

SUNSHINE CAMBODIA

Working Toward the Holistic Development of
Poor Children and Their Families

REPORT OF INDEPENDENT AUDITORS

and

FINANCIAL STATEMENTS

For the period from 01 July 2017 to 30 June 2018

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<i>This annex does not form part of the financial statements</i>	



STATEMENT OF MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Organisation management, represented by Mr Nop Channy, being Executive Director of Sunshine Cambodia (the "Organisation") is responsible for the statement of fund receipts, disbursements and fund balance of Sunshine Cambodia, and the notes thereto (collectively referred to as the "financial statements") for the period from 01 July 2017 to 30 June 2018, which are prepared, in all material respects in accordance with accounting policies described in Note 2 to the financial statements. In preparing the financial statements, the Organisation's management is required to:

- select suitable accounting policies and then apply them consistently in accordance with the presentation and disclosure requirements of the Project as described in Note 2 to the financial statements;
- make judgements and estimates that are reasonable and prudent;
- maintain proper financial operations and controls;
- maintain adequacy of the management structure and general control environment;
- ensure that all non-expendable properties are used solely for and by the Project, and maintain proper control over those properties, and
- comply with the related memorandum of agreement.

The Organization's management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the sources and uses of fund and to ensure that the financial statements comply with the accounting policies described in Note 2. It is also responsible for safeguarding the assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Organization's management confirms that they have complied with the above requirements in preparing the financial statements.

APPROVAL OF THE FINANCIAL STATEMENTS

We hereby approve the accompanying financial statements which are prepared, in all material respects, to present fund balance of the Organisation as at 30 June 2018, and of its receipts and disbursements for the period ended 30 June 2018, in accordance with the accounting policies described in Note 2 to the financial statements.

On behalf of the Organisation's management:



Mr Nop Channy
Director

Date: 05 October 2018



AT & ASSOCIATES
Certified Public Accountants, Registered Auditors

**REPORT OF INDEPENDENT AUDITORS
TO THE DONOR AND THE PROJECT MANAGEMENT**

Opinion

We were engaged to audit the financial statements of Sunshine Cambodia ("the Organisation"), which comprise the Statement of Fund Receipts, Disbursement and Fund Balance and the accompanying notes (collectively refer to as "the Financial Statements") for the period from 01 July 2017 to 30 June 2018 ("the Period").

In our opinion, within the limitations of the basis of accounting, the financial statements of the Organisation for the period from 01 July 2017 to 30 June 2018, present a true and fair view of its fund receipts, disbursements and fund balance for the Period.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are independent of the Organisation in accordance with the ethical requirements that are relevant to our audit of the financial statement in Cambodia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to the fact that the financial statements have been prepared on the receipts and payment basis of accounting and in accordance with the accounting policies in Note 2 to the Financial Statements. The Financial Statements are prepared to assist the Organisation to comply with the financial reporting requirement. As a result the Financial Statements may not be suitable for other purpose. Our report is intended solely for the Organisation and should not be distributed to or used by parties. Our opinion is not modified in this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the financial reporting provisions of the agreement, and for such internal control as management determines is necessary to enable the preparation of financial statement that are free from material misstatement, whether due to fraud or error

**REPORT OF INDEPENDENT AUDITORS
TO THE DONOR AND THE ORGANISATION MANAGEMENT (Continued)****Responsibilities of Management and Those Charged with Governance for the Financial Statements - Continued**

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

Those charged with governance are responsible for overseeing the Organisation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 ISAs 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 statements.

