

**REACH SIEM REAP ORGANISATION**

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**FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORT  
DECEMBER 31, 2020**

**REACH SIEM REAP ORGANISATION  
FINANCIAL STATEMENTS and  
INDEPENDENT AUDITOR'S REPORT  
DECEMBER 31, 2020**

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## **REPORT OF THE MANAGEMENT**

For the fiscal year ended December 31, 2020

The management of REACH SIEM REAP ORGANISATION submits its report together with the audited financial statements for the fiscal year ended December 31, 2020.

### **THE ORGANISATION**

REACH SIEM REAP ORGANISATION ("the Organisation") is a non-government international organization based in Siem Reap, funded by Reach Siem Reap Ltd. (in Australia), a philanthropist, and other individual donors and charitable foundations/organisations.

The Organisation's core mission is to provide intervention and support for children and their families so they can break out of the cycle of poverty

The Organisation was initially registered as a Local NGO with the Ministry of Interior and the Royal Government of Cambodia signed on November 29th, 2019.

On the 21<sup>st</sup> of January 2020, a Memorandum of Understanding in recognition of the organisations Educational activities was also drawn up with the Ministry of Education.

The Organisation currently operates from its main office at Thlork Andoung Village, SloKram Commune Siem Reap town, Siem Reap Province.

### **Principal Activities**

The principal activities of the Organisation are to provide programs that will help children and their families break away from the cycle of poverty through integrated programs focusing on Education, Nutrition & Health.

### **Management**

Ms Emily Williamson, Founding Director / Program Director, leads the senior management team as well as managing the day to day operations in Cambodia in Siem Reap office. As Program Director, she interfaces with fellow board directors: Chea Kosal, Joeseeph McBride, Sot Phally & Sun Reaksmeay.

Additional management support is provided on a volunteer basis by Mark Lyndon and Charlie Chalmers. Mark Lyndon (CPA) supports the Organisation through financial tracking, management and governance. Charlie Chalmers provides Business Management and Mentoring training/support.

Providing an added layer for transparency and accountability, the Organisation refers all major planning, budgeting, operational and financial decisions to an Independent Advisory Board.

The Advisory Board is made up by the following members:

Dr. Terence Luscombe, Michael Berkley, Matthew Telling, Oliver Allcock, Mark Lyndon, Charlie Chalmers and (Chairman) John Ioannou.

### **Auditors**

The financial statements for the year ended December 31, 2020 have been audited by Barachina Consulting Co Ltd.



**REPORT OF THE MANAGEMENT** *(Continued)*

For the fiscal year ended December 31, 2020

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE STATEMENT**

Management is responsible for the preparation of the financial statements for the fiscal year ended December 31, 2020, which are prepared in accordance with accounting principles generally accepted in Cambodia.

In preparing this statement, management is required to:

- select suitable accounting policies and then apply them consistently; and
- make judgements and estimates that are reasonable and prudent.

Management is responsible for ensuring that proper accounting records are kept which enable the preparation of the statement of income and expenditure, statement of financial position, and statement of cash flows. Management is also responsible for safeguarding the assets of the Organisation and hence for taking reasonable steps for the prevention and detection of fraud and irregularities. Management likewise discloses to its external auditor: (i) all significant deficiencies in the design or operation of internal controls that could adversely affect its ability to record, process, and report financial data; (ii) material weaknesses in the internal controls; (iii) any fraud that involves management or other employees who exercise significant roles in internal controls.

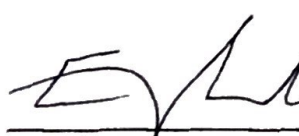

Management has complied with the above requirements in preparing the financial statements.

Management assumes the responsibility to provide, and has provided, the auditor with all accounting records, supporting and other documents, minutes, and any pertinent information and explanations, either orally or by written confirmation, necessary for the audit.

**APPROVAL OF THE FINANCIAL STATEMENTS**

We hereby approve the accompanying financial statements of the Organization as set out on page 8 to 15 which are prepared, in all material respects, to present the organization's statement of financial position as at December 31, 2020, and the results of its operations and cash flows for the year then ended, in accordance with the accounting policies as described in Note 2 to the financial statements.

