

**THIS LIFE CAMBODIA  
FINANCIAL STATEMENTS AND  
REPORT OF THE INDEPENDENT AUDITORS  
FOR THE YEAR ENDED 31 AUGUST 2018**

## **THIS LIFE CAMBODIA**

### **ORGANISATION INFORMATION**

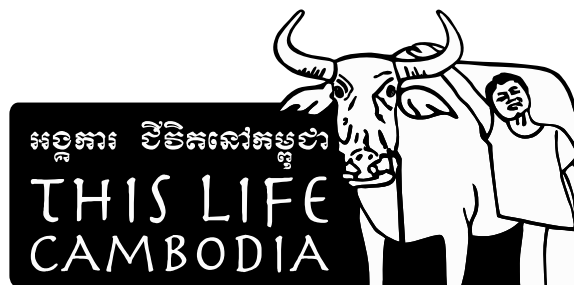
- Organization name** : THIS LIFE CAMBODIA
- Main donors** : GHR Foundation  
The Phoenix Foundation  
WISE Philanthropy Advisors  
World Childhood Foundation (WCF)  
The International Committee of the Red Cross (ICRC)
- Registration date** : 20 August 2009
- Registered office** : House N° 56, Group 10, Wat Bo Village, Sangkat Sala Kamreuk,  
Siem Reap City, Kingdom of Cambodia
- Current address** : House N° 56, Group 10, Wat Bo Village, Sangkat Sala Kamreuk,  
Siem Reap City, Kingdom of Cambodia
- Contact** : Telephone number +855 63 966 050
- Board of directors** : Mihajlo Starcevic / Chairperson  
Claire Coxon / Vice Chairperson  
Danielle Notara / General  
Alan Morgan / Secretary  
Shelley Walker / General  
Emily Doig / General
- Management team** : Billy Gorter / Executive Director  
Chhin Se / Deputy Director
- Principal banker** : ANZ Royal Bank (Cambodia)  
Commonwealth Bank (Australia)  
ANZ Bank Australia
- Solicitors** : None
- Auditors** : APV (Cambodia) Co., Ltd.  
Certified Public Accountants

## **THIS LIFE CAMBODIA**

### **CONTENTS**

### **Pages**

Directors' Report	1-3
Directors' Declaration	4
Independent Auditors' Report	5-7
Auditors' Independence Declaration	8
Statement of Profit or Loss and Other Comprehensive Income	9
Statement of Financial Position	10
Statement of Cash Flows	11
Notes to the Financial Statements	12-21
Appendix I: Statement of Profit or Loss by Donor	22-23



## **DIRECTORS' REPORT**

The Directors present this report of This Life Cambodia (“TLC”) for the financial year ended 31 August 2018.

### **Principal activities**

TLC is a not-for-profit, non-government organisation registered in Australia with charity status for taxation purposes. TLC empowers Cambodians to make an impact on complex social justice issues, using community consultation approaches, community development techniques, and strength-based case management for direct service provision to children and families. TLC listens to, engages with and advocates alongside children, families and communities as they define and act on their own solutions. TLC’s work is focused on providing and enhancing opportunities for communities to develop the essential infrastructure, skills and knowledge to make positive sustainable change in the lives of children and families who face compound disadvantages resulting from, and contributing to, the cycle of poverty.

TLC currently delivers services under three sectors: Children and Families, Education, Research and Consultancy. The Children and Families section includes This Life Beyond Bars (TLBB), This Life in Family (TLIF) & This Life in Community (TLIC). The Education section includes the Lower Secondary School Development Program, Vocational Training Social Enterprise (VTSE), and the Intern Program. The Research and Consultancy section comprises of the Community Research and Consultancy Program (CRCP). TLC’s programs evolve organically, building upon its knowledge and strengths in service delivery, filling gaps as communities identify them through its participatory and consultative processes, resulting in its program areas being complimentary and interlinked. TLC’s strong and emerging partnerships with government enhance both our credibility and capacity to assist addressing Government Plans as well as the Sustainable Development Goals. While TLC continues to engage at the commune level in areas of greatest need, it is changing focus to work more closely with the District level in recognition of the capacity of provincial leaders to be able to impart knowledge and skills to commune authorities.

### **Vision**

TLC’s vision is for vulnerable children, families and communities in Cambodia to be supported to access and create opportunities in this life.

### **Mission**

To listen to, engage with and advocate alongside children, families and communities as they define and act on their own solutions to complex social challenges.

### **Values**

- Respecting local culture and local expertise
- Utilizing rights-based and strengths-based approaches
- Contributing to evidence-based good practices
- Planning for sustainability, with clear entry and exit strategies
- Acting with integrity, accountability and transparency

## **Programs**

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

### *This Life Beyond Bars (“TLBB”)*

This Life Beyond Bars aims to increase the skills, knowledge and family connections of children in prison to aid integration into their communities upon release.

