

HELPAGE CAMBODIA

**STATEMENT OF FUND RECEIPTS AND DISBURSEMENTS
AND
REPORT OF INDEPENDENT AUDITORS
FOR THE YEAR ENDED 31 DECEMBER 2018**

**HELPAGE CAMBODIA
FOR THE YEAR ENDED 31 DECEMBER 2018**

ABBREVIATIONS AND ACRONYMS

In this report, the following abbreviations shall have the following meanings:

BMZ	: Federal Ministry for Economic Cooperation and Development
HFHIC	: Habitat for Humanity International Cambodia
UNOPS	: The United Nations Office for Project Services
VOICE	: Financed by Ministry of Foreign Affairs of the Netherlands and managed in consortium by Oxfam Novib and Hivos
KOICA	: Korea International Cooperation Agency

**HELPAGE CAMBODIA
FOR THE YEAR ENDED 31 DECEMBER 2018**

CONTENTS

	Page
Statement by the Management	1
Report of Independent Auditors on the Statement of Fund Receipts and Disbursements	2 - 4
Statement of Fund Receipts and Disbursements	5
Notes to the Statement of Fund Receipts and Disbursements	6 - 10

STATEMENT BY THE MANAGEMENT

I, do hereby state that in my opinion, the accompanying Statement of Fund Receipts and Disbursements together with the notes thereto are properly drawn up so as to give a true and fair view of the fund receipts and disbursements of HelpAge Cambodia for the year ended 31 December 2018, in accordance with the accounting policies set out in Note 2 to the Statement of Fund Receipts and Disbursements.

Signed on behalf of the Management

A handwritten signature in blue ink is written over a circular blue stamp. The stamp contains the text "HelpAge Cambodia Organization" around the perimeter and a central logo featuring a stylized figure. The signature is written in a cursive style.

Tum Vira
Executive Director

Date: 12 April 2019

REPORT OF INDEPENDENT AUDITORS ON THE STATEMENT OF FUND RECEIPTS AND DISBURSEMENTS TO THE MANAGEMENT OF HELPAGE CAMBODIA

Qualified opinion

We have audited the Statement of Fund Receipts and Disbursements of HelpAge Cambodia (the “Organisation”) for the year ended 31 December 2018 and notes to the financial statement, including a summary of significant accounting policies (together “the financial statement”).

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying Statement of Fund Receipts and Disbursements of HelpAge Cambodia for the year ended 31 December 2018 is prepared, in all material respects, in accordance with the accounting policies set out in Note 2 to the Statement of Fund Receipts and Disbursements.

Basis for Qualified Opinion

As indicated in Note 7, the opening fund balance amounting to USD 199,783 was not audited. As a result, we were unable to satisfy ourselves as to the accuracy of this balance as at 31 December 2017 by way of alternative audit procedures.

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 statement* 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 statement 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 qualified opinion.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

We draw your attention to Note 2 to the financial statement which describes the basis of accounting. This financial statement was prepared using the modified cash basis of accounting, which is a comprehensive basis of accounting other than the Cambodian International Financial Reporting Standards. As a result, the financial statement may not be suitable for another purpose. Our report is intended solely for HelpAge Cambodia and the donors and for no other purposes and should not be distributed to or used by parties other than HelpAge Cambodia and its donors. Our opinion is not modified in respect of this matter.

(Continued)

REPORT OF INDEPENDENT AUDITORS ON THE STATEMENT OF FUND RECEIPTS AND DISBURSEMENTS TO THE MANAGEMENT OF HELPAGE CAMBODIA (continued)

Responsibilities of Management for the Financial Statement

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

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

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement 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 statement.

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

- Identify and assess the risks of material misstatement of the financial statement, 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 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 appropriate accounting policies used and the reasonableness of accounting estimate, if any, and the related disclosures made by management.

