PUBLIC FINANCIAL MANAGEMENT REFORM PROJECT

AUDITED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT 31 DECEMBER 2013

PUBLIC FINANCIAL MANAGEMENT REFORM PROJECT
Under the Multi-Donor Trust Fund Grant Agreement Number TF054547-KH and IDA Grant Number H241-KH between the Royal Government of Cambodia and the International Development Association ("IDA")

PROJECT INFORMATION

PROJECT MANAGEMENT:	H.E Dr. Aun Pornmoniroth Dr. Sok Saravuth Mr. Tes Putheara
IMPLEMENTING AGENCY:	Steering Committee Secretariat ("SCS") Ministry of Economy and Finance
PRINCIPAL BANKER:	National Bank of Cambodia
AUDITORS:	BDO (Cambodia) Limited

PUBLIC FINANCIAL MANAGEMENT REFORM PROJECT
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PUBLIC FINANCIAL MANAGEMENT REFORM PROJECT
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PROJECT MANAGEMENT'S REPORT

The Project Management hereby submits the report together with the audited financial statements of Public Financial Management Reform Project ("the Project") for the financial year ended 31 December 2013.

Responsibility of the Project Management in respect of the financial statements

The Project Management is responsible to ascertain that the financial statements of the Project for the year ended 31 December 2013 are prepared, in all material respects, in accordance with the basis of preparation and accounting policies set out in Note 2 to the financial statements. In preparing these financial statements, the Project Management is required to select suitable accounting policies and then apply them consistently.

The Project Management is responsible for ensuring that proper accounting records are kept which enable the financial statements to be prepared in compliance with the basis of preparation and accounting policies set out in Note 2 to the financial statements as well as in accordance with the terms of the financing agreement for the Multi-Donor Trust Fund Grant Agreement Number TF 054547-KH and IDA Grant Number H241-KH between the Royal Government of Cambodia and the International Development Association. The Project Management is also responsible for safeguarding the assets of the Project and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Project Management assumes the responsibility to provide, and has provided, the auditors with all accounting records, supporting and other documents, minutes, and any other pertinent information and explanations, either orally or in writing, necessary for the audit.

Statement by the Project Management

In the opinion of the Project Management, the financial statements set out on pages 4 to 37 are prepared, in all material respects, in accordance with the basis of preparation and accounting policies described in Note 2 to the financial statements.

Signed on behalf of the Project Management

Dr. Aun Pornmoniroth Minister, Ministry of Economy and Finance Chairman of PFMRSC	Dr. Sok Saravuth Secretary General General Secretariat of PFMRSC	Mr. Tes Putheara Office Manager

Phnom Penh, Cambodia
Date: 11 MAR 2014

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INDEPENDENT AUDITORS' REPORT TO THE PROJECT MANAGEMENT OF PUBLIC FINANCIAL MANAGEMENT REFORM PROJECT

Report on the Financial Statements

We have audited the accompanying financial statements of Public Financial Management Reform Project ("the Project"), which comprise statement of financial position as at 31 December 2013, statement of sources of funds and expenditures, and statement of designated accounts for the financial year then ended and a summary of significant accounting policies and other explanatory notes, as set out on pages 4 to 37.

Project Management's Responsibility for the Financial Statements

The Project Management is responsible for the preparation of the financial statements in accordance with the basis of preparation and accounting policies set out in Note 2 to the financial statements, and for such internal controls as the Project Management determines are necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Cambodian International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Project's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of the Project's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Project Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

BDO (Cambodia) Limited, Certified Public Accountants, a Cambodian limited liability company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

INDEPENDENT AUDITORS' REPORT TO THE PROJECT MANAGEMENT OF PUBLIC FINANCIAL MANAGEMENT REFORM PROJECT (continued)

Opinion

In our opinion, the financial statements of the Project for the year ended 31 December 2013 are prepared, in all material respects, in accordance with the basis of preparation and accounting policies set out in Note 2 to the financial statements.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 2 to the financial statements, which describes the basis of preparation and accounting policies adopted by the Project. The financial statements are prepared to assist the Project to meet its financial reporting requirements. As a result, the financial statements may not be suitable for another purpose.

Lim Seng Siew
Partner

BDO (Cambodia) Limited
Certified Public Accountants

Phnom Penh, Cambodia
11 MAR 2014

PUBLIC FINANCIAL MANAGEMENT REFORM PROJECT
Under the Multi-Donor Trust Fund Grant Agreement Number TF054547-KH and IDA Grant Number H241-KH between the Royal Government of Cambodia and the International Development Association ("IDA")

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

	Notes	31 Dec 2013 US$	31 Dec 2012 US$
ASSETS			
Cash and bank balances			
International Development Association	3	43,725	645,026
Royal Government of Cambodia (counterpart fund)	3	128,859	159,739
		172,584	804,765
Other assets			
Advances		2,100	78,531
TOTAL ASSETS		174,684	883,296
FUND BALANCE		174,684	883,296

PUBLIC FINANCIAL MANAGEMENT REFORM PROJECT
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STATEMENT OF SOURCES OF FUNDS AND EXPENDITURES FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	Year ended 31 Dec 2013 US$	Year ended 31 Dec 2012 US$	Cumulative to 31 Dec 2013 US$
SOURCES OF FUNDS				
Multi-donor trust fund		-	(632,571)	9,463,117
International development association		1,631,645	4,324,280	15,096,490
Counterpart fund		(1,022)	1,614	703,613
Policy and human resource development grant		-	-	24,069
		1,630,623	3,693,323	25,287,289
EXPENDITURE BY CATEGORIES	5			
Goods	7	146,370	89,559	3,023,762
Consultancy services		579,113	707,637	4,463,884
Trainings and workshops	8	496,420	560,402	4,854,822
Incremental operating costs	9	133,911	157,328	651,603
Merit-based performance incentive		-	-	3,111,830
Priority operating costs		-	925,812	2,344,283
International procurement agent		983,421	1,259,823	6,662,421
		2,339,235	3,700,561	25,112,605
(Deficit)/Surplus of sources of funds over expenditures		(708,612)	(7,238)	174,684
Fund balance at beginning of the year		883,296	890,534	-
Fund balance at end of the year		174,684	883,296	174,684

