

**KROUSAR THMEY CAMBODIA**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**KROUSAR THMEY CAMBODIA**

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FOR THE YEAR ENDED 31 DECEMBER 2020**

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**STATEMENT BY THE BOARD OF DIRECTORS**

I, Benoît Duchâteau-Arminjon, President of Krousar Thmey-New Family Organization, referred to as Krousar Thmey Cambodia (the Organisation), 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 2020 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

07 JUN 2021



## **Independent auditor's report**

To the Board of Directors of Krousar Thmey Cambodia

### **Our opinion**

In our opinion, the financial statements of Krousar Thmey-New Family Organization, referred to as Krousar Thmey Cambodia (the Organisation), as at and for the year ended 31 December 2020 have been 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 2020;
- 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 and other explanatory information.

### **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 have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

We are independent of the Organisation in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements of the Kampuchea Institute of Certified Public Accountants and Auditors' Code of Ethics for Certified Public Accountants and Auditors (KICPAA Code) that are relevant to our audit of the financial statement in Cambodia. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the 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. The financial statements have been prepared for and only for the Organisation and to comply with the Prakas on obligation to submit financial statements and for no other purpose. 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 Touch Sovannara  
Director

Phnom Penh, Kingdom of Cambodia  
7 June 2021

**KROUSAR THMEY CAMBODIA**

**BALANCE SHEET  
AS AT 31 DECEMBER 2020**

	Notes	2020		2019	
		US\$	KHR'000	US\$	KHR'000
<b>ASSETS</b>					
Property and equipment	4	298,138	1,205,968	306,032	1,247,080
Receivables	5	66,201	267,783	32,246	131,402
Cash on hand		6,548	26,487	5,019	20,452
Cash at banks	6	<u>2,785,322</u>	<u>11,266,627</u>	<u>2,761,377</u>	<u>11,252,611</u>
		<u>3,156,209</u>	<u>12,766,865</u>	<u>3,104,674</u>	<u>12,651,545</u>
<b>LIABILITIES</b>					
Provision for provident fund	7	21,726	87,882	97,642	397,891
Past seniority payment obligations		52,622	212,856	-	-
Other liabilities	8	<u>4,046</u>	<u>16,366</u>	<u>1,381</u>	<u>5,628</u>
		<u>78,394</u>	<u>317,104</u>	<u>99,023</u>	<u>403,519</u>
<b>NET ASSETS</b>		<u>3,077,815</u>	<u>12,449,761</u>	<u>3,005,651</u>	<u>12,248,026</u>
<b>FUND BALANCE</b>					
Balance at the beginning of the year		3,005,651	12,248,026	2,263,918	9,096,423
Reserve		10,967	44,362	-	-
Surplus of income over expenditure for the year		61,197	249,499	741,733	3,005,503
Currency translation difference		-	(92,126)	-	146,100
		<u>3,077,815</u>	<u>12,449,761</u>	<u>3,005,651</u>	<u>12,248,026</u>

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 2020**

	Notes	2020		2019	
		US\$	KHR'000	US\$	KHR'000
<b>INCOME</b>					
Funds received from Krousar Thmey					
International Network	9	531,852	2,168,361	644,968	2,613,410
Grants and donations	10	129,015	525,994	309,954	1,255,934
Donation in kind	11	7,426	30,276	6,715	27,209
Other income	12	65,149	265,612	1,034,861	4,193,257
		<u>733,442</u>	<u>2,990,243</u>	<u>1,996,498</u>	<u>8,089,810</u>
<b>EXPENDITURE</b>					
Human resources	13	304,636	1,242,001	614,393	2,489,520
Food and clothes		73,495	299,639	80,935	327,949
Schooling expenses		44,877	182,964	85,757	347,487
Health and hygiene		41,565	169,461	39,299	159,240
Assets depreciation		37,794	154,086	29,006	117,532
Capacity building and trainings		33,094	134,924	136,211	551,927
Utilities, equipment and supplies		31,274	127,504	56,950	230,761
Monitoring and evaluation		21,498	87,647	46,073	186,688
Transportation		10,940	44,602	12,160	49,272
Advocacy, communication and fundraising		9,423	38,418	79,114	320,570
Sport and cultural activities		7,317	29,831	17,279	70,015
Written off on property and equipment	4	-	-	11,447	46,383
Other costs and services		35,298	143,910	46,141	186,963
		<u>651,211</u>	<u>2,654,987</u>	<u>1,254,765</u>	<u>5,084,307</u>
<b>FUND RETURNED TO DONORS</b>	14	<u>(21,034)</u>	<u>(85,757)</u>	<u>-</u>	<u>-</u>
<b>SURPLUS OF INCOME OVER EXPENDITURE FOR THE YEAR</b>		<u>61,197</u>	<u>249,499</u>	<u>741,733</u>	<u>3,005,503</u>

