

MITH SAMLANH

**Financial Statements
for the year ended 31 December 2018
and
Report of the Independent Auditors**

Mith Samlanh

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Organisation Information

Organisation document Registration No.172 issued by the Ministry of Interior on 11 February 2002

Main donors

- Global Fund/Friends-International Cambodia (“GFATM/FI”)
- Fossil Fondation
- WISE/Swiss Philanthropy Fund
- Friends Deutschland
- Fondation Junclair
- IF International Foundation
- Wise Fondation Next
- Riverview Children’s Foundation
- DanChurchAid (“DCA”)
- Dining For Women
- Gisela Stichting
- United Nations Children’s Fund (“UNICEF”)
- Firetree Asia Foundation
- ELLE Foundation
- Weyerhaeuser Family Foundation
- Sipar/AFD
- AMADEUS
- Smart Axiata
- Intrepid Foundation
- EPIC Foundation
- United Nation Women's Guild of Vienna
- Teresa Orr

Board of Directors	Mr. Reth Vuthy	Chairperson (appointed on 28 August 2018)
	Mr. Dararith Kim Yeat	Member
	Ms. Dana Langlois	Member
	Mr. Sao Sarin	Member
	Mr. Tamo Wagener	Member (appointed on 28 August 2018)
	Mr, Michael Gilmore	Member (appointed on 28 August 2018)
	Mr. Vivian Gee	Member (appointed on 28 August 2018)
	Mr. Len Coster	Member (appointed on 28 August 2018)
	Ms. Mâp Somaya (Ly Sophat)	Member (non-voting member)
	Mr. Sebastien Marot	Member (non-voting member)
	Ms. Tith Davy	Member
	Ms. Chhun Chenda Sophea	Member (resigned on 17 Feb 2018)

Technical Coordinator Friends-International

Organisation Information (continued)

Management Team	Ms. Mâp Somaya (Ly Sophat) Mr. Pring KimChhay Mr. Pin Sokhom Ms. Kay Phanny Mr. Horn Pisith	Program Director Finance Coordinator Saving Lives Coordinator HR Coordinator Building Future Coordination
Registered Office	#215, Street 13, Phnom Penh Kingdom of Cambodia	
Principal Bankers	ANZ Royal Bank (Cambodia) Ltd Foreign Trade Bank of Cambodia ACLEDA Bank Plc.	
Auditors	KPMG Cambodia Ltd	

Statement by the Directors

I, the undersigned, on behalf of the Management and the Board of Directors of Mith Samlanh ("the Organisation"), do hereby state that the accompanying financial statements for the year ended 31 December 2018, as set out on pages 7 to 20 are prepared, in all material respects, in accordance with the basis of accounting and the accounting policies described in Note 2 to the financial statements.

Signed on behalf of the Board of Directors in accordance with a resolution of the Board,



Ms. Mâp Somaya (Ly Sophat)
Program Director

Phnom Penh, Kingdom of Cambodia

Date: 25 MAR 2019



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Report of the independent auditors

**To the donors
Mith Samlanh**

Opinion

We have audited the accompanying financial statements of Mith Samlanh ("the Organisation"), which comprises the statement of financial position as of 31 December 2018, the statement of income and expenditure for the year then ended and notes, comprising significant accounting policies and other explanatory information ("financial statements"), as set out on pages 7 to 20.

