

**REPORT OF THE INDEPENDENT AUDITORS
FROM 1 JULY 2012 TO 31 AUGUST 2013**

THIS LIFE CAMBODIA

ORGANIZATION INFORMATION

Organization name	: THIS LIFE CAMBODIA
Main donors	: AusAID Harnessing Opportunities through Play and Education Saga Charitable Trust TO HOLDING AS PERI NGO Education Partnership
Registration date	: 20 August 2009
Registered office	: House N° 313, Group9, Sala Kanseng Village, Sangkat Svay Dangkum, Siem Reap City, Kingdom of Cambodia.
Current address	: House N° 313, Group9, Sala Kanseng Village, Sangkat Svay Dangkum, Siem Reap City, Kingdom of Cambodia.
Contact	: Telephone number +855 63 966 050
Board of directors	: Claire Coxon / Chair Clarissa Cowan / Vice Chair Mihajlo Starcevic / Treasurer Cindy Angel / Secretary Billy Gorter / General
Management team	: Billy Gorter / Executive Director Sen Se / Deputy Director
Principal Banker	: ANZ Royal Bank
Solicitors	: None
Auditors	: APV (Cambodia) Co., Ltd Certified Public Accountants

THIS LIFE CAMBODIA

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A SUSTAINABLE COMMUNITY
DEVELOPMENT INITIATIVE

STATEMENT BY THE ORGANIZATION'S MANAGEMENT

Management is responsible for the preparation and the fair presentation of the financial statements in accordance with the basis of accounting policies as set out in Note 3 to the Financial statements and that this responsibility includes:

- a) Designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
- b) Selecting and applying appropriate internal control policies; and
- c) Making accounting estimates that are reasonable in the circumstances.

The Management is also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial information of the Organization.

For and on behalf of Management:

Mr. Billy Gorter
Executive Director and Founder
Siem Reap, Kingdom of Cambodia

Date: 8th January 2014



INDEPENDENT AUDITORS' REPORT

Board of Directors and Management
This Life Cambodia
House N° 313, Group 9, Sala Kanseng Village,
Sangkat Svay Dangkum, Siem Reap City, Kingdom of Cambodia.

We have audited the accompanying financial statements of This Life Cambodia ("the Organization"), which comprise of the statement of financial position as of 31 August 2013, the statement of activities, and the statement of cash flows for the period from 1 July 2012 to 31 August 2013, and a summary of significant accounting policies and explanatory notes as set out on pages 7 to 15.

Responsibility of the Organization's Management for the financial statements

The Organization's Management is responsible for the preparation and fair presentation of the financial statements in accordance with the basis of preparation and the accounting policies. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Audit & Assurance
Business Advisory
Accounting & Tax
Investment

Opinion

In our opinion, the financial statements of This Life Cambodia give a true and fair view, in all material respects, for the period from 1 July 2012 to 31 August 2013, in accordance with the Organization's accounting policies set out in Note 3 to the Financial Statements.

Other matter

Without modifying our opinion, we draw attention to Note 3 to the Financial Statements, which denote the basis of the accounting policies adopted by This Life Cambodia. The Financial Statements are prepared for the information and use of the Management and the Donors of the Organization and not for the use of any other parties.



APV (Cambodia) Co., Ltd
Maria Isabelita C. Manzon-Cabrera
Phnom Penh, Kingdom of Cambodia

Date: 8 JANUARY 2014

THIS LIFE CAMBODIA

**STATEMENT OF ACTIVITIES
FOR THE PERIOD FROM 1 JULY 2012 TO 31 AUGUST 2013**

		<u>July 2012 to August 2013</u>	<u>July 2011 to June 2012</u>
	Notes	USD	USD
A. Support & revenues			
Grant receipts	4	171,576	144,944
General donations	5	89,049	71,561
Other income	6	4,836	27,204
Total Receipts		265,461	243,709
B. Expenses			
Central office costs	7	21,180	20,058
This Life Beyond Bars Program	8	156,303	80,254
Student Assistance Program	9	29,499	25,228
Lower Secondary School Development Program	10	70,477	36,015
Community Research and Consultancy Program	11	33,132	30,670
Total Expenses		310,591	192,225
C. Change in net assets (A-B)		(45,130)	51,484
D. Net assets, beginning of year		172,714	121,230
E. Prior period adjustment of net assets		10	0
F. Net assets, end of year (C+D+E)		127,594	172,714

The notes on pages 7 to 15 form an integral part of these financial statements.

