FRIENDS-INTERNATIONAL
PHNOM PENH HEADQUARTERS

Financial Statements
for the year ended 31 December 2020
and
Report of the Independent Auditors
Friends-International - Phnom Penh Headquarters

Contents

<table>
<thead>
<tr>
<th></th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Organisation information</td>
<td>1</td>
</tr>
<tr>
<td>2. Statement by the management</td>
<td>2</td>
</tr>
<tr>
<td>4. Statement of financial position</td>
<td>6</td>
</tr>
<tr>
<td>5. Statement of income and expenditure</td>
<td>7</td>
</tr>
<tr>
<td>6. Notes to the financial statements</td>
<td>8 – 22</td>
</tr>
<tr>
<td>Annex I – Schedule of income and expenditure by donors</td>
<td>i – ii</td>
</tr>
</tbody>
</table>
Organisation Information

Organisation Name  Friends-International - Phnom Penh Headquarters ("the Organisation")


Main Donors  UNICEF Cambodia
             The Cold Mountain Fund of RSF Social Finance
             NCHADS / GFATM
             Save The Children / European Union
             Wise Sarl (Fondation NEXT)
             Partners for Equity (DAK Foundation)
             Fossil Foundation
             Epic Foundation
             Skoll Foundation
             Kwok Foundation
             ECPAT Luxembourg asbl
             Credit Suisse APAC Foundation Limited
             Him Lee Memorial Fund

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

Management  Sebastien Marot  Executive Director and Founder
            Ampor Sam Oeun  Building Futures International Coordinator and Deputy Director
            Sebastien Le Mouellic  Saving Lives International Coordinator and Deputy Director
            Iona Bergius  International Partnerships Coordinator
            James Sutherland  International Communications Coordinator
            Kanchan Kapoor  International Finance Coordinator
            Khemreth Vann  ChildSafe Agents Technical Coordinator
            Marie Duong  International ChildSafe Coordinator
            Marko Ivkovic  International Human Resources Coordinator
            Phalla Von  Internal Controls & Compliance Coordinator
            Vuthy Reth  Migration Technical Coordinator

Registered Office  House #89B, Street 103
                   P.O Box 597, Phnom Penh, Cambodia

Principal Banker  J Trust Royal Bank (Cambodia) Ltd
                 Advance Bank of Asia Ltd

Auditors  KPMG Cambodia Ltd
Statement by the management

We, the undersigned, on behalf of the management of Friends-International – Phnom Penh Headquarters ("FI HQ") do hereby state that, in our opinion, the accompanying financial statements which comprise the statement of financial position as at 31 December 2020 and the statement of income and expenditure for the year then ended as set out on pages 6 to 22 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.

Mr. Sebastien Marot
Executive Director

Ms. Choeun Sokly
Finance Manager

Phnom Penh, Kingdom of Cambodia

Date: 03. May. 2021
Report of the independent auditors
To the Donors and Board of Directors of
Friends-International – Phnom Penh Headquarters

Opinion

We have audited the accompanying financial statements of Friends-International – Phnom Penh Headquarters ("FI HQ"), which comprises the statement of financial position as at 31 December 2020, the statement of income and expenditure for the year then ended and notes, comprising significant accounting policies and other explanatory information, as set out on pages 6 to 22 ("financial statements").

In our opinion, the accompanying financial statements are prepared, in all material respects, in accordance with the basis of preparation 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 FI HQ 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 FI HQ. The financial statements are prepared for the information of and use by the Donors and management of the FI HQ. As a result, the financial statements may not be suitable for another purpose. Our audit report is tendered solely for the donors and management of the FI HQ and should not be used by or distributed to other parties. 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 pages 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 FI HQ’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 FI HQ’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, misstatements, 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 FI HQ’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 FI HQ’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 FI HQ 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

[Signature]

Taing YoukFong
Partner

Phnom Penh, Kingdom of Cambodia

3 May 2021
Friends-International – Phnom Penh Headquarters

Statement of financial position
as at 31 December 2020

<table>
<thead>
<tr>
<th>Note</th>
<th>2020 US$</th>
<th>KHR'000 (Note 3)</th>
<th>2019 US$</th>
<th>KHR'000 (Note 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and bank balances</td>
<td>4</td>
<td>2,470,983</td>
<td>9,995,126</td>
<td>1,082,475</td>
</tr>
<tr>
<td>Cash advances</td>
<td></td>
<td>278</td>
<td>1,125</td>
<td>2,671</td>
</tr>
<tr>
<td>Receivables – Friends Training Business</td>
<td></td>
<td>6,801</td>
<td>27,510</td>
<td>69,679</td>
</tr>
<tr>
<td>Receivables – Funding Sub-contract advances to implementing partners</td>
<td></td>
<td>17,846</td>
<td>71,378</td>
<td>38,368</td>
</tr>
<tr>
<td>Deposits and prepayments</td>
<td>5</td>
<td>28,138</td>
<td>113,818</td>
<td>229,919</td>
</tr>
<tr>
<td>Loans receivables</td>
<td>6</td>
<td>4,852</td>
<td>19,626</td>
<td>4,177</td>
</tr>
<tr>
<td>Other receivables</td>
<td></td>
<td>28,415</td>
<td>114,939</td>
<td>20,643</td>
</tr>
<tr>
<td>Other receivables</td>
<td></td>
<td>7,050</td>
<td>28,517</td>
<td>9,356</td>
</tr>
<tr>
<td>2,564,163</td>
<td>10,372,039</td>
<td>1,457,288</td>
<td>5,938,449</td>
<td></td>
</tr>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax payable</td>
<td></td>
<td>6,054</td>
<td>24,488</td>
<td>6,694</td>
</tr>
<tr>
<td>Funds in transit</td>
<td>7</td>
<td>30,787</td>
<td>124,533</td>
<td>16,474</td>
</tr>
<tr>
<td>Other payables</td>
<td>8</td>
<td>150,896</td>
<td>610,374</td>
<td>24,396</td>
</tr>
<tr>
<td>187,737</td>
<td>759,395</td>
<td>47,864</td>
<td>195,047</td>
<td></td>
</tr>
<tr>
<td>Net assets</td>
<td></td>
<td>2,376,426</td>
<td>9,612,644</td>
<td>1,409,424</td>
</tr>
<tr>
<td>Fund balance at end of year</td>
<td></td>
<td>2,376,426</td>
<td>9,612,644</td>
<td>1,409,424</td>
</tr>
</tbody>
</table>

Prepared by:

Ms. Cheoung Sokly
Finance Manager

Date: 03. May. 2021

Approved by:

Mr. Sebastien Marot
Executive Director

Date: 03. May. 2021

The accompanying notes form an integral part of these financial statements.
Friends-International – Phnom Penh Headquarters

