

Annual Financial Report 2014

Friends Global



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Acronyms & Abbreviations

3PC	Partnership Program for the Protection of Children
ACTED	Agency for Technical Cooperation & Development
Adcom	Advisory Committee
Aran	Aranyaprathet
CYTI	Children and Youth Together, Innovating
EU	European Union
FI	Friends-International
FnS	Friends “n” Stuff
FSB	Friends Social Business
fStW	From Spiders to Water Lilies (Cookbook)
FtR	Friends the Restaurant
GFATM	Global Fund Fight Against Aids, Tuberculosis & Malaria
HBP	Home-Based Production
HQ	Headquarters
MER	Monitoring, Evaluation and Research
MS	Mith Samlanh
NCHAD	National Centre for HIV/AIDs, Dermatology, and Sexually Transmitted Diseases
NGO	Non-Governmental Organisation
PSF	Pharmaciens Sans Frontières
SRP	Siem Reap
tBoF	The Best of Friends (Cookbook)
TREE	Training Restaurants for Employment & Entrepreneurship
UNICEF	United Nations Children's Fund
VT	Vocational Training
WCF	World Childhood Foundation

Organisation Information

As at 31 Dec 2014

Board of Directors

Winston Mc Colgan - Chairperson

Wilfried Schneider - Vice-Chairperson

Birgit Aßmann – Member

Denis Marot - Secretary

Michael Gilmore – Member

Len Coster - Treasurer

Vivian Gee - Member

Executive Director / Founder

Sebastien Marot

Management Team

Ampor Sam-Oeun – Program Director – Friends Siem Reap, Cambodia

Ghislain Morard - Program Director Friends Indonesia

Ketsone Philaphandet - Program Director Friends Lao PDR

Map Somaya – Program Director – Mith Samlanh Phnom Penh, Cambodia

Vuthaya Charoenpol - Program Director Friends, Thailand

Charlotte Arno – Mith Samlanh Technical Advisor

David Harding– International Coordinator Monitoring, Evaluation & Research

James Sutherland– International Coordinator Communications

Kanchan Kapoor– International Coordinator Finance

Khemreth (Tito) Vann – International Coordinator ChildSafe

Marko Ivkovic – Human Resources Advisor

Nikolai Schwarz – International Coordinator Social Business

Sebastien Le Mouellic – International Coordinator CYTI Alliance

Auditors

KPMG Cambodia Ltd

KPMG Lao Company Ltd

KPMG (Thailand) Phoomchai Audit Ltd

Hananta Budianto & Rekan - Indonesia

Registered Office

Operational Headquarters: #89B, Street 103, PO Box 597, Phnom Penh, Cambodia

Legal Headquarters: Friends-International France, 29 Rue Vaneau 75007, Paris, France

Registration Number

W751121526

Summary of Significant Accounting Policies

Friends adopts the following accounting policies in the preparation of its financial statements.

Basis of Preparation

The financial statements are expressed in the presentational currency - the US\$, and are prepared in accordance with a modified cash basis of accounting. Under this basis of accounting, income is recognized when funds are received rather than when they are 'earned' and expenditure is recognized when payments are made rather than when they are incurred, except for the following treatment:

- Advances are initially recognized as a current asset in the Balance Sheet, until liquidation with supporting documents, at which point they are recognized as expenses in the Statement of Income and Expenses.
- Deposits to suppliers, loans to staff and other advances are recorded as Accounts Receivables in the Balance Sheet until these balances are settled.
- Salary tax payable withheld from staff salaries are recorded as Income Tax Payable in the Balance Sheet until payments have been made to relevant tax authorities
- The costs of fixed assets are charged to expenses upon acquisition. For control and management purposes, a fixed asset register is maintained.
- On 31 December 2014 all FnS outlet business inventory was capitalized on the Balance Sheet in order to improve reporting profit and loss for the social businesses, however, for comparative purposes, the Social Business Results section of this report will exclude this capitalization, until 2015 financial reports.

Foreign Currency Translation

FI executes transactions primarily in local currency of each program office. Functional currencies are as follows:

	PRIMARY CURRENCY	SECONDARY CURRENCY	TERTIARY CURRENCY
Cambodia	US\$	KHR (Khmer Riel)	N/A
Lao PDR	LAK (Lao Kip)	US\$	TH฿ (Thai Baht)
Thailand	TH฿ (Thai Baht)	US\$ (<i>Aranyaprathet only</i>)	N/A
Indonesia	IDR (Indonesian Rupiah)	N/A	N/A

In 2014 each program office maintained its records in their primary currency. Transactions in currencies other than the primary currency are converted into the primary currency at the rate of exchange prevailing on the transaction dates. Exchange differences are recognized in the Statement of Income and Expenses.

Certification of Financial Statements

Financial statements for each Program office have been independently audited by local KPMG firms in Cambodia, Lao PDR and Thailand, with the exception of Friends Indonesia, who were audited by a local audit firm.

[Friends-International Headquarters](#), [Friends Siem Reap](#) and [Mith Samlanh](#) were audited separately by KPMG Cambodia, resulting in 3 individual audited financial statements. MS also has its own Annual Financial Report, which can be found on the website; www.mithsamlanh.org.

[Friends Lao PDR](#) was audited by KPMG Lao PDR for a sixth consecutive year.

[Friends Bangkok](#) and [Friends Aranyaprathet](#) were audited simultaneously by KPMG Thailand for a fifth consecutive year. The audited financial statements present a consolidation of both offices representing Thailand; as well as presenting individual statements in annexes.

[Friends Indonesia](#) was audited by Hananta Budianto & Rekan for the first time.

The consolidated financial statements of [Friends-International & Mith Samlanh](#) were consolidated internally, and not audited after consolidation. Intra-transactions were eliminated in the consolidation, including any payable or and receivable amounts between offices; fund transfers made to Program offices; and intra sales and purchase transactions.

During 2014, FI & MS also underwent 3 project audits as requested by its donors, as follows:

- Global Fund (for 2013 contract)
- Dan Church Aid
- European Union

All annual audits conducted confirmed the integrity of the financial statements and are available to download on the FI website.

Executive Summary

Friends continued to flourish in 2014. Friends Lao PDR and TREE expanded to Luang Prabang with a new restaurant: Khaiphaen, FnS outlet and a drop-in-centre. Friends Siem Reap launched three new decentralized Vocational Training outlets; Phka Kravan, Sewing and Mechanics. Mith Samlanh opened their decentralized Mechanics training outlet in Takhmao. Friends Thailand opened a second FnS outlet in Bangkok, as well as started a new project to build and implement Child Protection systems across government shelters in Thailand. Friends also won 2 awards amounting to \$210K; 1st prize for ChildSafe from AGFUND International, and the Child10 award for the prevention of trafficking in children. 2014 also set the way for many new developments to be seen in 2015.

Collectively, Friends had a 12% total increase in income amounting to \$787K, the same level of growth in 2013 (13%). Donor grant income increased by \$507K (2013: \$447K), and remained at 59% of total income. The largest donor for Friends continues to be UNICEF. In 2014, Friends received a total of \$876K from UNICEF Cambodia and a further \$52K from UNICEF Thailand.

While total expenses increased by 14% / \$895K, all expense category (Personnel, Direct, Indirect, Equipment etc) proportions were the same as 2013. The number of employees at Friends increased to 613 staff, (14% increase), matching the increase in personnel costs of 15% / \$450K. All personnel costs are 48% of total expenses (2013: 47%).

Sales and TREE franchise revenues increased 15% / \$333K. These revenues amounted to 36% of total income. Restaurant sales amounted to \$1.9m, comprising 25% of the total Friends income, and 70% of total sales. Product sales amounted to 20% of total sales, and increased by 3% from 2013. Total net profit slightly dropped by 3% from 2013 to \$346K. The social businesses supported program activity costs with a total of \$283K (2013: \$307K). Friends total sales amounted to 38% of total expenses (business & social services). Net profits amounted to 7% of total social service costs.

2015 will see the commencement of three new TREE restaurants in Bangkok, Bagan, and Addis Ababa; a training restaurant in Siem Reap aiming to train caregivers; the launch of two new campaigns targeted at reducing the number of institutionalized children; new 3PC partnerships in Cambodia with a focus on family reintegration supported by UNICEF; and further decentralisation of vocational trainings in Phnom Penh.

Basic Data

	2014	2013
Number of Staff (31 Dec)	613	536
Total Income (US\$)	7,342,828	6,555,911
Total Expenses (US\$)	7,091,927	6,197,156
Administrative Costs	4%	4%
CYTI Alliance Affiliates	23	22
CYTI Alliance Partners	17	17
Social Businesses	29	22

Top 10 Donors

#	DONOR NAME	2014 INCOME	2013 INCOME
1	UNICEF	\$927,429	\$772,595
2	USAID/ World Learning	\$407,015	\$258,827
3	European Union	\$355,706	\$254,553
4	NCHADS/ GFATM	\$276,966	\$75,334
5	Comic Relief	\$168,822	\$0
6	WISE	\$168,389	\$199,033
7	Gisela Foundation	\$165,281	\$178,333
8	Juniclair Foundation	\$156,527	\$0
9	World Childhood Foundation	\$155,313	\$192,558
10	AusAID (DFAT)	\$128,103	\$107,795

Unrestricted Funds

Friends strives to build its unrestricted funds to ensure no activities are obstructed due to lack of funding. These unrestricted funds have allowed for the below activities to continue unhindered in 2014. These funds are comprised of private donations, social business reserves and other miscellaneous income. During 2014, the unrestricted funds supporting financial gaps amounting to \$372,552, 16% less than in 2013. This amount was made up as follows:

PROGRAM	PROJECTS	2014	2013
FI HQ	Fundraising	\$55,457	\$63,120
	Sub-Total	\$55,457	\$63,120
Friends Siem Reap	All projects	\$217	\$28,425
	Sub-Total	\$217	\$28,425
Friends Phnom Penh	ChildSafe	\$0	\$14,792
	Drugs - Chom Chao Drop in Centre	\$4,063	\$2,456
	Sub-Total	\$4,063	\$17,248
Friends Lao PDR	Transitional Homes	\$7,173	\$11,503
	Vocational Training	\$1,864	\$0
	Drop In Centre	\$600	\$0
	Core Costs	\$1,318	\$0
	Sub-Total	\$10,955	\$11,503
Friends Thailand	Aranyaprathet Core Activities	\$0	\$23,714
	Sub-Total	\$0	\$23,714
Friends Indonesia	All Core Activities	\$31,908	\$0
	Sub-Total	\$31,908	\$0
Mith Samlanh	Education Centre	\$13,216	\$30,425
	Vocational Training	\$68,204	\$93,978
	Culture	\$23,927	\$16,280
	Family Income Generation	\$24,774	\$23,771
	Outreach	\$43,848	\$20,582
	Reintegration	\$9,386	\$9,070
	Transitional Homes	\$13,344	\$47,822
	Drugs Detox Centre	\$43,780	\$36,804
	Andong Community	\$19,419	\$17,160
	Wise Youth Centre	\$10,053	\$0
	Admin, Management, TAs & Specialists	\$0	\$1,452
	Sub-Total	\$269,952	\$297,341
	GRAND TOTAL	\$372,552	\$441,352

* Amounts above represent actual spending, not budget requested by each project

Financial Statements

Consolidated Income Statement

For the year ending 31 Dec 2014

Friends-International & Mith Samlanh

INCOME	2014 (US\$)	2013 (US\$)
Sales Revenue	2,564,369	2,262,756
Donor Funding	4,350,724	3,843,650
Private Donations	297,141	400,387
Consultancy	30,529	23,957
Other Income	56,850	13,269
Franchise Revenue	43,215	11,892
TOTAL INCOME	7,342,828	6,555,911
EXPENSES	2014 (US\$)	2013 (US\$)
PERSONNEL		
International Staff	881,352	800,201
National Staff	2,269,248	1,963,182
Health Insurance	77,242	59,556
Consultancies/Professional fees	84,889	54,361
Overtime	56,520	46,848
Miscellaneous	19,843	15,024
	3,389,093	2,939,172
DIRECT COSTS		
Hygiene Costs	29,139	34,558
Medical Costs	91,453	77,918
IEC Materials	19,805	11,654
Clothing for beneficiaries	15,561	9,050
Non-Formal Education materials	11,479	29,881
Food/Drink for Beneficiaries	248,917	223,357
Family Support	44,427	96,265
Harm Reduction Materials	50,572	39,077
Centre Supplies	37,540	16,422
Other Activity Costs	9,786	8,248
Family Reintegration Travel	27,603	28,670

