

**FRIENDS-INTERNATIONAL LAO –  
PEUAN MIT**



**FINANCIAL STATEMENTS**

**31 DECEMBER 2019**

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## **Organisation Information**

**Organisation Name** Friends-International Laos / Peuan Mit

**Organisation Document** Memorandum of Understanding ("MoU") issued by the Government of Lao PDR represented by the Ministry of Labour and Social Welfare from 2004 - 2011, subsequently renewed until 15 March 2018, and again until 31 December 2023

<b>Board of Directors</b>	Leonard Coster	Chairman
	Vivian Gee	Secretary
	Michael Gilmore	Treasurer
	Lucille Belleville	Member
	Timothee Wagener	Member

<b>Management</b>	Sebastien Marot	Executive Director and Founder
	Ketsone Philaphandet	Country Program Director
	Phouthasone Phonghsawanh	Finance Manager
	Bouavone Boualivong	Vientiane Coordinator
	Anousin Phanthachit	Luang Prabang Coordinator
	Khamparn Meungvong	Saving Lives Coordinator
	Dao Xiong	Building Futures Coordinator

**Registered Office** Phai Nam Road - P.O. Box 10688, Vientiane, Lao PDR

**Principal Banker** Banque pour le Commerce Extérieur Lao Public (BCEL)

**Auditors** PricewaterhouseCoopers (Lao) Sole Company Limited

## STATEMENT BY THE ORGANISATION'S MANAGEMENT

We, the undersigned, on behalf of the management of Friends-International Lao (Peuan Mit) do hereby state that, in our opinion, the accompanying financial statements which comprise the statement of financial position as at 31 December 2019 and the statement of income and expenditure for the year then ended as set out on pages 6 to 7 are prepared, in all material respects, in accordance with the basis of preparation and the accounting policies described in Note 2 to the financial statements.

On behalf of the management:

The block contains a handwritten signature in blue ink and a circular blue stamp. The stamp features a logo of two stylized figures holding hands, with the text 'Friends-International' around the bottom edge.

Ms. Ketsone Philaphandet  
Country Program Director  
Date: 20 November 2020

A handwritten signature in blue ink, appearing to read 'Phongsawan'.

Ms. Phouthasone Phongsawan  
Finance Manager  
Date: 20 November 2020





## **INDEPENDENT AUDITOR'S REPORT**

### **Our opinion**

In our opinion, the financial statements of Friends-International Lao – Peuan Mit (the Organisation) have been prepared, in all material respects, in accordance with the accounting policies described in Note 2 to the financial statements.

### **What we have audited**

The Organisation's financial statements comprise:

- The statements of income and expenditures for the year ended 31 December 2019;
- The statement of financial position as at 31 December 2019; and
- The notes to the financial statement, which include a summary of significant accounting policies.

### **Basis for opinion**

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we've obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We are independent of the Organisation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with IESBA Code.

### **Emphasis of matter - Basis of accounting and restriction on distribution and use**

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the accounting policies described in Note 2 to the financial statements. As a result, the financial statements may not be suitable for another purpose.

Our report is intended solely for the organisation and donors and shouldn't be distributed to or used by parties other than the organisation and donors. Our opinion isn't modified in respect of this matter.





### **The Director's responsibilities for the financial statements**

The Director is responsible for preparing these financial statements in accordance with the basis of accounting described in Note 2, and for such internal control as the Organisation's management determines is necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director 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 liquidate the Organisation or to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibilities 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but isn't a guarantee that an audit conducted in accordance with International Standards on Auditing 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 the International Standards on Auditing, exercised professional judgment and maintained professional skepticism throughout the audit. We also:

- Identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained 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.
- Obtained 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 Project's internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluded 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 Project's ability to continue as a going concern. If we concluded that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Project to cease to continue as a going concern.





