



Human Capital Project

Annual Report

2010-11

“Investing in the Future”

Index

1. President's Report
2. Financial statements
3. HCP structure & donors
4. HCP students
5. Other issues



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

The Human Capital Project (HCP) has continued to grow during 2010-11, sponsoring an additional 12 students and achieving our first graduate – Nhim Chamnan.

Chamnan finished her banking degree in the second half of 2010 and has started working as a data recorder at Vision Fund, the micro-finance lending arm of World Vision. She is earning a healthy middle-class wage of US\$150/month and opted to make her HCP payments at 20% so that her total repayment time could be halved. At the end of the 2010-11 financial year, Chamnan was fully up to date in her payments and had paid US \$270 to UME (on behalf of HCP).

The 2010 intake trip was held over three weeks during September and included stops in Battambang, Phnom Penh, Kampong Cham and Kratie (to see the dolphins). We put on five new students in Battambang and seven new students in Kampong Cham. In another "first", HCP now has several students who have taken a temporary break from study, or who have been able to pay for a year by themselves.

This was the first year that revenue was able to cover all tuition costs, thanks to the strong Australian dollar, with excess revenue of \$247. To put this in context, since 2007 HCP has run at a cumulative loss of A\$1783.

In Battambang, Phann Sophon has left UME-BB and so has been replaced by Chan Sam An as the official contact. Sophon has stayed involved with HCP as a member of the advisory committee. Muon Veasna remains the official contact in Kampong Cham, though most of the work is done by UME-KC Director Srun Sarak.

There were some other significant changes at the June AGM. The new Management Committee is now made up of Jason Potts, Joseph Clark, Rachel Connor and myself (John Humphreys). In addition, a new constitution was drafted and the Management Committee agreed to apply for incorporation, charity status, and a bank account.

While HCP has still not kicked off any proper fundraising activity, we did have an offer for \$10,000 support from a kind donor, organised through the Institute for Public Affairs. Hopefully that money will be able to cover the ever-growing costs as we go into 2011-12.

Once again, I owe a big debt of gratitude to all those donors, volunteers and supporters who help to keep HCP moving forward, and I look forward to more successes in the coming years.

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 0.88 AUD/USD.

In 2010-11 HCP ran its first ever profit of \$247, with revenue of \$8567 and expenses of \$8320. This profit would have been ever larger if all sponsors had paid. The total financial position of HCP since 2007 has been a loss of A\$1783.

2010-11 Cash Flow Statement (AUD)

Revenue	Annual sponsorship	8200
	University credit	267
	<i>Revenue sub-total</i>	<i>8567</i>
Expenses	Tuition fees	8125
	Bank fees	195
	<i>Expenses sub-total</i>	<i>8320</i>
Net revenue (profit/loss)		247

Annual sponsorship

Sponsors are asked to contribute A\$300 for each student supported, and some sponsors give enough for multiple students. 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.

For 2010-11 there were nominally 25 sponsors (20 continuing and 5 new sponsors), with some people supporting more than one student, giving a total of 34 student places. On the negative side, several sponsors did not pay for this financial year, leaving 27 student places covered. However, the strong AUD meant that the each sponsor's contribution was able to help marginally more than one student, and one sponsor added an additional \$100 to their contribution. The total annual sponsorship for 2010-11 was A\$8200.

University credit

Two credits were issues at UME-KC for 2010-11. During the trip it was discovered that the standard tuition fee at UME-KC was actually less than US\$250, and it was agreed that HCP would pay US\$225 per year for each student. HCP was then issued credit of US\$25 * 5 = US\$125 for overpayment from the previous year. In addition, one student (Sung Vuch Leang) dropped out in first semester and so HCP was issued one semester credit (US\$110). Total credit was US\$235, equivalent to A\$267.

In addition, after the 2010 intake, UME collected US \$270 of payments from HCP graduate Nhim Chamnan during 2010-11 (\$30/m for nine months). However, this money was not included as revenue for 2010-11 since the money was not collected by HCP until 2011-12.

Student fees (USD)

University	# of students	Cost per student	Total cost
UME-BB	9	250	2250
UME-BB	9	200	1800
UME-BB	1	175	175
UME-KC	13	225	2925
Total	32		7150

Given the exchange rate at the time, total student fees were A\$8125.

Bank fees

As HCP does not have a bank account in Cambodia and the Universities require payment in cash, HCP incurs significant bank costs. Transaction costs are 2% of the transaction plus \$4 per transaction¹. For 2010-11, bank fees came to A\$195.