EXPENSES	2014 (US\$)	2013 (US\$)
Recreational Activity Support	15,134	16,644
Outreach Materials	6,961	3,965
School Reintegration Support	62,726	51,361
Vocational Training Materials	32,533	24,050
Placement Support	54,026	41,015
ChildSafe Materials	24,339	30,105
Foster Care Families	46,932	29,599
Staff Uniforms	6,649	9,136
Family Income Generation Support	60,537	24,344
	896,117	805,319
EQUIPMENT/ASSETS		
IT/Computers	31,810	18,842
Vehicles	68,657	8,504
Furniture/Fittings	78,723	15,411
Vocational Training Equipment	37,849	27,632
Miscellaneous	18,748	16,822
	235,786	87,210
INDIRECT COSTS		
Communications	54,913	53,169
Transport/Gasoline	172,674	156,769
Maintenance/Renovations	169,450	131,833
Office Supplies	86,591	77,232
Rent	311,651	235,586
Utilities	135,113	123,668
External Audits	24,208	33,703
Vehicle/Building Insurance	17,802	15,857
Advertising / Marketing	37,604	29,041
Miscellaneous	70,144	63,280
	1,080,149	920,137
CAPACITY BUILDING/ MONITORING & EVALUATION/ COORDINATION		
Travel Costs	144,068	82,129
Staff Training	19,876	12,756
Workshops / Research / Assessments	18,513	18,937
Board / Adcom / Conferences	17,065	10,807
	199,522	124,628

EXPENSES	2014 (US\$)	2013 (US\$)
OTHER BUSINESS COSTS		
Cost of Sales	746,547	832,856
Outlet Supplies	71,422	46,521
Staff Food costs	52,521	50,062
Business Uniforms	21,085	8,143
Miscellaneous	8,806	10,459
	900,380	948,040
CYTI ALLIANCE NETWORK - SUB-GRANTS		
Damnok Toek (DT)	40,388	54,430
Komar Rikreay (KMR)	102,315	51,607
Legal Aid Cambodia (LAC)	39,516	38,958
M'lop Tapang (MT)	89,498	94,354
Operations Enfants du Cambodge (OEC)	30,021	27,260
Phare Ponleu Selpak (PPS)	25,015	45,326
Samathapheap Khnom Organisation (SKO)	31,365	36,492
Jom Hean Anagod (JHA)	22,081	22,166
Association Mondiale des Amis De l'Enfance (AMADE)	10,680	2,057
	390,879	372,649
TOTAL EXPENSES	7,091,927	6,197,156
NET INCOME	250,901	358,755
Retained funds brought forward	4,647,924	4,289,169
Restated retained funds brought forward	4,610,276	
EQUITY	4,861,178	4,647,924

Consolidated Statement of Financial Position

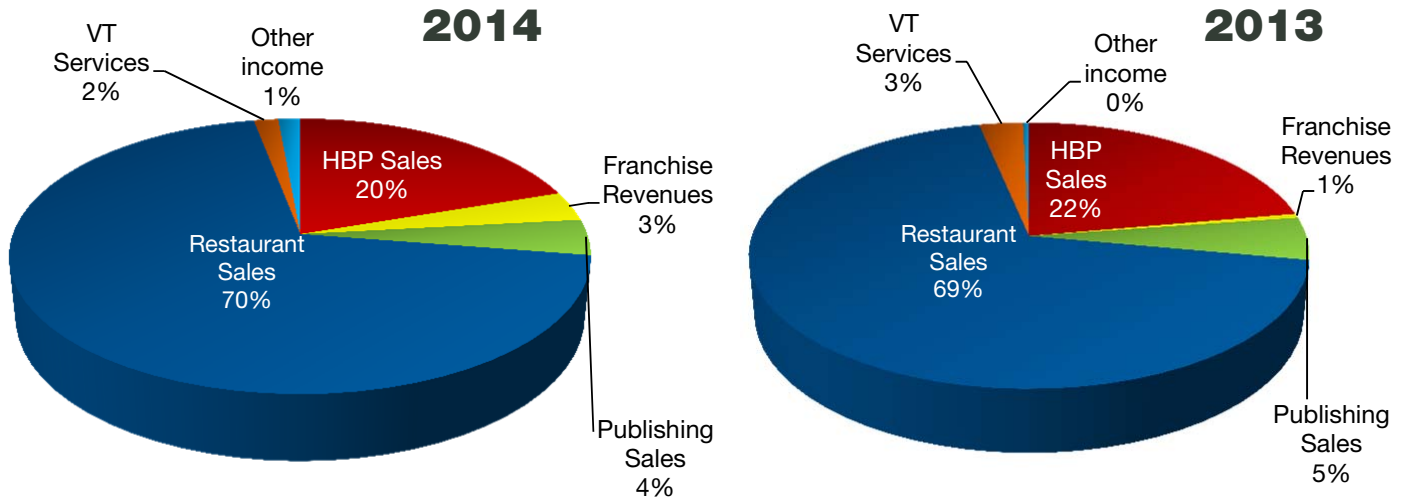
As at 31 Dec 2014

Friends-International & Mith Samlanh

CURRENT ASSETS	2014 (US\$)	2013 (US\$)
Non-Current Assets		
Land & Buildings	2,826,900	2,826,900
Current Assets		
Cash & Bank	1,679,540	1,691,269
Project Advances	12,911	6,034
Sub-Contract Advances	54,522	38,912
Prepayments	6,974	54,284
Inventory	222,430	0
Accounts Receivable		
Funding Receivables	9,726	8,387
Business Receivables	25,624	15,400
Staff Loans	5,484	5,781
Health Insurance	1,749	1,480
Guarantee Deposit	30,393	26,743
Miscellaneous	22,588	11,630
TOTAL ASSETS	4,898,843	4,686,819
LIABILITIES		
Current Liabilities		
Funding Payables	-1,512	-282
Business Payables	0	12,810
Tax Payable	5,708	5,101
Miscellaneous	27,094	19,744
Withholding Tax	557	915
Social Security Payable	772	607
Healthy Child Fund	5,047	0
TOTAL LIABILITIES	37,666	38,895
EQUITY	4,861,178	4,647,924

Social Business Results

Sales Revenue Composition



5 restaurants generated 70% of the total business income with more than \$1.9m in sales. Friends the Restaurant alone contributed 43% to this success, and also had the highest profit margin at 19%. Marum and Makphet made losses of \$91K and \$48K respectively. The TREE franchise brought in a net profit of \$142K from revenues of over \$281K. Revenues were from 5 operational TREE restaurants, and 3 newly signed TREE restaurants not yet in operation.

	TREE Franchise	Makphet Restaurant	Khaiphaen Restaurant	Marum Restaurant	Friends The Restaurant	Romdeng Restaurant
SALES REVENUE						
Franchise Revenues	280,478	0	0	0	0	0
Publishing Sales	0	0	0	0	390	0
Restaurant Sales	0	195,410	0	243,093	816,378	617,480
Other income	56	120	10,597	174	3,026	2,493
Total Revenues	280,534	195,530	10,597	243,267	819,794	619,973
EXPENSES						
Cost of Sales	0	69,764	1,718	96,062	286,728	192,665
Personnel	102,654	70,768	0	98,831	177,226	169,712
Running Costs	7,100	119,505	4	69,533	111,745	130,659
Travel Costs	27,603	0	0	0	0	0
Equipment	1,500	6,588	0	2,290	10,212	11,590
Franchise Fee	0	19,541	0	24,386	81,638	61,748
Total Expenses	138,858	286,165	1,722	291,101	667,549	566,374
NET PROFIT / (LOSS)	141,677	(90,635)	8,875	(47,835)	152,245	53,599

In 2014, Friends had 11 Friends “n” Stuff retail outlets, an increase from 8 in 2013. New additions were set-up in Vientiane, Luang Prabang and Bangkok. The collective Friends “n” Stuff outlets brought in almost \$400K in sales revenue and \$91K in net profit; a 23% profit margin. The highest revenues and profits were generated by Friends “n” Stuff, Street 13 in Phnom Penh. Friends “n” Stuff in Khaiphaen Restaurant, Luang Prabang, opened in October 2013, so was not operational for a full year.

	FnS in Vientiane	FnS in Luang Prabang	FnS in Siem Reap	FnS in Bangkok	FnS in Phnom Penh
SALES REVENUE					
HBP Sales	44,927	730	104,182	21,709	349,911
Publishing Sales	905	245	10,247	0	23,281
Other income	1	0	20,050	0	947
Total Revenues	45,833	975	134,479	21,710	374,138
EXPENSES					
Cost of Sales	34,604	3,198	65,008	11,895	247,985
Personnel	15,419	0	27,883	167	37,485
Running Costs	7,467	222	14,593	3,783	13,822
Equipment	0	0	821	81	775
Total Expenses	57,491	3,420	108,305	15,927	300,066
NET PROFIT / (LOSS)	(11,658)	(2,444)	26,174	5,783	74,072

Mechanics Vocational Trainings across 4 cities generated total service sales of \$29K and a small net loss of \$1K. Three of the Mechanics Workshop outlets are decentralised from the main Vocational Training centres and are now located in city centres, on busy main roads. Only 2 of the workshops are located within the Mith Samlanh Vocational Training Centre.

	Mechanics Vientiane	Mechanics Siem Reap	Car Mechanics Phnom Penh	Motorbike Mechanics Phnom Penh	Mechanics Takhmao
SALES REVENUE					
Training Service Sales	6,229	5,261	7,833	5,727	3,680
Other income	0	39	0	0	0
Total Revenues	6,229	5,300	7,833	5,727	3,680
EXPENSES					
Cost of Sales	4,094	0	7,323	7,144	3,671
Personnel	849	681	897	2,102	0
Running Costs	2,701	30	37	133	35
Equipment	206	0	0	0	0
Total Expenses	7,850	711	8,257	9,378	3,706
NET PROFIT / (LOSS)	(1,621)	4,589	(424)	(3,651)	(26)

Two decentralised Beauty Vocational Trainings generated \$19K in sales and \$6K in net profits. The Siem Reap workshop: Phka Kravan opened its doors in February 2014, offering hair, make-up, manicure, pedicure services. The Nailbar in Phnom Penh has been operational since 2009.

	Phka Kravan Siem Reap	Nailbar Phnom Penh
SALES REVENUE		
Training Service Sales	4,999	13,975
Other income	0	0
Total Revenues	4,999	13,975
EXPENSES		
Cost of Sales	0	1,981
Personnel	680	6,463
Running Costs	33	3,857
Equipment	0	100
Total Expenses	713	12,401
NET PROFIT	4,286	1,574

The Phnom Penh Sewing Workshop sold mainly within the Friends programs and \$90 / 3% of sales were to external customers, whereas in Siem Reap \$3,600 / 30% of sales were to external customers.

	Sewing Siem Reap	Sewing Phnom Penh
SALES REVENUE		
Training Service Sales	12,411	2,917
Other income	0	0
Total Revenues	12,411	2,917
EXPENSES		
Cost of Sales	4,686	1,762
Personnel	5,355	710
Running Costs	307	20
Equipment	210	0
Total Expenses	10,558	2,492
NET PROFIT	1,852	425

Other centralised Vocational Trainings generated income through internal sales mainly, with only 4% of sales to external customers.

