STICHTING ECPAT INTERNATIONAL

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020



INCLUDES Board of Trustees Report | Independent Auditors' Report | Financial Statements year ended 30 June 2020

Board of Trustees Report

Operating and financial review

For the year ended 30 June 2020 the ECPAT financial statements show income of US\$ 4,236,174 (compared to US\$ 3,212,850) in previous year) and expenditure of US\$ 3,131,821 (compared to US\$ 3,005,260 in previous year). The high income to the actual expenditure relate to project fund disbursements received in advance, but not yet expended, and to be utilized within the grant periods in next financial year.

The impact of the Covid-19 pandemic required substantial changes in project planning and negotiations with donors causing a slowdown in project implementation in the first half of 2020. The related projects are now re-designed for implementation in financial year 2020/2021 and with some minor exceptions, full grant amounts are expected to be utilized within in the agreed grant duration periods.

The year-end shows an increase in unrestricted reserves from US\$ 477,878 to US\$ 538,564. Unrestricted income received this year was allocated in full to the reserves, as well as an incidental amount related to a previous terminated project balance. The Board's intent is to use any future unrestricted income to further build the reserves in the coming years towards its targeted level.

The level of Restricted Funds (US\$ 2,353,636) presents grant disbursements received in advance for programme implementation in the coming year. More than half of this amount relates to one single grant for which a new annual advance was received just before year-end,

Management presented a new Fundraising Strategy to the Board in October 2019. The Strategy sets out a collective vision to grow and diversify income from new donors (High Net-worth Individuals, trusts and foundations, private sector and other income channels based on opportunity and resources) and deepen engagement with existing/past donors. The Board will oversee the implementation of the new Strategy acknowledging the changing funding environment during due to Covid-19. The implementation of the Strategy requires close monitoring of the environment and adaptation to respond to the changes in this very challenging period of paradoxes and uncertainties. In May 2020, Management provided their first analysis on the potential impact of the global pandemic for fundraising and programming and their mitigation strategies.

The Covid-19 pandemic that started in early 2020 had substantial impact on the ECPAT Secretariat office which traditionally has its focus on regional and international advocacy events and network coordination meetings, with a team of mostly international staff in its Bangkok office. The Board highly appreciates the tremendous efforts from the Secretariat team to adjust their planning and projects, while working from home and with sometimes complex family situations. Our existing donors have shown enormous flexibility in helping with the redesign of

programmes and projects and demonstrated the flexibility for the organisation to readjust our programming with only limited delays. Some of our donors committed to additional funds, including core funds, in support of addressing these challenges and to cope with the many uncertainties. However, our partners in the travel and industry understandably could not all maintain their financial support towards ECPAT's work, though we note that in these extreme difficult times for the industry their commitment to the work on child protection remains very strong.

The Covid-19 situation of course also had strong impact on the work and the situation of the Network member organisations. A survey from the Secretariat showed that a large majority of the organisations had closed or partly closed their offices and experienced significant to severe impact on their operations, programming and finances. Especially those organisations who provide direct services had to reduce operations or shift to online services. Increased vulnerabilities were noted, especially in relation to domestic violence and online exploitation. Overall members have and are showing incredible agility in managing through this crisis and creativity in ensuring their efforts towards ending child sexual exploitation can continue.

The annual audit carried out by KPMG Thailand for this financial year concluded for the fifth consecutive year that there were no instances noted of control weaknesses and non-compliances with established policies and procedures. The Board is pleased with this result and with the efforts of the Management of the organisation to achieve this. The Finance and Audit Committee of the Board will continue to work with Management to review processes and procedures and ensure effective, efficient and transparent processes within the context of a growing organisation and within the global context of transparency and accountability.

