

Skateistan Cambodia Association

Report of the management
and
Audited special purpose financial statements

as at 31 December 2020 and for the year then ended

Skateistan Cambodia Association

CONTENTS

	<i>Pages</i>
REPORT OF THE MANAGEMENT	1 - 2
AUDITED SPECIAL PURPOSE FINANCIAL STATEMENTS	
Independent auditor's report	3 - 4
Statement of income and expenses	5
Balance sheet	6
Notes to the special purpose financial statements	7 - 15

REPORT OF THE MANAGEMENT

Management of Skateistan Cambodia Association (“the Association”) is pleased to present its report and the Association’s audited special purpose financial statements as at 31 December 2020 and for the year then ended.

THE ASSOCIATION

The Association is registered with the Ministry of Interior of the Royal Government of Cambodia on 19 April 2012.

The Phnom Penh-based Association uses skateboarding and other creative activities to engage and empower youth. The Association works with youth aged 5 to 17 from diverse backgrounds, with a focus on disadvantaged and street working children. Through regular skateboarding lessons and events, the Association equips boys and girls with the confidence to lead their communities toward social change and development.

The Association’s registered office is at Factory #6 No. 1159, Street No.2, Sangkat Chak Angre Leu, Khan Mean Chey, Phnom Penh, Kingdom of Cambodia.

THE MANAGEMENT

Members of the management at the date of this report are:

Mr. Kosal Pisey	Executive Director
Ms. Anne Fargeas	Finance and Human Resource Director
Ms. Chansangva Kouy	General Manager
Mr. Long Sina	Program Manager

AUDITOR

Ernst & Young (Cambodia) Ltd., is the auditor of the Association.

STATEMENT OF MANAGEMENT’S RESPONSIBILITIES IN RESPECT OF THE SPECIAL PURPOSE FINANCIAL STATEMENTS

Management is responsible for the special purpose financial statements which are prepared, in all material respects, to present the balance sheet of the Association as at 31 December 2020, and its income and expenses for the year then ended in accordance with the accounting policies described in Note 2 to the special purpose financial statements. In preparing these special purpose financial statements, management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Association will continue operations in the foreseeable future; and
- set overall policies for the Association, ratify all decisions and actions that have a material effect on the operations and performance of the Association, and ensure they have been properly reflected in the special purpose financial statements.

REPORT OF THE MANAGEMENT (continued)

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES IN RESPECT OF THE SPECIAL PURPOSE FINANCIAL STATEMENTS (continued)

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the balance sheet of the Association and to ensure that the accounting records comply with the applicable accounting system. It is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management has confirmed that the Association has complied with the above requirements in preparing the accompanying special purpose financial statements.

APPROVAL OF THE SPECIAL PURPOSE FINANCIAL STATEMENTS

We hereby approve the accompanying special purpose financial statements which are prepared, in all material respects, to present the balance sheet of the Association as at 31 December 2020, and its income and expenses for the year then ended in accordance with the accounting policies described in Note 2 to the special purpose financial statements.

On behalf of the Management:




Kouv Chansangva
General Manager

Phnom Penh, Kingdom of Cambodia

18 May 2021

Reference: 61116889/22126093

INDEPENDENT AUDITOR'S REPORT

To: The Management of Skateistan Cambodia Association

Opinion

We have audited the special purpose financial statements of Skateistan Cambodia Association ("the Association"), which comprise the balance sheet as at 31 December 2020, and the statement of income and expenses for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the special purpose financial statements of the Association as at 31 December 2020 and for the year then ended are prepared, in all material respects, in accordance with the accounting policies described in Note 2 to the special purpose financial statements.

Basis for Opinion

We conducted our audit in accordance with Cambodian International Standards on Auditing ("CISA"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements* section of our report. We are independent of the Association in accordance with the Prakas on the Code of Ethics for Professional Accountants and Auditors issued by the Royal Government of Cambodia, and we have fulfilled our other ethical responsibilities in accordance with its requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting and Restriction on Use

We draw attention to Note 2 to the special purpose financial statements which describes the basis of accounting. The special purpose financial statements are prepared to assist the management of the Association to comply with the financial reporting requirements of its donors. As a result, the special purpose financial statements may not be suitable for another purpose. Our auditor's report is intended solely for the information and use of the Association and should not be used by parties other than the specified parties. Our opinion is not modified in respect of this matter.