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STATEMENT OF SOURCES OF FUNDS AND EXPENDITURES (continued) FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	Year ended 31 Dec 2013 US$	Year ended 31 Dec 2012 US$	Cumulative to 31 Dec 2013 US$
EXPENDITURE BY COMPONENTS	6			
Revenue management		4,000	122,686	1,272,981
Budget formulation		144,951	287,701	2,288,598
Budget execution		243,359	167,985	2,507,812
Capacity development:				
Policy group		363,828	464,473	4,583,117
General support group		599,676	916,730	6,208,040
Ministry and institution		-	481,163	1,589,636
International procurement agency		983,421	1,259,823	6,662,421
		2,339,235	3,700,561	25,112,605

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STATEMENT OF DESIGNATED ACCOUNTS - MDTF
FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	Year ended 31 Dec 2013 US$	Year ended 31 Dec 2012 US$	Cumulative to 31 Dec 2013 US$
SOURCES OF FUNDS				
Unused funds from previous year		-	632,571	-
Funds received		-	-	10,095,688
Unused funds returned to donors		-	(632,571)	(632,571)
		-	-	9,463,117
EXPENDITURE BY CATEGORIES	5			
Goods		-	-	1,841,899
Consultancy services		-	-	2,169,069
Trainings and workshops		-	-	2,356,694
Incremental operating costs		-	-	206,560
Merit-based performance incentive		-	-	1,859,495
Priority operating costs		-	-	1,029,400
		-	-	9,463,117
Excess of sources of funds over expenditures		-	-	-

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STATEMENT OF DESIGNATED ACCOUNTS AND DIRECT PAYMENTS - IDA FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	Year ended 31 Dec 2013 US$	Year ended 31 Dec 2012 US$	Cumulative to 31 Dec 2013 US$
SOURCES OF FUNDS				
Unused funds from the previous year		723,557	66,103	-
Funds received		1,631,645	4,324,280	15,096,490
		2,355,202	4,390,383	15,096,490
EXPENDITURE BY CATEGORIES	5			
Goods		137,060	89,559	1,172,553
Consultancy services		574,222	707,637	2,289,924
Trainings and workshops		486,212	526,667	2,344,475
Incremental operating costs		130,562	157,328	441,695
Merit-based performance incentive		-	-	826,814
Priority operating costs		-	925,812	1,314,883
International procurement agent		983,421	1,259,823	6,662,421
		2,311,477	3,666,826	15,052,765
Excess of sources of funds over expenditures		43,725	723,557	43,725
REPRESENTED BY:				
Petty cash	3	-	749	-
Cash at bank	3	43,725	644,277	43,725
Advances		-	78,531	-
		43,725	723,557	43,725

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NOTES TO THE FINANCIAL STATEMENTS

1. PROJECT BACKGROUND

The Public Financial Management Reform Program ("the Project") was established under the Multi-Donor Trust Fund ("MDTF") Grant Agreement Number TF054547 signed on 11 August 2005 and IDA Grant Number H241-KH ("IDA Grant") signed on 13 February 2007 between the Royal Government of Cambodia represented by the Ministry of Economy and Finance ("MEF") and the International Development Association ("IDA").

The Project commenced in September 2005 and will operate for 10 years with funding from the following sources:

- IDA Grant Number H241-KH and MDTF Number TF054547-KH administered by the World Bank with funds being contributed by the Development Partners of the World Bank, and AusAid, DFID, SIDA and European Commission ("EC"), respectively. Other donor partners may fund the Project through the MDTF in the future.

- Other development partners provide resources directly through bilateral arrangement. These funds and expenditures will be managed by the donor partners.

- Royal Government of Cambodia ("RGC") counterpart funds for the Merit-Based Payment Initiative ("MBPI") scheme/component of the Project implemented from 2005 to 2009.

The Project started with the objective to provide support for financial management activities carried out at the Government level, and establish a framework for professional civil service, in order that the officials will be able to maintain public financial management standards without depending on continuous external advice.

The Project is implemented by MEF and managed by the Steering Committee Secretariat ("SCS") of the MEF.

The Project's activities are divided into six main and complementary components as follows:

- Revenue Management
- Budget Formulation
- Budget Execution
- Capacity Development
- Merit-Based Payment Initiative
- Building the Oversight Capacity of the Recipient's National Audit Authority

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NOTES TO THE FINANCIAL STATEMENTS (continued)

1. PROJECT BACKGROUND (continued)

Part A: Revenue Management

- Supports and modernisation of the MEF's Tax Department by: (a) reviewing and improving its organisational structure; (b) developing and implementing a strategic management plan and capacity development programme; (c) improving service delivery and (d) developing mechanisms to improve transparency and accountability.

- Strengthens MEF's non tax revenue policy and administration.

- Supports transparent oil and gas revenue management by: (a) participating in the Extraction Industries Transparency Initiative (EITI); (b) developing oil fund and related taxation policy, and (c) strengthening the Recipient's staff technical and negotiations skills.

- Supports the recipient's fiscal and macroeconomic management by strengthening revenue policy, macroeconomic modeling, and forecasting.

Part B: Budget Formulation

- Strengthens the Recipient's capacity to formulate and integrate its budget, including: (a) improving budget coverage; (b) strengthening the control over expenditures; (c) developing the medium term macroeconomic-fiscal framework; (d) strengthening debt forecasting, financing analysis and payment management; (e) redesigning the budget and account classification system; (f) piloting a program–based budget structure; (g) redesigning the budget formulation process and calendar; (h) strengthening budget formulation; and (i) strengthening expenditure tracking techniques.

Part C: Budget Execution

- Supports the development of the Recipient's financial management system and processes, including: (a) establishing a financial management information system; and (b) providing computer hardware and software.

- Strengthens the Recipient's public procurement system by: (a) revising procurement processing arrangements; (b) developing an enhanced legal and regulatory procurement framework, including the development of a new procurement law; (c) developing and disseminating harmonized procurement procedures and documents; (d) supporting de-concentration of the public procurement system and establishment of effective oversight mechanisms; (e) developing an information and performance monitoring system in public procurement; and (f) improving public access to information, including electronic media.

