

Annual Report 2013 - 2014



Organisation Name:	Hope for Cambodian Children Foundation
Centre Name:	Hope for Cambodian Children Foundation
Address:	Balat Village, Norea Commune, Sangkae District Battambang Province, Cambodia
Telephone:	053 633 3170
Website:	www.hopeforcambodianchildren.org
Facebook:	www.hopeforcambodianchildren.org

REPORT FROM THE CHAIR

The 2013/2014-year has been one of changes and consolidation for the Hope for Cambodia Children Foundation.

The Foundation Australian Board has had a few changes. Mr Ross Smith rejoined the Board as the Treasurer. It is extremely good to have Ross Smith back on the Board. His financial skills and expertise were sorely missed.

During the year Mr Mark Eldridge resigned from the Board. Mark had served for 4 years on the Board. I would like to thank Mark for his work with the Foundation.

There have also been some changes in the executive roles on the Board. Mr Michael Clarke resigned as Secretary, due to ill health. Michael had performed the role of Secretary to an outstandingly high level of sophistication and thoroughness. I thank him most sincerely for the work he undertook in this role. Michael has continued on the Board as an ordinary member, although he has indicated his intention to resign at the AGM. Grahame Lewis kindly agreed to take on the role of Secretary of the Foundation Board; this was along with the other tasks he undertakes for the Foundation.

CURRENT DIRECTIONS OF CAMBODIAN GOVERNMENT

The Cambodian Government is aggressively pursuing a policy of deinstitutionalisation. It is understood the government has set targets for the closure of “orphanages” in each Province. At June 30 2013 there were 28 “orphanages” operating in the Battambang Province. The aim is to close all but one within the next 3 years. The policy direction of the Cambodian Government is being strongly supported by the United Nations Agencies operating in Cambodia, particularly UNICEF.

My concern is not with the policy but with the implementation. The policy direction is absolutely correct. There have been, and are too many, children living in “orphanages” in Cambodia and there are too many of these facilities that do not provide proper residential services. Most of these children, for their own identity, psychological and mental health, need to be living in the community within their families and local villages. However, both the government and agencies that have been caring for these children need to accept responsibility for providing long-term support for the children, their families and the community structures.

Cambodian social society is still fragile and recovering from national conflict and a lack of services and support. The majority of the population still live in poverty and have subsistence lives. 75% of the population is under the age of 25. Older members of the community are few in number and are burdened with caring roles for young children whose parents are absent or away working. The reason so many children were placed by their families into “orphanages” is because parents, villages or care providers believed that the children would be better provided with health care, food, clothes and an education. At one level this can be seen as a logical and caring response from parents who could not provide these necessities for their children. But too often “orphanages” were used to provide this care, with a limited understanding that this type of support should be only used as a last resort and that children are fundamentally better off when they live in communities, with family, extended family or alternative care providers.

HOPE has strong procedures around the use of residential care in-line with Government policy and international best practice standards. In this current environment of change, HOPE is a committed partner. But from a national perspective, we do have significant concerns about the process and how it can be best achieved. To move children back into the community too quickly without care and support will place great pressure on fragile and fractured families. The agencies who set themselves up to provide residential care now need to change direction and support these same children in the community. HOPE has always provided outreach support and will continue to promote transition away from residential care environments.

On a national level, the children moving from residential care will need to be individually assessed by the Provincial Department of Social Affairs & Veterans Affairs (DoSAVY). This will occur in conjunction with Non-Government Agencies (NGO's). The NGO's are required to locate relatives in local communities and develop reintegration plans for each child or sibling group. HOPE is leading the way in outreach support services and ensuring that children and families receive adequate risk assessments, collaborative transition plans and ongoing support.

Where relatives cannot be found, or where a safe environment cannot be assured, the Government plan is to place the children in foster care families. There is little or no structure for the implementation of large-scale foster care programs in Cambodia. Foster care programs cannot operate without ongoing support and supervision from welfare agencies, either government or non-government. There needs to be considerable effort put into planning and implementing foster care programs throughout the country. Foster care programs require detailed recruiting, selection and training of potential caregivers. Foster care placements also require careful supervision and support of both the children and the caregivers, to ensure that the children receive appropriate care.

It is estimated to be at least 1,500 children in the Battambang Province are living in "orphanages" or residential care facilities. It is a major undertaking to relocate so many children into the community. The circumstance of each child is different and requires careful planning. The wishes and views of the children and their families must be paramount in this major undertaking.

STAFFING AND MANAGEMENT

In Cambodia, the Foundation continues to employ an Australian In-Country Director, Mr Peter Butler. During the past year, Peter has rebuilt the staff team. The executive team consisting of the on-site manager, head teacher, manager of social work department, and nurse have become a highly professional and competent team who work extremely well together. The rest of the staff are working effectively and are clear and positive about the future direction of the Foundation.

