

FRIENDS-INTERNATIONAL THAILAND  
AUDITOR'S REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

## FRIENDS-INTERNATIONAL THAILAND

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**FRIENDS-INTERNATIONAL THAILAND**  
**ORGANISATION INFORMATION**

<b>Organisation Name</b>	Friends-International Thailand (“the Organisation”)
<b>Head office</b>	Friends-International in Cambodia
<b>Senior officers</b>	Sebastien Marot, Executive Director/Founder Ms. Orawan Saowapat, Country Program Director Ms. Phonthip Bunsuk, Safe Migration Project Manager Ms. Chanthana Le Mouellic, Community Project Manager Ms. Pradthana Suwanpiam, ChildSafe Project manager Ms. Sasitorn Orkhan, Future Project Manager Mr. Sebastien Le Mouellic, Program Technical Coordinator Ms. Phalla Von, International Coordinator
<b>Board of Directors</b>	Leonard Coster, Chairperson (appointed on 18 March 2018) Timothee Wagener, Member Michael Gilmore, Member Vivian Gee, Member
<b>Organisation office</b>	Friends-International Thailand, Bangkok 448 Soi Saensabai 8, Phra Khanong, Khlong Toey, Bangkok 10110 Thailand
<b>Auditor Office</b>	<b>Head office</b> 316/32 Sukhumvit 22 Road (Soi Sainumthip) Klongtoey Bangkok 10110 <b>Branch</b> 956-958 Between Soi Onnut 30-32 Saunlaung Bangkok 10250

**FRIENDS-INTERNATIONAL THAILAND**

**Statement of management's responsibilities**

**Statement of management's responsibilities**

The organisation's management is responsible for ascertaining that the financial statements are properly drawn up so as to give a true and fair view of the financial position of the organisation as at 31 December 2018 and of their results of its operation. In preparing these financial statements, the management is required to :

- Select suitable accounting policies and then apply them consistently
- Make judgments and estimates that are reasonable and prudent
- Maintain financial records and prepare the financial statements in accordance with the policies and procedures of Friends - International Guideline, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the organisation will continue its operations.

Management is responsible for keeping proper accounting records, which disclose with reasonable accuracy, at any time, the financial position of the association. Members of management have a general responsibility for taking such steps as are reasonably available to them to safeguard the assets of association and to prevent and detect fraud and other irregularities.



Ms. Orawan Saowapat  
Country Program Director



Ms. Phalla Von  
International Coordinator



AUDITOR'S REPORT

To the Board of Directors

Friends – International Thailand ( the “Organization”)

**Opinion**

I have audited the financial statements of Friends International Thailand (the “Organization”), which comprise the statement of financial position as at December 31, 2018, and the statement of income and expenses for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information. In my opinion, the accompanying financial statements present fairly, in all material respects, in accordance with the basic of accounting and the accounting policies as described in Note 2 to the financial statements.

**Basis for Opinion**

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Organization in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King’s Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Emphasis of Matter – Basic of Accounting and Restriction and Use**

I draw attention to Note 2 to the financial statements, which described the basis of accounting. The financial statements are prepared to assist the Organization to report to the Board of Directors, Head Office and donors. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Organization and should not be distributed to or used by parties other than the Board of Directors, the Head office or the donors of the Organization. Our opinion is not modified in respect this matter.

**Other matter**

The comparative financial statement as at December 31, 2017 have been audited by other auditor, whose was expressed an unqualified opinion with the basis of accounting and the accounting policies as described in Note 2 to the financial statements which audited report dated April 18, 2018.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation 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 misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’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 Company or to cease operations, or has no realistic alternative but to do so.



## Auditor's Responsibilities for the Audit of the Financial Statements

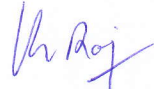
My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai 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 Thai Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement, whether financial 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 my 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 Organization'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 Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate 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 I identify during my audit.

D I A International Audit Co., Ltd.