## Auditor's responsibilities for the audit of the financial statements (Continued)

We've communicated with management 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 PricewaterhouseCoopers (Lao) Sole Company Limited



By Apisit Thientrongpinyo  
Partner

Vientiane Capital, Lao PDR  
Date: 20 November 2020

Ms. Katsone Panyasavath  
Country Program Director  
Date: 20 November 2020

Ms. Phanthasone Phongsavath  
Finance Manager  
Date: 20 November 2020



**Friends-International Lao – Peuan Mit**  
**Statement of Income and Expenditures**  
**For the year ended 31 December 2019**

	<b>Notes</b>	<b>2019 LAK</b>	<b>2018 LAK</b>
<b>Income</b>			
Funds received from donors	3	3,217,099,341	4,490,885,858
Private donations		137,221,519	13,093,580
Other income		80,708,355	7,737,414
Internal funding	4	666,556,800	130,925,557
Training Income	5	1,543,368,604	1,391,272,870
<b>Total income</b>		<b><u>5,644,954,619</u></b>	<b><u>6,033,915,279</u></b>
<b>Expenditures</b>			
Personnel	6	2,743,821,245	2,600,860,439
Direct costs	7	1,052,300,975	918,383,662
Equipment		54,228,000	85,580,500
Indirect costs	8	904,916,375	638,101,896
Capacity building / Monitoring and evaluation		69,845,500	137,253,899
Coordination / management monitoring		19,473,138	7,442,100
Other Business costs	9	1,021,577,698	797,518,591
Headquarter support fees	10	186,740,034	245,854,791
ChildSafe Alliance Partner Sub-Grants	11	55,020,000	-
<b>Total expenditures</b>		<b><u>6,107,922,965</u></b>	<b><u>5,430,995,878</u></b>

Ms. Ketson Philaphandet  
Country Program Director  
Date: 20 November 2019

Ms. Ketson Philaphandet  
Country Program Director  
Date: 20 November 2019

Ms. Phouthasone Phongsawanh  
Finance Manager  
Date: 20 November 2019

Ms. Phouthasone Phongsawanh  
Finance Manager  
Date: 20 November 2019

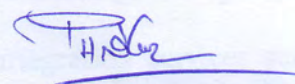


**Friends-International Lao – Peuan Mit**  
**Statement of Financial Position**  
**As at 31 December 2019**

	Notes	2019 LAK	2018 LAK
<b>Assets</b>			
Cash on hand		42,841,600	76,715,600
Cash at banks	12	336,091,373	1,025,372,738
Other current assets	13	388,159,959	147,333,068
<b>Total assets</b>		<b>767,092,932</b>	<b>1,249,421,406</b>
<b>Liabilities</b>			
Other payables	14	351,969,737	371,329,866
<b>Total liabilities</b>		<b>351,969,737</b>	<b>371,329,866</b>
<b>Fund balance</b>			
Opening		878,091,540	275,172,139
Surplus of income over expenses		(462,968,345)	602,919,401
<b>Total liability and fund balance</b>		<b>767,092,932</b>	<b>1,249,421,406</b>



Ms. Ketstone Philaphander  
Country Program Director  
Date: 20 November 2019



Ms. Phouthasone Phongsawanh  
Finance Manager  
Date: 20 November 2019



**Friends-International Lao – Peuan Mit**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2019**

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**1. Organisation background**

Since 1994, Friends-International (the Organisation) has been running projects worldwide for and with marginalized children, youth and their families providing creative and innovative services supporting their social reintegration. Friends-International works with marginalized children and youth in a developmental and sustainable perspective in accordance with the Convention of the Rights of the child (UN-CRC).

Building a Sustainable marginalized children, youth and families' project in Laos PDR Implementation and Capacity Building (the Project) has operations in Vientiane Capital and Luang Prabang province Lao PDR, with cooperation between the Ministry of Labour and Social Welfare and Friends-International. The Government of the Lao PDR initially approved the Project from 2004 until 2011; the Memorandum of Understanding has subsequently been renewed for another period of five years and ended on 15 March 2018. On 12 December 2019, the Program has been renewed until 31 December 2023 by the government of Lao PDR. Further it is also agreed in Memorandum of Understanding MoU (Objective 2, section 2.3.6) that all income and profits from vocational trainings and shops will be spent in the Project activities and are exempted from income tax.

