

MITH SAMLANH

**Special Purpose Financial Statements
for the year ended 31 December 2022
and
Report of the Independent Auditors**

Mith Samlanh

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Organisation Information

Organisation document	Registration No.172 issued by the Ministry of Interior on 11 February 2002	
Main donors	Asian Community Trust Asian Development Bank Credit Suisse APAC Foundation Limited/FI DanChurchAid ECPAT Luxembourg asbl/FI Fondation NEXT/Wise Sarl/ FI Fondation Junclair Fondation Pierre Bellon/FI Fossil Foundation/FI Friends Deutschland/FI If Foundation/FI The International Labour Organization/FI Gisela Stichting Global Fund/NCHADS/FI Riverview Children's Foundation Shiseido Travel Retail Asia Pacific Pte. Ltd./FI Sipar/AFD Accor Heartist Solidarity/FI United Nations Children's Fund ("UNICEF")/FI World Childhood Foundation/FI	
Board of Directors	Mr. Reth Vuthy Mr. Sebastien Marot Ms. Chhun Chendasophea Ms. Tith Davy Ms. Mâp Somaya (Ly Sophat)	Chairperson Member Member Member Member (non-voting member)
Technical Coordinator	Friends-International (FI)	
Management Team	Ms. Mâp Somaya (Ly Sophat) Mr. Pring KimChhay Ms. Khem Soleil Ms. Nao Phalla	Program Director Finance Coordinator Building Futures Coordinator Saving Lives Coordinator
Registered Office	#215, Street 13, Phnom Penh Kingdom of Cambodia	
Principal Bankers	J Trust Royal Bank (Cambodia) Ltd ACLEDA Bank Plc. Advanced Bank of Asia Ltd Wing Bank (Cambodia) Plc.	
Auditors	KPMG Cambodia Ltd	

Statement by the Directors

I, the undersigned, on behalf of the Management and the Board of Directors of Mith Samlanh ("the Organisation"), do hereby state that the accompanying special purpose financial statements as at 31 December 2022 and for the year then ended, as set out on pages 6 to 17 are prepared, in all material respects, in accordance with the basis of accounting and the accounting policies described in Note 2 to the special purpose financial statements.

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



Ms. Mâp Somaya (Ly Sophat)
Program Director

Phnom Penh, Kingdom of Cambodia

Date: *14 July 2023*



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Report of the Independent Auditors

To the donors Mith Samlanh

Opinion

We have audited the accompanying special purpose financial statements of Mith Samlanh (“the Organisation”), which comprises the statement of financial position as of 31 December 2022 the statement of income and expenditure for the year then ended and notes, comprising significant accounting policies and other explanatory information (“special purpose financial statements”), as set out on pages 6 to 17.

In our opinion, the accompanying special purpose 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 special purpose 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 Special Purpose 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 special purpose 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 special purpose financial statements, which describes the basis of accounting and the accounting policies adopted by the Organisation. The special purpose financial statements are prepared for the information of and use by the Donors and management of the Organisation. As a result, the special purpose financial statements may not be suitable for statutory filing or another 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 iii, but does not include the special purpose financial statements and our auditors' report thereon.

Our opinion on the special purpose 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 special purpose financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the special purpose 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 Special Purpose Financial Statements

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

In preparing the special purpose 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 cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organisation's financial reporting process.

Auditors' Responsibility for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose 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 special purpose 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 special purpose 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 special purpose 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 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

14 July 2023

Mith Samlanh

Statement of financial position as at 31 December 2022

	Note	2022		2021	
		US\$	KHR'000 (Note 3)	US\$	KHR'000 (Note 3)
Assets					
Cash and bank balances	4	1,126,371	4,637,269	1,069,067	4,355,379
Account receivables	5	13,953	57,445	12,617	51,402
Freehold land	6	2,826,900	11,638,347	2,826,900	11,516,790
		<u>3,967,224</u>	<u>16,333,061</u>	<u>3,908,584</u>	<u>15,923,571</u>
Liabilities					
Account payables	7	<u>27,728</u>	<u>114,156</u>	<u>20,545</u>	<u>83,700</u>
Net assets		<u>3,939,496</u>	<u>16,218,905</u>	<u>3,888,039</u>	<u>15,839,871</u>
Represented by:					
Fund balance at end of year		<u>3,939,496</u>	<u>16,218,905</u>	<u>3,888,039</u>	<u>15,839,871</u>