<u>The future</u>

This year ECPAT celebrated its 30th anniversary, and with the successful growth of the network to currently 121 members, it is time for the organisation to review the ECPAT International model, structure and governance. It is the view of the Board that the current governance structure which has operated since inception is no longer fit for purpose. To ensure that the views of Network members are captured at the time of this report a consultative ECPAT Review process has started. The Board expects to receive recommendations in early 2021 for discussion with changes proposed to the membership in mid-2021. This will include an implementation plan to increase ECPAT's relevance in the future, building on its successes and increase the effectiveness of all elements of ECPAT in achieving the vision and mission.

The Impact Evaluation Report of ECPAT's programming over the last three years is expected by the end of October 2020 and will inform the Review process and the Network's multi-year Strategic Plan for the upcoming period.

The secured funding for financial year 2020/2021 allows for an expenditure plan of US\$ 4.7M, which is an increase of about 50% compared to the previous year. The funding increase is a result of new project funds, additional core funding, and the carry-over of project funds which due to

Covid required a re-design and delay of implementation in the previous year. In addition, new dedicated funding in response to Covid provides opportunities for a digitalization process for both the Secretariat office and for the coordination and cooperation with and amongst the membership.

The organisation's heavy reliance on grant income remains a major concern for the Board. Diversification of funding streams remains key to long term sustainability of income sources. Due to the good funding coverage for programming in the next year, the Board expects that unrestricted income can be mostly dedicated to further building the unrestricted reserves to targeted levels and increase sustainability on the longer term.

Board of Trustees

Members of the Board of Trustees during this financial year

Position

Chair Vice-Chair Treasurer	Carol Bellamy Dorothea Czarnecki Ann Byrne
Regional Representatives:	
East Asia	Bernard Kao
Eastern Europe/ Central Asia	Maya Rusakova
Western/ Central Africa	Barima Akwasi Amankwaah
Latin America	Luz Stella Cárdenas
North America	Carol Smolenski; replaced by Lori Cohen (Nov 2019)
Pacific	Sandy Thompson
South Asia	Mohammed Mahuruf
Western Europe	Erika Georg- Monney
Eastern/ Southern Africa	Justa Mwaituka
Middle East/ North Africa	Hoda Hamwieh Kara

Due to the Covid pandemic the Board has not been able to meet in person this year. It is hoped that an in-person meeting will be held in 2021.

Board Meetings held this year:

- 12 November 2019, Conference call
- 4 March 2020, Conference call
- 23 June 2020, Conference call

Detailed information on activities and impact can be found in ECPAT's Annual Report 2019-2020, on our website: http://www.ecpat.org/

Financial statements for the year ended 30 June 2020 and Independent Auditors' Report



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Independent Auditors' Report

To the management of ECPAT International

Opinion

We have audited the financial statements of ECPAT International (the "Organisation"), which comprise the statement of financial position as at 30 June 2020, the statements of revenue and expenditures and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements of the Organisation for the year ended 30 June 2020 are prepared, in all material respects, in accordance with the Organisation's accounting policies as described in Note 2.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organisation in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these 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 Distribution and Use

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements have been prepared to assist the Organisation to report to the donors. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Organisation and its donors, and should not be used by or distributed to other parties. 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 the Organisation's accounting policies as described in Note 2, 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.

Auditors' 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 auditors' 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 ISAs 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 ISAs, we exercise professional judgment and maintain professional skepticism 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 the 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 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 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 auditors' 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 auditors' report. However, future events or conditions may cause the Organisation to cease to continue as a going concern.



We communicate with 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.

KPM & Phoomchai Audit Ltd.