	Cooking Phnom Penh	Electric Phnom Penh	Hair/ Barber Phnom Penh	Welding Phnom Penh
SALES REVENUE				
Training Service Sales	7,406	8,044	252	6,144
Total Revenues	7,406	8,044	252	6,144
EXPENSES				
Cost of Sales	4,462	6,700	0	4,876
Personnel	1,718	0	0	266
Running Costs	138	51	0	5
Total Expenses	6,317	6,751	0	5,148
NET PROFIT	1,088	1,293	252	997

Social Businesses by Program - Financial Reports

	FI HQ	Friends Lao PDR	Friends Siem Reap	Friends Bangkok	Mith Samlanh	CONSOLIDATED*
SALES REVENUE						
HBP Sales	201,304	45,657	105,142	21,709	340,419	533,583
Franchise Revenues	280,478	0	0	0	0	92,937
Publishing Sales	38,051	18,170	10,247	0	46,318	112,785
Restaurant Sales	0	195,410	243,093	0	1,433,837	1,872,340
Training Centre Sales	0	6,229	11,208	0	25,107	42,545
Other income	1,223	10,718	20,263	0	6,467	38,670
Total Revenues	521,056	276,184	389,952	21,709	1,852,148	2,692,861
EXPENSES						
Cost of Sales	108,332	120,231	155,789	11,895	739,885	955,365
Personnel	213,742	87,036	133,429	167	396,579	830,954
Running Costs	19,769	132,974	83,921	3,783	255,803	496,141
Travel Costs	28,422	0	0	0	0	28,422
Equipment	3,144	6,794	3,321	81	22,487	35,826
Franchise Fees	0	19,541	24,386	0	143,386	0
Total Expenses	373,408	366,575	400,846	15,927	1,558,139	2,346,707
NET PROFIT	147,647	(90,391)	(10,894)	5,783	294,008	346,154
Program Support	0	-11,792	-1,386	0	-269,952	-283,130
Opening Balance	156,475	99,514	-54,104	7,779	588,396	798,060
NET FUND BALANCE	304,123	(2,670)	(66,384)	13,562	612,452	861,083

* Intra- sales and purchases have been eliminated

Consolidated Social Businesses

Income Statement for the year ended 31 Dec 2014 Friends-International & Mith Samlanh

	2014 (US\$)	2013 (US\$)
REVENUES		
HBP Sales	533,583	515,777
Franchise Revenues	92,937	11,892
Publishing Sales	112,785	119,880
Restaurant Sales	1,872,340	1,598,130
Training Centre Sales	42,545	67,644
Other income	38,670	9,334
Total Revenues	2,692,861	2,322,657
EXPENSES		
Cost of Sales	955,365	874,315
Personnel	830,954	686,103
Running Costs	496,141	368,387
Travel Costs	28,422	10,442
Equipment	35,826	25,018
Total Expenses	2,346,707	1,964,266
NET PROFIT	346,154	358,391
Program Support	-283,130	-307,405
Opening Balance	798,060	747,075
NET FUND BALANCE	861,083	798,060

Statement of Financial Position as at 31 Dec 2014 Friends-International & Mith Samlanh

	2014 (US\$)	2013 (US\$)
CURRENT ASSETS		
Cash in hand & bank	600,296	623,237
Staff Advances	406	1,453
Prepayments	1,794	18,719
Accounts Receivable	291,688	307,633
Franchise fees AR	2,828	0
Loans Receivable	0	0
TOTAL CURRENT ASSETS	897,013	951,043
CURRENT LIABILITIES		
Accounts Payable	35,930	142,982
Loans Payable	0	0
Funding Payable	0	10,000
TOTAL CURRENT LIABILITIES	35,930	152,983
NET EQUITY	861,083	798,060

Statement of Changes in Equity as at 31 Dec 2014

#	SOCIAL BUSINESS UNIT	PROGRAM	CITY	OPENING	INCOME*	EXPENSES*	PROGRAM SUPPORT	CLOSING
1	Publishing	Friends Headquarters	International	66,222	37,666	-52,264	0	51,625
2	Exports Business	Friends Headquarters	International	-10,547	72,696	-72,274	0	-10,125
3	TREE Franchise	Friends Headquarters	International	163,658	280,534	-138,858	0	305,335
4	Workshop	Friends Headquarters	Phnom Penh	-65,338	129,890	-109,978	0	-45,426
5	Consultancy	Friends Headquarters	Phnom Penh	2,480	269	-35	0	2,714
6	Friends the Restaurant	Mith Samlanh	Phnom Penh	259,486	819,794	-667,549	-125,851	285,880
7	Romdeng Restaurant	Mith Samlanh	Phnom Penh	74,758	619,973	-566,374	-34,560	93,797
8	Friends “n” Stuff : Street 13	Mith Samlanh	Phnom Penh	137,032	286,471	-222,834	-63,542	137,126
9	Friends “n” Stuff : Russian Market	Mith Samlanh	Phnom Penh	53,331	24,597	-19,980	-19,078	38,870
10	Friends “n” Stuff : Romdeng	Mith Samlanh	Phnom Penh	19,937	55,304	-49,485	-8,125	17,630
11	Best of Friends Cook Book	Mith Samlanh	Phnom Penh	19,119	22,648	-10,084	-10,147	21,537
12	Training Centre	Mith Samlanh	Phnom Penh	24,733	28,516	-26,988	-8,648	17,613
13	Khaiphaen Restaurant	Friends Lao PDR	Luang Prabang	0	10,597	-1,722	0	8,875
14	Friends “n” Stuff : Khaiphaen	Friends Lao PDR	Luang Prabang	0	975	-3,419	0	-2,444
15	Makphet Restaurant	Friends Lao PDR	Vientiane	24,422	195,530	-286,165	0	-66,213
16	Mechanics Vocational Training	Friends Lao PDR	Vientiane	-1,329	6,229	-7,850	0	-2,950

#	BUSINESS UNIT	PROGRAM	CITY	OPENING	INCOME*	EXPENSES*	PROGRAM SUPPORT	CLOSING
17	Friends “n” Stuff : Makphet	Friends Lao PDR	Vientiane	51,757	39,394	-45,152	0	45,999
18	Friends “n” Stuff : Norkeokoumman	Friends Lao PDR	Vientiane	3,191	6,438	-12,338	0	-2,709
19	From Honeybees to Pepperwood	Friends Lao PDR	Vientiane	21,473	17,020	-9,928	-11,792	16,772
20	Marum Restaurant	Friends Cambodia	Siem Reap	-50,263	243,267	-291,101	0	-98,097
21	Friends “n” Stuff : Marum	Friends Cambodia	Siem Reap	-10,420	49,186	-37,636	-1,386	-257
22	Friends “n” Stuff : Art Centre	Friends Cambodia	Siem Reap	1,172	46,968	-30,323	0	17,817
23	Friends “n” Stuff : Central	Friends Cambodia	Siem Reap	3,970	38,325	-40,346	0	1,949
24	Sewing Workshop	Friends Cambodia	Siem Reap	0	11,502	-10,558	0	943
25	Phka Kravan Vocational Training	Friends Cambodia	Siem Reap	0	4,999	-713	0	4,286
26	Mechanics Vocational Training	Friends Cambodia	Siem Reap	0	5,300	-711	0	4,589
27	Vocational Training Workshops	Friends Cambodia	Siem Reap	1,437	948	0	0	2,385
28	Friends “n” Stuff : Sukhumvit Soi 49	Friends Thailand	Bangkok	7,779	20,007	-13,837	-1,484	12,465
29	Friends “n” Stuff : Phra Athit	Friends Thailand	Bangkok	0	1,703	-2,090	1,484	1,097
				798,060	3,076,746	-2,730,592	-283,130	861,083

* Includes inter-program sales & purchases

Financial Sustainability

Overview and Summary

Annually, Friends calculates its financial sustainability. This is the degree to which sales revenue is generated to absorb the full cost of activities, which is an important strategic objective for Friends; to meet the needs of its beneficiaries in the long-term.

PROGRAM	YEAR	SUSTAINABILITY RATIO			
		Standard Sustainability Ratio	Social Business Sustainability	Social Program Sustainability	Donor Dependency
Headquarters	2014	18%	140%	6%	94%
	2013	16%	114%	2%	98%
Mith Samlanh	2014	55%	119%	17%	83%
	2013	56%	128%	22%	78%
Friends Siem Reap	2014	35%	97%	-2%	102%
	2013	27%	82%	-9%	109%
Friends Lao PDR	2014	29%	75%	-16%	116%
	2013	46%	103%	2%	98%
Friends Thailand	2014	6%	136%	2%	98%
	2013	5%	127%	1%	99%
Friends Indonesia	2014	0%	0%	0%	100%
	2013	0%	0%	0%	100%
Friends TOTAL	2014	38%	115%	7%	93%
	2013	38%	118%	9%	91%

Sustainability Ratios

1. Standard Sustainability Ratio

Sales Revenue

 Total Expenditure

STANDARD SUSTAINABILITY RATIO													
HQ		Mith Samlanh		Friends Siem Reap		Friends Lao PDR		Friends Thailand		Friends Indonesia		FRIENDS TOTAL	
2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
18%	16%	55%	56%	35%	27%	29%	46%	6%	5%	0%	0%	38%	38%

The standard ratio calculates how much sales revenue is available as a percentage of total expenditure, both for program and business activities. Friends Siem Reap sales increased by 61% thereby increasing the standard sustainability ratio, even though Friends SRP made losses in the year. MS has the highest standard sustainability at 55%, however, the MS business expenses alone comprised of 43% of the total expenditure. Friends Lao reduced sustainability, had reduced sales, as well as made losses. Therefore financial sustainability should be assessed by zooming in to the additional 3 ratios below.

2. Social Business Sustainability

Sales Revenue

 Business Expenditure

SOCIAL BUSINESS SUSTAINABILITY													
HQ		Mith Samlanh		Friends Siem Reap		Friends Lao PDR		Friends Thailand		Friends Indonesia		FRIENDS TOTAL	
2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
140%	114%	119%	128%	97%	82%	75%	103%	136%	127%	0%	0%	115%	118%

This ratio expresses the rate at which the businesses collectively are sustainable themselves. All of MS' 7 social businesses are financially sustainable. Collectively, Friends SRP businesses increased their sustainability and are now close to breaking-even. The 3 FnS outlets in Siem Reap together are self-sustainable, and Marum Restaurant is forecasted to become self-sustainable in 2015. Friends Lao businesses regressed from being self-sufficient to not being financially sustainable, largely due to Makphet Restaurant, which moved premises during the year, costing further investments in the new location. However, the FnS outlets are were not self-sustainable in 2014.

HQ businesses increased self-sustainability is attributable to the TREE Franchise and the Workshop Production Centre, both making a healthy profit.

3. Social Program Sustainability

Business Net Profit

Program Expenditure

SOCIAL PROGRAM SUSTAINABILITY													
HQ		Mith Samlanh		Friends Siem Reap		Friends Lao PDR		Friends Thailand		Friends Indonesia		FRIENDS TOTAL	
2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
6%	2%	17%	22%	-2%	-9%	-16%	2%	2%	1%	0%	0%	7%	9%

This ratio shows us of the rate at which the business net profits for the year can support the social services (programmatic) expenditures. FI HQ which includes Friends Phnom Penh would be 10% sustainable if excluding sub-grants to CYTI partners (which amounted to \$391K in 2014).

Mith Samlanh and Friends Lao PDR social services sustainability dropped; however the Lao drop was significant in that the social businesses now need financial support as well as the program itself.

4. Donor Dependency

100% – Social Program Sustainability

DONOR DEPENDENCY													
HQ		Mith Samlanh		Friends Siem Reap		Friends Lao PDR		Friends Thailand		Friends Indonesia		FRIENDS TOTAL	
2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
94%	98%	83%	78%	102%	109%	116%	98%	98%	99%	100%	100%	93%	91%

This ratio shows the rate at which Friends is still dependent on donor funding or sources of funds other than its social businesses. FI HQ which includes Friends Phnom Penh would be 90% dependent if excluding sub-grants.

The Friends total rate of donor dependency in 2014 was 93% amounting to \$4.4m (2013: \$3.9m) as shown below. The increase is due to a 12% increase in programmatic expenditures across all programs.

