

This Life Cambodia Inc.

ABN : 12 806 513 245

Financial Statements

For the Year Ended 31 August 2022

This Life Cambodia Inc.

ABN : 12 806 513 245

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For the Year Ended 31 August 2022

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Board members

The names of the directors in office at any time during, or since the end of, the year are:

Name	Term Start	Term End	Position Held at 2022/23
Hayley Lee Allen	14 May 2019	Ongoing	Chair
Matthew Lucas	18 December 2021	Ongoing	Vice Chair
Navaka Arachchige	19 October 2019	Ongoing	Treasurer
Emer Purdon	18 December 2021	Ongoing	Secretary
Damon Martin	18 December 2021	Ongoing	Public Officer
Stephanie Stephens	19 October 2019	Ongoing	General
Jessica Erhart	18 December 2021	Ongoing	General
Suresh Rao	18 December 2021	Ongoing	General
Louise Crowe	18 December 2021	Ongoing	General
Anthon O'Brien	18 December 2021	9 January 2023	General

Vision

This Life's vision is that children, women, families, and communities are supported to access and create opportunities in this life.

Mission

This Life's mission is to listen to, engage with and advocate side by side with children, women, families and communities as they define and act on their own solutions to complex social challenges.

Values

This Life's values incorporate:

- We Listen. Listening is a foundational value, whether listening to the people we support in communities, to each other, or to our supporters and partners.
- We Collaborate. Our talents and abilities are multiplied when we work together, understanding each other's expertise, respecting each other's contribution and challenging each other to achieve more.
- We Have Integrity. We hold ourselves to the highest ethical standards and are open and accountable to each other, to authorities, to donors and to beneficiaries about what, when, why, and how we do things.
- We Balance. We are mindful of our personal lives and health, so we pledge to always find time to look after ourselves and look out for each other.

This Life

House 463 Group 10
Taphul Village, Sangkat Svay Danglum
Siem Reap, Cambodia

www.thislife.ngo
contact@thislife.ngo
+855 (0) 63 966 050

Programs

This Life Cambodia provides programs and services via three programmatic areas; Children and Families, Communities, and Impact, Learning & Effectiveness.

Children and Families Section

This Life Beyond Bars (TLBB)

The program aims to improve the skills and knowledge of children and young people in prison, in order to help them successfully reintegrate into their communities after their release. The program also helps fortify family relations, during periods when family members are incarcerated.

This Life In Family (TLIF)

This Life Family aims to support and preserve vulnerable families at risk of separation. This program provides short-term early intervention response for children and parents at the 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.

This Life With Choices (TLWC)

This Life With Choices aims to increase and strengthen the reach and accessibility of both drug and alcohol treatment and awareness information, in Cambodia.

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 strength-based holistic case management system in accordance with international best practices to support this process.

This Life Without Bars (TLWB)

This Life Without Bars aims to provide a community based diversion pathway, for children who have committed nonviolent crimes, as an alternative to prison based sentences.

Vocational Training and Social Enterprise (VTSE)

Vocational Training and Social Enterprise aim to provide valuable commercial services which allow us to provide vocational training, skills building and job opportunities to young people, including work in the community or the setting up of their own businesses.

This Life Reimagining Care (TLRC)

This Life Reimagining Care aims to identify and engage the Residential Care Institutions (RCIs) that are committed to reintegrating children back to family based care and transition themselves to other community based care or closure.

This Life New Horizons (TLNH)

The program aims to co-establish groups of engaged care leavers where they come together voluntarily and are provided with a platform through which they can achieve their full potential.

Communities Section**This Life Without Violence (TLWV)**

This program aims to reduce the incidence of violence against women and children in Cambodia, including its harmful impacts on women, girls, children, families, and communities.

This Life In Schools (TLIS)

This Life In Schools improves both access to, and the quality of education, by directly engaging community members in school development and management.

Internships For Young Cambodians

This program's goal is to assist fresh high school graduates from low-income families to access university and on the job training.

Impact, Learning & Effectiveness Section**Research and Policy (R&P)**

This team provide rigorous, high-quality, and ethical research that helps guide the development of evidence-based policies and future projects. This supports learning, change, and innovation both within and beyond the association.

Monitoring, Evaluation, Accountability. Learning (MEAL)

This team monitors and evaluates the implementation of This Life's projects, in order to assess their status, efficiency, effectiveness, and impact.

