

**FRIENDS-INTERNATIONAL – SIEM REAP  
(KALIYAN MITH)**

**Financial Statements  
for the year ended 31 December 2020  
and  
Report of the Independent Auditors**

## **Friends-International – Siem Reap (Kaliyan Mith)**

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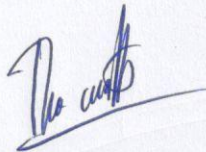
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# Organisation Information

<b>Organisation Name</b>	Friends-International – Siem Reap (Kaliyan Mith) (“the Organisation”)	
<b>Organisation Document</b>	<p>Memorandum of Understanding (“MoU”) issued by the Royal Government of Cambodia represented by the Ministry of Foreign Affairs and International Cooperation on 11 August 2005 for a period of three years ended 10 August 2008, subsequently extended for another period of nine years ending 10 August 2017 and another extended for a period of three years ended 30 October 2020.</p> <p>Memorandum of Understanding (“MoU”) issued by the Royal Government of Cambodia represented by Siem Reap Province and Friends-International on 21 March 2007 for a period of five years ended 21 March 2012, subsequently extended for another period of five years ending 21 March 2017 and another extended for a period of three years ended 30 January 2021 and have another extended for a period of three years ended 30 January 2024.</p>	
<b>Main Donors</b>	<p>Wise Sarl (Mrs Victoria Maltby)          Gisela Stichting          Caritas Switzerland          Save the Children / European Union          ECPAT Luxembourg          Fondation Pierre Bellon          UNICEF Cambodia          Solidarity Accor Hotel          Credit Suisse APAC Foundation Limited          Fossil Foundation          Epic Foundation          Delegation Geneve Ville Solidaire Friends Suisse          Foundation Raja          If International Foundation          Fonds de Dotation Mécénat Servier</p>	
<b>Board of Directors</b>	<p>Leonard Coster          Vivian Gee          Michael Gilmore          Lucille Belleville          Timothee Wagener</p>	<p>Chairman          Secretary          Treasurer          Member          Member</p>
<b>Management</b>	<p>Sebastien Marot,          Tho Maneth,          Chhom Makara,          Voeung Savong          Thoeung Sreypech          Mork Dina,          Na Socheata          Kong Sith,</p>	<p>Executive Director and Founder          Program Director          Finance Coordinator          HR/ Admin Coordinator          Finance Manager          Building Futures Coordinator          Saving Lives Coordinator          Reintegration Coordinator</p>
<b>Registered Office</b>	House # 1188, Group 3, Top Town road ,Salakanseng Village, Svay Dangcum Commune, Siem Reap, Cambodia	
<b>Principal Bankers</b>	ACLEDA Bank Plc. Advanced Bank of Asai Ltd.	
<b>Auditors</b>	KPMG Cambodia Ltd	

## Statement by the management

I, the undersigned, on behalf of management of Friends-International – Siem Reap (Kaliyan Mith) (“FI-SR”) do hereby state that, in my opinion, the accompanying financial statements which comprise the statement of financial position as at 31 December 2020 and the statement of income and expenditure for the year then ended as set out on pages 6 to 19 are prepared, in all material respects, in accordance with the basis of preparation and the accounting policies described in Note 2 to the financial statements.



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Mr. Tho Maneth  
*Program Director*

Siem Reap, Kingdom of Cambodia

3 May 2021



KPMG Cambodia Ltd  
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## **Report of the independent auditors To the Donors and Board of Directors Friends-International – Siem Reap (Kaliyan Mith)**

### ***Opinion***

We have audited the accompanying financial statements of Friends-International – Siem Reap (Kaliyan Mith) (“FI-SR”), which comprises the statement of financial position as at 31 December 2020, the statement of income and expenditure for the year then ended and notes, comprising significant accounting policies and other explanatory information, as set out on pages 6 to 19 (“financial statements”).

In our opinion, the accompanying financial statements are prepared, in all material respects, in accordance with the basis of accounting and the accounting policies as described in Note 2 to the financial statements.