The specific objectives are:

- Prevention: Prevent children, youth and families from moving to the streets and from engaging in dangerous or harmful activities.
- Outreach: support children, youth and families living and working on the streets and engaged in illegal activities.
- Peuan Mit Centres: Run centres (day and night) that respond clearly to the needs and desires expressed by marginalized children and youth and provide protection, care and support leading to their social reintegration.
- Social Reintegration and Job Placement: Provide reintegration services such as school reintegration for children, family reintegration and job reintegration for youth and caregivers.
- Support children to access education and remain in school
- Provide vocational training in social business environments.
- Support young people and parents/caretakers to access vocational training and sustainable and dignified employment.
- Ensure the sustainability of the program through close collaboration and capacity building of relevant Lao authorities or Government partners.
- Operate with best practices, using Standards of Procedures and tools and share best practice methodologies.
- Reinforce the overall capacity of Lao professionals working in the program to become a best practice model in Laos and in the region.
- Engage the community around the marginalized children, youth and families to support the Program activities, actively protect children and their ability to report situations of risks and abuse using the ChildSafe Movement material and processes



**Friends-International Lao – Peuan Mit**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2019**

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**2. Significant accounting policies**

**A. Basis of preparation**

The financial statements are prepared in accordance with a modified cash receipts and disbursements basis of accounting. Under this basis of accounting, income is recognized when funds are received payments are made rather than when they are incurred, except for the following treatment:

- Advances are initially recognized as a current asset in the Statement of Financial Position. Upon liquidation with supporting documents, the balances are expensed in the Statement of Income and Expenditure.
- Deposits to suppliers, loans to staff and other advances are recorded as Accounts Receivables in the Statement of Financial Position until these balances are settled.
- Salary tax payable withheld from staff salaries is recorded as Taxation Payable in the Statement of Financial Position until payments have been made to relevant Tax Authorities.
- Credit Sales are recorded when incurred as an Accounts Receivable until paid.

**B. Foreign currency translation**

The financial statements are expressed in the LAK currency. Transactions in currencies other than LAK are converted to LAK at the rate of exchange ruling at the transaction dates. Monetary assets and liabilities in currencies other than LAK are converted to LAK at the rate of exchange ruling at the Statement of Financial Position date. Differences on exchange are included in the Statement of Income and Expenditure.

**C. Fixed Assets**

Fixed assets are expended in full in the Statement of Income and Expenditure in the year of acquisition; accordingly, fixed assets are not recognized in the statement of financial position at the end of the year, but are recorded in an Asset Register.

**D. Income**

**Income from Training businesses:**

Revenue from sales is recognised when the following conditions are satisfied:

- the Organisation has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Organisation; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**Income from donors:**

Income from donors are recognised when cash is received and credited to the Organisations' bank account



**2. Significant accounting policies (continued)**

**E. Other current assets**

**Advance**

Advances are included in the aggregated Statement of Financial Position when cash is disbursed. When the advances are liquidated and approved, the related expenses are recognised in the aggregated Statement of Income and Expenditure.

Any long outstanding and uncollectible advances are written-off and the resulting expenses are recognized as expenditures in the Statement of Income and Expenditures.

**Accounts receivable**

Other accounts receivable are initially recognised at the invoice value of the consideration received or receivable and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in the Statement of Income and Expenditures.

**Leases**

Leases are classified as operating leases. Payments made under operating leases (net of any incentives from the lessor) are charged to the Statement of Income and Expenditures on a straight-line basis over the period of the lease.

**Internal funding**

Internal funding refers to the fund received from Friends-International Lao (Centre in Cambodia) USD 19,346 in cash and in LAR 164,451,500.



**Friends-International Lao – Peuan Mit**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2019**

**3. Funds received from donors**

	<b>2019</b> <b>LAK</b>	<b>2018</b> <b>LAK</b>
WISE Sarl (Swiss Philanthropy Foundation)	907,657,080	885,506,300
Kadoorie Foundation	586,842,454	567,710,656
Caritas (Australia)	371,990,534	875,556,375
UNICEF Laos	316,112,118	419,430,127
Global Development Group/Spellbrook Foundation	219,430,350	225,600,655
Save the Children Laos*	216,000,000	-
Small Steps Project	155,377,253	122,271,942
Intrepid Foundation/Geckos Pty	151,135,403	213,633,944
Gisela Stichting	122,967,200	124,061,908
Luxembourg Development Cooperation	100,378,200	290,483,294
Ami(e)s	44,132,400	68,334,000
Responsible Travel	15,694,800	14,087,600
British Embassy*	9,381,550	-
European Union**	-	226,469,204
Friends France***	-	152,800,736
The Czech Republic Official Development Assistance**	-	180,814,116
Friends-International Cambodia (Teresa Orr)***	-	124,125,000
	<b>3,217,099,341</b>	<b>4,490,885,858</b>