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 2020**

#### **1. BACKGROUND AND PRINCIPAL ACTIVITIES**

Krousar Thmey-New Family Organization, referred to as 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 is at 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.

An English version of the financial statements have been prepared from the statutory financial statements in the Khmer language. In the event of a conflict or a difference in interpretation between the two languages, the Khmer language statutory financial statements shall prevail.

##### **b. New financial reporting framework**

On 27 March 2018, the Accounting and Auditing Regulator of the Ministry of Economy and Finance issued Prakas No. 335 MoEF.BK on the implementation of Cambodian Financial Reporting Standards for Not-for-profit Entities (CFRS for NFPEs) which follows cash-based accounting. NFPEs are required to prepare financial statements in accordance with CFRS for NFPEs for accounting periods beginning on or after 1 January 2018.

Subsequently, the Accounting and Auditing Regulator of the Ministry of Economy and Finance through Circular No. 030 dated 21 January 2019 approved a delay in the 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 are based on the Organisation's internal policies, the current basis of accounting. The current policies differ from CFRS for NFPEs in a number of areas. Consequently, the adoption of CFRS for NFPEs will affect the Organisation's financial statements.

##### **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.

## KROUSAR THMEY CAMBODIA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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

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

Expenditure represents all costs paid in line with the Organisation's objective which are recognised when paid rather than when incurred, except for the following:

- (i) Donations in kind are recognised both as income and expenditure based on the invoice price of the items given at the time of 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.
- (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) Provident funds (see Note 2.f below).

##### d. Foreign currencies

###### i) *Functional and presentation currency*

Items included in the financial statements of the Organisation are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The functional currency is the US\$ because of the significant influence of the US\$ on its operations. The financial statements are presented in US\$ which is the Organisation's functional and presentation currency.

###### ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in currencies other than US\$ are recognised in the statement of income and expenditure.

###### iii) *Presentation in Khmer Riel*

In compliance with the Law on Accounting and Auditing, a translation of the financial statements from US\$ to Khmer Riel (KHR) is required. The statements of income and expenditure are translated into KHR using the average rates for the years. Assets and liabilities for each balance sheet presented and fund balance are translated at the closing rates as at the reporting dates. Resulting exchange differences arising from the translation of fund balance is recognised directly in the fund balance.

The Organisation has used the official rates of exchange published by the National Bank of Cambodia, and as at the reporting date, the average rate was US\$1 to KHR 4,077 (2019: US\$1 to KHR 4,052) and the closing rate was US\$1 to KHR 4,045 (2019: US\$1 to KHR 4,075).

##### e. Property and equipment

Items of property and equipment are stated at cost less accumulated depreciation. Where an item of property and equipment is comprised of major components with 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:

## KROUSAR THMEY CAMBODIA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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

##### e. Property and equipment (continued)

	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.

##### f. Provident funds

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

Staff are entitled to half an average month's salary for each year worked up 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. The fund will be given to the employee if they are dismissed, resign, retire, disable from an accident or disease, seriously ill, die, or buy land or a house. An employee may request to withdraw from the provident fund subject to the management's approval. The remaining balance is carried forward to the next 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.

##### g. Cash and bank balances

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

## **KROUSAR THMEY CAMBODIA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

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

##### **h. Employment seniority payment**

In June 2018, the Cambodian government amended the Labour Law by 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 law's implementation. In accordance with the law/Prakas, each entity is required to pay each employee with an 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 Organisation. The past seniority payment depends on each staff member's past service and shall not exceed six months of average gross salary. On 22 March 2019, the Ministry of Labour and Vocational Training issued guideline No. 042/29 K.B/S.N.N.Kh.L, to delay the payment of the past years of seniority service which will be payable on three days each in June and in December starting in December 2021.