THIS LIFE CAMBODIA

**STATEMENT OF FINANCIAL POSITION
AS OF 31 AUGUST 2013**

	Notes	31 Aug 2013 USD	30 Jun 2012 USD
Current Assets			
Cash and cash equivalents	12	128,225	166,399
Staff advances		1,629	4,947
Rental deposit		1,350	1,350
Prepayments		401	282
Total Current Assets		131,605	172,978
Non-Current Assets			
Property, Plant and Equipment	13	5,556	7,294
Total Non-Current Assets		5,556	7,294
Total Assets		137,161	180,272
Current Liabilities			
Accounts payable		0	1,653
Tax payable		313	0
Total Current Liabilities		313	1,653
Non-Current Liabilities			
Tax on staff saving scheme		0	1,327
Staff saving scheme		9,254	4,578
Total Non-Current Liabilities		9,254	5,905
Total Liabilities		9,567	7,558
Net Assets			
Net Assets		127,584	172,714
Prior period adjustment of net assets		10	0
Total Net Assets		127,594	172,714
Total Liabilities & Net Assets		137,161	180,272

The notes on pages 7 to 15 form an integral part of these financial statements.

THIS LIFE CAMBODIA

**STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM 1 JULY 2012 TO 31 AUGUST 2013**

	July 2012 to August 2013	July 2011 to June 2012
Notes	USD	USD
CASH FLOW FROM OPERATING ACTIVITIES		
Change in net assets	(45,130)	51,484
Adjustments to reconcile change in net assets		
Depreciation during the year	2,353	991
Adjust beginning balance	10	0
Increase (decrease) in current liabilities	2,009	3,166
Increase (decrease) in current assets	3,199	(3,343)
Net cash provided by operating activities	(37,559)	52,298
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property & equipment	(615)	(6,119)
Net cash used in investing activities	(615)	(6,119)
CASH FLOW FROM FINANCING ACTIVITIES		
Principal payment on contract payable	0	0
Net cash used in financing activities	0	0
Net increase (decrease) in cash	(38,174)	46,179
Fund, brought forward from last year	166,399	120,220
CASH, END OF YEAR	128,225	166,399

The notes on pages 7 to 15 form an integral part of these financial statements.

THIS LIFE CAMBODIA

NOTES TO THE FINANCIAL STATEMENTS FROM 1 JULY 2012 TO 31 AUGUST 2013

1. General information

This Life Cambodia ("TLC") is focused on educational development that directly benefits the lives of children, youth and their communities in Cambodia. TLC has built on its strong community ties with local communities since 2007, developing programs and projects in collaboration with communities that aim to achieve sustainable community development through national decentralization and de-concentration systems and processes. TLC believes Cambodians are experts in their own community development. By connecting local communities to existing provincial and commune systems and processes, TLC cultivates the voices within communities and assists individuals and groups to lead development activities they identify and prioritize. All projects have clear entry and exit strategies: over time TLC's needs-based involvement decreases as the capacity of sub-national committees grow. TLC is driven by the belief that every child, even those imprisoned, has the right to a free, high-quality education and that this education is vital to the development of dynamic communities. With a focus on education, TLC provides technical advice and support to provincial and commune systems, educational and training opportunities, project funding, infrastructure construction and networks of support.

Vision:

TLC's mission is to improve the quality of and access to education in Cambodia by listening to, engaging with and advocating alongside communities.

Mission:

- To listen to individuals and communities define their own needs and solutions
- To engage individuals and communities to organize for their own needs through sustainable, accountable, and socially just processes
- To advocate alongside communities so citizens are empowered to challenge inequality.

Programs

This Life Cambodia runs a number of different programs designed to work with communities to help them find their own solutions to their educational need. Please find below information to learn more about each program.