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

Basis for Opinion

We conducted our audit in accordance with Cambodian International Standards on Auditing (CISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organisation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Cambodia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting and Restriction on Use and Distribution

We draw attention to Note 2 to the financial statements, which describes the basis of accounting and the accounting policies adopted by the Organisation. The financial statements are prepared for the information of and use by the Donors and management of the Organisation. As a result, the financial statements may not be suitable for another purpose. This restriction on use does not limit the disclosure or distribution of our report if such disclosure or distribution is required by laws and regulations. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annex I on page (i) to (ii), but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Organisation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organisation's financial reporting process.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with CISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Organisation to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For KPMG Cambodia Ltd


Taing YoukFong
Partner



Phnom Penh, Kingdom of Cambodia

25 March 2019

Mith Samlanh

Statement of financial position as at 31 December 2018

	Note	2018 US\$	2017 US\$
ASSETS			
Cash and bank balances	3	693,233	634,197
Account receivables	4	65,575	33,081
Freehold land	5	2,826,900	2,826,900
		<u>3,585,708</u>	<u>3,494,178</u>
LIABILITIES			
Account payables	6	71,316	172,414
Net assets		<u>3,514,392</u>	<u>3,321,764</u>
Represented by:			
Fund balance at end of year		<u>3,514,392</u>	<u>3,321,764</u>

Prepared by:



Mr. Pring KimChhay
Finance Coordinator

25 MAR 2019

Approved by:



Ms. Mâp Somaya (Ly Sophat)
Program Director

25 MAR 2019

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

Mith Samlanh

Statement of income and expenditure for the year ended 31 December 2018

	Note	2018 US\$	2017 US\$
Income			
Donor funding/grants	7	1,167,337	1,383,833
Training income	8	1,740,685	1,820,956
Private donations	9	29,051	39,090
Other income	10	20,181	15,254
		<u>2,957,254</u>	<u>3,259,133</u>
Expenditure			
Personnel costs	11	1,364,704	1,355,152
Indirect costs	12	554,714	512,123
Direct costs	13	284,670	346,123
Capital expenditure	14	5,284	17,005
Travel costs		18,295	24,174
Other training income generation cost	15	530,222	571,808
		<u>2,757,889</u>	<u>2,826,385</u>
Surplus of income over expenditure		199,365	432,748
Fund balance at beginning of year		3,321,764	2,889,016
Refunded to donor		(6,737)	-
Fund balance at end of year		<u>3,514,392</u>	<u>3,321,764</u>

Prepared by:



Mr. Pring KimChhay
Finance Coordinator

Date: 25 MAR 2019

Approved by:



Ms. Mâp Somaya (Ly Sophat)
Program Director

Date: 25 MAR 2019

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

Mith Samlanh

Notes to the financial statements for the year ended 31 December 2018

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

1. Background

Mith Samlanh (“the Organisation”) was established in 1994 in Phnom Penh, Cambodia, and works with vulnerable children/youths, their families and their communities. The Organisation registered as a local NGO with the Ministry of Interior on 11 February 2002, and is party to a Memorandum of Understanding with the Ministry of Social Affairs, Vocational Training and Youth dated 02 August 1999 and subsequently renewed on 10 November 2015, Ministry of Health date 02 April 2016, Ministry of Education, youth and Sport date 17 February 2017, Ministry of Labour and Vocational Training date 11 February 2016, and Municipality of Phnom Penh date 06 September 2017

The Organisation’s objective is to reintegrate children and youths back into school, their families and communities so that they become active and productive citizens of their country. Since 1994, the Organisation has been working with children and youths to develop the best possible service to give them opportunities to go to school, learn a trade, find employment, recover from drug addiction and move away from life on the streets.

As at 31 December 2018, the Organisation had 237 employees (2017: 233 employees).

2. Significant accounting policies

The following significant accounting policies have been adopted by the Organisation in the preparation of these financial statements.

(a) Basis of aggregation

The financial statements comprise the financial statements of the business and the Project, after elimination of all inter-organisation balances and transactions.

(b) Basis of accounting

The financial statements, which are expressed in United States Dollars (“US\$”), have been prepared in accordance with a modified cash receipts and disbursements basis of accounting. This is a basis of accounting that is designed and adopted to meet the requirements of the Organisation; it is not designed to produce financial statements that are compatible with International Financial Reporting Standards.