Statement of income and expenditure for the year ended 31 December 2020

<table>
<thead>
<tr>
<th>Note</th>
<th>Description</th>
<th>2020 US$</th>
<th>2020 KHR'000 (Note 3)</th>
<th>2019 US$</th>
<th>2019 KHR'000 (Note 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Donor funding</td>
<td>3,684,615</td>
<td>15,022,175</td>
<td>2,644,759</td>
<td>10,716,563</td>
</tr>
<tr>
<td>10</td>
<td>Private donations</td>
<td>418,711</td>
<td>1,707,085</td>
<td>159,310</td>
<td>645,524</td>
</tr>
<tr>
<td>11</td>
<td>Vocational training income generation</td>
<td>115,377</td>
<td>470,392</td>
<td>168,752</td>
<td>663,783</td>
</tr>
<tr>
<td>12</td>
<td>Franchise income</td>
<td>52,189</td>
<td>212,775</td>
<td>278,128</td>
<td>1,126,975</td>
</tr>
<tr>
<td></td>
<td>Consultancy income</td>
<td>(16,124)</td>
<td>(65,738)</td>
<td>58,386</td>
<td>236,580</td>
</tr>
<tr>
<td></td>
<td>Other income</td>
<td>6,499</td>
<td>26,496</td>
<td>4,000</td>
<td>16,208</td>
</tr>
<tr>
<td></td>
<td><strong>Total Income</strong></td>
<td>4,261,267</td>
<td>17,373,185</td>
<td>3,313,335</td>
<td>13,425,633</td>
</tr>
<tr>
<td></td>
<td><strong>Expenditure</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Personnel costs</td>
<td>984,029</td>
<td>4,011,886</td>
<td>1,193,687</td>
<td>4,836,820</td>
</tr>
<tr>
<td>14</td>
<td>Direct costs</td>
<td>91,773</td>
<td>374,159</td>
<td>87,499</td>
<td>354,546</td>
</tr>
<tr>
<td>15</td>
<td>Equipment/assets</td>
<td>12,089</td>
<td>49,205</td>
<td>166,361</td>
<td>674,095</td>
</tr>
<tr>
<td>16</td>
<td>Indirect costs</td>
<td>81,168</td>
<td>330,922</td>
<td>113,257</td>
<td>459,917</td>
</tr>
<tr>
<td>17</td>
<td>Travel and training</td>
<td>34,162</td>
<td>139,278</td>
<td>62,049</td>
<td>251,422</td>
</tr>
<tr>
<td>18</td>
<td>Other income generation costs</td>
<td>85,154</td>
<td>347,173</td>
<td>79,439</td>
<td>321,887</td>
</tr>
<tr>
<td>19</td>
<td>Transfer to programs</td>
<td>1,459,162</td>
<td>5,949,003</td>
<td>655,287</td>
<td>2,655,223</td>
</tr>
<tr>
<td></td>
<td>Sub-Grants to implementing partners</td>
<td>546,748</td>
<td>2,229,092</td>
<td>330,655</td>
<td>1,339,814</td>
</tr>
<tr>
<td></td>
<td><strong>Total Expenditure</strong></td>
<td>3,294,265</td>
<td>13,430,718</td>
<td>2,688,234</td>
<td>10,892,724</td>
</tr>
<tr>
<td></td>
<td><strong>Surplus of income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>over expenditure</strong></td>
<td>967,002</td>
<td>3,942,467</td>
<td>625,101</td>
<td>2,532,909</td>
</tr>
<tr>
<td></td>
<td>Fund balance at beginning of year</td>
<td>1,409,424</td>
<td>5,743,402</td>
<td>784,323</td>
<td>3,137,292</td>
</tr>
<tr>
<td></td>
<td>Currency translation difference</td>
<td>-</td>
<td>(73,225)</td>
<td>-</td>
<td>73,201</td>
</tr>
<tr>
<td></td>
<td><strong>Total Surplus</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Fund balance at end of year</strong></td>
<td>2,376,426</td>
<td>9,612,644</td>
<td>1,409,424</td>
<td>5,743,402</td>
</tr>
</tbody>
</table>

Prepared by:  
Ms. Choeun Sokly  
Finance Manager  
Date: 03 May, 2021

Approved by:  
Mr. Sebastien Marot  
Executive Director  
Date: 03 May, 2021

The accompanying notes form an integral part of these financial statements.
Friends-International – Phnom Penh Headquarters

Notes to the financial statements
for the year ended 31 December 2020

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

1. Background and activities

Since 1994, Friends-International has been running projects worldwide for and with marginalised children and youths, attempting to reintegrate these children and youths into their society. Friends-International works with marginalised children in a developmental and sustainable perspective in accordance with United Nations Convention of the Rights of the Child (“UN-CRC”).

On 1 August 1994, Sebastien Marot started a project called Mith Samlanh (“Friends” in English) with the objectives of helping street children. Friends-International supported the development of this organisation and its localisation.

On 11 August 2005, Friends-International (“the Organisation”) signed a Memorandum of Understanding (“MoU”) with the Royal Government of Cambodia represented by the Ministry of Foreign Affairs and International Cooperation to open its office in Cambodia, to conduct its humanitarian activities and to implement its approved projects within the law and regulations of the Kingdom of Cambodia and in accordance with the provision of the MoU. The MoU is valid for an initial period of three years ended 10 August 2008 and subsequently required to renew every three years. The current period of 3 years was ended on 30 October 2020. On 7 July 2020, the Organisation submitted a letter to the Ministry of Foreign Affairs and International Cooperation to extend the MOU for another 3 years which will be ending on 30 October 2023. At the date of these financial statements, the approval from the Ministry of Foreign Affairs and International Cooperation is still in the process. It is slow down due to the impact of covid-19 to the country especially Phnom Penh city.

Friends-International comprises two offices based in Cambodia:

- Office based in Phnom Penh called Friends-International Headquarters (“FI HQ”); and
- Office based in Siem Reap called Friends-International – Siem Reap/Kaliyan Mith.

As at 31 December 2020, the FI HQ had 51 personnel (2019: 67 personnel).

2. Significant accounting policies

The following significant accounting policies have been adopted by the FI HQ in the preparation of these financial statements.
2. Significant accounting policies (continued)

(a) 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 to meet the requirements of the FI HQ; it is not designed to produce financial statements that are compatible with International Financial Reporting Standards.

Under this basis of accounting, income is recognised when funds are received rather than when it is earned and the remaining fund balances transferred back to donors are recorded as a deduction from income following the respective donor funding.

Expenditure is recognised when payments are made rather than when it is incurred, except for the following treatments:

- Cash advances, receivables and sub-contract advances to implementing partners are initially recognised as receivables in the statement of financial position and only recognised as expenditure when they have been liquidated by report and supporting documents;
- Loans to staff are recorded in the statement of financial position at the outstanding amount until they are fully repaid;
- Deposits and prepayments with suppliers are recorded as receivables in the statement of financial position until they are settled;
- Salary tax payable and other withholding tax payables are recorded in the statement of financial position until it is settled;
- Expenses paid by implementing partners on behalf of the Organisation are recorded as payable in the transition account until they are settled.
- Where a donor has specially stipulated that a transfer of fund is exclusively for the next fiscal year, these advances are recorded as deferred income in the statement of financial position.

