

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

**Statement of Income and Expenditure
for the year ended 31 December 2014
and
Report of the Independent Auditors**

Agir Pour Les Femmes En Situation Precaire – AFESIP Cambodia

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AFESIP
AGIR POUR LES FEMMES
EN SITUATION PRÉCAIRE

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Statement by the management

I do hereby state that, in my opinion, the accompanying statement of income and expenditure (“the Statement”) of Agir Pour Les Femmes En Situation Precaire – AFESIP Cambodia (“the Organisation”) for the year ended 31 December 2014 as set out on pages 4 to 13 is prepared, in all material respects, in accordance with the basis of accounting and the accounting policies described in Note 2 to the Statement.

Signed on behalf of the management,

Mrs. Mam Somaly
Co-Founder and Managing Director

Phnom Penh, Kingdom of Cambodia

Date: 20 JAN 2017



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Report of the independent auditors

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

We have audited the accompanying statement of income and expenditure (“the Statement”) of Agir Pour Les Femmes En Situation Precaire – AFESIP Cambodia (“the Organisation”) for the year ended 31 December 2014 and notes, comprising a summary of significant accounting policies and other explanatory information as set out on pages 4 to 13. The Statement has been prepared by the management of the Organisation based on the basis of accounting and the accounting policies described in Note 2 to the Statement.

Management’s responsibility for the Statement

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

Auditors’ responsibility

Our responsibility is to express an opinion on this 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 Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Organisation’s preparation of the 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 Organisation’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 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 statement of income and expenditure of Agir Pour Les Femmes En Situation Precaire – AFESIP Cambodia for the year ended 31 December 2014 is prepared, in all material respects, in accordance with the basis of accounting and the accounting policies described in Note 2 to the Statement.

Basis of accounting and restriction on distribution and use

We draw attention to Note 2 to the Statement, which describes the basis of accounting and the accounting policies adopted by the Organisation. The Statement is prepared for the information and use of donors and the management of the Organisation. As a result, the Statement may not be suitable for another purpose. Our report is intended solely for the management of the Organisation and should not be distributed to or used by any other parties.

Other matter

The statement of income and expenditure of the Organisation for the year ended 31 December 2013 were audited by another auditors who expressed an unmodified opinion on these statements on 28 August 2014.

For KPMG Cambodia Ltd



Nge Huy
Partner

Phnom Penh, Kingdom of Cambodia

20 January 2017

Agir Pour Les Femmes En Situation Precaire – AFESIP Cambodia

Statement of income and expenditure for the year ended 31 December 2014

	Note	2014 US\$	2013 US\$
Income			
Grant income	3	727,384	1,233,359
Other income	4	102,319	65,577
		829,703	1,298,936
Expenditure			
Residential centre	5	467,097	596,815
Personnel costs	6	131,307	184,117
AIDS education and social work	7	70,779	159,562
Re-integration	8	66,078	123,163
Transportation	9	56,067	54,519
Administration	10	15,054	55,586
Kummit Thmey	11	43,714	49,631
Investigation and rescue	12	17,448	35,275
Premises	13	22,128	34,771
Salon project	14	28,494	31,332
Weaving project	15	6,003	6,469
Bicycles		-	8,150
Other expenditures	16	6,400	12,649
		930,569	1,352,039
Deficit of income over expenditure		(100,866)	(53,103)
Fund balance at beginning of the year		162,631	219,737
Refund to donors		(605)	(4,003)
Fund balance at end of the year		61,160	162,631
Represented by			
Cash and bank balances	17	61,160	161,620
Advance		-	1,011
		61,160	162,631

The accompanying notes form an integral part of this statement.

Agir Pour Les Femmes En Situation Precaire – AFESIP Cambodia

Notes to the statement of income and expenditure for the year ended 31 December 2014

1. Background and activities

Agir Pour Les Femmes En Situation Precaire –AFESIP Cambodia (“the Organisation”) is a non-profit organisation that was established in 1996, by Mrs. Mam Somaly, a victim of trafficking and works to care for and secure the rights of young women and girls who are victims or at risk of being victims of sexual trafficking, violence, abuse, indentured slavery or exploitation and to successfully recover, educate, train, and reintegrate them into mainstream society through financial independence in a sustainable and innovative manner. The Organisation is funded by grants and contribution from its donors, which comprise both Cambodian and international NGOs.