### ***Basis for Opinion***

We conducted our audit in accordance with Cambodian International Standards on Auditing (CISAs). 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 FI-SR in accordance with the ethical requirements that are relevant to our audit of the financial statements in Cambodia, 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 Use and Distribution***

We draw attention to Note 2 to the financial statements, which describes the basis of accounting and the accounting policies adopted by the Organisation. The financial statements are prepared for the information of and use by the Donors and management of the Organisation. As a result, the financial statements may not be suitable for another purpose. Our audit report is intended solely for the Donors and management of the Organisation and not for other purpose. Our opinion is not modified in respect of this matter.





## ***Other Information***

Management is responsible for the other information. The other information comprises the information included in the Annex I on pages (i) to (ii), but does not include the financial statements and our auditors' 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 Those Charged with Governance for the Financial Statements***

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

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

Those charged with governance are responsible for overseeing the FI-SR's financial reporting process.

## ***Auditors' Responsibility 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 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 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 FI-SR'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 FI-SR'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 FI-SR to cease to continue as a going concern.

We communicate with those charged with governance 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.

For **KPMG Cambodia Ltd**

Taing YoukFong  
*Partner*

Phnom Penh, Kingdom of Cambodia

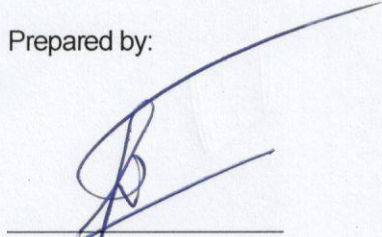
3 May 2021

## Friends-International – Siem Reap (Kaliyan Mith)

### Statement of financial position as at 31 December 2020

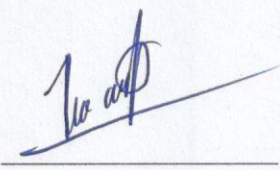
	Note	2020		2019	
		US\$	KHR'000 (Note 3)	US\$	KHR'000 (Note 3)
<b>Assets</b>					
Cash and bank balances	4	431,354	1,744,827	222,020	904,732
Project advances		-	-	406	1,654
Receivables	5	4,488	18,154	16,070	65,485
Deposits		16,440	66,500	16,440	66,993
Loans to staff		-	-	240	978
		<u>452,282</u>	<u>1,829,481</u>	<u>255,176</u>	<u>1,039,842</u>
<b>Liabilities</b>					
Salary tax payables		468	1,893	473	1,927
Withholding tax payables		232	938	721	2,942
Other payables	6	4,383	17,729	9,083	37,009
		<u>5,083</u>	<u>20,560</u>	<u>10,277</u>	<u>41,878</u>
<b>Net assets</b>		<u>447,199</u>	<u>1,808,921</u>	<u>244,899</u>	<u>997,964</u>
<b>Fund balance at end of year</b>		<u>447,199</u>	<u>1,808,921</u>	<u>244,899</u>	<u>997,964</u>

Prepared by:

  
Mr. Chhrom Makara  
Finance Coordinator

3 May 2021

Approved by:

  
Mr. Tho Maneth  
Program Director

3 May 2021

The accompanying notes form an integral part of these financial statements.

