



Human Capital Project

Annual Report

2009-10

“Investing in the Future”

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Glossary

HCP	Human Capital Project
UME-BB	University of Management and Economics (Battambang)
UME-KC	University of Management and Economics (Kampong Cham)

1. President's Report

In 2009-10 HCP started to mature as an organisation, with 25 students (more than double last year), over a dozen new annual sponsors, a new member of the executive, an annual budget of over \$7000, and some exciting new ideas for growth in 2010-11.

Unlike 2008-09, this year the annual intake went smoothly and we are starting to consolidate our procedures. The official HCP trip was in September, and this time I was joined by two others (Kristin Tan & Joseph Clark) who had a great time. Details are in the trip report. If you would like to join us on future trips, please let me know.

There was also some continuity, with Muon Veasna (UME-KC) and Phann Sophon (UME-BB) once again coordinating our interactions with the students and applicants at their respective universities. In Battambang, Sophon has started to transfer some responsibilities on to Raya Nhoung, and he will likely be our main contact in 2010-11.

Since 2007 HCP has been funded primarily through an annual sponsorship model, where sponsors have committed to paying A\$300 per year for four years to cover the costs of one student through their full degree. Sponsors have been found primarily through family and friends, but as the number of HCP students continues to grow, it will become necessary to introduce a more professional approach to fund-raising. Towards that end, Cassandra Wilkenson has offered to assist fundraising in Sydney.

A big event to look forward to next year is the first HCP graduate. Nhim Chamnan (f) from Battambang started HCP as a 2nd year student, and so by the end of 2010 she should be graduating from her degree in Banking. This means HCP will have to shift into a new phase in trying to coordinate the payments of graduated students.

On behalf of all the students of HCP and myself, I would like to offer a big thank-you to everybody who has contributed their time and money to this project. I continue to believe that there is a real potential here to build a self-sustaining model for economic development that avoids an over reliance on foreign donations or the government.

John Humphreys

President & Director
Human Capital Project

2. Financial statements

The only source for HCP revenue is annual sponsorship. The only expenses are the tuition fees for HCP students, and bank costs. As with previous years, all expenses are paid initially by the director, and then sponsorship money is only raised once receipts have been issued. This approach was introduced to minimise risk for sponsors. The exchange rate at the time of payment was 0.70 AUD/USD.

In 2009-10 HCP ran at a loss of \$411, with revenue of \$7664 and expenses of \$8075. The total financial position of HCP since 2007 has been a loss of A\$2030.

2009-10 Cash Flow Statement (AUD)

Revenue	Annual sponsorship	7200
	University credit	464
	<i>Revenue sub-total</i>	<i>7664</i>
Expenses	Tuition fees	7893
	Bank fees	182
	<i>Expenses sub-total</i>	<i>8075</i>
Net revenue (profit/loss)		(411)

Annual sponsorship

For 2009-10 there were 20 annual sponsors (7 continuing and 13 new sponsors), with some people supporting more than one student, giving a total of 24 student places. Each place is A\$300 per year. This does not exactly match the tuition fee because the money is raised in AUD while the tuition fees are in USD. Depending on the exchange rate at the time, the donated amount may be slightly more or less than the cost of tuition. Total annual sponsorship for 2009-10 was $24 * A\$300 = \underline{A\$7200}$.

University credit

HCP became aware that we had over-paid UME-BB by US\$75 in 2008-09, and so this was provided as credit to HCP. This is because one student had a US\$75 University scholarship, which meant HCP only needed to pay US\$175 (instead of US\$250). Following the financial confusion of 2007-08 it was agreed that Kong Pov still owed HCP US\$250 and he would pay this money directly to UME-KC who would then provide US\$250 of credit. The total University credit was US\$325 (or A\$464).

Student fees (USD)

University	# of students	Cost per student	Total cost
UME-BB	4	250	1000
UME-BB	11	200	2200
UME-BB	1	175	175
UME-KC	4	225	900
UME-KC	5	250	1250
Total	25		5525

Given the exchange rate at the time, total student fees were A\$7893.

Bank fees

As HCP does not have a bank account in Cambodia and the Universities require payment in cash, HCP incurs significant bank costs. Overseas bank withdrawal fees were 2% of the transaction plus \$4 per transaction¹. For 2009-10, bank fees came to A\$182.

¹ Most ATMs in Cambodia issue up to US\$1000 per transaction

3. HCP structure and donors

HCP is a non-profit organisation founded by John Humphreys in 2007. The organisation is controlled by a Management Committee, headed by a President, and advised by an informal Advisory Board.