Mith Samlanh

Notes to the financial statements (continued) for the year ended 31 December 2018

2. Significant accounting policies (continued)

(b) Basis of accounting (continued)

Under this basis of accounting, income is recognised when the Organisation receives funds in cash rather than when it is earned. Expenditure is recognised when payments are made rather than when expenditure is incurred, except for the following treatments:

- (i) Cash advance to staff and suppliers are initially recognised as receivables in the statement of financial position and only recognised as expenditure when they have been liquidated by supporting invoices;
- (ii) Rental prepayment of business is recorded in statement of financial position and recognised as rental expense in the subsequent months when it is realised;
- (iii) Receivables from income of the Organisation's products and staff loan are recorded in the statement of financial position until cash is received; and
- (iv) Professional fee, salary tax, gasoline and other payables are recorded in the statement of financial position until they are settled.

The financial statements are prepared for the information of and use by the Donors and management of the Organisation. As a result, the financial statements may not be suitable for another purpose.

(c) Non-expendable equipment and freehold land

Except for freehold land, the cost of non-expendable equipment is charged to 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.

Freehold land is stated at cost and recorded as an asset in the statement of financial position. Freehold land is not depreciated.

(d) Foreign currency transactions

The Organisation transacts its business and maintains its accounting records primarily in United States Dollars ("US\$"). Transactions in currencies other than US\$ are converted into US\$ at the rates of exchange prevailing on the transaction dates. Monetary assets and liabilities denominated in currencies other than US\$ are translated into US\$ at the open market rates of exchange ruling at the year end date. Exchange differences are recognised in the statement of income and expenditure.

Mith Samlanh

Notes to the financial statements (continued) for the year ended 31 December 2018

2. Significant accounting policies (continued)

(e) New standards not yet adopted

On 27 March 2018, the Ministry of Economy and Finance ("MEF") issued a Prakas on the Implementation of Cambodian Financial Reporting for Not-For-Profit Entities ("CIFRS for NFPEs") established in compliance with the Law on Association and NGO and relevant provision in effect. Article 3 and 5 of the Prakas state that the CIFRS for NFPEs is established based on the cash basis of accounting.

On 21 January 2019, the National Accounting Council of the MEF announced to delay the implementation of the CIFRS for NFPEs until further notice.

3. Cash and bank balances

	2018 US\$	2017 US\$
Cash on hand	10,822	19,874
Cash at banks		
ANZ Royal Bank (Cambodia) Ltd.	499,704	530,905
ACLEDA Bank Plc.	174,005	57,949
Foreign Trade Bank of Cambodia	8,702	25,469
	682,411	614,323
	693,233	634,197

4. Account receivables

	2018 US\$	2017 US\$
Receivables - Program	29,003	540
Receivables - Credit income	25,355	27,616
Other receivable	5,675	-
Guarantee deposits	2,567	2,397
Staff loans	1,970	2,520
Prepayment	1,005	8
	65,575	33,081

Mith Samlanh

Notes to the financial statements (continued) for the year ended 31 December 2018

5. Freehold land

In order to secure the future of the programme and the future of Cambodian street children, the Organisation purchased the freehold land where its core activities are based.

The freehold land of the Organisation is located at #215, Street 13, Sangkat Chey Chumneas, Khan Daun Penh, Phnom Penh, Kingdom of Cambodia.

On 10 August 2018, the Organisation paid the Property Tax at the amount of US\$4,305 (Note 12).

6. Account payables

	2018 US\$	2017 US\$
Loan from Friend International (FI) (*)	30,000	135,000
TREE franchise fee payable	15,978	16,895
Others	13,674	10,962
Student tip payable	5,775	3,173
Salary tax payable	2,151	2,258
Consignment product purchase	2,083	2,236
Gasoline payable	1,538	1,755
Gas payable	117	135
	<hr/>	<hr/>
	71,316	172,414
	<hr/>	<hr/>

(*) On 21 October 2016, FI entered into loan agreement with Foundation Philanthropique for a total facility of \$ 200,000, the loan is interest-free, and repaid on 28 January 2019.