Capacity & Partnership Development (C&PD)

Capacity & Partnership Development aims to provide organisational development and capacity building support to organisations working in the development sector to maximise the impact and sustainability of interventions.

Result

Total revenue for the year was AUD 2,011,189 (2021: AUD 2,268,130), of which AUD 1,807,909 (2021: AUD1,991,382) was grant income, AUD 22,534 (2021: AUD113,849) was general donations, and the remainder a combination of revenue from consultancy services, monitoring and evaluation and other income. Total expenditure for the year was AUD 2,145,298 (2021: AUD 2,033,786). Overall, This Life has a deficit of AUD (134,109)(2021: AUD234,344).

Review of Operations

This Life experienced 11.33% drop in revenue compared to the previous financial year.

This Life continued the unconditional cash transfers to families receiving case management through our programs, until the end of December 2021. The aim of cash transfers was to deliver timely and cost-effective assistance to crisis-affected populations, while at the same time supporting local economies.

During the financial year, This Life was awarded eleven international awards, which added another level of recognition to the association and further enhanced our visibility.

Environmental Regulation

This Life has adequate systems in place for the management of its environmental requirement and is not aware of any breach of environmental requirements as they apply to the representative office.

Significant Changes in the State of Affairs

There was no significant change in the state of affairs of This Life that occurred during the financial year ended on 31 August 2022.

Future Developments

This Life will not undertake any change in its general direction during the upcoming financial year. However, its revenue is expected to remain stable over the next year, and forward planning is in place to manage any growth or decline. Our 5-year Strategic Plan which has kicked off from 1 September 2020 and is under review.

COVID-19 Pandemic

COVID-19 pandemic and its related impacts have not had any significant impact on the recognition and measurement of assets and liabilities of This Life as per its statement of financial position as of 31 August 2022.

Dividends and Options

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

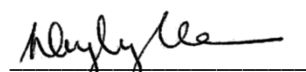
Auditors' Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 60-45 of the Australian Charities and Not-for-Profits Commission Act 2012.

Signed in accordance with a resolution of the Board.

Events subsequent to reporting period

There has not arisen in the interval between the end of the financial year and the date of this any other item, transaction or event of a material and unusual nature likely to affect significantly the operations of This Life, the results of those operations, or the state of affairs of This Life in future financial years.



Hayley Lee Allen

Chair

Date: 26 February 2023

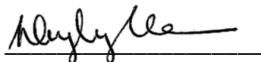
This Life Cambodia Incorporated

Board's Declaration

The Board of This Life Cambodia Incorporated declares that in the Board's opinion:

- (a) there are reasonable grounds to believe that This Life Cambodia Incorporated is able to pay all of its liabilities, as and when they become due and payables;
- (b) the financial statements and the notes to the financial statements give true and fair view of the state of affairs of This Life Cambodia Incorporated as at 31 August 2022 and the true and fair view of all income and expenditure of This Life Cambodia Incorporated for the financial year ended 31 August 2022;
- (c) the financial statements and the notes to the financial statements satisfy the requirements of the Australian Charities and Not-for-profits Commissions Act 2012 and the Australian Accounting Standards AASB 101 Presentation of Financial Statements; and
- (d) This Life Cambodia Incorporated has exercised essential internal controls, which are adequate, appropriate, and effective in accounting for all income earned and expenditure incurred for the financial year ended 31 August 2022.

Signed in accordance with subsection 60-45(3)(b) of the Australian Charities and Not-for-profits Commission (ACNC) Act 2012 and Not-for-profit Commission Regulation 2013 and full adherence to Australian Council for International Development (ACFID), Code Compliant Financial Statements.



Hayley Lee Allen
Chair

Date: 26 February 2023



TACTICALSUPER

SMSF AUDIT SPECIALISTS

Independent Audit Report to the Board of This Life Cambodia Inc.

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report, being a special purpose financial report of This Life Cambodia Inc. (the Association), which comprises the statement of financial position as at 31 August 2022, the statement of profit or loss, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by the Board.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying financial report of the Association for the year ended 31 August 2022 is prepared, in all material respects, in accordance with the *Associations Incorporation Act 2009* (NSW).

