



## *Independent auditor's report*

To the members of The Australia Cambodia Foundation Inc

### *Report on the audit of the financial report*

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#### *Our opinion*

In our opinion:

The accompanying financial report of The Australia Cambodia Foundation Inc (the Entity) and its controlled entities (together the Group) is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

#### *What we have audited*

The Group financial report comprises:

- the consolidated statement of financial position as at 30 June 2018
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated statement of profit or loss and other comprehensive income for the year then ended
- the notes to the consolidated financial statements, which include a summary of significant accounting policies
- the declaration of the Members of the Committee.

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

#### *Independence*

We are independent of the Group 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.

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### *Emphasis of matter - basis of accounting and restriction on use*

We draw attention to Note 1 in the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Members of the Committee's financial reporting responsibilities under the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for The Australia Cambodia Foundation Inc and its members and should not be distributed to or used by parties other than The Australia Cambodia Foundation Inc and its members. Our opinion is not modified in respect of this matter.

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### *Other information*

The Members of the Committee are responsible for the other information. The other information comprises the information included in the financial report for the year ended 30 June 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 on the other information that we obtained prior to the date of this auditor's report, 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.

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### *Other matter: prior period financial report audited by another auditor*

The financial report of The Australia Cambodia Foundation Inc, for the year ended 30 June 2017, was audited by another auditor who expressed a qualified opinion on that report on 15 December 2017.

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### *Responsibilities of the Members of the Committee for the financial report*

The Members of the Committee of the Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* and is appropriate to meet the needs of the members. The Members of the Committee's responsibility also includes such internal control as the Members of the Committee determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Members of the Committee is responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Members of the Committee either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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### *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 the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:  
[http://www.auasb.gov.au/auditors\\_responsibilities/ar3.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf). This description forms part of our auditor's report.

### *Report on the Requirements of the Charitable Fundraising Act 1991 and the Charitable Fundraising Regulation 2015*

We have audited the financial report as required by Section 24(2) of the Charitable Fundraising Act 1991. The Members of the Committee are responsible for the preparation and presentation of the financial report in accordance with the Charitable Fundraising Act 1991 and the Charitable Fundraising Regulation 2015. Our responsibility is to express an opinion on the financial report based on our audit.

In our opinion the financial report and associated records have been properly kept, during the financial year ended 30 June 2018, in accordance with:

- a) Sections 20(1), 22(1-2) and 24(1-3) of the Charitable Fundraising Act 1991; and
- b) Sections 9(6) and 10 of the Charitable Fundraising Regulation 2015.
- c) Money received as a result of fundraising appeals conducted during the financial year ended 30 June 2018 has been properly accounted for and applied in accordance with the above mentioned Act and Regulation.



PricewaterhouseCoopers



Chamilka Ratwatte  
Partner

Sydney  
12 December 2018

**The Australia Cambodia Foundation Inc**

Financial Report  
for the Year Ended 30 June 2018

# The Australia Cambodia Foundation Inc

## Report of the Members of the Committee for the Year Ended 30 June 2018

Your Members of the Committee present their report on the consolidated entity consisting of The Australia Cambodia Foundation Inc and the entities it controlled at the end of, or during, the year ended 30 June 2018. Throughout the report, the consolidated entity is referred to as the group.

### Members of the Committee

The following persons were Members of the Committee of The Australia Cambodia Foundation Inc during the whole of the financial year and up to the date of this report:

Geraldine Dorothea Cox AM  
Mark Philip Dennis (appointed on 8 April 2018)  
Patricia Ann Blamey (appointed on 8 April 2018)  
Nicholas House (resigned on 2 April 2018)  
Lea Stevens (resigned on 3 April 2018)  
Judith Myers (resigned on 3 April 2018)  
David Perkins (resigned on 3 April 2018)  
Kevin Tutt (resigned on 7 April 2018)  
Craig Tashorski (resigned on 7 April 2018))

### Principal activities

During the year the principal continuing activities of the group consisted of raising and spending funds for charitable purposes.