KPMG Phoomchai Audit Ltd. Bangkok 25 September 2020

Statement of financial position

	30 June		
Assets	Note	2020	2019
		(in USI	D)
Current assets			
Cash and cash equivalents	3	3,173,487	1,926,550
Donation receivables		34,262	84,059
Other receivables	4	8,356	37,018
Prepayments		55,194	69,624
Total current assets		3,271,299	2,117,251
Non-current asset			
Deposit		9,149	9,192
Total non-current asset		9,149	9,192
Total assets		3,280,448	2,126,443
Liabilities and fund balances			
Current liabilities			
Accounts payable	5	358,219	318,091
Accrued expenses		30,029	20,505
Total current liabilities		388,248	338,596
Fund balances			
Restricted funds	6, 7	2,353,636	1,309,969
Unrestricted funds	6	538,564	477,878
Total fund balances		2,892,200	1,787,847
Total liabilities and fund balances		3,280,448	2,126,443

Statement of revenue and expenditures

		For the year ended		
		30 June		
	Note	2020	2019	
		(in USI	0)	
Revenue				
Donation income	7	4,231,609	3,205,808	
Other income		4,565	7,042	
Total revenue	-	4,236,174	3,212,850	
Expenditures			·	
Thematic programme areas				
Sexual Exploitation of Children Online		549,751	103,565	
Sexual Exploitation in Travel and Tourism		410,320	396,349	
Legal Programme		136,811	198,510	
Child and Youth Participation		28,941	26,603	
Trafficking of Children for Sexual Purposes		135,846	- 11	
Total thematic programme areas	-	1,261,669	725,027	
Network development and global partnership				
Global Strategies and Coordination		165,961	207,415	
Regional Programming and Coordination				
- Africa		175,687	304,232	
- South Asia		92,855	79,381	
- East Asia		107,732	174,976	
- Latin America	2	~	29,342	
- Eastern Europe and Central Asia		73,849	182,078	
- Middle East and North Africa		25,795	21,072	
- Other Regions			9,432	
Total network development and global partnership		641,879	1,007,928	

Statement of revenue and expenditures

	For the year ended		
	30 June		
	2020	2019	
	(in USD)		
Research and Policy	210,638	119,922	
Communication and Advocacy	156,946	210,118	
Executive Office and Strategic Development	318,887	319,347	
Administrative and Operational Expenditure	541,802	622,918	
Total expenditures	3,131,821	3,005,260	
Excess of revenue over expenditures	1,104,353	207,590	
Fund balances, beginning of year	1,787,847	1,580,257	
Fund balances, end of year	2,892,200	1,787,847	

Statement of cash flows

	For the year ended 30 June	
	2020	2019
	(in USD,)
Cash: Brought forward, 1 July 2019 / 1 July 2018		
Cash and deposits at financial institutions	1,926,550	1,743,953
Addition:		
Revenue		
Income receipts during the year	4,236,174	3,212,850
Non-cash receipts/payments:		
Advance to staff for work purposes closing balance	(2,428)	(2,222)
Receivables from ECPAT member organisations and partners closing balance	(3,497)	(29,360)
Other receivables closing balance	(2,431)	(5,436)
Accounts payable closing balance	358,219	318,091
Accrued expenses closing balance	30,029	20,505
	379,892	301,578
Deductions:		
Disbursements for various projects	(3,131,821)	(3,005,260)
Change in prepayments and deposits	14,473	(5,053)
Advance to staff for work purposes opening balance	2,222	6,318
Receivables from ECPAT member organisations and partners opening balance	29,360	45,784
Other receivables opening balance	5,436	15,917
Accounts payable opening balance	(318,091)	(351,112)
Accrued expenses opening balance	(20,505)	(35,731)
Change in donation receivables	49,797	(2,694)
_	(3,369,129)	(3,331,831)
Cash: Carried forward, 30 June 2020 / 30 June 2019		
Cash and deposits at the financial institutions	3,173,487	1,926,550

ECPAT International Notes to the financial statements For the year ended 30 June 2020

Note	Contents
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These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Executive Director on 25 September 2020.

1 General information of the Organisation

ECPAT International (the "Organisation") was established in January 1991 and registered as a Foundation ("Stichting") under Netherlands' law in 2000, statutory domiciled in Amsterdam, with registration number KvK 34139743. ECPAT International's main office is located at 328/1 Phayathai Road, Bangkok, Thailand, with permission from the Thai Ministry of Labour to operate as a foreign entity in Thailand since 2005.