(Continued)



REPORT OF INDEPENDENT AUDITORS ON THE STATEMENT OF FUND RECEIPTS AND DISBURSEMENTS TO THE MANAGEMENT OF HELPAGE CAMBODIA (continued)

Auditor’s Responsibilities for the Audit of the Financial Statement (continued)

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and based on 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 to our auditor’s report to the related disclosure to 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 management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Morison Kak & Associés
Certified Public Accountants
Independent Auditors

Saksom Meas
Managing Partner



Date: 12 April 2019



HELPAGE CAMBODIA

STATEMENT OF FUND RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	31/12/18 USD
FUND RECEIPTS		
Fund received from donors	3	220,807
Private donations		4,575
Other income		1,186
Total Fund Receipts		226,568
DISBURSEMENTS		
Programme costs	4	222,555
Personnel costs	5	106,908
Office costs	6	26,696
Other costs		1,177
Total Disbursements		357,336
RECEIPTS UNDER DISBURSEMENTS		(130,768)
Fund balance brought forward	7	199,783
Fund returned to donor	8	(8,060)
FUND BALANCE CARRIED FORWARD		60,955
<i>Represented by:</i>		
Cash and cash equivalents	9	62,378
Other assets	10	2,112
Other liabilities	11	(3,535)
		60,955

Signed on behalf of the Management of HelpAge Cambodia



Tum Vira
Executive Director

Date: 12 April 2019

The accompanying notes from pages 6 to 10 form an integral part of this financial statement.

HELPAGE CAMBODIA

NOTES TO THE STATEMENT OF FUND RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. Background

HelpAge Cambodia is a non-profit organisation established in Cambodia and registered with the Ministry of Interior on 12 December 2012 under registration No. ១៧៥៥ សជណ.

HelpAge Cambodia is Cambodia's leading agency on ageing and has worked with older people in Cambodia for over 20 years through Older People's Associations (OPAs), which are a proven, older people-led, safety net mechanism endorsed by the Royal Government of Cambodia to address social and welfare protection needs of older people. HelpAge works with older people across Battambang, Banteay Meanchey and Siem Reap provinces of Cambodia.

HelpAge works closely and in cooperation with the Royal Government of Cambodia, including several central ministries and provincial departments such as Social Affairs, Veterans and Youth Rehabilitation; Health; Women's Affairs; Rural Development; Committee on Disaster Management; and Environment to support the older people and promote the inclusion of ageing into the development programming and policy efforts in Cambodia.

Our vision

A society in which all older people can lead dignified, active, healthy and secure lives.

Our mission

To work for and with marginalised older people to echo and voice their concerns and needs for rights to healthcare, social services and economic and physical security, and to promote older people's active contribution and equal participation in society.

Timeline of HelpAge in Cambodia

1992 - Began humanitarian relief work responding to Cambodian refugees repatriating from Thai-border camps under a Help The Aged International NGO

1993 - Established eye clinic providing free ophthalmic treatment

1998 - Transitioned from humanitarian relief to community development work through establishing OPAs

2009 - Began participating in the Age Demands Action global campaign challenging ageism and older people's rights

2012- Localised operations to HelpAge Cambodia, registered under the Ministry of Interior of the Royal Government of Cambodia and established the first 4 Older People Association Federation

2013 - Worked through 81 OPAs across 11 districts in Battambang and Banteay Meanchey provinces to improve the livelihoods of older people and their households

2014 - Localised operations to HelpAge Cambodia, registered under the Ministry of Interior of the Royal Government of Cambodia.

HELPAGE CAMBODIA

NOTE TO THE STATEMENT OF FUND RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (Continued)

1. Background (continued)

Timeline of HelpAge in Cambodia (continued)

2015 - Established 40 new OPAs across 6 districts in Battambang, Banteay Meanchey and Siem Reap provinces to increase the income security and social inclusion of older people in Cambodia

2018 - Established 2 more OPA Federations to support the newly established OPAs and echo the voices of older people in a wider scale and established CAN (Cambodia Ageing Network). The Ageing Network to apply voice of older people for advocacy at national level.

2. Significant accounting policies

2.1 Basis of preparation

The Statement of Fund Receipts and Disbursements is expressed in United States Dollar (“USD”) and prepared under the cash receipts and disbursements basis of accounting modified to include receivables, cash advances and payables which are recognised on an accrual basis. Under the cash basis of accounting, grants are recognised when received rather than when earned and expenses are recognised when paid rather than when incurred.

