

REACH Siem Reap Organisation

Statement of management's responsibility
and
Audited financial statements

as at and for the year ended 31 December 2023



REACH Siem Reap Organisation

CONTENTS

	<i>Pages</i>
STATEMENT OF MANAGEMENT'S RESPONSIBILITY	1
AUDITED FINANCIAL STATEMENTS	
Independent auditors' report	2 - 3
Statement of fund receipts, disbursements and fund balance	4
Notes to the Statement of fund receipts, disbursements and fund balance	5 - 11

REACH Siem Reap Organisation

STATEMENT OF MANAGEMENT'S RESPONSIBILITY

STATEMENT OF MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The management of REACH Siem Reap Organisation (the "Organisation") is responsible for the statement of fund receipts, disbursements and fund balance for the year ended 31 December 2023 which are prepared, in all material respects, in accordance with the accounting policies described in Note 2 to the financial statements.

In preparing these financial statements, management is required to:

- select suitable accounting policies and then apply them consistently in accordance with the presentation and disclosure requirements as described in Note 2 to the financial statements;
- make judgements and estimates that are reasonable and prudent;
- maintain proper financial operations and controls;
- maintain adequacy of the management structure and general control environment;
- ensure that all non-expendable properties are used solely for and by the Association, and maintain proper control over those properties; and,

Management is responsible for ensuring that proper accounting records are kept which enable the financial statements to be prepared in compliance with the basis of accounting described in Note 2 to the financial statements. 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 other irregularities

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

APPROVAL OF THE FINANCIAL STATEMENTS

We hereby approve the accompanying financial statements of the Organisation, which are prepared, in all material respects, to present the Organisation's fund balance as at 31 December 2023, and its receipts and disbursements for the year then ended, in accordance with the accounting policies described in Note 2 to the financial statements.

On behalf of the Organisation's management:



Charlie Chalmers
Advisory Board
REACH Siem Reap Organisation



Emily Williamson
Founder & Director
REACH Siem Reap Organisation

Siem Reap, Kingdom of Cambodia
14 May 2024

INDEPENDENT AUDITORS' REPORT**To: The Management of REACH Siem Reap Organisation*****Opinion***

We have audited the accompanying financial statements of REACH Siem Reap Organisation (the "Organisation") which comprise the statement of fund balance as at 31 December 2023, and its receipts and disbursements for the year ended 31 December 2023 and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements of the Organisation as at 31 December 2023 and for the year then ended are prepared, in all material respects, in accordance with the accounting policies 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements of the Kampuchea Institute of Certified Public Accountants and Auditors' Code of Ethics for Certified Public Accountants and Auditors (KICPAA Code) that are relevant to our audit of the financial report in Cambodia. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the KICPAA Code. 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 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 provision of the Organisation and its applicability to donors. As a result, the financial statements may not be suitable for any other purpose. Our auditor's report is intended solely for the Organisation and donors and should not be distributed to or used by parties other than the Organisation or donors. Our opinion is not modified in respect of this matter.

Responsibilities of Management for the Financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view in accordance with Note 2 to the financial statements, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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 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.

Auditor's Responsibilities for the Audit of the Financial statements (continued)

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

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

We 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 we identify during our audit of REACH Siem Reap Organisation as at and for the year ended 31 December 2023.




ក្រុមហ៊ុន
អិកូវិស វីស៊ីដ ភីអេស ប៊ី ភី
ECOVIS VSDK & PARTNERS
CO., LTD.
KINGDOM OF CAMBODIA

Sopheak PEL
Partner

ECOVIS VSDK & Partners Co., Ltd.
Certified Public Accountants
Registered Auditors

Phnom Penh, Kingdom of Cambodia

14 May 2024

REACH Siem Reap Organisation

NOTE TO THE STATEMENT OF FUND RECEIPTS, DISBURSEMENTS AND FUND BALANCE
(continued)
as at and for the year ended 31 December 2023

1. ORGANISATION BACKGROUND

REACH Siem Reap Organisation (“the Organisation”) is a non-government international organisation based in Siem Reap, funded by Reach Siem Reap Ltd. (in Australia), philanthropists, other individual donors and charitable foundations/organisations.

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 and is located in Thlok Andoung Village, Sla Kram Commune, Siem Reap town, Siem Reap Province. On the 21st of January 2020, a Memorandum of Understand in recognition of the organizations Education activities was also drawn up with the Ministry of Education.

The Organisation aims to provide intervention and support for children and their families to break out of the cycle of poverty and improve their living conditions. REACH supports more than 100 families in the community through 8 projects such as; Education, Health and Nutrition, Outreach, Rice Rewards, Youth Pathways, REACH Riders Club, REACH Repair Shop and Computer Literacy.