ECPAT International is governed by the Board of Trustees.

The main objective of the Organisation is to end the sexual exploitation of children. The Organisation seeks to encourage the world community to ensure that children everywhere enjoy their fundamental rights free and secure from all forms of commercial sexual exploitation.

ECPAT International acts as the International Secretariat of the ECPAT International Network, a network consisting of over 100 independent member organisations located in over 100 countries in all regions of the world.

The International Secretariat is the administrative and coordinating unit of the ECPAT Network, including the responsibility for advocacy, campaigning, partnerships and research at the global level and coordination of these activities at regional levels. For this coordination role ECPAT International does not receive membership fees from the Network. Activities are funded through external grants and donations.

2 Summary of significant accounting policies

(a) Basis of preparation

The Organisation maintains its books and records in US Dollars. The financial statements have been prepared in accordance with a modified cash basis of accounting with certain practices considered as appropriate for not-for-profit organisations.

(b) Revenue and expenditures

The Organisation recognises income using the modified cash basis of accounting. The Organisation recognises income when cash is received and when committed funds are due for installment but not yet received. On finalisation or termination of a grant, the Organisation derecognises income when cash is refunded to donor for the unutilised fund balance.

Restricted donation income is allocated to specific projects or programmes depending on the specifics of the project as outlined in the respective donation agreement. Restricted funds made available to the Organisation without detailed conditions for specific project purpose are allocated, within the conditions of the grant agreement, to those projects that (partially or fully) are not supported by specific donations.

Expenditures are recognised as incurred on an accrual basis.

ECPAT International Notes to the financial statements For the year ended 30 June 2020

Expenses related to funding commitments to partner organisations for the purpose of project implementation are considered incurred at the moment of advance payment to partner or, if prior, when expenses are incurred and verified. In cases where partner organisations do not fully expend their advances by the end of the implementation period and remaining balances are refunded to the Organisation, such refunds shall be recognised as negative expenditure in the year of refund.

(c) Equipment

Purchases of equipment are recognised as expenses and are matched against the current year receipts of funds. The reason for such treatment of equipment is the importance of matching expenses with donation income disbursements.

For the year ended 30 June 2020, the equipment acquisitions amounted to USD 7,621 (2019: USD 16,640).

(d) Foreign currency transactions

The Organisation operates three currencies - Thai Baht, US Dollar, and Euro - and maintains its accounting records in US Dollar ("USD"). Transactions denominated in Thai Baht and Euro currencies were translated to USD at the rates of exchange of the last day of the preceding month. Transactions denominated in currencies other than Thai Baht and Euro were translated to USD at the exchange rates on the date of transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to USD at the exchange rate ruling at that date.

Gains or losses on foreign exchange arising on settlements and transactions are recognised as revenue or expenditure in the statements of revenue and expenditures as incurred.

(e) Interest income

Interest income generated on bank accounts is accounted for as other income under revenue and considered unrestricted income. Unrestricted funds can be allocated towards any purpose within the organisation's overall objectives and statutory mission statement. Where donor or grant agreements include specific conditions for use of interest income, these conditions shall be adhered to.

(f) Employee benefits

The Organisation recognises employee severance allowances upon the moment payments are made to the employee in accordance with the Organisation's policy.

3 Cash and cash equivalents

	2020	2019
	(in U	SD)
Cash on hand	4,112	5,154
Cash at banks - current accounts	2,913,145	1,634,035
Cash at banks - saving accounts	256,230	287,361
Total	3,173,487	1,926,550

Notes to the financial statements For the year ended 30 June 2020

4 Other receivables

	2020	2019
	(in USD)	
Receivables from ECPAT Member Organisations and Partners	3,497	29,360
Other receivables	2,431	5,436
Advances to staff for work purposes	2,428	2,222
Total	8,356	37,018

Receivables from ECPAT Member Organisations and Partners are unspent project funds advanced to partners.