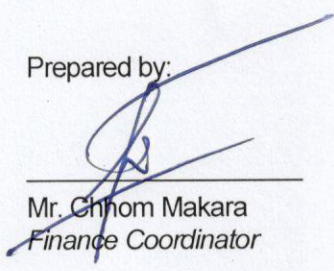


## Friends-International – Siem Reap (Kaliyan Mith)

### Statement of income and expenditure for the year ended 31 December 2020

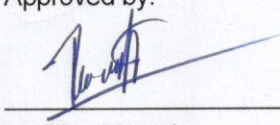
	Note	2020		2019	
		US\$	KHR'000 (Note 3)	US\$	KHR'000 (Note 3)
<b>Income</b>					
Donor funding	7	626,590	2,554,607	482,482	1,955,017
VT income generation	8	149,118	607,954	559,922	2,268,804
Internal grants	9	480	1,957	115,595	468,391
Private donations	10	147,353	600,758	12,288	49,791
Other income		2,727	11,118	1,291	5,231
		<u>926,268</u>	<u>3,776,394</u>	<u>1,171,578</u>	<u>4,747,234</u>
<b>Expenditure</b>					
Personnel costs	11	388,524	1,584,012	543,434	2,201,995
Direct costs	12	114,087	465,133	104,987	425,407
Equipment/Assets	13	6,946	28,319	7,064	28,623
Indirect costs	14	82,649	336,960	147,148	596,244
Travel & training	15	784	3,196	4,882	19,782
Other training income generation costs	16	81,028	330,351	316,098	1,280,829
Headquarter support costs	17	49,950	203,646	16,401	66,457
		<u>723,968</u>	<u>2,951,617</u>	<u>1,140,014</u>	<u>4,619,337</u>
<b>Surplus of income over expenditure</b>		202,300	824,777	31,564	127,897
Fund balance at beginning of year		244,899	997,964	230,974	935,907
Transferred to Friends- International-Aranyapraphet		-	-	(17,639)	(71,473)
Currency translation difference		-	(13,820)	-	5,633
<b>Fund balance at end of year</b>		<u>447,199</u>	<u>1,808,921</u>	<u>244,899</u>	<u>997,964</u>

Prepared by:

  
Mr. Chhom Makara  
Finance Coordinator

3 May 2021

Approved by:

  
Mr. Tho Maneth  
Program Director

3 May 2021

The accompanying notes form an integral part of these financial statements.

# Friends-International – Siem Reap (Kaliyan Mith)

## Notes to the financial statements for the year ended 31 December 2020

These notes form an integral part of, and should be read in conjunction with, the accompanying financial statements.

### 1. Background and activities

Since 1994, Friends-International has been running projects worldwide for and with marginalised children and youths, attempting to reintegrate these children and youths into their society. Friends International works with marginalised children in a developmental and sustainable perspective in accordance with United Nations Convention of the Rights of the Child (“UN-CRC”).

On 1 August 1994, Sebastien Marot started a project called Mith Samlanh (“Friends” in English) with the objectives of helping street children. Friends-International supported the development of this organisation and its localisation.

On 11 August 2005, Friends-International (“the Organisation”) signed a Memorandum of Understanding (“MoU”) with the Royal Government of Cambodia represented by the Ministry of Foreign Affairs and International Cooperation to open its office in Cambodia, to conduct its humanitarian activities and to implement its approved projects within the law and regulations of the Kingdom of Cambodia and in accordance with the provision of the MoU. The MoU is valid for a period of three years ended 10 August 2008 and subsequently extended for another period of nine years ending 10 August 2017 and another extended for a period of three years ended 30 October 2020. On 17 July 2020, FI HQ submitted a request to the Ministry of Foreign Affairs and International Cooperation to extend the MOU for another 3 years which is expected to be expired on 30 October 2023. At the date of these financial statements, the approval from the Ministry of Foreign Affairs and International Cooperation is still in the process. It is slow down due to the impact of Covid-19 to the country especially Phnom Penh Capital.

Siem Reap (Kaliyan Mith) of Friends-International (“FI-SR” or “the Office”) was established under the Memorandum of Understanding (“MoU”) issued by the Royal Government of Cambodia represented by Siem Reap Province and Friends International on 21 March 2007 for period of five years ended on 21 March 2012. Subsequently the MoU was extended for another period of five years ending on 18 July 2017 and another extended for a period of three years ended 30 January 2021.

On 5 June 2018, the Royal Government of Cambodia represented by Banteay Meanchey Province has issued the authorisation letter to Siem Reap (Kaliyan Mith) of Friends-International (“FI-SR” or “the Office”) to conducts the humanitarian activities with no ended period.

As at 31 December 2020, the FI-SR had 63 personnel (2019:123 personnel).

# Friends-International – Siem Reap (Kaliyan Mith)

## Notes to the financial statements (continued) for the year ended 31 December 2020

### 2. Significant accounting policies

The following significant accounting policies have been adopted by the FI-SR in the preparation of these financial statements.

#### (a) Basis of accounting

The financial statements, which are expressed in United States Dollars (“US\$”), have been prepared in accordance with a modified cash receipts and disbursements basis of accounting. This is a basis of accounting that is designed to meet the requirements of the FI-SR; it is not designed to produce financial statements that are compatible with International Financial Reporting Standards.

