

**Report of the Board of Directors
and
Audited financial statements**

**ACLEDA-Jardines Educational Foundation
Organization**

31 December 2023

**ACLEDA-JARDINES EDUCATIONAL FOUNDATION ORGANIZATION
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ACLEDA-JARDINES EDUCATIONAL FOUNDATION ORGANIZATION

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors of ACLEDA-Jardines Educational Foundation Organization ("AJF" or "the Organisation") submits its report together with the audited financial statements of the Organisation as at 31 December 2023 and for the year then ended.

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.

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

On 28 December 2022, the Organisation amended its Memorandum to include Forte Insurance (Cambodia) Plc. as a new founder. This amendment was approved by the Ministry of Interior on 2 February 2023.

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.

Board of Directors

The Board of Directors 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. Ho Rathanak	Member	28 December 2022
Mr. Youk Chamroeunrith	Member	31 March 2023
Ms. Heng Phoung Eang	Member	2 August 2023
Mr. Alan Xavier Cany	Member	7 March 2017 / (29 June 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 founders 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 AJF's Vision to provide an equal opportunity for an education to all the children of Cambodia.

Auditor

The Organisation's financial statements as at 31 December 2023 and for the year then ended have been audited by the accounting firm of Grant Thornton (Cambodia) Limited.

Responsibility of Board of Directors in respect of the financial statements

The Board of Directors is responsible for the financial statements which show the Organisation's statement of receipts and payments as at 31 December 2023 for the year then ended, prepared, in all material respects, in accordance with the Cambodian Financial Reporting Standard for Not-For-Profit Entities ("CFRS for NFPEs"). In preparing the financial statements, the Board of Directors 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 Board of Directors 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 Board of Directors 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 Board of Directors

The accompanying financial statements presents fairly, in all material respects, the fund balance of the Organisation as at 31 December 2023 and its receipts and payments for the year then ended in accordance with CFRS for NFPEs.

On behalf of the Organisation's Board of Directors: 



Dr. Prom Visoth
Chairman
Phnom Penh, Kingdom of Cambodia
28 June 2024

Independent auditor's report

**To the Board of Directors 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 as at 31 December 2023 and for the year then ended and notes to the financial statements, including a summary of accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the fund balance of the Organisation as at 31 December 2023 and its receipts and payments for the year then ended, in accordance with the Cambodian Financial Reporting Standard for Not-For-Profit Entities ("CFRS for NFPEs").

Basis for opinion

We conducted our audit in accordance with the 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

The Board of Directors is responsible for the other information. The other information comprises the information included in the Report of the Board of Directors, 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.



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.

Responsibilities of Management and Board of Directors for the financial statements

Management is responsible for the preparation of the financial statements in accordance with CFRS for NFPs, and for such internal control as 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.

The Board of Directors is 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 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.



- Conclude on the appropriateness of the Management's use of the going concern basis of accounting 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.
- 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 Board of Directors 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
 28 June 2024

ACLEDA-JARDINES EDUCATIONAL FOUNDATIONAL ORGANIZATION
STATEMENT OF RECEIPTS AND PAYMENTS
AS AT 31 DECEMBER 2023 FOR THE YEAR THEN ENDED

	Note	31 December 2023		31 December 2022	
		USD	KHR'000	USD	KHR'000
		(Note 2.2)		(Note 2.2)	
Operating receipts					
Donation income		74,514	306,253	169,962	694,635
Interest income and other income receipts	3	37,046	152,259	30,910	126,329
Total operating receipts		111,560	458,512	200,872	820,964
Operating payments					
Donation – school building and equipment		213,856	878,948	149,153	609,588
Payments for administration fees	4	12,429	51,083	4,631	18,927
Volunteer and employee related payments	5	-	-	1,501	6,135
Total operating payments		226,285	930,031	155,285	634,650
Operating (deficit)/surplus		(114,725)	(471,520)	45,587	186,314
Net (decrease)/increase in fund balance		(114,725)	(471,520)	45,587	186,314
Difference on currency translation		-	(28,018)	-	40,912
Cash at bank balance, beginning of the year		965,211	3,973,774	919,624	3,746,548
Fund balance, end of the year		850,486	3,474,236	965,211	3,973,774
Represented by:					
Cash at bank	6	831,162	3,395,297	945,887	3,894,217
Statutory deposits	7	19,324	78,939	19,324	79,557
Total fund balance		850,486	3,474,236	965,211	3,973,774

ACLEDA-JARDINES EDUCATIONAL FOUNDATIONAL ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2023 AND FOR THE YEAR THEN ENDED

1. 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. AJF's statutes were approved by the Board of Directors and the Ministry of Interior on 21 March 2018 and 28 May 2018, respectively.

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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

2.1 Basis of preparation

The Organisation is registered with and has obtained a license from the Ministry of Interior, in accordance with the requirements of the Law on Associations and Non-Governmental Organisations in Cambodia. Therefore, it adheres to the financial reporting framework applicable to associations and non-governmental organisations. The financial statements have been prepared in accordance with the 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 CFRS for NFPEs 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.

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. Functional and presentation currency

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 below:

	2023	2022
Average rate*	4,110	4,087
Closing rate	4,085	4,117

*Average rates are calculated based on daily closing rate during the year.