7. Donor funding/grants

	2018 US\$	2017 US\$
United Nations Children's Fund ("UNICEF") through FI	263,188	264,030
Global Fund/Friends-International Cambodia ("GFATM/FI")	123,455	232,662
Fondation Junclair – Chbar Ampov	112,300	116,990
Fossil Fondation	93,591	145,000
Gisela Stichting	77,000	77,000
	<hr/>	<hr/>
Sub-total	669,534	835,682
	<hr/>	<hr/>

Mith Samlanh

Notes to the financial statements (continued) for the year ended 31 December 2018

7. Donor funding/grants (continued)

	2018 US\$	2017 US\$
Fondation Juniclair – Takhmao	62,849	-
DanChurchAid (“DCA”)	56,630	57,420
IF International Foundation	54,639	50,219
EPIC Foundation	47,648	-
Fondation Juniclair - Night Bus	45,380	45,535
Friends Deutschland	28,837	17,378
Intrepid Foundation - Let's Eat	26,100	-
Weyerhaeuser Family Foundation	25,000	25,000
Teresa Orr	25,000	-
Fondation Juniclair - Green House	22,399	-
Sipar/AFD	13,201	21,267
Friends France	11,561	-
Fondation ELLE	11,330	11,758
Riverview Children's Foundation	10,913	14,767
United Nation Women's Guild of Vienna	10,500	-
Global Development Group	10,319	-
Intrepid Foundation	10,541	-
Amadeus Asia	7,500	7,500
SMART Axiata	8,862	13,646
Intrepid Foundation - Tree Experience	6,300	-
Amie(s)	2,294	-
WISE/Swiss Philanthropy Fund	-	56,877
WISE-Fondation NEXT	-	52,272
WISE/Eric Barthelmé	-	46,797
Secours Catholique/Caritas France	-	26,388
Comic Relief	-	3,951
Firetree Asia Foundation	-	40,000
Dining For Women	-	50,000
Microsoft Philanthropies	-	7,376
Sub-total	497,803	548,151
	1,167,337	1,383,833

Mith Samlanh

Notes to the financial statements (continued) for the year ended 31 December 2018

8. Training income

As part of its objective to integrate youths into the workforce and to increase the Organisation's sustainability, the Organisation has set up a number of businesses to train the youths under its care and also to generate income from business activities. The business activities consist of the following:

2018	Note	Fund balance 1 January 2018 US\$	Income US\$	Other income US\$	Expenditure (Income/ Expense)* US\$	Inter-business Expense)* US\$	Transfers** US\$	Fund balance 31 December 2018 US\$
Friends N Stuff (Street no.13)	(i)	180,511	202,501	696	(155,096)	(489)	(26,285)	201,838
Friends N Stuff (Romdeng)	(ii)	13,041	47,566	-	(45,735)	-	(1,713)	13,159
Friends training restaurant	(iii)	139,128	712,609	875	(572,867)	(1,355)	(42,695)	235,695
Romdeng training restaurant	(iii)	102,043	679,790	3,503	(587,439)	(560)	(22,936)	174,401
Cookbook "Best of Friends"	(iv)	8,146	6,338	-	(1,029)	13	(1,552)	11,916
Vocational Training Centre	(v)	12,444	24,366	-	(34,846)	1,614	(412)	3,166
Home Base Production		(38,443)	67,515	683	(53,298)	777	-	(22,766)
		<u>416,870</u>	<u>1,740,685</u>	<u>5,757</u>	<u>(1,450,310)</u>	<u>-</u>	<u>(95,593)</u>	<u>617,409</u>

* During the year, some individual business units sold its products and services to each other. These amounts were eliminated when income and expenditure of all business activities were aggregated.