On behalf of the management:

Emily Williamson  
Founding Director / Program Director  
REACH SIEM REAP ORGANISATION  
May 10, 2021



**INDEPENDENT AUDITOR'S REPORT**

**To the management of REACH SIEM REAP ORGANISATION**

Siem Reap, Cambodia

**Opinion**

We have audited the accompanying financial statements of REACH SIEM REAP ORGANISATION ("the Organisation") which comprises the statement of financial position as at December 31, 2020, the statements of income and expenditure and cash flows for the year then ended, and the notes to the financial statements including a summary of significant accounting policies. These financial statements have been prepared in accordance with the accounting principles generally accepted in Cambodia.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of REACH SIEM REAP ORGANISATION as at December 31, 2020 and for the year then ended in accordance with the accounting principles set out in note 2 to the financial statements and the financial reporting provisions of its applicable funding agencies.

**Basis of Opinion**

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

**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 to assist the Organisation in complying with the financial reporting provisions of the Organisation and its applicable funding agencies. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Organisation and its applicable funding agencies and should not be distributed to or used by parties other than the Organisation and its applicable funding agencies. Our opinion is not modified in respect of this matter.

The financial statements for the year ended December 31, 2019 were not examined by an independent accountant. The founding director prepared a management financial statement as it was the first year of operation for the organization and it was just set up in October 2019.

**INDEPENDENT AUDITOR'S REPORT (continued)****Responsibilities of the Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation of the financial statements in accordance with the financial reporting provisions of the Organisation and its applicable funding agencies and for such internal control as management determines is necessary to enable the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organisation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern 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.

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

**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 is not a guarantee that an audit conducted in accordance with ISAs 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 ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organisation's internal control.






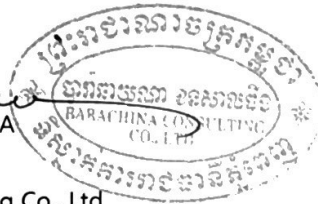
**INDEPENDENT AUDITOR'S REPORT *(continued)***

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Organisation to cease to continue as a going concern.

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

  
 Ms, Nini Barachina, CPA  
 Executive Director  
 BARACHINA Consulting Co., Ltd  
 Kampuchea Institute of CPAs and Auditors (KICPAA) No. 169  
 Philippine Regulation Commission No. 33855



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 May 10, 2021

**REACH SIEM REAP ORGANISATION**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020**

		<u>US Dollars</u>	<u>Khmer Riels ('000)</u>
<b>RECEIPTS</b>			
Donations	3	239,487.58	968,727
Oher income		39.29	159
		<u>239,526.87</u>	<u>968,886</u>
<b>EXPENSES</b>			
Salaries and allowances	4	65,542.00	265,117
Program expenses			
Computer Literacy Program	5	810.50	3,278
Education Program	6	1,865.10	7,544
Fundraising	7	3,737.65	15,119
Nutrition Program	8	4,954.73	20,042
Operating Expense	9	15,588.84	63,057
Outreach Program	10	22,172.32	89,687
REACH Riders Club	11	1,551.45	6,276
Youth Employment Pathways	12	2,198.95	8,895
Rice Rewards		1,946.00	7,872
Administration and other expenses			
Administration	13	6,221.50	25,166
Construction	14	90,092.00	364,422
		<u>216,681.04</u>	<u>876,475</u>
<b>EXCESS OF RECEIPTS OVER EXPENSES</b>		<u><b>22,845.83</b></u>	<u><b>92,411</b></u>

*The accompanying notes from pages 10 –15 form part of these financial statements*



**REACH SIEM REAP ORGANISATION  
STATEMENT OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2020**

	<b>US Dollars</b>	<b>Khmer Riels ('000)</b>
	<hr/>	<hr/>
<b>ASSETS</b>		
Current Assets		
Cash - Petty Cash	1,022	4,134
Cash in Bank Account	59,680	241,405
	<hr/>	<hr/>
Total Current Assets	60,702	245,539
	<hr/>	<hr/>
<b>OTHER ASSETS</b>		
Lease deposit	2,700	10,921
Total Other Assets	2,700	10,921
	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<b>63,402</b>	<b>256,460</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>FUND BALANCE</b>		
Fund Balance		
Excess of receipts over expenses	22,846	92,411
Fund Balance, beginning	40,556	164,049
	<hr/>	<hr/>
<b>TOTAL FUND BALANCE</b>	<b>63,402</b>	<b>256,460</b>
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*The accompanying notes from pages 10 –15 form part of these financial statements*

## **REACH SIEM REAP ORGANISATION**

### **NOTES TO FINANCIAL STATEMENTS**

**For the year ended December 31, 2020**

#### **1. Background information**

**REACH SIEM REAP ORGANISATION** is a locally registered NGO (#8021) with the Government of Cambodia based in Siem Reap, Cambodia.