- Strengthens the Recipient's Treasury systems and procedures by: (a) streamlining budget execution processes; (b) widening the scope of payments through the banking system including payments for tax collections and to civil servants and contractors; and (c) strengthening cash management.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

1. PROJECT BACKGROUND (continued)

Part D: Capacity Development

- Strengthens the Recipient's capacity to carry out internal audit and to manage internal audit standards and reviews.
- Strengthens the MEF's overall capacity, including: (a) reorganizing its institutional structure; and (b) strengthening its capacity to implement the Project, including the development and implementation of a communication strategy.
- Provide support to the Steering Committee Secretariat in managing the Project.
- Carry out training, workshops and study tours to support the execution of the Project.

Part E: Merit-Based Payment Initiative (implemented from 2005 to 2009)

- Implement the Recipient's Merit Based Payment Initiative Program through the provision of merit-based payment initiative allowances to selected MEF staff.
- Implement reforms in the MEF's personnel management, including the establishment of merit-based selection and promotion, and performance management.

Part F: Building the Oversight Capacity of the Recipient's National Audit Authority

Strengthens the capacity of the National Audit Authority, including: (a) developing an effective organizational structure; and (b) improving auditing standards and methodologies.

MDTF and IDA Grant were amended on 5 August 2011 and 12 November 2012 respectively.

The closing date of MDTF was 11 April 2012.

Amendment to IDA Grant, Section IV.B.2 of Schedule 2 to the Financing Agreement now established the closing date is 15 November 2013. There is a four-month disbursement grace period after the Project's closing date.

The table on the next page sets forth the items financed out of the proceeds of the IDA Grant and MDTF, including the allocation to each category and respective percentage of expenditures based on mentioned amendments.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

1. PROJECT BACKGROUND (continued)

Category Schedule of Financing Agreement (Grant No. H241-KH)

Category	Amount of IDA grant allocated (expressed in SDR)	% of expenditures to be financed
(1) Goods, consultant services, training, workshops and study tours and incremental operating costs for Part A to D	5,197,000	100% or other percentages that World Bank may determine from time to time by notice to the Recipient
(2) Merit-based payment initiative (Part E)	530,112	0% from the date of this amendment onward
(2a) Priority Operating Cost under Part E	625,888	100% or other percentages that World Bank may determine from time to time by notice to the Recipient
(3) Goods, consultant's services, training, workshops, study tours, and incremental operating costs for Part F	50,000	100% or other percentages that World Bank may determine from time to time by notice to the Recipient
(4) Services of an International procurement agent	3,397,000	100%
TOTAL	**9,800,000**	

Category Schedule of Grant Agreement Already Closed (MDTF Grant No.TF054547-KH)

Category	Amount of MDTF Grant (expressed in US$)	Disbursement (expressed in US$)
(1) Goods, consultant services, training, workshops and study tours under Part A	1,416,628	1,416,628
(2) MBPI allowances, consultant's services, training and workshops under Part B	1,353,544	1,353,544
(2a) POC Allowances, consultants' services, training and workshops under Part B	-	-
(3) Incremental operating cost	39,237	39,237
(4) Goods, consultants' services, training, workshops, study tours and incremental operating costs (for Part A to Part D)	5,117,551	5,117,551
(5) Merit-based payment initiative payments (Part E)	506,757	506,757
(5a) Priority operating cost (Part E)	1,029,400	1,029,400
(6) NAA-goods, consultants' services, training, workshops, study tours and incremental operating costs (for Part F)	-	-
TOTAL	**9,463,117**	**9,463,117**

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NOTES TO THE FINANCIAL STATEMENTS (continued)

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUTING POLICIES

2.1 Basis of preparation

The financial statements of the Project, which are expressed in United States Dollar ("US$"), have been prepared in accordance with modified cash basis of accounting. Accordingly, fund received is recognised when received rather than when the right to receive it arises, and expenditure is recognised when it is paid rather than when incurred.

The financial statements present sources and uses of funds, and the related financial information in relation to the fund withdrawals and disbursements from the Project's designated account together with the corresponding counterpart funds as specified under the Multi-Donor Trust Fund Grant Agreement between the MEF and the IDA.

2.2 Funds from IDA and MDTF

Funds from IDA and MDTF are recognised as a source when cash is transferred to the Project's designated account managed by SCS rather than when committed or budgeted. Funds received also comprise direct cash disbursements made by the IDA as well as counterpart funds from the RGC. These funds are accounted for when received.

2.3 Counterpart fund

Counterpart fund is recognised as a source when cash is withdrawn from the National Treasury or when a fund is transferred directly from the National Treasury to the Project's bank account held at ANZ Royal Bank to contribute to the monthly Merit-Based Payment Initiative ("MBPI") payment.

2.4 Expenditures

Expenditure is recognised when payment is made rather than when it is incurred, except for advance payments which are initially recognised as advances and recognised as expenditures when they are liquidated by presentation of supporting invoices.

2.5 Equipment

Equipment procured is recognised as expenditure when received or when handed-over from the contractors or suppliers upon acceptance and approval by the SCS.

2.6 Foreign exchange difference

Disbursements and withdrawals in foreign currencies (other than US$) are converted into US$ at the prevailing exchange rates declared by the National Bank of Cambodia ruling at the date of transactions. Monetary items denominated in foreign currencies are translated in to US$ for reporting purposes at the closing exchange rate prevailing at the reporting date.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

2. SUMMARY OF SIGNIFICANT ACCOUTING POLICIES (continued)

2.7 Commitment and service charges

Commitment and service charges relating to the IDA are paid directly by the MEF and are not accounted for in the statement of sources of funds and expenditures and the statement of sources of funds and expenditures and the statement of designated accounts.