2.2 Receipts and disbursements

Receipts are defined as the funds received, gross of bank charges, by the Organisation from donors and other income are derived from interest earned from banks.

Disbursements represent all costs paid in line with the Organisation’s objectives and the budget agreed.

2.3 Non-expenditure assets

All non-expendable assets are expended upon acquisition. This treatment is in accordance with the cash basis of accounting. For control and management purposes, a memorandum account for non-expendable items is maintained by way of an equipment listing.

2.4 Bonus and severance pay

The Organisation will pay a Khmer New Year Bonus of 40% of one month’s current salary. This will be payable in March each year with monthly salary. This bonus is a non-performance related pay.

For employees who resign before the day that bonus is paid, they are entitled to the bonus with pro-rata except those who resign after working less than six months or who hold a contract for less than six months, counting from the period of the last payment date for former employees and contract starting date for new employees.

Except dismissal for serious misconduct, a severance pay of 5% on monthly salary will be paid and incorporated in the yearly bonus.

HELPAGE CAMBODIA

NOTE TO THE STATEMENT OF FUND RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (Continued)

2. Significant accounting policies (continued)

2.5 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and at banks that are readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of change in value.

2.6 Other assets

Outstanding receivables and deposit are recorded as assets and included in the fund balance in the Statement of Fund Receipts and Disbursements. These are recognised as expenditures upon liquidation.

2.7 Other liabilities

A liability is recognised when there is a certainty that cash will outflow to settle the liability and the amount to be settled can be estimated reliably.

2.8 Foreign currency transactions

The Statement of Fund Receipts and Disbursements is expressed in USD. Transactions in currencies other than USD are translated to USD at the rates of exchange ruling at the transaction dates.

3. Fund received from donors

	31/12/18
	USD
VOICE	70,828
BMZ	11,250
HelpAge International	36,740
UNOPS	73,322
HFHIC	24,100
Other grants	4,567
	<u>220,807</u>

4. Programme costs

	31/12/18
	USD
OPA/Fed strengthening and replication	39,198
Livelihood	68,135
Healthcare	49,735
Advocacy	29,527
Water and sanitation	12,753
Support/organisational costs	23,207
	<u>222,555</u>

HELPAGE CAMBODIA

NOTE TO THE STATEMENT OF FUND RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (Continued)

5. Personnel costs

	31/12/18 USD
Programme staff	65,185
Support staff	41,723
	<u>106,908</u>

6. Office costs

	31/12/18 USD
Office rental	9,000
Office utilities	1,733
Telephone and mail	4,025
Repair and maintenance	415
Office security	3,900
Office cleaner	750
Computers and equipment	3,139
Office supplies and consumables	1,633
Vehicle operating costs	2,101
	<u>26,696</u>

7. Fund balance brought forward

This represents opening fund balance as at 01 January 2018 which was not audited.

8. Fund returned to donor

This represents the fund balance of the “Older People’s Association as Champions for Income Security and Social Inclusion of Older People in Cambodia” Project, funded by the KOICA which was returned to the donor on 11 January 2018.

9. Cash and cash equivalents

	31/12/18 USD
Cash on hand	900
Cash in banks	61,478
	<u>62,378</u>

HELPAGE CAMBODIA

NOTE TO THE STATEMENT OF FUND RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (Continued)

10. Other assets

	31/12/18
	<u>USD</u>
Other receivables	612
Office rental deposit	<u>1,500</u>
	<u><u>2,112</u></u>

11. Other liabilities

	31/12/18
	<u>USD</u>
Withholding tax payable	1,070
Severance pay	<u>2,465</u>
	<u><u>3,535</u></u>