Under this basis of accounting, income is recognised when funds are received rather than when it is earned and expenditure is recognised when payments are made rather than when it is incurred, except for the following treatments:

- Cash advances which is initially recognised as receivables in the statement of financial position and only recognised as expenditure when they have been liquidated by supporting invoices.
- Deposits with suppliers, other receivables and loans to staff are recorded as receivables in the statement of financial position until settled.
- Tax payable and other payables are recorded in the statement of financial position until settled.

The financial statements are prepared for the information of and use by the Donors and management of the Organisation. As a result, the financial statements may not be suitable for another purpose.

#### Change in presentation

In the preparation of the 2020 financial statements, the management chose to present the income and expenditure by new activities name instead of by previous activities as applied in the preparation of 2019 financial statements. Accordingly, certain comparative figures were reclassified to conform with the current year presentation as follows:

## Friends-International – Siem Reap (Kaliyan Mith)

### Notes to the financial statements (continued) for the year ended 31 December 2020

#### 2. Significant accounting policies (continued)

##### (a) Basis of accounting (continued)

###### Change in presentation (continued)

	2019	
	As reclassified US\$	As previously reported US\$
<b>Income</b>		
VT Income Generation	559,922	-
Training income	-	559,922
	<u>559,922</u>	<u>559,922</u>
<b>Expenditures</b>		
Travel and Training	4,882	-
Capacity building, monitoring and evaluation	-	4,651
Coordination, management monitoring	-	231
	<u>4,882</u>	<u>4,882</u>

##### (b) Non-expendable equipment

The cost of non-expendable equipment is charged to expenditure upon acquisition. For control and management purposes, a memorandum account of non-expendable equipment is maintained by way of a non-expendable equipment listing.

##### (c) Functional and foreign currency transaction

The national currency of Cambodia is Khmer Riel (“KHR”). However, the Organisation transacts its operations and maintains its accounting records primarily in United States Dollars (“US\$”). The management has determined the US\$ to be the Organisation’s functional currency as it reflects the economic substance of the underlying events and circumstance of the Organisation.



# Friends-International – Siem Reap (Kaliyan Mith)

## Notes to the financial statements (continued) for the year ended 31 December 2020

### 2. Significant accounting policies (continued)

#### (d) New standards not yet adopted

On 27 March 2018, the National Accounting Council of the Ministry of Economy and Finance (“MEF”) issued a Prakas No. 335 MoEF. BK on the Implementation of Cambodian Financial Reporting Standard for Not-For-Profit Entities (“CIFRS for NFPEs”) which follows cash basis of accounting and is effective for the period beginning on or after 1 January 2018.

On 21 January 2019, the National Accounting Council of the MEF announced to delay the implementation of the CIFRS for NFPEs until further notice.

At this stage, the Organisation does not intend to adopt the CIFRS for NFPEs before its effective date.

### 3. Translation of United States Dollars into Khmer Riel

The financial statements are expressed in US\$. The translations of US\$ amounts into Khmer Riel are included solely for meeting the presentation requirement pursuant to the Law on Accounting and Auditing.

Assets and liabilities are translated at the closing rate as at the reporting date. The statement of income and expenditure are translated into KHR using the average rate for the year. Exchange difference arising from the translation are recognised as “Currency translation reserves” in the statement of income and expenditure.

The Organisation uses the following exchange rates:

			<b>Closing rate</b>	<b>Average rate</b>
31 December 2020	US\$1	=	KHR4,045	KHR4,077
31 December 2019	US\$1	=	<u>KHR4,075</u>	<u>KHR4,052</u>

## Friends-International – Siem Reap (Kaliyan Mith)

### Notes to the financial statements (continued) for the year ended 31 December 2020

#### 4. Cash and bank balances

	2020		2019	
	US\$	KHR'000 (Note 3)	US\$	KHR'000 (Note 3)
Cash at banks	428,837	1,734,646	217,493	886,284
Cash on hand	2,517	10,181	4,527	18,448
	<u>431,354</u>	<u>1,744,827</u>	<u>222,020</u>	<u>904,732</u>

The cash at banks represented the current account held at Advanced Bank of Asia Ltd bears annual interest rate of 0.15% (2019: 0.15%) and J Trust Royal Bank (Cambodia) Ltd, ACLEDA Bank Plc and wing (Cambodia) Limited Specialised Bank bear no interest.