Basis for Qualified Opinion

We did not undertake the audit of the financial report of This Life Cambodia Inc. as at 31 August 2021, as we were appointed in December 2022 and therefore we were unable to obtain sufficient appropriate audit evidence regarding the comparatives.

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 Association in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report is prepared to assist the Association to meet the requirements of the *Associations Incorporation Act 2009* (NSW). As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the Association and should not be distributed to or used by parties other than the Association. Our opinion is not modified in respect of this matter.

Responsibilities of the Board and Those Charged with Governance

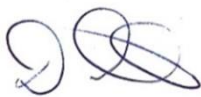
The Board is responsible for the preparation and fair presentation of the financial report in accordance with the *Associations Incorporation Act 2009* (NSW), and for such internal control as the Board determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board is responsible for assessing the Association'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 management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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 the 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 this financial report.



Tactical Super

Deanne Firth FCA (52264)

Dated this 24th day of February 2023



**Chartered
Accountants**

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Email: admin@tsaudits.com.au | Web: www.tacticalsuper.com.au | Phone: 03 5222 2006

Tactical Super Pty Ltd ATF The Tactical Super Unit Trust ABN : 93 803 606 281

Liability limited by a scheme approved under Professional Standards Legislation



TACTICALSUPER

SMSF AUDIT SPECIALISTS

AUDITOR'S INDEPENDENCE DECLARATION UNDER SUBDIVISION 60-40 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012

TO THE BOARD OF THIS LIFE CAMBODIA INCORPORATED

I declare that, to the best of my knowledge and belief, during the year end 31 August 2022 there have been no contraventions of the auditor independence requirement as set out in any applicable code of professional conduct in relation to the audit.

Tactical Super

Deanne Firth FCA (52264)

Dated this 24th day of February 2023



**Chartered
Accountants**

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This Life Cambodia Inc.

ABN : 12 806 513 245

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 August 2022

	Note	2022 AUD	2021 AUD
Revenue			
Grant income		1,807,909	1,991,382
Monetary Donations and Gifts		22,534	113,849
Monitoring & Evaluation		99,249	55,797
Consulting Service Income		11,663	52,654
Motor Doctor Income		14,050	16,901
Other Income		55,784	37,547
Income Released from Capital Grants Fund		-	-
Total Revenue		2,011,189	2,268,130
Expenditure			
Personnel Cost		(1,200,962)	(1,243,631)
Amortisation expense	7	(36,240)	(62,462)
Program Activities/Material Cost		(593,516)	(547,851)
Travel Cost		(95,729)	(58,285)
Monitoring & Evaluation		(91,252)	(45,165)
Professional Fee		(23,264)	-
Overhead Cost		(71,531)	(26,483)
Other Related Cost		(9,504)	(1,519)
		(2,121,998)	(1,985,396)
Finance Expenses	7	(23,300)	(48,390)
Surplus of Revenue over Expenditure		(134,109)	234,344
Other comprehensive income			
Foreign Currency Translation		7,574	6,716
Other comprehensive income for the year		7,574	6,716
Total comprehensive income for the year		(126,535)	241,060

The accompanying notes form part of these financial statements.

This Life Cambodia Inc.

ABN : 12 806 513 245

Statement of Financial Position

As At 31 August 2022

	Note	2022 AUD	2021 AUD
Assets			
Current Assets			
Cash and cash equivalents	4	1,657,598	2,180,360
Other receivables	6	109,674	64,386
Total Current Assets		1,767,272	2,244,746
Non-Current Assets			
Property, plant and equipment	5	101,807	133,678
Right-of-use assets	7	253,677	255,857
Total Non-Current Assets		355,484	389,535
Total Assets		2,122,756	2,634,281
Liabilities			
Current Liabilities			
Trade and other payables		78,600	78,569
Tax payable		11,495	5,787
Lease liabilities	7	27,488	23,587
Deferred grant	8	722,528	1,155,791
Total Non-Current Liabilities		840,111	1,263,734
Non-Current Liabilities			
Lease liabilities	7	249,852	254,168
Seniority indemnity		11,650	13,155
Staff Saving Scheme		61,237	83,654
Total Non-Current Liabilities		322,739	350,977
Total Liabilities		1,162,850	1,614,711
Net Assets		959,906	1,019,570
Equity			
Capital Grant Fund		99,735	131,505
Retained Earnings		905,251	940,719
Currency Translation Reserve		(45,080)	(52,654)
Total Equity		959,906	1,019,570

The accompanying notes form part of these financial statements.