### *This Life in Family (“TLIF”)*

This Life in Family aims to support and preserve vulnerable families at risk of separation. This program provides short-term early intervention response for juveniles and parents at point of coming into conflict with the law, long-term service provision and family support for children of parents in prison (income generation, education scholarships etc.), development of a family preservation response model and research and exploration into Kinship Care in Cambodia as a community based care option.

### *Lower Secondary School Development Program (“LSSDP”)*

Lower Secondary School Development Program aims for communities to be involved in school development so that access to and quality of education in Cambodia is increased.

### *Internship Program*

Internship Program aims to welcome disadvantaged high school graduates into the TLC team, to gain on-the-job experience while pursuing a university degree.

### *Vocational Training Social Enterprise (“VTSE”)*

This program provides vocational training in motorcycle repair and on-the-job skills building opportunities to help vulnerable young people get started with their own business and/or working in their community.

### *Community Research and Consultancy Program (“CRCP”)*

Community Research and Consultancy Program aims to translate community voices into new knowledge, which can then be used to inform good practice programming and as a tool to advocate for positive change.

### *This Life Without Violence (“TLWV”)*

This program aims to support communities in developing communitywide, sustainable responses to the priority issue of violence against women, focusing both on primary prevention and response.

### *This Life In Community (“TLC”)*

With **This Life in Community**, our goal is to enlist community support for children and families who are at risk of being separated primarily due to family members being imprisoned. Community members want to help and support one another and are often best placed to aid their neighbours who are experiencing challenging circumstances.

### *This Life Reuniting Families (“TLRF”)*

In recent years residential care in Cambodia has been increasingly common and many children have been unnecessarily separated from their families and placed into institutions. The aim of This Life Reuniting Families is to reintegrate children from orphanages with their families and communities. The team uses a strengths based holistic case management system in accordance with international best practice to support this process. This program operates in partnership with the U.S. Aid funded Family Care First Initiative.

## **Results**

Total revenue for the year was USD 921,633 (2017: USD 724,682), of which USD 721,724 (2017: USD 512,734) was grant income, USD 40,470 (2017: 97,045) was general donations, and the remainder a combination of revenue from consultancy services, monitoring and evaluation and other income.

Total expenditure on TLC programs was USD 883,135 (2017: USD 630,972) and central office costs amounted to USD 58,605 (2017: 29,086).

Overall, TLC achieved a deficit of USD 20,107 (2017: surplus USD 64,624).

The result in the current year is primarily due to the increased programs activities.

## **Review of Operations**

TLC has experienced growth of 27% comparing to last year to achieve revenue of USD 921,633. This is a natural progression over several years of our activities, from initial research, through a pilot phase, proof of concept and then a scaling up to full activity. In 2015 TLC were awarded the Stars Impact Award, which added another level of recognition to the organisation and is further enhancing our ability to raise funds.

The expenditure on TLC programs has also increased and is planned in line with the expansion of activity reflected in the increased revenue.

The net asset position remain USD 128,973 (2017: USD 123,168) is due to non-grant income exceeding non-grant expenditure. We aim to improve the net asset position available to 6 months of operating costs.

## **Future Developments**

Revenue is expected to continue to grow over the next three years and forward planning is in place to manage that growth.

## **Dividends and options**

TLC's Constitution does not permit dividends and therefore no dividends have been recommended or paid for the year under review.

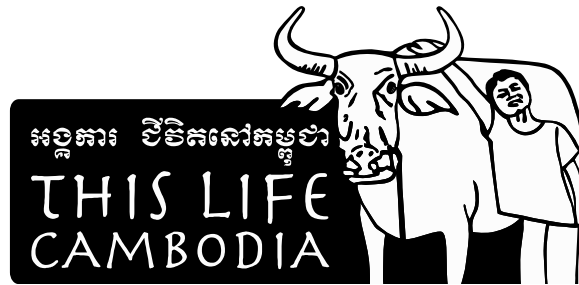
## **Auditors' independence declaration**

A copy of the auditors' independence declaration as required under section 60-40 of *the Australian Charities and Not-for-profits Commission Act 2012* is set out on page 8.

Signed in accordance with a resolution of the Board of Directors.

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

Date: 16 December 2018



## DIRECTORS' DECLARATION

The Directors declare that in the Directors' opinion:

- (a) there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- (b) the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulation 2013.

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

Date: 16 December 2018

## INDEPENDENT AUDITORS' REPORT

Board of Directors and Management  
This Life Cambodia  
House N° 56, Group 10, Wat Bo Village, Sangkat Sala Kamreuk,  
Siem Reap City, Kingdom of Cambodia

### Opinion

We have audited the financial report of This Life Cambodia ("the Organisation"), which comprises the statement of the financial position as at 31 August 2018, the statement of comprehensive income, and the statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible director's declaration.

In our opinion the financial report of This Life Cambodia has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the Organisation's financial position as at 31 August 2018 and of its financial performance for the period then ended; and
- (b) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Organisation in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### Other Information

The Organisation's management is responsible for the other information. The other information comprises the information included in the Organisation's annual report for the year ended 31 August 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



## **Responsibilities of the Organisation's Management for the Financial Report**

The Organisation's management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the Organisation's management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Organisation's management is responsible for assessing the Organisation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Organisation's management either intends to liquidate the Organisation or to cease operations, or has no realistic alternative but to do so.