Prepared by:



Mr. Pring KimChhay
Finance Coordinator

Date: 14 July 2023

Approved by:



Ms. Mâp Somaya (Ly Sophat)
Program Director

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

Mith Samlanh

Statement of income and expenditure for the year ended 31 December 2022

	Note	2022		2021	
		US\$	KHR'000 (Note 3)	US\$	KHR'000 (Note 3)
Income					
Donor funding/grants	8	1,792,218	7,324,795	1,651,958	6,720,165
Vocational training income generation	9	-	-	225,512	917,383
Private donations	10	306,925	1,254,402	254,227	1,034,196
Other income	11	20,762	84,854	11,870	48,287
		<u>2,119,905</u>	<u>8,664,051</u>	<u>2,143,567</u>	<u>8,720,031</u>
Expenditure					
Personnel costs	12	930,523	3,803,048	916,039	3,726,447
Direct costs	13	762,283	3,115,451	678,251	2,759,125
Equipment/Assets	14	13,116	53,605	26,101	106,179
Indirect costs	15	146,217	597,589	131,073	533,205
Traveling and Training		5,386	22,013	3,279	13,339
Other training income generation cost	16	-	-	99,163	403,395
Transfers to programs	17	210,923	862,042	112,349	457,036
		<u>2,068,448</u>	<u>8,453,748</u>	<u>1,966,255</u>	<u>7,998,725</u>
Surplus of income over expenditure					
		51,457	210,303	177,312	721,306
Fund balance at beginning of year		3,888,039	15,839,871	3,710,727	15,009,892
Currency translation differences		-	168,731	-	108,673
Fund balance at end of year		<u>3,939,496</u>	<u>16,218,905</u>	<u>3,888,039</u>	<u>15,839,871</u>

Prepared by:



Mr. Pring KimChhay
Finance Coordinator

Date: 14 July 2023

Approved by:



Ms. Mâp Somaya (Ly Sophat)
Program Director

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

Mith Samlanh

Notes to the special purpose financial statements for the year ended 31 December 2022

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

1. Background

Mith Samlanh (“the Organisation”) was established in 1994 in Phnom Penh, Cambodia, and works with vulnerable children/youth, their families and their communities. The Organisation registered as a local NGO with the Ministry of Interior on 11 February 2002 and revised the registration letter on 13 March 2020 under letter No. 1808, and is party to a Memorandum of Understanding with several Ministries as listed here:

- Ministry of Social Affairs, Vocational Training and Youth (2 August 1999 - 14 October 2022)
- Ministry of Health (2 April 2016 - 31 May 2023)
- Ministry of Education, Youth and Sports (17 February 2017- 30 December 2022)
- Ministry of Labour and Vocational Training (11 February 2016- 06 September 2022)
- Municipality of Phnom Penh (since 6 September 2017)
- National Authority for Combating Drugs (2 July 2020 - 02 July 2021, 12 August 2022 – 27 August 2023).
- Ministry of Social Affairs, Veterans and, Youth Rehabilitation (28 October 2022 – 28 October 2025)

The Organisation’s objective is to save lives and build futures. Mith Samlanh saves lives through outreach, drop-in-centres, detoxification and rehabilitation centres, support groups, provision of emergency support services with the objective of stabilising and securing young people and caregivers, before supporting them to build their futures. After stabilization, Mith Samlanh focuses on building futures, reintegrating children into school, and youth, caregivers into employment and for communities to become active and productive citizens of their country and in protecting children. Since 1994, the Organisation has been working with children and youth to develop the best possible service to give them opportunities to go to school, learn a trade, find employment, recover from drug addiction and move away from life on the streets.

As at 31 December 2022, the Organisation had 166 employees (2021: 150 employees).

2. Significant accounting policies

The following significant accounting policies have been adopted by the Organisation in the preparation of these special purpose financial statements.