PROGRAM	HQ	Mith Samlanh	Friends Siem Reap	Friends Lao PDR	Friends Thailand	Friends Indonesia	Friends TOTAL
DONOR DEPENDENCY (%) 2014	94%	83%	102%	116%	98%	100%	93%
DONOR DEPENDENCY (\$) 2014	2,325,733	1,476,773	738,216	675,271	349,002	65,986	4,413,054

HQ & Friends Phnom Penh

	2014	2013
Number of Staff (31 Dec)	94	85.5*
Total Income (US\$)	2,925,128	2,170,092
Total Expenses (US\$)	2,846,789	2,289,660
Administrative Costs	5%	5%
Social Businesses	5	5

* One staff was shared with Friends Siem Reap

- Total income increased by a large 35% (\$755K) from 2013, from which \$515K was in donor grants, \$162K in sales and TREE franchise revenues and \$54K in HQ support from FI programs (excluding Mith Samlanh).
- Total sub-grants were \$1.3m, of which \$391K were for CYTI members and \$910K for Friends Programs. MS received \$658K a significant increase from 2013 (\$368K) due to FI HQ receiving contracted funds on behalf of MS. CYTI partner grants were supported by UNICEF Cambodia for 3PC; USAID/ World Learning for Family+; GFATM for Drugs; Child Wise, Fondation de l'Orangerie, World Education, for ChildSafe; Work Together Foundation for Home –Based Production and finally AMADE Monaco for outreach in prisons.
- Total expenses increased by 24% (\$557K) in total and 16% (\$212K) when excluding all sub-grants. Number of staff increased by 10%, and personnel costs by 18%. Direct costs increased by 83% mainly for ChildSafe, printing of IEC materials for partners and Chom Chao DIC and outreach medical support costs.
- Total business sales were \$241K and TREE franchise revenues \$280K. Net profit increased by 235% to \$148K, from which \$141K is attributable to TREE. However, the Workshop made profits of \$20K, a big improvement from the \$40K loss in 2013. The collective social businesses in HQ are wholly self-sustainable.
- The CYTI international team grew and generated consultancy fees of \$13K and was 22% sustainable in 2014. ADM Capital Foundation supported the work and growth of CYTI.
- 2015 budget has been forecast with an 11% reduction due to the end of the Family+ funding with USAID/ World Learning, and reduced funds from the GFATM for the Drugs program.

Financial Statements

Income Statement for the year ending 31 December 2014 Headquarters & Friends Phnom Penh, Cambodia

INCOME	2014 (US\$)	2013 (US\$)
Sales Revenue	239,355	189,221
Donor Funding	2,149,669	1,634,549
Private Donations	109,746	86,466
Consultancy	20,873	20,022
Other Income	1,645	1,888
Internal Funding	123,363	68,999
Franchise Revenue	280,478	168,946
TOTAL INCOME	2,925,128	2,170,092
EXPENSES	2013 (US\$)	2013 (US\$)
PERSONNEL		
International Staff	774,701	712,359
National Staff	288,733	233,884
Health Insurance	13,334	7,088
Consultancies/Professional fees	66,070	20,716
Miscellaneous	13,618	10,162
	1,156,455	984,210
DIRECT COSTS		
Hygiene Costs	2,930	2,797
Medical Costs	3,869	3,797
IEC Materials	3,557	1,886
Non-Formal Education materials	126	131
Food/Drink for Beneficiaries	2,327	1,787
Family Support	360	223
ChildSafe Materials	17,337	6,720
Miscellaneous	6,390	2,772
	36,896	20,112
EQUIPMENT/ASSETS		
IT / Computers	9,550	7,256
Vehicles	3,570	600
Furniture / Fittings	1,045	385
Miscellaneous	2,251	1,897
	16,416	10,138
INDIRECT COSTS		
Communications	19,066	18,960
Transport/Gasoline	12,654	11,524

EXPENSES	2013 (US\$)	2013 (US\$)
Maintenance/Renovations	11,829	5,343
Office Supplies	19,195	15,291
Rent & Utilities	30,637	38,322
External Audits	2,411	12,735
Advertising / Marketing	17,646	6,227
Miscellaneous	18,736	21,562
	132,173	129,963
CAPACITY BUILDING/ MONITORING & EVALUATION/ COORDINATION		
Travel Costs	107,023	57,799
Staff Training	7,618	3,467
Workshops/ Research/Assessments	10,959	11,846
Board / Adcom / Conferences	15,627	9,649
	141,227	82,761
OTHER BUSINESS COST		
Cost of Sales	61,451	93,641
Profit-Sharing	707	12,808
Miscellaneous	893	356
	63,051	106,804
PROGRAM SUPPORT		
Kaliyan Mith (Siem Reap)	233,839	198,443
Teman Baik (Indonesia)	18,000	0
Peuan Peuan (Thailand)	0	17,044
Mith Samlanh	657,853	367,537
	909,692	583,023
CYTI ALLIANCE NETWORK - SUB-GRANTS		
Damnok Toek (DT)	40,388	54,430
Komar Rikreay (KMR)	102,315	51,607
Legal Aid Cambodia (LAC)	39,516	38,958
M'lop Tapang (MT)	89,498	94,354
Operations Enfants du Cambodge (OEC)	30,021	27,260
Phare Ponleu Selpak (PPS)	25,015	45,326
Samathapheap Khnom Organisation (SKO)	31,365	36,492
Jom Hean Anagod (JHA)	22,081	22,166
Association Mondiale des Amis De l'Enfance (AMADE)	10,680	2,057
	390,879	372,649
TOTAL EXPENSES	2,846,789	2,289,660
NET INCOME	78,339	-119,567
Retained funds brought forward	601,640	721,208
EQUITY	679,980	601,640

Statement of Financial Position as at 31 Dec 2014

Headquarters & Friends Phnom Penh, Cambodia

CURRENT ASSETS		2014 (US\$)	2013 (US\$)
Current Assets			
Cash & Bank		313,775	504,516
Project Advances		7,031	2,359
Sub-Contract Advances		93,073	60,719
Prepayments		3,000	7,500
Inventory		45,981	0
Accounts Receivable			
Program Loans		132,575	0
Funding Receivables		10,357	10,768
Business Receivables		80,018	28,779
Staff Loans		2,638	4,426
Health Insurance		1,749	1,480
Guarantee Deposit		700	700
Miscellaneous		14,434	7,192
TOTAL ASSETS		705,330	628,440
LIABILITIES			
Current Liabilities			
Funding Payables		4,275	10,037
Business Payables		104	11,260
Tax Payable		1,253	915
Miscellaneous		17,614	3,762
Withholding Tax		450	825
Social Security Payable		0	0
Healthy Child Fund		1,654	0
TOTAL LIABILITIES		25,350	26,799
EQUITY		679,980	601,640

Statement of Changes in Equity as at 31 Dec 2014

Headquarters & Friends Phnom Penh, Cambodia

#	FUND ACCOUNT	TYPE	OPENING	INCOME	EXPENSES	SUB CONTRACTS	ELIMINATION	CLOSING
1	FI Business	<i>Business</i>	-10,547	72,696	57,927	0	0	4,221
2	FI Workshop	<i>Business</i>	-65,338	129,890	109,921	0	0	-45,369
3	FSB Consulting	<i>Business</i>	2,480	269	35	0	0	2,714
4	FSB Publishing	<i>Business</i>	66,222	37,666	20,687	0	0	83,202
5	Tree Alliance	<i>Business</i>	163,658	280,534	138,858	0	0	305,335
6	CYTI Funds	<i>Consultancy</i>	44,057	13,146	4,464	0	0	52,739
7	Mith Samlanh Advisory	<i>Consultancy</i>	3,037	153,375	156,412	0	0	0
8	WHO	<i>Consultancy</i>	-3,774	10,820	5,254	0	1,792	0
9	ADM Capital Foundation	<i>Donor</i>	0	64,950	46,077	0	0	18,873
10	AGFund	<i>Donor</i>	0	0	6,943	0	0	-6,943
11	AMADE Monaco	<i>Donor</i>	5,988	4,781	10	10,680	0	79
12	Child Wise Cambodia	<i>Donor</i>	1,094	-551	96	446	0	0
13	Evert En Gisela Foundation	<i>Donor</i>	1,713	0	810	0	0	903
14	Fondation de l'Orangerie	<i>Donor</i>	83,153	38,643	103,327	18,469	0	0
15	GFATM / NCHADS	<i>Donor</i>	875	276,966	107,357	163,879	0	6,605
16	HAARP/ AusAID	<i>Donor</i>	114	73,457	21,118	52,339	0	114
17	Juniclair Foundation	<i>Donor</i>	0	156,527	0	156,527	0	0
18	Skoll Foundation	<i>Donor</i>	54,732	2,985	57,717	0	0	0
19	UK Foundation	<i>Donor</i>	1,261	13,175	6,254	0	0	8,182
20	UNICEF Cambodia	<i>Donor</i>	96,669	875,869	278,636	540,006	0	153,895
21	USAID/ World Learning	<i>Donor</i>	45,552	407,015	181,003	268,514	0	3,049
22	Work Together Foundation	<i>Donor</i>	692	56,147	1,339	54,429	0	1,070
23	World Education	<i>Donor</i>	0	22,085	5,968	17,282	0	-1,165
24	CosmoQueen	<i>Private</i>	0	535	56	0	0	480
25	Harvey World Travel	<i>Private</i>	14,371	0	14,371	0	0	0
26	General Reserves	<i>Reserves</i>	95,631	234,148	221,575	18,000	-1,792	91,996
	TOTAL		601,640	2,925,128	1,546,218	1,300,571	0	679,980

Mith Samlanh

	2014	2013
Number of Staff (31 Dec)	282	256
Total Income (US\$)	3,538,882	3,004,986
Total Expenses (US\$)	3,337,385	2,951,823
Administrative Costs	3%	2%
Social Businesses	7	7

- Mith Samlanh's total income increased by 18%; more than \$500K. \$336K increase is attributable to increased donor grants. MS acquired more than \$178K in new donor grants, and \$45K in from new private donors
- MS expenses increased by 13%. Staff salaries increased the most in absolute value by \$144K and number of staff increased by 10%. The transitional homes were refreshed with new furniture and equipment, such as beds, cupboards and lockers, and a new bus was bought for transporting children. This resulted in a 252% increase in Equipment costs.
- In March 2014, MS opened its decentralised Mechanics workshop in Takhmao. In 10 months this workshop generated sales of \$3,700, of which 86% of customers were all external to Mith Samlanh
- Sales in 2014 increased by 10% to \$1,852K, however, net profit decreased by 18% to \$294K. MS' two restaurants generated sales of \$1,440K (78% of total sales) and net profit \$206K (70% of total profit). The Street 13 Friends "n" Stuff outlet is the most successful of all Friends and generated sales of \$194K and net profit \$64K.
- The social businesses increased their net value to \$612K or by 4%, after internal grants for social services.
- The businesses provided a total of almost \$270K in internal grants to 10 projects. The largest funding gaps were for Vocational Training, Outreach and Drugs, totalling \$156K.
- In 2015, Mith Samlanh forecasts a 16% increase in budget needs. \$2.2m for program activities, of which approximately 65% has been secured.