The Organisation's management is responsible for overseeing the Organisation's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 Australian Auditing Standards 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 the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, 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 Organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Organisation's management.
- Conclude on the appropriateness of the Organisation's management 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 Organisation'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 report 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 Organisation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Organisation's 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.

APV (Cambodia) Co., Ltd.

FRANCISCO O. PEROL  
Phnom Penh, Kingdom of Cambodia

Date: 16 December 2018

## **AUDITORS' INDEPENDENCE DECLARATION**

To the Directors of This Life Cambodia

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, as lead auditor for the audit of This Life Cambodia for the year ended 31 August 2018, I declare that, to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

APV (Cambodia) Co., Ltd.

FRANCISCO O. PEROL  
Phnom Penh, Kingdom of Cambodia

Date: **16 December 2018**

**THIS LIFE CAMBODIA**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 AUGUST 2018**

		<b>01 SEP 2017</b>	<b>01 SEP 2016</b>
		<b>TO 31 AUG 2018</b>	<b>TO 31 AUG 2017</b>
	<b>Notes</b>	<b>USD</b>	<b>USD</b>
<b>A. Revenue</b>			
Grant income	2	721,724	512,734
General donations		40,470	97,045
Monitoring and evaluation		40,889	24,346
Revenue from service		40,012	11,070
Motor doctor income		16,401	19,679
Other income		55,417	54,565
Income released from capital grants fund	16	6,720	5,243
		<b>921,633</b>	<b>724,682</b>
<b>B. Expenditure</b>			
Central office	3	58,605	29,086
This Life Beyond Bars	4	180,201	158,202
Internship Program (Student Assistance)	5	1,912	5,014
Lower Secondary School Development	6	351,294	209,931
Community Research and Consultancy	7	115,032	94,956
Community Response to Violence Against Women	8	61,047	-
Vocational Training Social Enterprise	9	23,976	42,491
This Life in Family	10	104,141	86,610
This Life in Community	11	37,909	33,768
This Life Reuniting Families	12	7,623	-
		<b>941,740</b>	<b>660,058</b>
<b>C. Surplus for the year (A-B)</b>		<b>(20,107)</b>	<b>64,624</b>
<b>D. Net assets, beginning of the year</b>		123,168	58,544
<b>E. Prior period adjustment (*)</b>		25,912	-
<b>F. Net assets, end of the year (C+D+E)</b>		<b>128,973</b>	<b>123,168</b>

(\*) It represents the amount reimbursed by B1G1 to TLC general fund for prior year expenditures.

The Organization has no other comprehensive income; therefore no separate statement of other comprehensive income has been prepared.

The notes on pages 12 to 21 form an integral part of these financial statements.

**THIS LIFE CAMBODIA**

**STATEMENT OF FINANCIAL POSITION  
AS OF 31 AUGUST 2018**

	Notes	<u>31 AUG 2018</u> USD	<u>31 AUG 2017</u> USD
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	13	717,881	420,443
Other receivables	14	112,128	22,047
<b>Total current assets</b>		<b>830,009</b>	<b>442,490</b>
<b>Non-current assets</b>			
Property, plant and equipment	15	27,569	33,904
<b>Total non-current assets</b>		<b>27,569</b>	<b>33,904</b>
<b>Total assets</b>		<b>857,578</b>	<b>476,394</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accruals		23,226	19,598
Taxes payable		3,028	1,629
Deferred grant income	2	642,534	281,863
<b>Total current liabilities</b>		<b>668,788</b>	<b>303,090</b>
<b>Non-current liabilities</b>			
Staff saving scheme		39,100	22,699
<b>Total non-current liabilities</b>		<b>39,100</b>	<b>22,699</b>
<b>Total liabilities</b>		<b>707,888</b>	<b>325,789</b>
<b>NET ASSETS</b>			
Net assets		128,973	123,168
Capital grants fund	16	20,717	27,437
<b>Total net assets</b>		<b>149,690</b>	<b>150,605</b>
<b>Total liabilities &amp; net assets</b>		<b>857,578</b>	<b>476,394</b>

The notes on pages 12 to 21 form an integral part of these financial statements.