The financial statements are prepared for the information of and use by the Donors and management of the Organisation but FI note. As a result, the financial statements may not be suitable for another purpose.
2. Significant accounting policies (continued)

(a) Basis of accounting (continued)

Change in presentation

In the preparation of the 2020 financial statements, the management chose to present the expenditure by new activities name instead of by previous activities as applied in the preparation of 2019 financial statements. Accordingly, certain comparative figures were reclassified to conform with the current year presentation as follows:

<table>
<thead>
<tr>
<th></th>
<th>As reclassified</th>
<th>As previously reported</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$</td>
<td>US$</td>
</tr>
<tr>
<td>Expenditures</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Travel and Training</td>
<td>62,049</td>
<td>-</td>
</tr>
<tr>
<td>Capacity building, monitoring &amp; evaluation</td>
<td>-</td>
<td>44,682</td>
</tr>
<tr>
<td>Coordination, management</td>
<td>-</td>
<td>17,367</td>
</tr>
<tr>
<td></td>
<td>62,049</td>
<td>62,049</td>
</tr>
</tbody>
</table>

(b) Non-expendable equipment

The cost of non-expendable equipment is charged to expenditure upon acquisition. For control and management purposes, a memorandum account of non-expendable equipment is maintained by way of a non-expendable equipment listing.

(c) Loan receivables

Loan receivables are recorded in the statement of financial position at the amount of principal less any amounts written off.
Friends-International – Phnom Penh Headquarters

Notes to the financial statements (continued)
for the year ended 31 December 2020

2. Significant accounting policies (continued)

(d) Foreign currency translation

The national currency of Cambodia is Khmer Riel ("KHR"). However, the Organisation transacts its operations and maintains its accounting records primarily in United States Dollars ("US$”). The management has determined the US$ to be the Organisation’s functional currency as it reflects the economic substance of the underlying events and circumstance of the Organisation.

(e) New standards not yet adopted

On 27 March 2018, the National Accounting Council of the Ministry of Economy and Finance ("MEF") issued a Prakas No. 335 on the Implementation of Cambodian Financial Reporting Standard for Not-For-Profit Entities ("CIFRS for NFPEs") which follows the cash basis of accounting and is effective for the period beginning on or after 1 January 2018 established in compliance with the Law on Association and NGO and relevant provision in effect.

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

At this stage, the Organisation does not intend to adopt the CIFRS for NFPEs before its effective date.

3. Translation of United States Dollars into Khmer Riel

The financial statements are expressed in US$. The translations of US$ amounts into Khmer Riel are included solely for meeting the presentation requirement pursuant to the Law on Accounting and Auditing.

Assets and liabilities are translated at the closing rate as at the reporting date. The statement of income and expenditure are translated into KHR using the average rate for the year. Exchange difference arising from the translation are recognised as “Currency translation reserves” in the statement of income and expenditure.

The Organisation uses the following exchange rates:

<table>
<thead>
<tr>
<th>Date</th>
<th>US$1</th>
<th>Closing rate</th>
<th>Average rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 December 2020</td>
<td></td>
<td>KHR4,045</td>
<td>KHR4,077</td>
</tr>
<tr>
<td>31 December 2019</td>
<td></td>
<td>KHR4,075</td>
<td>KHR4,052</td>
</tr>
</tbody>
</table>
4. Cash and bank balances

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$ KHR'000</td>
<td>US$ KHR'000</td>
</tr>
<tr>
<td>Cash at banks</td>
<td>2,470,270</td>
<td>1,080,980</td>
</tr>
<tr>
<td></td>
<td>9,992,242</td>
<td>4,404,994</td>
</tr>
<tr>
<td>Cash on hand</td>
<td>713</td>
<td>1,495</td>
</tr>
<tr>
<td></td>
<td>2,884</td>
<td>6,092</td>
</tr>
<tr>
<td></td>
<td>2,470,983</td>
<td>1,082,475</td>
</tr>
<tr>
<td></td>
<td>9,995,126</td>
<td>4,411,086</td>
</tr>
</tbody>
</table>

The cash at banks represent the current accounts held at Advanced Bank of Asia Ltd with annual interest rate 0.25% (2019:0.25%) and J Trust Royal Bank with no earned interest.

5. Sub-contract advances to implementing partners

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$ KHR'000</td>
<td>US$ KHR'000</td>
</tr>
<tr>
<td></td>
<td>(Note 3)</td>
<td>(Note 3)</td>
</tr>
<tr>
<td>Mith Samlanh (MS)</td>
<td>6,584</td>
<td>41,160</td>
</tr>
<tr>
<td></td>
<td>26,632</td>
<td>167,727</td>
</tr>
<tr>
<td>Komar Rikreay (KMR)</td>
<td>6,177</td>
<td>18,959</td>
</tr>
<tr>
<td></td>
<td>24,986</td>
<td>77,258</td>
</tr>
<tr>
<td>Samathapheap Khnom</td>
<td>4,923</td>
<td>13,512</td>
</tr>
<tr>
<td>Organisation (SKO)</td>
<td>19,914</td>
<td>55,061</td>
</tr>
<tr>
<td>Damnok Toek (DT)</td>
<td>4,354</td>
<td>21,288</td>
</tr>
<tr>
<td></td>
<td>17,612</td>
<td>86,749</td>
</tr>
<tr>
<td>Transcultural Psychosocial Organization (TPO)</td>
<td>3,245</td>
<td>17,781</td>
</tr>
<tr>
<td></td>
<td>13,126</td>
<td>72,458</td>
</tr>
<tr>
<td>Creative Generation</td>
<td>1,378</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>5,574</td>
<td>-</td>
</tr>
<tr>
<td>Korsang (KS)</td>
<td>1,293</td>
<td>3,748</td>
</tr>
<tr>
<td></td>
<td>5,230</td>
<td>15,273</td>
</tr>
<tr>
<td>Cambodia Children's Trust (CCT)</td>
<td>184</td>
<td>13,948</td>
</tr>
<tr>
<td></td>
<td>744</td>
<td>56,838</td>
</tr>
<tr>
<td>Mlop Tapang (MT)</td>
<td>-</td>
<td>30,260</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>123,310</td>
</tr>
<tr>
<td>Kaliyan Mith (Friends- International Siem Reap)</td>
<td>-</td>
<td>38,441</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>156,647</td>
</tr>
<tr>
<td>Krousar Thmey (KT)</td>
<td>-</td>
<td>13,536</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>55,159</td>
</tr>
<tr>
<td>Children's Future International (CFI)</td>
<td>-</td>
<td>17,286</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>70,440</td>
</tr>
<tr>
<td></td>
<td>28,138</td>
<td>229,919</td>
</tr>
<tr>
<td></td>
<td>113,818</td>
<td>936,920</td>
</tr>
</tbody>
</table>
6. Loans receivables

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$</td>
<td>KHR'000</td>
</tr>
<tr>
<td>Staff loans</td>
<td>28,415</td>
<td>114,939</td>
</tr>
</tbody>
</table>

The loans were given to staff without interest, unsecured and repay by instalment through deduction of their monthly salaries.