2.8 Direct payments

Direct payments represent payments made by the IDA directly to third party suppliers on behalf of the Project.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

3. CASH AND BANK BALANCES

	31 Dec 2013			31 Dec 2012		
	IDA US$	Counterpart fund US$	Total US$	IDA US$	Counterpart fund US$	Total US$
Petty cash	-	368	368	749	-	749
Cash at bank	43,725	128,491	172,216	644,277	159,739	804,016
	43,725	128,859	172,584	645,026	159,739	804,765

4. COUNTERPART FUND

	Year ended 31 Dec 2013 US$	Year ended 31 Dec 2012 US$	Cumulative to 31 Dec 2013 US$
Unused funds from previous year	159,739	191,860	-
Funds received	-	592	703,613
Bid selling	-	1,022	-
Expense paid	(27,758)	(33,735)	(572,654)
Fund returned to RGC	(1,022)	-	-
	130,959	159,739	130,959

During the financial year, income from selling FMIS bidding documents from foreign bidders of US$1,022 was transferred from Counterpart Fund Account the Account of RGC.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

5. EXPENDITURES BY CATERGORIES

	Notes	Year ended 31 Dec 2013				
		MDTF US$	IDA US$	Counterpart fund US$	PHRD Grant US$	Total US$
Goods	7	-	137,060	9,310	-	146,370
Consultancy services		-	574,222	4,891	-	579,113
Training and workshops	8	-	486,212	10,208	-	496,420
Incremental operating costs	9	-	130,562	3,349	-	133,911
Merit-based payment initiative		-	-	-	-	-
Priority operating costs		-	-	-	-	-
International procurement agent		-	983,421	-	-	983,421
		-	2,311,477	27,758	-	2,339,235

	Notes	Year ended 31 Dec 2012				
		MDTF US$	IDA US$	Counterpart fund US$	PHRD Grant US$	Total US$
Goods	7	-	89,559	-	-	89,559
Consultancy services		-	707,637	-	-	707,637
Training and workshops	8	-	526,667	33,735	-	560,402
Incremental operating costs	9	-	157,328	-	-	157,328
Merit-based payment initiative		-	-	-	-	-
Priority operating costs		-	925,812		-	925,812
International procurement agent		-	1,259,823	-	-	1,259,823
		-	3,666,826	33,735	-	3,700,561

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NOTES TO THE FINANCIAL STATEMENTS (continued)

5. EXPENDITURES BY CATERGORIES (continued)

	Notes	Cumulative to 31 Dec 2013				
		MDTF US$	IDA US$	Counterpart fund US$	PHRD Grant	Total US$
Goods	7	1,841,899	1,172,553	9,310	-	3,023,762
Consultancy services		2,169,069	2,289,924	4,891	-	4,463,884
Training and workshops	8	2,356,694	2,344,475	129,584	24,069	4,854,822
Incremental operating costs	9	206,560	441,695	3,348	-	651,603
Merit-based payment initiative		1,859,495	826,814	425,521	-	3,111,830
Priority operating costs		1,029,400	1,314,883	-	-	2,344,283
International procurement agent		-	6,662,421	-	-	6,662,421
		9,463,117	15,052,765	572,654	24,069	25,112,605

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NOTES TO THE FINANCIAL STATEMENTS (continued)

6. EXPENDITURES BY COMPONENTS

	Year ended 31 Dec 2013				
	MDTF US$	IDA US$	Counterpart fund US$	PHRD Grant US$	Total US$
Revenue management	-	4,000	-	-	4,000
Budget formulation	-	144,951	-	-	144,951
Budget execution	-	243,359	-	-	243,359
Capacity development:					
Policy group	-	353,025	10,803	-	363,828
General support group	-	582,721	16,955	-	599,676
Ministry and institution	-	-	-	-	-
International procurement agency	-	983,421	-	-	983,421
	-	2,311,477	27,758	-	2,339,235

	Year ended 31 Dec 2012				
	MDTF US$	IDA US$	Counterpart fund US$	PHRD Grant US$	Total US$
Revenue management	-	91,851	30,835	-	122,686
Budget formulation	-	287,701	-	-	287,701
Budget execution	-	165,836	2,149	-	167,985
Capacity development:					
Policy group	-	464,473	-	-	464,473
General support group	-	915,979	751	-	916,730
Ministry and institution	-	481,163	-	-	481,163
International procurement agency	-	1,259,823	-	-	1,259,823
	-	3,666,826	33,735	-	3,700,561

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NOTES TO THE FINANCIAL STATEMENTS (continued)

6. EXPENDITURES BY COMPONENTS (continued)

	Cumulative to 31 Dec 2013				
	MDTF US$	**IDA US$**	**Counterpart fund US$**	**PHRD Grant US$**	**Total US$**
Revenue management	721,255	466,748	84,978	-	1,272,981
Budget formulation	1,344,428	872,027	72,143	-	2,288,598
Budget execution	1,372,924	1,007,290	127,598	-	2,507,812
Capacity development:					
Policy group	2,380,875	2,082,825	118,917	500	4,583,117
General support group	2,816,083	3,199,370	169,018	23,569	6,208,040
Ministry and institution	827,552	762,084	-	-	1,589,636
International procurement agency	-	6,662,421	-	-	6,662,421
	9,463,117	15,052,765	572,654	24,069	25,112,605

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NOTES TO THE FINANCIAL STATEMENTS (continued)

7. GOODS

	Year ended 31 Dec 2013 US$	Year ended 31 Dec 2012 US$	Cumulative to 31 Dec 2013 US$
Office equipment	6,220	89,559	2,758,275
Printing and publishing	12,950	-	49,931
Vehicle	127,200	-	215,556
	146,370	89,559	3,023,762

8. TRAININGS AND WORKSHOPS

	Year ended 31 Dec 2013 US$	Year ended 31 Dec 2012 US$	Cumulative to 31 Dec 2013 US$
Annual review workshop	-	50,480	156,812
International training/workshop/study tour	17,838	155,029	3,073,657
Local training/workshop	478,582	354,128	1,581,972
Other training/workshop	-	765	42,381
	496,420	560,402	4,854,822

9. INCREMENTAL OPERATING COSTS

	Year ended 31 Dec 2013 US$	Year ended 31 Dec 2012 US$	Cumulative to 31 Dec 2013 US$
Advertising	3,525	12,673	34,783
Bank charge	120	1,124	26,676
Driver salary	7,865	7,800	30,105
Fuel expense	12,149	9,134	35,815
Meeting expense	1,959	-	11,024
Office consumable	5,438	4,397	27,206
Office supplies	35,619	56,886	150,008
Other miscellaneous	8,138	7,932	44,746
Photocopy & printing	540	1,103	12,836
Repair & maintenance	17,193	10,876	51,498
Secretary salary	5,445	4,950	10,395
Telephone/internet/communication	34,710	30,681	178,436
Translation	740	1,372	19,316
Travel allowance	470	8,400	18,759
	133,911	157,328	651,603