#### 5. Receivables

	2020		2019	
	US\$	KHR'000 (Note 3)	US\$	KHR'000 (Note 3)
Tour agencies & companies	2,339	9,461	14,055	57,274
Fund receivable	1,674	6,771	1,640	6,683
Health insurance	379	1,533	314	1,280
Miscellaneous	96	389	61	248
	<u>4,488</u>	<u>18,154</u>	<u>16,070</u>	<u>65,485</u>

#### 6. Other payables

	2020		2019	
	US\$	KHR'000 (Note 3)	US\$	KHR'000 (Note 3)
Fund payable	3,913	15,828	670	2,730
Miscellaneous payable:				
Franchise training cost, raw materials & products	-	-	5,628	22,934
Student's tip	470	1,901	2,422	9,870
Salary	-	-	363	1,475
	<u>4,383</u>	<u>17,729</u>	<u>9,083</u>	<u>37,009</u>

## Friends-International – Siem Reap (Kaliyan Mith)

### Notes to the financial statements (continued) for the year ended 31 December 2020

#### 7. Donor funding

	2020		2019	
	US\$	KHR'000 (Note 3)	US\$	KHR'000 (Note 3)
Wise Sarl (Mrs Victoria Maltby)	60,118	245,101	70,000	283,640
Gisela Stichting	30,000	122,310	29,996	121,544
Caritas Switzerland	6,500	26,501	-	-
Lloyd George Asia Foundation	-	-	20,000	81,040
United Nation Women's Guild of Vienna	-	-	5,513	22,339
Livelihood Enhancement and Association for the Poor Project	5,880	23,973	-	-
Funds received from donors through Phnom Penh Headquarters:				
Save the Children/ European union	124,483	507,517	120,801	489,486
ECPAT Luxembourg	61,873	252,256	-	-
Fondation Pierre Bellon	61,619	251,221	-	-
UNICEF Cambodia	55,406	225,890	101,494	411,254
Solidarity Accor Hotel	52,210	212,860	-	-
Credit Suisse APAC Foundation Limited	50,492	205,856	-	-
Fossil Foundation	40,000	163,080	38,087	154,329
Epic Foundation	26,797	109,251	-	-
Delegation Geneve Ville Solidaire/Friends Suisse	18,584	75,767	-	-
Foundation Raja – Daniele Marcovici	16,060	65,477	-	-
IF International Foundation	12,500	50,963	53,155	215,384
Smart Axiata	4,000	16,307	-	-
Fonds de Dotation Mécénat Servier	68	277	22,941	92,956
International Monetary Fund	-	-	10,000	40,520
Women in Travel Retail	-	-	8,695	35,232
Ganesha Foundation	-	-	1,800	7,293
	<u>626,590</u>	<u>2,554,607</u>	<u>482,482</u>	<u>1,955,017</u>

## Friends-International – Siem Reap (Kaliyan Mith)

### Notes to the financial statements (continued) for the year ended 31 December 2020

#### 8. VT income generation

	Note	2020		2019	
		US\$	KHR'000 (Note 3)	US\$	KHR'000 (Note 3)
Marum Training					
Restaurant	(i)	119,616	487,674	474,108	1,921,086
Friends 'N' Stuff	(ii)	20,711	84,439	73,292	296,979
Other Vocational Training Centres	(iii)	8,791	35,841	12,522	50,739
		<u>149,118</u>	<u>607,954</u>	<u>559,922</u>	<u>2,268,804</u>

##### (i) Marum Training Restaurant

Marum Training Restaurant was established in September 2012, as part of the Vocational Training program for hospitality students under the TREE Alliance (Training Restaurants for Employment & Entrepreneurship) franchise. The training restaurant allows Cooking Level 1 graduates to move to a real-life restaurant environment where they gain hands-on experiences in cooking for and serving customers, before they can graduate and be placed in employment. However, during the Covid 19, the Marum Vocational Training Restaurant has faced difficulties due to a lack of tourism. At 29 April 2020, Friend international Siem Reap has decided to suspend the operations of Marum Restaurant.

##### (ii) Friends 'N' Stuff

This project is an income generating initiative which creates economic opportunities for vulnerable communities. It provides market linked skills training and subsequent employment opportunities to parents of vulnerable children as a means of reducing incidences of child labor and ensuring children receive an education.

