

**THIS LIFE CAMBODIA
FINANCIAL STATEMENTS
AND
REPORT OF THE INDEPENDENT AUDITORS
FROM 1 SEPTEMBER 2013 TO 31 AUGUST 2014**

THIS LIFE CAMBODIA

ORGANIZATION INFORMATION

Organization name	: THIS LIFE CAMBODIA
Main donors	: AusAID Direct Aid Program The Department Of Foreign Affairs and Trade World Childhood Foundation Stichting ICS
Registration date	: 20 August 2009
Registered office	: House N° 313, Group9, Sala Kanseng Village, Sangkat Svay Dangcum, Siem Reap City, Kingdom of Cambodia.
Current address	: House N° 313, Group9, Sala Kanseng Village, Sangkat Svay Dangcum, 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

CONTENTS

Pages

Statement by the Organization's Management	1
Independent Auditors' Report	2-3
Statement of Activities	4
Statement of Financial Position	5
Statement of Cash Flows	6
Notes to the Financial Statements	7-14
Appendix I: Statement of receipts, disbursements and fund balance by Donor	15



A SUSTAINABLE COMMUNITY
DEVELOPMENT INITIATIVE

STATEMENT BY THE ORGANIZATION'S MANAGEMENT

Management is responsible for the preparation and 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:

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 2014, the statement of activities, and the statement of cash flows for the period from 1 September 2013 to 31 August 2014, 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 controls 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 the 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 that 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 the basis for our audit opinion.

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 September 2013 to 31 August 2014, 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
Vong Bunthoeun
Phnom Penh, Kingdom of Cambodia

Date: 21 Nov 2014

THIS LIFE CAMBODIA

STATEMENT OF ACTIVITIES

FOR THE PERIOD FROM 1 SEPTEMBER 2013 TO 31 AUGUST 2014

		01 SEPTEMBER 2013 TO 31 AUGUST 2014	01 JULY 2012 TO 31 AUGUST 2013
	Notes	USD	USD
A. Support and revenues			
Grant income	4	84,631	146,205
General donations	5	123,922	148,955
Other incomes	6	34,424	10,101
		<u>242,977</u>	<u>305,261</u>
B. Expense			
Central office costs	7	9,305	21,180
This Life beyond Bars program	8	156,687	161,568
Student Assistance Program	9	25,083	29,499
Lower Secondary School Development program	10	42,676	70,477
Community Research and Consultancy Program	11	27,563	33,132
Community Response to Violence Against Women	12	3,417	-
		<u>264,731</u>	<u>315,856</u>
C. Net changes in assets (A-B)		(21,754)	(10,595)
D. Net assets, beginning of the year		79,750	90,335
E. Prior period adjustment		(250)	10
F. Net assets, end of the year (C+D+E)		<u>57,746</u>	<u>79,750</u>

The notes on pages 7 to 14 form an integral part of these financial statements.

THIS LIFE CAMBODIA

STATEMENT OF FINANCIAL POSITION AS OF 31 AUGUST 2014

		31 AUGUST 2014	31 AUGUST 2014
	Notes	USD	USD
ASSETS			
Cash and cash equivalents	13	134,743	128,225
Other receivables	14	2,585	3,380
Total Current Assets		137,328	131,605
Non-Current Assets			
Property, Plant and Equipment	15	3,725	5,556
Total Non-Current Assets		3,725	5,556
Total Assets		141,053	137,161
LIABILITIES			
Current Liabilities			
Tax payable		304	313
Deferred grant		73,686	47,844
Total Current Liabilities		73,990	48,157
Non-Current Liabilities			
Staff saving scheme		9,317	9,254
Total Non-Current Liabilities		9,317	9,254
Total Liabilities		83,307	57,411
NET ASSETS			
Net assets		57,746	79,750
Total net assets		57,746	79,750
Total liabilities & net assets		141,053	137,161

The notes on pages 7 to 14 form an integral part of these financial statements.