**OUR CORE MISSION** Providing integrated programs for impoverished Cambodian children to become change makers within their community, preparing them with life-skills to gain fair employment, and to break longstanding cycles of poverty within their family.

With our goal to improve the living conditions of children, youth and families in the whole community, we have identified the following wholesome programs which will work together to make positive and lasting change:

#### ***Education***

- Free supplementary English, Sport, Art Ethics lessons to impoverished children and youth aged 5-18 years old.
- Ongoing monitoring of students' public-school grades and personal development through workshops and mentoring.

#### ***Health & Nutrition***

- Free daily nutritious meals, clean drinking water, multivitamins, toothbrushing station and soap supplies.
- Vegetables supplemented from REACH's sustainable garden where students are encouraged to also grow food at home.

#### ***Outreach***

- Free crisis community outreach support (emergency medical treatment, dental treatments, food distribution, birth control, minor housing repairs & emergency provisions).
- Regular life-skills workshops hosted by REACH and local NGO partners to equip guardians with technical skills and coping mechanisms to overcome social challenges.

#### ***Rice Rewards***

- All student enrolled are rewarded 10kg of rice & 10 eggs each month for maintaining high attendance rates at both REACH and their public school.

#### ***Youth Pathways***

- Supporting teenagers during their critical years of development to succeed in vocational training or to graduate high school.
- Stipends provided to support selected youth with the basic costs associated with their public-school education including lesson fees, uniforms and stationary.
- REACH Role Models club with give-back program for youths to learn leadership skills, gain experience and volunteer within the school and local community.

## REACH SIEM REAP ORGANISATION

### NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2020

#### ***REACH Riders***

- Reach Repair Shop training program for youths to repair, maintain and distribute bicycles for REACH beneficiaries in urgent need.
- Reach Riders Club daily bike rides for youth, to promote safety on the roads, teamwork, physical and mental wellbeing.

#### ***Computer Literacy***

- Planned computer literacy courses for children and youth enrolled in our Education Program. (Not yet started due to Covid-19)

***\* NOTE: All program activities were amended in 2020 to operate within COVID-19 government guidelines.***

The organisation has sixteen (16) permanent staff as at December 31, 2020.

The registered office of the organisation is at Thlork Andoung Village, Slokram Commune, Siem Reap, Cambodia.

## **2. Summary of Significant Accounting Policies**

### BASIS OF PREPARATION

The financial statements are expressed in United States Dollars (USD) *(and Khmer Riels as required by CIFRS)*, and have been prepared on the accrual basis of accounting under the historical cost convention. All fundamental accounting assumptions relating to going concern are followed in the financial statements except the cost of property and equipment under \$200 which are charged to expense in the statement of income and expenditure, instead of being capitalized on the statement of financial position.

Furthermore, the preparation of the financial statements requires management use of certain critical accounting estimates and the exercise of its judgment in the process of applying the organization's accounting policies. The measurement bases and areas involving a higher degree of judgment or areas where assumptions and estimates are significant to the financial statements are more fully discussed in Note 3.

The significant accounting principles and practices followed are set forth below:

#### ***Financial Assets***

Financial assets primarily include cash and cash equivalents.

#### ***Cash and cash equivalents***

Cash is stated at face value. Cash includes cash on hand and in banks. Cash in bank includes savings accounts that earn interest at the respective bank deposit rates. Cash on hand is intended as working funds for expenses such as food, supplies, repairs/maintenance, fuel, utilities and other expenses.

## REACH SIEM REAP ORGANISATION

### NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2020

#### Property and Equipment

Property and equipment is charged to expense at the time of acquisition.

#### Local Currency transactions

Transactions denominated in local currency are translated into U.S. dollars and are recorded in the books using the exchange rate prevailing at the time of transactions. Foreign exchange gains or loss are charged to operations.

#### Grant Income/Donations

Grant Income/Donations are recognized and recorded when funds are received into Cambodia. Contributions from certain donors are for both general and specific expenses.

Certain donations are raised in Australia through the REACH Siem Reap Ltd. (Australia) – an Australian Charity organisation. Donations are passed on to REACH Siem Reap according to cash requisitions from the founding director of Reach Siem Reap in Cambodia.

#### Donations in kind

Donations in kind are recognized for all materials and supplies received and are measured at fair value.

### 3. MANAGEMENT'S SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the organization's financial statements requires management to make estimates using assumptions that affect the amounts reported in the organization's financial statements and accompanying notes. The estimates and assumptions used in the organization's financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the organization's financial statements. Actual results could differ from such estimates which are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in period of revision and future periods if the revision affects both current and future periods.

