

**AGIR POUR LES FEMMES EN SITUATION PRECAIRE - AFESIP
CAMBODIA**

**STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2012**



AGIR POUR LES FEMMES EN SITUATION PRECAIRE - AFESIP CAMBODIA

**STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2012**

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AFESIP CAMBODIA

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STATEMENT BY THE BOARD OF MANAGEMENT

On behalf of the Board of Management of Agir Pour Les Femmes En Situation Precaire-AFESIP Cambodia (“the Organisation”), I do hereby state that in my opinion:

The accompanying statement of income and expenditure, together with the notes thereon, of Agir Pour Les Femmes En Situation Precaire – AFESIP Cambodia (“the Organisation”) for the year ended 31 December 2012 has been prepared, in all material respects, in accordance with the accounting policies described in Note 2 to the statement of income and expenditure.

On behalf of the Board of Management

Mr. Sao Chhoeurth
Executive Director and CEO

Phnom Penh, Kingdom of Cambodia
Date: 06 SEP 2013



Independent auditor's report

To the Board of Management of Agir Pour Les Femmes En Situation Precaire - AFESIP Cambodia

We have audited the accompanying statement of income and expenditure of Agir Pour Les Femmes En Situation Precaire - AFESIP Cambodia ("the Organisation") for the year ended 31 December 2012, and a summary of significant accounting policies and other explanatory information (together the "financial statement"). The financial statement has been prepared by management in accordance with the accounting policies described in note 2 to the financial statement.

Management's responsibility for the financial statement

Management is responsible for the preparation of this financial statement in accordance with the accounting policies described in note 2 to the financial statement, for determining that the basis of preparation is acceptable in the circumstances and for such internal control as management determines is necessary to enable the preparation of financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with Cambodian International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statement 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers (Cambodia) Ltd.

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Opinion

In our opinion, the financial statement of AFESIP Cambodia for the year ended 31 December 2012 has been prepared, in all material respects, in accordance with the accounting policies described in note 2 to the financial statement.

Basis of accounting and restriction on distribution and use

Without modifying our opinion, we draw attention to note 2 to the financial statement, which describes the basis of accounting. The financial statement is prepared to provide information to AFESIP Cambodia. As a result, the financial statement may not be suitable for another purpose. Our report is intended solely for AFESIP Cambodia and should not be distributed to or used by parties other than AFESIP Cambodia.

For PricewaterhouseCoopers (Cambodia) Ltd.


By Benilda C. Fernandez
Director



Phnom Penh, Kingdom of Cambodia
Date: 6 September 2013

AGIR POUR LES FEMMES EN SITUATION PRECAIRE - AFESIP CAMBODIA

**STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2012**

| | Note | 2012 US\$ | 2011 US\$ |
|--|------|------------------|------------------|
| INCOME | | | |
| Grant income | 3 | 1,175,547 | 1,152,191 |
| Other incomes | 4 | 53,378 | 21,195 |
| | | <u>1,228,925</u> | <u>1,173,386</u> |
| EXPENDITURE | | | |
| Residential centre | 5 | 488,619 | 620,265 |
| Salaries | 6 | 136,439 | 174,432 |
| AIDS education and social work | 7 | 119,955 | 134,970 |
| Re-integration | 8 | 100,478 | 99,565 |
| Transportation | 9 | 36,666 | 69,441 |
| Administration | 10 | 31,858 | 59,501 |
| Premises | 11 | 22,424 | 41,730 |
| Investigation and rescue | 12 | 29,284 | 33,549 |
| Kumnit Thmey | 13 | 43,908 | 29,314 |
| Weaving project | 14 | 11,558 | - |
| Bicycles | 15 | 18,300 | - |
| Other expenditures | 16 | 11,488 | 8,325 |
| | | <u>1,050,977</u> | <u>1,271,092</u> |
| SURPLUS/(DEFICIT) OF INCOME OVER EXPENDITURE FOR THE YEAR | | 177,948 | (97,706) |
| FUND BALANCE AT THE BEGINNING OF THE YEAR | | 42,239 | 146,533 |
| REFUND TO DONORS | | <u>(450)</u> | <u>(6,588)</u> |
| FUND BALANCE AT THE END OF THE YEAR | | <u>219,737</u> | <u>42,239</u> |
| <u>REPRESENTED BY:</u> | | | |
| Cash on hand and at bank | 17 | 219,737 | 51,730 |
| Due to/from staff | | - | (9,491) |
| | | <u>219,737</u> | <u>42,239</u> |

The accompanying notes on pages 5 to 11 form an integral part of this statement of income and expenditure.