THIS LIFE CAMBODIA

STATEMENT OF CASH FLOWS FOR THE PERIOD FROM 01 SEPTEMBER 2013 TO 31 AUGUST 2014

	01 SEPTEMBER 2013 TO 31 AUGUST 2014	01 JULY 2012 TO 31 AUGUST 2013
	USD	USD
CASH FLOW FROM OPERATING ACTIVITIES		
Change in net assets	(21,754)	(10,595)
Adjustments to reconcile change in net assets		
Depreciation during the year	1,831	2,353
Adjust beginning balance	(250)	10
Increase (decrease) in current liabilities	25,896	(32,526)
Increase (decrease) in current assets	795	3,199
Net cash provided by operating activities	6,518	(37,559)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property & equipment	0	(615)
Net cash used in investing activities	0	(615)
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	6,518	(38,174)
Fund, brought forward from last year	128,225	166,399
CASH, END OF YEAR	134,743	128,225

The notes on pages 7 to 14 form an integral part of these financial statements.

THIS LIFE CAMBODIA

NOTES TO THE FINANCIAL STATEMENTS FROM 1 SEPTEMBER 2013 TO 31 AUGUST 2014

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:

The vision of This Life Cambodia is to help create a Cambodia where people are empowered to access their rights.

Mission:

The mission of This Life Cambodia is to listen to, engage with and advocate alongside communities as they define and act on their own solutions.

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 SEPTEMBER 2013 TO 31 AUGUST 2014

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.

Community Responses to Violence Against Women ("CRVAW")

The program aims to support community to develop communitywide, sustainable responses to the priority issue of violence against women, focusing both on primary prevention and response.

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

To increase the financial transparency, TLC has changed the policy on when grant income is recognised. In the previous period grant income was recognised on receipt and reported as such. From this Audit period the grant income is recognized as deferred grant and has been reported when the activity is delivered in accordance with the revenue recognition principle.

THIS LIFE CAMBODIA

NOTES TO THE FINANCIAL STATEMENTS FROM 1 SEPTEMBER 2013 TO 31 AUGUST 2014

3. Significant accounting policies (continued)

a. Disbursements

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

b. 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.

c. 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%

d. 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 successfully 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.

e. Net assets

Net assets represent the fund balance and are classified based on absence or existence and nature of donor-imposed restrictions 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 stipulations 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.

f. 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.

THIS LIFE CAMBODIA

NOTES TO THE FINANCIAL STATEMENTS FROM 1 SEPTEMBER 2013 TO 31 AUGUST 2014

g. Rounding off the amounts

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

4. Grant receipts

	01 SEPTEMBER 2013 TO 31 AUGUST 2014	01 JULY 2012 TO 31 AUGUST 2013
	USD	USD
AusAID	47,844	146,205
Direct Aid Program	10,400	0
The Department of Foreign Affairs and Trade	15,320	0
World Childhood Foundation	7,650	0
Stichting ICS	3,417	0
	84,631	146,205

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

	01 SEPTEMBER 2013 TO 31 AUGUST 2014	01 JULY 2012 TO 31 AUGUST 2013
	USD	USD
Staff costs	0	9,637
Travel costs	1,025	2,099
Communication expenses	0	33
Office expense	46	2,472
Repairs and maintenance	7	463
Insurance	970	264
Membership fees	3	4
Recruitment	0	33
Bank charges	1,233	226
Advertising	356	5
Depreciation	1,831	2,353
Unrealized loss on foreign exchange	0	2,080
Realized loss on foreign exchange	810	0
Other expenditure	1,426	336
Consultant Stipend	1,559	0
Staff capacity building	0	1,146
Audit fee	39	29
	9,305	21,180