### Review of activities

During the current year, the group has incurred a net deficit of \$3,229,222 (2017: \$834,754).

### Significant changes in the state of affairs

There is no significant change in the state of affairs of the group as compared to the previous year.

### Events since the end of the financial year

No matter or circumstances has arisen since 30 June 2018 that has significantly affected the group's activities, results or state of affairs, or may do so in future years.

### Auditor's Independence declaration

A copy of the auditor's independence declaration as required under the Australian Charities and Not-for-profits Commission (ACNC) Act 2012, is set out on page 3.

This report is made in accordance with a resolution of the Members of the Committee.



Director  
Sydney  
12 December 2018



## *Auditor's Independence Declaration*

As lead auditor for the audit of The Australia Cambodia Foundation Inc for the year ended 30 June 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of The Australia Cambodia Foundation Inc and the entities it controlled during the period.

*C Ratwatte*

Chamilka Ratwatte  
Partner  
PricewaterhouseCoopers

Sydney  
12 December 2018

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# The Australia Cambodia Foundation Inc

## Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 30 June 2018

	Note	2018 \$	2017 \$
<b>Revenue</b>			
Donations		2,056,827	3,849,035
Member subscriptions		740	575
Interest received		19,634	18,816
Other Income		160,586	503,275
<b>Total Revenue</b>		<b>2,237,787</b>	<b>4,371,701</b>
<b>Expenses</b>			
Salaries & wages		1,081,837	1,469,286
Projects & fundraising		42,508	477,059
Programs		617,834	558,245
Office expenses		97,471	100,798
Consultants fees		161,990	117,893
Audit fees		29,440	7,000
Travel & transportation		51,457	90,192
Administration costs		3,109	195,901
Bank charges		12,675	47,524
Depreciation		196,468	140,316
Equipment		2,132	33,127
Renovations, repairs & maintenance		79,970	86,145
Insurance		18,041	67,676
Rental		44,614	54,789
Staff training		-	15,013
Staff amenities		-	37,982
Utilities		19,805	86,373
Donations - associated entities		600,492	1,497,216
Other expenses		6,104	123,232
Property and equipment - write off	5 (i)	447,248	-
Impairment loss - property, plant and equipment	5 (i)	1,903,752	-
<b>Total Expenses</b>		<b>5,416,947</b>	<b>5,205,767</b>
<b>Net current year deficit</b>		<b>(3,179,160)</b>	<b>(834,066)</b>
<b>Other comprehensive income</b>			
Exchange differences on translating foreign operations		(50,062)	(688)
<b>Total comprehensive deficit for the year</b>		<b>(3,229,222)</b>	<b>(834,754)</b>

The accompanying notes form part of these consolidated financial statements.

# The Australia Cambodia Foundation Inc

## Consolidated Statement of Financial Position as at 30 June 2018

	Note	2018 \$	2017 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	3	1,189,348	1,902,871
Trade and other receivables	4	12,785	25,757
<b>TOTAL CURRENT ASSETS</b>		<b><u>1,202,133</u></b>	<b><u>1,928,628</u></b>
NON-CURRENT ASSETS			
Property, Plant and Equipment	5	1,323,489	3,713,785
<b>TOTAL NON-CURRENT ASSETS</b>		<b><u>1,323,489</u></b>	<b><u>3,713,785</u></b>
<b>TOTAL ASSETS</b>		<b><u>2,525,622</u></b>	<b><u>5,642,413</u></b>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	6	162,482	39,674
Employee benefits	7	3,606	13,983
<b>TOTAL CURRENT LIABILITIES</b>		<b><u>166,088</u></b>	<b><u>53,657</u></b>
NON-CURRENT LIABILITIES			
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b><u>-</u></b>	<b><u>-</u></b>
<b>TOTAL LIABILITIES</b>		<b><u>166,088</u></b>	<b><u>53,657</u></b>
<b>NET ASSETS</b>		<b><u>2,359,534</u></b>	<b><u>5,588,756</u></b>
<b>EQUITY</b>			
Trust Funds		5,000	5,000
Foreign currency translation reserve	8	26,478	76,540
Accumulated surplus		2,328,056	5,507,216
<b>TOTAL EQUITY</b>		<b><u>2,359,534</u></b>	<b><u>5,588,756</u></b>

The accompanying notes form part of these consolidated financial statements.