5 Accounts payable

	Note	2020	2019
		(in US	SD)
Other accounts payable		148,002	91,645
Staff savings plan	11.2	210,217	226,446
Total		358,219	318,091

6 Fund balances

	Note	Restricted funds	Unrestricted funds <i>(in USD)</i>	Total
Fund balances as at 1 July 2019		1,309,969	477,878	1,787,847
Donation income	7	4,205,974	25,635	4,231,609
Other income		105	4,460	4,565
Total funds balances		5,516,048	507,973	6,024,021
Utilisation of funds	7	3,162,412	(30,591)	3,131,821
Fund balances as at 30 June 2020	-	2,353,636	538,564	2,892,200

Unrestricted funds balance

The Organisation aims to ensure a sustainable organisation so that in case of temporarily funding shortage or unforeseen circumstances the ongoing operations of the Organisation are not affected. Therefore, the Organisation aims to maintain an unrestricted reserve of nine months of core operational costs. The Organisation does not wish to build any other reserves than reserves to ensure continuity. The nine months timeframe is based on a prudent assessment of organisational risks and the time required to source additional funding. This reserve is primarily built up from unrestricted donations from private donors and foundations. The Organisation has no investments. The unrestricted funds balance at 30 June 2020 is USD 538,564. This amount is below the targeted continuity reserve. The Organisation has the intention to bring the amount to the targeted level in the coming years.

Notes to the financial statements For the year ended 30 June 2020

7 Donation income

	For the year ended 30 June 2020		
	Restricted	Unrestricted	Total
	Donations	Donations (in USD)	Iotal
		(In USD)	
Accor Asia	-	1,802	1,802
Carlson Family Foundation	300,000	-	300,000
DCI / ECPAT Netherlands	312,079	-	312,079
ECPAT France	22,343		22,343
ECPAT Sweden	2,750		2,750
Fund to End Violence Against Children	1,219,123		1,219,123
Global Impact	6,250		6,250
Irish Aid	106,470	말 다 집에 다 다 다 다 다 다 다 다 다 다 다 다 다 다 다 다 다	106,470
New Venture Fund	619,718	-	619,718
Oak Foundation	100,000	-	100,000
Sundry donations	-	23,833	23,833
Swedish International Development			
Cooperation Agency (Sida)	1,140,977	-	1,140,977
Taiwan Foundation for Democracy	5,430	-	5,430
Terre des Hommes Netherlands	139,647	-	139,647
Thailand Institute of Justice	97,561	-	97,561
The Code of Conduct in Travel and Tourism			
(TheCode.org)	55,780	-	55,780
United Kingdom Home Office	62,846	_	62,846
United Nations Children's Fund	15,000	-	15,000
Total	4,205,974	25,635	4,231,609

For the year ended 30 June 2019		
Restricted	Unrestricted	- 1. Š
Donations		Total
	(in USD)	
-	1,859	1,859
-	23,200	23,200
318,125	-	318,125
7,829	-	7,829
1,219,123	-	1,219,123
8,750	-	8,750
129,128	-	129,128
200,000	-	200,000
-	14,066	14,066
924,677	-	924,677
194,317	-	194,317
. –	2,816	2,816
123,601	-	123,601
-	1,822	1,822
31,895	-	31,895
-	4,600	4,600
3,157,445	48,363	3,205,808
	Restricted Donations - 318,125 7,829 1,219,123 8,750 129,128 200,000 - 924,677 194,317 - 123,601 - 31,895	Restricted Donations Unrestricted Donations (in USD) - 1,859 - 23,200 318,125 - 7,829 - 1,219,123 - 8,750 - 129,128 - 200,000 - - 14,066 924,677 - 194,317 - - 2,816 123,601 - - 1,822 31,895 - - 4,600

ECPAT International Notes to the financial statements For the year ended 30 June 2020

Additional Information:

The following information lists the specifics of each restricted donation and the remaining funds for the years ended 30 June 2020 and 2019.