Lower Secondary School Development Program ("LSSDP")

The ultimate goal of the Lower Secondary School Development Program is to work with the community to build capacity for long-term, sustainable, self-sufficient and improved access to and quality of secondary education in Siem Reap, Cambodia.

This Life Beyond Bars ("TLBB")

This Life Beyond Bars aims to address the educational rights of children affected by the legal justice system in Siem Reap, and to promote and defend these rights.

Student Assistance Program ("SAP")

Incorporating the Internship Project, Student Sponsorship Project, Light up a Life with Solar and Pedal out of Poverty, the Student Assistance Program is designed to enable more Cambodian students to successfully complete their schooling.

THIS LIFE CAMBODIA

NOTES TO THE FINANCIAL STATEMENTS FROM 1 JULY 2012 TO 31 AUGUST 2013

1. General information (continued)

Community Research and Consultancy Program ("CRCP")

This program provides information and services on issues affecting the provision of public education and human rights in Cambodia to communities, NGOs, government ministries, academics and the general public at large.

2. Statement of compliance

The Financial Statements in United States Dollars ("USD"), prepared under the historical cost convention, and are compliant with the accounting practices generally accepted in Cambodia and the Organization's significant accounting policies.

3. Significant accounting policies

a) Basis of preparation

The Financial Statements have been prepared under the modified cash basis, using the historical cost convention. Under the modified cash basis, revenue and expenses are recognized when cash is received and disbursed, with the exception of certain conditions relating to closing of the year-end accounts.

b) Currency and foreign exchange

The official currency in Cambodia is the Khmer Riel. However, the United States Dollar ("USD") is widely used and transacted. The Organization maintains its accounting records in USD, which is considered and treated as the measurement and presentation currency.

Foreign currency transactions are translated to USD at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance date are translated to USD at the exchange rate ruling at that date. Foreign exchange differences arising from their translations are recognized in the Statement of activities.

c) Cash and cash equivalents

Cash and cash equivalent comprise of cash on hand, cash in bank, and other financial assets with maturity of three months or less.

d) Grant income

Grant income is recognized as it is received.

e) Disbursements

Disbursements represent all expenses paid in line with the Organization's objectives.

THIS LIFE CAMBODIA

NOTES TO THE FINANCIAL STATEMENTS FROM 1 JULY 2012 TO 31 AUGUST 2013

3. Significant accounting policies (continued)

f) Cash advances

Cash advances consist of advances to staff for organizational activities and travel. Cash advances shall be cleared as soon as possible or within ten working days of the completion of the program expenses, either by repayment or by submission of valid receipts covering the amount advanced with adequate supporting documents, or a combination of the two.

g) Property, Plant and Equipment

Property, Plant and Equipment purchased for the basic running of a program is recognized as expenditure in the period of payment. Property, Plant and Equipment that is not program specific is capitalized and depreciated on a straight-line basis over the estimated useful life of the asset. The depreciation rates for classes of property, plant and equipment are as follows:

Vehicles	20%
Office Equipment	20%
Computer and Software	33%

h) Staff saving scheme

The purpose of the saving scheme is to provide employees with financial incentives and encouragement to save for their future. All staff members are entitled to join the saving scheme after successful passing the probationary period of employment.

Tier 1: Salary per month under USD 200 will contribute 5% of personal savings to the fund and will receive 10% contribute from the Organization.

Tier 2: Salary per month over USD 200 will contribute 10% of personal savings to the fund and will receive 10% contribute from the Organization.

i) Net assets

Net assets represent the fund balance and are classified based on absence or existence and nature of donor-imposed restriction as follows:

- Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.
- Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that can be fulfilled by actions of the Organization pursuant to those stipulation or that expire by the passage of time.
- Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of such assets permit the Organization to use all or part of the income earned on the assets.

j) Income tax

The Organization is a non-profit entity that is exempt from income tax under article 9 (new) of Law on Tax of Cambodia.

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NOTES TO THE FINANCIAL STATEMENTS FROM 1 JULY 2012 TO 31 AUGUST 2013

k) Rounding off the amounts

The amounts presented in the financial statements have been rounded off to the nearest dollar.