This Life Cambodia Inc.

ABN : 12 806 513 245

Statement of Changes in Equity For the Year Ended 31 August 2022

2022	Capital Grant Fund AUD	Retained Earnings AUD	Currency Translation Reserve AUD	Total AUD
Balance at 1 September 2021	131,505	940,719	(52,654)	1,019,570
Surplus of Revenue over Expenditure for the year	-	(134,109)	-	(134,109)
Fixed Asset Purchase during the year	6,533	-	-	6,533
Depreciation Released Out from Grant Capital Fund	(38,303)	38,303	-	-
Adjustments from prior year		60,338		60,338
Adjustments from foreign currency translation		-	7,574	7,574
Balance at 31 August 2022	99,735	905,251	(45,080)	959,906

2021	Capital Grant Fund AUD	Retained Earnings AUD	Currency Translation Reserve AUD	Total AUD
Balance at 1 September 2020	175,203	706,375	(59,370)	822,208
Surplus of Revenue over Expenditure for the year	-	234,344	-	234,344
Fixed Asset Purchase during the year	5,699	-	-	5,699
Depreciation Released Out from Grant Capital Fund	(49,850)		-	(49,850)
Adjustments from foreign currency translation	453	-	6,716	7,169
Balance at 31 August 2021	131,505	940,719	(52,654)	1,019,570

The accompanying notes form part of these financial statements.

This Life Cambodia Inc.

ABN : 12 806 513 245

Statement of Cash Flows

For the Year Ended 31 August 2022

	Note	2022 AUD	2021 AUD
Cash Flows from Operating Activities			
Receipts from customers and donors		1,534,426	2,125,109
Payments to suppliers and employees		(2,187,447)	(1,761,320)
Net cash provided by / (used in) operating activities		(653,021)	363,789
 Cash Flows from Investing Activities			
Purchase of plant and equipment		(6,533)	(5,565)
Net cash (used in) investing activities		(6,533)	(5,565)
 Cash Flows from Financing Activities			
Funds (paid to) / released from the Capital Grant Fund			(43,698)
Repayment of lease liabilities			(88,954)
Net cash provided by / (used in) financing activities		-	(132,652)
 Effects of exchange rate changes on cash and cash equivalents		8	7,320
Net increase / (decrease) in cash and cash equivalents held		(659,546)	232,892
Cash and cash equivalents at beginning of year		2,317,146	1,947,468
Cash and cash equivalents at end of financial year	4	1,657,600	2,180,360

The accompanying notes form part of these financial statements.

This Life Cambodia Inc.

ABN: 12 806 513 245

Notes to the Financial Statements For the Year Ended 31 August 2022

These notes form an integral part and should be read in conjunction with the accompanying financial statements.

1 Reporting Entity

In Australia, This Life Cambodia Incorporated ("This Life" or the "Association") is a charitable organisation having registered with the Australian Charities and Not-for-profits Commission (ACNC) with The Australian Business Number (ABN): 12 806 513 245 and having its registered office at 92 Marion St Leichhardt NSW 2040.

In Cambodia, This Life has concluded a Memorandum of Understanding with the Government of the Kingdom of Cambodia on 13 September 2020 as an International Non-Governmental Organisation (INGO). It has its principal place of management and controls at #463, Group 10, Taphul Village, Sangkat Svay Dangkum, Siem Reap City, Kingdom of Cambodia.

As of 31 August 2022, This Life had 79 employees (31 August 2021: 90 employees) including the Board.

2 Basis of Preparation

In the opinion of the Committee of Management, the Association is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the Act.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*. They comply with other requirements of the Australian laws and regulations, particularly the Australian Charities and Not-for-profit Commission Act 2012.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

The financial statements herein are for presenting the financial performance and the financial position of the Organisation as a whole (i.e., both Australian and Cambodian entity). The whole Organisation has been treated as a not-for-profit entity for the purpose of preparing the financial statements.

The financial statements do not constitute the statutory accounts to meet the regulatory requirements under the applicable laws and regulations in the Kingdom of Cambodia.

3 Summary of Significant Accounting Policies

(a) Basis of Accounting

The financial statements are the special-purpose financial statements expressed in Australian Dollars (AUD\$) which has been prepared in accordance with the historical cost convention and accruals basis of accounting.