#### **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.

KROUSAR THMEY CAMBODIA

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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 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	<u>202,378</u>	<u>524,008</u>	<u>65,333</u>	<u>129,985</u>	<u>44,566</u>	<u>966,270</u>
<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	<u>-</u>	<u>(454,234)</u>	<u>(42,164)</u>	<u>(121,367)</u>	<u>(42,473)</u>	<u>(660,238)</u>
<b>Net book value</b>						
At 1 January 2019	<u>230,032</u>	<u>94,708</u>	<u>23,283</u>	<u>237</u>	<u>5,463</u>	<u>353,723</u>
At 31 December 2019	<u>202,378</u>	<u>69,774</u>	<u>23,169</u>	<u>8,618</u>	<u>2,093</u>	<u>306,032</u>
<b>Net book value in KHR'000</b>						
At 1 January 2019	<u>924,269</u>	<u>380,537</u>	<u>93,551</u>	<u>952</u>	<u>21,950</u>	<u>1,421,259</u>
At 31 December 2019	<u>824,690</u>	<u>284,329</u>	<u>94,414</u>	<u>35,118</u>	<u>8,529</u>	<u>1,247,080</u>
<b>Cost</b>						
At 1 January 2020	202,378	524,008	65,333	129,985	44,566	966,270
Additions	-	-	21,025	-	8,875	29,900
At 31 December 2020	<u>202,378</u>	<u>524,008</u>	<u>86,358</u>	<u>129,985</u>	<u>53,441</u>	<u>996,170</u>
<b>Accumulated depreciation</b>						
At 1 January 2020	-	(454,234)	(42,164)	(121,367)	(42,473)	(660,238)
Depreciation charge	-	(22,348)	(10,048)	(2,200)	(3,198)	(37,794)
At 31 December 2020	<u>-</u>	<u>(476,582)</u>	<u>(52,212)</u>	<u>(123,567)</u>	<u>(45,671)</u>	<u>(698,032)</u>
<b>Net book value</b>						
At 1 January 2020	<u>202,378</u>	<u>69,774</u>	<u>23,169</u>	<u>8,618</u>	<u>2,093</u>	<u>306,032</u>
At 31 December 2020	<u>202,378</u>	<u>47,426</u>	<u>34,146</u>	<u>6,418</u>	<u>7,770</u>	<u>298,138</u>
<b>Net book value in KHR'000</b>						
At 1 January 2020	<u>824,690</u>	<u>284,329</u>	<u>94,414</u>	<u>35,118</u>	<u>8,529</u>	<u>1,247,080</u>
At 31 December 2020	<u>818,618</u>	<u>191,838</u>	<u>138,121</u>	<u>25,961</u>	<u>31,430</u>	<u>1,205,968</u>

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 2019, the Board of Directors decided to write off assets that were used to support 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.

**KROUSAR THMEY CAMBODIA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**4. PROPERTY AND EQUIPMENT (continued)**

Certain pieces of land were sold during 2019 as follows:

Agreement date	Description	Land title number	Cost US\$	Sale value US\$	Risk and 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**

	2020		2019	
	US\$	KHR'000	US\$	KHR'000
Receivables from Krousar Thmey France	63,249	255,842	23,201	94,544
Loans to employees	2,952	11,941	7,000	28,525
Receivables from Deaf coordinator	-	-	2,045	8,333
	<u>66,201</u>	<u>267,783</u>	<u>32,246</u>	<u>131,402</u>

**6. CASH AT BANKS**

	2020		2019	
	US\$	KHR'000	US\$	KHR'000
Fixed deposits				
Below or equal to 1 year	950,000	3,842,750	550,000	2,241,250
More than 1 year	570,000	2,305,650	1,350,000	5,501,250
Savings accounts	1,256,621	5,083,031	846,881	3,451,040
Current accounts	8,701	35,196	14,496	59,071
	<u>2,785,322</u>	<u>11,266,627</u>	<u>2,761,377</u>	<u>11,252,611</u>

The annual interest rate for fixed deposits ranges from 4.00% - 4.90% per annum (2019: 3.75% - 4.90%). The annual interest rate for saving accounts ranges from 0.20% - 0.50% per annum (2019: 0.20% - 0.50%). The current accounts are non-interest bearing.