On 1 May 2011, the Organisation 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.

In October 2013, the Organisation starts the operation of a salon called “Vimean Beauty Salon” formerly 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 years operation. The financial support of this project had come through Somaly Mam Foundation. 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. 4B, Street 52D, Khan Sen Sok, Phnom Penh, and the Kingdom of Cambodia.

As at 31 December 2014, the Organisation had 53 employees (31 December 2013: 112 employees).

Agir Pour Les Femmes En Situation Precaire – AFESIP Cambodia

Notes to the statement of income and expenditure (continued) for the year ended 31 December 2014

2. Significant accounting policies

The following significant accounting policies have been adopted by the Organisation in the preparation of this statement.

(a) Basis of accounting

The statement, which is expressed in United States Dollars (“US\$”), has been prepared in accordance with a modified cash basis of accounting. This is a basis of accounting that is designed to meet the requirements of the Organisation; it is not designed to produce a statement that is 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 advances made to staff that are initially recognised as a receivable and only recognised as payments when they have been liquidated by supporting invoices.

(b) Non-expendable equipment

The cost of non-expendable equipment is charged to the statement of income and 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.

(c) Foreign currency transactions

The Organisation transacts and maintains its accounting records primarily in United States Dollars (“US\$”). Transactions in currencies other than US\$ are converted into US\$ at the exchange rates prevailing on the transaction dates. Cash denominated in currencies other than US\$ at the reporting date are translated into US\$ at the open market exchange rates ruling at that date. All foreign exchange differences 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 (continued) for the year ended 31 December 2014

3. Grant income

	2014 US\$	2013 US\$
Project Futures	237,672	15,685
Somaly Mam Foundation	152,923	760,307
Solyna Foundation	105,701	-
Credit Lyonnais Securities Asia	49,985	150,014
Lotus Culture Ltd	40,850	43,838
United World College of South East Asia	34,756	-
Sherinda Swan	29,975	-
Mohr Isabell/Premavera	13,529	13,389
Health and Human Rights Information	7,783	-
Deutsche Gesellschaft fur Internationale Zusammenarbeit	6,563	43,289
Foundation for Women's Dignity and Rights	-	90,612
Network Earth Village (Yoshiyuki Takagi)	-	10,000
Connecting Hands	-	9,950
88 Bikes (Bike donations to residents and those reintegrated)	-	8,084
United Nations Development Programme	-	5,450
Edge of Ember	-	4,937
Donation from individual	-	980
Other individuals (*)	47,647	76,824
	<u>727,384</u>	<u>1,233,359</u>

(*) 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.

4. Other income

	2014 US\$	2013 US\$
Self-generated income (*)	42,424	50,556
Interest income	497	1,130
Training workshop	226	2,208
Other (**)	59,172	11,683
	<u>102,319</u>	<u>65,577</u>

Agir Pour Les Femmes En Situation Precaire – AFESIP Cambodia

Notes to the statement of income and expenditure (continued) for the year ended 31 December 2014

4. Other income (continued)

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

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

5. Residential centre

	2014 US\$	2013 US\$
Project staff salary/fringe benefits	132,040	160,110
Food/clothes/domestic/gas-wood	115,355	177,044
Building construction	113,947	-
Psycho and medical supports	42,568	82,301
Centre operating costs	33,559	53,782
Vocational training and life skills	25,991	101,199
Social recreational/gardening costs	3,637	22,379
	<u>467,097</u>	<u>596,815</u>

6. Personnel costs

	2014 US\$	2013 US\$
Local staff	118,294	174,911
Staff operational costs	13,013	9,206
	<u>131,307</u>	<u>184,117</u>

Agir Pour Les Femmes En Situation Precaire – AFESIP Cambodia

Notes to the statement of income and expenditure (continued) for the year ended 31 December 2014

7. AIDS education and social work

	2014 US\$	2013 US\$
Project staff salary/fringe benefits	44,320	74,722
Condoms	6,630	27,428
Clinic and provincial rental	4,530	8,160
Peer educators and quarterly meeting	3,905	8,387
Travel cost for social workers	3,016	6,173
Medical supplies and consumable for clinic	2,834	7,194
Hygiene materials	2,320	6,133
Utilities expenses	881	1,507
Entrance victims expenses/support	817	1,564
Office equip/mats for HIV	653	2,911
Leaflets	385	2,324
Repairs and maintenance of motorbike/tuk tuk	245	532
World AIDS Day and national events	132	3,362
Equipment and materials for clinic	75	1,006
Strengthen collaboration	36	7,331
Field monitoring and evaluation	-	828
	<u>70,779</u>	<u>159,562</u>