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NOTES TO THE FINANCIAL STATEMENTS (continued)

10. DESIGNATED ACCOUNTS AND WITHDRAWAL APPLICATIONS

10.1 Statement of designated accounts and direct payments

	31 Dec 2013 US$	31 Dec 2012 US$
MDTF		
Balance as at 1 January	-	632,571
Add:		
Total amount advanced by the MDTF during the year	-	-
Less:		
Total amount withdrawn for expenditures during the year	-	-
Total amount returned to donors	-	(632,571)
Balance as at 31 December (Note 3)	-	-
IDA		
Balance as at 1 January	723,557	66,103
Add:		
Total amount advanced by the IDA during the year	1,631,645	4,324,280
Less:		
Total amount withdrawn for expenditures during the year	2,311,477	3,666,826
Outstanding advances	-	78,531
Balance as at 31 December (Note 3)	43,725	645,026

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NOTES TO THE FINANCIAL STATEMENTS (continued)

10. DESIGNATED ACCOUNTS AND WITHDRAWAL APPLICATIONS (continued)

10.2 Reconciliation of designated accounts and direct payments

	31 Dec 2013 US$	31 Dec 2012 US$
IDA		
Total amount advanced as at 31 December	175,911	800,000
Ending balance of designated accounts as at 31 December	43,725	645,026
Add:		
Amount paid but not yet claimed as at 31 December	132,185	76,443
Amount claimed but not yet credited as at 31 December	-	-
Outstanding Advances	-	78,531
Gain/loss on exchange rate	-	-
Total advance accounted as at 31 December	175,911	800,000

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NOTES TO THE FINANCIAL STATEMENTS (continued)

10. DESIGNATED ACCOUNTS AND WITHDRAWAL APPLICATIONS (continued)

10.3 Summary of withdrawal applications

Application of MDTF

		Amount Claimed for Replenishment							
Withdrawal application number	**Date**	**Initial advance (recoveries) US$**	**Goods US$**	**Consultant services US$**	**Trainings and workshops US$**	**Incremental operating costs US$**	**Priority operating costs US$**	**MBPI allowance US$**	**Total US$**
2005	05 December	400,000	-	-	-	-	-	-	400,000
2006									
Application No 1	12 January	-	5,713	5,000	-	1,842	-	385,915	398,470
Application No 2	10 February	-	-	-	-	698	-	9,800	10,498
Application No 3	07 April	-	-	48,399	23,477	643	-	61,092	133,611
Application No 4	07 April	-	-	14,208	-	-	-	-	14,208
Application No 5	07 April	-	-	3,700	24,850	772	-	9,800	39,122
Application No 6	26 May	-	-	-	-	3,178	-	164,316	167,494
Application No 7	03 July	-	50,144	17,325	5,964	887	-	9,800	84,120
Application No 8	10 August	-	5,361	-	42,919	542	-	-	48,822
Application No 9	06 September	-	107,212	16,714	23,085	2,666	-	232,793	382,470
Application No 10	01 December	-	2,019	51,637	17,896	2,317	-	87,878	161,747
		-	170,449	156,983	138,191	13,545	-	961,394	1,440,562

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NOTES TO THE FINANCIAL STATEMENTS (continued)

10. DESIGNATED ACCOUNTS AND WITHDRAWAL APPLICATIONS (continued)

10.3 Summary of withdrawal applications (continued)

Application of MDTF (continued)

Withdrawal application number	Date	Amount Claimed for Replenishment							
		Initial advance (recoveries) US$	Goods US$	Consultant services US$	Trainings and workshops US$	Incremental operating costs US$	Priority operating costs US$	MBPI allowance US$	Total US$
2007									
Application No 11	22 December	-	-	42,624	224	965	-	61,352	105,165
Application No 12	25 January	-	36,226	31,870	4,480	3,567	-	53,898	130,041
Application No 13	01 April	-	-	2,625	28,647	4,305	-	(23,713)	11,864
Application No 14	07 April	-	3,454	124,620	6,667	551	-	50,380	185,672
Application No 15	23 May	-	-	1,350	31,460	653	-	100,020	133,483
Application No 16	06 June	-	6,785	37,794	33,425	1,847	-	50,190	130,041
Application No 17	20 July	-	754	65,582	15,583	1,650	-	50,023	133,592
Application No 18	21 October	-	15,195	72,129	27,897	3,931	-	67,506	186,658
		-	62,414	378,594	148,383	17,469	-	409,656	1,016,516

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NOTES TO THE FINANCIAL STATEMENTS (continued)

10. DESIGNATED ACCOUNTS AND WITHDRAWAL APPLICATIONS (continued)

10.3 Summary of withdrawal applications (continued)

Application of MDTF (continued)

		Amount Claimed for Replenishment							
Withdrawal application number	**Date**	**Initial advance (recoveries) US$**	**Goods US$**	**Consultant services US$**	**Trainings and workshops US$**	**Incremental operating costs US$**	**Priority operating costs US$**	**MBPI allowance US$**	**Total US$**
2008									
Application No 19	26 December	-	1,688	107,745	3,504	1,738	-	18,290	132,965
Application No 20	18 December	400,000	-	-	-	-	-	-	400,000
Application No 21	18 March	-	16,146	158,578	45,110	5,565	-	71,989	297,388
Application No 22	30 June	-	1,565	20,208	23,435	4,814	-	34,790	84,812
Application No 23	23 October	-	108,934	31,354	72,695	4,067	-	69,560	286,610
		400,000	128,333	317,885	144,744	16,184	-	194,629	1,201,775

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NOTES TO THE FINANCIAL STATEMENTS (continued)

10. DESIGNATED ACCOUNTS AND WITHDRAWAL APPLICATIONS (continued)

10.3 Summary of withdrawal applications (continued)

Application of MDTF (continued)

