

**KROUSAR THMEY CAMBODIA**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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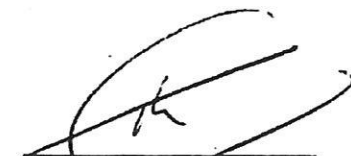
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#### STATEMENT BY THE BOARD OF DIRECTORS

I, Benoît Duchâteau-Arminjon, President of Krousar Thmey Cambodia, representing the Board of Directors, do hereby state that in my opinion:

The accompanying financial statements, together with the notes thereon, of Krousar Thmey Cambodia as at and for the year ended 31 December 2019 have been prepared, in all material respects, in accordance with the basis set out in Note 2 to the financial statements.

On behalf of the Board of Directors



Benoît Duchâteau-Arminjon  
President



Phnom Penh, Kingdom of Cambodia  
Date:

22 MAY 2020



## **Independent auditor's report**

To the Board of Directors of Krousar Thmey Cambodia

### **Our opinion**

In our opinion, the financial statements of Krousar Thmey Cambodia ("the Organisation") are prepared, in all material respects, in accordance with the accounting policies described in Note 2 to the financial statements.

### **What we have audited**

The Organisation's financial statements comprise:

- the balance sheet as at 31 December 2019;
- the statement of income and expenditure for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

### **Basis for opinion**

We conducted our audit in accordance with the Cambodian International Standards on Auditing (CISAs). Our responsibilities under those standards are described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

### **Independence**

We are independent of the Organisation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the requirements of the Kampuchea Institute of Certified Public Accountants and Auditors' Code of Ethics for Certified Public Accountants and Auditors (KICPAA Code). We fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of KICPAA Code.

### **Emphasis of Matter - Basis of accounting and restriction on distribution and use**

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the accounting policies described in Note 2 to the financial statements. As a result, the financial statements may not be suitable for another purpose.

We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come. Our opinion is not modified in respect of this matter.



### **Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation of the financial statements in accordance with accounting policies described in Note 2 to the financial statements, for determining that the basis of preparation is acceptable in the circumstances, and for the internal control management determines is necessary to enable the preparation of financial statements that are free from 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, disclosing, as applicable, matters related 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.

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 are 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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement 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 whether management's use of the going concern basis of accounting is appropriate 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 statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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.

For PricewaterhouseCoopers (Cambodia) Ltd.


By Benilda C. Fernando  
Director

Phnom Penh, Kingdom of Cambodia  
22 May 2020

**KROUSAR THMEY CAMBODIA**

**BALANCE SHEET  
AS AT 31 DECEMBER 2019**

	<b>Note</b>	<b>2019 US\$</b>	<b>2018 US\$</b> Restated (*)
<b>ASSETS</b>			
Property and equipment	4	306,032	353,723
Receivables	5	32,246	10,467
Cash on hand		5,019	3,936
Cash at banks	6	<u>2,761,377</u>	<u>2,360,387</u>
		<u>3,104,674</u>	<u>2,728,513</u>
<b>LIABILITIES</b>			
Provision for provident fund	7	97,642	97,180
Payables	8	<u>1,381</u>	<u>367,415</u>
		<u>99,023</u>	<u>464,595</u>
<b>NET ASSETS</b>		<u>3,005,651</u>	<u>2,263,918</u>
<b>FUND BALANCE AT YEAR END</b>		<u>3,005,651</u>	<u>2,263,918</u>

(\*) see Note 14 for details regarding correction of prior year errors.

The notes on pages 7 to 15 are an integral part of these financial statements.

**KROUSAR THMEY CAMBODIA**

**STATEMENT OF INCOME AND EXPENDITURE  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	<b>Note</b>	<b>2019 US\$</b>	<b>2018 US\$</b> Restated (*)
<b>INCOME</b>			
Funds received from Krousar Thmey International Network	9	644,968	646,879
Grants and donations	10	309,954	854,899
Donation in kind	11	6,715	52,863
Other income	12	1,034,861	1,551,506
		<u>1,996,498</u>	<u>3,106,147</u>
<b>EXPENDITURE</b>			
Human resources	13	614,393	766,081
Capacity building and trainings		136,211	151,378
Schooling expenses		85,757	106,722
Food and clothes		80,935	189,728
Advocacy, communication and fundraising		79,114	66,919
Utilities, equipment and supplies		56,950	96,863
Monitoring and evaluation		46,073	33,333
Health and hygiene		39,299	45,832
Assets depreciation		29,006	158,401
Sport and cultural activities		17,279	16,945
Transportation		12,160	26,879
Written off on property and equipment	4	11,447	877,028
Other costs and services		46,141	55,299
		<u>1,254,765</u>	<u>2,591,408</u>
<b>SURPLUS OF INCOME OVER EXPENDITURE</b>		<b>741,733</b>	<b>514,739</b>
<b>FUND TRANSFERRED:</b>			
Fund returned to donors		-	(1,274)
<b>FUND BALANCE AT BEGINNING OF YEAR</b>		<u><b>2,263,918</b></u>	<u><b>1,750,453</b></u>
<b>FUND BALANCE AT END OF YEAR</b>		<u><b>3,005,651</b></u>	<u><b>2,263,918</b></u>