ANNEXES

HelpAge Cambodia
Balance Sheet
As of December 2018

	Amount
ASSETS	
Current Assets	
Checking/Savings	
1110 · Cash On Hand	900.39
1120 · Cash at Bank	
1126.Saving VSF HAC	25,642.67
1123 · Saving A/C HAC	19,038.33
1124 · Checking A/C HAC General	12,913.55
1125 · Checking A/C - ABA - HAC	3,882.78
Total 1120 · Cash at Bank	61,477.33
Total Checking/Savings	62,377.72
Other Current Assets	
1165 · Fund Transer to Partner	611.77
1310 · Deposits / Bonds	1,500.00
Total Other Current Assets	2,111.77
Total Current Assets	64,489.49
TOTAL ASSETS	64,489.49
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2110-Withholding Tax Payable	1,070.41
2300 · Severance Pay	2,464.00
Total Other Current Liabilities	3,534.41
Total Current Liabilities	3,534.41
Total Liabilities	3,534.41
Equity	
3000 · Grant Fund Balance	
3100 · Restricted Fund	
3115 · KOICA	27,342.49
3170 · General Donors	2,111.06
Total 3100 · Restricted Fund	29,453.55
3200 · Unrestricted Fund	
3210 · General Unrestricted	10,107.10
3230 · HAC- Reserve Fund	4,428.73
3200 · Unrestricted Fund - Other	115.81
Total 3200 · Unrestricted Fund	14,651.64
Total 3000 · Grant Fund Balance	44,105.19
Net Income	16,849.89
Total Equity	60,955.08
TOTAL LIABILITIES & EQUITY	64,489.49

Verified by:

Ms. SRENG Sreyvin,
 Finance and Admin Manager

Approved by:

Mr. TUM Vira,
 Executive Director

HelpAge Cambodia
Income Statement
From January to December 2018

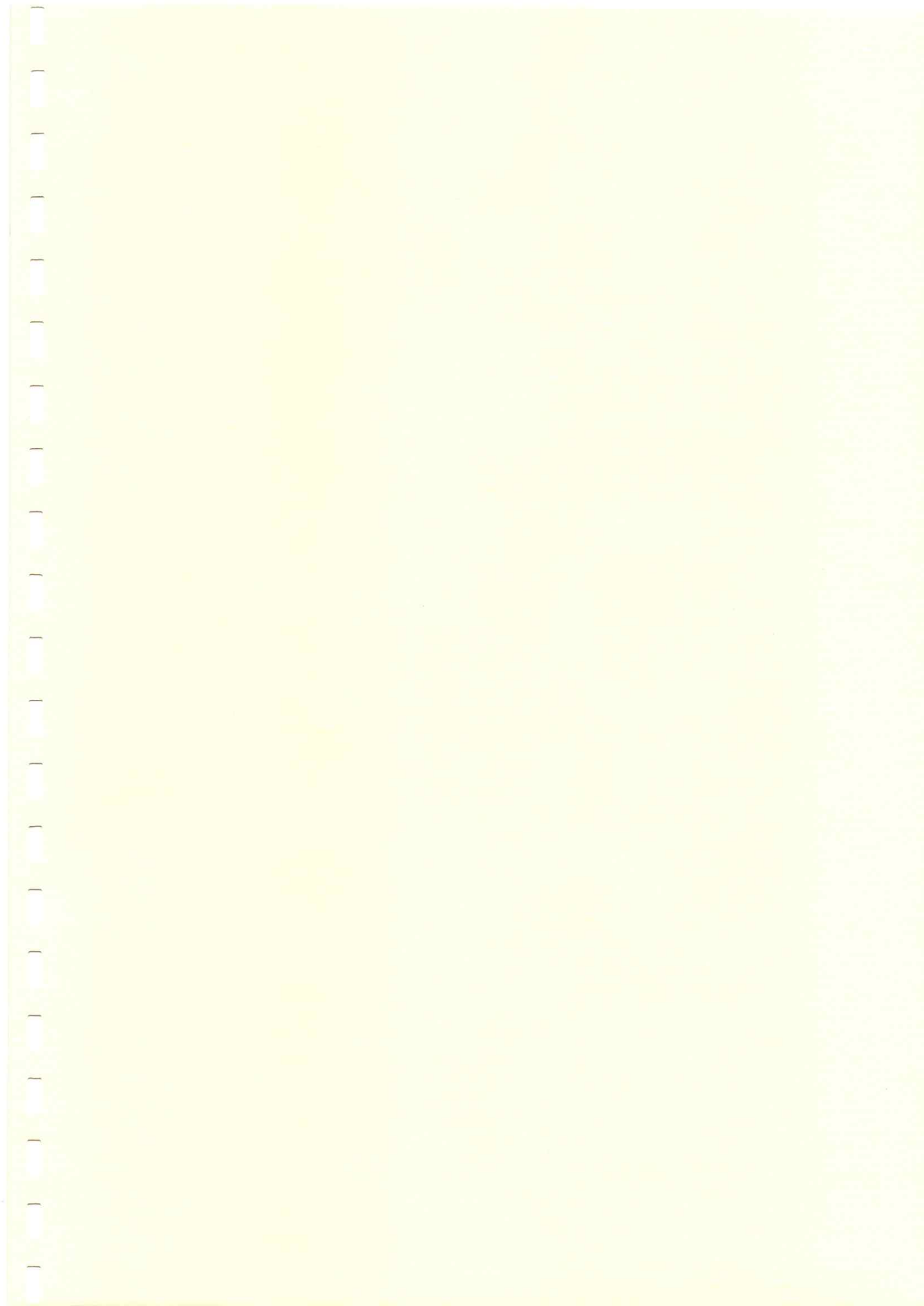
	Amount
Ordinary Income/Expense	
Income	
Project Income	
HAC005	70,827.92
HAC004	139,219.88
ASR061	13,905.07
ASR687	21,889.00
CAM999	6,129.72
HAC002	83,853.02
HAC003	26,750.00
HAC910	139.38
HAI_SG	-57.17
Income/Contribution Fed	4,385.71
OSG (Other small grant)	2,409.70
Total Project Income	369,452.23
Other Income	
Interest	1,249.68
Private Donations	3,482.70
Total Other Income	4,732.38
Total Income	374,184.61
Gross Profit	374,184.61
Expense	
ASR687	17,293.00
HAC005	54,623.70
HAC003	21,179.51
HAC004	169,515.32
CAM999	5,724.43
HAC002	79,785.65
HAI-SG	620.93
SANA	1,966.32
Empowerment Grant	4,385.71
Private Donation Expense	502.93
OSGE(Other Small Grant Expense)	1,728.40
Total Expense	357,325.90
Net Ordinary Income	16,858.71
Other Income/Expense	
Other Expense	
NONPRO	
Exchange Gain or Loss	2.82
Non Project Expenditure	6.00
Total NONPRO	8.82
Total Other Expense	8.82
Net Other Income	-8.82
Net Income	16,849.89

