

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

**STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2013**



AGIR POUR LES FEMMES EN SITUATION PRECAIRE - AFESIP CAMBODIA

**STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2013**

CONTENTS

	Pages
Statement by the Management	1
Independent auditor's report	2 – 3
Statement of income and expenditure	4
Notes to the statement of income and expenditure	5 – 12



AFESIP
 AGIR POUR LES FEMMES
 EN SITUATION PRÉCAIRE

អង្គការអាហ្វេស៊ីបកម្ពុជា

AFESIP CAMBODIA

ផ្ទះលេខ 4B, ផ្លូវ 52D, សង្កាត់ភ្នំពេញថ្មី ខណ្ឌសែនសុខ ភ្នំពេញ កម្ពុជា- ប្រអប់សំបុត្រ 2089 ភ្នំពេញ 3, CCC Box : 352 ទូរស័ព្ទរង្វង់:(855-92) 937 685
 និង (855-12) 888 840 អ៊ីមែល: admcamboia@afesip.org and technicalcoord@afesip.org វេបសាយ : www.afesip.org

STATEMENT BY THE MANAGEMENT

On behalf of the 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 2013 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 Management

Mr. Sao Chhoeurth
 Executive Director and CEO

Phnom Penh, Kingdom of Cambodia

Date: 28 AUG 2014



Independent auditor's report

To the 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 2013, 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.

Opinion

In our opinion, the financial statement of AFESIP Cambodia for the year ended 31 December 2013 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. Fernando
Director



Phnom Penh, Kingdom of Cambodia
Date: 28 August 2014

AGIR POUR LES FEMMES EN SITUATION PRECAIRE - AFESIP CAMBODIA

STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2013

	<u>Note</u>	<u>2013 US\$</u>	<u>2012 US\$</u>
INCOME			
Grant income	3	1,233,359	1,175,547
Other incomes	4	65,577	53,378
		<u>1,298,936</u>	<u>1,228,925</u>
EXPENDITURE			
Residential centre	5	596,815	488,619
Personnel costs	6	184,117	136,439
AIDS education and social work	7	159,562	119,955
Re-integration	8	123,163	100,478
Transportation	9	54,519	36,666
Administration	10	55,586	31,858
Kumnit Thmey	11	49,631	43,908
Investigation and rescue	12	35,275	29,284
Premises	13	34,771	22,424
Salon project	14	31,332	-
Bicycles	15	8,150	18,300
Weaving project	16	6,469	11,558
Other expenditures	17	12,649	11,488
		<u>1,352,039</u>	<u>1,050,977</u>
(DEFICIT)/SURPLUS OF INCOME OVER EXPENDITURE FOR THE YEAR		(53,103)	177,948
FUND BALANCE AT THE BEGINNING OF THE YEAR		219,737	42,239
REFUND TO DONORS		<u>(4,003)</u>	<u>(450)</u>
FUND BALANCE AT THE END OF THE YEAR		<u>162,631</u>	<u>219,737</u>
<u>REPRESENTED BY:</u>			
Cash on hand and at bank	18	161,620	219,737
Advance		1,011	-
		<u>162,631</u>	<u>219,737</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 2013

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, the Kingdom of Cambodia. The Organisation's mission is to care for and secure the rights of those victimized 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-government 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 whom had been victims of sex trafficking and or at high risk of it, who had gotten training in sewing skills in the shelters with sewing skills.

On October 2013, the Organisation starts the operation of a salon called "Somaly Mam Beauty Salon" located at #560, Mondol 1 Village, Svay Dangkum Commune, Siem Reap District, Siem Reap province. This project has been fully supported financially and technically by Estee Lauder Company for 3-year operation. The financial support of this project had come through SMF. The objective of this salon is to provide on the quality of job trainings of salon operation and employment opportunities on a sustained basis for girls whom had been victims of sex trafficking and or at high risk of it, who had gotten training in hairdressing skills in the shelters.

The HIV/AIDS prevention's 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 2013, the Organization had 112 employees (31 December 2012: 97 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.

AGIR POUR LES FEMMES EN SITUATION PRECAIRE - AFESIP CAMBODIA

NOTES TO THE STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2013

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.

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.