Management Committee

John Humphreys – President and Director

Kristin Tan

Phann Sophon (UME-BB contact)

Muon Veasna (UME-KC contact)

Advisory Board

Joseph Clark

Jason Potts

Kate Morrison

Hong Keasar

Kong Pov

Willem Paling

In the early stages of HCP, revenue is primarily raised from sponsors. New sponsors for 2009/10 include Nev Kennards, David Leyonhjelm, Jarrah Job, Jock McKenzie, Joe Cambria, Nye Griffiths, Parvinder Kler, Rob Humphreys, Stephen Samild, Stephen Edwards, Tristan Blakers, Matthew Ferguson-Stewart, and Ashley Davies.

HCP is not currently registered in Australia or Cambodia, and does not have Deductible Gift Recipient (DGR) status. Consequently, donations are not tax-exempt. HCP does not have its own bank account.

The HCP website is now available at the new URL: humancapitalproject.com.au (which was donated by Tim Lester) and is hosted for free with Wordpress. In 2009/10 HCP also set up a “page” on facebook, which includes basic information, occasional updates, and photos of the students.

Contact details for HCP are:

Post: PO Box 6038 Mooloolah, Qld 4553

Phone: 0404 044561

E-mail: john.humphreys99@gmail.com

Web: humancapitalproject.com.au

Facebook: www.facebook.com/humancapitalproject

4. HCP students

At the end of 2009-10, HCP is supporting 25 students, with 16 at UME-BB (10 new students in 2009) and 9 at UME-KC (5 new students in 2009). As outlined above, the total cost for both Universities was US\$5525. All receipts are available on request. A complete list of HCP students (with their school mark, area of study, and expected graduation date) is provided below. Photos of the students are available on the website.

University of Management and Economics – Battambang (using USD)

Intake	Name	Sex	School	Study	Graduate	Tuition
2007	Nhim Chamnan	F	D	Accounting	2010	200
"	Chim Saroum	M	E	English	2011	250
"	Phlong Puthearithy	M	E	Management	2011	250
2008	Ponlok Sidet	F	D75	Management	2012	250
"	La Nybunthana	M	E68	Management	2011	175
"	Em Sophon	M	E44	Economics	2011	250
2009	Chay Sochea	F	E60	Management	2013	200
"	Kieng Soloeth	M	E58	Management	2012	200
"	Kieng Soloun	M	E89	Management	2012	200
"	Koch Sophy	F	E50	Management	2013	200
"	Nget Vechhai	M	E42	Management	2013	200
"	Phoun Pisith	M	D92	Management	2013	200
"	Sou Chan Thin	M	E48	Management	2013	200
"	Youern Nga	M	E59	Management	2012	200
"	Chh Porn	M	E56	English	2013	200
"	Van Chamroeun	M	D87	English	2013	200
	Total = 16					\$3375

University of Management and Economics – Kampong Cham (using USD)

Intake	Name	Sex	School	Study	Graduate	Tuition
2008	Chanty Nhil	F		Finance	2012	225
"	Kim Sophina	F		Finance	2012	225
"	Lot Soklim	F		Finance	2012	225
"	Neang Ravy	M		Economics	2012	225
2009	Choeun Nith	M	E64	English	2013	250
"	Ngorn Lihor	F	E38	Management	2013	250
"	Phal Bunnak	M	D86	Management	2013	250
"	Sueng Vuoch Leang	F	E45	Management	2013	250
"	Von Raksa	M	D90	Management	2013	250
	Total = 9					\$2150

5. Other issues

5.1 Admission Procedure

The application process involved an information session, followed by interviews, followed by a contract signing ceremony. Applicants had to supply (1) an application form; (2) secondary school results; (3) letter of recommendation; and (4) a sponsor should be brought to the information session and/or interview, and must be brought to the contract signing ceremony. The contracts included the signatures and thumb prints of the students and sponsors.

For the 2009 intake, the above requirements were strictly enforced, and a minimum school grade requirement was set at E40. There is still a need for more preparation work in the lead up to the annual intake.

5.2 Fundraising

Future budgets are expected to exceed \$10,000 which is going to require new methods for raising money. One suggestion was the option of a \$25/month payment plan for sponsors, which may make sponsoring more appealing. There has been an offer from Cassandra Wilkenson in Sydney to try and organise a fund-raising event for HCP.

5.3 Documents

Contracts were finally signed with the two outstanding students (Chim Saroum and La Nybunthana) and so now all paperwork is up to date (though the filing system needs to be improved). A "trip report" for the September 2009 trip is available online, which includes further details about the students and other activities.

5.4 First graduate

In preparation for the first graduate in late 2010, HCP will need to open a bank account in Cambodia, and set up a process for regular payment (and checking of payments).

5.5 Registration

A priority for 2010-11 will be the official registration of HCP as an association with the Queensland government, and a separate HCP bank account in Australia. This will require the constitution to be updated, and will need to be approved at an Annual General Meeting.