Verified by:

Ms. SRENG Sreyvin,
Finance and Admin Manager

Approved by:

Mr. TUM Vira
Executive Director



HELPAGE CAMBODIA

MANAGEMENT LETTER

For the year ended 31 December 2018

(FOR MANAGEMENT PURPOSES ONLY)



12 April 2019

To: HelpAge Cambodia
House No. 305, Group 5
Rumchek 4, Rattanak
Battambang city

Dear Sirs,

MANAGEMENT LETTER

For the year ended 31 December 2018 – No findings

In connection with our audit of the financial statement of HelpAge Cambodia (the “Organisation”) for the year ended 31 December 2018, we reviewed certain aspects of the Organisation’s accounting procedures and system of internal control.

You will appreciate that our normal audit procedures are designed primarily to enable us to form an opinion on the financial statement as a whole and therefore do not necessarily bring to light weaknesses in the internal control or accounting procedures in which a special investigation might do.

Our normal audit procedures require that we address in the management letter any recommendations to improve financial management. In connection with our audit of the Organisation, we did not have any such findings.

We have prepared this report solely for the use of the management of the Organisation. This report forms part of a continuing dialogue between you and us, and therefore, it is not intended to include every matter, whether significant or not, that came to our attention. For this reason, we believe that it would be inappropriate for this report to be made available to third parties and, if such a third party were to obtain a copy without our prior consent, we would not accept any responsibility for any reliance that they might place on it.

We would like to take this opportunity to express our sincere appreciation for the co-operation that we received from the Organisation staff during the course of our audit.

Yours faithfully,

Morison Kak & Associés
Certified Public Accountants
Independent Auditors


Saksom Meas
Managing Partner