7. Funds in transit

<table>
<thead>
<tr>
<th>Source</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$</td>
<td>KHR'000</td>
</tr>
<tr>
<td>Friends-International Lao PDR</td>
<td>22,094</td>
<td>89,370</td>
</tr>
<tr>
<td>Project Audit Fees-ECPAT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Luxembourg</td>
<td>3,300</td>
<td>13,349</td>
</tr>
<tr>
<td>Mith Samlanh</td>
<td>1,674</td>
<td>6,771</td>
</tr>
<tr>
<td>Friends-International Siem Reap</td>
<td>1,674</td>
<td>6,772</td>
</tr>
<tr>
<td>Peuan Peuan Bangkok</td>
<td>1,562</td>
<td>6,318</td>
</tr>
<tr>
<td>Martin Wong</td>
<td>292</td>
<td>1,180</td>
</tr>
<tr>
<td>Yayasan Teman Baik</td>
<td>191</td>
<td>773</td>
</tr>
<tr>
<td>Creative Generation</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Komar Rikreay</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

| Total                         | 30,787    | 124,533   | 16,474    | 67,132    |

8. Other payables

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$</td>
<td>KHR'000</td>
</tr>
<tr>
<td>Deferred income</td>
<td>150,000</td>
<td>606,750</td>
</tr>
<tr>
<td>Guarantee deposit</td>
<td>500</td>
<td>2,023</td>
</tr>
<tr>
<td>Other payables</td>
<td>396</td>
<td>1,601</td>
</tr>
</tbody>
</table>

| Total           | 150,896   | 610,374   | 24,396    | 99,414    |
### 9. Donor funding

<table>
<thead>
<tr>
<th>Fund</th>
<th>2020 US$</th>
<th>2022 KHR'000</th>
<th>2019 US$</th>
<th>2019 KHR'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Skoll Foundation</td>
<td>528,475</td>
<td>2,154,593</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>UNICEF Cambodia</td>
<td>420,825</td>
<td>1,715,702</td>
<td>658,017</td>
<td>2,666,284</td>
</tr>
<tr>
<td>Kwok Foundation</td>
<td>449,975</td>
<td>1,834,548</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>SI-NCHADS</td>
<td>358,883</td>
<td>1,463,166</td>
<td>309,268</td>
<td>1,253,154</td>
</tr>
<tr>
<td>Credit Suisse APAC foundation</td>
<td>300,000</td>
<td>1,223,100</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Epic Foundation France</td>
<td>219,988</td>
<td>896,891</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Save the Children</td>
<td>219,058</td>
<td>893,099</td>
<td>270,305</td>
<td>1,095,276</td>
</tr>
<tr>
<td>ECPAT Luxembourg asbl</td>
<td>208,770</td>
<td>851,156</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Pierre Bellon Fondation</td>
<td>176,042</td>
<td>717,723</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Wise Sarl (Fondation Next)</td>
<td>159,975</td>
<td>652,218</td>
<td>229,978</td>
<td>931,871</td>
</tr>
<tr>
<td>HQ Support from Programs</td>
<td>101,513</td>
<td>413,867</td>
<td>89,281</td>
<td>361,766</td>
</tr>
<tr>
<td>Shiseido Travel Retail Asia Pacific Pte.Ltd</td>
<td>97,904</td>
<td>399,155</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Mith Samlanh</td>
<td>80,560</td>
<td>328,443</td>
<td>156,477</td>
<td>634,044</td>
</tr>
<tr>
<td>Epic Foundation</td>
<td>72,429</td>
<td>295,293</td>
<td>52,959</td>
<td>214,590</td>
</tr>
<tr>
<td>AGFUND</td>
<td>69,920</td>
<td>285,065</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>DAK Foundation</td>
<td>49,969</td>
<td>203,724</td>
<td>49,969</td>
<td>202,474</td>
</tr>
<tr>
<td>If Foundation</td>
<td>44,940</td>
<td>183,220</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fondation Juniclaire</td>
<td>32,628</td>
<td>133,024</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Smart Axiata Co LTD</td>
<td>28,700</td>
<td>117,010</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Orr Family Foundation</td>
<td>28,750</td>
<td>117,214</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Intrepid Foundation</td>
<td>13,562</td>
<td>55,292</td>
<td>34,965</td>
<td>141,678</td>
</tr>
<tr>
<td>Solidarity AccorHotels</td>
<td>10,651</td>
<td>43,425</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fossil Foundation</td>
<td>10,000</td>
<td>40,770</td>
<td>8,745</td>
<td>35,435</td>
</tr>
<tr>
<td>World Childhood Foundation</td>
<td>1,098</td>
<td>4,477</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>The Cold Mountain Fund of RSF Social Finance</td>
<td>-</td>
<td>-</td>
<td>350,000</td>
<td>1,418,200</td>
</tr>
<tr>
<td>Semester at Sea</td>
<td>-</td>
<td>-</td>
<td>14,973</td>
<td>60,671</td>
</tr>
<tr>
<td>Ganesh Foundation</td>
<td>-</td>
<td>-</td>
<td>115,000</td>
<td>465,980</td>
</tr>
<tr>
<td>Moodie Davitt International</td>
<td>-</td>
<td>-</td>
<td>253,166</td>
<td>1,025,829</td>
</tr>
<tr>
<td>Creative Generation</td>
<td>-</td>
<td>-</td>
<td>10,400</td>
<td>42,141</td>
</tr>
<tr>
<td>The University of Texas</td>
<td>-</td>
<td>-</td>
<td>11,260</td>
<td>45,626</td>
</tr>
<tr>
<td>CW Asia Fund Charitable Foundation</td>
<td>-</td>
<td>-</td>
<td>20,000</td>
<td>81,040</td>
</tr>
<tr>
<td>Gisela Stichting</td>
<td>-</td>
<td>-</td>
<td>9,996</td>
<td>40,504</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,684,615</td>
<td>15,022,175</td>
<td>2,644,759</td>
<td>10,716,563</td>
</tr>
</tbody>
</table>

### 10. Private donations

This represents donations from individuals, companies, organisations or institutes which are not covered by specific grant agreements.
11. Vocational training income generation

<table>
<thead>
<tr>
<th></th>
<th>2020 US$</th>
<th>2020 KHR'000 (Note 3)</th>
<th>2019 US$</th>
<th>2019 KHR'000 (Note 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Friends “n” Stuff</td>
<td>115,377</td>
<td>470,392</td>
<td>168,752</td>
<td>683,783</td>
</tr>
</tbody>
</table>

Friends “n” Stuff comprises of:

(i) A training and employment workshop, creating job opportunities for marginalised caregivers.

(ii) International-level support for local Friends “n” Stuff trainings, including staff capacity building, marketing, communications and increasing client reach globally.

12. Franchise income

<table>
<thead>
<tr>
<th>Monthly on-going training support fees</th>
<th>2020 US$</th>
<th>2020 KHR'000 (Note 3)</th>
<th>2019 US$</th>
<th>2019 KHR'000 (Note 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>52,189</td>
<td>212,775</td>
<td>278,128</td>
<td>1,126,975</td>
</tr>
</tbody>
</table>

13. Personnel costs

<table>
<thead>
<tr>
<th></th>
<th>2020 US$</th>
<th>2020 KHR'000 (Note 3)</th>
<th>2019 US$</th>
<th>2019 KHR'000 (Note 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>International staff</td>
<td>470,789</td>
<td>1,919,406</td>
<td>656,714</td>
<td>2,661,005</td>
</tr>
<tr>
<td>National staff</td>
<td>310,073</td>
<td>1,264,168</td>
<td>341,982</td>
<td>1,385,711</td>
</tr>
<tr>
<td>Consultancies/ professional fees</td>
<td>135,047</td>
<td>550,587</td>
<td>138,528</td>
<td>561,315</td>
</tr>
<tr>
<td>Indemnity/Severance pay/ Seniority</td>
<td>45,414</td>
<td>185,153</td>
<td>31,826</td>
<td>128,960</td>
</tr>
<tr>
<td>Health insurance</td>
<td>7,700</td>
<td>31,393</td>
<td>9,932</td>
<td>40,244</td>
</tr>
<tr>
<td>Stipends</td>
<td>7,107</td>
<td>28,975</td>
<td>6,577</td>
<td>26,650</td>
</tr>
<tr>
<td>Overtime/Compensation</td>
<td>5,520</td>
<td>22,505</td>
<td>5,946</td>
<td>24,094</td>
</tr>
<tr>
<td>Recruitment cost</td>
<td>2,379</td>
<td>9,699</td>
<td>2,182</td>
<td>8,841</td>
</tr>
</tbody>
</table>