##### (iii) Other Vocational Trainings

In 2008, Friends-International started to provide young people in Siem Reap province with vocational training in beauty (Phka Kravan), cooking (Let's Eat), sewing, , mechanics and barber. The skills provided are responding to the needs of children and youths who are first met through outreach services and access through the Kaliyan Mith Drop In Centre. Youths are also provided with temporary accommodation when needed. At the end of their training, they are supported to find gainful employment and their situation is followed up for a minimum of 6 months until it is stabilised. As the training centres are developing, business activity is being developed in order to increase the sustainability of the project and to ensure that skills taught are in line with the reality of the market.



## Friends-International – Siem Reap (Kaliyan Mith)

### Notes to the financial statements (continued) for the year ended 31 December 2020

#### 9. Internal Grants

This represents funds received from Friends International - Phnom Penh Headquarter for funding shortages.

#### 10. Private donations

This represents donations from individuals, companies, organisations or institutes which are not covered by specific grant agreements.

#### 11. Personnel costs

	2020		2019	
	US\$	KHR'000 (Note 3)	US\$	KHR'000 (Note 3)
National staff	314,428	1,281,923	476,368	1,930,243
International staff	16,740	68,249	20,400	82,661
Health insurance	10,055	40,994	15,632	63,341
Overtime Compensation	3,985	16,247	4,958	20,090
Recruitment costs	246	1,003	171	693
Seniority/Severance pay	41,180	167,890	23,545	95,405
Professional fee	1,890	7,706	2,160	8,752
Stipends	-	-	200	810
	<u>388,524</u>	<u>1,584,012</u>	<u>543,434</u>	<u>2,201,995</u>

#### 12. Direct costs

	2020		2019	
	US\$	KHR'000 (Note 3)	US\$	KHR'000 (Note 3)
Food and drink for beneficiaries	27,641	112,692	2,102	8,517
Foster Card Families	17,979	73,300	11,878	48,130
Food and drink for beneficiaries	16,692	68,053	38,399	155,593
School reintegration support	15,736	64,156	15,147	61,376
Family income generation support	13,450	54,836	11,912	48,267
Sub-total	<u>91,498</u>	<u>373,037</u>	<u>79,438</u>	<u>321,883</u>

## Friends-International – Siem Reap (Kaliyan Mith)

### Notes to the financial statements (continued) for the year ended 31 December 2020

#### 12. Direct costs (continued)

	2020		2019	
	US\$	KHR'000 (Note 3)	US\$	KHR'000 (Note 3)
Hygiene costs	5,804	23,663	2,598	10,527
ChildSafe /Activities	3,030	12,353	4,794	19,425
Centre supplies	2,791	11,379	1,374	5,567
Vocational training materials	2,512	10,241	3,394	13,752
Medical costs	2,199	8,965	1,704	6,905
Family reintegration travel	2,117	8,631	2,392	9,692
Job placement support	1,523	6,209	2,755	11,163
Recreational activity support	1,397	5,696	1,760	7,132
Non-Formal Education Materials	641	2,613	1,310	5,308
Outreach materials	310	1,265	167	678
IEC materials	207	845	-	-
General activity costs	40	163	2,871	11,633
Clothing for beneficiaries	18	73	430	1,742
Sub-total	22,589	92,096	25,549	103,524
Total	114,087	465,133	104,987	425,407

#### 13. Equipment/Assets

	2020		2019	
	US\$	KHR'000 (Note 3)	US\$	KHR'000 (Note 3)
Furniture and fittings	566	2,308	440	1,783
IT and computers	5,718	23,312	2,832	11,475
Vehicles	-	-	2,700	10,940
Inventories	662	2,699	1,092	4,425
	6,946	28,319	7,064	28,623

