017
	USD	USD
Direct Costs		
Staff salary	169,139	150,966
Staff insurance and benefits	21,346	21,582
Staff Capacity Development		
Strengthen organization	20,591	18,153
Group capacity	12,483	9,320
Capacity individual TNA-based	1,122	5,943
Connect PNKS to networks	300	300
Indirect Costs		
Salary costs-PP	24,499	20,612
Staff insurance and benefits-PP	3,373	3,260
	252,853	230,136

13. ADMINISTRATIVE COSTS

This account consists of:

	2018	2017
	USD	USD
Direct Costs		
Transportation costs	27,958	23,128
Premises costs	22,523	18,472
Monitoring and evaluation	19,211	5,460
Indirect Costs		
PP rent and utilities	3,159	6,194
PP Office supplies and communication	4,411	6,108
External financial audit	3,800	3,670
PP transportation	2,191	2,630
Governing Board of Directors	658	663
	83,911	66,325

PONLEU NEY KDEY SANGKHUM (PNKS)

Notes to Financial Statement For the year ended 31 December 2018

14. VDA A STRONG SELF-RELIANCE CBO

This account consists of:

	2018	2017
	USD	USD
Build knowledge to VDA member	29,399	19,786
Support the initiative of VDA	17,089	19,756
Enhance VDA& EC regular meeting	9,569	10,554
Build community trust toward	9,504	8,868
	65,561	58,964

15. SSC FUNCTION FOR SCHOOL

This account consists of:

	2018	2017
	USD	USD
Support SSC for school improvement	37,529	17,596
Strengthen SSC M&E, Advocacy	5,939	5,715
	43,468	23,311

16. CDA THE PEOPLE VOICE REPRESENTS

This account consists of:

	2018	2017
	USD	USD
Link CDA network	12,177	7,017
Develop CDA capacity governance	10,417	17,717
Enhance CDA & EC regular meeting	6,433	3,901
	29,027	28,635

17. CAPITAL COSTS

This account consists of:

	2018	2017
	USD	USD
Vehicle	20,000	3,000
Equipment and furniture	2,819	5,364
Motorbike	1,980	
	24,799	8,364

PONLEU NEY KDEY SANGKHUM (PNKS)

Notes to Financial Statement For the year ended 31 December 2018

18. CC ADOPT PRO-POOR

This account consists of:

	2018	2017
	USD	USD
Strengthen CC capacity governance	3,774	2,392
Promote freedom political view	3,309	1,252
Promote CC inclusive development	1,981	1,032
	9,064	4,676

19. VL DEMOCRATIC LEADERSHIP

This account consists of:

	2018	2017
	USD	USD
Build VL on servant leadership	4,427	3,417
Build VL relationship with CSO	1,724	2,647
	6,151	6,064

20. SUBSEQUENT EVENTS

The Cambodian government amended the Labour Law introducing the seniority pay scheme on June 2018. On 21 September 2018, Prakas No. 443 K.B/ Br. K.Kh.L, was issued to provide guidelines on the implementation of this law. In accordance with the law/ prakas, all entities are required to pay each employee who has Unfixed Duration Contract (UDC) the following seniority scheme:

20. SUBSEQUENT EVENTS (CONT'D)

1. Effective January 2019, an annual service must be paid equal 15 days of their monthly salary and benefits each year.
2. Past years of seniority service: employees are entitled to 15 days of their salary per year of service since the commencement of employment up to maximum of six months.

PONLEU NEY KDEY SANGKHUM (PNKS)

Notes to Financial Statement For the year ended 31 December 2018

21. 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 2018
For the year ended 31 December 2018

	Transform		Mission Alliance-		Mission Alliance-		Tear Fund		TOTAL	
	Aid International	Dannis sion	Diaconaat	Somleng Project	Somleng Prey Lang	Australia	Other	USD	USD	USD
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
INCOME										
Funds received from donors	160,024	70,432	15,183	140,742	62,093	133,496	-	581,970	426,276	
Other income	-	-	-	-	-	-	2,041	2,041	6,284	
	160,024	70,432	15,183	140,742	62,093	133,496	2,041	584,011	432,560	
EXPENSES										
Staff Costs	56,976	33,873	5,080	66,886	14,811	75,227	-	252,853	230,136	
Administrative costs	20,368	11,378	15	22,087	9,976	20,086	-	83,911	66,325	
VDA a strong self-reliance CBO	18,417	9,262	-	20,657	-	17,226	-	65,561	58,964	
SSC function for school	3,613	4,201	-	12,458	-	23,196	-	43,468	23,311	
CDA the people voice represent	11,596	3,484	-	5,205	-	8,742	-	29,027	28,635	
Capital costs	-	115	-	1,552	22,702	430	-	24,799	8,364	
Boundary partner development	-	600	-	-	12,969	-	-	13,569	-	
Livelihood programme	-	605	7,013	1,008	-	1,541	-	10,167	-	
CC adopt pro-poor	6,144	750	-	1,103	-	1,067	-	9,064	4,676	
VL Democratic Leadership	3,980	137	-	1,074	-	960	-	6,151	6,064	
Social accountability	-	-	3,122	-	-	-	-	3,122	25,000	
Community initiative	-	-	-	-	1,247	-	-	1,247	-	
Other expense	-	-	-	-	-	-	42	42	2,545	
	121,094	64,405	15,230	132,030	61,705	148,475	42	542,981	454,020	
DEFICIT FOR THE YEAR	38,930	6,027	(47)	8,712	388	(14,979)	1,999	41,030	(21,460)	
FUND BALANCE, BEGINNING	7,164	4	129	14	-	24,515	44,824	76,650	98,110	
FUND BALANCE, ENDING	46,094	6,031	82	8,726	388	9,536	46,823	117,680	76,650	

PONLEU NEY KDEY SANGKHUM (PNKS)

**Statement of Income, Expenses and Fund Balance by donor FY 2017
For the year ended 31 December 2018**

	Tear Fund		Diaconaat		Mission Alliance		Transform Aid International		Other		TOTAL	
	USA	Australia	USA	Danmission	USA	Alliance	USA	International	USA	USA	2017	2016
INCOME												
Funds received from donors	143,000		54,894	24,724	115,154	88,504					426,276	421,734
Other income									6,284		6,284	6,071
	143,000		54,894	24,724	115,154	88,504			6,284		432,560	427,805
EXPENSES												
Staff Costs	88,516		45,653	27	78,171	84,095					296,461	312,892
VDA a strong self-reliance CBO	24,002		9,838		14,580	10,544					58,964	
CDA the people voice represent	10,208		3,076		5,906	9,446					28,635	
Social accountability				25,000							25,000	38,740
SSC function for school	5,489		870		12,389	4,563					23,311	
Capital costs	2,171		1,976		2,553	1,665					8,364	4,015
VL Democratic Leadership	2,449		765		920	1,930					6,064	
CC adopt pro-poor and sub stain	1,872		306		621	1,877					4,676	
Other expense									2,545		2,545	
Livelihood programme												56,282
HIV/AIDS Prevention and care programme												28,160
	134,707		62,484	25,027	115,140	114,120			2,545		454,020	440,089
SURPLUS (DEFICIT) FOR THE YEAR	8,293		(7,590)	(303)	14	(25,616)	3,739				(21,460)	(12,284)
FUND BALANCE, BEGINNING	16,222		7,594	432		32,780	41,082				98,110	110,394
FUND BALANCE, ENDING	24,515		4	129	14	7,164	44,821				76,650	98,110