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

**Statement of Income and Expenditures
for the year ended 31 December 2016
and
Report of the Independent Auditors**

Agir Pour Les Femmes En Situation Precaire – AFESIP Cambodia

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អង្គការអាហ្វេស៊ីបកម្ពុជា AFESIP CAMBODIA

AFESIP
AGIR POUR LES FEMMES
EN SITUATION PRÉCAIRE

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Statement by the management

I, the undersigned, do hereby state that, in my opinion, the accompanying statement of income and expenditures (“the statement”) of Agir Pour Les Femmes En Situation Precaire – AFESIP Cambodia (“the Organisation”) for the year ended 31 December 2016 as set out on pages 5 to 12 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: 17 AUG 2017



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Report of the independent auditors To the Donors and the Management

Opinion

We have audited the accompanying statement of income and expenditures (“the statement”) of Agir Pour Les Femmes En Situation Precaire – AFESIP Cambodia (“the Organisation”) for the year ended 31 December 2016, and notes, comprising significant accounting policies and other explanatory information as set out on pages 5 to 12.

In our opinion, the accompanying statement is prepared, in all material respects, in accordance with the basis of accounting and the accounting policies as described in Note 2 to the statement.

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 Statement* section of our report. We are independent of the Organisation in accordance with the ethical requirements that are relevant to our audit of the statement 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 statement, which describes the basis of accounting and the accounting policies adopted by the Organisation. The statement is prepared for the information of and use by the Donors and management of the Organisation. As a result, the statement may not be suitable for another purpose. Our audit report is intended solely for the Donors and management of the Organisation and should not be used by or distributed to other parties other than the Donors of the Organisation. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Statement

Management is responsible for the preparation of the 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 the statement that is free from material misstatements, whether due to fraud or error. In preparing the statement, 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 Statement

Our objectives are to obtain reasonable assurance about whether the statement as a whole is 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 this statement.

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 statement, 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 statement 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



Nge Huy
Partner

Phnom Penh, Kingdom of Cambodia

17 August 2017

Agir Pour Les Femmes En Situation Precaire – AFESIP Cambodia

Statement of income and expenditures for the year ended 31 December 2016

	Note	2016 US\$	2015 US\$
Income			
Grant income	3	411,082	385,170
Other income	4	33,887	55,504
		<u>444,969</u>	<u>440,674</u>
Expenditures			
Residential centre	5	102,836	128,219
Personnel costs	6	123,525	103,128
AIDS education and social works	7	32,792	13,252
Re-integration	8	33,348	29,855
Transportation	9	26,458	19,621
Administration	10	15,177	28,090
Kumnit Thmey	11	2,353	30,889
Premises	12	20,432	21,587
Salon project	13	30,616	29,221
Education and training	14	47,484	32,489
Other expenditures	15	9,771	9,776
		<u>444,792</u>	<u>446,127</u>
Surplus/(deficit) of income over expenditures		177	(5,453)
Fund balance at beginning of the year		55,707	61,160
Fund balance at end of the year		<u>55,884</u>	<u>55,707</u>
Represented by:			
Cash and bank balances	16	38,596	48,840
Advances	17	17,288	6,867
		<u>55,884</u>	<u>55,707</u>

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 expenditures for the year ended 31 December 2016

These notes form an integral part of, and should be read in conjunction with, the accompanying statement.

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.

In October 2013, the Organisation started the operation of a salon called “Vimean Beauty Salon” (formerly known as “Somaly Mam Beauty Salon”) located at #560, Mondol 1 Village, Svay Dangcum 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 until the end of 2014. 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 young women and girls whom had been victims of sex trafficking, violation, abuse, and indentured slavery or exploitation, who had gotten training in hairdressing skills through AFESIP’s training program.

In 2015, the HIV/AIDS prevention’s operations were widespread, with offices located in Phnom Penh and Siem Reap.

The Organisation’s head office is located at No. 40, Street 16, Sangkat Phnom Penh Thmey, Khan Sen Sok, Phnom Penh, Kingdom of Cambodia.

As at 31 December 2016, the Organisation had 39 employees (31 December 2015: 35 employees).

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.

Agir Pour Les Femmes En Situation Precaire – AFESIP Cambodia

Notes to the statement of income and expenditures (continued) for the year ended 31 December 2016

2. Significant accounting policies (continued)

(a) Basis of accounting (continued)

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 staffs and suppliers 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 expenditures.

3. Grant income

	2016 US\$	2015 US\$
New SMF- VFC	246,459	59,940
Project Futures	84,807	205,784
Solyna Foundation	60,279	72,021
School of Children Cambodia	4,923	-
Indivi Con/ PV Fund	1,942	-
ICON offshore	-	13,774
Mohr Isabell/Premavera	-	10,541
Other individuals (*)	12,672	23,110
	<u>411,082</u>	<u>385,170</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. 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 expenditures (continued) for the year ended 31 December 2016

4. Other income

	2016 US\$	2015 US\$
Self-generated income (*)	33,707	24,040
Interest income	180	-
Others	-	31,464
	<u>33,887</u>	<u>55,504</u>

(*) This represents the income generated from Vimean Beauty Salon in Siem Reap through beauty and salon services to patrons.