Mith Samlanh

Notes to the special purpose financial statements (continued) for the year ended 31 December 2022

2. Significant accounting policies (continued)

(a) Basis of aggregation

The special purpose financial statements comprise the financial statements of the organisation, after elimination of all inter-organisation balances and transactions.

The special purpose 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 and adopted to meet the requirements of the Organisation and its funders; it is not designed to produce financial statements that are in compliance with Cambodian Financial Reporting for Not-for-Profit Entity as required by the Law on Accounting and Auditing (see Note 2(e)).

(b) Basis of accounting

Under this basis of accounting, income is recognised when the Organisation receives funds in cash rather than when it is earned. Expenditure is recognised when payments are made rather than when expenditure is incurred, except for the following treatments:

- (i) Cash advance to staff and suppliers are initially recognised as receivables in the statement of financial position and only recognised as expenditure when they have been liquidated by supporting invoices;
- (ii) Rental prepayment is recorded in statement of financial position and recognised as rental expense in the subsequent months when it is realised;
- (iii) Receivables from income of the Organisation's products and staff loan are recorded in the statement of financial position until cash is received; and
- (iv) Professional fee, salary tax, gasoline and other payables are recorded in the statement of financial position until they are settled.

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

(c) Non-expendable equipment and freehold land

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

Freehold land is stated at cost and recorded as an asset in the statement of financial position. Freehold land is not depreciated.

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Notes to the special purpose financial statements (continued) for the year ended 31 December 2022

2. Significant accounting policies (continued)

(d) Functional and foreign currency transaction

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

These special purpose financial statements are presented in US\$, which is the Organisation’s functional currency. All amounts were rounded to the nearest dollars, unless otherwise indicated.

3. Translation of United States Dollars into Khmer Riel

The special purpose financial statements are expressed in United States Dollars (“US\$”) which is the Company’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 rate 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 the statement of income and expenditure.

The Organisation uses the following exchange rates:

			Closing rate	Average rate
31 December 2022	US\$1	=	KHR4,117	KHR4,087
31 December 2021	US\$1	=	<u>KHR4,074</u>	<u>KHR4,068</u>

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Notes to the special purpose financial statements (continued) for the year ended 31 December 2022

4. Cash and bank balances

	2022		2021	
	US\$	KHR'000 (Note 3)	US\$	KHR'000 (Note 3)
Cash on hand	13	54	16	65
Cash at banks:				
J Trust Royal Bank Plc.	242,022	996,405	349,912	1,425,541
Advanced Bank of Asia Ltd.	357,354	1,471,226	276,329	1,125,764
ACLEDA Bank Plc.	26,901	110,751	42,609	173,589
Wing Specialised Bank	81	333	201	820
Cash and cash equivalents	626,371	2,578,769	669,067	2,725,779
Term deposits (*)	500,000	2,058,500	400,000	1,629,600
Cash and bank balances	1,126,371	4,637,269	1,069,067	4,355,379

(*) This includes term deposit placement at ACLEDA Bank Plc. with principal amounting to US\$500,000 for maturity of one year and bear interest at rates of 5.2% (2021: 5%) per annum.

5. Account receivables

	2022		2021	
	US\$	KHR'000 (Note 3)	US\$	KHR'000 (Note 3)
Receivables - Credit income	1,471	6,056	6,683	27,227
Guarantee deposits	3,112	12,812	3,095	12,609
Staff loans	3,660	15,068	290	1,181
Receivables - Program	-	-	89	363
Prepayment	3,702	15,241	-	-
Other receivables	2,008	8,268	2,460	10,022
	13,953	57,445	12,617	51,402

6. Freehold land

In order to secure the future of the programme, the Organisation purchased the freehold land on 5 December 2006 where its core activities are based.

The freehold land of the Organisation is located at #215, Street 13, Sangkat Chey Chumneas, Khan Daun Penh, Phnom Penh, Kingdom of Cambodia.

On 10 August 2022, the Organisation paid the Property Tax at the amount of US\$4,378 (2021: US\$4,483) (Note 15).