**THIS LIFE CAMBODIA****STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2018**

	<b>1 SEP 2017 TO 31 AUG 2018</b>	<b>1 SEP 2016 TO 31 AUG 2017</b>
	<b>USD</b>	<b>USD</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Surplus/(Deficit) for the year	(20,107)	64,624
Adjustments to reconcile change in net assets		
Depreciation during the year	9,352	7,756
Decrease in other receivables	(90,081)	(9,417)
Increase in liabilities	389,023	187,048
Net cash from operating activities	<b>281,263</b>	<b>250,011</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property & equipment	(3,017)	(26,421)
Net cash from investing activities	<b>(3,017)</b>	<b>(26,421)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase (decrease) in capital grants fund	(6,720)	14,557
Net cash from financing activities	<b>(6,720)</b>	<b>14,557</b>
<b>Net increase (decrease) in cash</b>	<b>271,526</b>	<b>238,147</b>
<b>Fund, brought forward from last year</b>	<b>420,443</b>	<b>182,296</b>
<b>Prior period adjustment</b>	<b>25,912</b>	<b>-</b>
<b>CASH, END OF YEAR</b>	<b>717,881</b>	<b>420,443</b>

The notes on pages 12 to 21 form an integral part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

---

**1. Summary of significant accounting policies**

**a) Statement of compliance**

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards and Interpretations, and complies with other requirements of the law and the Australian Charities and Not-for-profit Commission Act 2012. "TLC" or "the Organisation" is a not-for-profit entity for the purpose of preparing the financial statements.

A Statement of Compliance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") cannot be made due to the Group applying not-for-profit specific requirements contained in the Australian Accounting Standards.

The financial statements for the year-ended 31 August 2018 were approved and authorised for issue by the Board on 15 November 2017.

**b) Basis of preparation**

The financial statements have been prepared on an accruals basis and are based on historical costs.

**c) Changes in accounting policies**

The basis of preparation for the financial statements for the year ended 31 August 2018 has changed from the modified cash basis to the accruals basis. Under the modified cash basis, revenue and expenses were recognised when cash was received and disbursed, with the exception of certain accruals which were posted during the closing of the year end accounts. For the year ended 31 August 2018 the accruals basis has been applied to ensure compliance with the Australian Charities and Not-for-profit Commission Act 2012.

**d) Significant accounting judgments and estimates**

When preparing the financial statements, management undertakes a number of judgments, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses. These estimates and assumptions are based on historical information and other factors which management consider reasonable. The accounts affected by these are accruals, revenue recognition of grants income, the useful lives of depreciable assets and inventory valuation.

**e) Currency and foreign exchange**

The functional and presentational currency of TLC is the United States Dollar ("USD"). The official currency in Cambodia is the Khmer Riel. However, the USD is widely used and transacted. The Organisation 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 statement of financial position date are translated to USD at the exchange rate ruling at that date, with foreign exchange differences recognised in Profit or Loss.

**f) Cash and cash equivalents**

Cash and cash equivalents are comprised of cash on hand, cash in bank, and other financial assets with maturity of three months or less.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

---

**g) Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Organisation, the revenue can be reliably measured, and the specific criteria are met as follows:

**i. Grant income**

Where conditions are attached to a grant which must be satisfied before the Organisation gains the right to receive the contribution, recognition of the grant as revenue is deferred until those conditions are satisfied.

Where such conditions are not attached to a grant, the revenue is recognised when the Organisation obtains control of the funds, economic benefits are probable and the amount can be measured reliably.

The expenditure, to which the grant relates, is expensed as incurred and may not correlate to the timing of grant receipts.

In circumstances where the terms of the grant stipulate that any unexpended funds are to be returned to the sponsor these unexpended funds are held as deferred income until such time as they are returned to the funding body.

**ii. General donations**

General donations consist of donations from corporations, businesses and individuals. Amounts donated can be recognised as revenue only when the Organisation gains control, economic benefits are probable and the amounts can be measured reliably.

**iii. Monitoring and evaluation**

Income from monitoring and evaluation of the programs implemented by TLC. Donors contribute grant funding to cover the cost of monitoring and evaluation of the program by the CRCP team. This income is disclosed separately in the financial statements as Monitoring and Evaluation.

**iv. Revenue from service**

Revenue from service is the income received from performing motorcycles repairing service to customers and External Consultancy Services. Revenue is recognised when the service has been provided.

**v. Sale of goods**

Sale of goods is the income received from the sale of goods to customers in the motorcycle repair shop. Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and it can be measured reliably. Risks and rewards are considered passed to the buyer at the time of delivery of the goods to the customer.

**vi. Other income**

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

**h) Expenditure**

Expenditure represents all expenses paid in line with the Organisation's objectives. Expenditure is recognised when it is incurred.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

---

**i) Cash advances**

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

**j) Property, plant and equipment**

Property, plant and equipment is capitalised and depreciated on a straight-line basis over the estimated useful life of the asset. The depreciation rates for the classes of property, plant and equipment are as follows:

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

**k) Capital grants fund**

When fixed assets are purchased with donor grants, the capital expenditure is charged to the donor fund and transferred to the capital grants fund. Depreciation of donor funded assets is charged through the general fund which is replenished by an equal transfer from the capital grants fund. The value on the capital grants fund represents the net book value of donor funded fixed assets.

**l) Inventory**

Inventory represents goods purchased for sale in the Moto Doctor shop. Inventory is valued at the lower of cost and net realisable value.

**m) 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.

Considering severance pay in Cambodian labor Law, article 73, Employer is required to pay severance pay for at least 5% of the wages paid during the length of the contract. Through this policy TLC is complying with article 73 of Cambodian Labor Law.

