

**Report of the Management
and
Audited financial statements**

ACLEDA-Jardines Educational Foundation
Organization

31 December 2021

Contents

	Pages
Report of the Management	1 - 2
Audited financial statements	
Independent auditor's report	3 - 5
Statement of receipts and payments	6
Notes to the financial statements	7 - 11

Report of the Management

The Management of ACLEDA-Jardines Educational Foundation Organization ("AJF" or "the Organisation") submits its report together with the audited financial statements of the Organisation for the year ended 31 December 2021.

The Organisation

ACLEDA-Jardines Educational Foundation Organization ("AJF" or "the Organisation") has been established as a non-governmental organization, neutral, non-profit making, non-discriminatory in any manner including on race religion, and politics, non-political including not being the instrument of politics by supplying material, finance, human resource to participate in any activities which support a political party or candidate or any supporter.

The Memorandum of Understanding between ACLEDA Bank Plc. and JSH Asian Holding Limited ("Jardines") was signed on 16 June 2016. The AJF's statutes were approved by the Board of Directors and the Ministry of Interior on 21 March 2018 and 28 May 2018, respectively.

On 6 January 2023, the Trust Regulator granted the Organisation's Social Trust Registration under Certificate Registration No. 001TR/CR/ST. Pursuant to the Trust Law of Cambodia, the Organisation, as a Social Trust, is legally protected and is monitored for all the funds it receives from various philanthropists for its social and humanitarian activities.

The Organisation's objectives are to assist eligible students in rural areas and impoverished urban areas of Cambodia, who are denied access to elementary and secondary education, to advance and further their education and to improve grass roots education in rural areas and impoverished urban areas of Cambodia by targeting the development of schools, provision of suitable teachers, equipment, buildings and overall educational infrastructure.

The Organisation is located at No. 61, Preah Monivong Blvd, Sangkat Srah Chork, Khan Doun Penh, Phnom Penh, Kingdom of Cambodia.

Management

The Management team of the Organisation during the year and to the date of this report is as follows:

Name	Position	Date of appointment/(resignation)
Dr. Prom Visoth	Chairman	21 March 2018
Mr. Peter Beynon	Vice Chairman	7 March 2017
Mr. Alan Xavier Cany	Member	7 March 2017
Mr. Ho Rathanak	Member	28 December 2022
Mr. Youk Chamroeunrith	Member	31 March 2023
Dr. So Phonnary	Member	21 March 2018/(31 March 2023)

Main sources of the Organisation's cash and resources and main methods used by the Organisation to raise funds

The Organisation raises money from its parent and affiliated companies, individuals and corporate benefactors. All monies raised are managed and directed by professional staff to ensure each dollar spent is specifically to achieve the AJF's Vision to provide an equal opportunity for an education to all the children of Cambodia.

Auditor

The Organisation's financial statements for the year ended 31 December 2021 have been audited by the accounting firm of Grant Thornton (Cambodia) Limited.

Responsibility of Management in respect of the financial statements

Management is responsible for the financial statements which shows the Organisation's statement of receipts and payments for the year ended 31 December 2021, prepared, in all material respects, in accordance with Cambodian Financial Reporting Standard for Not-For-Profit Entities ("CFRS for NFPEs"). In preparing the financial statements, Management is required to:

- i. select suitable accounting policies and then apply them consistently;
- ii. ensure that proper accounting records are kept which enable the Organisation's financial statements to be prepared in compliance with CFRS for NFPEs;
- iii. ensure the completeness of information concerning property and goods belonging to the Organisation; and,
- iv. maintain adequate accounting records and an effective system of internal control.

The Management is also responsible for safeguarding the assets of the Organisation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Management assumes the responsibility to provide, and has provided, the auditor with all accounting records, supporting and other documents, minutes, and any pertinent information and explanations, either orally or by written confirmation, necessary for the audit.

Statement by the Management

The accompanying financial statements presents fairly, in all material respects, the receipts and payments of the Organisation for the year ended 31 December 2021 in accordance with CFRS for NFPEs.

On behalf of the Organisation's Management 



Dr. Prom Visoth
Chairman

Phnom Penh, Kingdom of Cambodia
25 August 2023



Grant Thornton

Independent auditor's report

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To the Management of

ACLEDA-JARDINES EDUCATIONAL FOUNDATIONAL ORGANIZATION

Opinion

We have audited the financial statements of ACLEDA-Jardines Educational Foundation Organization ("the Organisation") which comprise the statement of receipts and payments for the year ended 31 December 2021 and notes to the financial statements, including a summary of accounting policies and other explanatory information.