**KROUSAR THMEY CAMBODIA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**7. PROVISION FOR PROVIDENT FUND**

The movement is as follows:

	2020		2019	
	US\$	KHR'000	US\$	KHR'000
As at 1 January	97,642	397,891	97,180	390,469
Addition during the year (Note 13)	19,890	81,092	23,197	93,994
Provident fund paid during the year	(32,217)	(131,349)	(22,735)	(92,122)
Transfer to past seniority payment obligations (*)	(52,622)	(212,856)	-	-
Transfer to reserve (*)	(10,967)	(44,362)	-	-
Currency translation difference	-	(2,534)	-	5,550
As at 31 December	21,726	87,882	97,642	397,891

(\*) The Organisation transferred the provident fund amounting US\$52,622 and US\$10,967 to past seniority payment obligations and reserve respectively in 2020. The reserve fund is used to cover staff accidents during working hours or missions and it is subject to the management's approval.

**8. OTHER LIABILITIES**

	2020		2019	
	US\$	KHR'000	US\$	KHR'000
Payable to Krousar Thmey France	4,046	16,366	1,051	4,283
Tax payables	-	-	330	1,345
	4,046	16,366	1,381	5,628

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

	2020		2019	
	US\$	KHR'000	US\$	KHR'000
Krousar Thmey Switzerland	531,052	2,165,099	496,131	2,010,322
Krousar Thmey France	800	3,262	132,999	538,912
Krousar Thmey Singapore	-	-	13,091	53,045
Ny Familj Kambodja	-	-	2,747	11,131
	531,852	2,168,361	644,968	2,613,410

**KROUSAR THMEY CAMBODIA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**10. GRANTS AND DONATIONS**

	2020		2019	
	US\$	KHR'000	US\$	KHR'000
Grants and donations from organisations and foundations	103,486	421,912	235,816	955,527
Grants and donations from Cambodian authorities	15,800	64,417	60,500	245,146
Grants and donations from individuals/private companies	9,729	39,665	13,638	55,261
	<u>129,015</u>	<u>525,994</u>	<u>309,954</u>	<u>1,255,934</u>

**11. DONATIONS IN KIND**

	2020		2019	
	US\$	KHR'000	US\$	KHR'000
Rice donation	7,426	30,276	6,697	27,136
Other donations	-	-	18	73
	<u>7,426</u>	<u>30,276</u>	<u>6,715</u>	<u>27,209</u>

Equivalent expense is recorded in food and clothes expenditure.

**12. OTHER INCOME**

	2020		2019	
	US\$	KHR'000	US\$	KHR'000
Bank interest	62,323	254,090	22,493	91,142
Income-generating activities	1,310	5,341	15,112	61,234
Exchange gain	1,416	5,773	965	3,910
Gain on sales of assets (*)	100	408	996,291	4,036,971
	<u>65,149</u>	<u>265,612</u>	<u>1,034,861</u>	<u>4,193,257</u>

(\*) In 2020, there were only two motorbikes sold and in 2019, there was only disposal of land and gains from those disposal.



**KROUSAR THMEY CAMBODIA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**13. HUMAN RESOURCES**

	<b>2020</b>		<b>2019</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Local staff:				
Salary	257,814	1,051,107	486,193	1,970,054
Benefits	12,068	49,201	19,907	80,663
Seniority payment	13,670	55,733	35,202	142,639
Provident fund (Note 7)	19,890	81,092	23,197	93,994
Volunteers' compensation	1,000	4,077	49,894	202,170
Other compensations	194	791	-	-
	<u>304,636</u>	<u>1,242,001</u>	<u>614,393</u>	<u>2,489,520</u>

**14. FUND RETURNED TO DONORS**

	<b>2020</b>		<b>2019</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Save the Children International Organisation (Accelerating sign language in Cambodia project)	18,066	73,656	-	-
Damnok Toek Organisation (Ensure the safety of the most vulnerable children migrants and to provide assistance in building their futures in Poipet Child Migrant Office project)	2,080	8,480	-	-
Friends-International Organisation (Partnership Programme for the Protection of Children (3PC) Phase IV)	888	3,621	-	-
	<u>21,034</u>	<u>85,757</u>	<u>-</u>	<u>-</u>