As part of an audit in accordance with ISA we use professional judgement and have a professional sceptical attitude during the entire audit. In addition:

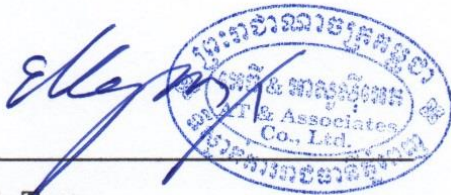
- We identify and assess the risk of material misstatements in the financial report, whether due to fraud or error, design and perform audit procedures due to these risks and obtain audit evidence that is sufficient and appropriate in order to form a basis for our opinion. The risk of not detecting a material misstatement due to fraud is higher than for one due to error, since fraud may include acting in collusion, falsification, deliberate omissions, incorrect information or breaches of internal control.
- We gain an understanding of the part of the organisation's internal control that is relevant for our audit in order to design audit procedures that are appropriate in view of the circumstances, but not in order to comment on the effectiveness of the organisation's internal control.
- A conclusion is reached on the accuracy of Management's use of the assumption of continued operations and, based on the audit evidence obtained, whether there is a significant uncertainty factor relating to events or circumstances that may lead to significant doubt about the organisation's ability to continue operations. If we reach the conclusion that a significant uncertainty factor exists, we must in the auditor's report draw attention to the relevant information in the financial report, or, if this information

**REPORT OF INDEPENDENT AUDITORS
TO THE DONOR AND THE ORGANISATION MANAGEMENT (Continued)**

is insufficient, modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or circumstances may mean that the organisation is no longer able to continue operations.

- We assess the appropriateness of the accounting principles used and the reasonability of Project Management's accounting estimates and any associated information.
- We assess the overall presentation, the structure and contents of the financial report, including the information, and whether the financial report reflects the underlying transactions and events in a way that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Elly Tang
Partner

AT & Associates (Cambodia) Co., Ltd

05 October 2018

STATEMENT OF FUND RECEIPTS, DISBURSEMENTS AND FUND BALANCE
As at and for the period 01 July 2017 to 30 June 2018

		01/07/2017 to 30/06/18 USD	01/07/2016 to 30/06/17 USD
	Note		
FUND RECEIPTS			
Funds received from overseas donors	3	204,745.95	218,012.02
Local donors		4,069.88	696.52
Other income	4	1,151.96	1,112.59
		209,967.79	219,821.13
DISBURSEMENTS			
Direct Cost:			
Child Development Programs	5	86,460.15	66,499.50
Family Development Programs	6	15,319.67	9,958.78
Direct staff Salary & Benefits		79,547.50	69,136.49
Organization Development Program		8,815.48	7,290.40
Indirect Expense:			
Admin Expenses	7	6,780.85	6,173.22
Overhead Expenses	8	2,917.54	2,958.25
Indirect Staff Salary & Benefits		19,674.85	19,284.85
Furniture & Equipment		1,218.00	495.00
Children dental care and Jean (in kind)		-	-
Other Expense:			
ERIKS' trainee expense		380.70	2,211.58
Fire relief		-	12,621.84
Total disbursements		221,114.74	196,629.91
RECEIPTS (UNDER)/OVER DISBURSEMENTS		(11,146.95)	23,191.22
Fund balance brought forward		229,555.28	206,364.06
FUND BALANCE	9	218,408.33	229,555.28
Represented by:			
Cash at bank	10	72,488.21	87,431.34
Cash on hand		6,950.08	9,926.48
Land and buildings	9	144,200.00	144,200.00
Account Payable		-	(30.23)
Other Current Liabilities		(5,229.96)	(11,972.31)
		218,408.33	229,555.28

The accompanying notes form an integral part of these financial statements.

NOTES TO THE STATEMENT OF FUND RECEIPTS AND DISBURSEMENTS AND
FUND BALANCES – Continued

As at and for the period from 01 July 2017 to 30 June 2018

1. GENERAL INFORMATION

Sunshine Cambodia (SC), formerly Sunshine Centre for Children, is a Christian, not for profit, and non-governmental organization working toward the holistic development of poor children and their families by providing assistance to poor and vulnerable families who are unable to send their children to go to school. The Organisation was registered with the Ministry of Interior (MoI) pursuant to MoI's approval letter No. 1491 SCN date 18 September 2013.

In the year 2016/2017, the Project implemented – Working toward the Holistic Development of Poor Children and their Families program which was divided into the following programs:

- Child development program,
- Families/communities development program, and
- Organizational development program.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The Statement of Fund Receipts, Disbursements and Fund Balance (the Financial Statements") is expressed in United States Dollar (USD) in accordance with the modified cash basis of accounting to recognise certain liabilities at the end of the period. The cash basis of accounting is a comprehensive basis of accounting which does not produce financial statements which are compatible with the International Financial Reporting Standards. Under the cash basis of accounting, fund receipts are recognised when received rather than when earned and disbursements are recognised when paid rather than when incurred.