In our opinion, the accompanying financial statements of the Organisation for the year ended 31 December 2021 are prepared, in all material respects, in accordance with Cambodian Financial Reporting Standard for Not-For-Profit Entities ("CFRS for NFPEs").

Basis for opinion

We conducted our audit in accordance with Cambodian International Standards on Auditing ("CISAs"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Organisation in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") together with the ethical requirements that are relevant to our audit of financial statements in the Kingdom of Cambodia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises the information included in the Report of the Management, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Certified Public Accountants and Auditors

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other matter

The Organisation's financial statements for the year ended 31 December 2020 were audited by another auditor who expressed an unmodified opinion on those financial statements on 25 May 2021. Our opinion is not modified in respect of this matter.

Responsibilities of Management for the financial statements

Management is responsible for the preparation of the financial statements in accordance with CFRS for NFPEs, and for such internal control as the 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, the 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 the Management either intends to liquidate the Organisation or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial 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 these 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 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 the Management.

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- Evaluate the overall presentation, structure and content of the Organisation's financial statements, including the disclosure in the notes, and whether the Organisation's financial statements represent the underlying transactions and events in accordance with CFRS for NFPEs.

We communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Grant Thornton
GRANT THORNTON (CAMBODIA) LIMITED
Certified Public Accountants
Registered Auditors



Ronald C. Almera
Ronald C. Almera
Partner – Audit and assurance

Phnom Penh, Kingdom of Cambodia
25 August 2023

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Statement of receipts and payments

	Note	31 December 2021		31 December 2020	
		USD	KHR'000	USD	KHR'000
		(Note 2.2)		(Note 2.2)	
Operating receipts					
Donation income		15,604	63,477	4,131	16,842
Interest income and other income receipts	4	40,137	163,277	42,563	173,529
Total operating receipts		55,741	226,754	46,694	190,371
Operating payments					
Donation – school building and equipment		129,651	527,420	102,738	418,863
Payments for administration fees	5	534	2,172	921	3,755
Volunteer and employee related payments	6	-	-	2,702	11,016
Total operating payments		130,185	529,592	106,361	433,634
Operating deficit		(74,444)	(302,838)	(59,667)	(243,263)
Net decrease in cash at bank		(74,444)	(302,838)	(59,667)	(243,263)
Difference on currency translation		-	28,381	-	(29,702)
Cash at bank balance, beginning of the year		994,068	4,021,005	1,053,735	4,293,970
Cash at bank balance, end of the year		919,624	3,746,548	994,068	4,021,005
Represented by:					
Term deposit accounts		900,000	3,666,600	900,000	3,640,500
Savings account		19,624	79,948	94,068	380,505
Cash at bank		919,624	3,746,548	994,068	4,021,005

Notes to the financial statements

1 The Organisation

ACLEDA-Jardines Educational Foundation Organization has been established as a non-governmental organization, neutral, non-profit making, non-discriminatory in any manner including on race religion, and politics, non-political including not being the instrument of politics by supplying material, finance, human resource to participate in any activities which support a political party or candidate or any supporter.

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The Organisation is located at No. 61, Preah Monivong Blvd, Sangkat Srah Chork, Khan Doun Penh, Phnom Penh, Kingdom of Cambodia.

2 Accounting policies

This is the first set of financial statements prepared by the Organisation in accordance with Cambodian Financial Reporting Standard for Not-For-Profit Entities ("CFRS for NFPEs") issued by the Accounting and Auditing Regulator, in accordance with Prakas No. 335 on the implementation of Cambodian Financial Reporting Standard for Not-For-Profit Entities dated 27 March 2018 issued by the Ministry of Economy and Finance. The principal accounting policies adopted in the preparation of the financial statements are set out below. These accounting policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements have been prepared in accordance with CFRS for NFPEs. All transactions are reported in the statement of receipts and payments and the notes to the financial statements in accordance with CFRS for NFPEs.

2.2 Foreign currency transactions and balances

The national currency of Cambodia is the Khmer Riel (“KHR”). However, as the Organisation transacts and maintains its accounting records primarily in United States Dollar (“USD”), the Management has determined the USD to be the Organisation’s currency for both measurement and presentation purposes as it reflects the economic substance of the underlying events and circumstances of the Organisation.

