

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

**Financial Statements
for the year ended 31 December 2021
and
Report of the Independent Auditors**

Friends-International – Siem Reap (Kaliyan Mith)

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Organisation Information

Organisation Name	Friends-International – Siem Reap (Kaliyan Mith) (“the Organisation”)	
Organisation Document	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. Refer to note 1 for detail.	
Main Donors	<p>Gisela Stichting Lloyd George Asia Foundation Ville de Genève / Friends Suisse Australian Volunteers International Caritas Switzerland Save the Children / European Union ECPAT Luxembourg absI Fondation Pierre Bellon UNICEF Cambodia Solidarity Accor Hotel Credit Suisse APAC Foundation Limited If International Foundation Fonds de Dotation Mécénat Servier Firetree Asia Foundation Fossil Foundation Give2Asia / VISA Shiseido Travel Retail Asia Pacific Pte. Ltd Tourism Cares World Childhood Foundations</p>	
Board of Directors	<p>Leonard Coster Vivian Gee Lucille Belleville Timothee Wagener Michael Gilmore</p>	<p>Chairman Secretary Member Member Treasurer (Resigned on 3 January 2021)</p>
Management	<p>Sebastien Marot Tho Maneth Voeung Savong Thoeung Sreypech Mork Dina Na Socheata</p>	<p>Executive Director and Founder Program Director HR/ Admin Coordinator Finance Manager Building Futures Coordinator Saving Lives Coordinator</p>
Registered Office	House # 1188, Group 3, Top Town road, Salakanseng Village, Svay Dangcum Commune, Siem Reap, Cambodia	
Principal Bankers	<p>ACLEDA Bank Plc. Advanced Bank of Asai Ltd.</p>	
Auditors	KPMG Cambodia Ltd	

Statement by the management

I, the undersigned, on behalf of management and the Board of Directors of Friends-International – Siem Reap (Kaliyan Mith) (“FI-SR”), do hereby state that the accompanying financial statements which comprise the statement of financial position as at 31 December 2021 and the statement of income and expenditure for the year then ended as set out on pages 6 to 18 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.

Signed on behalf of the Board of Directors in accordance with a resolution of the Board,



Mr. Tho Maneth
Program Director

Siem Reap, Kingdom of Cambodia

18 April 2022



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Sangkat Tonle Bassac, Khan Chamkar Mon
Phnom Penh, Cambodia
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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 2021, the statement of income and expenditure for the year then ended and notes, comprising significant accounting policies and other explanatory information (“financial statements”) as set out on pages 6 to 18.

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

18 April 2022

Friends-International – Siem Reap (Kaliyan Mith)

Statement of financial position as at 31 December 2021

	Note	2021		2020	
		US\$	KHR'000 (Note 3)	US\$	KHR'000 (Note 3)
Assets					
Cash and bank balances	4	543,435	2,213,954	431,354	1,744,827
Project advance		543	2,212	-	-
Deposit		16,430	66,936	16,440	66,500
Receivables	5	1,311	5,341	4,488	18,154
		<u>561,719</u>	<u>2,288,443</u>	<u>452,282</u>	<u>1,829,481</u>
Liabilities					
Salary tax payables		634	2,583	468	1,893
Withholding tax payables		297	1,210	232	938
Other payables	6	-	-	4,383	17,729
		<u>931</u>	<u>3,793</u>	<u>5,083</u>	<u>20,560</u>
Net assets		<u>560,788</u>	<u>2,284,650</u>	<u>447,199</u>	<u>1,808,921</u>
Fund balance at end of year		<u>560,788</u>	<u>2,284,650</u>	<u>447,199</u>	<u>1,808,921</u>

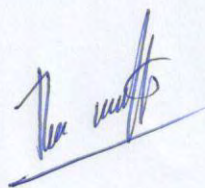
Prepared by:



Ms. Thoeung Sreypech
Finance Manager

18 April 2022

Approved by:



Mr. Tho Maneth
Program Director

18 April 2022

The accompanying notes form an integral part of these financial statements

Friends-International – Siem Reap (Kaliyan Mith)