The Financial Statement is prepared in accordance with Special Purpose Frameworks to comply with the financial reporting requirement of the donors.

2.2 Fund receipts

Fund receipts are defined as the receipts of grants transferred from the donors to the Organisation's bank account in Cambodia. Fund receipts were recorded gross of bank charges in Cambodia and all bank charges are recognised in the Statement Fund Receipts, Disbursements and Fund Balance.

2.3 Fund disbursements

Disbursements represent all operational costs paid by the Organization in line with its mission and objectives and disbursements are recorded when they are paid rather than when they are incurred.

NOTES TO THE STATEMENT OF FUND RECEIPTS AND DISBURSEMENTS AND
FUND BALANCES – Continued

As at and for the period from 01 July 2017 to 30 June 2018

2. SIGNIFICANT ACCOUNTING POLICIES - Continued

2.4 Non-expendable items

The cost of non-expendable item is recognised as expenditure upon acquisition in accordance with the cash basis of accounting. For control and management purposes, a memorandum account for non-expendable item is maintained by way of an equipment listing.

2.5 Non-expendable items – land and building

Land and building are not expended at acquisition and treated as asset. No depreciation will be charged on building and no appreciation on land will be recognised. Gain and loss will be recognised at the time of disposal. This treatment is to comply with the donor requirement for reporting and monitoring purposes.

2.6 Foreign currency transactions

The Organization transacts its business and maintains its books of account primarily in USD. Transactions in currencies other than USD are converted into USD at the rates of exchange prevailing on the transaction dates. Cash in currencies other than USD is translated into USD at the open market exchange rate at the year-end date.

2.7 Cash and bank balances

Cash and bank balances consist of cash on hand and bank balances with insignificant risk of changes in values.

2.8 Payable

Tax payable is recognised as expend when it incurred in the statements of fund receipts, disbursements and fund balance and recorded at the year-end as payable if it has not been paid.

2.9 Rounding off amounts

Amounts in the financial statements have been rounded off to the two decimal places unless otherwise stated.

NOTES TO THE STATEMENT OF FUND RECEIPTS AND DISBURSEMENTS AND
FUND BALANCES – Continued

As at and for the period from 01 July 2017 to 30 June 2018

3. FUNDS RECEIVED FROM OVERSEAS DONORS

	01/07/2017 to 30/06/2018	01/07/2016 to 30/06/2017
	USD	USD
Global Development Group	110,093.00	117,763.20
ERIKS Development Partner	79,659.00	82,590.00
Global Giving	755.53	612.20
Children's Hunger Relief Fund	5,000.00	5,000.00
Ascent Foundation	3,500.00	5,200.00
Other donation	3,375.00	2,326.62
Donation from Barbara	720	720.00
Chab Dai	1,143.42	-
Other oversea institutes	-	3,800.00
	<u>204,745.95</u>	<u>218,012.02</u>

4. OTHER INCOMES

	01/07/2017 to 30/06/2018	01/07/2016 to 30/06/2017
	USD	USD
Bank interest	475.61	381.74
Other income	676.35	730.85
	<u>1,151.96</u>	<u>1,112.59</u>

5. CHILD DEVELOPMENT PROGRAMS

	01/07/2017 to 30/06/2018	01/07/2016 to 30/06/2017
	USD	USD
School Fee - Primary & University	56,926.76	48,073.74
School Uniform	4,579.00	3,959.00
Stationary/School Supplies	5,245.83	4,284.12
Children and Youth Clubs	19,708.56	10,182.64
	<u>86,460.15</u>	<u>66,499.50</u>