There has been very little staff turnover during this year.

RESIDENTIAL CARE PROGRAM

During this year, there has been a decrease in the number of children in the residential care program. This is in line with the policy of deinstitutionalisation adopted by the Cambodian Government. At the end of June, there were 34 children living at the Centre in Balat village. This compares with 65 children at the end of June 2012.

Whilst the reduction of the number of children living at the Centre is positive in relation to the long-term goals of the HOPE Foundation, it presents specific issues for the care and support of the children remaining at the Centre.

The children remaining have no family connections or their family refuses or is unable to accept responsibility for caring for them. A number of these children are HIV+ and many of them have highly complex issues. They need very special care as they feel the loss of their friends and a sense of isolation and desertion, as they are aware that they have no one to go and live with in the community.

It is this group of children for whom foster care placements will be sought. The foster parents will be carefully selected and provided with ongoing support and supervision, as will the children. HOPE will ensure that siblings remain together and where separated due to an older sibling undertaking training or work, the children will be assisted to keep in contact with each other.

Three (3) disabled boys are still living at the Centre. Plans are underway to find a suitable residential and whole of life programs to care for them.

HOPE aims to have no children living in formal residential care by the end of 2015. These children and young people would then become part of our active Outreach and Transitional Care Programs.

OUTREACH & TRANSITIONAL CARE PROGRAMS

The Outreach Program is the fastest growing program at HOPE. The implementation of this program required a great deal of training of the social work staff, along with the teaching and health staff. All are involved in the operation of the Outreach program.

In Australia, deinstitutionalisation occurred for a number of reasons. The primary reason was to enable children and young people to live in the community not in institutional settings. Institutions were known not to be positive for a child's development. This has since been illustrated through the findings and evidence given by ex residents of systemic physical and sexual abuse in both government and non-government institutions in Australia and elsewhere in the developed world. Governments in Australia also took the opportunity to make considerable budget savings through the processes of moving children from institutions into community settings. Savings were made in the withdrawal of children's access to specialist services, such as educational, psychological services, speech pathology and health services. Children and their families were expected to use the generic services in the community and were not given opportunities to access specialist services. Children with attachment disorders, grief and separation issues and other forms of emotional and mental health issues were moved into the community with support of case managers but with no other specialist support.

In Cambodia, we have had the opportunity to plan the care of a group of children through considered decisions that balance the wishes of the child, with access to specialised support and the wider policy environment. The majority of the children have lived in one bungalow, in a group home environment, in the care of the same housemother, for their entire period being cared for HOPE. This continuity of care is an important factor.

Through the ongoing work of Social Workers, many children who have lived in care have been able to be reconnected with family, relatives or guardians in the community. This requires locating relatives, home risk assessments, support assessments, assisting the child to develop a relationship and providing a timeline for transition. The children are now moving back into the community with case management support, educational support, health services for them and the rest of their family/guardians and with considerable material support depending on the financial circumstances of the family. I am confident in saying that the care this group of over 150 children have had is of a higher quality than the majority of children in alternate care in Australia.

At the end of June 2014, there were 47 children and families participating in the Outreach Program. Children who have moved from the residential program to live with families in the community are mostly thriving. It is a huge move for the children, many of who are now living in the community for the first time after years of having been in an institutional setting. In the Centre they were safe, well cared for; they had access to excellent educational and health services. They had the care of 1 housemother and the company of friends. In the community their physical surroundings are very often not as good as those of the Centre, the schools they attend are not as good as the school in Battambang and they do not receive additional educational support. However, the majority of children are thriving, they have grown in stature, have developed physically and have more relaxed appearances. Many say they miss their friends and their housemothers but prefer to be in the community. We believe that the children's reaction to moving into the community says a lot about congregate care, even when the model is caring and stable. A child's identity is with their family/extended family and that is the best place for a child to grow up, no matter how good their physical surroundings are.

MOTHER TO BABY PROGRAM

HOPE believes that prevention is the best response. Supporting vulnerable mothers to safely care for their children allows us to prevent children from ending up in "orphanages". This year has seen significant development in the HIV Mother to Baby Program. HOPE has signed an MOU with the Battambang AIDS Committee and it now operates the Mother to Baby Program in conjunction with the Battambang Provincial Hospital. This is a significant development for the Foundation as it makes this program part of the network of services available for HIV+ people in the Battambang Province. By being a part of the Province AIDS Committee, HOPE can ensure the operation of the

program is consistent with the services being offered by other agencies. Our work in this area has been greatly supported by Her Excellency Mrs Sim Mary and Dr Sou Sanith.