Withdrawal application number	Date	Amount Claimed for Replenishment							
		Initial advance (recoveries) US$	Goods US$	Consultant services US$	Trainings and workshops US$	Incremental operating costs US$	Priority operating costs US$	MBPI allowance US$	Total US$
2009									
Application No 24	05 January	-	12,104	88,560	98,911	4,458	-	51,603	255,636
Direct payment No 2	15 January	-	89,242	-	-	-	-	-	89,242
Application No 25	23 March	-	22,200	2,161	101,599	5,120	-	37,640	168,720
Application No 26	23 April	-	51,006	11,518	68,398	5,377	-	17,327	153,626
Application No 27	24 June	-	39,656	53,915	82,216	5,128	-	52,808	233,723
Application No 28	13 August	-	24,505	73,242	93,652	5,650	-	8,321	205,370
Application No 29	15 September	-	18,425	52,099	26,609	1,327	-	18,005	116,465
Application No 30	07 October	-	64,423	27,378	22,561	3,381	-	35,697	153,440
Application No 31	07 December	-	1,667	87,769	116,598	6,832	-	36,347	249,213
		-	323,228	396,642	610,544	37,273	-	257,748	1,625,435

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NOTES TO THE FINANCIAL STATEMENTS (continued)

10. DESIGNATED ACCOUNTS AND WITHDRAWAL APPLICATIONS (continued)

10.3 Summary of withdrawal applications (continued)

Application of MDTF (continued)

		Amount Claimed for Replenishment							
Withdrawal application number	**Date**	**Initial advance (recoveries) US$**	**Goods US$**	**Consultant services US$**	**Trainings and workshops US$**	**Incremental operating costs US$**	**Priority operating costs US$**	**MBPI allowance US$**	**Total US$**
2010									
Application No 32	13 January	-	5,682	11,084	57,750	2,335	-	-	76,851
Application No 33	22 February	-	1,039	54,664	73,996	1,807	-	18,185	149,691
Application No 34	01 March	-	-	38,376	30,460	4,038	-	17,883	90,757
Application No 35	13 April	-	-	13,436	31,967	6,944	-	-	52,347
Direct payment No 4	18 May	-	209,608	-	-	-	-	-	209,608
Application No 36	08 June	(48,000)	43,368	70,303	24,311	8,085	-	-	98,067
Application No 37	23 June	-	65,183	7,609	21,046	3,478	-	-	97,316
Application No 38	24 August	48,000	-	-	-	-	-	-	48,000
Application No 39	07 September	-	17,361	111,694	30,423	9,144	-	-	168,622
Application No 40	29 September	-	-	23,744	36,571	3,470	-	-	63,785
Application No 41	12 November	(30,000)	18,203	28,063	32,178	4,557	-	-	53,001
Application No 42	28 December	(250,000)	202,137	57,758	227,751	12,781	-	-	250,427
		(280,000)	562,581	416,731	566,453	56,639	-	36,068	1,358,472

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NOTES TO THE FINANCIAL STATEMENTS (continued)

10. DESIGNATED ACCOUNTS AND WITHDRAWAL APPLICATIONS (continued)

10.3 Summary of withdrawal applications (continued)

Application of MDTF (continued)

		Amount Claimed for Replenishment							
Withdrawal application number	**Date**	**Initial advance (recoveries) US$**	**Goods US$**	**Consultant services US$**	**Trainings and workshops US$**	**Incremental operating costs US$**	**Priority operating costs US$**	**MBPI allowance US$**	**Total US$**
2011									
Direct payment No 6	04 January	-	271,189	-	-	-	-	-	271,189
Application No 43 & 44	23 February	280,000	-	63,859	63,657	7,107	-	-	414,623
Application No 45	07 April	(39,871)	35,459	175,524	117,884	17,432	-	-	306,428
Application No 46	30 May	(305,957)	61,115	73,669	159,883	11,290	-	-	-
Direct payment No 10	21 June	-	218,060	-	-	-	-	-	218,060
Application No 47	14 July	-	6,791	19,795	211,466	9,134	-	-	247,186
Application No 48	21 July	345,828	-	-	-	-	-	-	345,828
Application No 49	27 July	988,926	-	-	-	-	-	-	988,926
Application No 50	17 November	(127,000)	2,280	169,387	195,489	20,487	-	-	260,643
Application No 52	20 December	(1,029,400)	-	-	-	-	1,029,400	-	-
		112,526	594,894	502,234	748,379	65,450	1,029,400	-	3,052,883
2012									
Funds returned to donors*	29 May	(632,526)	-	-	-	-	-	-	(632,526)
		-	1,841,899	2,169,069	2,356,694	206,560	1,029,400	1,859,495	9,463,117

* The remaining fund of US$ 632,526 has been transferred to IDA on 29 May 2012 after the closing date of the financing agreement.
* The difference of US$45 is due to foreign exchange gain.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

10. DESIGNATED ACCOUNTS AND WITHDRAWAL APPLICATIONS (continued)

10.3 Summary of withdrawal applications (continued)

Application of IDA

		Amount Claimed for Replenishment								
Withdrawal application number	**Date**	**Initial advance (recoveries) US$**	**Goods US$**	**Consultant services US$**	**Trainings and workshops US$**	**Incremental operating costs US$**	**International procurement agent US$**	**Priority operating costs US$**	**MBPI allowance US$**	**Total US$**
2007										
Application No 1	04 July	800,000	-	-	-	-	-	-	-	800,000
Direct payment to IPA	24 October	-	-	-	-	-	100,000	-	-	100,000
Application No 18	24 October	-	-	357	6,186	4,091	-	-	29,875	40,509
		800,000	-	357	6,186	4,091	100,000	-	29,875	940,509
2008										
Application No 19	26 December	-	-	178	3,646	1,809	-	-	29,842	35,475
Application No 21	18 March	-	16,805	29,000	46,951	5,792	-	-	117,455	216,003
Application No 22	30 June	-	1,630	2,754	24,392	5,011	-	-	56,762	90,549
Application No 23	23 October	-	113,377	32,634	75,661	4,235	1,963	-	113,493	341,363
		-	131,812	64,566	150,650	16,847	1,963	-	317,552	683,390

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NOTES TO THE FINANCIAL STATEMENTS (continued)

10. DESIGNATED ACCOUNTS AND WITHDRAWAL APPLICATIONS (continued)

10.3 Summary of withdrawal applications (continued)

Application of IDA (continued)