Responsibilities of Management for the Special Purpose Financial Statements

Management is responsible for the preparation of these special purpose financial statements in accordance with the accounting policies described in Note 2 to the special purpose financial statements, and for such internal control as management determines necessary to enable the preparation of the special purpose financial statements that are free from material misstatement, whether due to fraud or error.

Management is responsible for overseeing the Association's financial reporting process.

In preparing the financial statements, management is responsible for assessing the Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose 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 special purpose 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 special purpose 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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 Association'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 Association to cease to continue as a going concern.

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.



Simratana Lan
Partner

Ernst & Young (Cambodia) Ltd.
Certified Public Accountants
Registered Auditors

Phnom Penh, Kingdom of Cambodia

18 May 2021

Skateistan Cambodia Association

STATEMENT OF INCOME AND EXPENSES for the year then ended 31 December 2020

	Notes	2020		2019	
		US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
INCOME					
Grants	3	167,724	683,811	315,794	1,279,597
Contributions	4	8,433	34,381	11,756	47,635
Other income		2,134	8,700	330	1,337
Gain on disposal of property and equipment		200	815	133	539
		178,491	727,707	328,013	1,329,108
EXPENSES					
Staff cost	5	160,128	652,842	199,562	808,625
Depreciation	7	36,428	148,517	18,021	73,021
Management fee	11	18,177	74,108	23,130	93,723
Tax expenses		5,974	24,356	-	-
Professional fees		4,643	18,930	6,910	27,999
Bank charges		4,023	16,402	869	3,521
Rental		3,459	14,102	5,444	22,059
Insurance		2,267	9,243	2,297	9,307
Transportation and travel		1,674	6,825	9,989	40,475
Supplies		1,047	4,269	3,218	13,039
Others		4,055	16,532	12,562	50,901
		241,875	986,126	282,002	1,142,670
(DEFICIT) EXCESS OF INCOME OVER EXPENSES		(63,384)	(258,419)	46,011	186,438

The attached notes 1 to 13 form part of these special purpose financial statements.

Skateistan Cambodia Association

BALANCE SHEET
as at 31 December 2020

	Notes	2020		2019	
		US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
ASSETS					
Current assets					
Cash	6	44,432	179,727	12,124	49,405
Lease deposit		1,250	5,056	1,250	5,094
Prepayments		1,669	6,751	799	3,256
Other receivables	11	76,624	309,944	105,260	428,935
Other assets		16,029	64,837	16,029	65,318
		140,004	566,315	135,462	552,008
Non-current asset					
Property and equipment	7	35,045	141,757	65,873	268,432
TOTAL ASSETS		175,049	708,072	201,335	820,440
LIABILITIES AND FUND BALANCE					
Current liabilities					
Deferred income	8	116,890	472,820	75,860	309,130
Other payables	9	5,490	22,206	9,422	38,394
		122,380	495,026	85,282	347,524
Fund balance					
Beginning fund balance		116,053	472,916	70,042	285,421
(Deficit) excess of income over expenses		(63,384)	(258,419)	46,011	186,438
Currency exchange differences on translation		-	(1,451)	-	1,057
	10	52,669	213,046	116,053	472,916
TOTAL LIABILITIES AND FUND BALANCE		175,049	708,072	201,335	820,440

The attached notes 1 to 13 form part of these special purpose financial statements.

Skateistan Cambodia Association

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
as at 31 December 2020 and for the year then ended

1. THE ASSOCIATION'S BACKGROUND

On 19 April 2012, Skateistan Cambodia Association (“the Association”) registered with the Ministry of Interior of the Royal Government of Cambodia as an association.

The Association uses skateboarding and other creative activities to engage and empower youth. The Association works with youth aged 5 to 17 from diverse backgrounds, with a focus on disadvantaged and street working children. Through regular skateboarding lessons and events, the Association equips boys and girls with the confidence to lead their communities toward social change and development.

The Association’s registered office is at Factory #6 No. 1159, Street No.2, Sangkat Chak Angre Leu, Khan Mean Chey, Phnom Penh, Kingdom of Cambodia.