984,029               | 4,011,886 | 1,193,687           | 4,836,820 |
### 14. Direct costs

<table>
<thead>
<tr>
<th></th>
<th>2020 US$</th>
<th>2020 KHR'000 (Note 3)</th>
<th>2019 US$</th>
<th>2019 KHR'000 (Note 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Harm reduction materials</td>
<td>65,820</td>
<td>268,348</td>
<td>60,970</td>
<td>247,050</td>
</tr>
<tr>
<td>ChildSafe Activities</td>
<td>12,300</td>
<td>50,147</td>
<td>3,695</td>
<td>14,973</td>
</tr>
<tr>
<td>Community event costs</td>
<td>5,495</td>
<td>22,403</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Centre supplies</td>
<td>2,559</td>
<td>10,433</td>
<td>444</td>
<td>1,799</td>
</tr>
<tr>
<td>ChildSafe Experience activities</td>
<td>2,366</td>
<td>9,646</td>
<td>8,370</td>
<td>33,915</td>
</tr>
<tr>
<td>Food and drink for beneficiaries</td>
<td>1,344</td>
<td>5,479</td>
<td>695</td>
<td>2,816</td>
</tr>
<tr>
<td>Hygiene costs</td>
<td>703</td>
<td>2,867</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Staff uniforms</td>
<td>527</td>
<td>2,149</td>
<td>3,455</td>
<td>14,000</td>
</tr>
<tr>
<td>Beneficiary transport</td>
<td>442</td>
<td>1,802</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Medical costs</td>
<td>163</td>
<td>665</td>
<td>141</td>
<td>571</td>
</tr>
<tr>
<td>Outreach materials</td>
<td>54</td>
<td>220</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Vocational training materials</td>
<td>-</td>
<td>-</td>
<td>8,775</td>
<td>35,556</td>
</tr>
<tr>
<td>Family and school support</td>
<td>-</td>
<td>-</td>
<td>731</td>
<td>2,962</td>
</tr>
<tr>
<td>Project travels</td>
<td>-</td>
<td>-</td>
<td>100</td>
<td>405</td>
</tr>
<tr>
<td>Information, education,</td>
<td>-</td>
<td>-</td>
<td>90</td>
<td>365</td>
</tr>
<tr>
<td>and communication materials</td>
<td>-</td>
<td>-</td>
<td>33</td>
<td>134</td>
</tr>
<tr>
<td>School reintegration support</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>91,773</td>
<td>374,159</td>
<td>87,499</td>
<td>354,546</td>
</tr>
</tbody>
</table>

### 15. Equipment/assets

<table>
<thead>
<tr>
<th></th>
<th>2020 US$</th>
<th>2020 KHR'000 (Note 3)</th>
<th>2019 US$</th>
<th>2019 KHR'000 (Note 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>IT and computers</td>
<td>7,757</td>
<td>31,625</td>
<td>9,799</td>
<td>39,706</td>
</tr>
<tr>
<td>Furniture and fittings</td>
<td>2,988</td>
<td>12,182</td>
<td>1,355</td>
<td>5,490</td>
</tr>
<tr>
<td>Construction and building (*)</td>
<td>834</td>
<td>3,400</td>
<td>139,180</td>
<td>563,957</td>
</tr>
<tr>
<td>Inventory</td>
<td>490</td>
<td>1,998</td>
<td>4,994</td>
<td>20,236</td>
</tr>
<tr>
<td>Vocational training equipment</td>
<td>-</td>
<td>-</td>
<td>7,093</td>
<td>28,741</td>
</tr>
<tr>
<td>Vehicles</td>
<td>-</td>
<td>-</td>
<td>3,940</td>
<td>15,965</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>12,069</td>
<td>49,205</td>
<td>166,361</td>
<td>674,095</td>
</tr>
</tbody>
</table>

(*) In prior year, the expense represented the construction costs of the Futures Factory Project in the Mith Samlanh premise which had fully completed in 2019. In 2020, the expenses referred to decoration cost on the Futures Factory Project.
16. **Indirect costs**

<table>
<thead>
<tr>
<th></th>
<th>US$</th>
<th>KHR'000</th>
<th>US$</th>
<th>KHR'000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
<td>(Note 3)</td>
<td>2019</td>
<td>(Note 3)</td>
</tr>
<tr>
<td>Office rental</td>
<td>19,800</td>
<td>80,724</td>
<td>19,800</td>
<td>80,230</td>
</tr>
<tr>
<td>Communications</td>
<td>13,007</td>
<td>53,030</td>
<td>18,042</td>
<td>73,106</td>
</tr>
<tr>
<td>External audits</td>
<td>10,710</td>
<td>43,665</td>
<td>7,200</td>
<td>29,174</td>
</tr>
<tr>
<td>Bank charges</td>
<td>8,086</td>
<td>32,967</td>
<td>5,010</td>
<td>20,301</td>
</tr>
<tr>
<td>Utilities</td>
<td>6,141</td>
<td>25,037</td>
<td>7,041</td>
<td>28,530</td>
</tr>
<tr>
<td>Maintenance and renovations</td>
<td>6,086</td>
<td>24,813</td>
<td>3,471</td>
<td>14,064</td>
</tr>
<tr>
<td>Office supplies</td>
<td>4,843</td>
<td>19,745</td>
<td>8,475</td>
<td>34,341</td>
</tr>
<tr>
<td>Transport and gasoline</td>
<td>3,582</td>
<td>14,603</td>
<td>6,089</td>
<td>24,672</td>
</tr>
<tr>
<td>Advertising and marketing</td>
<td>1,809</td>
<td>7,375</td>
<td>18,857</td>
<td>76,409</td>
</tr>
<tr>
<td>Vehicle and building Insurance</td>
<td>1,770</td>
<td>7,216</td>
<td>2,171</td>
<td>8,797</td>
</tr>
<tr>
<td>Printing and photocopying</td>
<td>1,235</td>
<td>5,035</td>
<td>1,027</td>
<td>4,161</td>
</tr>
<tr>
<td>Fundraising costs</td>
<td>1,178</td>
<td>4,803</td>
<td>7,501</td>
<td>30,394</td>
</tr>
<tr>
<td>Subscriptions</td>
<td>1,129</td>
<td>4,603</td>
<td>193</td>
<td>782</td>
</tr>
<tr>
<td>Miscellaneous costs</td>
<td>1,064</td>
<td>4,338</td>
<td>2,263</td>
<td>9,170</td>
</tr>
<tr>
<td>Postage and shipping</td>
<td>558</td>
<td>2,275</td>
<td>1,166</td>
<td>4,725</td>
</tr>
<tr>
<td>Donor, staff and authority relations</td>
<td>170</td>
<td>693</td>
<td>4,951</td>
<td>20,061</td>
</tr>
<tr>
<td></td>
<td>81,168</td>
<td>330,922</td>
<td>113,257</td>
<td>458,917</td>
</tr>
</tbody>
</table>