4. Grant receipts

	July 2012 to August 2013	July 2011 to June 2012
	USD	USD
AusAID	111,670	112,356
Harnessing Opportunities through Play and Education	5,676	5,000
Saga Charitable Trust	36,525	8,288
Schools for Children of Cambodia	0	5,290
TO HOLDING AS	9,024	9,000
Lotus Charitable Relief Trust	0	5,010
PERI	6,181	0
NGO Education Partnership	2,500	0
	171,576	144,944

5. General donations

General donations consist of the donation from corporations, businesses and individuals.

6. Other income

Other income consists of the income from bank interest earned, and other sales.

7. Central office costs

	July 2012 to August 2013	July 2011 to June 2012
	USD	USD
Staff costs	9,637	1,730
Travel costs	2,099	7,781
Communication expenses	33	235
Office equipment	1,817	818
Office rental	113	99
Office supplies	494	461
Office utilities	48	92
Repairs and maintenance	463	493
Insurance	263	169
Professional fees	0	1,007
Membership fees	4	122
Recruitment	33	217

THIS LIFE CAMBODIA

NOTES TO THE FINANCIAL STATEMENTS FROM 1 JULY 2012 TO 31 AUGUST 2013

7. Central office costs (continued)

	July 2012 to August 2013	July 2011 to June 2012
	USD	USD
Donations	0	550
Bank charges	226	302
Advertising	5	219
Staff capacity building	1,147	0
Audit fees	29	0
Depreciation	2,353	991
Unrealized loss on foreign exchange	2,080	2,841
Other expenditure	336	1,931
	21,180	20,058

8. This Life Beyond Bars Program

	July 2012 to August 2013	July 2011 to June 2012
	USD	USD
Staff costs - Direct	53,094	27,624
Staff costs - Indirect	26,279	19,411
Vocational training program	12,795	6,384
Capacity building upon release	2,476	2,364
Children of prisoners	13,471	3,012
Community development project	9,900	2,558
Family support	7,453	1,556
Travel for minors	7,868	2,479
Other program costs	370	1,455
Travel costs	1,608	3,781
Fixed assets and equipment	435	555
Repairs and maintenance	2,668	551
Staff capacity building	2,062	240
Audit fees	3,660	1,512
Central office costs	12,164	6,772
	156,303	80,254

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NOTES TO THE FINANCIAL STATEMENTS FROM 1 JULY 2012 TO 31 AUGUST 2013

9. Student Assistance Program

	July 2012 to August 2013	July 2011 to June 2012
	USD	USD
Staff costs - Direct	9,054	3,589
Staff costs - Indirect	5,145	3,719
Bicycles	1,097	5,782
Repairs and maintenance	772	738
Private tutoring	6,323	3,857
School supplies	1,973	5,059
Travel costs	1,893	1,176
Central office costs	1,812	1,122
Other costs	1,430	186
	29,499	25,228

10. Lower Secondary School Development Program

	July 2012 to August 2013	July 2011 to June 2012
	USD	USD
Staff costs - Direct costs	14,169	7,700
Staff costs - Indirect costs	5,086	3,052
School development/Construction	36,596	14,759
Professional fees	0	1,526
Event hosting	190	1,003
Transport and Travel	4,523	2,081
Per diem and accommodation	427	2,588
Program stationery	1,741	392
Staff capacity building	265	331
Teaching/Learning materials	3,374	1,369
Private tutoring	0	30
Central office costs	2,288	1,184
Other expenditure	1,818	0
	70,477	36,015

THIS LIFE CAMBODIA

**NOTES TO THE FINANCIAL STATEMENTS
FROM 1 JULY 2012 TO 31 AUGUST 2013**

11. Community Research and Consultancy Program

	July 2012 to August 2013	July 2011 to June 2012
	USD	USD
Staff costs - Direct costs	16,579	18,332
Staff costs - Indirect costs	7,506	4,272
Travel costs	2,304	4,073
Other program costs	2,628	547
Recruitment expenses	129	224
Fixed assets and equipment	473	850
Repairs and maintenance	187	227
Central office costs	2919	2145
Independent audit	407	0
	33,132	30,670