		Amount Claimed for Replenishment								
Withdrawal application number	Date	Initial advance (recoveries) US$	Goods US$	Consultant services US$	Trainings and workshops US$	Incremental operating costs US$	International procurement agent US$	Priority operating costs US$	MBPI allowance US$	Total US$
2009										
Application No 24	05 January	-	12,598	40,093	102,949	4,640	7,802	-	84,195	252,277
Direct payment No 2	15 January	-	92,884	-	-	-	-	-	-	92,884
Direct payment No 3	22 January	-	-	-	-	-	152,272	-	-	152,272
Application No 25	23 March	-	23,106	2,249	105,745	5,329	-	-	61,413	197,842
Application No 26	23 April	-	53,088	11,988	71,190	5,597	201,821	-	28,271	371,955
Application No 27	24 June	-	41,275	44,719	85,572	5,337	235,786	-	86,160	498,849
Application No 28	13 August	-	25,505	65,207	97,475	5,880	160,062	-	13,576	367,705
Application No 29	14 September	-	19,177	54,225	27,694	1,381	92,482	-	29,377	224,336
Application No 30	06 October	-	67,053	28,495	23,482	3,519	47,843	-	58,243	228,635
Application No 31	02 December	-	1,735	75,725	121,357	7,111	150,000	-	59,304	415,232
		-	336,421	322,701	635,464	38,794	1,048,068	-	420,539	2,801,987

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NOTES TO THE FINANCIAL STATEMENTS (continued)

10. DESIGNATED ACCOUNTS AND WITHDRAWAL APPLICATIONS (continued)

10.3 Summary of withdrawal applications (continued)

Application of IDA (continued)

		Amount Claimed for Replenishment								
Withdrawal application number	Date	Initial advance (recoveries) US$	Goods US$	Consultant services US$	Trainings and workshops US$	Incremental operating costs US$	International procurement agent US$	Priority operating costs US$	MBPI allowance US$	Total US$
2010										
Application No 32	13 January	-	5,916	11,538	60,107	2,427	25,055	-	-	105,043
Application No 33	16 February	-	1,081	56,896	77,016	1,881	62,061	-	29,670	228,605
Application No 34	26 February	-	-	39,942	31,703	4,203	79,073	-	29,178	184,099
Application No 35	13 April	-	-	13,984	33,272	7,228	107,148	-	-	161,632
Direct payment No 4	18 May	-	218,163	-	-	-	-	-	-	218,163
Application No 36	08 June	-	45,138	59,825	25,303	8,415	-	-	-	138,681
Application No 37	23 June	-	67,844	7,920	21,905	3,620	-	-	-	101,289
Application No 39	26 August	-	18,070	93,803	31,665	9,517	106,855	-	-	259,910
Application No 40	29 September	-	-	24,714	38,064	3,611	27,034	-	-	93,423
Application No 41	12 November	-	18,946	29,209	33,491	4,743	-	-	-	86,389
Application No 42	21 December	-	-	2,754	5,013	146	-	-	-	7,913
		-	375,158	340,585	357,539	45,791	407,226	-	58,848	1,585,147

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NOTES TO THE FINANCIAL STATEMENTS (continued)

10. DESIGNATED ACCOUNTS AND WITHDRAWAL APPLICATIONS (continued)

10.3 Summary of withdrawal applications (continued)

Application of IDA (continued)

		Amount Claimed for Replenishment								
Withdrawal application number	**Date**	**Initial advance (recoveries) US$**	**Goods US$**	**Consultant services US$**	**Trainings and workshops US$**	**Incremental operating costs US$**	**International procurement agent US$**	**Priority operating costs US$**	**MBPI allowance US$**	**Total US$**
2011										
Direct payment No 7	15 February	-	-	-	-	-	944,580	-	-	944,580
Application No 45	31 March	-	-	-	-	-	52,903	-	-	52,903
Direct payment No 8	05 May	-	-	-	-	-	165,701	-	-	165,701
Application No 46	06 September	-	-	-	-	-	105,463	-	-	105,463
Direct payment No 9	16 June	-	-	-	-	-	179,126	-	-	179,126
Direct payment No 11	29 July	-	-	-	-	-	258,747	-	-	258,747
Direct payment No 13	27 September	-	-	-	-	-	293,786	-	-	293,786
Direct payment No 14	18 October	-	-	-	-	-	302,952	-	-	302,952
Application No 50	15 November	-	48,668	93,503	56,388	17,481	-	-	-	216,040
Application No 51	24 November	-	20,932	22,200	38,527	8,765	-	-	-	90,424
Direct payment No 15	01 December	-	-	-	-	-	519,764	-	-	519,764
		-	69,600	115,703	94,915	26,246	2,823,022	-	-	3,129,486

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NOTES TO THE FINANCIAL STATEMENTS (continued)

10. DESIGNATED ACCOUNTS AND WITHDRAWAL APPLICATIONS (continued)

10.3 Summary of withdrawal applications (continued)

Application of IDA (continued)

		Amount Claimed for Replenishment								
Withdrawal application number	**Date**	**Initial advance (recoveries) US$**	**Goods US$**	**Consultant services US$**	**Trainings and workshops US$**	**Incremental operating costs US$**	**International procurement agent US$**	**Priority operating costs US$**	**MBPI allowance US$**	**Total US$**
2012										
Direct payment No 16	09 January	-	-	-	-	-	139,894	-	-	139,894
Application No 52	11 January	-	32,943	132,429	12,359	6,362	-	-	-	184,093
Application No 53	06 February	-	-	31,725	74,484	15,673	38,899	389,070	-	549,851
Direct payment No 17	02 February	-	-	-	-	-	246,429	-	-	246,429
Application No 54	06 March	-	13,705	60,575	33,917	9,819	-	-	-	118,016
Direct payment No 18	27 March	-	-	-	-	-	197,030	-	-	197,030
Application No 55	28 March	-	-	71,914	40,455	10,219	-	264,500	-	387,088
Application No 56	24 May	-	-	50,531	2,260	8,412	-	63,730	-	124,933
Application No 57	12 June	-	9,700	85,130	51,289	8,628	98,015	-	-	252,762
Application No 58	09 July	-	10,320	12,670	40,997	11,303	76,978	256,353	-	408,621
Application No 59	13 August	(78,000)	-	84,802	7,765	12,943	84,086	198,890	-	310,486
Application No 60	06 September	(107,000)	720	26,780	96,208	11,185	82,383	142,340	-	252,616
Application No 61	02 October	(76,000)	-	47,292	115,905	7,630	82,645	-	-	177,472
Direct payment No 19	04 October	-	-	-	-	-	84,422	-	-	84,422
Direct payment No 20	11 October	-	-	-	-	-	61,141	-	-	61,141
Direct payment No 21	19 December	-	-	60,140	-	-	-	-	-	60,140
Direct payment No 22	08 November	-	-	-	-	-	106,799	-	-	106,799
Application No 62	15 November	-	418	95,140	74,229	11,835	-	-	-	181,622