Statement of income and expenditure as at 31 December 2021

	Note	US\$	KHR'000 (Note 3)	US\$	KHR'000 (Note 3)
Income					
Donor funding	7	719,896	2,928,537	626,590	2,554,607
VT income generation	8	15,228	61,948	149,118	607,954
Internal grants	9	-	-	480	1,957
Private donations	10	49,868	202,863	147,353	600,758
Other income		1,170	4,760	2,727	11,118
		<u>786,162</u>	<u>3,198,108</u>	<u>926,268</u>	<u>3,776,394</u>
Expenditure					
Personnel costs	11	334,474	1,360,640	388,524	1,584,012
Direct costs	12	196,653	799,984	114,087	465,133
Equipment/Assets	13	14,931	60,739	6,946	28,319
Indirect costs	14	69,426	282,425	82,649	336,960
Travel & training	15	1,271	5,170	784	3,196
Other training income generation costs	16	16,095	65,474	81,028	330,351
Headquarter support costs	17	39,723	161,593	49,950	203,646
		<u>672,573</u>	<u>2,736,025</u>	<u>723,968</u>	<u>2,951,617</u>
Surplus of income over expenditure		113,589	462,083	202,300	824,777
Fund balance at beginning of year		447,199	1,808,921	244,899	997,964
Currency translation difference		-	13,646	-	(13,820)
Fund balance at end of year		<u>560,788</u>	<u>2,284,650</u>	<u>447,199</u>	<u>1,808,921</u>

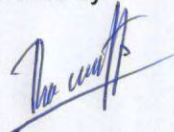
Prepared by:



Ms. Thoeung Sreytech
Finance Manager

18 April 2022

Approved by:



Mr. Tho Maneth
Program Director

18 April 2022

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 2021

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 required to renew every three years. The current period of 3 years was ended on 30 October 2020. On 17 July 2020, FI HQ has submitted a request to the Ministry of Foreign Affairs and International Cooperation to extend the MOU for another 3 years while will be ending 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 city.

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 2021, the FI-SR had 66 personnel (2020:63 personnel).

Friends-International – Siem Reap (Kaliyan Mith)

Notes to the financial statements (continued) for the year ended 31 December 2021

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.

(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 2021

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 United States Dollar (“US\$”) which is the FI-SR’s functional currency. The translations of US\$ amounts into Khmer Riel (“KHR”) meets the presentation requirements pursuant to 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 is translated into KHR at the average rate for the year, which has been deemed to approximate the exchange rates at the date of transaction as exchange rates have not fluctuated significantly during the year. Exchange differences arising from the translation are recognised as “Currency Translation Difference” in statement of income and expenditure.

The Organisation uses the following exchange rates:

			Closing rate	Average rate
31 December 2021	US\$1	=	KHR4,074	KHR4,068
31 December 2020	US\$1	=	<u>KHR4,045</u>	<u>KHR4,077</u>

Friends-International – Siem Reap (Kaliyan Mith)

Notes to the financial statements (continued) for the year ended 31 December 2021

4. Cash and bank balances

	2021		2020	
	US\$	KHR'000 (Note 3)	US\$	KHR'000 (Note 3)
Cash at banks	542,207	2,208,951	428,837	1,734,646
Cash on hand	1,228	5,003	2,517	10,181
	<u>543,435</u>	<u>2,213,954</u>	<u>431,354</u>	<u>1,744,827</u>

The cash at banks represented the current account held at Advanced Bank of Asia Ltd bears annual interest rate of 0.15% (2020: 0.15%) and ACLEDA Bank Plc and wing (Cambodia) Limited Specialised Bank bear no interest.

5. Receivables

	2021		2020	
	US\$	KHR'000 (Note 3)	US\$	KHR'000 (Note 3)
Prepayments	700	2,852	-	-
Health insurance	550	2,237	379	1,533
Miscellaneous	53	215	96	389
Fund receivable	8	33	1,674	6,771
Tour agencies & companies	-	-	2,339	9,461
	<u>1,311</u>	<u>5,337</u>	<u>4,488</u>	<u>18,154</u>

6. Other payables

	2021		2020	
	US\$	KHR'000 (Note 3)	US\$	KHR'000 (Note 3)
Fund payable	-	-	3,913	15,828
Miscellaneous payable: Student's tip	-	-	470	1,901
	<u>-</u>	<u>-</u>	<u>4,383</u>	<u>17,729</u>

Friends-International – Siem Reap (Kaliyan Mith)

Notes to the financial statements (continued) for the year ended 31 December 2021