This basis of accounting and the accounting policies summarised below are designed and adopted by the Association to meet its legal and regulatory requirements in Australia. They are not intended to produce financial statements that are compatible with International Financial Reporting Standards (IFRSs). Consequently, the financial statements may not be suitable for another purpose.

There will be minor rounding adjustments due to currency conversion.

(b) Changes in Accounting Policies

The basis of preparation for the financial statements for the year ended 31 August 2022 has not changed from the accruals basis. For the year ended 31 August 2022 the accruals basis has continued to be applied to ensure compliance with the Australian Charities and Not-for-profits Commission Act 2012.

(c) Significant Accounting Judgements and Estimates

When preparing the financial statements, the management undertakes a number of judgements, 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.

(d) Foreign Currency Transactions and Balances

The United States Dollar (USD) is the functional currency of This Life. However, the organisation has converted USD (United States Dollar) to AUD (Australian Dollar) in order to comply with ACFID's requirements. For the purpose of translating USD to AUD, This Life follows the exchange rate of the Reserve Bank of Australia.

The currency of Income Statement is translated at the transaction date while the Statement of Financial Position is translated at the closing rate. Differences in exchange rates resulting from translation are recorded in the income statement under the Other Comprehensive Income.

(e) Revenue Recognition

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

Grant Income

Where conditions are attached to a grant which must be satisfied before the Association 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 Association 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 donors these unexpended funds are held as deferred income until such time as they are returned to the funding body.

Monetary Donations and Gifts

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

Monitoring and Evaluation

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

Consulting Service Income

Consulting Service Income is the income received for external consultancy services provided by This Life to the external consultancies. Revenue is recognised when the service has been provided.

Motor Doctor Income

Motor Doctor Income is the income received from the sale of goods and services 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 buyers 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.

Other Income

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

(f) Expenditure

Expenditure represents all expenses incurred in meeting the objectives of the Association.

Expenditures are recognised when it is incurred.

(g) Cash and Cash Equivalents

Cash and Cash Equivalents are comprised of cash on hand, cash at bank, and other financial assets with maturity of three month or less.

(h) Leases

At the lease commencement, the Association recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Association believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Association's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Association's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(i) Cash Advance

Cash advances consist of advances to staff for organisational objectives including travel. Cash advances shall be cleared within ten working days upon 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.

For activities that are implemented over several weeks or months, cash advances must be made in instalments.

(j) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Items of property, plant and equipment acquired for significantly less than fair value have been recorded at the acquisition date fair value.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Association, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Motor Vehicles	5 years
Office Equipment	5 years
Computer and Software	3 years
Office Fit Outs	10 years

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(k) Capital Grants Fund

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

(l) Staff Saving Scheme

The Staff Saving Scheme provides employees with financial incentives and encouragement to save for their future. All staff members are entitled to join the saving scheme after successfully passing their probationary period of employment.

The Staff Saving Scheme encourages employee savings through an individual commitment to personal contributions alongside an additional organisational contribution that is paid as follows:

- a) The employee contributes 5% or 10% of their salary each month into savings based on their salary.
- b) This Life contributes a benefit of 5% of the employee's salary into their savings. This benefit is only paid to those employees who complete a full year of savings.

To be eligible for the full benefit of the savings scheme the employee must remain in the scheme for a full 12 months. If they decide not to withdraw their savings at the end of the first year, during the second year their personal contribution is reduced by 50% and the This Life contribution and severance pay contribution remain at 5% of the salary. If the employee does not withdraw their savings at the end of their second year, in the third year the personal contribution is reduced to 0% while the This Life contribution and severance contribution remain at 5% of the salary. Thus, the employee continues to receive the additional benefit for less personal contribution if they roll their contribution over for three consecutive years.

(m) Seniority Indemnity

On 21 September 2018, the Ministry of Labor and Vocational Training ("MoLVT") issued the Prakas No.443 on the seniority Payment Indemnity, and subsequently amended by the instruction No. 042/19 dated 22 March 2019. It requires the employer to provide a seniority indemnity benefit to their employee's salary based on their length of service. The seniority provision is calculated at 15 days of employee's salary per year up to 2018 with a maximum of 156 days.

During the year, the Association has made all the payments in respect of this seniority indemnity.