5. Residential centre

	2016 US\$	2015 US\$
Project staff salary/fringe benefits	39,193	63,325
Centre operating costs	17,014	9,198
Food/clothes/domestic/gas-wood	27,202	39,862
Psycho and medical supports	12,743	13,970
Social recreational/gardening costs	5,814	1,607
Vocational training and life skills	870	257
	<u>102,836</u>	<u>128,219</u>

6. Personnel costs

	2016 US\$	2015 US\$
Local staff	119,605	96,750
Staff operational costs	3,920	6,378
	<u>123,525</u>	<u>103,128</u>

Agir Pour Les Femmes En Situation Precaire – AFESIP Cambodia

Notes to the statement of income and expenditures (continued) for the year ended 31 December 2016

7. AIDS education and social work

	2016 US\$	2015 US\$
Project staff salary/fringe benefits	17,390	8,600
Condoms	5,530	2,006
Peer educators and quarterly meeting	3,000	928
Entrance victims expenses/support	2,676	712
World AIDS Day and national events	1,895	500
Hygiene materials	1,215	506
Travel cost for social workers	972	-
Repairs and maintenance of motorbike/tuk tuk	114	-
	<u>32,792</u>	<u>13,252</u>

8. Re-integration

	2016 US\$	2015 US\$
Staff travel and per-diem	11,136	795
Micro-business	11,135	20,000
Project staff salary and fringe benefits	6,800	8,425
Other support to victims	3,344	635
Workshop/networks/operational cost	933	-
	<u>33,348</u>	<u>29,855</u>

9. Transportation

	2016 US\$	2015 US\$
Fuel costs	15,341	13,580
Business travels	11,117	6,041
	<u>26,458</u>	<u>19,621</u>

Agir Pour Les Femmes En Situation Precaire – AFESIP Cambodia

Notes to the statement of income and expenditures (continued) for the year ended 31 December 2016

10. Administration

	2016 US\$	2015 US\$
Communication	6,406	7,131
Running costs	6,139	14,494
Public relation	1,189	2,299
Consumables-sundries	1,443	4,166
	<u>15,177</u>	<u>28,090</u>

11. Kumnit Thmey

	2016 US\$	2015 US\$
Operational costs	2,353	20,626
Personnel costs	-	6,732
Project production costs	-	1,867
Office and sewing equipment	-	862
Marketing and shipping costs	-	770
Bank charge	-	32
	<u>2,353</u>	<u>30,889</u>

12. Premises

	2016 US\$	2015 US\$
Rental of land and building	15,500	15,500
Utilities expenses	4,019	4,821
Building repairs and maintenance	913	1,266
	<u>20,432</u>	<u>21,587</u>

Agir Pour Les Femmes En Situation Precaire – AFESIP Cambodia

Notes to the statement of income and expenditures (continued) for the year ended 31 December 2016

13. Salon project

	2016 US\$	2015 US\$
Staff costs	12,415	12,267
Rental expenses	9,600	9,100
Other expenses	4,433	2,179
Materials and equipment	4,168	5,675
	<u>30,616</u>	<u>29,221</u>

14. Education and training

	2016 US\$	2015 US\$
Living expenses	25,769	13,038
Outsourced skill training	9,580	11,955
Project staff salary and fringe benefits	5,500	-
Scholarships tuition	5,392	6,104
Travel cost	1,243	-
Non-formal education	-	309
Per-diem/meal	-	1,083
	<u>47,484</u>	<u>32,489</u>

15. Other expenditures

	2016 US\$	2015 US\$
Professional fees	7,629	3,265
Bank charge	866	335
Other	1,276	6,176
	<u>9,771</u>	<u>9,776</u>

Agir Pour Les Femmes En Situation Precaire – AFESIP Cambodia

Notes to the statement of income and expenditures (continued) for the year ended 31 December 2016

16. Cash and bank balances

	2016 US\$	2015 US\$
Cash at banks	33,566	44,769
Cash on hand	5,030	4,071
	<u>38,596</u>	<u>48,840</u>

Cash at banks represents 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.

17. Advances

	2016 US\$	2015 US\$
Advances to staffs	16,228	6,867
Advances to suppliers	1,060	-
	<u>17,288</u>	<u>6,867</u>

18. Commitment

As at 31 December, the Organisation had the following operating lease commitments on office rental.

	2016 US\$	2015 US\$
Within one year	6,800	33,600
Within two to five years	-	16,720
	<u>6,800</u>	<u>50,320</u>