

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

**Statement of Income and Expenditure
for the year ended 31 December 2015
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 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 2015 as set out on pages 4 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: 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 2015 and notes, comprising a summary of significant accounting policies and other explanatory information as set out on pages 4 to 12. 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 2015 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.

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 2015

	Note	2015 US\$	2014 US\$
Income			
Grant income	3	385,170	727,384
Other income	4	55,504	102,319
		440,674	829,703
Expenditure			
Residential centre	5	128,219	467,097
Personnel costs	6	103,128	131,307
AIDS education and social work	7	13,252	70,779
Re-integration	8	29,855	66,078
Transportation	9	19,621	56,067
Administration	10	28,090	15,054
Kumnit Thmey	11	30,889	43,714
Investigation and rescue		-	17,448
Premises	12	21,587	22,128
Salon project	13	29,221	28,494
Weaving project		-	6,003
Education and training	14	32,489	-
Other expenditures	15	9,776	6,400
		446,127	930,569
Deficit of income over expenditure		(5,453)	(100,866)
Fund balance at beginning of the year		61,160	162,631
Refund to donors		-	(605)
Fund balance at end of the year		55,707	61,160
Represented by			
Cash and bank balances	16	48,840	61,160
Advances		6,867	-
		55,707	61,160

The accompany notes form an integral part of these financial statements.

Agir Pour Les Femmes En Situation Precaire – AFESIP Cambodia

Notes to the statement of income and expenditure for the year ended 31 December 2015

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, 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.

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 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 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.

In 2015, the HIV/AIDS prevention’s operations are widespread, with offices only located in two municipalities and provinces: Phnom Penh and Siem Reap.

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 2015, the Organisation had 35 employees (31 December 2014: 53 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 2015

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 2015

3. Grant income

	2015 US\$	2014 US\$
Project Futures	205,784	237,672
Solyna Foundation	72,021	105,701
New SMF- VFC	59,940	-
ICON offshore	13,774	-
Mohr Isabell/Premavera	10,541	13,529
Somaly Mam Foundation	-	152,923
Credit Lyonnais Securities Asia	-	49,985
Lotus Culture Ltd	-	40,850
United World College of South East Asia	-	34,756
Sherinda Swan	-	29,975
Health and Human Rights Information	-	7,783
Deutsche Gesellschaft fur Internationale Zusammenarbeit	-	6,563
Other individuals (*)	23,110	47,647
	<u>385,170</u>	<u>727,384</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

	2015 US\$	2014 US\$
Self-generated income (*)	24,040	42,424
Training workshop	-	226
Interest income	-	497
Other (**)	31,464	59,172
	<u>55,504</u>	<u>102,319</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 and disposal of fixed assets.

Agir Pour Les Femmes En Situation Precaire – AFESIP Cambodia

Notes to the statement of income and expenditure (continued) for the year ended 31 December 2015

5. Residential centre

	2015 US\$	2014 US\$
Food/clothes/domestic/gas-wood	39,862	115,355
Psycho and medical supports	13,970	42,568
Centre operating costs	9,198	33,559
Social recreational/gardening costs	1,607	3,637
Vocational training and life skills	257	25,991
Building construction	-	113,947
Project staff salary/fringe benefits	63,325	132,040
	<u>128,219</u>	<u>467,097</u>

6. Personnel costs

	2015 US\$	2014 US\$
Local staff	96,750	118,294
Staff operational costs	6,378	13,013
	<u>103,128</u>	<u>131,307</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 2015

7. AIDS education and social work

	2015 US\$	2014 US\$
Condoms	2,006	6,630
Peer educators and quarterly meeting	928	3,905
Hygiene materials	506	2,320
World AIDS Day and national events	500	132
Entrance victims expenses/support	712	817
Project staff salary/fringe benefit	8,600	44,320
Clinic and provincial rental	-	4,530
Travel cost for social workers	-	3,016
Medical supplies and consumable for clinic	-	2,834
Utilities expenses	-	881
Office equip/mats for HIV	-	653
Leaflets	-	385
Repairs and maintenance of motorbike/tuk tuk	-	245
Equipment and materials for clinic	-	75
Strengthen collaboration	-	36
	<u>13,252</u>	<u>70,779</u>

8. Re-integration

	2015 US\$	2014 US\$
Micro-business	20,000	20,790
Project staff salary and fringe benefits	8,425	18,868
Staff travel and per-diem	795	14,638
Other support to victims	635	7,902
Workshop/networks/operational cost	-	3,880
	<u>29,855</u>	<u>66,078</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 2015

9. Transportation

	2015 US\$	2014 US\$
Fuel costs	13,580	7,810
Business travels	6,041	8,673
Purchase of motor vehicles	-	36,300
Repairs and maintenance	-	3,284
	<u>19,621</u>	<u>56,067</u>

10. Administration

	2015 US\$	2014 US\$
Running cost	14,494	6,404
Communication	7,131	6,081
Public relation	2,299	848
Consumables-sundries	4,166	1,631
Purchase of equipment	-	90
	<u>28,090</u>	<u>15,054</u>

11. Kumnit Thmey

	2015 US\$	2014 US\$
Operational costs	20,626	9,478
Personnel costs	6,732	19,894
Project production costs	1,867	10,744
Office and sewing equipment	862	1,426
Marketing and shipping costs	770	2,146
Bank charge	32	-
Product prototypes	-	26
	<u>30,889</u>	<u>43,714</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 2015

12. Premises

	2015 US\$	2014 US\$
Rental of land and building	15,500	15,000
Utilities expenses	4,821	5,808
Building repairs and maintenance	1,266	1,320
	<u>21,587</u>	<u>22,128</u>

13. Salon project

	2015 US\$	2014 US\$
Materials and equipment	5,675	3,389
Staff costs	12,267	12,924
Rental expenses	9,100	8,400
Start-up costs	-	435
Other expenses	2,179	3,346
	<u>29,221</u>	<u>28,494</u>

14. Education and training

	2015 US\$	2014 US\$
Living expenses	13,038	-
Outsourced skill training	11,955	-
Scholarships tuition	6,104	-
Non-formal education	309	-
Perdiem/meal	1,083	-
	<u>32,489</u>	<u>-</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 2015

15. Other expenditures

	2015 US\$	2014 US\$
Bank charge	335	1,400
Professional fees	3,265	5,000
Other	6,176	-
	<u>9,776</u>	<u>6,400</u>

16. Cash and bank balances

	2015 US\$	2014 US\$
Cash at banks	44,769	57,162
Cash on hand	4,071	3,998
	<u>48,840</u>	<u>61,160</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. Commitment

As at 31 December 2015, the Organisation had the following operating lease commitments on office rental, which are not provided for in the statement:

	2015 US\$	2014 US\$
Within one year	33,600	9,600
Within two to five years	16,720	1,800
	<u>50,320</u>	<u>11,400</u>