## The Australia Cambodia Foundation Inc

### Consolidated Statement of Changes in Equity as at 30 June 2018

	Trust funds	Foreign currency translation reserve	Accumulated surplus	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2016</b>	5,000	77,228	6,341,282	6,423,510
Deficit for the year	-	-	(834,066)	(834,066)
Adjustment for translation of foreign operations		(688)	-	(688)
<b>Balance at 30 June 2017</b>	<u>5,000</u>	<u>76,540</u>	<u>5,507,216</u>	<u>5,588,756</u>
Deficit for the year	-	-	(3,179,160)	(3,179,160)
Adjustment for translation of foreign operations		(50,062)	-	(50,062)
<b>Balance at 30 June 2018</b>	<u><u>5,000</u></u>	<u><u>26,478</u></u>	<u><u>2,328,056</u></u>	<u><u>2,359,534</u></u>

The accompanying notes form part of these consolidated financial statements.

# The Australia Cambodia Foundation Inc

## Consolidated Statement of Cash Flows for the Year Ended 30 June 2018

	Note	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from donations		2,069,799	3,883,557
Interest received		19,634	18,816
Other receipts		161,326	503,850
Payments to suppliers and employees		(2,156,557)	(3,620,920)
Donations - associated entities		(600,492)	(1,469,286)
Net cash used in operating activities	9	<u>(506,290)</u>	<u>(683,983)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		<u>(27,117)</u>	<u>(3,048)</u>
Net cash used in investing activities		<u>(27,117)</u>	<u>(3,048)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Effects of exchange rate changes		<u>(180,116)</u>	<u>(688)</u>
Net cash used in investing activities		<u>(180,116)</u>	<u>(688)</u>
Net decrease in cash and cash equivalents		(713,523)	(687,719)
cash and cash equivalents at the beginning of the financial year		<u>1,902,871</u>	<u>2,590,590</u>
cash and cash equivalents at the end of the financial year	3	<u>1,189,348</u>	<u>1,902,871</u>

The accompanying notes form part of these consolidated financial statements.

# The Australia Cambodia Foundation Inc

## Notes to the Consolidated Financial Statements for the Year Ended 30 June 2018

The Australia Cambodia Foundation Inc is a not-for-profit Association incorporated in South Australia under the Associations Incorporation Act (SA 1985 ('the Act')). The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of The Australia Cambodia Foundation Inc and its subsidiaries.

The Australia Cambodia Foundation Inc has operations in Australia and in Cambodia. Functional currencies are Australian Dollars and US Dollars and presentation currency of The Australia Cambodia Foundation Inc is Australian Dollars.

The consolidated financial statements were authorised for issue on 12 December 2018 by the Members of the Committee of the Association.

### Note 1: Summary of Significant Accounting Policies

The Members of the Committee are of the opinion that the Association is a non-reporting entity because there are no users dependent on general purpose consolidated financial statements. These consolidated financial statements are therefore special purpose consolidated financial statements that have been prepared in order to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the *Charitable Fundraising Act 1991* and the *Charitable Fundraising Regulation 2015*. The Association is a not-for-profit entity for the purpose of preparing the consolidated financial statements.

The consolidated financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Australian Charities and Not-for-profits Commission Act 2012* and the significant accounting policies disclosed below, which the Members of the Committee have determined are appropriate to meet the needs of members.