17. **Travel and training**

<table>
<thead>
<tr>
<th></th>
<th>US$</th>
<th>KHR'000</th>
<th>US$</th>
<th>KHR'000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
<td>(Note 3)</td>
<td>2019</td>
<td>(Note 3)</td>
</tr>
<tr>
<td>Workshops/Meetings</td>
<td>18,040</td>
<td>73,549</td>
<td>11,170</td>
<td>45,260</td>
</tr>
<tr>
<td>National travel</td>
<td>10,874</td>
<td>44,333</td>
<td>27,461</td>
<td>111,272</td>
</tr>
<tr>
<td>Exchanges/Exposure trips</td>
<td>2,578</td>
<td>10,511</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>International travel</td>
<td>2,015</td>
<td>8,215</td>
<td>15,339</td>
<td>62,154</td>
</tr>
<tr>
<td>Staff training</td>
<td>456</td>
<td>1,859</td>
<td>978</td>
<td>3,963</td>
</tr>
<tr>
<td>Board of director meeting</td>
<td>199</td>
<td>811</td>
<td>7,101</td>
<td>28,773</td>
</tr>
<tr>
<td></td>
<td>34,162</td>
<td>139,278</td>
<td>62,049</td>
<td>251,422</td>
</tr>
</tbody>
</table>
Friends-International – Phnom Penh Headquarters

Notes to the financial statements (continued)
for the year ended 31 December 2020

18. Other income generation costs

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$ KHR'000</td>
<td>US$ KHR'000</td>
</tr>
<tr>
<td></td>
<td>(Note 3)</td>
<td>(Note 3)</td>
</tr>
<tr>
<td>Costs of income generation</td>
<td>84,845</td>
<td>77,949</td>
</tr>
<tr>
<td>Miscellaneous business costs</td>
<td>309</td>
<td>-</td>
</tr>
<tr>
<td>Outlet supplies</td>
<td>-</td>
<td>1,317</td>
</tr>
<tr>
<td>Packaging cost</td>
<td>-</td>
<td>173</td>
</tr>
<tr>
<td></td>
<td>85,154</td>
<td>79,439</td>
</tr>
<tr>
<td></td>
<td>347,173</td>
<td>321,887</td>
</tr>
</tbody>
</table>

19. Transfer to programs

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$ KHR'000</td>
<td>US$ KHR'000</td>
</tr>
<tr>
<td></td>
<td>(Note 3)</td>
<td>(Note 3)</td>
</tr>
<tr>
<td>Mith Samlanh:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SI-NCHADs</td>
<td>165,432</td>
<td>133,970</td>
</tr>
<tr>
<td>UNICEF Cambodia</td>
<td>118,428</td>
<td>69,278</td>
</tr>
<tr>
<td>ECPAT Luxembourg asbl</td>
<td>101,455</td>
<td>-</td>
</tr>
<tr>
<td>Shiseido</td>
<td>97,904</td>
<td>-</td>
</tr>
<tr>
<td>Pierre Bellon</td>
<td>70,417</td>
<td>-</td>
</tr>
<tr>
<td>Wise Sarl (Fondation NEXT)</td>
<td>69,800</td>
<td>150,400</td>
</tr>
<tr>
<td>Credit Suisse APAC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foundation</td>
<td>69,656</td>
<td>-</td>
</tr>
<tr>
<td>Him Lee Memorial Fund</td>
<td>48,762</td>
<td>-</td>
</tr>
<tr>
<td>Intrepid Foundation</td>
<td>13,562</td>
<td>7,652</td>
</tr>
<tr>
<td>Anonymous via Dragonfly</td>
<td></td>
<td></td>
</tr>
<tr>
<td>APAC</td>
<td>13,400</td>
<td>-</td>
</tr>
<tr>
<td>If Foundation- (Covid)</td>
<td>12,500</td>
<td>-</td>
</tr>
<tr>
<td>Friends Deutschland</td>
<td>10,389</td>
<td>-</td>
</tr>
<tr>
<td>SMART Axiata Co LTD</td>
<td>9,814</td>
<td>-</td>
</tr>
<tr>
<td>Ganesha Foundation</td>
<td>-</td>
<td>9,600</td>
</tr>
<tr>
<td>Gisela Stichting</td>
<td>-</td>
<td>5,367</td>
</tr>
<tr>
<td></td>
<td>801,519</td>
<td>376,267</td>
</tr>
<tr>
<td></td>
<td>3,267,795</td>
<td>1,524,633</td>
</tr>
</tbody>
</table>
## 19. Transfer to programs (continued)

<table>
<thead>
<tr>
<th></th>
<th>2020 US$</th>
<th>2020 KHR’000</th>
<th>2019 US$</th>
<th>2019 KHR’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Friends-International Siem Reap:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UNICEF Cambodia</td>
<td>93,846</td>
<td>382,610</td>
<td>63,053</td>
<td>255,491</td>
</tr>
<tr>
<td>ECPAT Luxembourg asbl</td>
<td>61,873</td>
<td>252,256</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fondation Pierre Bellon</td>
<td>61,619</td>
<td>251,221</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Credit Suisse APAC Foundation</td>
<td>50,492</td>
<td>205,856</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Epic Foundation</td>
<td>26,798</td>
<td>109,255</td>
<td>67,923</td>
<td>275,224</td>
</tr>
<tr>
<td>Him Lee Memorial Fund</td>
<td>23,518</td>
<td>95,883</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>If Foundation</td>
<td>12,500</td>
<td>50,963</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>SMART Axiata Co LTD</td>
<td>4,000</td>
<td>16,308</td>
<td>67,923</td>
<td>275,224</td>
</tr>
<tr>
<td>Semester at Sea</td>
<td>480</td>
<td>1,957</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Teresa Orr</td>
<td>-</td>
<td>-</td>
<td>27,472</td>
<td>111,317</td>
</tr>
<tr>
<td>The Cold Mountain Fund of RSF Social Finance</td>
<td>-</td>
<td>-</td>
<td>20,200</td>
<td>81,850</td>
</tr>
<tr>
<td>Ganesha Foundation</td>
<td>-</td>
<td>-</td>
<td>1,800</td>
<td>7,294</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>335,126</td>
<td>1,366,309</td>
<td>180,448</td>
<td>731,176</td>
</tr>
</tbody>
</table>

| **Temak Baik (Indonesia)** |           |              |          |              |
| FI Reserves              | 15,189    | 61,926       | -        | -            |

| **Friends-International Thailand** |           |              |          |              |
| Credit Suisse APAC Foundation | 63,213   | 257,718      | -        | -            |
| The Cold Mountain Fund of RSF Social Finance | 20,000  | 81,540       | -        | -            |
| If Foundation             | 10,000   | 40,770       | -        | -            |
| SMART Axiata Co LTD       | 7,920    | 32,290       | -        | -            |
| FI Reserve                | 2,600    | 10,600       | 7,243    | 29,349       |
| CS Alliance Reserves      | 2,480    | 10,111       | -        | -            |
| **Total**                 | 106,213  | 433,029      | 7,243    | 29,349       |

| **Friends-International Lao PDR** |           |              |          |              |
| Him Lee Memorial Fund      | 77,720   | 316,862      | -        | -            |
| The Cold Mountain Fund of RSF Social Finance | 26,750 | 109,060 | 45,009 | 182,376 |
| FI Program Support         | 24,256   | 98,892       | 16,765   | 67,932       |
| Fondation Junclair         | 24,218   | 98,737       | -        | -            |
| If Foundation (COVID)      | 5,000    | 20,385       | -        | -            |
| Friends Deutschland        | 2,370    | 9,662        | -        | -            |
| Teresa Orr                 | -        | -            | 17,555   | 71,133       |
| **Total**                  | 160,314  | 653,598      | 79,329   | 321,441      |
## 19. Transfer to programs (continued)