The Association has 22 employees, eight (8) local and 14 international employees, as at 31 December 2020 (2019: 19 employees, (6) local and 13 international employees). Some functions in the Association, such as those relating to the programs, monitoring, evaluation and learning (MEL) and finance and management are handled by the Head Quarters of the Association in Germany. International staff members from Skateistan Head Quarters also provide support in program implementation, MEL and finance and management to Skateistan Cambodia.

The management’s plan is to change from an association status to a non-governmental organization status in 2022.

The special purpose financial statements were approved for issue by management on 18 May 2021.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The special purpose financial statements of the Association, expressed in United States Dollar (“US\$”), have been prepared based on the historical cost convention under the accrual basis of accounting.

The accounting policies set out below have been consistently applied by the Association during the year.

Fiscal year

The Association’s fiscal year starts on 1 January and ends on 31 December.

Accounting currency

The Association maintains its accounting records in US\$. Monetary assets and liabilities in currencies other than US\$ are translated into US\$ at the rates of exchange ruling at the balance sheet date and transactions in currencies other than US\$ are translated into US\$ at the rates of exchange prevailing on the transaction date. Exchange differences are dealt with in the statement of income and expenses.

Skateistan Cambodia Association

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currency translation

The translation of the US\$ amounts into Khmer Riel (“KHR”) is presented in the special purpose financial statements for the management’s purpose.

Assets and liabilities in the statement of financial position are translated at the closing rate ruling at each reporting date, whereas income and expense items in the statement of comprehensive income are translated at the average rate for the year then ended. All resulting exchange differences are recognized as a separate component of fund balance. All values in KHR are rounded to the nearest thousand (“KHR’000”), except otherwise indicated.

The financial statements are presented in KHR based on the following applicable exchange rates per US\$1:

	2020	2019
Closing rate	4,045	4,075
Average rate for the year	4,077	4,052

Recognition of revenue

The Association classifies its income into four main categories: grants, contributions, and other income.

Grants

This represents fund received from donors according to the respective grant agreement entered between the Association and the donors. Grant income is recognized in the period in which the performance conditions imposed by the grant are met.

Contributions

This represents in-kind contributions such as tools, supplies and equipment received from donors and used by the Association during the year.

Other income

This represents income generated from sale of goods to visitors who have visited the Association and other miscellaneous income from asset disposals. Income from such sale is recognized when the goods are delivered to the customer.

Gain (loss) on disposal of property and equipment

This represents gain (loss) arising from the disposal of an item of property and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the assets and is recognized in the statement of income and expenses on the date of retirement or disposal.

Recognition of expenditure

All expenditures are accounted for on an accrual basis. Under this basis, all expenditures are recognized when incurred rather than when paid.

Cash

Cash consists of cash on hand and in banks that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Skateistan Cambodia Association

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Lease deposits

Lease deposits represent amounts deposited for future services such as office rental.

Prepayments

Prepayments represent monthly insurance which are amortized over the term of insurance policy.

Other receivables

Other receivables represent amounts collectable from related parties, third-parties and others.

Other assets

Other assets represent skateboarding tools and equipment received as donation from Skateistan Head Quarter in Germany. Donated goods are recognized on the date of receipt based on reliable source of information such as supplier invoices, agreements or available market value determined by both parties without undue cost and effort.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

The initial cost of an item of property and equipment comprises its purchase price or available market value determined by both parties and any directly attributable costs of bringing the asset to its working condition and location for its intended use. The capitalization threshold used by the Association is US\$ 50 and above.

Depreciation of an item of property and equipment begins when it becomes available for use, i.e., when it is in the location and condition necessary for it to be capable for operating in the manner intended by management. Depreciation ceases at the earlier of the date that the item is classified as held for sale (or included in a disposal group that it is classified as held-for-sale) and the date the asset is derecognized.

Depreciation is charged to all items of property and equipment so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method.

Subsequent expenditure relating to an item of property and equipment that has already been recognized 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 Association. All other subsequent expenditure is recognized as an expense in the period in which it is incurred.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

	<i>No. of years</i>
Leasehold improvements	5
IT and multimedia equipment	2
Sports equipment	5
Motor vehicles	4
Furniture and fixtures	4

Skateistan Cambodia Association

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Other payables

Other payables are amounts to be paid in the future for goods and services received, whether billed or not to the Association.

