



**PRESIDENT'S REPORT - KAMPUCHEA HOUSE (AUSTRALIA) INC (KHA)
2017 ANNUAL GENERAL MEETING**

The past year has seen some major milestones in the Kampuchea House journey. As communicated in our August newsletter, this year marked ten years of Kampuchea House in Cambodia (KHC) positively changing the lives and opportunities of the children in our care.

However, we have also had to deal with the ongoing challenges brought about by a changed policy and regulatory environment that seeks to close orphanages as they have been known and run, and reintegrate children back into local communities.

The new policy seems to over-simplify a broad and complex social issue and certainly does not take account of bodies like Kampuchea House that have always run to an exemplary standard. While we seem to be well away from the Government's closure targets, given the policy changes, KHC has not been able to accept any new children now for more than a year. Nor is this situation expected to change in the foreseeable future.

As a result, KHA has had to actively plan for a changing operation, and a gradual wind down while continuing to support and advance the lives of the children and young adults that remain under our care and responsibility.

The first steps in this process have been taken with the successful transition of our remaining children from Dom Dek to Siem Reap being completed over the last year, and the recent approved change in KHC's status to an educational residence. Other than two studying in Phnom Penh, our children all now live and study in two houses operated by Kampuchea House in Siem Reap.

We experienced difficulties in trying to dispose of the Dom Dek facility following the move. This is very disappointing considering all the money and resources that have been applied towards making it the core part of our operations over the last ten years.

The property has recently been sold, albeit at a price well below what we had hoped to achieve. But, in the absence of alternative offers and with no scope to seek better outcomes, we have had to (sadly) move on. The sale proceeds will at least provide some modest support to our ongoing operating costs.

Financial results for the year, as reflected in the accounts before the AGM, show total reserves of \$180,299 at year end, with an operating surplus of \$48,724.

Of more relevance total remittances to KHC during the year were \$133,155, of which \$75,037 was attributable to KHA and \$58,118 was from Kids off the Kerb (KotK), through its KHA project initiative.

This compares with total donations and sponsorships to both entities of \$127,455 representing \$72,075 through KotK and \$55,380 to KHA (which includes support from participating schools). A further \$67,100 before expenses was attributable to fundraising events, compared to \$28,969 raised in the previous year, highlighting the excellent work done by the fundraising committee this year, led by Libby McCann.

As was the case last year, we now have several of our older children in tertiary studies where they are continuing to be supported as much as we can. But our focus remains on providing a caring and learning environment for the children in our direct care in Siem Reap.

We continue to rely on the generosity of our supporters, and also our strong relationship with Westbourne Grammar School. We are most grateful for all they do for us both financially, and as a wonderful role model for the values we seek to instil in the children in our care during their annual visit with their students.

As you can see from the financial report, we continue to need at least \$150,000 each year to fund the operation in Cambodia (even with reduced numbers of children). All of this is raised through a mixture of local fundraising events (including trips to Cambodia), donations,

sponsorships and school support. This places enormous stress and responsibility on our fundraising team, and your committee.

In the current environment, these levels and forms of philanthropic support simply cannot be guaranteed into the medium term or beyond. So the Committee has commenced taking steps to plan for an orderly wind down of our operations, while all the time being very mindful of our responsibilities to our remaining children and how to secure appropriate resourcing for their future needs.

Again, I would like to thank our hard working Director in Cambodia, Sour Sokleng, and all the staff there, for everything they do as the face of Kampuchea House and all it stands for in Cambodia, as well as all members of the committee here in Australia for their respective roles. I would like to particularly acknowledge the efforts of Belinda Lightfoot who by being able to spend considerable time in Cambodia, maintains a real bond with Leng and gives the committee invaluable advice on what is happening in Cambodia. Also of course Libby McCann, whose fundraising efforts and engagement with so many of our valuable sponsors and supporters is crucial to our operations.

A special thank you also to Kids off the Kerb and Nathan Stirling who provide a valuable link for many of our donors in being able to support us through their project for Kampuchea House Australia.

We look forward to your continuing support, financial and otherwise, as we manage this transition in Cambodia, something that will take some time, and is predicated on our having the funds to support the children.

To this end, your committee also wishes to make some changes to the constitution of Kampuchea House (Australia) Inc., particularly to reflect more clearly its focus as an educational residence which aligns more with the changing regulatory environment. A new Act also needs to be taken into account in updating some provisions. A special resolution to adopt a new constitution will therefore be presented for consideration at the AGM. A copy of the marked up constitution reflecting the proposed changes is available for inspection as needed.

Chris Penman
President

31 October 2017