The Foundation plans to expand the services offered through the Mother to Baby Program. By providing resources directly to mothers in the community, HOPE aims to empower women and families to stay together and provide a safe and supportive home for children, without the need for orphanages. Our Social Workers and Nurse provide case management, material supplies, regular check-ups, access to doctors and hospitals as well as training in hygiene, food preparation and safety. This program prevents children from contracting HIV/AIDS but it also provides families with the resources they need to care for themselves.

EDUCATION PROGRAM

This year has been an extremely positive year for the HOPE School. There are 65 children from the local community attending the school each day. This includes a group of young men from the local pagoda, who are training to be Buddhist monks. The community education program consists of English and computing. There are 2 teachers employed specifically to conduct this program. This group of young people are showing excellent levels of English comprehension and verbal skills.

The school also conducts regular classes in English, Khmer, maths and computing skills for the HOPE residents. The progress of these children is not quite as good, as many of them are a long way behind in their education and/or have learning difficulties. Nonetheless the progress of these children in both English and Khmer has been very positive this year. A number of the children have excelled in their areas of interest. These children are nurtured and given special attention and educational opportunities to develop their skills.

HOPE is a community centre, a safe place and open to our local community to access services and support. The Education program allows us to support the learning and developing of our local community.

CAMBODIAN ADVISORY COMMITTEE

We have been extremely fortunate to have the expertise and skills of a group of prominent citizens from the Battambang Province work with us on the Cambodian Advisory Committee. The committee is made up of Mr Try Puthry, Chair, Mr Sok Sambath, Mr Yu Yeng, Mrs Som Chenda and Mrs Kea Thavy. Mr Puthry has been involved with HOPE almost since the beginning and has chaired the Advisory Committee for many years now. He is actively involved in the operation of the programs, is a regular visitor to the Centre and an invaluable support and advisor to Mr Peter Butler, our In-Country Director.

DEVELOPMENT OF A NEW STRATEGIC PLAN

The major task for the Foundation Board for the 2014/15 year is to develop and implement the next 3-year strategic plan. The focus of the plan will be on the redevelopment of care and support services for the children and the families with whom we work. The focus of our work will be development and refinement of family and community-based services. The largest component of our future work is in the provision of outreach services and educational services. The new strategic plan will see our work move from beginning centre-based to being a community-based organisation. This is an exciting stage in the work of the Foundation. It is a future in line with Cambodian government policy and with developments in human services throughout the world.

FUNDRAISING

The primary role of the Foundation in Australia is to raise funds for the work we support in Cambodia. The fundraising work is very capably headed up by Ms Joy Smithers, Deputy Chair of the Foundation. This year Joy and her team have been very successful in raising sufficient money to maintain the current programs and to enable expansion into new domains. The fundraising team have consolidated the number of fundraising events, thus targeting their time and effort of a few

major activities. This proved to be a successful approach. We continue to have very low financial overheads in Australia. The Foundation pays for very little of the running costs; the vast majority of the work is performed on a voluntary basis. The fundraising work of the HOPE Foundation continues to be strongly supported by Mr John Kinsella and his family. We thank him most sincerely for his continuing support.



A handwritten signature in black ink that reads "Jenny McAuley". The signature is written in a cursive style with a large initial 'J'.

JENNY MCAULEY
CHAIR

REPORT FROM THE IN COUNTRY DIRECTOR

2014 has been the year of great change for HOPE and a year of significant achievements. We successfully negotiated a new 3 year Memorandum of Understanding (MoU) with The Ministry of Foreign Affairs, The Battambang Aids Committee (for the Mother-to-Baby Program) and strengthened our ongoing MoU with our Cambodian Advisory Committee. Letters of Agreement were also signed with the Battambang Education Support Team and Friends International (Selia), in Siem Reap.

These Memoranda and Agreements are endorsements by Government and other NGOs of the quality of services and programs which are being delivered by HOPE. Some of the biggest changes and transformations within our 8 year history have happened, or are in the process of happening, during 2014 and 2015.

The Cambodian Government Ministry of Social Affairs and Youth Rehabilitation (MoSAVY) officially announced a significant change in direction, away from residential care toward community care and foster care. This new direction was part of a previously approved policy document "Prakas on the Procedures to implement the Policy on Alternate Care for Children" which established this new direction, signed off by the UN and the Cambodian Government. Our new MOU with MOSAVY has been written and recently submitted to MoSAVY. This new application focuses on the programs that MoSAVY gave us credit for doing well. We have also agreed to, and it is reflected in our new MOU application, that HOPE will reduce to zero the number of children living in FULL- TIME care at our Centre by the end of 2017.

Building positive relationships within government departments and leading local community committees has played a positive role in enabling HOPE to gain audiences before the right people of influence and power. And in doing so, we regularly receive sound, positive advice and assistance.

Mr Kim Teang, the Director of DoSAVY for the Battambang Province and Mr Nen Thout, the Secretary of MoSAVY Cambodia, both had personal involvement to write our new MOU application to MoSAVY, assisted by Srey Barang, our Head of Social Welfare.