NOTES TO THE STATEMENT OF FUND RECEIPTS AND DISBURSEMENTS AND
FUND BALANCES – Continued

As at and for the period from 01 July 2017 to 30 June 2018

6. FAMILY DEVELOPMENT PROGRAMS

	01/07/2017 to 30/06/2018	01/07/2016 to 30/06/2017
	USD	USD
VTC and Job Placement	1,650.00	1,410.00
Mother/Father Clubs	3,684.52	1,145.07
Micro-Enterprise Development	1,957.02	1,207.61
Family/School Visitation	5,993.68	4,226.32
Special/Emergency Case Support	2,003.49	1,969.78
	15,319.67	9,958.78

7. ADMINISTRATIVE EXPENSE

	01/07/2017 to 30/06/2018	01/07/2016 to 30/06/2017
	USD	USD
Staff Refreshment & Hospitality	1,243.02	877.60
Staff Retreat & Social	2,416.69	2,499.92
Publicity & Advertisement	749.41	874.68
Internet	671.50	400.51
Repair & Maintenance	342.39	379.23
Electricity Supply	872.90	964.38
Water	87.86	76.90
Registration/Membership Fees	397.08	100.00
	6,780.85	6,173.22

8. OVERHEAD EXPENSE

	01/07/2017 to 30/06/2018	01/07/2016 to 30/06/2017
	USD	USD
Building Improvement	1072.37	499.44
Cleaning Supplies	263.63	227.22
Phone Cards	410.00	390.50
Travel for Admin Works	280.75	328.24
Office Supplies & Stationary	336.12	904.3
Bank Charge	538.95	603.14
Exchange Rate Loss	15.72	5.41
	2,917.54	2,958.25

NOTES TO THE STATEMENT OF FUND RECEIPTS AND DISBURSEMENTS AND
FUND BALANCES – Continued

As at and for the period from 01 July 2017 to 30 June 2018

9. FUND BALANCE

Included in fund balance, there are two plots of land and buildings with total value of USD 144,200.00; this amount was treated as assets as stated in Note 2.5.

There are no depreciations have been charged on buildings and no land revaluations have been made for the two plots of land and buildings acquired since 2013 and 2015 respectively.

	<u>USD</u>
Land and building purchased in 2013	68,700.00
Land and building purchased in 2015	<u>75,500.00</u>
	<u>144,200.00</u>

10. CASH AT BANK

	01/07/2017 to 30/06/2018	01/07/2016 to 30/06/2017
	<u>USD</u>	<u>USD</u>
ACLEDA Current Account	2,527.00	2,523.00
ACLEDA Saving Account	48,879.70	83,820.00
ACLEDA Debit Card	1,081.51	1,088.34
KREDIT Term Deposit	<u>20,000.00</u>	<u>-</u>
	<u>72,488.21</u>	<u>87,431.34</u>

11. EVENTS AFTER THE END OF THE REPORTING PERIOD

There have been no significant events occurring after the reporting period which would require adjustments or disclosures to be made in the financial statements.

ANNEX

**STATEMENT OF FUND RECEIPTS, DISBURSEMENTS
AND FUND BALANCE BY DONOR**

SUNSHINE CAMBODIA

STATEMENT OF FUND RECEIPTS, DISBURSEMENTS AND FUND BALANCE BY DONOR
As at and for the period 01 July 2017 30 June 2018