(Mrs. Vilairat Rojnuckarin)

C.P.A. (Thailand)


Registration No. 3104

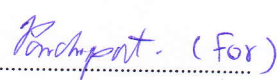
May 19, 2019

**FRIENDS-INTERNATIONAL THAILAND**  
**STATEMENT OF INCOME AND EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

Currency : Baht

	Note	2018	2017
<b>INCOME</b>			
Donor funding	3	9,578,185	8,133,790
Sales revenue		-	292,616
Consultancy income		1,775,807	156,448
Private donations		139,234	42,300
Fund received from Headquarters		573,394	1,183,660
Other income	2	242,927	45,007
<b>TOTAL INCOME</b>		<b>12,309,547</b>	<b>9,853,821</b>
<b>EXPENSES</b>			
Personnal expenses	4	6,550,850	6,118,646
Direct costs	5	1,528,974	437,535
Equipment	6	19,890	58,550
Indirect costs	7	1,252,626	2,327,212
Capacity building, monitoring and evaluation	8	983,382	640,599
Coordination and management monitoring	9	68,878	8,577
Other business costs	10	-	233,231
Administration to Headquarters		239,849	252,176
<b>TOTAL EXPENSES</b>		<b>10,644,449</b>	<b>10,076,526</b>
Surplus of receipts under disbursements for the year		1,665,098	(222,705)
Fund balance, beginning of year		2,268,985	2,491,690
<b>FUND BALANCE, END OF YEAR</b>		<b>3,934,083</b>	<b>2,268,985</b>

  
 .....  
 Ms. Orawan Saowapat  
 Country Program Director

  
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 Ms. Phalla Von  
 International Coordinator

**FRIENDS-INTERNATIONAL THAILAND**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2018**

Currency : Baht


	Note	2018	2017
<b>ASSETS</b>			
Cash on hand		54,763	77,526
Cash at banks		3,980,672	1,743,629
Advances		26,200	-
Deposit for office rental		60,800	273,700
Accounts receivable	11	77,337	3,133,311
<b>TOTAL ASSETS</b>		<b>4,199,772</b>	<b>5,228,166</b>
<b>LIABILITIES</b>			
Accounts payable	12	265,689	2,959,181
<b>TOTAL LIABILITIES</b>		<b>265,689</b>	<b>2,959,181</b>
<b>NET FUND BALANCE</b>		<b>3,934,083</b>	<b>2,268,985</b>

Notes to financial statements are parts of these financial statement



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Ms.Orawan Saowapat  
Country Program Director



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Ms. Phalla Von  
International Coordinator



FRIENDS-INTERNATIONAL THAILAND  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

1. ORGANISATION AND PRINCIPAL ACTIVITIES

Since 1994, Friends-International has been running projects worldwide for and with street children, attempting to reintegrate these children into their society. Friends-International works with street children in a developmental and sustainable perspective in accordance with the Convention of the Rights of the Child ("UN-CRC"). In the framework, Friends-International launched, with Sebastien Marot as Founder and Executive Director for the implementation, the Non-Government Organisation ("NGO") Mith Samlanh Friends in Cambodia

Through its work in Cambodia, Friends - International observed growing number of street children and youth traveling to Thailand. In 2005, Friends - International launched a research project in collaboration with UNIAP, exploring the reasons that Cambodian children and mothers went to the streets of Bangkok, including how they traveled there, how children and mothers survive and the process of repatriation to Cambodia.

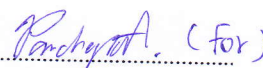
As a result of the findings of this research, the Peuan Peuan program was launched by Friends - International in 2006 and later extended to include Thai, Lao and Burmese children and youth.

The overall objective is protect and provide good practice services leading to the sustainable reintegration of migrant and other marginalised children and youth in Thailand. The specific objectives are:

- To strengthen protection and reintegration of children both marginalised Thai and foreign children youth in Bangkok in close collaboration with Royal Thai Government (RTG) and partner non-profit organisations.
- To strengthen protection and reintegration of marginalised children and youth along the border of Aranyaprathet and Poipet.
- To promote safe migration and strengthen referral network for effective response and assistance to marginalised children and youth.
- To raise awareness in local 'communities' on Child Rights and educate how they can take part in protecting children.
- To support RTG in strengthening Child Protection Policy, procedures and its reporting mechanism.
- To strengthen collaboration in Case Management System and effective referral among government and non - government agencies.
- To support marginalised children and youth to engage in vocational Training and Employment.