Tier 1: Employees earning a monthly salary of USD 200 or less are eligible to contribute 5% of their salary to the fund and, upon doing so, will receive a 10% savings contribution from the Organisation.

Tier 2: Employees earning a monthly salary over USD 200 are eligible to contribute 10% of their salary to the fund and, upon doing so, will receive a 10% savings contribution from the Organisation.

**n) Net assets**

Net assets represent the accumulated fund balance from recognised revenue over expenditure.

## THIS LIFE CAMBODIA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

#### o) Income tax

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

In Australia, the Organisation is exempt from paying income tax due to being a charitable institution in terms of section 50(5) of the Income Tax Assessment Act 1997. The Organisation is also registered as a deductible gift recipient for tax.

#### p) Rounding

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

## 2. Deferred grant income

The Organisation has received grants amounting to USD 1,085,272 (2017: USD 704,521). The balance remaining in the deferred grant income account as at 31 August 2018 is USD 642,534 (2017: USD 281,863). During the year, the Organisation recognised grant revenue of USD 721,724 (2017: USD 512,734) for the activities performed.

The movement of deferred grant and grant income are described in the tables below:

	WCF USD	LOTUS USD	ICRC USD	GHR USD	NEP USD	WISE USD
Deferred grant as at 1 September 2016	39,610	(2,086)	7,432	45,120	-	-
Grant received during the year	70,922	11,023	63,936	149,225	5,435	160,000
Expenditure	(84,853)	(8,937)	(56,661)	(132,190)	(5,435)	(98,192)
Deferred grant as at 31 August 2017	<b>25,679</b>	-	<b>14,707</b>	<b>62,155</b>	-	<b>61,808</b>
Grant received during the year	-	-	54,251	155,600	-	80,000
Expenditure	-	-	(55,427)	(129,890)	-	(108,407)
Adjustment	-	-	(2,877)	-	-	-
Deferred grant as at 31 August 2018	<b>25,679</b>	-	<b>10,654</b>	<b>87,865</b>	-	<b>33,401</b>

	UBP USD	PHOENIX USD	CHILDHOOD USD	Kadoorie USD	MANANTRUST USD
Deferred grant as at 1 September 2016	-	-	-	-	-
Grant received during the year	43,980	200,000	-	-	-
Expenditure	(6,100)	(120,366)	-	-	-
Deferred grant as at 31 August 2017	<b>37,880</b>	<b>79,634</b>	-	-	-
Grant received during the year	-	199,985	52,375	85,144	248,912
Expenditure	(38,025)	(204,270)	(50,251)	(40,691)	(15,753)
Adjustment	-	-	-	-	-
Deferred grant as at 31 August 2018	<b>(145)</b>	<b>75,349</b>	<b>2,124</b>	<b>44,453</b>	<b>233,159</b>

**THIS LIFE CAMBODIA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

	SAVE THE CHILDREN		Tingirana	Voice	TOTAL
	Newcastle	CHILDREN	FOUNDATION		
	USD	USD	USD	USD	USD
Deferred grant as at 1 September 2016	-	-	-	-	90,076
Grant received during the year	-	-	-	-	704,521
Expenditure	-	-	-	-	(512,734)
Deferred grant as at 31 August 2017	-	-	-	-	<b>281,863</b>
Grant received during the year	95,759	-	60,000	53,246	1,085,272
Expenditure	(20,121)	(6,925)	(39,980)	(11,985)	(721,724)
Adjustment	-	-	-	-	(2,877)
Deferred grant as at 31 August 2018	<b>75,638</b>	<b>(6,925)</b>	<b>20,020</b>	<b>41,261</b>	<b>642,534</b>

**Grant Income**

	01 SEP 2017	01 SEP 2016
	TO 31 AUG 2018	TO 31 AUG 2017
	USD	USD
GHR Foundation	129,890	132,190
The Phoenix Foundation	204,270	120,366
WISE Philanthropy Advisors	108,407	98,192
World Childhood Foundation	50,251	84,853
The International Committee of the Red Cross	55,427	56,661
LOTUS	-	8,937
UBP	38,025	6,100
NGO Education Partnership	-	5,435
Kadoorie Charitable Foundation	40,691	-
Manantrust	15,753	-
The University of Newcastle	20,120	-
Save the Children	6,925	-
Tingirana Foundation Limited	39,980	-
Oxfam Novib	11,985	-
	<b>721,724</b>	<b>512,734</b>

**THIS LIFE CAMBODIA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**3. Central Office – Expenditures**

	<b>01 SEP 2017 TO 31 AUG 2018</b>	<b>01 SEP 2016 TO 31 AUG 2017</b>
	<b>USD</b>	<b>USD</b>
Direct Salaries	4,249	-
Direct Staff Capacity Building	-	16
Travel Costs	624	-
Program Activity Costs/Materials Costs	2,954	-
Other Related Costs	23,482	-
Organisational Promotions and Capacity Fund	-	4,338
Other Program Cost Fund	-	7,284
Indirect Salaries	4,623	268
Indirect Staff Capacity Building	14	-
Overheads	22,659	5,752
Others Expenses	-	3,672
Depreciation Expenses	-	7,756
	<b>58,605</b>	<b>29,086</b>