	AF	BSK	Chhab Dai	CHRF	ERIKS	GDG	GG	NRUC	OD	OI	OLJD	OOI	MAC	TOTAL
	USD													
Income														
Overseas Donations	3,500.00	720.00	1,143.42	5,000.00	79,659.00	110,093.00	755.53					500.00	3,375.00	204,745.95
Local Donation	-	-	-	-	-	-	-	-	4,069.88	-	-	-	-	4,069.88
Other Income	-	-	-	-	185.51	290.10	-	-	-	4,331.35	50.00	-	-	4,856.96
Expense														
Direct Expense														
Child Development Programs	310.91	-	-	3,848.52	31,997.79	47,713.82	-	-	-	-	-	-	2,589.11	86,460.15
Family Development Programs	-	360.00	-	354.16	6,082.96	8,522.55	-	-	-	-	-	-	-	15,319.67
Direct Staff Salary & Benefits	6,164.20	-	-	-	28,617.04	44,766.26	-	-	-	-	-	-	-	79,547.50
Organization Development Program	-	-	1,143.42	-	1,054.66	1,647.52	-	-	-	-	69.88	4,900.00	-	8,815.48
Direct Expense														
Admin Expenses	-	-	-	-	2,696.73	4,084.12	-	-	-	-	-	-	-	6,780.85
Overhead Expenses	70.00	20.00	-	10.00	1,163.36	1,633.46	20.72	-	-	-	-	-	-	2,917.54
Indirect Staff Salary & Benefits	-	-	-	-	7,694.34	11,980.51	-	-	-	-	-	-	-	19,674.85
Furniture & Equipment	-	-	-	-	475.02	742.98	-	-	-	-	-	-	-	1,218.00
In-kind Donation (Out)	-	-	-	-	-	-	-	-	-	3,705.00	-	-	-	3,705.00
Other Expense														
ERIKS' Trainee expense	-	-	-	-	380.70	-	-	-	-	-	-	-	-	380.70
Receipts Over/ (Under) Disbursements	6,545.11	380.00	1,143.42	4,212.68	80,162.60	121,091.22	20.72	-	-	3,705.00	69.88	4,900.00	2,589.11	224,819.74
Fund Balance Brought Forward	(3,045.11)	340.00	-	787.32	(318.09)	(10,708.12)	734.81	-	-	626.35	4,050.00	(4,400.00)	785.89	(11,146.95)
Fund Balance at End of The Period	4,073.82	747.87	-	4,165.32	318.09	18,254.29	700.26	30,487.78	165,195.27	730.85	-	4,881.73	-	229,555.28
	1,028.71	1,087.87	-	4,952.64	-	7,546.17	1,435.07	30,487.78	165,195.27	1,357.20	4,050.00	481.73	785.89	218,408.33

Abbreviations:	AF	BSK	Chhab Dai	CHRF	ERIKS	GDG	GG	NRUC	OD	OI	OLJD	OOI	MAC	TOTAL
Ascent Foundation														
Barbara Scholars Kristensen														
Children's Hunger Relief Fund														
ERIKS Development Group														
Global Development Group														
Global Giving														
North Ringwood United Church														
Other Oversea Institutes														
Other Donors														
Other Income														
Other Local Institute Donation														

Note: The audit opinion given by the auditor does not extend to cover detailed breakdown figures by donors, their presentations are for information purposes only and the opinion for each of the donor is subject to a separate audit.

SUNSHINE CAMBODIA

Working Toward the Holistic Development of
Poor Children and Their Families

Management Letter

For the period from 01 July 2017 to 30 June 2018

PRIVATE & CONFIDENTIAL

05 October 2018

SUNSHINE CAMBODIAAttention: The Management
No. 45BC, Street 8BT
Sangkat Boeung Tompun, Khan Meanchey,
Phnom Penh, Kingdom of Cambodia

Dear Sir/Madam,

We have completed our audit of the financial statements of of Sunshine Cambodia ("the Organisation or SC") for the period 01 July 2017 to 30 June 2018 ("the Period").

During the course of our audit, we considered the accounting policies, procedures, and internal controls relevant to our audit and, in accordance with our normal practice. We also conducted a follow up review on the previous period findings and their statuses and only those that have not been implemented are included in this letter.

Our review of the accounting procedures and internal controls was conducted to assist us in expressing an opinion on the financial statements of SC taken as a whole. This work was not primarily directed towards the discovery of weaknesses, detection of fraud, or other irregularities, other than those which would influence us in forming our opinion, and should not therefore be relied upon to show that no other weaknesses, detection of fraud, or other irregularities exist. Accordingly, the comments that follow refer only to those matters which have come to our attention during the course of our normal work and do not attempt to indicate all possible improvements which a special review might develop.

We would like to thank you, your management team and staff for the co-operation you have extended to us during our audit. We look forward working with you again and in providing you with the required assistance, if any, in the future.

Yours faithfully,

**Elly Tang**
Partner

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SECTION I. CURRENT PERIOD'S FINDINGS

1. INFORMATION ON QUOTATIONS

Observation

In the course of our audit, we noted that information requested/provided in the quotations is not the same and this makes the objective decision making somewhat challenging.