7. Donor funding

	2021		2020	
	US\$	KHR'000 (Note 3)	US\$	KHR'000 (Note 3)
Gisela Stichting	20,000	81,360	30,000	122,310
Lloyd George Asia Foundation	20,000	81,360	-	-
Ville de Genève/Friends Suisse	18,490	75,217	-	-
Australian Volunteers International	10,853	44,150	-	-
Caritas Switzerland	7,038	28,631	6,500	26,501
Wise Sarl (anonymous donor)	-	-	60,118	245,101
Livelihood Enhancement and Association for the Poor Project	-	-	5,880	23,973
Funds received from donors through Phnom Penh Headquarters:				
UNICEF Cambodia	142,355	579,100	55,406	225,890
If International Foundation	126,773	515,713	12,500	50,963
Save the Children/ European Union	88,508	360,051	124,483	507,517
Shiseido Travel Retail Asia Pacific	74,720	303,961	-	-
Fondation Pierre Bellon	61,378	249,686	61,619	251,221
Credit Suisse APAC Foundation Limited	45,312	184,329	50,492	205,856
ECPAT Luxembourg absl	32,292	131,364	61,873	252,256
Firetree Asia Foundation	24,985	101,639	-	-
Give2Asia	20,000	81,360	-	-
World Childhood Foundation	9,189	37,381	-	-
Solidarity Accor Hotels	8,670	35,269	52,210	212,860
Tourism Cares Inc	5,000	20,340	-	-
Fondation RAJA-Danièle Marcovici	3,520	14,319	16,060	65,477
FI HQ/Caritas Switzerland	813	3,307	-	-
Fossil Foundation	-	-	40,000	163,080
Epic Foundation	-	-	26,797	109,250
Ville de Genève / Friends Suisse	-	-	18,584	75,767
Smart Axiata	-	-	4,000	16,308
Fonds de Dotation Mécénat Servier	-	-	68	277
	<u>719,896</u>	<u>2,928,537</u>	<u>626,590</u>	<u>2,554,607</u>

Friends-International – Siem Reap (Kaliyan Mith)

Notes to the financial statements (continued) for the year ended 31 December 2021

8. VT income generation

	Note	2021		2020	
		US\$	KHR'000 (Note 3)	US\$	KHR'000 (Note 3)
Vocational Training	(i)	10,822	44,024	8,791	35,841
Friends 'N' Stuff	(ii)	4,406	17,924	20,711	84,439
Marum Restaurant	(iii)	-	-	119,616	487,674
		<u>15,228</u>	<u>61,948</u>	<u>149,118</u>	<u>607,954</u>

(i) Vocational Trainings

In 2008, Friends-International started to provide young people in Siem Reap province with vocational training in beauty cooking sewing, mechanics and barber. The skills provided are responding to the needs of children, youths and caregivers who are first met through outreach services. Youth 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.

(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) 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 students to gain hands-on experiences in cooking and service, before they graduate and are placed in employment. However, since Covid 19, on 24 March 2020 Friends-International Siem Reap decided to suspend the operations of Marum Restaurant.

Friends-International – Siem Reap (Kaliyan Mith)

Notes to the financial statements (continued) for the year ended 31 December 2021

9. Internal grants

This represented funds received from Friends-International - Phnom Penh Headquarter for funding shortages. There was no such grant in 2021 (2020: US\$480).

10. Private donations

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

11. Personnel costs

	2021		2020	
	US\$	KHR'000 (Note 3)	US\$	KHR'000 (Note 3)
National staff	299,317	1,217,622	314,428	1,281,923
Seniority/Severance pay	17,793	72,382	41,180	167,890
Health insurance	7,985	32,483	10,055	40,994
International staff	3,040	12,367	16,740	68,249
Overtime compensation	2,858	11,626	3,985	16,247
Professional fees	1,620	6,589	1,890	7,706
Stipends	876	3,564	-	-
Staff COVID-19 testing	785	3,193	-	-
Recruitment costs	200	814	246	1,003
	<u>334,474</u>	<u>1,360,640</u>	<u>388,524</u>	<u>1,584,012</u>

12. Direct costs

	2021		2020	
	US\$	KHR'000 (Note 3)	US\$	KHR'000 (Note 3)
Family support	85,627	348,331	27,641	112,692
School reintegration support	28,500	115,938	15,736	64,156
Micro-Enterprise support	18,042	73,395	4,627	18,864
Food and drink for beneficiaries	18,343	74,619	16,692	68,053
Foster Care Families	18,097	73,619	17,979	73,300
Hygiene costs	7,319	29,774	5,804	23,663
Sub total	<u>175,928</u>	<u>715,676</u>	<u>88,479</u>	<u>360,728</u>

Friends-International – Siem Reap (Kaliyan Mith)

Notes to the financial statements (continued) for the year ended 31 December 2021