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Notes to the special purpose financial statements (continued) for the year ended 31 December 2022

7. Account payables

	2022		2021	
	US\$	KHR'000 (Note 3)	US\$	KHR'000 (Note 3)
Tax payable	2,673	11,005	2,162	8,808
Gasoline payable	1,320	5,434	1,110	4,522
Others	23,735	97,717	17,273	70,370
	<u>27,728</u>	<u>114,156</u>	<u>20,545</u>	<u>83,700</u>

8. Donor funding/grants

	2022		2021	
	US\$	KHR'000 (Note 3)	US\$	KHR'000 (Note 3)
FI/UNICEF Cambodia	187,428	766,018	267,009	1,086,193
Fondation Junclair - Chbar Ampov	112,408	459,411	116,795	475,122
Fondation Junclair – Focus on Women	39,582	161,772	47,848	194,646
Fondation Junclair – Remedial Education and School Reintegration	-	-	35,886	145,984
FI/Wise Sarl/Fondation NEXT	170,516	696,899	185,739	755,586
Save the Children International/EU	-	-	148,535	604,240
FI/If International Foundation	125,436	512,657	127,787	519,839
FI/Global Fund/NCHADS	136,505	557,896	118,992	484,059
DanChurchAid – Farming Training	-	-	34,237	139,276
DanChurchAid – Core	47,538	194,288	47,354	192,636
DanChurchAid – Education	46,082	188,337	31,786	129,305
FI/ECPAT Luxembourg asbl	126,627	517,525	85,525	347,916
FI/Fondation Pierre Bellon	62,797	256,651	70,152	285,378
FI/Credit Suisse APAC Foundation Limited	65,294	266,857	64,546	262,573
Gisela Stichting	55,000	224,784	55,000	223,740
FI/Epic Foundation	50,000	204,350	50,000	203,400
FI / Accor Heartist Solidarity	52,117	213,003	35,077	142,693
FI/Give2Asia/VISA	-	-	30,000	122,040
FI/Shiseido Travel Retail Asia Pacific Pte. Ltd.	-	-	23,255	94,601
FI/Firetree Asia Foundation	-	-	19,360	78,756
	<u>1,277,330</u>	<u>5,220,448</u>	<u>1,594,883</u>	<u>6,487,983</u>

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Notes to the special purpose financial statements (continued) for the year ended 31 December 2022

8. Donor funding/grants (continued)

	2022		2021	
	US\$	KHR'000 (Note 3)	US\$	KHR'000 (Note 3)
Sipar/AFD	34,899	142,632	11,801	48,006
People In Need	(900)	(3,678)	11,250	45,765
Riverview Children's Foundation	-	-	11,200	45,562
FI/World Childhood Foundation	19,170	78,348	9,922	40,363
FI/SMART Axiata	-	-	573	2,331
Caritas Switzerland	-	-	9,329	37,950
Planete Enfants & Developpement	-	-	3,000	12,205
FI/Fossil Foundation	26,482	108,232	-	-
Asian Development Bank	117,530	480,345	-	-
Asian Community Trust	15,005	61,325	-	-
FI / BEL Foundation	15,699	64,162	-	-
FI / CW Asia Fund Charitable Foundation	10,000	40,870	-	-
FI / The International Labour Organization	27,003	110,361	-	-
FI/The Cold Mountain Fund of RSF Social Finance	200,000	817,400	-	-
FI / Regent Capital Trust Corporation Limited as Trustee of the KWOK Foundation	50,000	204,350	-	-
	<u>514,888</u>	<u>2,104,347</u>	<u>57,075</u>	<u>232,182</u>
	<u>1,792,218</u>	<u>7,324,795</u>	<u>1,651,958</u>	<u>6,720,165</u>

9. Vocational training income generation

	2022		2021	
	US\$	KHR'000 (Note 3)	US\$	KHR'000 (Note 3)
Friends N Stuff (Street no.13)	-	-	12,770	51,948
Cookbook "Best of Friends"	-	-	60	244
Vocational Training Centre	-	-	7,148	29,078
Let's Eat	-	-	95,085	386,802
Home Based Production	-	-	110,450	449,311
	<u>-</u>	<u>-</u>	<u>225,512</u>	<u>917,383</u>

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Notes to the special purpose financial statements (continued) for the year ended 31 December 2022

9. Vocational training income generation (continued)

The above vocational training income generation activities ceased for paying customers completely from 23 September 2021. Vocational Training activities for students continue without any income generation.