Payment Voucher no quotation

Date	Voucher Number	Description	Amount
11/21/2017	PVS17-11-4	Staff retreat on 14-17/ Nov/ 17, bus rental	234.00
11/21/2017	PVS17-11-4	Staff retreat on 14-17/ Nov/ 17, bus rental	366.00
07/06/2017	PVS 17-7-3	Purchase 2 Laptops new	475.02
07/06/2017	PVS 17-7-3	Purchase 2 Laptops new	742.98
Total			1,818.00

Implication

Asking for quotation is "to get the right thing for the right price". The quotation procedure is based on the equal opportunity principle. It is commonly used to avoid any conflict of interests between parties involved. In addition, it is to comply with the financial manual.

In order for a quotation to be meaningful, the quotation information from different quotations must be comparable and relevant. Without comparable information, the benefit of getting the right price for the right product cannot be achieved.

Recommendation

We recommence that information providing/requesting for quotation purposes should possess comparable required features relevant for informed and objective judgment. The above quoting details fail short of achieving this.

Management Comment

We did have all quotations according to our Financial Policy. However, we found it difficulties for many cases, the suppliers were not willing to give us the writing quotations as we requested, they mostly gave us the verbal quotations or we just got the prices from their websites.

Even though, it is difficult to get the quotations, we will try our best for future transactions and get formal quotations as we also believe that is the right things to do.

MANAGEMENT LETTER
For the period from 01 July 2017 to 30 June 2018

2. SEPARATE BANK ACCOUNT FOR DONOR FUNDS

Observation

In the course of our audit, we noted that SC did not maintain separate bank account for fund received by different donors when such a requirement is required. For instance, funds received from ERIKS are required to be held in a separate bank account as per section 6 of the Project Agreement dated 29 June 2015.

Implication

Failure to comply with the terms and conditions of the donor requirement may subject to future sanction and withdrawal of funding.

Recommendation

We recommend that, the SC should comply fully with the terms and condition of the project/grant agreement with donor, any exception should request for approval from.

Management Comment

Surely, we can open separate bank account as required by donor/partner. However, we realized that when we have new bank account(s) we need to inform to all government related ministries including MoI, MoSVY, and MoEF which need more paper works as well. So if possible, we may talk with donor/partner about that if they can accept the current bank account, it would save us more time and if not, we will apply accordingly.

SECTION II. FOLLOW UP ON PREVIOUS PERIOD FINDINGS

Previous finding

Withholding tax on service fee and rental not withheld

10% and 15% WHT should be withheld on rental payment and payment for services supplied by non-VAT registered supplies. The withheld tax should be remitted to the tax office by 20th of the following month.

1. Withholding tax on rental (10%)

During the course of our audit, we continue to note that no withholding tax being withdrawn and paid to the tax authority on space rental for children club and car rental.

2. Withholding tax on services (15%)

During the course of our audit, we continue to note that no withholding tax being withdrawn and paid to the tax authority on T-shirt printing services.

Management Comment

We agreed that we have to withdraw and paid to the tax authority. But in actual some house owner or landlord will not understand or not agree with that and at the same time we do not have more budget to spend on that tax.

CURRENT STATUS

Not implemented.

Management Comment

We started to pay taxes from the beginning of financial year 2018-2019.

MANAGEMENT LETTER

For the period from 01 July 2017 to 30 June 2018

3. NOT UPDATING ACCOUNTING RECORDS

Observation

In the course of our audit, we noted that previous auditor has made several adjustments, however SC accounting records are not updated/adjusted according to the agreed adjustments.

Implication

By not adjusting the accounting records, SC accounting records are consistently out of balance with the reports. It will be time consuming when the need to review arises and it is evidenced during the current audit that SC have much difficulty to explain the differences.

Recommendation

We recommend that SC review all the figures in audit report to ensure that they are in agreement with own records. If adjustments have been made and the management agreed with the adjustments, accounting records need to adjust accordingly.

Management Comment

We will do in the next following audition.

CURRENT STATUS

Implemented.