12. Direct costs (continued)

	2021		2020	
	US\$	KHR'000 (Note 3)	US\$	KHR'000 (Note 3)
ChildSafe Activities	5,448	22,162	3,030	12,351
Vocational training materials	4,146	16,866	2,512	10,243
Medical costs	2,058	8,372	2,199	8,965
Centre supplies	1,902	7,737	2,791	11,379
Independent living	1,390	5,655	2,787	11,363
Outreach materials	1,222	4,971	310	1,265
Family reintegration travel	1,219	4,959	2,117	8,631
Beneficiary transport	887	3,608	2,653	10,816
Staff uniforms	788	3,206	-	-
Clothing for beneficiaries	476	1,936	18	73
Job placement support	335	1,363	1,523	6,209
Beneficiary trainings/Meetings	320	1,302	3,383	13,792
IEC materials	264	1,074	207	845
Recreational activity support	225	915	1,397	5,696
Non-Formal Education Materials	32	130	641	2,614
Beneficiary COVID-19 testing	13	52	-	-
Other activity costs	-	-	40	163
Sub total	<u>20,725</u>	<u>84,308</u>	<u>25,608</u>	<u>104,405</u>
Total	<u>196,653</u>	<u>799,984</u>	<u>114,087</u>	<u>465,133</u>

13. Equipment/Assets

	2021		2020	
	US\$	KHR'000 (Note 3)	US\$	KHR'000 (Note 3)
IT/computers	11,183	45,492	5,718	23,312
Vehicles	1,460	5,939	-	-
Inventory	1,238	5,036	662	2,699
Furniture and fittings	670	2,726	566	2,308
Vocational training equipment	380	1,546	-	-
Total	<u>14,931</u>	<u>60,739</u>	<u>6,946</u>	<u>28,319</u>

Friends-International – Siem Reap (Kaliyan Mith)

Notes to the financial statements (continued) for the year ended 31 December 2021

14. Indirect costs

	2021		2020	
	US\$	KHR'000 (Note 3)	US\$	KHR'000 (Note 3)
Rent	28,983	117,903	38,834	158,326
Transport/gasoline/maintenance	7,530	30,632	7,731	31,519
Utilities	7,384	30,038	12,290	50,106
Maintenance and renovations	6,364	25,889	3,411	13,907
Audit fee	6,000	24,408	6,060	24,707
Communications	5,445	22,150	3,834	15,631
Office supplies	3,429	13,949	2,284	9,312
Vehicle and building insurance	1,940	7,892	3,458	14,098
Bank charges	787	3,202	1,317	5,369
Printing and photocopying	470	1,912	740	3,017
Postage and shipping	534	2,172	225	917
Donor, staff and authority relations	93	378	91	371
Advertising and marketing	165	671	1,762	7,184
Subscriptions	123	500	76	310
Other expenses	179	729	536	2,186
	<u>69,426</u>	<u>282,425</u>	<u>82,649</u>	<u>336,960</u>

15. Travel & training

	2021		2020	
	US\$	KHR'000 (Note 3)	US\$	KHR'000 (Note 3)
Workshop meeting	1,206	4,906	396	1,614
Staff training	65	264	169	689
National travel	-	-	119	485
International travel	-	-	100	408
	<u>1,271</u>	<u>5,170</u>	<u>784</u>	<u>3,196</u>

Friends-International – Siem Reap (Kaliyan Mith)

Notes to the financial statements (continued) for the year ended 31 December 2021

16. Other training income generation costs

	2021		2020	
	US\$	KHR'000 (Note 3)	US\$	KHR'000 (Note 3)
Costs of income generation	12,759	51,904	56,189	229,083
Staff food costs	672	2,734	5,303	21,620
Outlet supplies	376	1,530	17,833	72,705
Staff and student uniforms	137	557	1,703	6,943
Provision for bad debts	2,151	8,754	-	-
	<u>16,095</u>	<u>65,479</u>	<u>81,028</u>	<u>330,351</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 expired on 30 November 2023, and during the year 2021, the some operating lease agreements were renewed until 31 May 2026 and 31 August 2031. 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:

	2021		2020	
	US\$	KHR'000 (Note 3)	US\$	KHR'000 (Note 3)
Within one year	49,417	201,325	31,771	128,514
Within two to five years	179,100	729,653	65,252	263,944
More than 5 years	103,600	422,066	-	-
	<u>332,117</u>	<u>1,353,044</u>	<u>97,023</u>	<u>392,458</u>

Friends-International – Siem Reap (Kaliyan Mith)

Notes to the financial statements (continued) for the year ended 31 December 2021

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 Organisation prior year 2019 are entitled to back pay seniority.