THIS LIFE CAMBODIA

NOTES TO THE FINANCIAL STATEMENTS FROM 1 SEPTEMBER 2013 TO 31 AUGUST 2014

8. This Life Beyond Bars Program

	01 SEPTEMBER 2013 TO 31 AUGUST 2014	01 JULY 2012 TO 31 AUGUST 2013
	USD	USD
Staff costs: direct	46,377	53,094
Staff costs: indirect	33,094	26,279
Vocational training program	15,125	12,795
Capacity building upon release	0	2,476
Children of prisoners	10,989	13,471
Community development project	10,576	9,900
Family support	10,294	7,453
Travel for minors	793	7,868
Other program costs	1,071	370
Travel costs	3,121	1,608
Fixed assets and equipment	0	435
Repairs and maintenance	3,349	2,668
Staff capacity building	1,215	2,062
Audit fees	3,944	3,660
Central office costs	11,357	12,164
Project evaluation	5,382	5,265
	156,687	161,568

9. Student Assistance Program

	01 SEPTEMBER 2013 TO 31 AUGUST 2014	01 JULY 2012 TO 31 AUGUST 2013
	USD	USD
Staff Costs: direct	9,282	9,054
Staff Costs: indirect	4,486	5,145
Bicycles	1,060	1,097
Repairs and maintenance	336	772
Private tutoring	5,337	6,323
School supplies	1,639	1,973
Travel costs	412	1,893
Central office costs	1,446	1,812
Other costs	1,085	1,430
	25,083	29,499

THIS LIFE CAMBODIA

NOTES TO THE FINANCIAL STATEMENTS FROM 1 SEPTEMBER 2013 TO 31 AUGUST 2014

10. Lower Secondary School Development Program

	01 SEPTEMBER 2013 TO 31 AUGUST 2014	01 JULY 2012 TO 31 AUGUST 2013
	USD	USD
Staff costs: direct	13,394	14,169
Staff costs: indirect	5,989	5,086
School development/construction	7,486	36,596
Event hosting	359	190
Transport, travel and per diem	2,884	4,523
Per diem and accommodation	2,639	427
Program materials	1,423	1,741
Staff capacity building	399	265
Teaching/learning materials	4,294	3,374
Central office costs	2,640	2,288
Other expenditure	1,169	1,818
	42,676	70,477

11. Community Research and Consultancy Program

	01 SEPTEMBER 2013 TO 31 AUGUST 2014	01 JULY 2012 TO 31 AUGUST 2013
	USD	USD
Staff costs: direct	11,673	16,579
Staff costs: indirect	6,575	7,506
Travel costs	1,111	2,304
Program costs	4,484	2,628
Recruitment expenses	0	129
Fixed assets and equipment	0	473
Repairs and maintenance	162	187
Central office costs	3,140	2,919
Staff capacity building	68	0
Material costs	104	0
Independent audit	246	407
	27,563	33,132

THIS LIFE CAMBODIA

NOTES TO THE FINANCIAL STATEMENTS FROM 1 SEPTEMBER 2013 TO 31 AUGUST 2014

12. Community Responses to Violence Against Women

	01 SEPTEMBER 2013 TO 31 AUGUST 2014	01 JULY 2012 TO 31 AUGUST 2013
	USD	USD
Staff costs- direct	1,355	0
Staff costs- indirect	1,450	0
Travel costs	142	0
VAW research finding pres	46	0
Central office costs	424	0
	3,417	0

13. Cash and cash equivalents

	01 SEPTEMBER 2013 TO 31 AUGUST 2014	01 JULY 2012 TO 31 AUGUST 2013
	USD	USD
Cash in bank	133,427	127,874
Cash on hand	1,316	351
	134,743	128,225

14. Other receivables

	01 SEPTEMBER 2013 TO 31 AUGUST 2014	01 JULY 2012 TO 31 AUGUST 2013
	USD	USD
Staff advance	956	1,629
Rental deposit	1,350	1,350
Prepayment	279	401
	2,585	3,380