(\*) see Note 14 for details regarding correction of prior year errors.

The notes on pages 7 to 15 are an integral part of these financial statements.



## KROUSAR THMEY CAMBODIA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

#### 1. BACKGROUND AND PRINCIPAL ACTIVITIES

Krousar Thmey Cambodia (“the Organisation”) is a non-governmental organisation established in 1991. The Organisation is principally involved in child protection, education, school support and artistic development. It is dedicated to assisting Cambodian children in difficulty by offering them appropriate emotional, educational and social assistance. The activities of the Organisation are based in Phnom Penh, Battambang, Poipet, Siem Reap, Banteay Meanchey (Sisophon) and Kompong Cham provinces.

The Organisation’s office at is No.145 Street 132, Teuk Laâk I, Tuol Kok, Phnom Penh, Kingdom of Cambodia.

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### a Basis of accounting

The financial statements, expressed in US dollars (US\$), are prepared under the historical cost convention. The principal accounting policies applied in the preparation of the financial statements are summarised below.

##### b New financial reporting framework

On 27 March 2018, the National Accounting Council of Ministry of Economy and Finance issued Prakas No. 335 MoEF.BK on the implementation of Cambodian Financial Reporting Standard for Not-for-profit Entities (“CFRS for NFPEs”) which follows cash-based accounting. NFPEs are required to prepare their financial statement in accordance with CFRS for NFPEs for accounting period beginning on or after 1 January 2018.

The National Accounting Council of the Ministry of Economy and Finance through Circular No. 030 dated 21 January 2019 approved not for profit entities to delay adoption of CFRS for NFPEs until further notice.

At this stage, the Organisation does not intend to adopt the standard before its effective date.

Accounting policies described in Note 2 to the financial statements which is based on the Organisation's internal policies, the current basis of accounting, is different to CFRS for NFPEs in a number of areas. Consequently, the adoption of CFRS for NFPEs will have some impacts on the financial statements of the Organisation.

##### c Income and expenditure

Income is recognised when the Organisation receives funds in cash or when it receives sufficient and appropriate supporting documents for expenditure paid or contributions made by the donors on behalf of the Organisation, except for the following:

- (i) Any unpaid cash from the buyer regarding fixed assets disposal is recognised as receivable until it is settled.
- (ii) Any cash or deposit received regarding fixed assets disposal is recognised as an account payable until the transfer of risk and reward is completed.

Expenditure represents all cost paid in line with the Organisation’s objective and it is recognised when paid rather than when incurred, except for the following:

- (i) Donations in kind are recognised both as income and expenditure based on invoice price of the items given at the time of the donation. Donations in kind of property and equipment are recognised as assets (rather than expenditure) and depreciated over their useful lives.
- (ii) Receivables from the Krousar Thmey Network and Deaf Coordinator, loans to employees, loans to students, advances to staff, and deposits are recognised as receivables when funds are provided and credited when collected.

## KROUSAR THMEY CAMBODIA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### c. Income and expenditure (continued)

- (iii) Property and equipment are recognised as assets and depreciated over their useful lives.
- (iv) Payables to the Krousar Thmey Network, National Social Security Fund, and tax payables are recognised as payables when incurred.
- (v) The provident and health funds (see Note 2 f below).

##### d. Foreign currency translation

The Organisation executes transactions primarily in United States dollars (US\$) and maintains its accounting records in US\$. Transactions in currencies other than US\$ are converted into US\$ at the rate of exchange prevailing on the transaction dates. Monetary assets and liabilities denominated in currencies other than US\$ are translated into US\$ at the open market rates of exchange ruling at the year-end date. Exchange differences are recognised in the statement of income and expenditure.

##### e. Property and equipment

Items of property and equipment are stated at cost less accumulated depreciation. Where an item of property and equipment comprises major components having different useful lives, they are accounted for as separate items of property and equipment.