### Accounting Policies

#### a. Principles of Consolidation

The consolidated consolidated financial statements incorporate all of the assets, liabilities and results of the parent Australia Cambodia Foundation Inc and the following Cambodia registered organisations:

- SCV Foundation Ltd - subsidiary
- Sunrise Cambodia - project of the Australia Cambodia Foundation Inc

The assets, liabilities and results of all organisations are fully consolidated into the financial statements of The Australia Cambodia Foundation Inc from the date on which control is obtained by The Australia Cambodia Foundation Inc. The consolidation of an organisation is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation.

# The Australia Cambodia Foundation Inc

## Notes to the Consolidated Financial Statements for the Year Ended 30 June 2018

### Note 1: Summary of Significant Accounting Policies (Cont)

#### b. Foreign currency translation

##### *(i) Functional and presentation currency*

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars (\$), which is The Australia Cambodia Foundation Inc's functional and presentation currency.

##### *(ii) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

##### *(iii) Group companies*

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the date of that consolidated statement of financial position,
- income and expenses for each consolidated statement of profit or loss and comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

#### c. Revenue

Revenue is recognised when the amount of revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Association and specific criteria relating to the type of revenue as noted below, have been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised as it accrues using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

All revenue is stated net of the amount of goods and services tax.

# The Australia Cambodia Foundation Inc

## Notes to the Consolidated Financial Statements for the Year Ended 30 June 2018

### Note 1: Summary of Significant Accounting Policies (Cont)

#### d. Property, Plant and Equipment

##### Property, Plant and equipment

Property, plant and equipment are measured on cost basis less depreciation and any impairment losses.

The carrying amount of property, plant and equipment is reviewed annually by the Members of the Committee to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

In the event the carrying amount of property, plant and equipment is greater than the recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(e) for details of impairment).

Property, plant and equipment that have been contributed at no cost, or for nominal cost, are recognised at the fair value of the asset at the date it is acquired.

##### Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Property, plant and equipment	20.0%
Leasehold improvements	2% - 3.33%
Furniture, fixtures & fittings	20%
Motor vehicles	25%
Computer equipment	50%
Sports playground	10%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

# The Australia Cambodia Foundation Inc

## Notes to the Consolidated Financial Statements for the Year Ended 30 June 2018

### Note 1: Summary of Significant Accounting Policies (Cont)

#### d. Property, Plant and Equipment (Cont)

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

#### e. Financial Instruments

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Association commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

#### Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

Fair value is the price the Association would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date. Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

#### (i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

# The Australia Cambodia Foundation Inc

## Notes to the Consolidated Financial Statements for the Year Ended 30 June 2018

### Note 1: Summary of Significant Accounting Policies (Cont)

#### f. Impairment of Assets

At the end of each reporting period, the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair amount less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of a class of asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

#### g. Employee Provisions

##### Short-term employee benefits

Provision is made for the Association's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages and salaries. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

#### h. Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

#### i. Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from donors and any outstanding grant receipts. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

#### j. Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

# The Australia Cambodia Foundation Inc

## Notes to the Consolidated Financial Statements for the Year Ended 30 June 2018

**k. Income Tax**

No provision for income tax has been raised in relation to the Australian operations as Australia Cambodia Foundation is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

**l. Accounts Payable and Other Payables**

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Association during the reporting period which remain unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

**m. New Accounting Standards and Interpretations**

No new accounting standards or interpretations are expected to have a significant impact on the consolidated financial statements of the group.

**n. Critical Accounting Estimates and Judgements**

The Members of the Committee evaluate estimates and judgements incorporated into the consolidated financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Association.

**Key estimates**

(i) *Impairment*

The group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the group that may be indicative of impairment triggers and recognises impairment loss in the year of identification.