Ms. Orawan Saowapat  
Country Program Director



Ms. Phalla Von  
International Coordinator

**FRIENDS-INTERNATIONAL THAILAND**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**2. SUMMAER OF SIGNIFICANT ACCOUNTING POLICIES**

(a) Basis of accounting

The statements of income and expenses have been prepared in accordance with a modified cash basis of accounting which expressed in Thai Baht. This is a comprehensive basis of accounting other than International Financial Reporting Standards. Accordingly, income are recognised when received rather than when earned and expenses are recognised when paid rather than when incurred, except for staff health and life insurance premium, personal telephone costs charged to staff and repatriation fee, which are recognised on an accrual basis, and advances to projects and employees, which are recognised as expenditure when cleared. Previous year's figures and phrases have been rephrased and re-arranged wherever necessary to confirm to the current year's presentation

(b) Currency and foreign exchange

The organisation uses Thai Baht (THB") as its reporting currency. Transactions in currencies other than THB are translated into THB at the organisation's operational rate of exchange on the date of booking. All exchange differences are recorded in the statement of income and expenses.

(c) Property and equipment

All purchases of fixed assets are recorded as expenditures in the statement of income and expenses upon acquisition.



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Country Program Director



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Ms. Phalla Von  
International Coordinator

**FRIENDS-INTERNATIONAL THAILAND**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**


**3. DONOR FUNDING**

Currency : Baht

	2018	2017
Credit Suisse	2,400,000	2,577,000
Department of Children & Youth (Royal Thai Government)	1,051,460	567,664
EPIC Foundation	-	2,109,358
EXO Foundation	-	119,963
Intermarche - FI France	-	389,300
Lloyd George Asia Foundation	-	671,296
Responsible Travel	-	6,672
Terres des Hommes Netherlands	-	73,308
UNICEF Thailand	4,696,422	1,619,229
UNVTF Secretariat	997,575	-
World Childhood Foundation	432,728	-
<b>Total</b>	<b>9,578,185</b>	<b>8,133,790</b>



Ms. Orawan Saowapat  
Country Program Director



Ms. Phalla Von  
International Coordinator

FRIENDS-INTERNATIONAL THAILAND  
 NOTES TO FINANCIAL STATEMENTS (Continued)  
 FOR THE YEAR ENDED DECEMBER 31, 2018

4. PERSONNEL EXPENSES

Currency : Baht

	2018	2017
International staff	1,353,965	310,000
National staff	4,196,183	4,943,239
Health insurance	122,522	151,447
Stipend	540,000	447,727
Consultancy/professional fees	306,829	243,800
Recruitment costs	31,351	22,433
<b>Total</b>	<b>6,550,850</b>	<b>6,118,646</b>



Ms. Orawan Saowapat  
 Country Program Director



Ms. Phalla Von  
 International Coordinator



**FRIENDS-INTERNATIONAL THAILAND**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**5. DIRECT COSTS**

Currency : Baht

	2018	2017
Hygiene costs	12,711	32,553
Medical costs	29,576	34,122
IEC materials	33,584	6,694
Clothing for beneficiaries	2,036	3,774
Non-formal educational materials	13,928	-
Food/ drink for beneficiarials	24,967	55,130
Family support	23,163	5,225
Centre supplies	-	7,292
Other activity costs	41,933	46,971
Family reintegration travel	-	5,245
Recreational activity support	270,038	4,504
Outreach materials	5,880	-
School reintegration support	27,735	18,935
Vocational training materies	68,545	21,680
Placement support	128,513	16,637
ChildSafe materials	730,438	162,552
Foster Care Families	-	1,567
Staff uniforms	24,339	6,506
Family income generation support	91,588	8,148
<b>Total</b>	<b><u>1,528,974</u></b>	<b><u>437,535</u></b>



Ms.Orawan Saowapat  
Country Program Director



Ms. Phalla Von  
International Coordinator

**FRIENDS-INTERNATIONAL THAILAND**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**6. EQUIPMENT**

Currency : Baht

	2018	2017
IT/computers	19,890	40,800
Furniture/Fittings	-	3,910
Vocational training equipment	-	7,490
Inventory	-	6,350
<b>Total</b>	<b>19,890</b>	<b>58,550</b>