\* These are new donors who supported the below projects:

- “Adolescent girls and young women in Vientiane and Luang Prabang have access to support groups, economic opportunities, and feel protected” (Save the Children)
- “School Reintegration and English Training for Marginalized Youth and Girls in Vientiane and Luang Prabang” (British Embassy)

\*\* Contracts for these donors ended, therefore no new funds received in 2019.

\*\*\* No new donations received in 2019

**4. Internal funding**

Internal funding refers to the fund received from Friends-International Head Quarters in Cambodia USD 79,329 or equivalent to LAK 666,556,800.



**Friends-International Lao – Peuan Mit**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2019**

**5. Training Incomes**

	<b>2019</b> <b>LAK</b>	<b>2018</b> <b>LAK</b>
Khaiphaen Vocational Training (VT) Restaurant *	1,225,919,004	1,216,104,170
Mini-Makphet & Let's Eat VT Restaurant	114,580,600	18,980,000
Mechanics Vocational Training	21,571,000	20,140,500
Friends N Stuff Khaiphaen	17,839,000	25,809,000
Friends N Stuff Makphet	171,465,500	84,734,200
Cookbook (from Honeybees to Pepperwood)	13,748,000	25,505,000
	-	
	<b>1,565,123,104</b>	<b>1,391,272,870</b>

\* This is the revenue from food and beverage sold to customers during the year.



**Friends-International Lao – Peuan Mit**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2019**

**6. Personnel**

	<b>2019</b>			<b>2018</b>		
	<b>Donors</b>	<b>Training</b>	<b>Total</b>	<b>Donors</b>	<b>Training</b>	<b>Total</b>
	<b>LAK</b>	<b>Business</b>	<b>LAK</b>	<b>LAK</b>	<b>Business</b>	<b>LAK</b>
		<b>LAK</b>			<b>LAK</b>	
International staff	148,932,000	-	148,932,000	146,770,399	-	146,770,399
National staff*	2,123,277,321	325,018,709	2,448,296,030	1,904,622,143	412,369,936	2,316,992,079
Social Welfare	100,329,234	15,366,000	115,695,234	87,643,768	21,701,692	109,345,460
Stipend	5,000,000	-	5,000,000	5,670,000	-	5,670,000
Overtime	14,995,673	9,292,308	24,287,981	9,320,964	7,361,537	16,682,501
Recruitment costs	1,610,000	-	1,610,000	5,400,000	-	5,400,000
	<b>2,394,144,228</b>	<b>349,677,017</b>	<b>2,743,821,245</b>	<b>2,159,427,274</b>	<b>441,433,165</b>	<b>2,600,860,439</b>

\* The national staff is mainly paid salary to Project staff of Laotian nationality.



**Friends-International Lao – Peuan Mit**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2019**

**7. Direct costs**

	<b>2019</b>	<b>2018</b>
	<b>LAK</b>	<b>LAK</b>
Hygiene costs	41,605,000	141,105,000
Medical costs	73,782,000	84,602,000
Information, Education and Communication (IEC) material	612,000	1,989,000
Clothing for beneficiaries	10,302,000	20,764,000
Non-formal educational materials	11,849,500	14,220,000
Food/Drink for Beneficiaries *	372,949,500	308,759,500
Family/ Support	32,059,000	15,424,500
Harm reduction materials	-	270,000
Centre supplies	49,969,000	62,481,500
Other activity costs	17,059,000	10,456,000
Family Reintegration Travel	40,847,500	17,748,000
Recreational activity support	27,688,035	25,558,500
Outreach materials	7,351,000	4,034,000
School reintegration support	106,858,000	107,545,000
Vocational training materials	38,382,440	34,478,162
Job Placement Support	117,908,000	25,760,000
ChildSafe Materials/Activities	6,439,000	1,220,000
Family income generation support	34,776,000	23,529,000
Staff uniforms	3,250,000	1,540,000
Foster Care Families	58,614,000	16,899,500
	<b>1,052,300,975</b>	<b>918,383,662</b>

\* This is food and drink for the beneficiaries during the year.