10. Private donations

	2022		2021	
	US\$	KHR'000 (Note 3)	US\$	KHR'000 (Note 3)
Other private/individual donors	<u>306,925</u>	<u>1,254,402</u>	<u>254,227</u>	<u>1,034,196</u>

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

11. Other income

	2022		2021	
	US\$	KHR'000 (Note 3)	US\$	KHR'000 (Note 3)
Income of obsolete equipment	-	-	621	2,526
Interest income	20,751	84,809	1,298	5,280
Others	11	45	9,951	40,481
	<u>20,762</u>	<u>84,854</u>	<u>11,870</u>	<u>48,287</u>

12. Personnel costs

	2022		2021	
	US\$	KHR'000 (Note 3)	US\$	KHR'000 (Note 3)
Staff salaries	836,742	3,419,765	816,761	3,322,584
Health Benefit	20,842	85,181	20,180	82,092
National Pension Fund	9,508	38,859	15,391	62,611
Stipend	1,438	5,878	1,670	6,792
Overtime	12,567	51,361	10,994	44,724
Consultancies/Professional fees	5,377	21,976	4,656	18,941
Recruitment cost	848	3,466	846	3,442
Seniority indemnity (*)	40,223	164,391	44,354	180,432
Staff COVID Testing	2,978	12,171	1,187	4,829
	<u>930,523</u>	<u>3,803,048</u>	<u>916,039</u>	<u>3,726,447</u>

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Notes to the special purpose financial statements (continued) for the year ended 31 December 2022

12. Personnel costs (continued)

(*) In accordance with Prakas No. 443 MLVT/Br. K issued by the Ministry of Labor and Vocational Training on 21 September 2018 and subsequently amended by the Instruction No. 042/19 dated 22 March 2019, all employees are entitled to seniority indemnity which payment has started from 2019 at the amount equal to 15 days of net wage per year.

13. Direct costs

	2022		2021	
	US\$	KHR'000 (Note 3)	US\$	KHR'000 (Note 3)
Hygiene Materials	13,733	56,127	24,862	101,139
Medical Cost	25,903	105,866	11,847	48,194
IEC Material	1,182	4,831	3,366	13,693
Clothes for Beneficiaries	2,322	9,490	929	3,779
Non-Formal Education materials	6,208	25,372	3,401	13,833
Food/Drink/Snacks	267,413	1,092,917	221,298	900,240
Family Support	213,771	873,682	210,544	856,493
Harm Reduction Materials	6,080	24,849	3,418	13,904
Centre Supplies	9,692	39,611	4,097	16,667
Other Activity Costs	679	2,775	278	1,131
Family Reintegration Travel	5,108	20,876	2,985	12,143
Recreational Activity Support	3,397	13,884	809	3,291
Outreach Materials	1,068	4,365	2,200	8,950
School Reintegration Support	40,214	164,355	17,422	70,873
Vocational Training Materials	23,412	95,685	68,504	278,674
Job Placement support	11,467	46,866	4,041	16,439
ChildSafe Activities	6,136	25,078	7,069	28,757
Foster care support cost	33,659	137,564	29,555	120,230
Staff Uniforms	1,199	4,900	4,836	19,673
Micro-Enterprise Support	45,165	184,589	34,765	141,424
Independent Living	7,569	30,935	4,160	16,923
Beneficiary Transport	30,293	123,807	14,160	57,603
Beneficiary Trainings / Meeting	4,860	19,863	2,863	11,647
Community Event Costs	1,180	4,823	-	-
Beneficiary COVID Testing	573	2,341	842	3,425
	<u>762,283</u>	<u>3,115,451</u>	<u>678,251</u>	<u>2,759,125</u>

Mith Samlanh

Notes to the special purpose financial statements (continued) for the year ended 31 December 2022