# The Australia Cambodia Foundation Inc

## Notes to the Consolidated Financial Statements for the Year Ended 30 June 2018

### Note 2: Parent Information

2018	2017
\$	\$

The following information has been extracted from the books and records of the parent:

#### Statement of Financial Position

##### ASSETS

Current assets	1,072,519	1,807,306
Non-current assets	6,637	10,476
<b>TOTAL ASSETS</b>	<b>1,079,156</b>	<b>1,817,782</b>

##### LIABILITIES

Current liabilities	146,334	53,683
Non-current liabilities	-	-
<b>TOTAL LIABILITIES</b>	<b>146,334</b>	<b>53,683</b>

##### EQUITY

Foreign currency translation reserve	-	-
Accumulated surplus	932,822	1,764,099
<b>TOTAL EQUITY</b>	<b>932,822</b>	<b>1,764,099</b>

#### Statement of Profit or Loss and Other Comprehensive Income

Total deficit	652,948	725,190
Total comprehensive deficit	652,948	725,190

### Note 3: Cash and Cash Equivalents

2018	2017
\$	\$

Cash at bank	1,187,076	1,310,662
Cash on hand	2,272	8,626
Short-term deposits	-	583,583
	<b>1,189,348</b>	<b>1,902,871</b>

### Note 4: Trade and Other Receivables

2018	2017
\$	\$

##### CURRENT

Trade receivables	3,707	23,546
Deposits	9,078	2,211
<b>Total trade and other receivables</b>	<b>12,785</b>	<b>25,757</b>

# The Australia Cambodia Foundation Inc

## Notes to the Consolidated Financial Statements for the Year Ended 30 June 2018

### Note 5: Property, Plant and Equipment

	2018	2017
	\$	\$
<b>Property, Plant and Equipment</b>		
Buildings - at cost - Sihanoukville (net of impairment)	1,509,481	2,533,255
Buildings Accumulated Depreciation (net of impairment)	(192,629)	(409,271)
Net carrying amount	<u>1,316,852</u>	<u>2,123,984</u>
Leasehold Improvements - at cost - Kandal (net of impairment)	-	1,180,213
Leasehold Improvements - at cost - Siem Reap (net of impairment)	-	80,952
Leasehold Improvements Accumulated Depreciation (net of impairment)	-	(112,769)
Net carrying amount	<u>-</u>	<u>1,148,396</u>
Plant and Equipment - at cost (net of impairment)	19,193	19,193
Plant and Equipment Accumulated Depreciation (net of impairment)	(12,556)	(8,717)
Net carrying amount	<u>6,637</u>	<u>10,476</u>
Furniture, Fixtures and Fittings - at cost (net of impairment)	-	344,710
Furniture and Equipment Accumulated Depreciation (net of impairment)	-	(99,057)
Net carrying amount	<u>-</u>	<u>245,653</u>
Motor Vehicles - at cost (net of impairment)	-	267,426
Motor Vehicle Accumulated Depreciation (net of impairment)	-	(130,437)
Net carrying amount	<u>-</u>	<u>136,989</u>
Computer Equipment - at cost (net of impairment)	-	57,445
Computer Accumulated Depreciation (net of impairment)	-	(11,393)
Net carrying amount	<u>-</u>	<u>46,052</u>
Sports Playground - at cost (net of impairment)	-	10,590
Sports Playground Accumulated Depreciation (net of impairment)	-	(8,355)
Net carrying amount	<u>-</u>	<u>2,235</u>
<b>Total Property, Plant and Equipment</b>	<u><u>1,323,489</u></u>	<u><u>3,713,785</u></u>

- (i) An independent valuation of the Group's buildings at the Sihanoukville site and leasehold improvements at the Kandal site was performed by an independent valuer VTRUST Appraisal Co., Ltd in November 2017.

Based on the valuation exercise, the group has recognised an impairment loss of \$1,903,752 during the year ended 30 June 2018.

The Group has also written off property and equipment amounting \$447,248 during the year ended 30 June 2018.

- (ii) The buildings located in Sihanoukville are built on land where the registered owner is Arunreas Orphanage Centre represented by Ms Geraldine Cox. There is an agreement between The Australia Cambodia Foundation Inc and Ms Cox dated 13 March 2015, whereby Ms Cox declares that the land is held by her in trust for The Australia Cambodia Foundation Inc and that she has no beneficial interest in the land. The Australia Cambodia Foundation Inc has not recognised this land in its consolidated financial statements.