Kindergarten

- Free supplementary English, Maths & Art lessons to impoverished children and youth aged 4- years old.
- Ongoing monitoring of students’ personal development and support with enrolment into the public school system

Education

- Free supplementary English, Ethics & Elective 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 and Nutrition

- Free daily nutritious meals, clean drinking water, multi-vitamins, toothbrushing station and soap supplies.
- Vegetables supplemented from REACH’s sustainable garden. Students are also encouraged to grow food at home.

Garden

- Vegetables and produce supplemented from REACH’s sustainable garden, used for daily school meals. Leftover yields are given to students to take home.
- Educational Garden lessons are held for students through all ages as part of educational electives. Guardians and family members volunteer to help support and maintain the Garden.

REACH Siem Reap Organisation

NOTE TO THE STATEMENT OF FUND RECEIPTS, DISBURSEMENTS AND FUND BALANCE
(continued)

as at and for the year ended 31 December 2023

1. ORGANISATION BACKGROUND (continued)

Outreach

- Free crisis community outreach support (emergency medical treatment, dental treatments, food distribution, family planning, 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. Due to widespread unemployment, these provisions have been amplified through 2022, through our Outreach program.

REACH Role Models Club

- Rotating 6-month electives in the REACH Garden and the REACH Repair Shop
- Supporting the older daytime students aged 12-15 become leaders in their community through sustainability and teamwork workshops.
- Lessons in UNSDGs, monthly excursions, and class presentations as part of the Role Models Club curriculum.

Youth Employment 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 stationery.

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 Riders Club

- Reach Riders Club regular mountain bike rides for youth, to promote safety on the roads, teamwork, physical and mental wellbeing.
- Selected youths from this elective physical education program are selected to ride 200kms in 2 days every January for their community in the Side by Side ride.

REACH Repair Shop

- Reach Repair Shop training program for youths to learn to repair, maintain, refurbish and distribute bicycles for REACH beneficiaries in urgent need.

REACH Siem Reap Organisation

NOTE TO THE STATEMENT OF FUND RECEIPTS, DISBURSEMENTS AND FUND BALANCE
(continued)
as at and for the year ended 31 December 2023

1. ORGANISATION BACKGROUND (continued)

Computer Literacy

- Computer literacy courses for children and youth enrolled in our Education Program.

GCW Scholarship Fund

- Tertiary education and vocational training sponsorship and support through means of partnerships, donor sponsorship and application support.
- Beneficiaries are awarded to local staff members, local interns, and students enrolled in REACH programs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The Organisation's financial statements, expressed in United States Dollar (USD), are prepared on a modified cash basis of accounting. This is the basis of accounting that is designed to meet the requirements of the Organisation; it is not designed to produce financial statements that are compatible with any generally accepted accounting principles.

The translation of the US\$ amounts into Khmer Riel ("KHR") is presented in the special purpose financial statements using the closing and average rate for the year then ended, as announced by the Accounting and Auditing Regulator ("ACAR").

The special purpose financial statements are presented in KHR based on the following applicable exchange rates per US\$1:

	2023	2022
Closing rate	4,085	4,117
Average rate for the year	4,110	4,087

The significant policies adopted in the preparation of these financial statements are set out below.

Recognition of fund receipt

Source of fund is the grant received from various donors including bank interests received on these funds.

Funds are recognised as a source when cash is recorded in the Organisation's designated account rather than when committed or budgeted.

REACH Siem Reap Organisation

NOTE TO THE STATEMENT OF FUND RECEIPTS, DISBURSEMENTS AND FUND BALANCE
(continued)
as at and for the year ended 31 December 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Recognition of expenditures

Expenditure under each component is recognised when incurred and when the documents substantiating the Organisation's transactions are approved.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances held at banks that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value.

Other assets

Other assets comprise deposit which is stated at transaction price and included in the fund balance in the statement of fund receipts, disbursements and fund balance. It is recognised as expenditures upon liquidation.

Foreign exchange differences

Disbursements and withdrawals in foreign currencies are converted into USD at the prevailing exchange rates at the date of transactions. Monetary items denominated in foreign currencies are translated into USD for reporting purposes at the closing exchange rate prevailing at the reporting date.