** During the year, the Organisation transferred funds generated from business activities amounting to US\$95,593 (2017: US\$101,115) and from training restaurant rental amounting to US\$12,000 (2017: US\$12,000) as a contribution to support the Project activities.

Mith Samlanh

Notes to the financial statements (continued) for the year ended 31 December 2018

8. Training income (continued)

2017	Note	Fund balance 1 January 2017 US\$	Income US\$	Other income US\$	Expenditure (income/ expense)* US\$	Inter-business expense)* US\$	Transfers** US\$	Fund balance 31 December 2017 US\$
Friends N Stuff (Street no.13)	(i)	24,515	258,534	505	(62,850)	(1,874)	(38,319)	180,511
Friends N Stuff (Romdeng)	(ii)	4,651	51,975	-	(40,853)	(58)	(2,674)	13,041
Friends training restaurant	(iii)	52,382	766,113	2,187	(642,532)	(1,179)	(37,843)	139,128
Romdeng training restaurant	(iii)	31,782	651,331	2,963	(565,244)	(966)	(17,823)	102,043
Cookbook "Best of Friends"	(iv)	2,300	7,412	13	-	203	(1,782)	8,146
Vocational Training Centre	(v)	6,151	22,015	-	(14,599)	1,551	(2,674)	12,444
Home Base Production		219	63,576	5,021	(109,582)	2,323	-	(38,443)
		<u>122,000</u>	<u>1,820,956</u>	<u>10,689</u>	<u>(1,435,660)</u>	<u>-</u>	<u>(101,115)</u>	<u>416,870</u>

* During the year, some individual business units sold its products and services to each other. These amounts were eliminated when income and expenditure of all business activities were aggregated.

** During the year, the Organisation transferred funds generated from business activities amounting to US\$101,115 (2016: US\$627,905) and from training restaurant rental amounting to US\$12,000 (2016: US\$12,000) as a contribution to support the Project activities.

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Notes to the financial statements (continued) for the year ended 31 December 2018

8. Training income (continued)

(i) *Friends N Stuff (Street no. 13)*

Friends N Stuff, established in May 2003 and located next to Friends Training Restaurant, sells clothes, books, products made by families of vulnerable children in the Home Based production program and by former street youths in training and promotional materials such as T-shirts, posters, calendars and postcards. Beauty students also run the Nail Bar in this shop, providing manicures, pedicures and nail art.

(ii) *Friends N Stuff (Romdeng)*

This Friends N Stuff (Romdeng) training outlet was established on 15 December 2011 and is located in Romdeng training restaurant. The outlet mainly sells home-based production products made by communities, as part of the Family Income Generation project enabling families to send their children to school instead of work on the streets or beg.

(iii) *Friends Training Restaurant and Romdeng Training Restaurant*

Friends Training Restaurant serves Western and Asian Tapas and has been operating since February 2001. Romdeng Training Restaurant specialises in Cambodian food and opened in December 2005. Both training restaurants are run as businesses that provide students with hands on practical experience and generate income for the Organisation. The training restaurants and canteen provide hospitality training to 150 students each year with around 50 students in each level.

(iv) *Cookbook “Best of Friends”*

The Cookbook “Best of Friends”, established in December 2004, is sold in the Organisation’s training restaurants and shops to generate income for the Organisation.

(v) *Vocational Training Centre*

Vocational Training Centre offers seven vocational training workshops: cooking, welding, beauty, sewing, electricity, motorbike mechanics, and men’s hair dressing to street youths (from age 15 to 24 years), building their self-confidence and developing marketable skills and leading gainful employment. To increase their business knowledge, students also have the opportunity to study small business management in addition to their chosen skills.