(n) Income Tax

The Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(o) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

4 Cash and Cash Equivalents

	2022 AUD	2021 AUD
Cash at bank and in hand	1,657,598	2,180,360
	<u>1,657,598</u>	<u>2,180,360</u>

5 Property, Plant and Equipment

	2022 AUD	2021 AUD
PLANT AND EQUIPMENT		
Motor vehicles		
At cost	162,127	152,556
Accumulated depreciation	(135,041)	(104,829)
Total motor vehicles	<u>27,086</u>	<u>47,727</u>
Office equipment		
At cost	62,482	52,646
Accumulated depreciation	<u>(47,196)</u>	<u>(30,612)</u>

Total office equipment	15,285	22,034
Leasehold Improvements		
Improvements	80,280	75,541
Accumulated depreciation	(20,844)	(11,624)
Total leasehold improvements	59,436	63,917
Total plant and equipment	101,807	133,678
Total property, plant and equipment	101,807	133,678

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Motor Vehicles AUD	Office Equipment AUD	Improvements AUD	Total AUD
Year ended 31 August 2022				
Balance at the beginning of year	47,727	22,034	63,917	133,678
Additions	-	6,533		6,533
Depreciation expense	(23,640)	(14,664)	(8,490)	(46,794)
Foreign exchange movements	2,998	1,382	4,009	8,390
Balance at the end of the year	27,086	15,285	59,436	101,807

6 Other Receivables

	2022 AUD	2021 AUD
Grant Receivable	21,227	1,676
Rental Deposit	28,687	24,404
Staff Advance	10,543	4,477
Prepayments	48,505	33,160
Electricity Deposit	711	669
	109,674	64,386

7 Leases

Right-of-use assets

	Buildings AUD	Total AUD
Year ended 31 August 2022		
Balance at beginning of year	255,857	255,857
Additions to right-of-use assets	-	-
Depreciation charge		-
Adjustment	(2,180)	(2,180)
Exchange fluctuations		-
Balance at end of year	253,677	253,677

Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year AUD	1 - 5 years AUD	> 5 years AUD	Total undiscounted lease liabilities	Lease liabilities included in this Statement of Financial Position AUD
2022					
Lease liabilities	48,682	209,331	107,099	365,112	277,340

Extension options

The building lease does not contain extension options which allow the Association to extend the lease term.

The Association includes options in the leases to provide flexibility and certainty to the Association operations and reduce costs of moving premises and the extension options are at the Association's discretion.

At commencement date and each subsequent reporting date, the Association assesses where it is reasonably certain that the extension options will be exercised.

Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to interest expense on lease liabilities and short-term leases or leases of low value assets are shown below:

	2022 AUD	2021 AUD
Interest expense on lease liabilities	23,300	48,390
	<u>23,300</u>	<u>48,390</u>
8 Deferred Grant		
Deferred grants	722,528	1,155,791
	<u>722,528</u>	<u>1,155,791</u>

The organisation has received grants amounting to AUD 1,331,146 (2021 AUD 1,991,382). The balance remaining in the Deferred Grant income account as of 31 August 2022 is AUD 722,528 (2021 AUD 1,155,791).

9 Key Management Personnel Disclosures

The remuneration paid to key management personnel of the Association is AUD 175,245

10 Auditors' Remuneration

	2022 AUD
Remuneration of the auditor Nexia Melbourne Audit Pty Ltd, for:	
- auditing the financial statements 2021	20,212
- other services	3,052
Total	<u>23,264</u>

Other services relate to assistance with the preparation of the financial statements.

Remuneration of the auditor for financial statements 2022 (not accrued)	
- Cambodian auditor - APV (Cambodia) Co., Ltd.	8,403
- Australian auditor - Tactical Super Pty Ltd	3,300
	<u>11,703</u>

11 Contingent Liabilities

In the opinion of the Board, the Association did not have any contingent liabilities at 31 August 2022 (31 August 2021: None).

12 Events after the end of the Reporting Period

The financial report was authorised for issue on 16 February 2023 by the Board.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

13 Statutory Information

The registered office of the Association is:

This Life Cambodia Inc.
92 Marion Street
Leichhardt NSW 2040

The principal place of business is:

House 463 Group 10
Taphul Village, Sangkat Svay Dangkum
Siem Reap, Cambodia