3. GRANT INCOME

	2013	2012
	US\$	US\$
Somaly Mam Foundation (SMF)	760,307	649,155
Credit Lyonnais Securities Asia (CLSA)	150,014	150,014
Foundation for Women's Dignity and Rights (PPR Foundation)	90,612	92,114
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)	43,289	87,066
Lotus Culture Ltd (*)	43,838	36,401
Project Futures	15,685	13,167
Isabell	13,389	13,900
Network Earth Village (Yoshiyuki Takagi)	10,000	10,000
Connecting Hands	9,950	17,055
88 Bikes (Bike donations to residents and those reintegrated) (*)	8,084	19,318
United Nations Development Programme	5,450	-
Edge of Ember	4,937	-
Donation from individual	980	-
Hammer Project	-	12,195
TIDES Foundation	-	9,980
Foundation for International Development/Relief (FIDR)	-	1,296
Other individuals (**)	76,824	63,886
	<u>1,233,359</u>	<u>1,175,547</u>

(*) This represents fund from 88 Bikes. 88 Bikes provides the funds to the Organisation to purchase 130 bicycles for the rescued victims (note 16).

(**) This income was received through donations to the Organisation's bank accounts held at the Foreign Trade Bank of Cambodia. The donations are included online donation through Ammodo, visitor to shelters fees charged, in-person donations. Due to the nature of the receipts, the majority of donors could not be identified and some individuals specifically requested to be anonymous.

AGIR POUR LES FEMMES EN SITUATION PRECAIRE - AFESIP CAMBODIA

NOTES TO THE STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2013

4. OTHER INCOMES

	2013	2012
	US\$	US\$
Self-generated income (*)	50,556	50,785
Training workshop	2,208	378
Interest income	1,130	727
Other incomes (**)	11,683	1,488
	<u>65,577</u>	<u>53,378</u>

(*) This represents the income generated from sale of hand-made products produced by victim and income generated from Somaly Mam Beauty salon.

(**) This represents the income generated from agriculture products of shelters, handicraft products made by residents in shelters, disposal of fixed assets.

5. RESIDENTIAL CENTRE

	2013	2012
	US\$	US\$
Food/clothes/domestic/gas-wood	177,044	158,037
Project staff salary/fringe benefits	160,110	129,701
Vocational training and life skills	101,199	70,858
Psycho and medical supports	82,301	63,801
Center operating costs	53,782	50,348
Social recreational/gardening costs	22,379	15,874
	<u>596,815</u>	<u>488,619</u>

6. PERSONNEL COSTS

	2013	2012
	US\$	US\$
Local staff	174,911	123,385
Staff operational costs	9,206	13,054
	<u>184,117</u>	<u>136,439</u>

AGIR POUR LES FEMMES EN SITUATION PRECAIRE - AFESIP CAMBODIA

NOTES TO THE STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2013

7. AIDS EDUCATION AND SOCIAL WORK

	<u>2013</u> <u>US\$</u>	<u>2012</u> <u>US\$</u>
Project staff salary/fringe benefit	74,722	49,410
Condoms	27,428	25,350
Strengthen collaboration	7,331	1,694
Clinic and provincial rental	8,160	8,330
Travel cost for social workers	6,173	7,124
Medical supplies and consumable for clinic	7,194	7,382
Peer educators and quarterly meeting	8,387	6,325
Hygiene materials	6,133	5,371
World AIDS Day and national events	3,362	1,212
Leaflets	2,324	2,998
Equipment and materials for clinic	1,006	-
Entrance victims expenses/support	1,564	1,793
Utilities expenses	1,507	1,532
Office equip/mats for HIV	2,911	437
Field monitoring and evaluation	828	187
Maintenance repair motorbike/tuk tuk	532	810
	<u>159,562</u>	<u>119,955</u>

8. RE-INTEGRATION

	<u>2013</u> <u>US\$</u>	<u>2012</u> <u>US\$</u>
Staff travel and per-diem	35,305	35,263
Micro-business	38,280	30,793
Project staff salary and fringe benefits	28,160	21,888
Other support to victims	11,047	12,534
Workshop/networks/operational cost	10,371	-
	<u>123,163</u>	<u>100,478</u>

9. TRANSPORTATION

	<u>2013</u> <u>US\$</u>	<u>2012</u> <u>US\$</u>
Fuel costs	14,888	16,823
Repairs and maintenance	8,378	9,710
Business travels	14,066	10,133
Purchase of motor vehicles	17,187	-
	<u>54,519</u>	<u>36,666</u>

AGIR POUR LES FEMMES EN SITUATION PRECAIRE - AFESIP CAMBODIA

NOTES TO THE STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2013

10. ADMINISTRATION

	2013	2012
	US\$	US\$
Purchase of equipment	20,056	1,445
Running cost	16,119	12,712
Communication	9,370	10,437
Consumables - sundries	6,668	3,059
Public relation	2,193	1,583
Printing/posters/calendars	1,180	2,622
	<u>55,586</u>	<u>31,858</u>