Freehold land is not depreciated. Depreciation of other property and equipment is charged to the statement of income and expenditure on a straight-line basis over the estimated useful lives of the individual assets at the following annual rates:

	Rate
Buildings	5% - 10%
Building renovation	20% - 50%
Motor vehicles	25% - 33.33%
Office equipment, furniture and fittings	20% - 50%

Subsequent expenditure relating to an item of property and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Organisation. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Construction in progress includes cost of constructing the building and is stated at cost. Construction in progress is not depreciated until the construction is completed and the assets put into operational use.

Disposal of an item of property or equipment is recognised when the risk and reward associated with the item are fully transferred to a purchaser. Risk and reward are transferred when ownership of title deed is completely transferred to the purchaser or when cash is substantially received. Any cash or deposit received before the sale is completed is recognised as an account payable in the financial statement. The unpaid balance on the transfer of risk and reward is recognised as a receivable balance from the purchaser.

Gains or losses arising from the retirement or disposal of an item of property or equipment are determined as the difference between the estimated net disposal proceeds and the carrying amount of the assets and are recognised in the statement of income and expenditure on the date of retirement or disposal.

Fully depreciated property and equipment is retained in the financial statements until disposal or write off.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**f Provident and health funds**

The Organisation set up provident and health funds for all eligible Cambodian full-time employees with an undetermined length contract with the Organisation and who have been working with the Organisation for more than six months.

**(i) Provident fund**

Staff are entitled to half an average month's salary per each year worked until 2006 and one month's salary for each year worked since 1 January 2007. The provident fund is maintained in a separate bank account but under the Organisation's name. An employee may request to withdraw the provident fund subject to the management's approval after completing six years of service. The remaining balance is carried forward to the following year.

The Organisation accrues the provident fund monthly and this is charged to the statement of income and expenditure. Outstanding provident fund is recorded on the balance sheet.

Interest income earned from the provident fund bank account is retained and recognised as other income of the Organisation.

**(ii) Health fund**

Every year, the health fund is provisioned by the Organisation which is equivalent to US\$50 to US\$2,000 per employee depending on the employee's health condition and deposited in another bank account. This separate fund is used to pay for employees' medical expenses if they follow the conditions set in the Organisation's rules for medical benefits.

On 30 June 2018, the Organisation ceased to provide health fund to employees as the Organisation has registered and contributed to National Social Security Fund.

**g Cash and bank balances**

Cash and bank balances consist of cash on hand and bank balances with insignificant risk from changes in value.

**h Employment seniority payment**

In June 2018, the Cambodian government amended the Labour Law introducing the seniority pay scheme. Subsequently in 21 September 2018, Prakas No. 443 K.B/Br.K.Kh.L, was issued providing guidelines on the implementation of the law. In accordance with the law/prakas, each entity is required to pay each employee with unspecified duration employment contract the following seniority scheme:

- a) Annual service – effective January 2019, 15 days of their average monthly salary and benefits each year payable every six month on 30 June and 31 December (7.5 days each payment).
- b) 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 31 December 2018 and still continue working with the Company. The past seniority payment depends on each staff past services and shall not exceed six months of average gross salaries. On 22 March 2019, the Ministry of Labour and Vocational Training issued a guideline number 042/29 K.B/S.N.N.Kh.L, to delay the payment of the past years of seniority service which will be payable three days each in June and in December starting December 2021.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**3. LAWS AND REGULATIONS**

**a Taxes**

Taxes are calculated on the basis of current interpretation of the tax regulations enacted as at reporting date. The management periodically evaluates position taken in tax returns with respect to situations in which applicable tax regulation is subjected to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authority.

However, these regulations are subject to periodic variation and the ultimate determination of tax liabilities will be made following inspection by the tax authorities. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the taxes liabilities and fund balance in the period in which the determination is made.

On 26 July 2018, the Organisation obtained a certificate of tax registration from the General Department of Taxation with registration number K005-901803293.

**b National Social Security Fund**

Prakas No. 448 LV/PrK.NSSF, 10 November 2017, states that every employer is required to register their own workers with the National Social Security Fund (NSSF) within three days following the employment start date.

The Organisation registered with the NSSF on 28 December 2010.