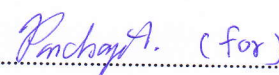
**7. INDIRECT COSTS**

Currency : Baht

	2018	2017
Communications	66,888	93,261
Transportation/gasoline	216,232	258,087
Maintenance/renovations	2,409	42,386
Office supplies	48,176	100,160
Rent	777,841	1,500,323
Utilities	29,166	104,964
Printing photocopying	3,316	18,640
Postage and shipping	10,754	9,238
Bank charge	10,450	21,920
External audits	67,750	163,740
Vehicle/building insurance	1,740	1,740
Advertising marketing	-	9,541
Donor/staff/authority/relations	7,000	-
Exchange loss	10,904	3,212
<b>Total</b>	<b>1,252,626</b>	<b>2,327,212</b>



Ms. Orawan Saowapat  
Country Program Director

 (for)

Ms. Phalla Von  
International Coordinator

**FRIENDS-INTERNATIONAL THAILAND**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**8. CAPACITY BUILDING, MONITORING AND EVALUATION**

Currency : Baht

	2018	2017
International travel	12,688	119,124
National travel	540,312	232,274
Internal staff training	10,369	-
Research / assessments	420,013	289,201
<b>Total</b>	<b>983,382</b>	<b>640,599</b>

**9. COORDINATION AND MANAGEMENT MONITORING**

Currency : Baht

	2018	2017
International travel	34,024	8,577
National travel	34,854	-
<b>Total</b>	<b>68,878</b>	<b>8,577</b>



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 Ms.Orawan Saowapat  
 Country Program Director



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 Ms. Phalla Von  
 International Coordinator

**FRIENDS-INTERNATIONAL THAILAND**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**10. OTHER BUSINESS COSTS**

Currency : Baht

	2018	2017
Cost of sales	-	138,882
Packaging costs	-	-
Sample Materials	-	17,255
Outlet supplies	-	45,526
Staff food costs	-	29,585
Business uniform	-	1,983
<b>Total</b>	<b>-</b>	<b>233,231</b>

**11. ACCOUNTS RECEIVABLE**

Currency : Baht

	2018	2017
Funding Receivables	41,077	1,490
Business Receivables	-	3,131,821
Staff Loan	36,000	-
Miscellaneous	260	-
<b>Total</b>	<b>77,337</b>	<b>3,133,311</b>

**12. ACCOUNTS PAYABLE**

Currency : Baht

	2018	2017
Related parties	198,558	665,173
Others parties	67,131	2,294,008
<b>Total</b>	<b>265,689</b>	<b>2,959,181</b>



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 Ms.Orawan Saowapat  
 Country Program Director




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 Ms. Phalla Von  
 International Coordinator




**FRIENDS-INTERNATIONAL THAILAND**  
**APPENDIX 1 STATEMENT OF CHANGE IN FUND BALANCE - BANGKOK**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

Currency : Baht

DONORS	OPENING	INCOME	EXPENSE	TRANSFER	CLOSING
FI Reserves	110,343	550,692	36,185	564,058	1,188,908
Deutsche Bank 2018-2019	378,062	-	73,507	-	304,555
UNICEF Thailand	402,444	4,696,422	5,325,648	(162,680)	(389,462)
Department of Children & Youth (Royal Thai Government)	(146,474)	1,051,460	731,738	(135,961)	37,287
Credit Suisse Asia Pacific Philanthropy	1,113,828	2,400,000	1,865,967	-	1,647,861
Lloyd George Asia Foundation	231,473	-	67,229	-	164,244
World Childhood Foundation (CS BKK)	-	374,183	276,767	-	97,416
World Childhood Foundation (CS Philippines)	-	58,545	73,253	-	(14,708)
UNVTF Secretariat	-	997,575	222,961	-	774,614
Internal Funding	-	573,394	434,767	-	138,627
Mahidol University	-	399,117	414,376	-	(15,259)
Chulalongkorn University	-	112,664	8,390	(104,274)	-
Credit Suisse_CRS Activities	-	100,564	79,007	(21,557)	-
Star Fish Foundation	-	157,080	17,494	(139,586)	-
EXO Foundation	35,313	-	35,313	-	-
INTERMARCHE - FI FRANCE	49,152	-	49,152	-	-
ANZ Women's Group	94,844	-	94,844	-	-
Plan International	-	837,851	837,851	-	-
<b>FUND BALANCE</b>	<b>2,268,985</b>	<b>12,309,547</b>	<b>10,644,449</b>	<b>-</b>	<b>3,934,083</b>

  
 Ms. Orawan Saowapat  
 Country Program Director

  
 Ms. Phalla Von  
 International Coordinator