Transactions in foreign currencies other than USD are translated to USD at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in currencies other than USD at the reporting date are translated into USD at the rates of exchange ruling at that date. Exchange differences arising on translation are recognised in the statement of receipts and payments.

The translations of USD amounts into KHR as presented in the financial statements are included solely to comply with the requirement pursuant to the Law on Accounting and Auditing dated 11 April 2016 and have been made using the prescribed official exchange rate based on the following applicable exchange rate per USD1 as announced by the National Bank of Cambodia (“NBC”) below:

	2021	2020	2019
Closing rate	4,074	4,045	4,075
Average rate*	4,068*	4,077*	

*The average amounts were determined using NBC’s daily rates.

Such translation amounts are unaudited and should not be construed as representations that the USD amounts represent, or have been or could be, converted into KHR at that or any other rate of exchange.

2.3 Receipts

Receipts comprise all money received during the year and are recognised gross of bank charges. Money received relating to normal activities of the Organisation is recognised as operating receipts while money received from sales of resources and borrowings are recognised as capital receipts.

Donation income

Donations arise from the fund receipts from various donors including ACLEDA Bank Plc.’s staffs and outsiders who are aware of the Organisation’s projects and programs.

2.4 Payments

Payments comprise all money paid during the year. Payments made relating to all costs to support the Organisation’s objectives are recorded as operating payments while payments made to purchase resources, physical assets, investments and borrowings are recognised as capital payments.

Donation – school building and equipment

This represents the donation expenses as in accordance with the objectives of the Organisation. The donation includes the primary schools’ construction in certain provinces in Cambodia and the school supplies for the schools in remote areas.

2.5 Related party

A related party transaction is a transfer of funds or other resources between the Organisation and its related parties. Related parties are individuals and entities that are closely associated with the Organisation and have significant influence over the Organisation.

2.6 Income tax

On 22 February 2018, the Organisation received an approval letter from the General Department of Taxation for the exemption from paying tax on income on the grant and funds it received. The Organisation is organised and operated for purely humanitarian purpose and is non-profit and no portion of property or income it uses is used for private purposes. This is pursuant to the new Article 6 of the Prakas on the Implementation of the Tax obligation of Association and Non-Governmental Organisation.

Value-added tax ("VAT")

The Organisation is not registered for VAT. Therefore, amounts recorded in the financial statements are inclusive of VAT, if any.

3 Transition to CFRS For NFPEs

3.1 Basis of transition to CFRS for NFPEs

This is the first set of financial statements prepared by the Organisation in accordance with CFRS for NFPEs. 1 January 2020 is the transition date; therefore, the Organisation has restated the comparative figures in accordance with the requirement of CFRS for NFPEs.

3.2 Reconciliation

The following reconciliations show the effects of transition from the previous accounting framework to CFRS for NFPEs on the Organisation's fund balance as at 1 January 2020 and 31 December 2020 and the statement of receipts and payments for the year ended 31 December 2020. Certain amounts have been also reclassified in the comparative information to conform with the current period's presentation of accounts.

Reconciliation of fund balance as at 1 January 2020:

	Previously reported		Effects of transition		As restated	
	USD	KHR'000	USD	KHR'000	USD	KHR'000
	(Note 2.2)		(Note 2.2)		(Note 2.2)	
Cash at bank	1,055,444	4,300,934	(1,709)	(6,964)	1,053,735	4,293,970
Other payables	(445)	(1,813)	445	1,813	-	-
	1,054,999	4,299,121	(1,264)	(5,151)	1,053,735	4,293,970

Reconciliation of statement of receipts and payments for the year ended 31 December 2020:

	Previously reported		Effects of transition		As restated	
	USD	KHR'000	USD	KHR'000	USD	KHR'000
	(Note 2.2)		(Note 2.2)		(Note 2.2)	
Receipts						
Donation income	4,661	19,003	(530)	(2,161)	4,131	16,842
Interest income	42,555	173,497	(42,555)	(173,497)	-	-
Foreign exchange gain – net	24	98	(24)	(98)	-	-
Interest income and other income receipts	-	-	42,563	173,529	42,563	173,529
	47,240	192,598	(546)	(2,227)	46,694	190,371
Payments						
Donation - school building and equipment	102,568	418,170	170	693	102,738	418,863
Management and administration fees	3,623	14,771	(3,623)	(14,771)	-	-
Volunteer and employee related payments	-	-	2,702	11,016	2,702	11,016
Payments for administration fees	-	-	921	3,755	921	3,755
	106,191	432,941	170	693	106,361	433,634
Excess of payments over receipts	(58,951)	(240,343)	(716)	(2,920)	(59,667)	(243,263)
Change in other payables	(170)	(693)	170	693	-	-
Net decrease in cash at bank	(59,121)	(241,036)	(546)	(2,227)	(59,667)	(243,263)
Difference on currency translation	-	(29,079)	-	(2,436)	-	(29,702)
Cash at bank balance, beginning of the year	1,055,444	4,300,934	(1,709)	(5,151)	1,053,735	4,293,970
Cash at bank balance, end of the year	996,323	4,030,126	(2,255)	(9,121)	994,068	4,021,005

Reconciliation of fund balance as at 31 December 2020:

	Previously reported		Effects of transition		As restated	
	USD	KHR'000	USD	KHR'000	USD	KHR'000
		(Note 2.2)		(Note 2.2)		(Note 2.2)
Cash	996,323	4,030,126	(2,255)	(9,121)	994,068	4,021,005
Other payables	(275)	(1,112)	275	1,112	-	-
	996,048	4,029,014	(1,980)	(8,009)	994,068	4,021,005

4 Interest income and other income receipts

	For the year ended 31 December 2021		For the year ended 31 December 2020	
	USD	KHR'000	USD	KHR'000
		(Note 2.2)		(Note 2.2)
Interest income from bank accounts	40,115	163,188	42,539	173,431
Foreign exchange gain – net	22	89	24	98
	40,137	163,277	42,563	173,529

Cash at bank earns interest at the prevailing bank deposit average rate ranging from 0.25% - 4.75% per annum.

5 Payments for administration fees

	For the year ended 31 December 2021		For the year ended 31 December 2020	
	USD	KHR'000	USD	KHR'000
		(Note 2.2)		(Note 2.2)
Patent tax	295	1,200	296	1,207
Legal and professional fees	-	-	309	1,260
Others	239	972	316	1,288
	534	2,172	921	3,755

6 Volunteer and employee related payments

	For the year ended 31 December 2021		For the year ended 31 December 2020	
	USD	KHR'000	USD	KHR'000
		(Note 2.2)		(Note 2.2)
Insurance expenses	-	-	2,702	11,016

7 Statement of resources and commitments

	Note	31 December 2021		31 December 2020	
		USD	KHR'000	USD	KHR'000
		(Note 2.2)		(Note 2.2)	
Schedule of resources					
Cash at bank		919,624	3,746,548	994,068	4,021,005
Receivables:					
Amount due from a related party	8	2,911	11,859	2,239	9,057
Interest receivable from cash at bank		3	12	16	65
Schedule of commitments					
Withholding tax payable		-	-	275	1,112
Other commitments	9	176,250	718,043	94,547	382,443

8 Related party balances and transactions

The following balances are outstanding with related parties:

Related party	Relationship	31 December 2021		31 December 2020	
		USD	KHR'000	USD	KHR'000
		(Note 2.2)		(Note 2.2)	
Amount due from a related party					
Dr. Prom Visoth	Chairman	2,911	11,859	2,239	9,057

During the year, the following transactions with related party is recorded:

Related party	Transaction	For the year ended 31 December 2021		For the year ended 31 December 2020	
		USD	KHR'000	USD	KHR'000
		(Note 2.2)		(Note 2.2)	
Dr. Prom Visoth	Donations collected on behalf of AJF	672	2,734	530	2,161

9 Other commitments

During the year, the Organisation had entered into contractual commitments for the construction and renovation of school buildings and facilities with the aggregate contract price as follows:

	For the year ended 31 December 2021		For the year ended 31 December 2020	
	USD	KHR'000	USD	KHR'000
	(Note 2.2)		(Note 2.2)	
School building and equipment	176,250	718,043	94,547	382,443

10 Events after the reporting date

Except for the Organisation's registration as a Social Trust as disclosed in Note 1, there were no other adjusting or significant non-adjusting events which have occurred between the reporting date and the date of authorisation of these financial statements.

11 Authorisation of the financial statements

The financial statements of the Organisation for the year ended 31 December 2021 were authorised and approved for issue by the Management on 25 August 2023.