**4. This Life Beyond Bars - Expenditures**

	<b>01 SEP 2017 TO 31 AUG 2018</b>	<b>01 SEP 2016 TO 31 AUG 2017</b>
	<b>USD</b>	<b>USD</b>
Direct Salaries	67,541	59,023
Direct Staff Capacity Building	-	250
Travel Costs	8,239	7,078
Program Activity Costs/Materials Costs	24,642	38,754
Other Related Costs (Set Up Program Cost)	21,816	2,674
Monitoring and Evaluation	9,250	7,000
Indirect Salaries	37,369	35,087
Indirect Staff Capacity Building	25	140
Overheads	11,319	8,196
	<b>180,201</b>	<b>158,202</b>

**5. Internship Program -Expenditures**

	<b>01 SEP 2017 TO 31 AUG 2018</b>	<b>01 SEP 2016 TO 31 AUG 2017</b>
	<b>USD</b>	<b>USD</b>
Direct Salaries	2,212	3,712
Travel Costs	-	91
Program Activity Costs/Materials Costs	(310)	951
Other Related Costs	10	-
Monitoring and Evaluation	-	250
Overheads	-	10
	<b>1,912</b>	<b>5,014</b>

**THIS LIFE CAMBODIA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**6. Lower Secondary School Development Program – Expenditures**

	<b>01 SEP 2017 TO 31 AUG 2018</b>	<b>01 SEP 2016 TO 31 AUG 2017</b>
	<b>USD</b>	<b>USD</b>
Direct Salaries	104,063	68,212
Direct Staff Capacity Building	-	34
Travel Costs	29,918	20,390
Program Activity Costs/Materials Costs	130,083	55,454
Other Related Costs	2,368	1,342
Monitoring and Evaluation	15,082	12,596
Indirect Salaries	50,398	38,594
Indirect Staff Capacity Building	74	244
Overheads	19,308	13,065
	<b>351,294</b>	<b>209,931</b>

**7. Community Research and Consultancy Program – Expenditures**

	<b>01 SEP 2017 TO 31 AUG 2018</b>	<b>01 SEP 2016 TO 31 AUG 2017</b>
	<b>USD</b>	<b>USD</b>
Direct Salaries	56,666	30,831
Direct Staff Capacity Building	-	-
Travel Costs	1,451	4,180
Program Activity Costs/Materials Costs	2,602	3,178
Other Related Costs	43,779	49,522
Indirect Salaries	9,546	5,470
Indirect Staff Capacity Building	-	60
Overheads	988	1,715
	<b>115,032</b>	<b>94,956</b>

**8. Community Responses to Violence Against Women/ This Life Without Violence – Expenditures**

	<b>01 SEP 2017 TO 31 AUG 2018</b>	<b>01 SEP 2016 TO 31 AUG 2017</b>
	<b>USD</b>	<b>USD</b>
Direct Salaries	22,411	-
Travel Costs	723	-
Program Activity Costs/Materials Costs	790	-
Other Related Costs	14,668	-
Monitoring and Evaluation	3,432	-
Indirect Salaries	14,161	-
Indirect Staff Capacity Building	45	-
Overheads	4,817	-
	<b>61,047</b>	<b>-</b>

**THIS LIFE CAMBODIA****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018****9. Vocational Training Social Enterprise– Expenditures**

	<b>01 SEP 2017 TO 31 AUG 2018</b>	<b>01 SEP 2016 TO 01 AUG 2017</b>
	<b>USD</b>	<b>USD</b>
Direct Salaries	14,970	19,991
Travel Costs	76	15
Program Activity Costs/Materials Costs	2,511	18,506
Other Related Costs	6,419	478
Indirect Salaries	-	3,206
Overheads	-	295
	<b>23,976</b>	<b>42,491</b>

**10. This Life in Family– Expenditures**

	<b>01 SEP 2017 TO 31 AUG 2018</b>	<b>01 SEP 2016 TO 01 AUG 2017</b>
	<b>USD</b>	<b>USD</b>
Direct Salaries	46,196	45,389
Travel Costs	4,635	2,949
Program Activity Costs/Materials Costs	13,032	13,197
Other Related Costs	1,976	410
Monitoring and Evaluation	10,125	4,500
Indirect Salaries	20,207	16,495
Indirect Staff Capacity Building	20	80
Overheads	7,950	3,590
	<b>104,141</b>	<b>86,610</b>

**11. This Life in Community– Expenditures**

	<b>01 SEP 2017 TO 31 AUG 2018</b>	<b>01 SEP 2016 TO 01 AUG 2017</b>
	<b>USD</b>	<b>USD</b>
Direct Salaries	19,017	14,275
Travel Costs	1,015	788
Program Activity Costs/Materials Costs	10,340	4,753
Other Related Costs	3,006	4,360
Indirect Salaries	1,474	6,444
Indirect Staff Capacity Building	59	46
Overheads	2,998	3,102
	<b>37,909</b>	<b>33,768</b>