<table>
<thead>
<tr>
<th></th>
<th>2020 US$</th>
<th>2020 KHR’000</th>
<th>2019 US$</th>
<th>2019 KHR’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Friends International Myanmar</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Teresa Orr</td>
<td>6,500</td>
<td>26,501</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Mr. Jeronimo</td>
<td>3,000</td>
<td>12,231</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Simply Giving donations</td>
<td>2,248</td>
<td>9,165</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Linkage</td>
<td>2,000</td>
<td>8,154</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>CW Asia Fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charitable Foundation</td>
<td>-</td>
<td>-</td>
<td>12,000</td>
<td>48,624</td>
</tr>
<tr>
<td></td>
<td>13,748</td>
<td>56,051</td>
<td>12,000</td>
<td>48,624</td>
</tr>
<tr>
<td><strong>Friends Suisse</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AGFUND</td>
<td>18,688</td>
<td>76,191</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>FI General</td>
<td>8,365</td>
<td>34,104</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>27,053</td>
<td>110,295</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>1,459,162</td>
<td>5,949,003</td>
<td>655,287</td>
<td>2,655,223</td>
</tr>
</tbody>
</table>

## 20. Sub-Grants to implementing partners

<table>
<thead>
<tr>
<th></th>
<th>2020 US$</th>
<th>2020 KHR’000</th>
<th>2019 US$</th>
<th>2019 KHR’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Korsang (KS)</strong></td>
<td>96,626</td>
<td>393,944</td>
<td>77,089</td>
<td>312,365</td>
</tr>
<tr>
<td><strong>Damnok Toek (DT)</strong></td>
<td>88,316</td>
<td>360,064</td>
<td>40,090</td>
<td>162,445</td>
</tr>
<tr>
<td><strong>M’lop Tapang (MT)</strong></td>
<td>72,585</td>
<td>295,929</td>
<td>63,543</td>
<td>257,474</td>
</tr>
<tr>
<td><strong>Komar Rikreay (KMR)</strong></td>
<td>64,659</td>
<td>263,615</td>
<td>21,191</td>
<td>85,867</td>
</tr>
<tr>
<td><strong>Samathapheap Khnom Organisation (SKO)</strong></td>
<td>56,440</td>
<td>230,106</td>
<td>23,112</td>
<td>94,459</td>
</tr>
<tr>
<td><strong>Children’s Future International (CFI)</strong></td>
<td>51,137</td>
<td>208,486</td>
<td>29,287</td>
<td>118,672</td>
</tr>
<tr>
<td><strong>Cambodia Children’s Trust (CCT)</strong></td>
<td>40,695</td>
<td>165,914</td>
<td>9,684</td>
<td>39,240</td>
</tr>
<tr>
<td><strong>Transcultural Psychosocial Organization (TPO)</strong></td>
<td>34,482</td>
<td>140,583</td>
<td>26,700</td>
<td>108,187</td>
</tr>
<tr>
<td><strong>Krousar Thmey (KT)</strong></td>
<td>31,125</td>
<td>126,897</td>
<td>22,979</td>
<td>93,112</td>
</tr>
<tr>
<td><strong>Experience Baraka Consulting for Sustainable Tourism Development</strong></td>
<td>9,060</td>
<td>36,938</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Creative Generation</strong></td>
<td>1,623</td>
<td>6,616</td>
<td>10,380</td>
<td>42,060</td>
</tr>
<tr>
<td><strong>Plastic Commune</strong></td>
<td>-</td>
<td>-</td>
<td>6,400</td>
<td>25,933</td>
</tr>
<tr>
<td></td>
<td>546,748</td>
<td>2,229,092</td>
<td>330,655</td>
<td>1,339,814</td>
</tr>
</tbody>
</table>
21. Commitments

(i) Operating lease commitments

The Organisation leases its office and building areas under non-cancellable operating lease agreement which will expire on 30 November 2023. The lease expenditure charged to the statement of income and expenditure during the year is disclosed in Note 15.

As at 31 December 2020, the Organisation has commitments in respect of operating leases as follows:

<table>
<thead>
<tr>
<th></th>
<th>2020 US$</th>
<th>2020 KHR'000 (Note 3)</th>
<th>2019 US$</th>
<th>2019 KHR'000 (Note 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>19,800</td>
<td>80,229</td>
<td>19,800</td>
<td>80,725</td>
</tr>
<tr>
<td>Within two to five years</td>
<td>38,720</td>
<td>156,893</td>
<td>57,750</td>
<td>235,447</td>
</tr>
<tr>
<td></td>
<td>58,520</td>
<td>237,122</td>
<td>77,550</td>
<td>316,172</td>
</tr>
</tbody>
</table>

(ii) Back pay seniority commitment

In accordance with Prakas No.443 MLVT/Br.K issued on 21 September 2018 and subsequently amended by the Instruction No. 042/19 dated 22 March 2019, all employees as at 31 December 2020 who have past service before year 2019 are entitled to back pay seniority. As at 31 December 2020, the management has estimated the maximum back pay seniority payment commitment amounting to US$45,129 (31 December 2019: US$48,931).

(iii) Separate business activities

Prakas No. 464 MEF. Prk dated on 12 April 2018 issued by the Ministry of Economy and Finance and the Instruction No. 3303 GDT issued by General Department of Taxation (GDT) on 6 February 2020 on the Instruction for Implementation of Tax Obligation of Associations or Non-Governmental Organisation (NGOs), required NGOs which have separated business activities aside from their sole objective or non-profit activities to register its business activities as a separate company under sole proprietorship for and must have separate accounting records for these separate business activities.

As at the date of these financial statements, the Organisation is in the process to register the separate business activities with the GDT and prepare a split accounting records.
22. Significant events during the year and events since the reporting date

The Novel Coronavirus (Covid-19) outbreak has spread globally causing disruption to business and economic activity since late 2019. During 2020, the government of Cambodia has successfully mitigated its spread within the country. However, the situation has deteriorated from March 2021 causing the threat to public health increased potentially. On 17 April 2021, the Royal Government of Cambodia took measures to contain the outbreak by limiting the movement of people, including the ‘lock-down’ of Phnom Penh City and Takhmao, among others for two weeks times and subsequently extended for another one week which will be due to reopen on 5 May 2021. Given the unprecedented and pervasive impact of changing circumstances surrounding the COVID-19 pandemic, there is inherently more uncertainty associated with the future operating assumptions and expectations. The estimate of impact may move materially as events unfold. However, the Organisation does not foresee any material uncertainty that may have significant adverse impact to the Organisation’s program activities and business plan or may cast significant doubt on the Organisation’s ability to as a going concern.