	<u>US Dollars</u>	<u>Khmer Riels ('000)</u>
<b>3. Donations</b>		
Donation -General	12,990.92	52,548
Donation - Philanthropist	129,886.78	525,392
REACH Siem Reap Limited	<u>96,609.88</u>	<u>390,787</u>
	<u>239,487.58</u>	<u>968,727</u>

**REACH SIEM REAP ORGANISATION**

**NOTES TO FINANCIAL STATEMENTS**

**For the year ended December 31, 2020**

	<b>US Dollars</b>	<b>Khmer Riels ('000)</b>
<b>4. Salaries and allowances</b>		
Admin staff	9,700.00	39,237
Program Staff:		
Education Program	15,908.00	64,348
Fundraising	10,910.00	44,131
Nutrition Program	4,455.00	18,020
Operating Expense	4,973.00	20,116
Outreach Program	3,998.00	16,172
REACH Riders Club	1,298.00	5,250
Volunteer Program	11,450.00	46,315
Youth Employment Pathways	2,850.00	11,528
	<u>65,542.00</u>	<u>265,117</u>
<b>5. Computer Literacy Program</b>		
Equipment	388.50	1,571
Other	3.00	12
Subscriptions / Licenses	419.00	1,695
	<u>810.50</u>	<u>3,278</u>
<b>6. Education Program</b>		
Course-Books & Stationary	1,480.10	5,987
Equipment	214.00	866
Other	161.00	651
Staff Training	2.00	8
Student Uniforms	8.00	32
	<u>1,865.10</u>	<u>7,544</u>
<b>7. Fundraising</b>		
Other	1,261.60	5,103
Side By Side Costs	2,476.05	10,016
	<u>3,737.65</u>	<u>15,119</u>
<b>8. Nutrition Program</b>		
Garden Supplies	987.75	3,995
Health & Hygiene Supplies	263.00	1,064
Kitchen Equipment	185.60	751
Nutritional Supplies	3,244.13	13,123
Other	153.00	619
Utilities	121.25	490
	<u>4,954.73</u>	<u>20,042</u>

**REACH SIEM REAP ORGANISATION****NOTES TO FINANCIAL STATEMENTS**

For the year ended December 31, 2020

	<u>US Dollars</u>	<u>Khmer Riels ('000)</u>
<b>9. Operating Expense</b>		
Cleaning / Waste Disposal	170.85	691
Communications - Phones / Internet	343.50	1,389
Employee Medical Insurance	1,022.11	4,134
Employee Training	150.00	607
Other	658.25	2,663
Rent	10,828.72	43,802
Repairs & Maintenance	375.75	1,520
Staff Uniforms	234.50	949
Stationary	347.50	1,406
Sundry Equipment	186.90	756
Transport Costs	499.10	2,019
Utilities	771.66	3,121
	<u>15,588.84</u>	<u>63,057</u>
<b>10. Outreach Program</b>		
Dental	99.95	404
Emergency Support	17,149.15	69,368
Family Support	2,525.00	10,214
Medical	801.22	3,241
Other	58.00	235
Workshops & Provisions	1,539.00	6,225
	<u>22,172.32</u>	<u>89,687</u>
<b>11. REACH Riders Club</b>		
Club Rides	297.00	1,201
Mountain Bike Maintenance	124.00	502
Other	503.00	2,035
Repair Shop	627.45	2,538
	<u>1,551.45</u>	<u>6,276</u>
<b>12. Youth Employment Pathways</b>		
Other	161.90	655
Stationary & Workbooks	115.00	465
Training	19.00	77
Uniforms	252.95	1,023
Youth Stipend	1,650.10	6,675
	<u>2,198.95</u>	<u>8,895</u>

## REACH SIEM REAP ORGANISATION

### NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2020

	<u>US Dollars</u>	<u>Khmer Riels ('000)</u>
<b>13. Administration</b>		
Bank Charges	239.89	970
Other	416.00	1,683
Professional Fees	1,404.00	5,679
Tax & Compliance	1,650.11	6,675
Visas / Permits / Registrations	2,291.50	9,269
Other costs/Volunteer program	220.00	890
	<u>6,221.50</u>	<u>25,166</u>

#### 14. Constructions

REACH Siem Reap constructed several buildings in a leased property to house their Education and Outreach programs. These buildings will be retained by the owners at the end of the ten-year lease agreement with the land owners.

#### 15. Subsequent Events

There have been no significant events occurring after the reporting date which would require adjustments or disclosures to be made in the financial statements.

----- nothing follows -----