**THIS LIFE CAMBODIA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**12. This Life Reuniting Families**

	<b>01 SEP 2017 TO 31 AUG 2018</b>	<b>01 SEP 2016 TO 01 AUG 2017</b>
	<b>USD</b>	<b>USD</b>
Direct Salaries	3,607	-
Indirect Salaries	3,682	-
Indirect Staff Capacity Building	7	-
Overheads	327	-
	<b>7,623</b>	<b>-</b>

**13. Cash and cash equivalents**

	<b>31 AUG 2018</b>	<b>31 AUG 2017</b>
	<b>USD</b>	<b>USD</b>
Cash on hand	1,274	1,025
Cash in bank	716,607	419,418
	<b>717,881</b>	<b>420,443</b>

**14. Other receivables**

	<b>31 AUG 2018</b>	<b>31 AUG 2017</b>
	<b>USD</b>	<b>USD</b>
Grant receivable	90,933	18,866
Staff advance	4,842	100
Rental deposit	13,200	1,900
Prepayment	3,153	1,181
	<b>112,128</b>	<b>22,047</b>

**15. Property, plant and equipment**

	<b>Vehicle</b>	<b>Office equipment, Computer, &amp;Software</b>	<b>Total</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>
<b>Cost</b>			
At 1 September 2017	39,600	3,451	43,051
Additions	800	2,217	3,017
<b>At 31 August 2018</b>	<b>40,400</b>	<b>5,668</b>	<b>46,068</b>
<b>Accumulated Depreciation</b>			
At 1 September 2017	7,150	1,997	9,147
Charge for the year	8,067	1,285	9,352
<b>At 31 August 2018</b>	<b>15,217</b>	<b>3,282</b>	<b>18,499</b>
<b>Net Book Value</b>			
<b>At 31 August 2018</b>	<b>25,183</b>	<b>2,386</b>	<b>27,569</b>
<b>At 31 August 2017</b>	<b>32,450</b>	<b>1,454</b>	<b>33,904</b>

## THIS LIFE CAMBODIA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

---

#### 16. Capital grants fund

The vehicle amounting to USD 25,800 was purchased with Lotus's grants ("donor fund"), the purchase was charged to the donor fund and transferred to the capital grants fund. Depreciation of donor funded assets is charged through the general fund which is replenished by an equal transfer from the capital grants fund. The value on the capital grants fund represents the net book value of donor funded fixed assets. The movement of capital grants fund is as followings:

	<u>31 AUG 2018</u>	<u>31 AUG 2017</u>
	<u>USD</u>	<u>USD</u>
Capital grants fund as at 1 September	27,437	12,880
Fixed asset purchase during the year	-	19,800
Depreciation released to statement of activities	<u>(6,720)</u>	<u>(5,243)</u>
Capital grants fund as at 31 August	<u><u>20,717</u></u>	<u><u>27,437</u></u>

#### 17. Subsequent events

Subsequent events have been evaluated through to **16 December 2018**, which is the date the audited financial statements were available to be issued. No events have occurred since the reporting date which would have a material impact on the financial statements.

#### 18. Key Management Personnel

The key management personnel of the Organisation are defined as the members of the Management Team, as disclosed in Organisation Details. The total employee benefits of the Management Team in the year was USD 92,770 (2017: USD 65,598).

No Directors received any remuneration for services as members of the Board of Directors, and no travelling expenses were reimbursed for travelling to and from meetings.