# The Australia Cambodia Foundation Inc

## Notes to the Consolidated Financial Statements for the Year Ended 30 June 2018

### Note 6: Trade and Other Payables

	2018	2017
	\$	\$
CURRENT		
Trade payables	11,240	11,388
Other payables and accruals	151,242	28,286
	<u>162,482</u>	<u>39,674</u>

### Note 7: Employee Provisions

	2018	2017
	\$	\$
CURRENT		
Annual leave	3,606	13,983
	<u>3,606</u>	<u>13,983</u>

### Note 8: Reserves

#### Foreign currency translation reserve

The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled entity.

#### Analysis of foreign currency translation reserve

	2018	2017
	\$	\$
<b>Opening Balance</b>	76,540	77,228
Movement in foreign currency translation reserve	(50,062)	(688)
<b>Closing Balance</b>	<u>26,478</u>	<u>76,540</u>

### Note 9: Cash Flow Information

	2018	2017
	\$	\$
<b>Reconciliation of cash flows from operating activities</b>		
Net current year deficit	(3,179,160)	(834,066)
Non-cash flows in current year deficit:		
– depreciation	196,468	140,316
– impairment loss	1,903,752	-
– property and equipment write-off	447,248	-
– foreign currency (gains) / losses		
Changes in assets and liabilities:		
– decrease in accounts receivable and other debtors	12,972	34,522
– increase/(decrease) in accounts payable and other payables	122,807	(31,501)
– (decrease)/increase in employee provisions	(10,377)	6,746
	<u>(506,290)</u>	<u>(683,983)</u>

# The Australia Cambodia Foundation Inc

## Notes to the Consolidated Financial Statements for the Year Ended 30 June 2018

### Note 10: Charitable Fundraising Activities

The Australia Cambodia Foundation Inc conducts fund raising activities. The income received and the cost of raising income for specific fundraising has been recognised in the consolidated statement of profit or loss and other comprehensive income.

A summary of the income raised and the related expenditure is disclosed below:

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Income raised - general donations	1,491,674	3,066,535
Income raised - appeals and raffles	284,422	265,238
<b>Total receipts</b>	<b>1,776,096</b>	<b>3,331,773</b>
Payments to beneficiaries	1,709,837	2,779,226
Payments in respect of fundraising	295,773	571,639
Expenditure and administration incurred in fund raising	583,518	702,260
<b>Total payments</b>	<b>2,589,128</b>	<b>4,053,125</b>
<b>Excess of receipts over payments</b>	<b>(813,032)</b>	<b>(721,352)</b>

### Note 11: Association Details

The registered office of the Association is:

The Australia Cambodia Foundation Inc  
39 Burnie Street  
CLOVELLY NSW 2031

The principal place of the Association is:

The Australia Cambodia Foundation Inc  
39 Burnie Street  
CLOVELLY NSW 2031

## The Australia Cambodia Foundation Inc

### Declaration by Members of the Committee

The Committee has determined that the Association is not a reporting entity and that this special purpose financial report has been prepared to meet the needs of the *Australian Charities and Not-for-profits Commission Act 2012* in line with the accounting policies outlined in Note 1 to the consolidated financial statements

The Members of the Committee of the Association declare that, in the Committee's opinion:

- 1) The consolidated financial statements and notes, as set out on pages 4 to 17, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
  - a. comply with the accounting policies described in Note 1 to the consolidated financial statements; and
  - b. give a true and fair view of the financial position of the Association as at 30 June 2018 and of its performance for the year ended on that date.
- 2) There are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.
- 3) The provisions of the *Charitable Fundraising Act 1991* and the regulations under that Act and the conditions attached to the authority have been complied with for the year ended 30 June 2018.

This statement is signed in accordance with subs 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Chairman .....  
Mark Philip Dennis

Treasurer .....  
Patricia Ann Blamey

12 December 2018.