



Kampuchea
House

KAMPUCHEA HOUSE (AUSTRALIA) INC – 2016 ANNUAL GENERAL MEETING

PRESIDENT'S REPORT

For the year just gone to 30 June 2016, as reflected in the letter we sent to our stakeholders at that time, we have had to make difficult decisions in the wake of a changing regulatory environment which does not support a continuation of orphanages in Cambodia, even though Kampuchea House Organisation in Cambodia (KHC) is run to an exemplary standard and has attracted no issues with authorities. Furthermore as we all know, all funding to support KHC comes from Kampuchea House (Australia) (KHA), and through initiatives which it has established.

Financial results for the year, as reflected in the accounts before the AGM, showed total reserves of \$131,574 at year end, with a modest operating surplus, but of more relevance there were total remittances to KHC during the year of \$155,583 of which \$90,419 was attributable to KHA and \$65,164 from Kids off the Kerb (KotK), albeit through KHA initiatives of course. This compares with total donations and sponsorships to both entities of \$129,882 representing \$76,933 through KotK and \$52,949 to KHA (which includes support from participating schools). A further \$28,969 before expenses was attributable to fundraising events, comparing to \$65,815 in the previous year, highlighting the ongoing challenges in this area.

We have now relocated our entire operations to Siem Reap, maintaining the existing accommodation and office facility where our Year 10 and above children reside, 16 in all at present, and a new house close by for those who had remained at Dom Dek, Year 9 and below, with 10 children in that house.

The move was driven by the issues set out in our letter to stakeholders in June, and we have been pleased with all aspects of the changed environment and the overall improved educational opportunities and dispositions of our younger children as a consequence of the relocation.

We are continuing to seek interest in the sale or lease of the Dom Dek facility, which reflects all the hard work and financial support of so many people and organisations since establishment in 2007, very sad of course to be in this situation, but the welfare of the children and our ongoing ability to fund the operations in Cambodia must be our prime concerns.

We sought advice on options for the Dom Dek facility, but as yet we have received no expressions of interest. We were hoping an early sale would have assisted in building our reserves to fund ongoing operations in Cambodia.

We are not really in a position to change the basic operating model of the orphanage, although government policy in conjunction with conditions set by major funding agencies, is moving towards closure of orphanages as they are known, and reintegration of children into local and family based communities, where they exist.

For these reasons, and as explained in the June letter, we are unable to accept further children. It is a matter of regret that the achievements of KHC and its model of operation does not appear to attract the same level of support for the future, and where different approaches to the welfare of the children should be encouraged where the operation is well run and the children developing in that environment, as is the case with KHC.



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Whilst several of our older children have moved into tertiary studies where they are continuing to be supported as much as we can, our focus is on continuing to provide a caring and learning environment for the 26 or so children in our direct care in Siem Reap.

We continue to rely on the generosity of our supporters, including some Victorian schools who have embraced the connection with KHC, particularly Westbourne Grammar School with whom we have a close relationship and are most grateful for all they do, both financially and in regular visits to Cambodia with their students.

As you can see from our financials, we need to raise \$150-200,000 each year to fund the operations in Cambodia, all of which is through a mixture of local fund raising events, donations, sponsorships and school support.

We are fortunate to have a highly competent and dedicated Director in Cambodia, Sour Sokleng, and our sincere thanks to her and all the staff there for their hard work during the year.

We also have a dedicated fund raising committee here in Australia which seeks to keep all our stakeholders in Australia fully engaged, be they golf days locally or tours to Cambodia, film nights, trivia events and other initiatives. Many thanks to all involved.

On our general committee, our Vice President, Belinda Lightfoot, continues to make regular trips to KHC to oversee operations there and provide valuable assistance and support to Leng. We are most grateful for all that Belinda does both in Cambodia and in Australia, as she has been doing from the outset of KHC's operations. Similarly, Libby McCann, our tireless fundraising coordinator, for all that she continues to do in both countries to support KHC over that period and going forward.

Our special thanks to retiring Treasurer, Richard Fyffe, and all that he and his wife Caroline have done in so many ways over a number of years to benefit Kampuchea House, both here in Australia and in Cambodia.

Many thanks also to other members of our general committee, Chris Phillips as Secretary, Ann Darwent (Communications) and Lyn Laister, particularly to Lyn in agreeing to step into Richard's shoes as Treasurer going forward.

As with my report last year, our committee is charged with continuing to monitor the KHC operations in Cambodia. We have reserves that would currently cover operations for about one year, and recognising some increased costs as a consequence of the move, and pending any sale of the Dom Dek facility which at best would provide only temporary support in any event. This is reflected in monthly remittances of around US\$10,000 against approved budgets, and any further costs associated with exchange rate movement, a challenging environment.

It goes without saying of course that our ability to continue to operate depends on the ongoing generosity of our supporters, whether through donations and sponsorships, fund raising events and of course our schools engagement program.



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We would of course benefit from other forms of support, particularly from the corporate sector, or through major philanthropy and grant bodies whether in Australia or overseas, all highly competitive and in an environment where we receive no government or aid funding either here or in Cambodia.

We are however most grateful for our relationship with Kids of the Kerb, and their Chair, Nathan Stirling, with their inclusion of a project supporting KHC within their various initiatives, as this is an important option for donors wishing to make a tax effective gift to support the Cambodian operation, and as we seek to broaden our relationship locally with KotK to our mutual benefit.

Subject to ongoing financial support, we seek to continue to provide for the children living in KHC as they progress through their schooling and into a more independent life. We seek to make a difference to their lives at this important time, and given what little other options exist for them.

We appreciate the help of all of our supporters on this mission, and look forward to your ongoing support during this current year and beyond.

Chris Penman – President

14 November 2016