**THIS LIFE CAMBODIA**

**APPENDIX I – STATEMENT OF PROFIT OR LOSS BY DONORS  
FOR THE YEAR ENDED 31 AUGUST 2018**

	PHF USD	HOPE USD	ICRC USD	GHR USD	CHILDHOOD USD	VTSE Moto Doctor USD	External & Internal Consultant USD	BIG1 USD	STAR IMPACT USD	ECI USD	UBP USD	PHOENIX FOUNDATION USD
<b>RECEIPTS</b>												
Grant income	-	-	55,427	129,890	50,251	-	-	-	-	-	38,025	204,270
General donations	-	-	-	-	-	-	-	29,009	-	-	-	-
Monitoring and evaluation	-	-	-	-	-	-	-	-	-	-	-	-
Revenue from service	-	-	-	-	-	-	-	-	-	-	-	-
Motor doctor income	-	-	-	-	-	15,955	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-	-	-
Income released from capital grants fund	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL RECEIPTS (A)</b>	-	-	<b>55,427</b>	<b>129,890</b>	<b>50,251</b>	<b>15,955</b>	-	<b>29,009</b>	-	-	<b>38,025</b>	<b>204,270</b>
<b>DISBURSEMENTS</b>												
Central office costs	-	-	-	-	-	-	-	-	-	-	-	-
This Life Beyond Bars program	-	-	55,466	-	50,384	-	-	267	-	-	-	-
Student Assistance Program	-	712	-	-	-	-	-	562	-	638	-	-
Lower Secondary School Development Program	-	-	-	-	-	-	-	37,242	-	-	32,246	211,154
Community Research and Consultancy Project	-	-	-	27,890	-	-	-	-	-	-	-	-
Community Responses to Violence Against Women	-	-	-	-	-	-	-	-	-	-	-	-
Vocational Training Center	-	-	-	-	-	-	-	-	-	-	-	-
This Life In Family	-	-	-	102,144	-	-	-	-	-	-	-	-
This Life In Community	-	-	-	-	-	-	-	-	-	-	-	-
This Life Remuniting Families	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL DISBURSEMENTS (B)</b>												
<b>C. Surplus for the year (A-B)</b>	-	<b>(712)</b>	<b>(39)</b>	<b>(144)</b>	<b>(133)</b>	<b>15,955</b>	-	<b>(9,062)</b>	-	<b>(638)</b>	<b>5,779</b>	<b>(6,884)</b>
<b>D. Net assets, beginning of the year</b>	(17)	2,129	-	-	-	(4,207)	34,218	47,217	10,911	(821)	-	-
<b>E. Adjustment</b>	-	-	-	-	-	-	-	(25,019)	-	-	-	-
<b>F. Net assets, end of the year (C+D+E)</b>	<b>(17)</b>	<b>1,417</b>	<b>(39)</b>	<b>(144)</b>	<b>(133)</b>	<b>11,748</b>	<b>34,218</b>	<b>13,136</b>	<b>10,911</b>	<b>(1,459)</b>	<b>5,779</b>	<b>(6,884)</b>

**THIS LIFE CAMBODIA**

**APPENDIX I – STATEMENT OF PROFIT OR LOSS BY DONORS  
FOR THE YEAR ENDED 31 AUGUST 2018**

	WISE	Kadoorie	MANANTRUST	Newcastle	SAVE THE CHILDREN	Tingitana FOUNDATION	Voice	Others	TOTAL	TOTAL
	USD	USD	USD	USD	USD	USD	USD	USD	1/9/2017 to 31/8/2018 USD	1/9/2016 to 31/8/2017 USD
<b>RECEIPTS</b>										
Grant income	108,407	40,691	15,752	20,121	6,925	39,980	11,985	-	721,724	512,734
General donations	-	-	-	-	-	-	-	11,461	40,470	97,045
Monitoring and evaluation	-	-	-	-	-	-	-	40,889	40,889	24,346
Revenue from service	-	-	-	-	-	-	-	40,012	40,012	11,070
Motor doctor income	-	398	-	-	-	-	-	48	16,401	19,679
Other income	-	-	-	-	-	-	2,375	53,042	55,417	54,565
Income released from capital grants fund	-	-	-	-	-	-	-	6,720	6,720	5,243
<b>TOTAL RECEIPTS (A)</b>	<b>108,407</b>	<b>41,089</b>	<b>15,752</b>	<b>20,121</b>	<b>6,925</b>	<b>39,980</b>	<b>14,360</b>	<b>152,172</b>	<b>921,633</b>	<b>724,682</b>
<b>DISBURSEMENTS</b>										
Central office costs	-	-	-	-	-	-	-	58,605	58,605	29,085
This Life Beyond Bars program	-	34,900	-	20,075	-	-	-	19,109	180,201	158,203
Student Assistance Program	-	-	-	-	-	-	-	-	1,912	5,014
Lower Secondary School Development Program	70,652	-	-	-	-	-	-	-	351,294	209,931
Community Research and Consultancy Project	-	-	-	-	-	-	14,490	72,652	115,032	94,956
Community Responses to Violence Against Women Vocational Training Center	-	-	17,432	-	-	41,974	-	1,641	61,047	42,491
This Life in Family	-	10,350	-	-	-	-	-	13,626	23,976	33,768
This Life in Community	37,909	-	-	-	-	-	-	1,997	104,141	86,610
This Life Renuniting Families	-	-	-	-	3,290	-	-	-	37,909	86,610
<b>TOTAL DISBURSEMENTS (B)</b>	<b>108,561</b>	<b>45,250</b>	<b>17,432</b>	<b>20,075</b>	<b>3,290</b>	<b>41,974</b>	<b>14,490</b>	<b>4,333</b>	<b>941,740</b>	<b>660,058</b>
<b>C. Surplus for the year (A-B)</b>	<b>(154)</b>	<b>(4,161)</b>	<b>(1,680)</b>	<b>46</b>	<b>3,635</b>	<b>(1,994)</b>	<b>(130)</b>	<b>(19,791)</b>	<b>(20,107)</b>	<b>64,624</b>
<b>D. Net assets, beginning of the year</b>	-	-	-	-	-	-	-	33,738	123,168	58,544
<b>E. Prior period adjustment</b>	-	-	-	-	-	-	-	50,931	25,912	-
<b>F. Net assets, end of the year (C+D+E)</b>	<b>(154)</b>	<b>(4,161)</b>	<b>(1,680)</b>	<b>46</b>	<b>3,635</b>	<b>(1,994)</b>	<b>(130)</b>	<b>64,878</b>	<b>128,973</b>	<b>123,168</b>