Financial Statements

Income Statement for the year ended 31 Dec 2014
Mith Samlanh, Phnom Penh, Cambodia

INCOME	2014 (US\$)	2013 (US\$)
Sales Revenue	1,845,681	1,651,863
Donor Funding	1,545,531	1,179,716
Private Donations	95,544	157,396
Consultancy	6,797	3,517
Other Income	45,330	12,493
TOTAL INCOME	3,538,882	3,004,986
EXPENSES	2013 (US\$)	2013 (US\$)
PERSONNEL		
National Staff	1,134,388	990,026
Health Insurance	33,800	27,988
Consultancies/Professional fees	170,236	164,498
Miscellaneous	37,792	28,339
	1,376,216	1,210,852
DIRECT COSTS		
Hygiene Costs	8,752	16,073
Medical Costs	71,026	56,771
IEC Materials	12,830	6,156
Clothing for Beneficiaries	10,320	4,826
Non-Formal Education materials	7,654	22,028
Food/Drink for Beneficiaries	151,572	131,279
Family Support	32,550	85,371
Harm Reduction Materials	48,919	38,580
Centre Supplies	29,137	9,709
Other Activity Costs	1,206	2,354
Family Reintegration Travel	16,199	16,864
Recreational Activity Support	7,818	8,988
Outreach Materials	4,927	1,738
School Reintegration Support	24,700	20,399
Vocational Training Materials	18,428	12,987
Placement Support	34,032	25,942
ChildSafe Materials	0	4,944
Foster Care Families	25,776	23,638
Staff Uniforms	2,880	1,540
Family Income Generation Support	43,124	9,313
	551,851	499,502

EXPENSES	2013 (US\$)	2013 (US\$)
EQUIPMENT/ASSETS		
IT / Computers	9,240	4,183
Vehicles	38,610	3,870
Furniture / Fittings	48,635	3,831
Vocational Training Equipment	19,777	18,746
Miscellaneous	9,989	5,239
	126,251	35,869
INDIRECT COSTS		
Communications	16,137	16,335
Transport / Gasoline	78,703	72,108
Maintenance/Renovations	66,365	61,374
Office Supplies	50,367	48,329
Rent & Utilities	213,894	177,409
External Audits	8,140	8,231
Advertising / Marketing	7,800	9,539
Miscellaneous	37,894	31,530
	479,299	424,856
CAPACITY BUILDING/ MONITORING & EVALUATION/ COORDINATION		
Staff Training	6,862	4,828
Board / Adcom / Conferences	21	857
	6,883	5,685
OTHER BUSINESS COST		
Cost of Sales	608,582	608,356
Outlet Supplies	11,546	15,054
Franchise Fees	143,386	120,775
Staff Food costs	24,643	28,862
Business Uniforms	8,729	2,014
	796,885	775,060
TOTAL EXPENSES	3,337,385	2,951,823
NET INCOME	201,498	53,164
Retained funds brought forward	3,233,940	3,180,777
EQUITY	3,435,438	3,233,940

Statement of Financial Position as at 31 Dec 2014

Mith Samlanh, Phnom Penh, Cambodia

NON-CURRENT ASSETS		2014 (US\$)	2013 (US\$)
	Land & Buildings	2,826,900	2,826,900
CURRENT ASSETS			
Current Assets			
	Cash & Bank	497,743	414,044
	Project Advances	406	184
	Prepayments	17	12,709
	Inventory	131,303	0
Accounts Receivable			
	Funding Receivables	3,076	0
	Business Receivables	10,535	7,549
	Guarantee Deposit	5,550	3,000
	Miscellaneous	0	1,328
TOTAL ASSETS		3,475,529	3,265,715
LIABILITIES			
Current Liabilities			
	Tax Payable	3,334	2,881
	Miscellaneous	34,891	28,894
	Healthy Child Fund	1,866	0
TOTAL LIABILITIES		40,091	31,775
EQUITY		3,435,438	3,233,940

Statement of Changes in Equity as at 31 Dec 2014

Mith Samlanh, Phnom Penh, Cambodia

#	FUND ACCOUNT	TYPE	OPENING	INCOME	EXPENSES	TRANSFER	CLOSING
1	Best of Friends Cook Book	<i>Business</i>	19,119	22,648	1,178	-10,135	30,455
2	Friends “n” Stuff TTP	<i>Business</i>	53,331	24,597	15,448	-19,052	43,428
3	Friends “n” Stuff Romdeng	<i>Business</i>	19,937	55,304	37,650	-8,353	29,237
4	Friends “n” Stuff St.13	<i>Business</i>	137,032	284,746	116,564	-61,735	243,479
5	Friends the Restaurant	<i>Business</i>	259,486	819,794	664,388	-128,843	286,049
6	Romdeng Restaurant	<i>Business</i>	74,758	619,952	564,813	-36,053	93,844
7	Training Centre	<i>Business</i>	24,733	25,107	26,795	-5,420	17,624
8	ACTED (PSF)	<i>Donor</i>	0	24,693	24,693	0	0
9	Aide et Action	<i>Donor</i>	0	37,140	28,281	0	8,858
10	AusAID/ DFAT	<i>Donor</i>	11,173	25,701	27,166	0	9,708
11	Caritas France	<i>Donor</i>	0	40,689	40,689	0	0
12	ChildWise Cambodia	<i>Donor</i>	-369	744	374	0	0
13	Comic Relief	<i>Donor</i>	0	106,050	75,987	0	30,063
14	Cosmoqueen	<i>Donor</i>	0	11,580	752	0	10,828
15	DanChurchAid	<i>Donor</i>	189	77,187	77,376	0	0
16	Salling (DanChurchAid)	<i>Donor</i>	0	18,000	14,429	0	3,571
17	Deutsche Bank	<i>Donor</i>	3,465	0	3,465	0	0
18	European Union	<i>Donor</i>	-29,914	237,952	220,447	0	-12,408
19	HAARP/ AusAID (FI)	<i>Donor</i>	103	52,339	52,339	0	103
20	Fondation de l'Orangerie (FI)	<i>Donor</i>	0	18,469	18,469	0	0
21	Gisela Foundation	<i>Donor</i>	12,606	90,000	102,606	0	0
22	Give2Asia	<i>Donor</i>	5,257	0	5,257	0	0

#	FUND ACCOUNT	TYPE	OPENING	INCOME	EXPENSES	TRANSFER	CLOSING
23	GFATM/ NCHADS (FI)	<i>Donor</i>	0	107,422	103,383	0	4,039
24	Junclair Foundation	<i>Donor</i>	-11,662	156,462	103,576	0	41,223
25	La Chaine de l'Espoir	<i>Donor</i>	11,325	18,181	15,103	0	14,402
26	Mercury Phoenix	<i>Donor</i>	9,375	0	9,375	0	0
27	Planet Wheeler Foundation	<i>Donor</i>	87,594	100,000	115,071	0	72,523
28	Riverview Children's Foundation	<i>Donor</i>	21,365	21,750	24,681	0	18,434
29	SIPAR	<i>Donor</i>	0	19,467	19,467	0	0
30	SNV	<i>Donor</i>	-1,147	1,147	0	0	0
31	Tesco	<i>Donor</i>	0	16,480	16,480	0	0
32	UNICEF Cambodia (FI)	<i>Donor</i>	13,104	159,190	145,101	0	27,192
33	USAID/ World Learning (FI)	<i>Donor</i>	660	107,254	117,060	0	-9,146
34	Work Together Foundation	<i>Donor</i>	649	54,445	55,093	0	0
35	World Childhood Foundation	<i>Donor</i>	0	49,986	49,986	0	0
36	World Education (FI)	<i>Donor</i>	0	9,846	10,170	0	-324
37	General Reserves	<i>Reserves</i>	6,781	76,986	283,417	269,591	69,940
38	DAK Foundation	<i>Private</i>	1,218	1,903	3,122	0	0
39	Amadeus	<i>Private</i>	0	2,209	2,209	0	0
40	Dayer & Ahlstöm	<i>Private</i>	105,889	0	105,889	0	0
41	Harvey World Travel	<i>Private</i>	0	31,456	28,826	0	2,630
42	MS Land Funds	<i>Private</i>	2,397,886	1,800	0	0	2,399,686
43	Sosense Education	<i>Private</i>	0	10,209	10,209	0	0
	TOTAL		3,233,940	3,538,882	3,337,385	0	3,435,438

Friends Siem Reap

	2014	2013
Number of Staff (31 Dec)	128	107.5*
Total Income (US\$)	1,095,063	1,013,366
Total Expenses (US\$)	1,124,587	921,980
Administrative Costs	3%	3%
Social Businesses	8	5

* One staff was shared with Friends Phnom Penh

- 2014 was a strong year for Friends Siem Reap. Many donors renewed their support as well as receiving funding from many new donors; Aide et Action, Charities Aid Foundation Australia, Comic Relief, International Foundation, RAJA Foundation. Siem Reap also receives financial support from individual private donors.
- Total costs increased by 22%, and generally increased in all areas. Direct costs increased by over 40% (more than \$50K). No internal funding was required for funding gaps in 2014. Job placement, family reintegration and school reintegration associated costs remain at a third of total spending.
- New vocational training businesses were set-up; Phka Kravan beauty salon, mechanics workshop, sewing workshop, contributing to 3% of total sales.
- Sales increased by a large 61% (\$144K increase) and net losses reduced by 80% (\$44K decrease). While Marum is not yet self-sustainable, the sales growth is very promising and sustainability is expected in 2015. The Friends “n” Stuff outlets generated a total of \$135K in sales and \$26K net profit. One outlet was closed by end of 2014. In 2015, a second training restaurant project will be launched, specifically training caregivers
- In 2015, Friends Siem Reap expects to remain relatively steady in their budget needs, with a 4% increase to \$1,165,000. An approximate 35% funding gaps remains as at report writing.

Financial Statements

Income Statement for the year ending 31 December 2014
Friends Siem Reap, Cambodia

INCOME	2014 (US\$)	2013 (US\$)
Sales Revenue	379,774	235,926
Donor Funding	653,169	679,023
Private Donations	53,717	98,417
Other Income	8,404	0
TOTAL INCOME	1,095,063	1,013,366
EXPENSES	2014 (US\$)	2013 (US\$)
PERSONNEL		
International Staff	63,485	37,027
National Staff	395,446	307,912
Health Insurance	15,120	10,714
Miscellaneous	11,057	14,784
	485,109	370,437
DIRECT COSTS		
Hygiene Costs	12,057	9,708
Medical Costs	6,926	6,522
IEC Materials	2,730	196
Clothing for Beneficiaries	2,700	2,267
Non-Formal Education materials	2,595	2,559
Food/Drink for Beneficiaries	58,291	51,220
Family Support	8,556	6,112
Centre Supplies	4,111	2,096
Other Activity Costs	256	145
Family Reintegration Travel	3,414	3,820
Recreational Activity Support	3,235	2,361
Outreach Materials	817	767
School Reintegration Support	19,677	9,856
Vocational Training Materials	8,220	8,961
Placement Support	17,095	9,196
ChildSafe Materials	5,385	4,193
Foster Care Families	21,178	5,961
Staff Uniforms	952	40
Family Income Generation Support	4,206	3,636
	182,400	129,616

EXPENSES	2014 (US\$)	2013 (US\$)
EQUIPMENT/ASSETS		
IT / Computers	3,567	3,212
Vehicles	2,900	2,315
Furniture / Fittings	7,880	2,717
Vocational Training Equipment	210	3,504
Miscellaneous	2,607	6,078
	17,163	17,826
INDIRECT COSTS		
Communications	6,010	5,278
Transport / Gasoline	57,383	50,344
Maintenance/Renovations	22,766	35,140
Office Supplies	8,015	6,136
Rent & Utilities	81,542	77,620
External Audits	2,179	2,052
Advertising / Marketing	5,957	8,836
Miscellaneous	9,755	10,321
	193,606	195,724
CAPACITY BUILDING/ MONITORING & EVALUATION/ COORDINATION		
Travel Costs	3,302	2,601
Staff Training	1,520	1,854
Workshops/ Research/ Assessments	6,558	2,959
	11,380	7,414
OTHER BUSINESS COST		
Cost of Sales	138,268	121,247
Outlet Supplies	29,842	21,996
Franchise Fees	24,386	14,672
Staff Food costs	12,088	8,126
Business Uniforms	1,658	1,617
Miscellaneous	801	2,215
	207,043	169,874
PROGRAM SUPPORT		
Headquarter Support Costs	27,886	31,089
	27,886	31,089
TOTAL EXPENSES	1,124,587	921,980
NET INCOME	-29,524	91,386
Retained funds brought forward	174,421	83,035
EQUITY / NET FUND BALANCE	144,897	174,421

Statement of Financial Position as at 31 Dec 2014

Friends Siem Reap, Cambodia

CURRENT ASSETS		2014 (US\$)	2013 (US\$)
Current Assets			
	Cash & Bank	214,673	150,219
	Project Advances	3,481	1,756
	Inventory	24,464	0
Accounts Receivable			
	Funding Receivables	383	9,105
	Staff Loans	730	685
	Guarantee Deposit	16,730	16,730
	Miscellaneous	4,505	1,359
TOTAL ASSETS		264,966	179,854
LIABILITIES			
Current Liabilities			
	Funding Payables	0	347
	Business Payables	4,276	4,491
	Tax Payable	827	595
	Miscellaneous	3,439	0
	Program Loans	110,000	0
	Healthy Child Fund	1,527	0
TOTAL LIABILITIES		120,068	5,433
EQUITY		144,897	174,421