Deferred income

Deferred income represents the portion of contribution received from a donor that will be used to pay operational expenses in the next coming year. Included also in the balance of this account is the equivalent carrying value of donated fixed assets and skateboarding equipment which will be realized as income from contributions at the same amount of depreciation recognized for these donated assets at each reporting period.

Contingencies

Contingent liabilities are not recognized in the special purpose financial statements but are disclosed in the notes unless the possibility of an outflow of resources embodying economic benefit is remote. Contingent assets are not recognized in the special purpose financial statements but are disclosed in the notes when inflows of economic benefits are probable.

Related parties

Related parties comprise person or entities that are closely associated to the Association that are involved in the strategic management and has the ability to significantly influence the decision-making of the Association.

Events after the end of the reporting period

Post year-end events that provide additional information about the Association's position at the reporting period (adjusting events) are reflected in the special purpose financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the special purpose financial statements when material.

3. GRANTS

	2020		2019	
	US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
Skateistan gGmbH/ Jochnick foundation (Note 11)	80,000	326,160	150,000	607,800
Skateistan gGmbH (Note 11)	50,000	203,850	-	-
Sport, Opportunity and Lives ("SOL") Foundation	37,724	153,801	40,794	165,297
Skateistan USA (Note 11)	-	-	65,000	263,380
Skateistan gGmbH/ Google Grant (Note 11)	-	-	50,000	202,600
Skateistan gGmbH/ Laureus Grant (Note 11)	-	-	10,000	40,520
	167,724	683,811	315,794	1,279,597

Skateistan Cambodia Association

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

4. CONTRIBUTIONS

	2020		2019	
	US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
Leasehold improvement	6,800	27,724	6,800	27,554
Information technology equipment	1,633	6,657	1,345	5,450
Skateboarding tools and equipment	-	-	3,611	14,631
	8,433	34,381	11,756	47,635

5. STAFF COST

	2020		2019	
	US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
Salaries	159,001	648,247	194,831	789,455
Staff training	1,127	4,595	4,731	19,170
	160,128	652,842	199,562	808,625

6. CASH

	2020		2019	
	US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
Cash in bank	44,426	179,703	12,090	49,267
Cash on hand	6	24	34	138
	44,432	179,727	12,124	49,405

Skateistan Cambodia Association

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

7. PROPERTY AND EQUIPMENT

	<i>Leasehold improvements</i>	<i>IT and multimedia equipment</i>	<i>Sports equipment</i>	<i>Motor vehicles</i>	<i>Furniture and fixtures</i>	<i>Total</i>
	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
2020						
Cost						
As at 1 January 2020	83,372	20,048	4,558	4,290	6,376	118,644
Additions	-	5,600	-	-	-	5,600
As at 31 December 2020	83,372	25,648	4,558	4,290	6,376	124,244
Less: Accumulated depreciation						
As at 1 January 2020	(25,653)	(14,269)	(4,380)	(4,347)	(4,122)	(52,771)
Depreciation	(28,806)	(6,553)	(109)	57	(1,017)	(36,428)
As at 31 December 2020	(54,459)	(20,822)	(4,489)	(4,290)	(5,139)	(89,199)
Net book value	28,913	4,826	69	-	1,237	35,045
KHR'000 (Note 2)	116,953	19,521	279	-	5,004	141,757

Skateistan Cambodia Association

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

7. PROPERTY AND EQUIPMENT (continued)

	<i>Leasehold improvements</i>	<i>IT and multimedia equipment</i>	<i>Sports equipment</i>	<i>Motor vehicles</i>	<i>Furniture and fixtures</i>	<i>Total</i>
	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
2019						
Cost						
As at 1 January 2019	82,925	11,860	4,558	5,278	5,687	110,308
Additions	1,100	8,188	-	-	689	9,977
Write-off	(653)	-	-	-	-	(653)
Disposal	-	-	-	(988)	-	(988)
As at 31 December 2019	83,372	20,048	4,558	4,290	6,376	118,644
Less: Accumulated depreciation						
As at 1 January 2019	(14,090)	(9,535)	(4,286)	(4,809)	(3,021)	(35,741)
Depreciation	(11,633)	(4,734)	(94)	(459)	(1,101)	(18,021)
Write-off	70	-	-	-	-	70
Disposal	-	-	-	921	-	921
As at 31 December 2019	(25,653)	(14,269)	(4,380)	(4,347)	(4,122)	(52,771)
Net book value	57,719	5,779	178	(57)	2,254	65,873
KHR'000 (Note 2)	235,205	23,549	725	(232)	9,185	268,432