MOTHER TO BABY PROGRAM

Currently 23 babies are part of our 2 year care program. However, we are looking at ways to continue beyond the 2 year period with monthly food and utility support to the mother and her baby. We are also an active member on the Battambang Aids Committee through our recently received 3 year MOU with them. HOPE Cambodia are now working with the Chair of the committee, Her Excellency the Deputy Governor of Battambang Mrs Sim Mary, and Doctor Sou Sanith, a well-known person to a number of our Board Members for his lifelong passion to halt the spread of HIV across Cambodia. Our introduction to the Doctor is a direct result of our relationship with Marylouise Caldwell and Paul Henry from the Sydney University.

We have the current budget capability to increase our support to 32 babies. Over the next twelve months, we should actively be seeking the sponsorship of a multinational company.

OUTREACH PROGRAM

Currently we have 57 children that our Social Welfare team have successfully reintegrated back to live safely with family within their local communities.

The District Office of Social Affairs, Veterans and Youth Rehabilitation (DoSAVY) and the Commune Committee for Women and Children (CCWC), Commune Leaders and Villages Elders all play an active role in each of our child assessments and planning processes. All are very much involved with HOPE in our many village visits before any child is ever reintegrated. This group are then also involved at different levels as part of our ongoing follow up inspections to the child/children.

Education staff and our full-time nurse make regular visits with our welfare team to ensure our children are attending school and are healthy. This total HOPE support package is very well received by DoSAVY and CCWC – who are both always present at all of our Outreach visits. Our support varies depending on each family situation. We supply items such as rice, utilities, clothing, schooling needs, bicycles and medical support plus counselling and advice (when required) from our social welfare staff.

TRANSITION PROGRAM

Currently we have 7 young adults living under this program.

Once a person turns 18 in Cambodia they become an adult and they must move away from living at a residential care facility.

3 are at University – One has just graduated in Banking and Finance.

2 teenage young women are completing grade 12 - one already has a clear vision to go onto University to study fashion.

1 teenage male is completing grade 11 - he wants to complete grade 12 and then he has plans to attend university.

1 teenage male has just started his 4 year Art Degree, under a scholarship.

SKILLS BASED TRAINING PROGRAM

Currently we have 5 teenagers learning and studying a trade. Cooking – Mechanics – Hair and Beauty.

They all live at the one highly-credited NGO in Siem Reap called SELIA - who forms part of the well-recognised organisation called Friends International.

Two trainees of ours have successfully reached a suitable level of professional training to be able to start paid work in local businesses. One young woman is now working as wait-staff in a 5 star hotel and earning over \$60 per month in tips, over and above her salary. The young man has started work at the motorbike repair shop.

Friends International is a very professionally run organisation and HOPE is currently in negotiations with them to expand on our current arrangements by forming an Official MoU Agreement between parties. HOPE could well be an agent of Friends International here in Battambang.

COMMUNITY EDUCATION PROGRAM

We currently have 70 of the local community children attend our FREE on-site school each afternoon – Mondays to Fridays. They are taught Basic English and Basic IT.

Two full time teachers on our staff run 6 different class groups.

HOPE is also an active member of **BEST** – Battambang Education Support Team - a joint committee of other selected NGOs, local government schools and the Cambodian Education Department.

OUR CAMBODIAN ADVISORY COMMITTEE

This committee plays a major role in offering our Centre advice and professional judgement. The connections of the members, across many government bodies often reduce unnecessary red tape and the payments of bribes.

We currently have an MOU with the CAC.

Mr Puthy – The Chair and he holds the very important position of personal adviser to the Minister of Interior.

Mr SomBath – Member and he holds the position of Deputy Governor of Sampovloun District.

Mr Yu Yun – Member, and recently retired from the very high-powered position as the Chief of Chiefs of all the Commune Leaders across the whole of Battambang Province.

Mrs Som Sheda – Member and holds the position of Deputy Governor of Sangke District.

Mrs Som Shead is very passionate about the health care and support of disadvantaged mothers and their children.

Mrs Keat Theavy – Member and holds the position of the Local Commune Leader in her community of Tol Ta Ek here in Battambang. She is very well respected in Battambang and Phnom Penh and is the longest serving commune leader across all of Cambodia. Mrs Theavy sits on a number of boards and her passion is children's education, particularly in the poorer communities and her desire to see the halt of HIV and other preventive diseases in Cambodia.

CURRENT ONGOING ACTIVITIES

Our search for biological families of the children in residential care, is ongoing where we know that children under our care are not true orphans.

Foster care is also part of our planning process for those who are orphans.

Several options are being pursued on foster care and we are trialling ideas and studying Foster Care here in Cambodia. It is a difficult process and comes with some dangers.