12. Cash and cash equivalents

	31 Aug 2013	30 Jun 2012
	USD	USD
Cash in bank	127,874	165,710
Cash on hand	351	689
	128,225	166,399

THIS LIFE CAMBODIA

**NOTES TO THE FINANCIAL STATEMENTS
FROM 1 JULY 2012 TO 31 AUGUST 2013**

13. Property, plant and equipment

	<u>Vehicle USD</u>	<u>Computer & Software USD</u>	<u>Office equipment USD</u>	<u>Total USD</u>
<u>Balance</u>				
Purchases before 1 July 2011	0	1,217	1,351	2,568
<u>Additions:</u>				
For the period ended, June 2012	5,287	0	832	6,119
From July 2012 to August 2013	0	615	0	615
	<u>5,287</u>	<u>615</u>	<u>832</u>	<u>6,734</u>
<u>Disposals:</u>				
For the period ended, June 2012	0	0	0	0
From July 2012 to August 2013	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Accumulated Depreciation</u>				
As of 30 June 2011	0	207	195	402
For the period ended, June 2012	264	406	321	991
From July 2012 to August 2013	1,234	610	509	2,353
	<u>1,498</u>	<u>1,223</u>	<u>1,025</u>	<u>3,746</u>
<u>Net book value</u>				
At 30 June 2012	<u>5,023</u>	<u>604</u>	<u>1,667</u>	<u>7,294</u>
At 31 August 2013	<u>3,789</u>	<u>609</u>	<u>1,158</u>	<u>5,556</u>

14. Subsequent events

Subsequent events have been evaluated through to 8 January 2014, which is the date the audited financial statements were available to be issued.

THIS LIFE CAMBODIA

**NOTES TO THE FINANCIAL STATEMENTS
FROM 1 JULY 2012 TO 31 AUGUST 2013**

Appendix I - Statement of receipts, disbursements and fund balance by Donor

	AusAID	Harnessing Opportunities through Play and Education	Saga Charitable Trust	Schools for Children of Cambodia	YO HOLDINGS AS	Lotus Charitable Relief Trust	PERI	NGO Education Partnership	Project Happy Feet	Other	Total
Receipts											
Grant receipts	111,670	5,676	36,525	-	9,024	-	6,181	2,500	-	-	171,576
General donations	-	5,000	-	1,000	10,000	-	-	-	26,797	46,252	89,049
Other income (see note 1)	-	-	-	-	-	-	-	-	-	10,101	10,101
Total receipts	111,670	10,676	36,525	1,000	19,024	0	6,181	2,500	26,797	56,353	270,726
Disbursements											
Central office costs	-	-	-	-	15,295	-	-	-	-	5,884	21,179
This Life Beyond Bars Program	146,205	2,887	-	-	9,815	2,662	-	-	-	-	161,569
Student Assistance Program	-	8,132	-	6,511	-	-	-	-	6,511	8,346	29,500
Lower Secondary School Development Program	-	-	37,126	-	1,108	-	-	-	21,539	10,703	70,476
Community Research and Consultancy Program	-	-	-	-	-	-	6,530	2,500	-	24,102	33,132
Total disbursements	146,205	11,019	37,126	6,511	26,218	2,662	6,530	2,500	28,050	49,035	315,856
Change in net assets	(34,535)	(343)	(601)	(5,511)	(7,194)	(2,662)	(349)	-	(1,253)	7,318	(45,130)
Net assets, beginning of the year	82,379	3,410	1,295	5,500	7,194	2,632	-	-	1,707	68,597	172,714
Prior period adjustment of net assets	-	-	-	-	-	-	-	-	-	10	10
Net assets, end of the year	47,844	3,067	694	(11)	0	(30)	(349)	0	454	75,925	127,594

Note 1: Other income consists of the income from bank interest earned, other sales and the internal generated income from projects. Project named CRCP have generated internal income from TLBB amounting to USD 5,265 from 1 July 2012 to 31 August 2013.