## Friends-International – Siem Reap (Kaliyan Mith)

### Notes to the financial statements (continued) for the year ended 31 December 2020

#### 14. Indirect costs

	2020		2019	
	US\$	KHR'000 (Note 3)	US\$	KHR'000 (Note 3)
Rent	38,834	158,326	63,171	255,969
Utilities	12,290	50,106	25,006	101,324
Transport/gasoline/maintenance	7,731	31,519	14,451	58,555
Audit fees	6,060	24,707	6,388	25,884
Communications	3,834	15,631	4,774	19,344
Vehicle and building insurance	3,458	14,098	1,775	7,192
Maintenance and renovations	3,411	13,907	14,104	57,149
Office supplies	2,284	9,312	2,500	10,130
Advertising and marketing	1,762	7,184	6,451	26,139
Bank charges	1,317	5,369	3,837	15,548
Printing and photocopying	740	3,017	724	2,934
Postage and shipping	225	917	591	2,395
Donor, staff and authority relations	91	371	1,576	6,386
Subscriptions	76	310	-	-
Other expenses	536	2,186	1,800	7,295
	<u>82,649</u>	<u>336,960</u>	<u>147,148</u>	<u>596,244</u>

#### 15. Travel & training

	2020		2019	
	US\$	KHR'000 (Note 3)	US\$	KHR'000 (Note 3)
National travel	119	485	2,341	9,486
Staff training	169	689	400	1,620
Workshops/meeting	396	1,614	1,206	4,887
International travel	100	408	231	936
Board of directors meeting	-	-	704	2,853
	<u>784</u>	<u>3,196</u>	<u>4,882</u>	<u>19,782</u>

## Friends-International – Siem Reap (Kaliyan Mith)

### Notes to the financial statements (continued) for the year ended 31 December 2020

#### 16. Other training income generation costs

	2020		2019	
	US\$	KHR'000 (Note 3)	US\$	KHR'000 (Note 3)
Costs of income generation	56,189	229,083	211,042	855,142
Outlet supplies	10,102	41,186	30,890	125,166
Franchise technical support	5,303	21,620	46,740	189,390
Staff food costs	1,703	6,943	20,076	81,348
Business uniforms	-	-	7,049	28,563
Outlet supplies	7,731	31,519	301	1,220
	<u>81,028</u>	<u>330,351</u>	<u>316,098</u>	<u>1,280,829</u>

#### 17. Headquarter support costs

This represents Headquarter Support fee charged by Friends International – Phnom Penh Headquarters for its technical advisory and core management service for management at FI-SR. The charge ranged from 7% to 15% of the approved budget.

#### 18. Commitments

##### (i) Expenditure commitments

The Organisation leases its office and building areas under non-cancellable operating lease agreement which will expire on 30 November 2023. The lease expenditure charged to the statement of income and expenditure during the year is disclosed in Note 14.

As at 31 December, the Organisation has commitments in respect of operating leases as follows:

	2020		2019	
	US\$	KHR'000 (Note 3)	US\$	KHR'000 (Note 3)
Within one year	31,771	128,514	58,572	238,681
Within two to five years	65,252	263,944	81,543	332,288
	<u>97,023</u>	<u>392,458</u>	<u>140,115</u>	<u>570,969</u>



## **Friends-International – Siem Reap (Kaliyan Mith)**

### **Notes to the financial statements (continued) for the year ended 31 December 2020**

#### **18. Commitments (continued)**

##### **(ii) Back pay seniority commitment**

In accordance with Prakas No.443 MLVT/Br.K issued on 21 September 2018 and subsequently amended by the Instruction No. 042/19 dated 22 March 2019, all employees who have worked for the Organization prior year 2019 are entitled to back pay seniority. As at 31 December 2020, the management has estimated the maximum seniority payment commitment amounting to US\$44,382 (2019:US\$67,658)

##### **(iii) Separate business activities**

Prakas No. 464 MEF. Prk dated on 12 April 2018 issued by the Ministry of Economy and Finance and the Instruction No. 3303 GDT issued by General Department of Taxation (GDT) on 6 February 2020 on the Instruction for Implementation of Tax Obligation of Associations or Non-Governmental Organisation (NGOs), required NGOs which have separated business activities aside from their sole objective or non-profit activities to register its business activities as a separate company under sole proprietorship for and must have separate accounting records for these separate business activities .

As at the date of these financial statements, the Organisation is in the process to register the separate business activities with the GDT and prepare a split accounting records.