AGIR POUR LES FEMMES EN SITUATION PRECAIRE - AFESIP CAMBODIA

NOTES TO THE STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2012

1. GENERAL INFORMATION AND ACTIVITIES

Agir Pour Les Femmes En Situation Precaire - AFESIP Cambodia ("the Organisation") is a not-for-profit organisation that was registered on 18 April 1996 in Phnom Penh, in the Kingdom of Cambodia. The Organisation's mission is to care for and secure the rights of those victimised by human trafficking and sex slavery, and to successfully rehabilitate and reintegrate survivors into mainstream society through financial independence in a sustainable and innovative manner. The Organisation also seeks to combat the causes and consequences of trafficking in persons for sexual exploitation through outreach work in HIV/AIDS prevention, advocacy work, campaigning, and representation and participation in women's issues at national, regional, and international forums. The Organisation is funded by grants and contributions from its donors, which comprise both Cambodian and international non-governmental organisations.

On 1 May 2011, AFESIP entered into a contract with Lotus Culture Ltd to form a new project called "Kumnit Thmey". The objective of this project is to provide employment opportunities on a sustained basis for girls with sewing skills.

The operations are widespread, with offices located in six municipalities and provinces: Phnom Penh, Anlong Veng (Udor Meanchey), Pailin, Siem Reap, Koh Kong and Stung Treng.

The Organisation's head office is located at No. 62CEo, Street 598, Sangkat Boeung Kok II, Khan Tuol Kork, Phnom Penh, and the Kingdom of Cambodia

As at 31 December 2012, the Organisation had 97 employees (31 December 2011: 99 employees).

2. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation

The statement of income and expenditure expressed in United States dollars ("US\$") has been prepared under the historical cost convention.

The Organisation's policy is to prepare the statement of income and expenditure on the cash basis except for advances. On this basis, income is recognised when received rather than when earned and expenditure, except for advances, is recognised when paid rather than when incurred.

b. Foreign currency transactions

Transactions in currencies other than the US\$ are translated into US\$ at the rate of exchange prevailing on the date of the transaction. Foreign exchange gains and losses resulting from the translation of cash and bank balances and advances in currencies other than the US\$ at the year-end exchange rate are recognised in the statement of income and expenditure.

AGIR POUR LES FEMMES EN SITUATION PRECAIRE - AFESIP CAMBODIA

NOTES TO THE STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2012

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

c. *Income and expenditure*

The primary sources of income are grants from donors and individual donations through bank transfers, and the income is recorded gross of bank charges. Expenditure represents all costs paid in line with the Organisation's objectives.

d. *Fixed assets*

The cost of fixed assets purchased during the year is expensed in the statement of income and expenditure in the year of purchase.

e. *Due to/from staff*

Due from staff is recorded as receivable in the statement of income and expenditure and recognised as expenditure upon liquidation. Due to staff arises when expenditure reported upon liquidation exceeds advance received.

3. GRANT INCOME

| | 2012 US\$ | 2011 US\$ |
|---|------------------|------------------|
| Somaly MAM Foundation (SMF) | 649,155 | 567,294 |
| Credit Lyonnais Securities Asia (CLSA) | 150,014 | 104,404 |
| Foundation for Women's Dignity and Rights (PPR Foundation) | 92,114 | - |
| Deutsche Gesellschaft fur Internationale Zusammenarbeit (GIZ) | 87,066 | - |
| Lotus Culture Ltd (*) | 36,401 | 46,412 |
| Network Earth Village (Yoshiyuki Takagi) | 10,000 | - |
| 88 Bikes (note 15) | 19,318 | - |
| Connecting Hands | 17,055 | 19,120 |
| Isabell | 13,900 | 10,139 |
| Project Futures | 13,167 | 31,882 |
| Hammer Project | 12,195 | - |
| TIDES Foundation | 9,980 | - |
| Foundation for International Development/Relief (FIDR) | 1,296 | 27,000 |
| US Department of State Office To Monitor and Combat Trafficking in Persons (G/TIP) | - | 139,335 |
| SMF Gap/Computer Project | - | 76,974 |
| Lotus House Kampong Cham (*) | - | 50,000 |
| Equity Now | - | 10,000 |
| Living Hope | - | 7,500 |
| Other individuals (**) | 63,886 | 62,131 |
| | <u>1,175,547</u> | <u>1,152,191</u> |

(*) Lotus Culture Ltd funds to support Kumnit Thmey Project and Lotus House Kampong Cham funds to support general activities of AFESIP Cambodia.