# KROUSAR THMEY CAMBODIA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 4. PROPERTY AND EQUIPMENT

	Freehold land US\$	Buildings US\$	Building renovation US\$	Motor vehicles US\$	Office equipment, furniture and fitting US\$	Total US\$
<b>Cost</b>						
At 1 January 2018	319,966	2,518,153	78,503	326,596	307,046	3,550,264
Additions	-	-	6,500	-	19,405	25,905
Disposal (restated)	(42,825)	(43,070)	-	-	-	(85,895)
Write-off (restated)	(47,109)	(1,947,269)	(26,200)	(194,882)	(270,292)	(2,485,752)
At 31 December 2018 (as restated)	230,032	527,814	58,803	131,714	56,159	1,004,522
<b>Accumulated depreciation</b>						
At 1 January 2018	-	(1,527,179)	(46,267)	(324,014)	(236,116)	(2,133,576)
Depreciation charge	-	(115,954)	(10,003)	(1,369)	(31,075)	(158,401)
Disposal (restated)	-	32,454	-	-	-	32,454
Write-off (restated)	-	1,177,573	20,750	193,906	216,495	1,608,724
At 31 December 2018(as restated)	-	(433,106)	(35,520)	(131,477)	(50,696)	(650,799)
<b>Net book value</b>						
At 31 December 2018 (as restated)	230,032	94,708	23,283	237	5,463	353,723
<b>Cost</b>						
At 1 January 2019	230,032	527,814	58,803	131,714	56,159	1,004,522
Reclassification	-	5,086	(5,086)	(5,605)	5,605	-
Additions	-	-	11,616	8,800	-	20,416
Disposal	(27,654)	-	-	-	-	(27,654)
Write-off	-	(8,892)	-	(4,924)	(17,198)	(31,014)
At 31 December 2019	202,378	524,008	65,333	129,985	44,566	966,270
<b>Accumulated depreciation</b>						
At 1 January 2019	-	(433,106)	(35,520)	(131,477)	(50,696)	(650,799)
Depreciation charge	-	(23,797)	(6,644)	5,185	(3,750)	(29,006)
Write-off	-	2,669	-	4,925	11,973	19,567
At 31 December 2019	-	(454,234)	(42,164)	(121,367)	(42,473)	(660,238)
<b>Net book value</b>						
At 31 December 2019	202,378	69,774	23,169	8,618	2,093	306,032

The Organisation acquired number of pieces of land to build schools, houses, and protection and street children centres. The Organisation does not directly own certain pieces of land. These land ownerships are under various employees' names. These employees own the land on behalf of the Organisation. In addition, some buildings are on land provided by the Royal Government of Cambodia. The Organisation did not record the land provided by the Government in the balance sheet because it does not have the legal title deeds to the land.

In 2018, the Organisation transferred five schools to the Ministry of Education, Youth and Sport (MoEYS). Four schools were built on the land provided by the Royal Government in three provinces (Battambang, Kompong Cham and Siem Reap), and Phnom Penh. Another school was built on the Organisation's land in Chbar Ampov district. The Board of Directors decided to write off all assets of the five schools including land, buildings, motor vehicles, office equipment, furniture and fitting. The net book value of these assets as of 31 December 2018 was US\$875,655. The remaining US\$1,373 was on written off expenditure on broken fixed assets under the class motor vehicles and office equipment, furniture and fitting.

# KROUSAR THMEY CAMBODIA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 4. PROPERTY AND EQUIPMENT (continued)

In 2019, the Board of Directors decided to write off assets that were used to support those five schools for blind and deaf education project which was completed in December 2019. The net book value of these assets as of 31 December 2019 was US\$11,447.

Certain pieces of land were sold during 2018 as follows:

Agreement date	Description	Land title number	Cost US\$	Sale value US\$	Risk & reward transfer date
14 November 2017	Psar Depot protection and street children center	No. 12040103-0053	12,600	207,900	29 January 2018
15 December 2017	House Sihanouk Ville 2	No. 18010404-0315	15,150	788,900	29 November 2018
12 January 2018	House Sihanouk Ville 1	Soft title	15,075	468,825	15 January 2018
Total			42,825	1,465,625	

Certain pieces of land were sold during 2019 as follows:

Agreement date	Description	Land title number	Cost US\$	Sale value US\$	Risk & reward transfer date
03 October 2018	Chbar Ampov School	No. PP 31627	27,520	914,000	21 February 2019
18 February 2019	Protection Centre Sisophon	No. 01060801-0476	134	109,945	14 February 2019
Total			27,654	1,023,945	

### 5. RECEIVABLES

	2019 US\$	2018 US\$
Receivables from Krousar Thmey France	23,201	-
Loans to employees	7,000	5,170
Receivables from Deaf coordinator	2,045	828
Loans to students	-	4,369
Advances to staff	-	100
	<u>32,246</u>	<u>10,467</u>