Statement of Changes in Equity as at 31 Dec 2014 - Friends Siem Reap

#	FUND ACCOUNT	TYPE	OPENING	INCOME	EXPENSES	TRANSFER	CLOSING
1	Friends "n" Stuff Art Center	<i>Business</i>	1,172	46,968	27,124	1,381	19,635
2	Friends "n" Stuff Central	<i>Business</i>	3,970	30,520	25,940	2,195	6,355
3	Friends "n" Stuff Marum	<i>Business</i>	-420	49,186	26,358	6,344	16,063
4	Marum Restaurant	<i>Business</i>	-50,263	243,267	290,526	575	-98,097
5	Mechanics	<i>Business</i>	0	1,910	711	-3,391	4,589
6	Phka Kravan	<i>Business</i>	0	4,999	713	0	4,286
7	Sewing Workshop	<i>Business</i>	0	2,917	6,396	-6,344	2,864
8	Vocational Training Business	<i>Business</i>	1,437	9	0	-940	2,385
9	Aide & Action	<i>Donor</i>	0	25,085	20,758	290	4,037
10	AusAid/ DFAT	<i>Donor</i>	12,929	28,945	30,434	360	11,081
11	Charities Aid Foundation Australia	<i>Donor</i>	0	49,001	48,549	452	0
12	ChildWise Cambodia	<i>Donor</i>	-108	227	120	0	0
13	Comic Relief	<i>Donor</i>	0	62,772	34,447	360	27,966
14	Dana Asia	<i>Donor</i>	32,374	45,475	45,433	2,107	30,309
15	Deutsche Bank	<i>Donor</i>	3,117	28,222	18,222	387	12,730
16	Gisela Foundation	<i>Donor</i>	16,556	20,000	35,906	650	0
17	GFATM/ NCHADS (FI)	<i>Donor</i>	0	20,217	19,762	120	335
18	Give2Asia	<i>Donor</i>	75,715	0	60,564	778	14,373
19	International Foundation	<i>Donor</i>	0	15,000	14,843	157	0
20	RAJA Foundation	<i>Donor</i>	0	20,492	15,141	4	5,347
21	Tan Chin Tuan Foundation	<i>Donor</i>	10,950	0	10,675	276	0

#	FUND ACCOUNT	TYPE	OPENING	INCOME	EXPENSES	TRANSFER	CLOSING
22	UNICEF Cambodia (FI)	<i>Donor</i>	10,755	108,432	97,538	2,147	19,503
23	USAID/ World Learning (FI)	<i>Donor</i>	-1,648	106,680	107,196	437	-2,600
24	WISE	<i>Donor</i>	6,381	50,000	55,464	917	0
25	World Childhood Foundation	<i>Donor</i>	0	55,561	55,383	178	0
26	World Education	<i>Donor</i>	-275	6,710	6,732	105	-402
27	World Vision Cambodia	<i>Donor</i>	4,951	10,350	15,301	0	0
28	Amadeus	<i>Private</i>	0	4,895	1,411	0	3,484
29	Christa Radermacher	<i>Private</i>	182	0	0	0	182
30	Cosmoqueen	<i>Private</i>	0	3,586	0	0	3,586
31	Justin Seow	<i>Private</i>	0	8,000	8,000	0	0
32	LARRIKINS Limited	<i>Private</i>	715	0	0	0	715
33	Paul Newfield	<i>Private</i>	11,671	27,305	1,249	0	37,728
34	Teresa Orr	<i>Private</i>	44,461	0	42,361	360	1,740
35	General Reserves	<i>Reserves</i>	-10,203	18,333	1,333	-9,906	16,704
	TOTAL		174,421	1,095,063	1,124,587	0	144,897

Friends Lao PDR

	2014	2013
Number of Staff (31 Dec)	77	59
Total Income (US\$)	802,806	815,245
Total Expenses (US\$)	948,705	641,664
Administrative Costs	3%	3%
Social Businesses	7	4

- Many of Friends Lao PDR donors renewed their support; Aide et Action, Caritas Australia, Friends France, Gisela Foundation (formerly Evert en Gisela Foundation), Intrepid Travel, Small Steps Project, US Embassy. A second European Union program commenced for the expansion of ChildSafe in Vientiane and Luang Prabang.
- The Luang Prabang program was established with the soft opening of the TREE Vocational Training restaurant Khaiphaen, a new drop in centre where some Khaiphaen students also sleep.
- Total costs increased by 48%, particularly due to the investment costs in Luang Prabang. The number of employees increased from 59 to 77, with 16 of those staff based in Luang Prabang, increasing Personnel Costs. Direct costs reduced only due to the sharp increase in 2013 (with EU funding). With support from Small Steps and Aide et Action, the program was able to purchase a new Mobile School bus for community outreach.
- 1% of total expenses were internally funded (\$10,955).
- 2 new Friends “n” Stuff outlets were opened (Vientiane and Luang Prabang). Makphet restaurant also moved venue, to larger premises. Total sales revenue dropped by 13%, and collectively the 7 social businesses, made large losses (profit generated only by ‘From Honeybees to Pepperwood’ cookbook). Losses are attributable to the relocation of Makphet which required large investments in renovation, furniture, kitchen equipment. Additionally during renovations Makphet suffered loss of earnings. While Khaiphaen is still in soft opening phase, students continue to receive training. Customers’ responses on Khaiphaen restaurant have so far been promising.
- Friends Lao PDR 2015 budget will see a reduction in expenses by 3%, however, as at reporting time, there is still a funding gap of 38%

Financial Statements

Income Statement for the year ending 31 Dec 2014 Friends Vientiane & Luang Prabang, Lao PDR

INCOME	2014 (US\$)	2013 (US\$)	2014 (₭IP)	2013 (₭IP)
Sales Revenue	258,497	295,775	2,067,975,972	2,366,201,760
Donor Funding	524,670	464,066	4,197,359,967	3,712,527,286
Private Donations	19,279	54,732	154,233,047	437,853,580
Consultancy	360	0	2,879,546	
Other Income	0	672	0	5,374,945
TOTAL INCOME	802,806	815,245	6,422,448,532	6,521,957,571
EXPENSES	2014 (US\$)	2013 (US\$)	2014 (₭IP)	2013 (₭IP)
PERSONNEL				
International Staff	39,885	13,049	319,076,257	104,395,452
National Staff	267,076	227,690	2,136,611,570	1,821,523,236
Health Insurance	8,055	7,404	64,438,835	59,228,891
Miscellaneous	6,656	5,265	53,245,891	42,119,745
	321,672	253,408	2,573,372,552	2,027,267,323
DIRECT COSTS				
Hygiene costs	4,126	4,775	33,004,500	38,199,000
Medical costs	6,050	5,463	48,398,500	43,702,000
IEC Material	102	1,804	819,000	14,430,000
Clothing for Beneficiaries	1,576	1,632	12,610,000	13,057,000
Non-Formal Education materials	502	1,938	4,014,500	15,503,000
Food/Drink for Beneficiaries	34,805	35,149	278,436,000	281,195,500
Family Support	1,076	2,496	8,611,000	19,971,000
Harm Reduction Materials	1,653	407	13,220,000	3,252,000
Centre Supplies	6,083	3,294	48,666,000	26,348,000
Other Activity Costs	5,073	4,520	40,583,000	36,160,000
Family Reintegration Travel	4,140	3,604	33,120,500	28,832,000
Recreational Activity Support	1,564	2,699	12,512,000	21,595,000
Outreach Materials	385	152	3,080,000	1,215,000
School Reintegration Support	9,580	14,616	76,641,000	116,925,500
Vocational Training Materials	4,178	1,725	33,422,000	13,803,000
Placement Support	2,368	4,670	18,947,000	37,359,000
ChildSafe Materials	152	4,411	1,217,000	35,286,000
Staff Uniforms	0	5,066	0	40,525,000
Family Income Generation Support	6,563	803	52,500,000	6,424,000
	89,975	99,223	719,802,000	793,782,000

EXPENSES	2014 (US\$)	2013 (US\$)	2014 (€P)	2013 (€P)
EQUIPMENT/ASSETS				
IT / Computers	4,504	1,121	36,031,800	8,970,000
Vehicles	23,802	983	190,419,500	7,862,000
Furniture / Fittings	20,771	4,304	166,171,500	34,430,000
Vocational Training Equipment	15,551	2,018	124,410,100	16,145,000
Miscellaneous	3,997	2,100	31,973,420	16,799,000
	68,626	10,526	549,006,320	84,206,000
INDIRECT COSTS				
Communications	8,711	6,923	69,685,500	55,385,500
Transport /Gasoline	12,185	10,517	97,480,053	84,134,000
Maintenance/Renovations	66,780	13,950	534,238,845	111,597,000
Office Supplies	4,335	3,252	34,679,696	26,015,000
Rent & Utilities	81,829	32,551	654,635,489	260,405,114
External Audits	7,801	7,601	62,406,156	60,806,740
Advertising / Marketing	4,770	365	38,159,326	2,916,632
Miscellaneous	11,708	7,095	93,665,616	56,763,588
	198,119	82,253	1,584,950,680	658,023,574
CAPACITY BUILDING/ MONITORING & EVALUATION/ COORDINATION				
Travel Costs	21,728	3,515	173,820,290	28,122,722
Staff Training	3,151	2,300	25,210,000	18,401,500
Workshops/ Research/ Assessments	987	3,509	7,897,000	28,074,000
	25,866	9,325	206,927,290	74,598,222
OTHER BUSINESS COST				
Cost of Sales	107,369	121,800	858,951,413	974,396,780
Outlet Supplies	31,300	8,999	250,402,419	71,992,820
Franchise Fees	44,286	20,888	354,291,249	167,104,550
Staff Food costs	15,789	12,502	126,315,000	100,018,000
Business Uniforms	10,819	5,015	86,550,065	40,120,000
Miscellaneous	4,349	3,927	34,788,587	31,413,520
	213,912	173,131	1,711,298,734	1,385,045,670
PROGRAM SUPPORT				
Headquarter Support Costs	30,536	13,798	244,285,079	110,387,770
	30,536	13,798	244,285,079	110,387,770
TOTAL EXPENSES	948,705	641,664	7,589,642,655	5,133,310,560
NET INCOME	-145,899	173,581	-1,167,194,123	1,388,647,011
Retained funds brought forward	330,435	156,854	2,643,478,687	1,254,831,677
NET FUND BALANCE	184,536	330,435	1,476,284,564	2,643,478,688

Statement of Financial Position as at 31 Dec 2014

Friends Vientiane & Luang Prabang, Lao PDR

CURRENT ASSETS	2014 (US\$)	2013 (US\$)	2014 (₭P)	2013 (₭P)
Current Assets				
Cash & Bank	206,886	299,425	1,655,089,695	2,395,397,613
Prepayments	1,794	32,584	14,355,000	260,669,409
Inventory	20,683	0	165,463,800	0
Accounts Receivable				
Funding Receivables	10	0	81,930	0
Business Receivables	12,487	0	99,899,972	0
Staff Loans	1,850	250	14,800,000	2,000,000
Miscellaneous	3,650	848	29,196,360	6,786,800
TOTAL ASSETS	247,361	333,107	1,978,886,757	2,664,853,822
LIABILITIES				
Current Liabilities				
Funding Payables	176	0	1,405,100	
Business Payables	16,628	2,131	133,022,600	17,045,850
Tax Payable	0	469	0	3,748,761
Miscellaneous	23,447	73	187,574,493	580,523
Program Loans	22,575	0	180,600,000	
TOTAL LIABILITIES	62,825	2,672	502,602,193	21,375,134
EQUITY	184,536	330,435	1,476,284,565	2,643,478,688