#### **19. Significant event during the year**

In relation to development of Novel Coronavirus (“COVID-19”), the Organisation has assessed the effects of the COVID-19 to the Organisation's program activities and business plan. During the Covid 19 in 2020, the Marum Vocational Training Restaurant has faced difficulties due to a lack of tourism. At 29 April 2020, Friend international Siem Reap has decided to suspend the operations of Marum Restaurant which made the revenue earned from business activities decreased in amounting US\$410,804 equivalent 73% compared to last year.

The Organisation will keep continuous attention on the situations of the COVID-19 and react actively to its impact on the financial position and activities and operating results of the Organisation.

## Friends-International - Siem Reap (Kaliyan Mith)

### Annex I – Schedule of income and expenditure by fund account for the year ended 31 December 2020


Fund account	Fund balance as at 1 January 2020 US\$	Income US\$	Expenditure US\$	Fund balance as at 31 December 2020 US\$
Friends N Stuff	(3,921)	20,781	33,604	(16,744)
Marum Vocational Training Restaurant	63,800	119,882	152,252	31,430
Let's Eat Vocational Training Restaurant	3,916	5,023	1,098	7,841
Phka Kravan Beauty Vocational Training	5,238	2,329	259	7,308
Mechanics Vocational Training	12,967	1,335	2,661	11,641
Hair Barber Vocational Training	1,213	103	-	1,316
Fondation RAJA-Danièle Marcovici	(6,433)	16,060	12,370	(2,743)
Fonds de Dotation Mécénat Servier	16,550	68	6,914	9,704
Fossil Foundation	11,908	40,000	23,133	28,775
WISE Sarl (Ganesha Foundation)	994	-	994	-
Caritas Switzerland	-	6,500	4,651	1,849
Credit Suisse APAC Foundation Limited	-	50,492	21,994	28,498
If International Foundation	38,387	12,500	45,636	5,251
International Monetary Fund	6,654	-	4,465	2,189
Lloyd George Asia Foundation	2,047	19,993	16,520	5,520
Delegation Geneve Ville Solidaire/ Friends Suisse	-	18,584	-	18,584
ECPAT Luxembourg	-	61,873	23,561	38,312
Epic Foundation	22,950	26,797	19,245	30,502
Fondation Pierre Bellon	-	61,619	12,592	49,027
Gisela Stichting	-	30,000	6,586	23,414
Livelihood Enhancement and Association for the Poor Project	-	5,880	(485)	6,365
Save the Children / European Union	(2,120)	124,482	120,022	2,340
Smart Axiata Co.,Ltd	-	4,000	3,722	278
Solidarity Accor Hotel	-	52,211	30,369	21,842

## Friends-International - Siem Reap (Kaliyan Mith)

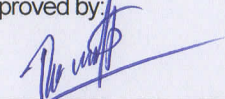
### Annex I – Schedule of income and expenditure by fund account (continued) for the year ended 31 December 2020

Fund account	Fund balance as at 1 January 2020 US\$	Income US\$	Expenditure US\$	Fund balance as at 31 December 2020 US\$
UNICEF Cambodia	18,524	55,406	67,864	6,066
United Nations Women's Guild of Vienna	1,131	-	1,131	-
WISE Sarl [Mrs Victoria Maltby]	20,559	60,118	67,114	13,563
Andrew Leaver	-	9,965	3,794	6,171
Berea College: Bonner Scholars	(1,513)	1,700	187	-
Cambodian Children's Support Foundation	5,424	-	-	5,424
Dragonfly Asia-Pacific Limited	-	35,000	6,228	28,772
Fondation Juniclair	-	8,500	8,500	-
Friends Deutschland	-	5,272	445	4,827
Him Lee Memorial Fund	-	23,518	240	23,278
Marketing de Réseau Solution [Bertrand Kervella]	1,161	3,352	744	3,769
Paul Newfield	-	5,137	-	5,137
Semester at Sea Chapman Impact Fund	-	480	315	165
Steven GP / Paul Prusky	-	2,500	3	2,497
Teresa Orr	-	14,000	7,855	6,145
Women in Travel Retail	4,551	11,269	12,174	3,646
Kaliyan Mith Reserves	20,912	9,539	5,211	25,240
	<b>244,899</b>	<b>926,268</b>	<b>723,968</b>	<b>447,199</b>

Prepared by:

  
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Finance Coordinator  
3 May 2021

Approved by:

  
Mr. Tho Maneth  
Program Director  
3 May 2021