The Organisation will keep continuous attention on the situation of the COVID-19 and react actively to its impact on the financial position and operating results of the Organisation in future periods.
Annex I – Schedule of income and expenditure by donors for the year ended 31 December 2020

<table>
<thead>
<tr>
<th>Description</th>
<th>Fund balance as at 1 January 2020 US$</th>
<th>Income US$</th>
<th>Expenditure US$</th>
<th>Fund balance as at 31 December 2020 US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Friends N Stuff</td>
<td>(160,467)</td>
<td>116,846</td>
<td>119,034</td>
<td>(162,655)</td>
</tr>
<tr>
<td>TREE Alliance</td>
<td>261,336</td>
<td>52,189</td>
<td>21,838</td>
<td>291,687</td>
</tr>
<tr>
<td>Sipar NGO</td>
<td>-</td>
<td>2,200</td>
<td>10</td>
<td>2,190</td>
</tr>
<tr>
<td>UNICEF Vietnam</td>
<td>29,005</td>
<td>(23,741)</td>
<td>5,264</td>
<td>-</td>
</tr>
<tr>
<td>Arab Gulf Programme for Development (AGFUND)</td>
<td>-</td>
<td>69,920</td>
<td>28,785</td>
<td>41,135</td>
</tr>
<tr>
<td>Credit Suisse APAC Foundation Limited</td>
<td>-</td>
<td>300,000</td>
<td>220,839</td>
<td>79,161</td>
</tr>
<tr>
<td>CW Asia Fund Charitable Foundation</td>
<td>8,000</td>
<td>-</td>
<td>2,415</td>
<td>5,586</td>
</tr>
<tr>
<td>ECPAT Luxembourg asbl</td>
<td>-</td>
<td>208,288</td>
<td>188,732</td>
<td>19,556</td>
</tr>
<tr>
<td>Epic Foundation</td>
<td>3,980</td>
<td>292,416</td>
<td>28,150</td>
<td>268,266</td>
</tr>
<tr>
<td>EU / Save The Children</td>
<td>66,938</td>
<td>219,058</td>
<td>257,814</td>
<td>28,182</td>
</tr>
<tr>
<td>EXO Foundation</td>
<td>596</td>
<td>-</td>
<td>89</td>
<td>507</td>
</tr>
<tr>
<td>Fondation Junclair</td>
<td>-</td>
<td>32,629</td>
<td>32,629</td>
<td>-</td>
</tr>
<tr>
<td>Fondation Pierre Bellon</td>
<td>-</td>
<td>176,042</td>
<td>154,940</td>
<td>21,103</td>
</tr>
<tr>
<td>Fossil Foundation</td>
<td>3,797</td>
<td>10,000</td>
<td>9,101</td>
<td>4,696</td>
</tr>
<tr>
<td>If International Foundation</td>
<td>-</td>
<td>44,940</td>
<td>44,940</td>
<td>-</td>
</tr>
<tr>
<td>The Intrepid Foundation</td>
<td>-</td>
<td>13,562</td>
<td>13,562</td>
<td>-</td>
</tr>
<tr>
<td>Kwok Foundation</td>
<td>-</td>
<td>449,975</td>
<td>221,732</td>
<td>228,242</td>
</tr>
<tr>
<td>Mith Samichan</td>
<td>15,178</td>
<td>80,560</td>
<td>46,233</td>
<td>49,505</td>
</tr>
<tr>
<td>NCHADS / GFATM</td>
<td>35,000</td>
<td>358,883</td>
<td>377,964</td>
<td>15,919</td>
</tr>
<tr>
<td>Orr Family Foundation</td>
<td>-</td>
<td>25,000</td>
<td>-</td>
<td>25,000</td>
</tr>
<tr>
<td>Partners for Equity (DAK Foundation)</td>
<td>49,969</td>
<td>49,969</td>
<td>17,250</td>
<td>82,688</td>
</tr>
<tr>
<td>The Cold Mountain Fund of RSF Social Finance</td>
<td>150,000</td>
<td>-</td>
<td>150,000</td>
<td>-</td>
</tr>
<tr>
<td>Shiseido Travel Retail Asia Pacific Pte.</td>
<td>-</td>
<td>97,904</td>
<td>97,904</td>
<td>-</td>
</tr>
<tr>
<td>Smart Axiata Co LTD</td>
<td>-</td>
<td>28,700</td>
<td>28,700</td>
<td>-</td>
</tr>
<tr>
<td>Solidarity Accor Hotels</td>
<td>-</td>
<td>10,651</td>
<td>10,651</td>
<td>-</td>
</tr>
<tr>
<td>Teresa Orr</td>
<td>5,196</td>
<td>500</td>
<td>5,696</td>
<td>-</td>
</tr>
<tr>
<td>UNICEF Cambodia</td>
<td>244,435</td>
<td>420,825</td>
<td>659,641</td>
<td>5,618</td>
</tr>
<tr>
<td>WISE Sarl (Fondation NEXT)</td>
<td>76,905</td>
<td>159,975</td>
<td>180,246</td>
<td>56,634</td>
</tr>
<tr>
<td>WISE Sarl (Ganesha Foundation)</td>
<td>48,519</td>
<td>2,348</td>
<td>46,171</td>
<td>-</td>
</tr>
<tr>
<td>World Childhood Foundation</td>
<td>(1,098)</td>
<td>1,098</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Allan Gordon Murray Jones</td>
<td>-</td>
<td>7,250</td>
<td>-</td>
<td>7,250</td>
</tr>
<tr>
<td>Friends Deutschland</td>
<td>-</td>
<td>31,893</td>
<td>12,759</td>
<td>19,134</td>
</tr>
<tr>
<td>Him Lee Memorial Fund</td>
<td>-</td>
<td>150,000</td>
<td>150,000</td>
<td>-</td>
</tr>
</tbody>
</table>
Friends-International – Phnom Penh Headquarters

Annex I – Schedule of income and expenditure by donors (continued) for the year ended 31 December 2020

<table>
<thead>
<tr>
<th>Description</th>
<th>Fund balance as at 1 January 2020 US$</th>
<th>Income US$</th>
<th>Expenditure US$</th>
<th>Fund balance as at 31 December 2020 US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moodie Davitt Report</td>
<td>248,461</td>
<td>-</td>
<td>150,061</td>
<td>98,400</td>
</tr>
<tr>
<td>Semester at Sea Chapman Impact Fund</td>
<td>11,160</td>
<td>-</td>
<td>5,930</td>
<td>5,230</td>
</tr>
<tr>
<td>Skoll Foundation</td>
<td></td>
<td>528,475</td>
<td>-</td>
<td>528,475</td>
</tr>
<tr>
<td>FI Reserves</td>
<td>312,514</td>
<td>345,260</td>
<td>49,008</td>
<td>608,766</td>
</tr>
<tr>
<td></td>
<td>1,409,424</td>
<td>4,261,267</td>
<td>3,294,265</td>
<td>2,376,426</td>
</tr>
</tbody>
</table>

Prepared by: Ms. Choeun Sokly  
Finance Manager

Approved by: Mr. Sebastien Marot  
Executive Director

Date: 03. May. 2021