Statement of Changes in Equity as at 31 Dec 2014

Friends Vientiane & Luang Prabang, Lao PDR

#	FUND ACCOUNT	TYPE	OPENING (₭)	INCOME (₭)	EXPENSES (₭)	TRANSFER (₭)	CLOSING (₭)
1	Friends “n” Stuff Khaiphaen	<i>Business</i>	0	7,801,000	13,917,200	0	-6,116,200
2	Friends “n” Stuff Makphet	<i>Business</i>	414,052,950	289,249,172	286,935,349	24,147,000	440,513,773
3	Friends “n” Stuff Norkeokoumman	<i>Business</i>	25,530,298	51,505,600	66,668,782	0	10,367,116
4	From Honeybees to Pepperwood	<i>Business</i>	171,780,866	136,159,000	31,957,761	-94,339,000	181,643,105
5	Khaiphaen	<i>Business</i>	0	84,772,000	12,904,000	-872,000	70,996,000
6	Makphet	<i>Business</i>	195,377,188	1,561,865,746	2,288,511,263	1,564,000	-529,704,329
7	Mechanics	<i>Business</i>	-10,632,928	22,367,000	62,799,504	27,468,000	-23,597,432
8	Aide et Action	<i>Donor</i>	0	513,503,635	501,218,841	-12,284,794	0
9	Caritas Australia	<i>Donor</i>	26,358,174	794,850,000	921,110,391	-7,431,000	-107,333,217
10	Charities Aid Foundation UK	<i>Donor</i>	0	8,040,000	8,040,400	400	0
11	European Union	<i>Donor</i>	158,997,543	1,487,992,274	963,705,885	-16,113,000	667,170,932
12	Fondation de l'Orangerie	<i>Donor</i>	814,676,535	404,429,953	884,661,349	0	334,445,139
13	Friends France	<i>Donor</i>	125,362,779	0	165,595,843	-7,406,437	-47,639,500
14	Gisela Foundation	<i>Donor</i>	0	200,750,000	165,243,511	-8,352,000	27,154,489
15	Luang Prabang Marathon Fundraiser	<i>Donor</i>	384,294,001	345,368,057	828,990,550	252,894,040	153,565,548
16	Save The Children	<i>Donor</i>	0	15,456,100	15,456,100	0	0
17	Small Steps Project	<i>Donor</i>	41,585,975	239,380,402	131,074,015	0	149,892,362
18	US Embassy	<i>Donor</i>	0	120,375,000	3,595,000	0	116,780,000
19	World Vision Lao PDR	<i>Donor</i>	0	67,214,545	66,495,000	-719,545	0
20	Amadeus	<i>Private</i>	0	17,728,028	17,728,000	-28	0
21	Intrepid Travel	<i>Private</i>	0	13,317,488	4,967,091	0	8,350,397
22	One Plantation	<i>Private</i>	0	16,074,000	16,063,273	-10,727	0
23	General Reserves	<i>Reserves</i>	296,095,306	24,249,532	132,003,546	-158,544,911	29,796,381
	TOTAL		2,643,478,687	6,422,448,532	7,589,642,655	0	1,476,284,564

#	FUND ACCOUNT	TYPE	OPENING (\$)	INCOME (\$)	EXPENSES (\$)	TRANSFER (\$)	CLOSING (\$)
1	Friends “n” Stuff Khaiphaen	<i>Business</i>	0	975	1,740	0	-765
2	Friends “n” Stuff Makphet	<i>Business</i>	51,757	36,156	35,867	3,018	55,064
3	Friends “n” Stuff Norkeokoumman	<i>Business</i>	3,191	6,438	8,334	0	1,296
4	From Honeybees to Pepperwood	<i>Business</i>	21,473	17,020	3,995	-11,792	22,705
5	Khaiphaen Restaurant	<i>Business</i>	0	10,597	1,613	-109	8,875
6	Makphet Restaurant	<i>Business</i>	24,422	195,233	286,064	196	-66,213
7	Mechanics	<i>Business</i>	-1,329	2,796	7,850	3,434	-2,950
8	Aide et Action	<i>Donor</i>	0	64,188	62,652	-1,536	0
9	Caritas Australia	<i>Donor</i>	3,295	99,356	115,139	-929	-13,417
10	Charities Aid Foundation UK	<i>Donor</i>	0	1,005	1,005	0	0
11	European Union	<i>Donor</i>	19,875	185,999	120,463	-2,014	83,396
12	Fondation de l'Orangerie	<i>Donor</i>	101,835	50,554	110,583	0	41,806
13	Friends France	<i>Donor</i>	15,670	0	20,699	-926	-5,955
14	Gisela Foundation	<i>Donor</i>	0	25,094	20,655	-1,044	3,394
15	Luang Prabang Marathon Fundraiser	<i>Donor</i>	48,037	43,171	103,624	31,612	19,196
16	Save The Children	<i>Donor</i>	0	1,932	1,932	0	0
17	Small Steps Project	<i>Donor</i>	5,198	29,923	16,384	0	18,737
18	US Embassy	<i>Donor</i>	0	15,047	449	0	14,598
19	World Vision Lao PDR	<i>Donor</i>	0	8,402	8,312	-90	0
20	Amadeus	<i>Private</i>	0	2,216	2,216	0	0
21	Intrepid Travel	<i>Private</i>	0	1,665	621	0	1,044
22	One Plantation	<i>Private</i>	0	2,009	2,008	-1	0
24	General Reserves	<i>Reserves</i>	37,012	3,031	16,500	-19,818	3,725
	TOTAL		330,435	802,806	948,705	0	184,536

Friends Thailand

	2014	2013
Number of Staff (31 Dec)	24	21
Total Income (US\$)	498,096	505,238
Total Expenses (US\$)	372,051	338,111
Administrative Costs	6%	7%
Social Businesses	2	1

- Friends Thailand had many renewed donor contracts. Bank of America Merrill Lynch supported for a 3rd consecutive year. World Childhood Foundation supported Aranyaprathet after 4 years of support to Bangkok. The Gisela Foundation (Evert & Gisela Foundation) supported Aranyaprathet for the 4th consecutive year. The ADM Capital Foundation renewed its support for Bangkok outreach and reintegration services
- Funds were fully secured for the TREE Vocational Training restaurant from Deutsche Bank, IKANO, Race of Champions, and Fondation de l'Orangerie. Project commences in 2015
- Two new UNICEF Thailand programs were started for the implementation of child protection across national government shelters and for ChildSafe.
- It was the first full year of operations for the new Friends “n” Stuff outlet (Sukhumvit Soi 49). A second Bangkok outlet was opened in September 2014. Sales Revenue increased 33% from 2013. 68% of sales were direct sales from the outlets, and remaining sales via distributing outlets.
- Expenses increased by 10%, mainly in Aranyaprathet (37% increase), with Bangkok costs remaining relatively steady from 2013.
- Direct costs in Bangkok decreased in 2014 due to external political challenges, resulting in a lack of access to certain outreach zones.
- 2015 looks to be promising for Friends Thailand. The program has approximately only a 20% funding gap at the time of report-writing.

Financial Statements

Income Statement for the year ending 31 Dec 2014

Friends Bangkok & Aranyaprathet, Thailand

INCOME	2014 (US\$)	2013 (US\$)	2014 (TH฿)	2013 (TH฿)
Sales Revenue	21,709	16,307	694,704	521,817
Donor Funding	456,104	471,486	14,595,321	15,087,558
Private Donations	18,850	635	603,204	20,334
Consultancy	150	391	4,800	12,519
Other Income	1,283	1,239	41,053	39,649
Internal Funding	0	15,179	0	485,740
TOTAL INCOME	498,096	505,238	15,939,082	16,167,617
EXPENSES	2014 (US\$)	2013 (US\$)	2014 (TH฿)	2013 (TH฿)
PERSONNEL				
International Staff	3,281	9,290	105,000	297,273
National Staff	155,064	148,210	4,962,037	4,742,705
Health Insurance	4,787	3,899	153,176	124,779
Overtime	6,618	7,414	211,770	237,260
Miscellaneous	2,120	4,676	67,827	149,625
	171,869	173,489	5,499,810	5,551,641
DIRECT COSTS				
Hygiene costs	854	916	27,333	29,299
Medical costs	3,230	4,624	103,353	147,970
IEC Material	529	1,424	16,918	45,558
Clothing for Beneficiaries	593	220	18,982	7,053
Non-Formal Education materials	538	2,908	17,201	93,063
Food/Drink for Beneficiaries	1,703	1,989	54,486	63,641
Family Support	1,631	1,821	52,191	58,259
Harm Reduction Materials	0	68	0	2,171
Centre Supplies	359	694	11,475	22,193
Other Activity Costs	940	100	30,092	3,215
Family Reintegration Travel	2,382	3,419	76,213	109,406
Recreational Activity Support	1,704	2,307	54,513	73,832
Outreach Materials	679	617	21,722	19,736
School Reintegration Support	5,850	5,245	187,209	167,825
Vocational Training Materials	1,275	279	40,805	8,923
Placement Support	523	931	16,725	29,795
ChildSafe Materials	1,109	8,972	35,484	287,099
Staff Uniforms	1,147	866	36,693	27,700
Family Income Generation Support	5,899	9,672	188,773	309,514
	30,943	47,070	990,166	1,506,251

EXPENSES	2014 (US\$)	2013 (US\$)	2014 (TH฿)	2013 (TH฿)
EQUIPMENT/ASSETS				
IT / Computers	4,739	926	151,659	29,632
Furniture / Fittings	627	1,784	20,051	57,080
Vocational Training Equipment	0	2,795	0	89,443
Miscellaneous	690	1,074	22,082	34,369
	6,056	6,579	193,791	210,524
INDIRECT COSTS				
Communications	4,005	3,867	128,156	123,754
Transport / Gasoline	10,102	9,842	323,266	314,931
Maintenance/Renovations	1,402	14,306	44,869	457,798
Office Supplies	3,396	2,426	108,681	77,629
Rent & Utilities	36,961	24,854	1,182,742	795,316
External Audits	2,531	2,565	81,000	82,080
Advertising / Marketing	1,431	3,805	45,803	121,760
Miscellaneous	6,633	5,248	212,257	167,950
	66,462	66,913	2,126,772	2,141,218
CAPACITY BUILDING/ MONITORING & EVALUATION/ COORDINATION				
Travel Costs	8,052	6,561	257,660	209,944
Staff Training	81	189	2,604	6,050
Workshops/ Research/ Assessments	631	434	20,189	13,874
	8,764	7,183	280,452	229,868
OTHER BUSINESS COST				
Cost of Sales	11,644	12,263	372,607	392,429
Outlet Supplies	622	56	19,915	1,805
Franchise Fees	25,750	0	824,000	0
Miscellaneous	169	333	5,405	10,653
	38,185	12,653	1,221,926	404,887
PROGRAM SUPPORT				
Headquarter Support Costs	49,772	24,224	1,592,701	775,164
	49,772	24,224	1,592,701	775,164
TOTAL EXPENSES	372,051	338,111	11,905,618	10,819,552
NET INCOME	126,046	167,127	4,033,464	5,348,065
Retained funds brought forward	271,949	104,822	8,702,369	3,354,303
	397,995	271,949	12,735,832	8,702,369

Statement of Financial Position as at 31 Dec 2014

Friends Bangkok & Aranyaprathet, Thailand

CURRENT ASSETS	2014 (US\$)	2013 (US\$)	2014 (TH฿)	2013 (TH฿)
Current Assets				
Cash & Bank	392,332	267,687	12,554,625	8,565,999
Project Advances	1,578	1,330	50,480	42,574
Accounts Receivable				
Funding Receivables	770	0	24,628	0
Business Receivables	1,060	2,276	33,914	72,844
Guarantee Deposits	7,163	5,631	229,200	180,200
Miscellaneous	0	563	0	18,000
TOTAL ASSETS	402,901	277,488	12,892,847	8,879,616
LIABILITIES				
Current Liabilities				
Funding Payables	314	41	10,042	1,317
Business Payables	3,166	2,107	101,323	67,431
Tax Payable	272	206	8,717	6,606
Miscellaneous	275	2,531	8,800	81,000
Withholding Tax	107	84	3,428	2,693
Social Security Payable	772	569	24,704	18,200
TOTAL LIABILITIES	4,907	5,539	157,015	177,248
EQUITY	397,995	271,949	12,735,832	8,702,369

