

**KROUSAR THMEY CAMBODIA**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**KROUSAR THMEY CAMBODIA**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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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, which comprise balance sheet as at 31 December 2021 and the statement of income and expenditure for the year then ended, together with the notes thereon, of Krousar Thmey Cambodia 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

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Benoît Duchâteau-Arminjon  
President

Phnom Penh, Kingdom of Cambodia

## **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), for the year ended 31 December 2021 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 2021;
- 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

**KROUSAR THMEY CAMBODIA**

**BALANCE SHEET  
AS AT 31 DECEMBER 2021**

	Notes	2021		2020	
		US\$	KHR'000	US\$	KHR'000
<b>ASSETS</b>					
Property and equipment	4	276,435	1,126,196	298,138	1,205,968
Receivables	5	32,932	134,165	66,201	267,783
Cash on hand		2,443	9,953	6,548	26,487
Cash at banks	6	<u>2,912,259</u>	<u>11,864,543</u>	<u>2,785,322</u>	<u>11,266,627</u>
		<u>3,224,069</u>	<u>13,134,857</u>	<u>3,156,209</u>	<u>12,766,865</u>
<b>LIABILITIES</b>					
Provision for provident fund	7	35,541	144,794	21,726	87,882
Past seniority payment obligations	9	45,327	184,662	52,622	212,856
Other liabilities	10	<u>4,483</u>	<u>18,264</u>	<u>4,046</u>	<u>16,366</u>
		<u>85,351</u>	<u>347,720</u>	<u>78,394</u>	<u>317,104</u>
<b>NET ASSETS</b>		<u>3,138,718</u>	<u>12,787,137</u>	<u>3,077,815</u>	<u>12,449,761</u>
<b>FUND BALANCE</b>					
Balance at the beginning of the year		3,066,848	12,405,399	3,005,651	12,248,026
Surplus of income over expenditure for the year		58,563	238,235	61,197	249,499
Currency translation difference		-	89,290	-	(92,126)
		<u>3,125,411</u>	<u>12,732,924</u>	<u>3,066,848</u>	<u>12,405,399</u>
Reserves	8	<u>13,307</u>	<u>54,213</u>	<u>10,967</u>	<u>44,362</u>
		<u>3,138,718</u>	<u>12,787,137</u>	<u>3,077,815</u>	<u>12,449,761</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 2021**

	Notes	2021		2020	
		US\$	KHR'000	US\$	KHR'000
<b>INCOME</b>					
Funds received from Krousar Thmey					
International Network	11	428,744	1,744,131	531,852	2,168,361
Grants and donations	12	230,140	936,210	129,015	525,994
Donation in kind	13	8,163	33,207	7,426	30,276
Other income	14	195,967	797,194	65,149	265,612
		<u>863,014</u>	<u>3,510,742</u>	<u>733,442</u>	<u>2,990,243</u>
<b>EXPENDITURE</b>					
Human resources	15	331,497	1,348,530	304,636	1,242,001
Utilities, equipment and supplies		135,761	552,276	31,274	127,504
Food and clothes		79,144	321,958	73,495	299,639
Schooling expenses		62,176	252,932	44,877	182,964
Capacity building and trainings		55,888	227,352	33,094	134,924
Assets depreciation		39,784	161,841	37,794	154,086
Health and hygiene		30,323	123,354	41,565	169,461
Monitoring and evaluation		30,100	122,447	21,498	87,647
Advocacy, communication and fundraising		8,387	34,118	9,423	38,418
Transportation		7,354	29,916	10,940	44,602
Sport and cultural activities		6,196	25,205	7,317	29,831
Other costs and services		15,936	64,828	35,298	143,910
		<u>802,546</u>	<u>3,264,757</u>	<u>651,211</u>	<u>2,654,987</u>
<b>FUND RETURNED TO DONORS</b>	16	<u>(1,905)</u>	<u>(7,750)</u>	<u>(21,034)</u>	<u>(85,757)</u>
<b>SURPLUS OF INCOME OVER EXPENDITURE FOR THE YEAR</b>		<u>58,563</u>	<u>238,235</u>	<u>61,197</u>	<u>249,499</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 2021**

#### **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 National Accounting Council (now called the Accounting and Auditing Regulator) of 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.