Mith Samlanh

Notes to the financial statements (continued) for the year ended 31 December 2018

9. Private donations

	2018 US\$	2017 US\$
Other private/individual donors	18,487	11,750
Funds from income of bricks	10,564	6,589
Cambodia Children Foundation	-	11,269
Interpid Foundation	-	9,482
	<u>29,051</u>	<u>39,090</u>

10. Other income

	2018 US\$	2017 US\$
Proceed from vehicles disposal	10,935	-
Others	6,477	13,729
Income of obsolete equipment	1,616	723
Interest income	1,153	802
	<u>20,181</u>	<u>15,254</u>

11. Personnel costs

	2018 US\$	2017 US\$
Staff salaries	1,200,392	1,187,652
Technical assistance consultancy fees	111,408	120,000
Health benefits	34,898	26,000
Staff lay-off and indemnity (*)	8,366	10,334
Other staff costs	7,895	7,362
Training and development	1,745	3,804
	<u>1,364,704</u>	<u>1,355,152</u>

Mith Samlanh

Notes to the financial statements (continued) for the year ended 31 December 2018

11. Personnel costs (continued)

- (*) Represents the indemnity costs of laying off project's staff during the year. Staff who were terminated before the contractual maturity date were entitled to receive the compensation payment on top of the gross salary and the memorandum of indemnity was issued for each individual staff accordingly.

The compensation was made in accordance to Mith Samlanh Internal Regulation and the Labour Law, Article 89, which was calculated based on employee's length of service worked with the Organisation.

12. Indirect costs

	2018 US\$	2017 US\$
TREE franchise fees	186,755	141,877
Rentals	80,851	72,424
Utilities	63,727	63,425
Maintenance/renovation	46,227	45,257
Office supplies	36,625	41,502
Transportation/gasoline	31,223	30,759
Food for staff	17,276	22,989
Security fees	16,285	16,627
Professional fees	13,994	9,002
Communications	13,870	14,449
Advertising/marketing	11,051	7,923
Bank charges	9,829	9,418
Kitchen supplies	5,453	8,498
Others	5,868	8,098
Building/vehicles insurance	5,373	5,748
Property tax payment (Note 5)	4,305	4,279
Donor relations	3,594	1,670
Printing/copies	1,719	4,246
Staff uniforms	689	3,932
	<u>554,714</u>	<u>512,123</u>

Mith Samlanh

Notes to the financial statements (continued) for the year ended 31 December 2018

13. Direct costs

	2018 US\$	2017 US\$
Food/drinks/snacks	72,730	82,418
Foster care support costs	44,138	35,149
Beneficiary training	41,908	42,078
Group home/independent living	18,494	17,275
Education materials	17,895	13,022
Public school costs	17,378	11,925
Medical costs	15,630	23,524
Centre supplies	11,528	8,707
Family income generation support	10,060	12,313
Harm reduction materials	8,524	70,435
Placement support costs	7,159	6,359
Family supports	6,723	4,606
Cost of apprenticeship	3,513	502
Recreational materials	3,205	5,192
Hygiene materials	1,739	4,284
Information, education and communication materials	1,620	2,855
Student support costs	1,128	1,750
Outreach materials	738	1,676
Clothes	560	2,053
	<u>284,670</u>	<u>346,123</u>

14. Capital expenditure

	2018 US\$	2017 US\$
Others	2,483	6,021
Office equipment	1,510	657
Kitchen equipment	803	2,219
Furniture and fittings	240	990
IT/computers	248	2,888
Vehicles	-	4,230
	<u>5,284</u>	<u>17,005</u>

Mith Samlanh

Notes to the financial statements (continued) for the year ended 31 December 2018

15. Other training income generation cost

Other training income generation cost represent costs of products sold at community Based Business, Friends N Stuff, Friends training Restaurants, Romdeng training Restaurant, costs of cookbook “Best of Friends” and costs of raw materials used at Vocational Training Centre.