**KROUSAR THMEY CAMBODIA****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019****6. CASH AT BANKS**

	<b>2019 US\$</b>	<b>2018 US\$</b>
Fixed deposits		
Below or equal to 1 year	550,000	665,690
More than 1 year	1,350,000	1,200,000
Savings accounts	846,881	485,259
Current accounts	14,496	9,438
	<u>2,761,377</u>	<u>2,360,387</u>

The annual interest rate for fixed deposits ranges from 3.75% - 4.90% per annum (2018: 3% - 4.90%). The annual interest rate for saving accounts ranges from 0.20% - 0.50% per annum (2018: 0.25% - 0.50%). The current accounts are non-interest bearing.

**7. PROVISION FOR PROVIDENT FUND**

The movement is as follows:

	<b>2019 US\$</b>	<b>2018 US\$</b>
As at 1 January	97,180	105,862
Addition during the year (note 13)	23,197	25,364
Provident fund paid during the year	<u>(22,735)</u>	<u>(34,046)</u>
As at 31 December	<u>97,642</u>	<u>97,180</u>

**8. PAYABLES**

	<b>2019 US\$</b>	<b>2018 US\$</b>
Payable to Krousar Thmey France	1,051	899
Tax payables	330	311
Deposits received on land disposal	-	365,600
National Social Security Fund	<u>-</u>	<u>605</u>
	<u>1,381</u>	<u>367,415</u>

**9. FUNDS RECEIVED FROM KROUSAR THMEY INTERNATIONAL NETWORK**

	<b>2019 US\$</b>	<b>2018 US\$</b>
Krousar Thmey Switzerland	496,131	556,138
Krousar Thmey France	132,999	65,199
Krousar Thmey Singapore	13,091	14,503
Ny Familj Kambodja	2,747	-
Krousar Thmey United Kingdom	<u>-</u>	<u>11,039</u>
	<u>644,968</u>	<u>646,879</u>

**KROUSAR THMEY CAMBODIA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**10. GRANTS AND DONATIONS**

	<b>2019 US\$</b>	<b>2018 US\$</b>
Grants and donations from organisations and foundations	235,816	444,199
Grants and donations from Cambodian authorities	60,500	395,125
Grants and donations from individuals/ private companies	13,638	15,575
	<u>309,954</u>	<u>854,899</u>

**11. DONATIONS IN KIND**

	<b>2019 US\$</b>	<b>2018 US\$</b>
Rice donation	6,697	39,078
Utilities	-	13,785
Other donations	18	-
	<u>6,715</u>	<u>52,863</u>

Equivalent expense is recorded in food and clothes expenditure.

**12. OTHER INCOME**

	<b>2019 US\$</b>	<b>2018 US\$</b>
Gain on land and building disposal (*)	996,291	1,412,184
Bank interest	22,493	20,258
Income-generating activities	15,112	25,381
Exchange gain	965	1,168
Reversal of provision for health fund	-	55,133
Contribution from parents/children's sponsors	-	27,382
Other	-	10,000
	<u>1,034,861</u>	<u>1,551,506</u>

(\*) In 2019, there was only disposal of land, and in 2018, there were disposals of land and building.

**13. HUMAN RESOURCES**

	<b>2019 US\$</b>	<b>2018 US\$</b>
Local staff:		
Salary	486,193	624,026
Benefits	55,109	53,420
Provident fund (note 7)	23,197	25,364
Volunteers' compensation	49,894	57,060
Other compensation	-	6,211
	<u>614,393</u>	<u>766,081</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**14. CORRECTION OF PRIOR YEAR ERRORS**

Certain comparative figures have been restated to correct according treatment and/or agree with the current year presentation. Details of the adjustments and restatements are as follows.

In 2018, the Organisation incorrectly recognised the written off expense on property and equipment. As a result, the prior year plant and equipment and the written off expense have been restated.

	<b>31 December 2018</b>		
	<b>Previously reported US\$</b>	<b>Adjustment US\$</b>	<b>Restated US\$</b>
<b>ASSETS</b>			
Property and equipment			
Cost	1,265,187	(260,665)	1,004,522
Accumulated depreciation	(839,037)	188,238	(650,799)
	<u>426,150</u>	<u>(72,427)</u>	<u>353,723</u>
<b>EXPENDITURE</b>			
Written off on property and equipment	803,228	73,800	877,028
Other costs and services	<u>56,672</u>	<u>(1,373)</u>	<u>55,299</u>
	<u>859,900</u>	<u>72,427</u>	<u>932,327</u>