AGIR POUR LES FEMMES EN SITUATION PRECAIRE - AFESIP CAMBODIA

**NOTES TO THE STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2012**

3. GRANT INCOME (continued)

(**) This income was received through donations to the Organisation's bank accounts held at the Foreign Trade Bank of Cambodia. Due to the nature of the receipts, the majority of donors could not be identified and some individuals specifically requested to be anonymous.

4. OTHER INCOMES

| | 2012 | 2011 |
|-----------------------------------|----------------------|----------------------|
| | US\$ | US\$ |
| Self generated income (*) | 50,785 | 13,416 |
| Advance payment from customer | - | 5,250 |
| Interest income | 727 | 775 |
| Training workshop | 378 | 656 |
| Proceeds on fixed assets disposal | - | - |
| Other incomes | <u>1,488</u> | <u>1,098</u> |
| | <u><u>53,378</u></u> | <u><u>21,195</u></u> |

(*) This represents the income generated from sale of hand-made products produced by victim. This is a new project starting May 2011.

5. RESIDENTIAL CENTRE

| | 2012 | 2011 |
|-------------------------------------|-----------------------|-----------------------|
| | US\$ | US\$ |
| Food/clothes/domestic/gas-wood | 158,037 | 166,585 |
| Project staff salary/fringe benefit | 129,701 | 150,519 |
| Vocational training and life skills | 70,858 | 115,434 |
| Psycho and medical support | 63,801 | 32,711 |
| Center operating cost | 50,348 | 131,819 |
| Social recreational/gardening costs | <u>15,874</u> | <u>23,197</u> |
| | <u><u>488,619</u></u> | <u><u>620,265</u></u> |

6. SALARIES

| | 2012 | 2011 |
|------------------------|-----------------------|-----------------------|
| | US\$ | US\$ |
| Local staff | 123,385 | 126,078 |
| Staff operational cost | <u>13,054</u> | <u>48,354</u> |
| | <u><u>136,439</u></u> | <u><u>174,432</u></u> |

AGIR POUR LES FEMMES EN SITUATION PRECAIRE - AFESIP CAMBODIA

NOTES TO THE STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2012

7. AIDS EDUCATION AND SOCIAL WORK

| | 2012 | 2011 |
|--|----------------|----------------|
| | US\$ | US\$ |
| Project staff salary/fringe benefit | 49,410 | 47,352 |
| Condoms | 25,350 | 32,925 |
| Clinic and provincial rental | 8,330 | 11,400 |
| Travel cost for social workers | 7,124 | 7,861 |
| Medical supplies and consumable for clinic | 7,382 | 7,661 |
| Peer educators and quarterly meeting | 6,325 | 5,840 |
| Lubricant gel and hygiene materials | 5,371 | 7,639 |
| Leaflets | 2,998 | 2,829 |
| Entrance victims expenses/support | 1,793 | 1,972 |
| Strengthen collaboration | 1,694 | 2,777 |
| Utilities expenses | 1,532 | 2,275 |
| World AIDS Day and national events | 1,212 | - |
| Maintenance repair motorbike/tuk tuk | 810 | 625 |
| Office equip/mats for HIV | 437 | 1,685 |
| Field monitoring and evaluation | 187 | 1,870 |
| Equipment and materials for clinic | - | 259 |
| | <u>119,955</u> | <u>134,970</u> |

8. RE-INTEGRATION

| | 2012 | 2011 |
|-------------------------------------|----------------|---------------|
| | US\$ | US\$ |
| Staff travel and per-diem | 35,263 | 36,007 |
| Micro-business | 30,793 | 32,275 |
| Project staff salary/fringe benefit | 21,888 | 19,348 |
| Other support to victims | 12,534 | 11,935 |
| | <u>100,478</u> | <u>99,565</u> |

9. TRANSPORTATION

| | 2012 | 2011 |
|----------------------------|---------------|---------------|
| | US\$ | US\$ |
| Fuel cost | 16,823 | 20,633 |
| Repairs and maintenance | 9,710 | 10,148 |
| Business travel | 10,133 | 10,770 |
| Purchase of motor vehicles | - | 27,890 |
| | <u>36,666</u> | <u>69,441</u> |

AGIR POUR LES FEMMES EN SITUATION PRECAIRE - AFESIP CAMBODIA

NOTES TO THE STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2012

10. ADMINISTRATION

| | <u>2012</u> <u>US\$</u> | <u>2011</u> <u>US\$</u> |
|----------------------------|----------------------------|----------------------------|
| Running cost | 12,712 | 19,286 |
| Communication | 10,437 | 12,525 |
| Consumables - sundries | 3,059 | 4,100 |
| Printing/posters/calendars | 2,622 | - |
| Public relation | 1,583 | 9,063 |
| Purchase of equipment | 1,445 | 13,564 |
| Repairs and maintenance | - | 963 |
| | <u>31,858</u> | <u>59,501</u> |