We are actively looking for a professionally run full-time specialty care facility where we may be able to transfer our 3 disabled boys.

We currently offer love and support to our boys, but we do not have the professional qualified skills to take their care to the next level.

STATISTICS

Currently at HOPE we provide the following Care and support to:-

22 children living under full-time care at the Centre, 65 Children living within Outreach, 7 young adults in our Transition Program, 5 teenagers under our community care and 5 teenagers participating in HOPE's partnership full-time Skills Based Training and 23 Mothers and their babies.

When you read it in a single sentence, you fully understand that HOPE still supports and cares for 127 children and young people.

We are actually making a positive change to all 127 – not to mention what this brings to their immediate families and to their local communities.

HOPE is no longer a residential child Centre

HOPE is now a Community Care Organisation offering a broader range of services that will benefit entire families and entire communities.

HOPE is still delivering on our:-

Mission Statement

To work in partnership with the local Cambodian community, other NGOs and relevant authorities to make a difference to the lives of the children in need, their families and their community.

Vision Statement

The Hope for Cambodian Children Foundation envisages a society:

- *Where all children can reach their full potential*
- *Where all children have meaningful futures*

- *Where all children play a worthwhile role within their family and which respects and nurtures their Cambodian culture.*

Having now worked and lived here for over 2 years , I can only see positive changes to come out of our new look and our new direction.

I see firsthand the gratitude HOPE receives from the children, their families and from their local communities.

I am told on a regular basis that HOPE is doing well and that our ongoing aftercare that we provide is the “best given by an NGO across Battambang “.

We are giving HOPE.



Peter Butler
In Country Director



FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2014

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DIRECTORS' REPORT

The Directors present this report of the Hope for Cambodia Children Foundation Inc. (HOPE) for the year ended 30 June 2014.

LEGAL STATUS

HOPE is an Incorporated Association registered by the Tasmanian Office of Consumer Affairs and Fair Trading under the "Associations Incorporation Act 1964".

DIRECTORS

In office during the 2013-2014 year :

Jenny McAuley
Joy Smithers
Grahame Lewis (*Secretary*)
Laurence Newman
Ross Smith (*appointed 17 October 2013*)
Craig Armstrong
Tim Berry
Michael Clarke
Mark Eldridge (*resigned 5 January 2014*)
John Kinsella
Carol Leddon
Andrew Noble
Michael McAuley
David McAuley

In office at the date of this report:

Jenny McAuley
Joy Smithers
Grahame Lewis (*Secretary*)
Laurence Newman
Ross Smith
Craig Armstrong
Tim Berry
John Kinsella
Carol Leddon
Andrew Noble
Michael McAuley
David McAuley

PRINCIPAL ACTIVITY

The provision of charitable financial assistance for projects benefiting children and communities in Cambodia.

RESULTS

The net profit (loss) of the Foundation for the year ended 30 June 2014 was \$60,976 (2013: (\$5,314)).

REVIEW OF OPERATIONS

The Foundation does not receive any Government grants. Our sole source income includes donations from the corporate community, individuals and the conducting of fundraising events. In the year ended 30 June 2014, the Foundation lifted fundraising income significantly while at the same time maintaining our cost base.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

No significant changes in the state of affairs of the Foundation occurred during the financial year.

AFTER BALANCE DATE EVENTS

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

FUTURE DEVELOPMENTS

The Foundation expects to maintain the present status and level of operations and hence there are no likely developments in the Foundation's operations.

ENVIRONMENTAL ISSUES

The Foundation's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or a state or territory.

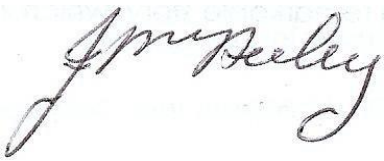
INDEMNIFYING OFFICERS OR AUDITOR

No indemnities have been given, or insurance premiums paid, during or since the end of the financial year for any person who is or has been an officer or auditor of the Foundation.

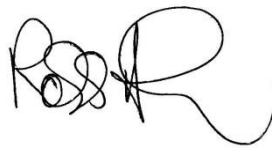
AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page of the financial report.

Signed in accordance with a resolution of the Directors:



Director: Jenny McAuley – Chair



Director: Ross Smith – Treasurer

Dated: 7 November 2014

Sydney

AUDITOR'S INDEPENDENCE DECLARATION

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2014 there have been;

- (i) no contraventions of the auditor's independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit

Name **James Hilbert**



Signature

Date **7 November 2014**

AUDIT REPORT TO THE MEMBERS OF HOPE FOR CAMBODIAN CHILDREN FOUNDATION INC.