The remaining funds are intended for expenditures in the following financial year(s) in accordance with the conditions of each donation agreement.

Donor and Project	Remaining Funds 30 June 2019	Income Financial Year 2019/2020	Expenditures Financial Year 2019/2020	Remaining Funds 30 June 2020
	(in USD)			
Brot für die Welt Empowering CSOs to Lead Victim-Centered Advocacy Efforts Towards Ending the Sexual Exploitation of Children			(3,300)	(3,300)
Children			(0,000)	(0,000)
Carlson Family Foundation (through ECPAT USA) Protecting Children from Sexual Exploitation in Travel and Tourism		300,000	(95,004)	204,996
Conrad N. Hilton Foundation International Assembly/ Sexual Exploitation of Children in Humanitarian Contexts	10,204	-	(10,204)	
DCI / ECPAT Netherlands				
Down to Zero- Fighting Sexual Exploitation of Children Down to Zero - Voice for	13,575	100,436	(108,914)	5,097
Change	-	-	(12,620)	(12,620)
<i>Girls Advocacy Alliance</i> <i>Zero Tolerance in Phuket</i>	9,151 (4,310)	105,676 105,967	(69,689) (101,657)	45,138
ECPAT France PARLE	(20,356)	22,343	(1,987)	-
ECPAT Sweden Support Project Visit	-	2,750	(2,750)	-
Fund to End Violence Against Children				
OCSEA National Assessments - Contextual Research	1,144,440	1,219,123	(832,932)	1,530,631
Global Impact Hilton Prize Fellowship	4,813	6,250	(11,063)	-

Notes to the financial statements For the year ended 30 June 2020

Donor and Project	Remaining Funds 30 June 2019	Income Financial Year 2019/2020	Expenditures Financial Year 2019/2020	Remaining Funds 30 June 2020
		(in USD)		
Human Dignity Foundation Prevention of Commercial Sexual Exploitation of Children	26,943	-	(26,943)	-
Irish Aid Empowering Civil Society to End Child Sexual Exploitation		106,470	(33,538)	72,932
Exploitation		100,470	(55,550)	12,752
New Venture Fund Core funds 2019 - 2022 Using the Power of Evidence to Enhance Advocacy on	-	520,000	(459,758)	60,242
SEC	-	99,718	(91,466)	8,252
O-h E lation				
Oak Foundation Core funds 2018 - 2019 Ending Online Child Sexual Abuse and Exploitation of	55,391	-	(55,391)	-
Children – EU	-	100,000	-	100,000
Sundry donation for specific use Programme in Indonesia	2,140	-	(2,140)	_
Swedish International Development Cooperation Agency (Sida) Core funds 2017 - 2021		1,140,977	(906,099)	234,878
Core junus 2017 - 2021	-	1,140,977	(900,099)	254,070
Taiwan Foundation for DemocracyInternational Conference on the Ethical Considerations in Research on Sexual				
Exploitation Involving Children	-	5,430	(5,430)	-
Terre des Hommes Netherlands <i>Girls Advocacy Alliance (Asia)</i>	5,730	139,705	(104,324)	41,111
Thailand Institute of Justice A Global Initiative to Explore the Sexual Exploitation of Boys:				
The Thailand Reports	-	97,561	(76,216)	21,345