**Friends-International Lao – Peuan Mit**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2019**

**8. Indirect costs**

	<b>2019</b>			<b>2018</b>		
	<b>Donors</b>	<b>Business</b>	<b>Total</b>	<b>Donors</b>	<b>Business</b>	<b>Total</b>
	<b>LAK</b>	<b>LAK</b>	<b>LAK</b>	<b>LAK</b>	<b>LAK</b>	<b>LAK</b>
Communications	35,599,000	5,861,000	41,460,000	29,191,000	5,323,000	34,514,000
Transport/Gasoline	61,621,000	140,000	61,761,000	71,194,000	921,500	72,115,500
Maintenance/Renovations	90,366,500	8,083,300	98,449,800	106,905,525	13,111,400	120,016,925
Office supplies	22,148,900	3,023,000	25,171,900	28,315,000	4,173,000	32,488,000
Rent *	235,065,347	112,096,512	347,161,859	93,344,397	110,500,000	203,844,397
Utilities	68,938,030	36,047,000	104,985,030	44,165,000	33,051,000	77,216,000
Printing/Photocopying	4,488,000	3,011,000	7,499,000	6,919,500	6,779,200	13,698,700
Postage & Shipping	1,881,000	540,000	2,421,000	2,593,000	310,000	2,903,000
Bank charges	5,667,003	8,585,051	14,252,053	3,950,285	6,103,588	10,053,873
External Audits	69,397,435	15,637,149	85,034,584	14,943,477	-	14,943,477
Vehicle/Building Insurance	21,040,000	4,355,000	25,395,000	16,677,000	4,180,000	20,857,000
Advertising/Marketing	9,717,791	7,940,782	17,658,573	2,255,453	6,482,936	8,738,389
Subscriptions	180,000	1,890,000	2,070,000	1,176,000	1,344,000	2,520,000
Donor/staff/Authority Relations	43,507,230	5,776,000	49,283,230	119,000	2,240,000	2,359,000
Other expenses	19	22,313,327	22,313,346	109,244	21,724,391	21,833,635
	<b>669,617,254</b>	<b>235,299,121</b>	<b>904,916,375</b>	<b>421,857,881</b>	<b>216,244,015</b>	<b>638,101,896</b>

\* This is rental fee for Khaiphaen Vocational Training Restaurant, Mechanic Vocational Training, dormitory for youth and house rental for children. The main project premises in Vientiane have been provided free of rent by the Government of Lao PDR



**Friends-International Lao – Peuan Mit**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2019**

**9. Training Business costs**

	<b>2019</b>			<b>2018</b>		
	<b>Donors</b>	<b>Business</b>	<b>Total</b>	<b>Donors</b>	<b>Business</b>	<b>Total</b>
	<b>LAK</b>	<b>LAK</b>	<b>LAK</b>	<b>LAK</b>	<b>LAK</b>	<b>LAK</b>
Cost of Income Generation*	21,494,000	554,677,097	576,171,097	30,171,000	458,863,831	489,034,831
Packaging cost	-	129,000	129,000	-	83,000	83,000
Outlet supplies	25,150,500	71,607,000	96,757,500	11,279,610	67,035,000	78,314,610
Franchise fees	-	126,710,287	126,710,287	-	126,941,623	126,941,623
Staff & Student food costs**	104,995,000	73,971,814	178,966,814	14,261,063	64,869,964	79,131,027
Business uniforms	24,375,000	18,468,000	42,843,000	6,683,500	17,330,000	24,013,500
	<b>176,014,500</b>	<b>845,563,198</b>	<b>1,021,577,698</b>	<b>62,395,173</b>	<b>735,123,418</b>	<b>797,518,591</b>

\* Cost of income generation is mainly paid for purchasing spare part and material for Mechanic Vocational Training, and raw food and beverage for Restaurant Vocational Trainings to be prepared for sale.

\*\* Staff & Student food costs is mainly paid for food and beverage for teachers and students consumption in the vocational training restaurant, during shift working / training hours.