SCOPE

We have audited the financial report of Hope for Cambodian Children Foundation Inc. for the year ended 30 June 2014 comprising the attached Income Statement, Balance Sheet, Statement of Cash Flows, Notes to the Financial Statements and Directors' Declaration. The directors of the Incorporated Association are responsible for the preparation and presentation of the financial report and the information they contain. We have conducted an independent audit of these financial statements in order to express an opinion to the members of the Incorporated Association.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial statements are presented fairly in accordance with Australian Accounting Standards, other mandatory professional reporting requirements and statutory requirements, so as to present a view which is consistent with our understanding of the Incorporated Association's financial position, the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

AUDIT OPINION

In our opinion, the financial report of Hope for Cambodian Children Foundation Inc. is properly drawn up:

- (a) so as to give a true and fair view of:
 - (i) the Incorporated Association's state of affairs as at 30 June 2014, and its
 - (ii) profit/(loss) and cash flows for the financial year ended on that date; and
- (b) in accordance with the provisions of the Corporations Law; and
- (c) in accordance with the Applicable Accounting Standards and other mandatory professional reporting requirements.

Name **James Hilbert**



Address: **SPECIALIST AUDITS PTY LTD**
36 Sydney Road, BRUNSWICK LOWER VIC 3056

Dated: **7 November 2014**

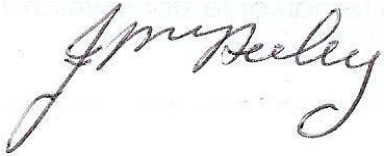
Melbourne

DECLARATION BY DIRECTORS

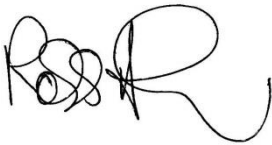
The Directors of the Hope for Cambodian Children Foundation Inc. declare that;

- (a) the financial report comprising the Income Statement, Balance Sheet and Cash Flows, and accompanying notes are in accordance with the Corporations Act 2001;
 - (i) give a true and fair view of the financial position as at 30 June 2014 and the performance for the year ended on that date of the Foundation
 - (ii) comply with the Accounting Standards and Corporations Regulations 2001; and
- (b) in the director's opinion, there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors of the Foundation and is signed for and on behalf of the Foundation by;



Director: Jenny McAuley (Chair)



Director: Ross Smith (Treasurer)

Dated: 7 November 2014

Sydney

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 \$	2013 \$
Revenue from ordinary activities	2	354,422	284,560
Other expenses from ordinary activities	3	293,443	289,874
Profit and loss from ordinary activities		60,979	(5,314)
Income tax relating to ordinary activities		0	0
Net profit or (loss) from ordinary activities after income tax		60,979	(5,314)
Accumulated Income (loss) at the end of the financial year		575,682	514,713

BALANCE SHEET AS AT 30 JUNE 2014

	Note	2014	2013
Current Assets			
Cash and cash equivalents	4	116,558	34,474
Accounts Receivable	5	1,001	7,429
Non-Current Assets			
Land and Buildings	6	442,353	451,429
Furniture and Fittings	6	15,780	23,353
Total Assets		575,692	515,685
Current Liabilities		0	972
Total Current liabilities		0	972
Total Liabilities		0	972
Net Assets		575,692	514,713
Equity	7	575,692	514,713

CASH FLOW STATEMENT FOR YEAR ENDING AT 30 JUNE 2014

	Note	2014	2013
		\$	\$
Cash flow from operating activities			
Receipts from fundraising		354,422	284,560
Payments general administration		(8,520)	(18,492)
Payments fundraising expenses		(63,341)	(83,572)
Cambodian operation payments		(221,582)	(187,810)
Net Cash provided by operating activities		60,979	(5,314)
Net increase in cash held		83,084	10,568
Cash at beginning of the year		33,474	22,906
Cash at the end of the year		116,558	33,474
Reconciliation of net cash provided by operations to net increase in cash held			
Net cash provided by operations		60,979	(5,314)
Add Depreciation		16,649	16,669
Add Debtors recovered		6,428	(690)
Less Creditors Reduction		(972)	(97)
Net Increase in cash held		83,084	10,568

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The financial report covers the activities of the economic entity which comprises of Hope for Cambodian Children Foundation Inc. which is incorporated and domiciled in Australia. The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values, or except where stated, current valuations of non-current assets. Cost is based on fair consideration given in exchange for assets. The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

a) GOING CONCERN

The financial report has been prepared on a going concern basis, which contemplates continuity of normal trading activities and the realisation of assets and settlement of liabilities in the normal course of business. The Incorporated Association's continued existence is ultimately dependent upon the success of future fund raising and sponsor support. If the Incorporated Association is unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in its normal course of business and at amounts different from those stated in the financial report.

b) CASH

Cash includes cash on hand and at call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months and net of bank overdrafts.