Such translated 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 in accordance with the objectives of the Organisation. The donations include the construction of primary schools in certain provinces in Cambodia and the provision of school supplies for 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 exempting it from paying tax on income from grants and funds received. The Organisation is organised and operated purely for humanitarian purposes, is non-profit, and no portion of its property or income is used for private purposes. This exemption is pursuant to the new Article 6 of the Prakas on the Implementation of the Tax Obligation of Associations and Non-Governmental Organisations.

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 Interest income and other income receipts

	For the year ended 31 December 2023		For the year ended 31 December 2022	
	USD	KHR'000	USD	KHR'000
	(Note 2.2)		(Note 2.2)	
Interest income from term deposit accounts	36,385	149,543	30,411	124,290
Interest income from savings account	657	2,700	494	2,019
Foreign exchange gain - net	4	16	5	20
	37,046	152,259	30,910	126,329

4 Payments for administration fees

	For the year ended 31 December 2023		For the year ended 31 December 2022	
	USD	KHR'000	USD	KHR'000
	(Note 2.2)		(Note 2.2)	
Event management*	9,503	39,057	-	-
Rental fees	1,272	5,228	-	-
Legal and professional fees	1,098	4,513	4,084	16,691
Patent tax	292	1,200	294	1,202
Others	264	1,085	253	1,034
	12,429	51,083	4,631	18,927

*The event management includes expenses related to the opening ceremony of the 11 newly constructed schools during 2023.

5 Volunteer and employee related payments

	For the year ended 31 December 2023		For the year ended 31 December 2022	
	USD	KHR'000	USD	KHR'000
	(Note 2.2)		(Note 2.2)	
Insurance expenses	-	-	1,501	6,135

6 Cash at bank

	31 December 2023		31 December 2022	
	USD	KHR'000	USD	KHR'000
	(Note 2.2)		(Note 2.2)	
Term deposit accounts	790,000	3,227,150	850,000	3,499,450
Savings account	41,162	168,147	95,887	394,767
	831,162	3,395,297	945,887	3,894,217

Cash at bank earns interest at the prevailing bank term deposit with average rate ranging from 4.50% - 5.50% per annum (2022: 1.00% - 4.75% per annum) and from savings accounts at a rate of 0.25% per annum (2022: 0.25% per annum).

7 Statutory deposits

According to Prakas No.003, issued on 26 January 2022, the Organisation's individual trustee, representing the Organisation, must remit the license fee to the Trust Regulator of the Royal Government of Cambodia, amounting to KHR16 million as stipulated in Order No. 538/22, issued on 8 October 2022, along with a deposit of KHR80 million for capital guarantee as per Order No. 439/22.

The purpose of obtaining this Trustee license is to enable the Management to receive substantial funds from overseas to aid students living in rural areas in accessing education through the provision of school buildings and equipment.

8 Statement of resources and commitments

	Note	31 December 2023		31 December 2022	
		USD	KHR'000	USD	KHR'000
		(Note 2.2)		(Note 2.2)	
Schedule of resources					
Cash at bank	6	850,486	3,474,236	965,211	3,973,774
Statutory deposit		19,324	78,939	19,324	79,557
Interest receivable from cash at bank		12	49	63	259
Schedule of commitments					
Withholding tax payable		221	903	440	1,811
Rent payable		-	-	114	469
Other commitments	10	49,372	201,685	19,177	78,952

9 Related party balances and transactions

The related parties of and their relationship with the Organisation are as follows:

Related party	Relationship
ACLEDA Bank Plc.	Founder
Forte Insurance (Cambodia) Plc.	Founder
Dr Prom Visoth	Chairman of the Board of Directors

The following balances are outstanding with related parties:

Related party	31 December 2023		31 December 2022	
	USD	KHR'000	USD	KHR'000
	(Note 2.2)		(Note 2.2)	
Cash at bank				
ACLEDA Bank Plc.	850,486	3,474,236	965,211	3,973,774

During the year, the following transactions with related parties are recorded:

Related party	Transaction	For the year ended 31 December 2023		For the year ended 31 December 2022	
		USD	KHR'000 (Note 2.2)	USD	KHR'000 (Note 2.2)
Forte Insurance (Cambodia) Plc.	Donation income	30,000	123,300	-	-
ACLEDA Bank Plc.	Interest income	37,042	152,243	30,905	126,309
	Donation income	-	-	150,000	613,050
Dr. Prom Visoth	Donations collected on behalf of AJF	-	-	85	347
	Payment of donations collected on behalf of AJF	-	-	2,996	12,245

10 Other commitments

During the year, the Organisation 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 2023		For the year ended 31 December 2022	
	USD	KHR'000 (Note 2.2)	USD	KHR'000 (Note 2.2)
School building and equipment	44,551	181,991	19,177	78,952

11 Events after the reporting date

There have been no significant events occurring after the end of the reporting period and the date of authorisation of these financial statements, which would require adjustments or disclosures to be made in the financial statements.

12 Authorisation of the financial statements

The financial statements of the Organisation as at 31 December 2023 and for the year then ended were authorised and approved for issue by the Management on 28 June 2024.