**Friends-International Lao – Peuan Mit**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2019**

**10. Headquarter support fees**

	<b>2019</b>	<b>2018</b>
	<b>LAK</b>	<b>LAK</b>
WISE Sarl (Swiss Philanthropy Foundation)	78,600,008	-
Caritas (Australia)	33,465,198	57,219,303
Spellbrook Foundation	28,621,348	42,090,994
Intrepid Foundation/Geckos Pty	30,861,372	-
Gisela Foundation	11,181,815	-
Ami(e)s	4,010,292	-
Friends France	-	14,418,254
Gisela Stitching	-	11,278,355
Luxembourg Development Cooperation	-	30,700,800
Responsible Travel	-	2,188,847
Friends-International (Teresa Orr)	-	11,284,088
	<b>186,740,034</b>	<b>245,854,791</b>

This represents management support paid to the headquarters Friends-International Headquarters for its support by Executive Director, International Coordination (Finance, Communications, HR, Design, Social Services, Grants & Fundraising), strategic planning and implementation support, branding and website maintenance, technical support for Child Protection, Vocational Training & Employment, Education, proposal-writing etc. The charges ranged from 10% - 15% of approved budget.

**11. ChildSafe Alliance Partner Sub-Grants**

This is sub-grant given to the Association for Protect and Promote Good Lives to Children (APPREN). APPREN is a ChildSafe Alliance partner implementing the project "Seeds for training and small business to beneficiaries in community". They were sub-granted LAK 55,020,000, with the support of Save the Children.



**Friends-International Lao – Peuan Mit**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2019**

**12. Cash at Banks**

	<b>2019 LAK</b>	<b>2018 LAK</b>
Cash at bank		
Donor:		
<i>Office account</i>		
LAK	99,457,077	1121,790,119
USD	5,777,325	618,697,447
Business:		
<i>Business account</i>		
LAK	132,187,095	192,473,962
USD	93,524,376	51,324,210
Donor Bank Account		
LAK	5,145,500	41,087,000
	<b><u>336,091,373</u></b>	<b><u>1,025,372,738</u></b>



**Friends-International Lao – Peuan Mit**  
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**13. Other current assets**

	<b>2019</b>			<b>2018</b>		
	<b>Donors LAK</b>	<b>Business LAK</b>	<b>Total LAK</b>	<b>Donors LAK</b>	<b>Business LAK</b>	<b>Total LAK</b>
Prepaid rental*	22,027,500	224,193,032	246,220,532	46,057,500	-	46,057,500
Business Receivables	-	58,457,146	58,457,146	-	81,248,572	81,248,572
Funding receivables	42,721,360	-	42,721,360	-	-	-
Other receivables	17,113,000	20,147,921	37,260,921	-	4,026,996	4,026,996
Staff loans	3,500,000	-	3,500,000	16,000,000	-	16,000,000
	<b>85,361,860</b>	<b>302,798,099</b>	<b>388,159,959</b>	<b>62,057,500</b>	<b>85,275,568</b>	<b>147,333,068</b>

\* This mainly is rental of Khaiphaen restaurant in Luang Prabang province in advance 3 years start from year 2019 to 2021.

**14. Other payables**

	<b>2019</b>			<b>2018</b>		
	<b>Donors LAK</b>	<b>Business LAK</b>	<b>Total LAK</b>	<b>Donors LAK</b>	<b>Business LAK</b>	<b>Total LAK</b>
Amount due to Friends – International*	-	328,670,471	328,670,471	-	228,906,179	228,906,179
Business payable	-	22,873,602	22,873,602	-	22,267,819	22,267,819
Funding payable	425,664	-	425,664	-	-	-
Program loans	-	-	-	-	70,160,000	70,160,000
Miscellaneous payable	-	-	-	49,995,868	-	49,995,868
	<b>425,664</b>	<b>351,544,073</b>	<b>351,969,737</b>	<b>49,995,868</b>	<b>321,333,998</b>	<b>371,329,866</b>

\* The Organisation has an agreement to pay a franchise fee to Friends-International, set at 10% of the monthly restaurant sales, with a minimum of USD 750 or equivalent to 6,600,000 LAK per month. This fee covers on-going support provided by Friends-International under the Training Restaurants for Employment and Entrepreneurship (TREE Alliance) programme.