c) TRADE AND OTHER RECEIVABLES

Trade and Other receivables are recognised at the nominal transaction value without taking into account the time value of money.

d) TRADE CREDITORS AND OTHER PAYABLES

Trade creditors and other payables are recognised at the nominal transaction value without taking into account the time value of money.

e) REVENUE AND OTHER INCOME

Fund Raising income is recognised when the entity obtains control over the funds, which is generally at the time of receipt. The Incorporated Association is registered for goods and services tax (GST) as a charitable foundation. Revenues, expenses and assets are recognised net of GST (where applicable).

f) ROUNDING OF AMOUNTS

Amounts in the financial report and Directors report have been rounded off to the nearest \$1.

g) TAXATION

The Foundation is exempt from the payment of income tax.

h) INFORMATION REQUIRED TO BE PRESENTED AS A REGISTERED FUNDRAISER.

The Foundation is registered as a fundraiser in each State and Territory. As such certain information is required by the various fundraising regulators in each location. Specific purpose accounts have been prepared. **See Note 11** which covers the general information usually required by each regulator.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014 (CONTINUED)

2. REVENUE

Revenue from ordinary activities was generated by the following:

	2014 \$	2013 \$
INCOME		
Events	52,255	24,894
General Donations	124,001	111,281
Gifts	420	1,680
Merchandise	521	1,270
Sponsorships	87,929	86,950
Ticket sales	85,400	57,465
HIV Prevention Mother to Baby	1500	1,020
Miscellaneous	2396	0
TOTAL INCOME	354,422	284,560

3. OPERATING RESULT

Profit from ordinary activities before income tax expense has been determined after charging the following:

	2014 \$	2013 \$
General Administration Expenses		
Bank Fees	551	1,201
Accounting Fees	5,040	3,000
Audit Fees	1,000	1,000
Other	1,929	13,281
Total General Administration Costs	8,520	18,482
Fundraising Expenses	63,341	50,572
Cambodian Operating Costs	221,582	187,810
Total Expenses	293,443	289,874

4. CASH ASSETS

Cash Assets consist of the following:

	2014 \$	2013 \$
Cash at Bank:		
NAB - General Fund	701	1,150
NAB - Public Fund	113,446	29,913
Jesuit Mission (all call)	2,411	2,411
Total Cash Assets	116,558	34,474

5. ACCOUNTS RECEIVABLE

Accounts Receivable consists of the following:

	2014 \$	2013 \$
GST Refundable	1,001	6,841
Trade Debtors	0	588
Total Cash Assets	1,001	7,429

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014 (CONTINUED)

6. NON-CURRENT ASSETS

2013-2014	Land	Buildings	Furniture & Fittings	Total
	\$	\$	\$	\$
Original Cost	150,485	363,858	73,733	588,076
Accumulated depreciation B/F		62,914	50,380	113,294
Depreciation this year		9,076	7,573	16,649
Accumulated depreciation C/F		71,990	57,953	129,943
Written Down Value	150,485	291,868	15,780	458,133

Note: Depreciation was originally not charged in 2012-2013. Adjustments of \$16,670 have been made to 2012-2013 figures for depreciation. Depreciation charged on straight line basis 2.5% for Buildings and 10% for Furniture and fittings

2012-2013	Land	Buildings	Furniture & Fittings	Total
	\$	\$	\$	\$
Original Cost	150,485	363,858	73,733	588,076
Accumulated depreciation B/F		53,817	42,807	96,624
Depreciation this year		9,097	7,573	16,670
Accumulated depreciation C/F		62,914	50,380	113,294
Written Down Value	150,485	300,994	23,353	474,782

7. CHANGES IN EQUITY

	2014 \$	2013 \$
Accumulated funds at start of year	514,713	520,027
Profit (Loss) for the year	60,979	(5,314)
Accumulated funds at end of year	574,692	514,713

8. EVENTS SUBSEQUENT TO REPORTING DATE

No events have occurred since reporting date which would have a material impact on the financial statements.

9. FINANCIAL INSTRUMENTS

(a) FINANCIAL RISK MANAGEMENT

The Foundations financial Instruments are solely cash at the bank and on call with the Jesuit Mission.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014 (CONTINUED)

	2014	2013
	\$	\$
Cash and cash equivalents	116,558	34,474

RISK MANAGEMENT POLICIES

The Board monitors all risks as part of its normal activities.

CREDIT RISK

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, as disclosed in the balance sheet and notes to the financial statements. The Foundation does not have any material credit risk exposure to any single debtor or group of debtors.

INTEREST RATE RISK

The Foundation is not exposed to material interest rate risk.

LIQUIDITY RISK

The Foundation manages its liquidity risk by the maintenance of 12 month rolling cash forecast budgets and thus able to predict periods where additional budget restraint or fundraising effort is required.