8. Re-integration

	2014 US\$	2013 US\$
Micro-business	20,790	38,280
Project staff salary and fringe benefits	18,868	28,160
Staff travel and per-diem	14,638	35,305
Other support to victims	7,902	11,047
Workshop/networks/operational cost	3,880	10,371
	<u>66,078</u>	<u>123,163</u>

Agir Pour Les Femmes En Situation Precaire – AFESIP Cambodia

Notes to the statement of income and expenditure (continued) for the year ended 31 December 2014

9. Transportation

	2014 US\$	2013 US\$
Purchase of motor vehicles	36,300	17,187
Business travels	8,673	14,066
Fuel costs	7,810	14,888
Repairs and maintenance	3,284	8,378
	<u>56,067</u>	<u>54,519</u>

10. Administration

	2014 US\$	2013 US\$
Running cost	6,404	16,119
Communication	6,081	9,370
Consumables-sundries	1,631	6,668
Public relation	848	2,193
Purchase of equipment	90	20,056
Printing/posters/calendars	-	1,180
	<u>15,054</u>	<u>55,586</u>

11. Kumnit Thmey

	2014 US\$	2013 US\$
Personnel costs	19,894	20,003
Project production costs	10,744	13,832
Operational costs	9,478	9,381
Marketing and shipping costs	2,146	3,795
Office and sewing equipment	1,426	2,470
Product prototypes	26	-
Bank charge	-	150
	<u>43,714</u>	<u>49,631</u>

Agir Pour Les Femmes En Situation Precaire – AFESIP Cambodia

Notes to the statement of income and expenditure (continued) for the year ended 31 December 2014

12. Investigation and rescue

	2014 US\$	2013 US\$
Project staff salary and fringe benefits	10,260	19,790
Legal costs	3,516	6,090
Investigation costs	1,389	4,958
Rescue and repatriation cost	897	576
Communication fee	509	949
Intelligence for investigation	400	1,479
Investigation/legal supplies	386	916
Fuel for investigation	91	517
	<u>17,448</u>	<u>35,275</u>

13. Premises

	2014 US\$	2013 US\$
Rental of land and building	15,000	19,100
Utilities expenses	5,808	6,406
Building repairs and maintenance	1,320	1,425
Lightening protection	-	7,840
	<u>22,128</u>	<u>34,771</u>

14. Salon project

	2014 US\$	2013 US\$
Staff costs	12,924	5,570
Rental expenses	8,400	7,000
Materials and equipment	3,389	776
Start-up costs	435	16,531
Utilities expenses	1,534	871
Travel costs	1,638	31
Repairs and maintenance	174	-
Communication	-	553
	<u>28,494</u>	<u>31,332</u>

Agir Pour Les Femmes En Situation Precaire – AFESIP Cambodia

Notes to the statement of income and expenditure (continued) for the year ended 31 December 2014

15. Weaving project

	2014 US\$	2013 US\$
Staff costs	3,878	3,540
Materials and equipment	2,059	2,675
Others	66	254
	<u>6,003</u>	<u>6,469</u>

16. Other expenditures

	2014 US\$	2013 US\$
Professional fees	5,000	10,616
Bank charge	1,400	2,026
Others	-	7
	<u>6,400</u>	<u>12,649</u>

17 Cash and bank balances

	2014 US\$	2013 US\$
Cash at banks (*)	57,162	150,083
Cash on hand	3,998	11,537
	<u>61,160</u>	<u>161,620</u>

(*) Cash at banks represent the interest bearing saving accounts with interest ranging from 0.5% to 1.25% per annum and non-interested bearing accounts held at local commercial banks.

Agir Pour Les Femmes En Situation Precaire – AFESIP Cambodia

Notes to the statement of income and expenditure (continued) for the year ended 31 December 2014

18. Commitment

As at 31 December 2014, the Organisation had the following operating lease commitments on office rental, which are not provided for in the statement:

	2014 US\$	2013 US\$
Within one year	9,600	23,700
Within two to five years	1,800	4,200
	<u>11,400</u>	<u>27,900</u>