THIS LIFE CAMBODIA

NOTES TO THE FINANCIAL STATEMENTS FROM 1 SEPTEMBER 2013 TO 31 AUGUST 2014

15. Property, plant and equipment

	Vehicle USD	Computer & Software USD	Office equipment USD	Total USD
Costing:				
As at 1 September 2013	5,287	1,832	2,183	9,302
Purchased during the period	0	0	0	0
Disposal	0	0	0	0
	5,287	1,832	2,183	9,302
Accumulated Depreciation				
As at 1 September 2013	1,498	1,223	1,025	3,746
Charged during the period	1,057	337	437	1,831
	2,555	1,560	1,462	5,577
Net book value				
At 31 August 2013	3,789	609	1,158	5,556
At 31 August 2014	2,732	272	721	3,725

16. Deferred grant

	AusAII USD	DAP USD	DFAT USD	CHILDH OOD USD	ICS USD	Total USD
Deferred grant as at 1 July 2012	82,379	0	0	0	0	82,379
Grant received during the year 2013	111,670	0	0	0	0	111,670
Expenditure	(146,205)	0	0	0	0	(146,205)
Deferred grant as at 31 August 2013	<u>47,844</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>47,844</u>
Grant received during the year 2014	0	10,400	61,365	15,220	23,488	110,473
Expenditure	(47,844)	(10,400)	(15,320)	(7,650)	(3,417)	(84,631)
Deferred grant as at 31 August 2014	<u>0</u>	<u>0</u>	<u>46,045</u>	<u>7,570</u>	<u>20,071</u>	<u>73,686</u>

17. Subsequent events

Subsequent events have been evaluated through to 21 November 2014, which is the date the audited financial statements were available to be issued.

THIS LIFE CAMBODIA

APPENDIX I – STATEMENT OF ACTIVITIES BY DONORS FROM 1 SEPTEMBER 2013 TO 31 AUGUST 2014

	AUSAID	PROJECT HAPPY FEET	ICS	SAGA CHARI TABLE TRUST	HARNESS ING OPPORTU NITIES THROUGH PLAY AND EDUCATI ON	SCHOOL S FOR CHILDREN OF CAMBO DIA	DAP	DFAT	CHILDHOOD	TO HOLDING AS	EXTERNAL CONSULT ANCIES	OTHERS	TOTAL
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
RECEIPTS													
Grant Receipts	47,844	-	3,417	-	-	-	10,400	15,320	7,650	-	-	-	84,631
General Donations	-	32,044	-	5,380	9,776	2,661	-	-	-	14,990	-	59,071	123,922
Other Income	-	-	-	-	-	-	-	-	-	-	24,748	9,676	34,424
TOTAL RECEIPTS (A)	47,844	32,044	3,417	5,380	9,776	2,661	10,400	15,320	7,650	14,990	24,748	68,747	242,977
DISBURSEMENTS													
Central office costs	-	-	-	380	-	-	-	-	-	8,925	-	-	9,305
This Life Beyond Bars program	47,844	-	-	-	9,967	-	10,400	15,320	7,650	6,065	-	59,441	156,687
Student Assistance Program	-	4,800	-	-	3,614	2,631	-	-	-	-	-	14,038	25,083
Lower Secondary School Development Program	-	16,265	-	2,497	-	-	-	-	-	-	-	23,914	42,676
Community Research and Consultancy Project	-	-	-	-	-	-	-	-	-	-	27,563	-	27,563
Community Responses to Violence Against Women	-	-	3,417	-	-	-	-	-	-	-	-	-	3,417
TOTAL DISBURSEMENTS (B)	47,844	21,065	3,417	2,877	13,581	2,631	10,400	15,320	7,650	14,990	27,563	97,393	264,731
Change in net assets (A) - (B)	-	10,979	-	2,503	(3,805)	30	-	-	-	-	(2,815)	(28,646)	(21,754)
Net assets, beginning of the year	-	454	-	694	3,066	(11)	-	-	-	-	(349)	75,896	79,750
Prior period adjustment	-	-	-	-	-	-	-	-	-	-	-	(250)	(250)
ENDING FUND BALANCE	-	11,433	-	3,197	(739)	19	-	-	-	-	(3,164)	47,000	57,746