FOREIGN CURRENCY RISK

Budgets for the Foundation's activities in Cambodia are based on \$US. As such there is a risk of currency fluctuations affecting the Foundation's operations. The Board is aware of these risks, continually monitors currency fluctuations and will take mitigating actions to lessen the risk where it is cost effective to do so.

(b) NET FAIR VALUES

The net fair value of financial assets and liabilities approximates their carrying value. No financial assets or liabilities are readily traded on organised markets in standardised form. The aggregate net fair values and carrying amounts of financial assets and liabilities are disclosed in the balance sheet and in the notes forming part of the financial statements.

10. COMPANY DETAILS

The registered office of the Incorporated Association is:
14 Howrah Road
Howrah TAS 7016

The principal place of business is Sydney NSW
Official mail address: PO Box 889 Surry Hills NSW 2010

11. INFORMATION FURNISHED FOR CHARITABLE FUNDRAISING PURPOSES

(a) DETAILS OF AGGREGATE GROSS INCOME AND TOTAL EXPENDITURE OF FUNDRAISING APPEALS	2014	2013
	\$	\$

NOTES FORMING PART OF THE FINANCIAL STATEMENTS THE YEAR ENDED 30 JUNE 2014 (CONTINUED)

Proceeds from fundraising appeals		
Events	52,255	24,894
General Donations	124,001	111,281
Gifts	420	1,680
Merchandise	521	1,270
Sponsorships	87,929	86,950
Ticket sales	85,400	57,465
HIV Prevention Mother to Baby	1500	1,020
Miscellaneous	2396	0
Gross proceeds from fundraising appeals	354,422	284,560
Direct Costs of fundraising	63,341	83,572
Net Surplus from Fundraising appeals	291,081	200,988

(b) STATEMENT SHOWING HOW FUNDS RECEIVED ARE APPLIED FOR CHARITABLE PURPOSES

Cambodia Operating Costs	221,582	187,810
Administration costs Australia	8,520	18,492
Total Expenses	230,102	206,302
SURPLUS (DEFICIT)	60,979	(5,314)

(c) COMPARISON BY MONETARY FIGURES AND PERCENTAGES

	2014	2013
	\$	\$
Gross proceeds from fundraising appeals	354,422	284,560
Total direct costs of fundraising appeals	63,341	83,572
Total Direct costs of fundraising as a percentage of gross proceeds from fundraising appeals	17.81%	29.36%
Net Surplus from fundraising appeals	291,081	200,988
Net Surplus from fundraising appeals as a percentage of Gross proceeds from fundraising appeals	82.19%	70.64%
Total cost of direct services	221,582	187,810
Total Expenditure (not including direct cost of fundraising)	230,102	206,302

Total cost of direct services as a percentage of total expenditure

96.29%

91.03%

Total Income received (including net profit from fundraising appeals)

291,081

200,988

Total cost of direct services as a percentage of total income

76.12%

93.44%

Ross Smith
Treasurer



VOLUNTEERS

Our volunteer program in 2014 has provided a meaningful contribution to the work we are doing in Cambodia.

INDIVIDUAL VOLUNTEERS

As the services we deliver in Cambodia adapt and change, so has the volunteer program that supports them. This year we have accepted only a small number of solo volunteers on work placements, usually for a minimum of 4-6 weeks. We require our volunteers to do longer stays so that they can be given specific work tasks in health management, teaching support, administration, staff training or outreach. We have a rigorous application process and a very strong child protection policy and the volunteers' primary focus is to work with our staff to support them in their roles rather than taking on caring roles with children or families.

While all of our volunteers have contributed in wonderful ways, one volunteer in particular made a huge contribution in her 6 months – Anne Copplesone. Anne's work with our staff was exemplary and made a significant impact on the development of our management and the services we provide in the community.

People love to volunteer at HOPE and always want to come back. We are a proud and passionate community that is able to see first-hand how effective HOPE's programs are in improving the lives of women and children in Cambodia.

GROUP VOLUNTEERS

2014 has been a busy year for volunteer work groups. We had two school groups, Melbourne Grammar School and Penrith Anglican College, undertake a working visit. Both groups were put hard to work in the gardens and buildings and achieved some amazing results. Pittwater Parish also visited this year and was put to work straight away. These school trips have become long-term relationships for HOPE that continue to provide great assistance to us and a wonderful opportunity for students from Australia to become involved in the work that we are doing.

Standard Chartered Bank also visited and continued their support for our education and Outreach projects. This is proving to be a wonderful relationship that is helping HOPE to learn and grow from a strong partnership.

THE FUTURE

As HOPE continues to develop and improve the way we support our local community so will our volunteer programs. We are looking forward to a great 2015 and more opportunities to assist our passionate staff in helping those most in need. Thank you to all the volunteers who participated this year.



David McAuley
Volunteer Co-ordinator