**Friends-International Lao – Peuan Mit**  
**Notes to the Financial Statements**  
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**15. Subsequent events**

The COVID-19 outbreak has developed rapidly in 2020, with a significant number of infections. Measures taken by various governments to contain the virus have affected economic activity. The Project have taken a number of measures to monitor and prevent the effects of the COVID-19 virus such safety and health measures for people (like social distancing and working from home) securing the supply of materials that are essential to the operations and services for beneficiaries.

From 28 March to 3 May 2020, the Government implemented the modified lockdown of the country, and closure of schools and vocational training centres, as well as its borders in order to limit the spread of the pandemic.

This also impacted the organisation, who had to stop some of its activities such as the vocational training restaurants during that period. Even after the lockdown ended, the lack of tourism also impacted the ability to earn sufficient income. This has meant increased efforts to secure donor funding to support the organisations services to its beneficiaries.

As at reporting date there is no COVID-19 case in Lao PDR, the Organisation operate their work normally and has no significant events occurring up to the audit report date.



**Friends-International Lao – Peuan Mit**  
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Supplementary Information – Schedule of income and expenditures (unaudited). For the year ended 31 December 2019

		<b>OPENING</b>	<b>INCOME</b>	<b>EXPENSES</b>	<b>CLOSING</b>
	<b>FUND ACCOUNT</b>	<b>1 January 2019</b>	<b>2019</b>	<b>2019</b>	<b>31 December 2019</b>
1	Friends N Stuff Khaiphaen	(35,836,554)	17,839,000	7,504,206	(25,501,760)
2	Friends N Stuff Makphet	96,096,046	164,451,500	86,326,648	174,220,898
3	Khaiphaen Vocational Training Restaurant	(35,542,183)	1,231,774,730	1,237,580,669	(41,348,122)
4	CookBook	208,427,537	13,748,000	11,962,660	210,212,877
5	Makphet Vocational Training Restaurant	(84,648,394)	109,813,600	64,622,393	(39,457,187)
6	Mechanics Vocational Training	(97,576,609)	11,615,500	(9,955,500)	(76,005,609)
7	Save the Children International	-	21,918,600	21,918,600	-
8	Tiger Trails	-	6,997,141	6,997,141	-
9	Ami(e)s	-	44,132,400	21,982,292	22,150,108
10	British Embassy	-	9,381,550	28,406,880	(19,025,330)
11	Caritas Australia	228,830,317	371,990,534	600,820,851	-
12	Friends France	-	-	35,092,051	(35,092,051)
13	Gisela Stichting	-	122,967,200	120,500,805	2,466,395
14	Kadoorie Foundation	60,666,689	586,842,454	671,511,829	(24,002,686)
15	Luxembourg Development Cooperation	207,412,094	100,378,200	405,495,971	(97,705,677)
16	Responsible Travel	(9,005,900)	15,694,800	31,858,099	(25,169,199)
17	Save the Children International	-	216,000,000	239,441,354	(23,441,354)
18	Small Steps Project	(98,536,484)	155,377,253	56,840,769	-
19	Spellbrook Foundation	124,252,055	219,430,350	249,897,371	93,785,034
20	The Intrepid Foundation / Geckos Pty	90,101,518	151,135,403	241,236,921	-
21	UNICEF Laos	-	316,112,118	435,589,667	(119,477,549)
22	WISE Sarl (Swiss Philanthropy Foundation)	331,300,942	907,657,080	900,490,321	338,467,701
23	Friends-International Headquarters	6,808,475	666,556,800	599,749,423	73,615,853
24	Abercrombie & Kent Philanthropy	-	47,960,000	1,278,640	46,681,360
25	Allan Murray Jones	-	70,414,019	59,690,200	10,723,819
26	Jane	-	17,600,000	0	17,600,000
27	Peuan Mit Reserves	(114,658,009)	47,166,388	(18,917,295)	(48,574,326)
	<b>TOTAL</b>	<b>878,091,540</b>	<b>5,644,954,619</b>	<b>6,107,922,965</b>	<b>415,123,195</b>