Statement of Changes in Equity as at 31 Dec 2014

Friends Bangkok & Aranyaprathet, Thailand

#	FUND ACCOUNT	TYPE	OPENING (TH฿)	INCOME (TH฿)	EXPENSES (TH฿)	TRANSFER (TH฿)	CLOSING (TH฿)
1	Friends “n” Stuff Aran	<i>Business</i>	-43,153	0	0	0	-43,153
2	Friends “n” Stuff Phra Athit	<i>Business</i>	0	54,480	66,866	47,479	35,092
3	Friends “n” Stuff Sukhumvit Soi 49	<i>Business</i>	249,225	640,224	442,783	-47,479	399,187
4	ADM Capital Foundation	<i>Donor</i>	0	1,604,926	1,186,558	0	418,369
5	ANZ Women's Group	<i>Donor</i>	137,774	0	29,888	0	107,886
6	Deutsche Bank	<i>Donor</i>	1,261,500	0	297,464	0	964,036
7	Gisela Foundation	<i>Donor</i>	46,823	966,000	590,225	0	422,598
8	Give2 Asia / Bank of America Merrill Lynch	<i>Donor</i>	1,450,610	1,618,014	1,689,465	0	1,379,160
9	IKANO	<i>Donor</i>	4,078,865	3,375,500	1,626,124	0	5,828,241
10	UNICEF Thailand	<i>Donor</i>	0	1,649,915	789,163	-11,540	849,211
11	WISE / Race of Champions	<i>Donor</i>	1,058,415	3,788,450	3,511,371	0	1,335,494
12	World Childhood Foundation	<i>Donor</i>	69,450	1,592,515	1,607,105	0	54,860
13	World Vision Thailand	<i>Donor</i>	12,028	0	12,028	0	0
14	General Reserves	<i>Reserves</i>	374,036	168,807	5,474	11,540	548,908
15	Harvey World Travel	<i>Private</i>	6,796	0	6,944	0	-148
16	VISA	<i>Private</i>	0	480,250	44,159	0	436,091
	TOTAL		8,702,369	15,939,082	11,905,618	0	12,735,833

#	FUND ACCOUNT	TYPE	OPENING (US\$)	INCOME (US\$)	EXPENSES (US\$)	TRANSFER (US\$)	CLOSING (US\$)
1	Friends “n” Stuff Aran	<i>Business</i>	-1,349	0	0	0	-1,349
2	Friends “n” Stuff Phra Athit	<i>Business</i>	0	1,703	2,090	1,484	1,097
3	Friends “n” Stuff Sukhumvit Soi 49	<i>Business</i>	7,788	20,007	13,837	-1,484	12,475
4	ADM Capital Foundation	<i>Donor</i>	0	50,154	37,080	0	13,074
5	ANZ Women's Group	<i>Donor</i>	4,305	0	934	0	3,371
6	Deutsche Bank	<i>Donor</i>	39,422	0	9,296	0	30,126
7	Gisela Foundation	<i>Donor</i>	1,463	30,188	18,445	0	13,206
8	Give2 Asia / Bank of America Merrill Lynch	<i>Donor</i>	45,332	50,563	52,796	0	43,099
9	IKANO	<i>Donor</i>	127,465	105,484	50,816	0	182,133
10	UNICEF Thailand	<i>Donor</i>	0	51,560	24,661	-361	26,538
11	WISE / Race of Champions	<i>Donor</i>	33,075	118,389	109,730	0	41,734
12	World Childhood Foundation	<i>Donor</i>	2,170	49,766	50,222	0	1,714
13	World Vision Thailand	<i>Donor</i>	376	0	376	0	0
14	General Reserves	<i>Reserves</i>	11,689	5,275	171	361	17,153
15	Harvey World Travel	<i>Private</i>	212	0	217	0	-5
16	VISA	<i>Private</i>	0	15,008	1,380	0	13,628
	TOTAL		271,949	498,096	372,051	0	397,995

Friends Indonesia

	2014	2013
Number of Staff (31 Dec)	8	7
Total Income (US\$)	103,495	78,612
Total Expenses (US\$)	65,986	77,346
Administrative Costs	9%	7%
Social Businesses	0	0

- A difficult year financially, Friends in Jakarta was supported by Headquarters internal funding for over 40% of its expenses.
- In September 2014, Jakarta received a donation from the Tan Chin Tuan Foundation accounting for 15% of total spending.
- Total expenses reduced by 15%, due to the closure of the Aceh program in 2013.
- The lack of funding meant that certain planned recruitments were delayed; however, a new Job Placement Officer and Family Economic Support Officer were added to the team.
- Direct costs increased by 247%, with the largest costs increasing for School Reintegration support in absolute values.
- Assets and equipment needs were not as high as in 2013 when the Jakarta program was being established
- Friends Jakarta participated in the Skoll Challenge raising over \$3,000 in unrestricted funds
- Friends Jakarta have secured 2015 funds from Friends Deutschland, Symphasis Foundation and Geneva Canton, and face only a 7% funding gap, as at 28 Feb 2015

Financial Statements

Income Statement for the year ending 31 Dec 2014 Friends Jakarta, Indonesia

INCOME	2014 (US\$)	2013 (US\$)	2014 (IDR)	2013 (IDR)
Donor Funding	83,391	76,980	1,000,691,073	923,763,458
Private Donations	6	159	67,000	1,903,840
Consultancy	2,349	0	28,189,140	0
Other Income	189	1,473	2,267,345	17,679,026
Internal Funding	17,560	0	210,720,925	0
TOTAL INCOME	103,495	78,612	1,241,935,483	943,346,324
EXPENSES	2014 (US\$)	2013 (US\$)	2014 (IDR)	2013 (IDR)
PERSONNEL				
Staff Salaries	28,771	51,024	345,253,737	612,290,321
Health Insurance	2,146	1,524	25,755,822	18,293,258
Miscellaneous	225	95	2,700,000	1,140,000
	31,142	52,644	373,709,559	631,723,579
DIRECT COSTS				
Hygiene costs	60	9	724,500	109,300
Medical costs	449	150	5,392,900	1,795,500
IEC Material	56	9	670,500	106,000
Clothing for Beneficiaries	0	10	0	120,000
Non-Formal Education materials	323	28	3,872,600	340,200
Food/Drink for Beneficiaries	197	157	2,361,800	1,878,600
Family Support	111	6	1,332,500	67,000
Other Activity Costs	83	7	998,300	82,000
Family Reintegration Travel	446	225	5,348,500	2,703,500
Recreational Activity Support	709	9	8,510,000	105,000
Outreach Materials	107	389	1,286,000	4,672,700
School Reintegration Support	2,251	186	27,012,200	2,232,500
Placement Support	1	0	12,000	0
ChildSafe Materials	333	53	4,000,000	639,500
Staff Uniforms	40	300	480,000	3,602,500
Family Income Generation Support	850	194	10,203,700	2,331,100
	6,017	1,732	72,205,500	20,785,400
EQUIPMENT/ASSETS				
IT / Computers	100	1,660	1,200,000	19,923,675
Vehicles	675	565	8,100,000	6,780,000
Furniture / Fittings	0	1,695	0	20,344,000
Miscellaneous	98	455	1,170,000	5,459,000
	873	4,376	10,470,000	52,506,675

EXPENSES	2014 (US\$)	2013 (US\$)	2014 (IDR)	2013 (IDR)
INDIRECT COSTS				
Communications	1,005	1,006	12,056,702	12,072,359
Transport / Gasoline	1,797	1,060	21,561,500	12,725,496
Maintenance/Renovations	308	105	3,697,000	1,265,000
Office Supplies	543	1,216	6,520,600	14,595,250
Rent & Utilities	1,751	4,375	21,009,267	52,502,973
External Audits	1,146	0	13,750,000	0
Miscellaneous	3,047	1,489	36,558,132	17,865,539
	9,596	9,252	115,153,200	111,026,617
CAPACITY BUILDING/ MONITORING & EVALUATION/ COORDINATION				
Travel Costs	5,023	9,282	60,277,150	111,385,341
Workshops/ Research/ Assessments	17	0	200,000	0
	5,040	9,282	60,477,150	111,385,341
PROGRAM SUPPORT				
Headquarter Support Costs	13,318	61	159,819,208	728,568
	13,318	61	159,819,208	728,568
TOTAL EXPENSES	65,986	77,346	791,834,617	928,156,180
NET INCOME	37,508	1,266	450,100,866	15,190,144
Retained funds brought forward	19,698	18,432	236,372,652	221,182,508
NET FUND BALANCE	57,206	19,698	686,473,518	236,372,652

Statement of Financial Position as at 31 Dec 2014

Friends Jakarta, Indonesia

CURRENT ASSETS	2014 (US\$)	2013 (US\$)	2014 (IDR)	2013 (IDR)
Current Assets				
Cash & Bank	54,131	19,481	649,569,822	233,769,319
Prepayments	2,163	0	25,958,333	0
Project Advances	417	258	5,000,000	3,100,000
Accounts Receivable				
Staff Loan Receivables	267	333	3,200,000	4,000,000
Guarantee Deposits	250	250	3,000,000	3,000,000
Miscellaneous	0	215	0	2,584,300
TOTAL ASSETS	57,227	20,538	686,728,155	246,453,619
LIABILITIES				
Current Liabilities				
Funding Payables	0	634	0	7,609,274
Tax Payable	21	4	254,637	43,193
Social Security Payable	0	202	0	2,428,500
TOTAL LIABILITIES	21	840	254,637	10,080,967
EQUITY	57,206	19,698	686,473,518	236,372,652

Statement Changes in Equity as at 31 Dec 2014

Friends Jakarta, Indonesia

#	FUND ACCOUNT	TYPE	OPENING (IDR)	INCOME (IDR)	EXPENSES (IDR)	TRANSFER (IDR)	CLOSING (IDR)
1	ADM Capital Foundation	<i>Consultancy</i>	0	28,189,140	16,171,382	0	12,017,758
2	Friends Deutschland	<i>Donor</i>	0	195,351,000	0		195,351,000
3	Give2 Asia	<i>Donor</i>	250,263,946	0	250,263,946	0	0
4	Symphasis Foundation	<i>Donor</i>	-49,575,189	746,127,084	77,542,613	0	619,009,283
5	Tan Chin Tuan Foundation	<i>Donor</i>	0	59,212,989	118,425,977	0	-59,212,988
6	FI Headquarters (Internal Funding)	<i>Internal</i>	11,343,526	210,720,925	292,537,815	24,877,925	-45,595,440
7	Skoll Challenge	<i>Private</i>	0	0	36,330,437	0	-36,330,437
8	Teman Baik Reserves	<i>Reserves</i>	24,340,370	2,334,345	562,447	-24,877,925	1,234,342
	TOTAL		236,372,652	1,241,935,483	791,834,617	0	686,473,518

#	FUND ACCOUNT	TYPE	OPENING (US\$)	INCOME (US\$)	EXPENSES (US\$)	TRANSFER (US\$)	CLOSING (US\$)
1	ADM Capital Foundation	<i>Consultancy</i>	0	2,349	1,348	0	1,001
2	Friends Deutschland	<i>Donor</i>	0	16,279	0	0	16,279
3	Give2 Asia	<i>Donor</i>	20,855	0	20,855	0	0
4	Symphasis Foundation	<i>Donor</i>	-4,131	62,177	6,462	0	51,584
5	Tan Chin Tuan Foundation	<i>Donor</i>	0	4,934	9,869	0	-4,934
6	FI Headquarters (Internal Funding)	<i>Internal</i>	945	17,560	24,378	2,073	-3,800
7	Skoll Challenge	<i>Private</i>	0	0	3,028	0	-3,028
8	Teman Baik Reserves	<i>Reserves</i>	2,028	195	47	-2,073	103
	TOTAL		19,698	103,495	65,986	0	57,206

Annual Budgets 2015

	HQ	Friends Phnom Penh	Friends Siem Reap	Friends Thailand	Friends Lao PDR	Friends Indonesia	Mith Samlanh
Personnel Costs	\$840,000	\$321,000	\$517,000	\$389,000	\$425,500	\$80,000	\$1,617,000
Direct Costs	\$0	\$216,000	\$341,000	\$192,500	\$220,000	\$27,200	\$838,000
Assets/Equipment	\$11,700	\$4,000	\$14,200	\$41,000	\$15,700	\$0	\$56,100
Indirect Costs	\$171,414	\$47,000	\$42,000	\$35,000	\$97,500	\$9,400	\$570,500
Travel & Capacity Building	\$96,000	\$8,800	\$26,500	\$11,000	\$31,200	\$7,600	\$18,000
Direct Business Costs	\$114,100	\$0	\$167,500	\$38,000	\$97,500	\$0	\$776,000
Partner Sub-Grants	\$0	\$690,000	\$0	\$0	\$0	\$0	\$0
Headquarter Support	\$0	\$25,000	\$56,100	\$33,000	\$32,500	\$46,000	\$0
GRAND TOTAL	\$1,233,214	\$1,311,800	\$1,164,300	\$739,500	\$919,900	\$170,200	\$3,875,600



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