14. Equipment/Assets

	2022		2021	
	US\$	KHR'000 (Note 3)	US\$	KHR'000 (Note 3)
IT/computers	5,228	21,367	17,368	70,653
Vehicles	1,430	5,844	3,772	15,344
Furniture and fittings	2,533	10,352	480	1,953
Vocational training equipment	2,892	11,820	2,815	11,451
Inventory	1,033	4,222	1,666	6,778
	<u>13,116</u>	<u>53,605</u>	<u>26,101</u>	<u>106,179</u>

15. Indirect costs

	2022		2021	
	US\$	KHR'000 (Note 3)	US\$	KHR'000 (Note 3)
Communications	11,546	47,189	17,097	69,551
Transportation/gasoline/ Maintenance	34,075	139,265	22,950	93,361
Maintenance/Renovation	14,099	57,623	9,288	37,784
Office Supplies	7,782	31,805	8,630	35,107
Rent	24,668	100,818	22,129	90,021
Utilities	27,469	112,266	30,519	124,151
Printing/Copies	1,293	5,284	676	2,750
Postage/Shipping	173	707	101	411
Bank Charge	902	3,686	793	3,226
External Audits	7,370	30,121	6,600	26,849
Vehicle/Building Insurance	3,751	15,330	3,898	15,857
Advertising/Marketing	1,507	6,159	1,449	5,895
Subscriptions	650	2,657	229	932
Donor/Staff/Authority Relations	2,805	11,464	1,819	7,400
Other Expenses	2,551	10,426	412	1,673
Bad Debts (Provision / Actual)	1,198	4,896	-	-
Land Tax Payment	4,378	17,893	4,483	18,237
	<u>146,217</u>	<u>597,589</u>	<u>131,073</u>	<u>533,205</u>

16. Other training income generation costs

In prior year, other training income generation cost pertained to costs of products bought from Home-Based Production Training caregivers in communities to sell at Friends N Stuff, cost of sales at Friends Training Restaurants, Romdeng training Restaurant, costs of cookbook "Best of Friends" and costs of raw materials used at Vocational Training Centre. This activity was ceased since 2021.

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Notes to the special purpose financial statements (continued) for the year ended 31 December 2022

17. Transfers to programs

This represents sub-grants to other Friends Alliance partners, and Program Support by Friends-International – Phnom Penh for its technical support, fundraising support and core management. The amount ranges from 7% to 15% of the approved donor budgets.

18. Commitments

(i) Expenditure commitments

The Organisation leases its Transitional Homes and Drop-in-Centres under non-cancellable operating lease agreement which the lease term are 3 years and the expiry date will be on 20 June 2024. The lease expenditure charged to the statement of income and expenditure during the year is disclosed in Note 15.

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

	2022		2021	
	US\$	KHR'000 (Note 3)	US\$	KHR'000 (Note 3)
Within one year	35,971	148,093	13,933	56,763
Within two to five years	<u>38,478</u>	<u>158,414</u>	<u>33,122</u>	<u>134,939</u>
	<u>74,449</u>	<u>306,507</u>	<u>47,055</u>	<u>191,702</u>

(ii) Back pay seniority

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 as at 31 December 2020 are entitled to past years of seniority service before 2019.

Effective on 2 June 2020, the MoLVT issued Prakas No. 018/20 for the postponement of seniority indemnity back-pay for periods before 2019 and postponement of seniority payments in 2020.

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 comply with this postpone payment.

Subsequently, on 4 May 2023, the Organisation decided to pay the accumulated amount of seniority back-pay portion all at once to the respective staff. The amount was paid on 26 May 2023 accordingly.