11. KUMNIT THMEY

	2013	2012
	US\$	US\$
Personnel costs	18,011	15,332
Project production costs	14,676	17,225
Operational costs	9,231	7,246
Marketing and shipping costs	3,795	2,152
Office and sewing equipment	2,470	1,684
Bank charge	150	104
Product prototypes	-	165
	<u>48,333</u>	<u>43,908</u>

12. INVESTIGATION AND RESCUE

	2013	2012
	US\$	US\$
Project staff salary and fringe benefits	19,790	14,002
Legal costs	6,090	3,645
Investigation costs	4,958	4,644
Intelligence for investigation	1,479	1,410
Communication fee	949	698
Investigation/legal supplies	916	561
Fuel for investigation	517	494
Rescue and repatriation cost	576	1,328
Posters/trafficking issues	-	2,502
	<u>35,275</u>	<u>29,284</u>

AGIR POUR LES FEMMES EN SITUATION PRECAIRE - AFESIP CAMBODIA

NOTES TO THE STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2013

13. PREMISES

	<u>2013</u> <u>US\$</u>	<u>2012</u> <u>US\$</u>
Rental of land and building	19,100	15,600
Utilities expenses	6,406	6,237
Lightening protection	7,840	-
Building repairs and maintenance	1,425	587
	<u>34,771</u>	<u>22,424</u>

14. SALON PROJECT

	<u>2013</u> <u>US\$</u>	<u>2012</u> <u>US\$</u>
Start-up costs	16,531	-
Rental expense	7,000	-
Staff costs	5,570	-
Materials and equipment	776	-
Other expenses	1,455	-
	<u>31,332</u>	<u>-</u>

15. BICYCLES

The Organisation purchases 130 bicycles with total amount of US\$8,150 to donate to rescued victims. This is funded by 88 Bikes.

16. WEAVING PROJECT

	<u>2013</u> <u>US\$</u>	<u>2012</u> <u>US\$</u>
Staff costs	3,540	1,420
Materials and equipment	2,675	1,303
Others	254	414
Renovation costs	-	8,421
	<u>6,469</u>	<u>11,558</u>

NOTES TO THE STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2013

17. OTHER EXPENDITURES

	<u>2013</u> <u>US\$</u>	<u>2012</u> <u>US\$</u>
Consultancy fees	10,616	4,950
Bank charge	2,026	2,122
Others	7	4,416
	<u>12,649</u>	<u>11,488</u>

18. CASH ON HAND AND AT BANK

	<u>2013</u> <u>US\$</u>	<u>2012</u> <u>US\$</u>
Cash on hand	11,537	8,255
Cash at banks	150,083	211,482
	<u>161,620</u>	<u>219,737</u>

Cash at banks represents an interest bearing saving accounts with interest ranging from 0.5% to 1.25% p.a. and non-interest bearing current accounts held at local commercial banks.

19. SUBSEQUENT EVENT

On 12 June 2014, the Organisation was informed by its main donor, Somaly Mam Foundation (SMF) that SMF could not provide general operations funding and terminated the grant agreement with AFESIP Cambodia effective 12 June 2014.

After an in-person meeting with Executive Director of SMF and receiving a memo on immediate grant termination from SMF without any prior note in advance on 14 June 2014, AFESIP sent SMF a letter requesting the reason for the termination. In the letter, AFESIP also requested at least the second fund instalment so it could enact an emergency plan for the funding beneficiaries (the residents of the three shelters, the women and girls reintegrated into communities and staff members).

After receiving no response from SMF, AFESIP held a staff meeting on 24 June 2014 to announce that downsizing staff and programme activities would be enacted by the end of June to save funding the shelter operations.

On 25 June 2014, AFESIP sent notices of the termination to its supporters and donors and posted the information on its website.

AFESIP received a formal letter of grant termination dated 18 July 2014, which stated that the termination would be effective 'on the date hereof'. AFESIP understood and believed SMF would provide funding from 1 April to 18 July 2014. On 30 July 2014, AFESIP sent SMF a letter requesting clarification of the cut-off date and of the three reasons for the termination listed in the letter, but SMF never responded.

AGIR POUR LES FEMMES EN SITUATION PRECAIRE - AFESIP CAMBODIA

**NOTES TO THE STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2013**

19. SUBSEQUENT EVENT (continued)

AFESIP's emergency restructuring included laying off 39 of 107 staff, the weaving programme, the clinic, the garage, and the four HIV/AIDS programme sub-offices in Pailin, Stung Treng, Anlong Veng, and Koh Kong provinces.

The restructuring aims to keep some programmes operating to support the residents in the three shelters, the women and girls reintegrated into communities, the women in university, and women working in the sex industry in Siem Reap and Phnom Penh. The clinic closure is temporary, and one doctor and two midwives from the health care programme still attend to shelter residents and the people reintegrated into communities.