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NOTES TO THE FINANCIAL STATEMENTS (continued)

10. DESIGNATED ACCOUNTS AND WITHDRAWAL APPLICATIONS (continued)

10.3 Summary of withdrawal applications (continued)

Application of IDA (continued)

		Amount Claimed for Replenishment								
Withdrawal application number	**Date**	**Initial advance (recoveries) US$**	**Goods US$**	**Consultant services US$**	**Trainings and workshops US$**	**Incremental operating costs US$**	**International procurement agent US$**	**Priority operating costs US$**	**MBPI allowance US$**	**Total US$**
2012 (continued)										
Application No 63	14 December	261,000	-	-	-	-	-	-	-	261,000
Direct payment No 23	19 December	-	-	37,132	-	-	-	-	-	37,132
Direct payment No 24	19 December	-	54,696	-	-	-	-	-	-	54,696
Application No 64	26 December	-	-	15,470	28,559	7,010	-	-	-	51,039
Application No 65	26 December	-	-	8,770	16,298	51,976	-	-	-	77,044
		-	122,502	820,500	594,725	172,995	1,298,721	1,314,883	-	4,324,326*

* The difference of US$46 is due to foreign exchange gain.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

10. DESIGNATED ACCOUNTS AND WITHDRAWAL APPLICATIONS (continued)

10.3 Summary of withdrawal applications (continued)

Application of IDA (continued)

Withdrawal application number	Date	Amount Claimed for Replenishment								
		Initial advance (recoveries) US$	Goods US$	Consultant services US$	Trainings and workshops US$	Incremental operating costs US$	International procurement agent US$	Priority operating costs US$	MBPI allowance US$	Total US$
2013										
Direct payment No 25	08 January	-	-	-	-	-	333,006	-	-	333,006
Application No 66	28 January	-	-	51,291	18,783	6,369	-	-	-	76,443
Application No 67	04 March	-	220	52,172	88,547	22,801	-	-	-	163,740
Application No 68	21 March	-	-	13,538	4,645	6,488	37,523	-	-	62,194
Direct payment No 26	19 March	-	-	-	-	-	186,904	-	-	186,904
Application No 69	10 May	-	-	20,808	26,820	8,733	-	-	-	56,361
Application No 70	29 May	(80,000)	-	157,195	42,090	13,865	50,246	-	-	183,396
Direct payment No 27	29 May	-	-	-	-	-	160,891	-	-	160,891
Application No 71	13 June	-	-	42,498	29,707	4,821	-	-	-	77,026
Application No 72	15 July	-	51,500	28,666	5,888	23,540	49,013	-	-	158,607
Application No 73	15 July	80,000	-	-	-	-	-	-	-	80,000
Application No 74	13 August	(49,438)	-	24,189	27,113	6,172	85,041	-	-	93,077

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NOTES TO THE FINANCIAL STATEMENTS (continued)

10. DESIGNATED ACCOUNTS AND WITHDRAWAL APPLICATIONS (continued)

10.3 Summary of withdrawal applications (continued)

Application of IDA (continued)

Withdrawal application number	Date	Amount Claimed for Replenishment: Initial advance (recoveries) US$	Goods US$	Consultant services US$	Trainings and workshops US$	Incremental operating costs US$	International procurement agent US$	Priority operating costs US$	MBPI allowance US$	Total US$
2013 (continued)										
Application No 75	20 September	(86,183)	-	66,882	5,976	12,051	1,274	-	-	-
Application No 76	28 October	(88,216)	-	14,357	65,706	8,153	-	-	-	-
Application No 77	25 November	(87,553)	-	34,634	42,805	10,114	-	-	-	-
Application No 78	25 December	(312,700)	85,340	105,693	107,634	14,033	-	-	-	-
Application No 79*	13 January	(132,185)	-	13,589	39,282	(209)	79,523	-	-	-
		(756,275)	137,060	625,512	504,996	136,931	983,421	-	-	1,631,645
		43,725	1,172,553	2,289,924	2,344,475	441,695	6,662,421	1,314,883	826,814	15,096,490

* The amounts have been paid but not yet claimed from World Bank.

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. COMMITMENTS

The Project has commitments which were contracted but not yet paid as at 31 December 2013, as follows:

	2013 US$	2012 US$
Professional fees	1,760	5,162
International procurement agency	-	933,123
Incremental operating costs	-	156,709
Consultant services	-	662,030
	1,760	1,757,024

12. TAX CONTINGENCIES

The taxation system in Cambodia is relatively new and is characterised by numerous taxes and frequently changing legislation, which is often unclear, contradictory, and subject to interpretation. Often, differing interpretations exist among numerous taxation authorities and jurisdictions. Taxes are subject to review and investigation by a number of authorities, who are enabled by law to impose severe fines, penalties and interest charges. These facts may create tax risks in Cambodia substantially more significant than in other countries. The Project Management believes that it has adequately estimated its tax liabilities based on its interpretation of tax legislation. However, the relevant authorities may have differing interpretations and the effects could be significant.

13. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current year presentation.

Application of IDA

	Year ended 31 Dec 12 US$ (As previously stated)	Year ended 31 Dec 13 US$ (Restated)
2008 - Application No 23:		
• Goods	-	113,377
• Consultant services	146,014	32,634
• Trainings and workshops	75,662	75,661
• Incremental operating costs	4,233	4,235
• International procurement agent	1,961	1,963