Skateistan Cambodia Association

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

8. DEFERRED INCOME

	2020		2019	
	US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
Beginning balance	75,860	306,854	39,062	159,178
Addition:				
SOL Foundation	43,863	177,426	41,304	168,314
IT equipment	5,600	22,652	-	-
Skate supplies	-	-	600	2,445
Less: Contribution	(8,433)	(34,112)	(5,106)	(20,807)
	116,890	472,820	75,860	309,130

9. OTHER PAYABLES

	2020		2019	
	US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
Accrued professional fee	2,640	10,679	4,290	17,482
Accrued withholding taxes	2,122	8,583	2,108	8,590
Provision for employee benefits	319	1,290	2,490	10,147
Others	409	1,654	534	2,175
	5,490	22,206	9,422	38,394

10. FUND BALANCES

	(Unaudited) Beginning fund balance	(Unaudited) Reclassification of beginning fund balance	Income	(Unaudited) Expenses	(Unaudited) Ending fund balance
	US\$	US\$	US\$	US\$	US\$
Free reserves	40,908	(34,185)	10,767	-	17,490
Capex reserves	11,200	54,673	-	(30,828)	35,045
Skateistan USA	63,375	(20,488)	-	(42,595)	134
Skateistan gGmbH / Jochnick Foundation	-	-	80,000	(80,000)	-
Skateistan gGmbH	-	-	50,000	(50,000)	-
SOL Foundation	-	-	37,724	(37,724)	-
Skateistan gGmbH / Laureus Grant	13	-	-	(13)	-
Australian Embassy	557	-	-	(557)	-
	116,053	-	178,491	(241,875)	52,669
KHR'000 (Note 2)	472,916	-	727,707	(986,126)	213,046

The allocation of expenses, except for depreciation, among donors is based on the program costs that the Association reports on a semi-annual and annual basis to the donors. Such allocations are not audited. Depreciation is included in capex reserves of the Association.

Skateistan Cambodia Association

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

11. RELATED PARTY DISCLOSURES

Related parties include Skateistan gGmbH and Skateistan USA by virtue of common directorship.

Transactions and balances with related parties during and as at year end are as follows:

	Related party	Relationship	2020		2019	
			US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
<i>Balance sheet</i>						
Other receivables	Skateistan gGmbH	Head Office	76,624	309,944	105,260	428,935
<i>Statement of income and expenses</i>						
Grant received (Note 3)	Skateistan gGmbH	Head Office	130,000	530,010	210,000	850,920
Management fee	Skateistan gGmbH	Head Office	18,177	74,108	23,130	93,723
Grant received (Note 3)	Skateistan USA	Affiliate	-	-	65,000	263,380

Other receivables pertain to outstanding fund receivable from Head Office in Germany.

The management fee represents the payment of the Association to the Head Office for administrative support.

12. TAX CONTINGENCY

The taxation system in Cambodia is characterized by numerous taxes and frequently changing legislation, which is often unclear, contradictory and subject to interpretation. Often, differing interpretations exist among numerous taxation authorities and jurisdictions. Taxes are subject to review and investigation by a number of authorities, who are enabled by law to impose severe fines, penalties and interest charges. Management believes that it has adequately provided for tax liabilities based on its interpretation of tax legislation. However, the relevant authorities may have differing interpretations and the effects since the incorporation of the Association could be significant.

13. EVENTS AFTER THE REPORTING PERIOD

The Covid-19 pandemic is resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and has an impact on the environment in which the Association operates. The Association's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved, using the best information obtained up to the date of this report.

There were no events which occurred subsequent to 31 December 2020 that would require adjustments or disclosures to be made in the special purpose financial statements of the Association as at 31 December 2020 and for the year then ended.