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, with a President, Secretary and Treasurer. HCP also has an Advisory Board made up of people with an active interest in HCP, including official representatives from each university.

Management Committee

John Humphreys – President and Director
Joseph Clark – Treasurer
Rachel Connor – Secretary
Jason Potts

Advisory Board

Chan Sam An (UME-BB contact)
Muon Veasna (UME-KC contact)
Phann Sophon
Hong Keasar
Kong Pov
Willem Paling

In the early stages of HCP, revenue is primarily raised from sponsors. New sponsors for 2010/11 include Cassandra Wilkinson, Senator Brett Mason, Dr Liam Tjia, Graeme Haycroft, and Tim Wilson.

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. However, at the last HCP AGM it was determined that HCP would in the near future become incorporated and open a bank account.

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 2010-11, HCP has 36 students still in the system, with 21 at Battambang and 15 in Kampong Cham. That does not include the one student that we “lost” this year – Sueng Vuoch Leang from UME-KC.

Of the 36 students in the system, one has graduated, one has left University but is not yet considered “lost”, and two others are able to pay for themselves. That means that HCP is currently supporting 32 students.

As outlined above, the total cost for both Universities was US\$7150. 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 ²	Nhim Chamnan	F	D	Accounting	2010	0 ³
“	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	0 ⁴
“	Chh Porn	M	E56	English	2013	200
“	Van Chamroeun	M	D87	English	2013	200
2010	Souen Sim	M	E67	English	2014	250
“	Ly Chanretthy	M	D80	IT	2014	250
“	Vann Vibol	M	E53	Marketing	2014	250
“	Sung Nann	M	D59	English	2014	250
“	He Davit	F	E29	Agriculture	2014	250
	Total = 21					\$4225

² The first intake was supposed to include five students, but one never received money and a second student dropped out in the first semester and is now considered a “lost” student.

³ Nhim Chamnan graduated in 2010 and is now working.

⁴ Youern Nga was able to pay for one year himself

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	--	0 ⁵
"	Ngorn Lihor	F	E38	Management	2013	0 ⁶
"	Phal Bunnak	M	D86	Management	2013	225
"	Sueng Vuoch Leang	F	E45	Management	--	0 ⁷
"	Von Raksa	M	D90	Management	2013	225
2010	Son Kunthea	F	D84	Accounting	2014	225
"	Chhuong Malin	F	D76	Accounting	2014	225
"	Oeun Chan Thoeun	M	D81	HRM	2014	225
"	Hoeun Kim Haing	M	D87	Economics	2014	225
"	Sea Kok Kong	F	D89	Business	2014	225
"	Srun Sok Cheat	M	E51	Banking	2014	225
"	Sorn Sirey Sambo	M	E53	HRM	2014	225
	Total = 15					\$2925

⁵ Choeun Nith has left university for a decent job in Sihanoukville, and has agreed to make payments so is not considered "lost"

⁶ Ngorn Lihor was able to pay for one year herself

⁷ Sueng Vuoch Leang has left university and is considered "lost" as she is unlikely to get a proper job

5. Other issues

5.1 HCP scholars – students, graduates, suspended, lost

In HCP files, students have now been split into four categories:

- * Current students are still enrolled (they may pay one or more year themselves)
- * Graduates have left university and should be making HCP payments
- * Suspended students have stopped attending the university, but may still make payments
- * Lost students have stopped attending university, and are considered unlikely to make payments

5.2 Fundraising

For HCP to grow further from the current size it is necessary to expand fundraising to beyond a network of friends and family. It may be possible to seek out corporate sponsorship, to charge membership fees, to apply for grant money, or to host a fundraising function.

5.3 Documents & files

All documents need to be updated so that they include the organisation logo. Further, it is necessary to ensure that all documents are available in both English and Khmer, and to double-check the quality of the translations. A “trip report” for the September 2010 trip is available online, which includes further details about the students and other activities.

The filing, both physical and electronic, is currently poorly structure, and needs to be improved over 2011-12. Specifically, electronic documents need to be more logically sorted, and electronic files need to be regularly back-up to an external storage device.

5.4 Cambodian staff

2010-11 saw the first HCP graduate and 2011-12 will see several more graduates. There is a growing need to have staff in Cambodia whose job would be to coordinate HCP graduate payments, and also to distribute information about HCP.

5.5 Registration

Steps were taken in 2010-11 to incorporate HCP, get charity status, and open a bank account, and these steps need to be finalised in 2011-12. In addition, HCP should start to explore the requirements for achieving DGR status, so that donations can be tax-deductable. Finally, HCP should start to explore the process to become registered in Cambodia.