11. PREMISES

| | <u>2012</u> <u>US\$</u> | <u>2011</u> <u>US\$</u> |
|----------------------------------|----------------------------|----------------------------|
| Rental of land and building | 15,600 | 14,750 |
| Utilities expenses | 6,237 | 9,831 |
| Building repairs and maintenance | 587 | 17,149 |
| | <u>22,424</u> | <u>41,730</u> |

12. INVESTIGATION AND RESCUE

| | <u>2012</u> <u>US\$</u> | <u>2011</u> <u>US\$</u> |
|-------------------------------------|----------------------------|----------------------------|
| Project staff salary/fringe benefit | 14,002 | 13,704 |
| Legal cost | 3,645 | 6,664 |
| Investigation cost | 4,644 | 4,028 |
| Posters/trafficking issues | 2,502 | - |
| Intelligence for investigation | 1,410 | 1,339 |
| Rescue and repatriation cost | 1,328 | 5,832 |
| Communication fee | 698 | 636 |
| Investigation/legal supplies | 561 | 655 |
| Fuel for investigation | 494 | 691 |
| | <u>29,284</u> | <u>33,549</u> |

AGIR POUR LES FEMMES EN SITUATION PRECAIRE - AFESIP CAMBODIA

NOTES TO THE STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2012

13. KUMNIT THMEY

| | <u>2012</u> <u>US\$</u> | <u>2011</u> <u>US\$</u> |
|------------------------------|----------------------------|----------------------------|
| Project production costs | 17,225 | 6,649 |
| Personnel costs | 15,332 | 5,344 |
| Operational costs | 7,246 | 6,582 |
| Marketing and shipping costs | 2,152 | 2,877 |
| Office and sewing equipments | 1,684 | 6,859 |
| Product prototypes | 165 | 983 |
| Bank charge | 104 | 20 |
| | <u>43,908</u> | <u>29,314</u> |

14. WEAVING PROJECT

| | <u>2012</u> <u>US\$</u> | <u>2011</u> <u>US\$</u> |
|-------------------------|----------------------------|----------------------------|
| Renovation costs | 8,421 | - |
| Staff costs | 1,420 | - |
| Materials and equipment | 1,303 | - |
| Others | 414 | - |
| | <u>11,558</u> | <u>-</u> |

15. BICYCLES

The Organisation purchases 300 bicycles with total amount of US\$18,300 to donate to rescued victims. This is funded by 88 Bikes.

16. OTHER EXPENDITURES

| | <u>2012</u> <u>US\$</u> | <u>2011</u> <u>US\$</u> |
|-------------------|----------------------------|----------------------------|
| Professional fees | 4,950 | 5,735 |
| Bank charge | 2,122 | 1,926 |
| Others | 4,416 | 664 |
| | <u>11,488</u> | <u>8,325</u> |

AGIR POUR LES FEMMES EN SITUATION PRECAIRE - AFESIP CAMBODIA

NOTES TO THE STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2012

17. CASH ON HAND AND AT BANK

| | <u>2012</u> <u>US\$</u> | <u>2011</u> <u>US\$</u> |
|--------------|----------------------------|----------------------------|
| Cash on hand | 8,255 | 2,753 |
| Cash at bank | <u>211,482</u> | <u>48,977</u> |
| | <u>219,737</u> | <u>51,730</u> |

Cash at banks represents an interest bearing saving account with interest ranging from 0.5% to 0.75% p.a. and non-interest bearing current accounts held at local commercial banks.

18. RELATED-PARTY TRANSACTIONS

The President of AFESIP Cambodia also sits on the Board of Directors of Somaly MAM Foundation based in the US, one of the major donors supporting AFESIP Cambodia's project activities.

The following transactions were carried out with a related party:

i) *Grant income*

| | <u>2012</u> <u>US\$</u> | <u>2011</u> <u>US\$</u> |
|--------------------------|----------------------------|----------------------------|
| Somaly MAM Foundation | 649,155 | 567,294 |
| SMF Gap/Computer Project | <u>-</u> | <u>76,974</u> |
| | <u>649,155</u> | <u>644,268</u> |

19. COMMITMENTS

On 26 December 2012, the Organisation has announced thirteenth-month bonus amounting to US\$25,809 to staff. However, the Organisation has not yet paid the staff as at 31 December 2012.