Notes to the financial statements For the year ended 30 June 2020

Donor and Project	Remaining Funds 30 June 2019	Income Financial Year 2019/2020 (in b	Expenditures Financial Year 2019/2020 USD)	Remaining Funds 30 June 2020
The Code of Conduct in Travel and Tourism (TheCode.org) Operational Support The Code Programme	62,248	55,827	(73,141)	44,934
United Kingdom Home Office Strengthening regional and national capacity and action against OCSE in Africa Guidelines for the Implementation of the Optional	-	50,218	(50,218)	
Protocol to the CRC on the sale of children, child prostitution and child pornography	-	12,628	(12,628)	-
United Nations Children's Fund Publication of the explanatory report to the guidelines regarding the implementation of OPSC	-	15,000	(15,000)	
Total	1,309,969	4,206,079	(3,162,412)	2,353,636

Income for the financial year under Terre des Hommes Netherlands and The Code of Conduct in Travel and Tourism (The Code.org) included interest income which is recognised as restricted fund for projects.

8 Remuneration or fees to Board of Trustees

Apart from reimbursement of expenses, the Trustees on the Organisation's Board of Trustees do not receive any financial compensation for their assignment as Trustees. Any work undertaken for the Organisation whereby Trustees perform technical or specialty services for remuneration are not deemed to be in conflict with this policy.

9 Executive director's remuneration

The sum of USD 166,199 were paid as salary, living allowance and other remuneration to the Executive Director of the Organisation during the year ended 30 June 2020 (2019: USD 165,798).

10 Total staff and related expenses

The total amount paid as salaries and allowances and stipends to the staff and interns of the Organisation for the financial year ended 30 June 2020 amount to USD 1,950,088 (2019: USD 1,872,688). These amounts include the sums paid to the Executive Director shown under Note 9 above and the sums paid to the interns of USD 34,471 (2019: USD 29,678).

ECPAT International Notes to the financial statements For the year ended 30 June 2020

Staff size averaged 22 and 23 during the financial years ended 30 June 2020 and 2019, respectively, and there were 22 and 23 staff members at the end of the financial years then ended.

The Organisation receives substantial support from interns who contribute to the different programmes and projects of the organisation. During the fiscal years 2019-2020 and 2018-2019 interns supported the Organisation with a total of 69 months and 67 months of work, respectively. The interns receive a very modest stipend for their contribution, though the actual value of their work during the fiscal year 2019-2020 and 2018-2019 that is not presented in the accounts is estimated by Organisation at USD 77,245 and USD 74,604 respectively.

2010/2020

Overview of employee's emoluments

	2019/2020
Annual emoluments per employee (in USD)	Number of employees
Less than 20,000	-
20,000 to 39,999	3
40,000 to 59,999	6
60,000 to 79,999	5
80,000 to 99,999	2
100,000 to 119,999	3
120,000 and more	4

Annual emoluments in this overview includes payroll expenditure (gross salary, housing allowance, and savings plan contribution), plus costs for health insurance provided by the Organisation.

For the purpose of comparison, where employees were working part-time or were not employed for the full 12 months reporting period, the emoluments were re-calculated to the full time equivalent for a 12 months period. Only employees who were employed more than six months in the reporting period are presented here.

11 Employee benefits

11.1 Termination Gratuity

In light of the importance of matching expenditure with donation income disbursement and the calculation of restricted fund balances, the Organisation does not have provisions to make reservations for long term liabilities with regard to staff benefit policies, more specifically entitlements for Termination Gratuity. The Organisation's funding is largely based on restricted donation income which can be applied only for actually incurred expenditure.

The liability of Termination Gratuity entitlement for employees upon their termination not reflected in the Statement of Financial Positions has the value of a total accumulated amount of USD 47,096 at 30 June 2020 (2019: USD 50,473).

11.2 Staff savings plan

Monthly contributions from employer and employees to the staff savings plan are reserved in a dedicated bank account. The staff savings plan is implemented from 1 January 2014. The balance of saving plan reservations is presented under Accounts Payable (see Note 5). The reservations are held in a Thai Baht bank account and entitlements are defined in Thai Baht.

12 Audit fees

The annual audit fees for the financial years ended 30 June 2020 represented USD 20,408 (2019: USD 20,505).





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