On 2 June 2020, the MoLVT issued notification No.018/20 to postpone seniority indemnity back-pay for periods before 2019 and current seniority payment in the year 2020 until 2021.

On 23 December 2020, the Royal Government of Cambodia issued an Instruction to allow entities to delay the payment of back pay seniority indemnity before 2019 and the current seniority indemnity for the years 2020 and 2021 until 2022. The Organisation chose to partially comply with this postponed payment which paid only the current seniority indemnity.

As at 31 December 2021, the management has estimated the maximum seniority payment commitment amounting to US\$41,913 (2020:US\$44,382).

(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.

Since 2020, other than donor's funding, the Organisation has income generated from Vocational Training, Friend "N" Stuff, and Restaurant out of which restaurant is the main business generated income. Since COVID-19 impact on 20 April 2020, Marum Training Restaurant which is the major business arm has suspended its operations until current date.

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.

Friends-International - Siem Reap (Kaliyan Mith)

Annex I – Schedule of income and expenditure by donors for the year ended 31 December 2021

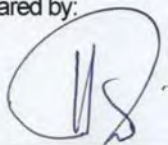
Fund Accounts	Fund balance as at 1 January 2021 US\$	Income US\$	Expenditure US\$	Fund balance as at 31 December 2021 US\$
Anonymous (via WISE Sarl)	13,051	-	13,051	-
Australian Volunteers International (ChildSafe)	-	7,713	2,289	5,424
Australian Volunteers International (Vocational Training)	-	3,140	2,818	322
Caritas Switzerland	1,069	7,038	8,107	-
Credit Suisse APAC Foundation Limited	28,380	45,312	49,483	24,209
ECPAT Luxembourg absl	37,792	32,292	66,894	3,190
Firetree Asia Foundation	-	24,985	6,772	18,213
Fondation Pierre Bellon	47,263	61,378	41,246	67,395
Fondation RAJA-Danièle Marcovici	(3,212)	3,520	308	-
Fonds de Dotation Mécénat Servier	9,207	-	9,207	-
Fossil Foundation	28,307	-	8,731	19,576
Gisela Stichting	23,414	20,000	12,117	31,297
Give2Asia/VISA	-	20,000	20,000	-
If International Foundation	-	126,773	102,465	24,308
International Monetary Fund	2,189	-	2,189	-
Livelihood Enhancement and Association for the Poor Project (LEAP)	5,395	-	5,395	-
Lloyd George Asia Foundation	5,376	20,000	7,270	18,106
Save the Children / European Union	811	88,508	89,319	-
Shiseido Travel Retail Asia Pacific Pte. Ltd	-	74,720	14,730	59,990
Solidarity Accor Hotels	19,828	8,670	26,589	1,909
Tourism Cares	-	5,000	90	4,910
UNICEF Cambodia	-	142,355	142,355	-
Ville de Genève/ Friends Suisse	18,584	18,490	17,054	20,020
World Childhood Foundation	-	9,189	9,189	-

Friends-International - Siem Reap (Kaliyan Mith)

Annex I – Schedule of income and expenditure by donors (continued) for the year ended 31 December 2021

Fund Accounts	Fund balance as at 1 January 2021 US\$	Income US\$	Expenditure US\$	Fund balance as at 31 December 2021 US\$
Andrew Leaver	6,170	10,000	7,073	9,097
Anonymous (DF)	28,772	-	4,326	24,446
Anonymous (HL)	23,278	-	2,981	20,297
Anonymous (TO)	6,037	-	6,037	-
Cambodian Children's Support Foundation	5,424	-	615	4,809
Epic Foundation	30,504	-	456	30,048
Friends Deutschland	4,827	-	1,794	3,033
Marketing de Réseau Solution [Bertrand Kervella]	3,768	314	4,082	-
Paul Newfield	5,137	-	5,137	-
Semester at Sea Chapman Impact Fund	165	-	165	-
Steven GP / Paul Prusky	2,498	-	2,498	-
Wat Khmer Kampuchea Krom	-	36,170	2,372	33,798
Women in Travel Retail	2,862	-	2,862	-
FI HQ-Caritas Switzerland	-	815	815	-
Kaliyan Mith Reserves	37,970	4,552	(28,672)	71,194
Vocational Training	52,333	15,228	2,364	65,197
Total	447,199	786,162	672,573	560,788

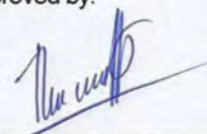
Prepared by:



Ms. Thoeung Sreydech
Finance Manager

18 April 2022

Approved by:



Mr. Tho Maneth
Program Director

18 April 2022