The detail costs are as follows:

	2018 US\$	2017 US\$
Food and beverage	395,136	421,320
Cost of goods	63,998	106,977
Raw materials	39,210	21,786
Labor charge	23,801	21,399
Spare parts	6,113	80
CookBook	1,964	246
	<hr/> 530,222	<hr/> 571,808

16. Expenditure commitments

The Organisation leases its office and building areas under non-cancellable operating lease agreement. The lease expenditure charged to the statement of income and expenditure during the year is disclosed in Note 12.

As at 31 December 2018, the Organisation has commitments in respect of operating leases as follows:

	2018 US\$	2017 US\$
Within one year	25,200	30,967
Within two to five years	36,933	23,911
	<hr/> 62,133	<hr/> 54,878

Mith Samlanh

Annex I

Schedule of income and expenditure by donors (unaudited) for the year ended 31 December 2018

	Balance at 1 January 2018 US\$	Income US\$	Expenditure US\$	Transfers US\$	Balance at 31 December 2018 US\$
Mith Samlanh (land)	2,408,918	10,564	-	-	2,419,482
Mith Samlanh (training activities)	416,870	1,746,442	1,450,310	(95,593)	617,409
Mith Samlanh (reserve)	134,858	32,911	15,136	12,000	164,633
Internal Funding - All Projects	-	-	83,593	83,593	-
United Nations Children's Fund ("UNICEF") through FI	(188)	263,188	263,000	-	-
Global Fund/Friends-International Cambodia ("GFATM/FI")	4,991	123,455	122,197	(4,991)	1,259
Fondation Juniclair – Chbar Ampov	121,329	112,300	104,128	-	129,501
Fossil Foundation	-	93,591	93,591	-	-
Gisela Stichting	-	77,000	77,000	-	-
Fondation Juniclair – Takhmao	-	62,849	30,432	-	32,417
DanChurchAid ("DCA")	-	56,630	56,630	-	-
IF International Foundation	47,406	54,639	58,187	-	43,858
EPIC Foundation	-	47,648	38,921	-	8,727
Fondation Juniclair - Night Bus	34,855	45,380	39,997	-	40,237
Friends Deutschland	-	28,837	48	-	28,789
Intrepid Foundation - Let's Eat	-	26,100	12	-	26,088
Weyerhaeuser Family Foundation	-	25,000	25,000	-	-
Teresa Orr	-	25,000	25,000	-	-
Fondation Juniclair - Green House	-	22,399	5,105	-	17,294
Sipar/AFD	2,393	13,201	13,484	-	2,110
Friends France	-	11,561	11,561	-	-
Sub-total	3,171,433	2,878,695	2,513,332	(4,991)	3,531,804

**Schedule of income and expenditure by donors (unaudited) (continued)
for the year ended 31 December 2018**

	Balance at 1 January 2018 US\$	Income US\$	Expenditure US\$	Transfers US\$	Balance at 31 December 2018 US\$
Fondation ELLE	7,107	11,330	18,437	-	-
Riverview Children's Foundation	14,746	10,913	14,745	-	10,914
United Nation Women's Guild of Vienna	-	10,500	10,500	-	-
Global Development Group	-	10,319	9,117	-	1,202
Intrepid Foundation	-	10,541	10,541	-	-
Amadeus Asia	3,619	7,500	7,154	-	3,965
SMART Axiata	-	8,862	5,203	-	3,659
Intrepid Foundation - Tree Experience	-	6,300	4	-	6,296
Amie(s)	-	2,294	1,470	-	824
The Australian Embassy (DFAT-Aid)	748	-	-	-	748
WISE/ Fondation NEXT	37,681	-	82,701	-	(45,020)
Microsoft Philanthropies	1,746	-	-	(1,746)	-
WISE/Swiss Philanthropy Fund	43,391	-	43,391	-	-
Dining for Women	9,851	-	9,851	-	-
Firetree Asia Foundation	31,442	-	31,442	-	-
Sub-total	150,332	78,559	244,557	(1,746)	(17,412)
Total	3,321,764	2,957,254	2,757,889	(6,737)	3,514,392