On 15 March 2022, the Accounting and Auditing Regulator issued circular No. 010 on implementing accounting and auditing for NFPEs to prepare financial statements in accordance with CFRS for NFPEs effective from 2022 onwards. If the NFPEs implement Cambodia International Financial Reporting Standards or Cambodia International Financial Reporting Standard for Small and Medium-sized Entities, a written notice to the Accounting and Auditing Regulator is required.

The Organisation intended to prepare its financial statements in accordance with CFRS for NFPEs for the accounting period beginning 1 January 2022.

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.

## KROUSAR THMEY CAMBODIA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

##### 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 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, advances to implementing partners, 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)
- (vi) Employment seniority payment (see Note 2.h 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 4,068 (2020: US\$1 to KHR 4,077) and the closing rate was US\$1 to KHR 4,074 (2020: US\$1 to KHR 4,045).

## KROUSAR THMEY CAMBODIA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

##### 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:

	<b>Rate</b>
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.

## KROUSAR THMEY CAMBODIA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

##### 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 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.

The Organisation recognised the annual service cost as expenses when the payment is made to staff. The past years of seniority service is recorded as past seniority payment obligations on the balance sheet.

##### i. Reserves

Reserves are set up to cover the risk of staff from accidents during working hours or missions. Management exercises its discretion to use and maintain the reserves by transferring from the non-withdrawn portion of the provident fund.

#### 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 2021

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 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>(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>
<b>Cost</b>						
At 1 January 2021	202,378	524,008	86,358	129,985	53,441	996,170
Additions	-	-	11,381	2,450	12,430	26,261
Disposals	(8,180)	-	-	(44,124)	-	(52,304)
At 31 December 2021	<u>194,198</u>	<u>524,008</u>	<u>97,739</u>	<u>88,311</u>	<u>65,871</u>	<u>970,127</u>
<b>Accumulated depreciation</b>						
At 1 January 2021	-	(476,582)	(52,212)	(123,567)	(45,671)	(698,032)
Depreciation	-	(17,376)	(13,966)	(2,710)	(5,732)	(39,784)
Disposals	-	-	-	44,124	-	44,124
At 31 December 2021	-	<u>(493,958)</u>	<u>(66,178)</u>	<u>(82,153)</u>	<u>(51,403)</u>	<u>(693,692)</u>
<b>Net book value</b>						
At 1 January 2021	<u>202,378</u>	<u>47,426</u>	<u>34,146</u>	<u>6,418</u>	<u>7,770</u>	<u>298,138</u>
At 31 December 2021	<u>194,198</u>	<u>30,050</u>	<u>31,561</u>	<u>6,158</u>	<u>14,468</u>	<u>276,435</u>
<b>Net book value in KHR'000</b>						
At 1 January 2021	<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>
At 31 December 2021	<u>791,161</u>	<u>122,424</u>	<u>128,580</u>	<u>25,088</u>	<u>58,943</u>	<u>1,126,196</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.

One piece of land was sold during 2021 as follows:

Agreement date	Description	Land title type	Sale value US\$	Cost US\$	Gain US\$	Risk and reward transfer date
01 December 2021	Land and House in Kampong Cham province	Soft title	62,000	8,180	53,820	01 December 2021

**KROUSAR THMEY CAMBODIA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**5. RECEIVABLES**

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Receivables from Krousar Thmey France	28,918	117,812	63,249	255,842
Advance to implementing partner	3,464	14,112	-	-
Loans to employees	550	2,241	2,952	11,941
	<u>32,932</u>	<u>134,165</u>	<u>66,201</u>	<u>267,783</u>

**6. CASH AT BANKS**

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Fixed deposits				
Below or equal to 1 year	90,000	366,660	950,000	3,842,750
More than 1 year	1,968,000	8,017,632	570,000	2,305,650
Savings accounts	825,409	3,362,716	1,256,621	5,083,031
Current accounts	28,850	117,535	8,701	35,196
	<u>2,912,259</u>	<u>11,864,543</u>	<u>2,785,322</u>	<u>11,266,627</u>

The annual interest rate for fixed deposits ranges from 3.00% - 4.95% (2020: 4.00% - 4.90%). The annual interest rate for saving accounts ranges from 0.20% - 0.50% (2020: 0.20% - 0.50%). The current accounts are non-interest bearing.