3. FUND RECEIVED FROM DONORS

	2023		2022	
	US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
Fund received from:				
General	112,610	462,828	105,891	432,778
REACH Siem Reap Limited	243,620	1,001,277	148,889	608,507
Total fund received	356,230	1,464,105	254,780	1,041,285

4. PROGRAM COSTS

	2023		2022	
	US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
Computer literacy program	1,179	4,846	1,857	7,589
Education program	7,372	30,300	5,488	22,429
Fundraising program	15,995	65,741	8,362	34,177

REACH Siem Reap Organisation

NOTE TO THE STATEMENT OF FUND RECEIPTS, DISBURSEMENTS AND FUND BALANCE (continued)

as at and for the year ended 31 December 2023

Nutrition program	33,720	138,590	22,464	91,810
Outreach program	8,048	33,077	10,138	41,436
REACH riders club	4,662	19,160	2,987	12,209
Youth employment pathways	6,254	25,705	5,868	23,983
Rice rewards program	19,691	80,928	19,185	78,407
Reach repair shop program	2,793	11,480	3,458	14,134
Geoffrey wilson scholarship	3,480	14,303	1,202	4,914
Volunteer program	933	3,833	863	3,527
Kindergarten program	123	508	370	1,514
Garden program	633	2,602	674	2,751
REACH Role Models Club program	517	2,121	-	-
Electives Program	144	591	-	-
Total program costs	105,544	433,785	82,916	338,880

5. PERSONNEL COSTS

	2023		2022	
	US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
Admin staff	21,792	89,564	5,123	20,940
Computer literacy program staff	4,798	19,718	6,249	25,538
Education program staff	48,993	201,360	42,920	175,415
Fundraising staff	24,832	102,058	12,429	50,797
Nutrition program staff	5,884	24,182	4,079	16,671
Outreach program staff	10,044	41,279	7,829	31,997
Reach rider club staff	5,152	21,176	4,075	16,654
Volunteer program staff	8,049	33,083	4,405	18,004
Youth employment pathways staff	9,368	38,504	6,419	26,236
Kindergarten program staff	6,066	24,932	4,153	16,971
Garden program staff	2,116	8,697	2,809	11,481
Reach repair shop program staff	6,985	28,710	5,408	22,102
Other operating staff	13,295	54,642	10,041	41,037
Rice rewards staff	2,102	8,638	-	-
REACH Role Models Club staff	2,722	11,188	-	-
Electives Program staff	705	2,901	-	-
Total personnel costs	172,903	710,632	115,939	473,843

REACH Siem Reap Organisation

NOTE TO THE STATEMENT OF FUND RECEIPTS, DISBURSEMENTS AND FUND BALANCE
(continued)
as at and for the year ended 31 December 2023

6. GENERAL ADMINISTRATION AND OTHER EXPENSES

	2023		2022	
	US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
Employee medical insurance	3,804	15,634	3,331	13,616
Staff uniforms	508	2,088	198	809
Employee training	1,174	4,826	960	3,922
Land rental	14,640	60,170	11,176	45,675
Utilities expense	2,465	10,130	2,798	11,436
Communications expense	1,791	7,360	1,161	4,743
Office stationery	228	936	119	487
Sundry equipment	2,265	9,308	1,145	4,681
Transportation expense	905	3,720	445	1,818
Repairs and maintenance	1,741	7,155	1,206	4,929
Bank charges	418	1,716	287	1,173
Professional fee	4,759	19,559	3,550	14,509
Tax and compliance	7,977	32,783	4,786	19,562
Visas / Permits / Registrations	2,345	9,640	2,961	12,103
Construction cost	4,721	19,408	17,325	70,807
Others operating expense	21,020	86,397	6,922	28,283
Total general administration and other expenses	70,761	290,830	58,370	238,553

7. CASH AND CASH EQUIVALENTS

	2023		2022	
	US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
Cash on hand	282	1,152	683	2,809
Cash at banks	22,442	91,674	16,294	67,084
Total cash and cash equivalents	22,724	92,826	16,977	69,893

REACH Siem Reap Organisation

NOTE TO THE STATEMENT OF FUND RECEIPTS, DISBURSEMENTS AND FUND BALANCE
(continued)
as at and for the year ended 31 December 2023

8. OTHER ASSET

	2023		2022	
	US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
Land rental deposit	4,140	16,913	2,700	11,000
Total other asset	4,140	16,913	2,700	11,000

Land rental deposit amounting to USD 2,700 for 10 years land rental agreement from 01 January 2020 to 31 December 2029. Whereas the land rental deposit amounting to USD 1,440 for 6 years and 4 months land rental agreement from 05 April 2023 to 05 August 2029. Pursuant to the agreement, both deposits will be returned to the organization (lessee) upon expiration of the agreement.

9. SUBSEQUENT EVENTS

No other significant events occurred after the end of the reporting period and the date of authorization of these special purpose financial statements, which would require adjustments or disclosures to be made in the special purpose financial statements.