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Annex I

Schedule of income and expenditure by donors for the year ended 31 December 2022

	Balance at 1 January 2022 US\$	Income US\$	Expenditure US\$	Transfer US\$	Balance at 31 December 2022 US\$
FI / Accor Heartist Solidarity	(3,880)	52,117	40,426	-	7,811
Asian Development Bank	-	117,530	140,361	-	(22,831)
Asian Community Trust	-	15,005	13,286	-	1,719
FI/Bel Fondation	-	15,699	-	-	15,699
Gerald Trevor	850	4,320	5,170	-	-
FI/Credit Suisse APAC Foundation Limited	64,231	65,294	94,756	-	34,769
FI/CW Asia Fund Charitable Foundation	-	10,000	3,500	-	6,500
DanChurchAid (Farming Training)	5,785	-	5,785	-	-
DanChurchAid (Core)	-	47,538	47,538	-	-
DanChurchAid (Education)	-	46,082	46,082	-	-
FI/Anonymous (DF)	902	49,925	50,827	-	-
FI/ECPAT Luxembourg asbl	-	126,627	126,627	-	-
FI/Epic Foundation	-	50,000	45,872	-	4,128
FI/Fossil Foundation	18,948	26,482	31,632	-	13,798
FI/Friends Deutschland	-	19,134	19,134	-	-
Gisela Stichting	21,975	55,000	63,427	-	13,548
FI/Give2Asia / VISA	6,505	-	6,505	-	-
FI/NCHADS / GFATM	2,638	136,565	133,342	-	5,861
FI/If Foundation	28,955	125,436	154,391	-	-
FI/Anonymous (HLMF)	-	50,000	7,507	-	42,493
FI/The International Labour Organization	(805)	27,003	14,438	-	11,760
Sub-total	<u>146,104</u>	<u>1,039,757</u>	<u>1,050,606</u>	<u>-</u>	<u>135,255</u>

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Annex I

Schedule of income and expenditure by donors (continued) for the year ended 31 December 2022

	Balance at 1 January 2022 US\$	Income US\$	Expenditure US\$	Transfer US\$	Balance at 31 December 2022 US\$
Fondation Junclair (Chbar Ampov)	34,075	112,408	125,956	-	20,527
FI/Fondation Junclair (COVID)	4,501	-	4,501	-	-
FI/Fondation Junclair (Women)	15,495	39,581	48,850	-	6,226
FI/Fondation NEXT	161,636	170,516	239,408	-	92,744
FI/Jan Willem Rothenbaum	9,361	-	9,361	-	-
FI/Regent Capital Trust Corporation Limited as Trustee of the Kwok Foundation	-	50,000	6,522	-	43,478
Noble Caledonia Charitable Trust	16,606	-	16,606	-	-
FI/Fondation Pierre Bellon	65,162	62,797	66,829	-	61,130
FI/Anonymous (via Dragonfly APAC Limited)	35,469	15,000	38,561	-	11,908
Riverview Children's Foundation	7,254	-	7,254	-	-
FI/Patrick Seiler	19,223	-	10,892	-	8,331
FI/UNICEF Cambodia	-	187,428	187,428	-	-
People In Need Cambodia	11,250	(900)	-	(10,350)	-
Sipar/AFD	(1,547)	34,900	33,353	-	-
FI/Anonymous (TO)	-	150,000	46,849	-	103,151
FI/The Cold Mountain Fund of RSF Social Finance	-	200,000	70,423	-	129,577
FI/Shiseido Travel Retail Asia Pacific Pte. Ltd.	41,105	-	49,704	-	(8,599)
FI/Wat Khmer Kampuchea Krom	25,641	-	25,641	-	-
Sub-total	<u>445,231</u>	<u>1,021,730</u>	<u>988,138</u>	<u>(10,350)</u>	<u>468,473</u>

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Annex I

Schedule of income and expenditure by donors (continued) for the year ended 31 December 2022

	Balance at 1 January 2022 US\$	Income US\$	Expenditure US\$	Transfer US\$	Balance at 31 December 2022 US\$
FI / World Childhood Foundation	-	19,170	18,317	-	853
Mith Samlanh Reserves & Land	2,669,779	39,248	11,387	637,275	3,334,915
Vocational Training Centre	626,925	-	-	(626,925)	-
Sub-total	<u>3,296,704</u>	<u>58,418</u>	<u>29,704</u>	<u>10,350</u>	<u>3,325,418</u>
Total	<u>3,888,039</u>	<u>2,119,905</u>	<u>2,068,448</u>	<u>-</u>	<u>3,939,496</u>

Prepared by:



Mr. Pring KimChhay
Finance Coordinator

Date: 14 July 2023

Approved by:



Ms. Mâp Somaya (Ly Sophat)
Program Director