**7. PROVISION FOR PROVIDENT FUND**

The movement is as follows:

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
As at 1 January	21,726	87,882	97,642	397,891
Addition during the year (Note 14)	22,185	90,249	19,890	81,092
Provident fund paid during the year	(6,030)	(24,530)	(32,217)	(131,349)
Transfer to past seniority payment obligations (*)	-	-	(52,622)	(212,856)
Transfer to reserve (**)	(2,340)	(9,519)	(10,967)	(44,362)
Currency translation difference	-	712	-	(2,534)
As at 31 December	<u>35,541</u>	<u>144,794</u>	<u>21,726</u>	<u>87,882</u>

(\*) The Organisation transferred the provident fund amounting US\$52,622 to past seniority payment obligations in 2020.

(\*\*) The Organisation transferred the provident fund amounting US\$2,340 (2020: US\$10,967) to reserves in 2021.

**KROUSAR THMEY CAMBODIA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**8. Reserves**

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
As at 1 January	10,967	44,362	-	-
Transfer from provident fund	2,340	9,519	10,967	44,362
Currency translation difference		332	-	-
As at 31 December	13,307	54,213	10,967	44,362

**9. PAST SENIORITY PAYMENT OBLIGATIONS**

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
As at 1 January	52,622	212,856	-	-
Transfer from provident fund	-	-	52,622	212,856
Reduction due to staff's resignation	(7,295)	(29,676)	-	-
Currency translation difference	-	1,482	-	-
As at 31 December	45,327	184,662	52,622	212,856

On 23 December 2020, the Royal Government of Cambodia ("RGC") issued a press release and rolled out 'Round 7' of measures aimed at mitigating the impacts of COVID-19 on businesses and workers in Cambodia. Per this press release, employers in all industries are exempt from making seniority payments both past years and current year until 2022.

The Organisation has decided to delay the past years of seniority service payment until 2022.

**10. OTHER LIABILITIES**

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Payable to Krousar Thmey France	4,483	18,264	4,046	16,366
	4,483	18,264	4,046	16,366

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

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Krousar Thmey Switzerland	294,361	1,197,461	531,052	2,165,099
Krousar Thmey France	134,383	546,670	800	3,262
	428,744	1,744,131	531,852	2,168,361

**KROUSAR THMEY CAMBODIA**

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**12. GRANTS AND DONATIONS**

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Grants and donations from organisations and foundations	211,284	859,503	103,486	421,912
Grants and donations from Cambodian authorities	10,800	43,934	15,800	64,417
Grants and donations from individuals/private companies	8,056	32,773	9,729	39,665
	<u>230,140</u>	<u>936,210</u>	<u>129,015</u>	<u>525,994</u>

**13. DONATIONS IN KIND**

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Rice donation	7,739	31,482	7,426	30,276
Other donations	424	1,725	-	-
	<u>8,163</u>	<u>33,207</u>	<u>7,426</u>	<u>30,276</u>

Equivalent expense is recorded in food and clothes expenditure.

**14. OTHER INCOME**

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Bank interest	138,053	561,600	62,323	254,090
Gain on sales of land (Note 4)	53,820	218,940	-	-
Gain on sales of vehicles	1,000	4,068	100	408
Exchange gain	2,794	11,366	1,416	5,773
Income-generating activities	300	1,220	1,310	5,341
	<u>195,967</u>	<u>797,194</u>	<u>65,149</u>	<u>265,612</u>

**15. HUMAN RESOURCES**

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Local staff:				
Salary	280,131	1,139,573	257,814	1,051,107
Benefits	10,862	44,186	12,068	49,201
Seniority payment	17,181	69,893	13,670	55,733
Provident fund (Note 7)	22,185	90,249	19,890	81,092
Volunteers' compensation	182	740	1,000	4,077
Other compensations	956	3,889	194	791
	<u>331,497</u>	<u>1,348,530</u>	<u>304,636</u>	<u>1,242,001</u>



**KROUSAR THMEY CAMBODIA**

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**16. FUND RETURNED TO DONORS**

	<b>2021</b>		<b>2020</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Friends-International Organisation (Responsive and Effective Child Welfare Systems Transformation)	1,905	7,750	-	-
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>1,905</u>	<u>7,750</u>	<u>21,034</u>	<u>85,757</u>