One Year of Empowering People

Philanthropy Connections Foundation

Annual Report #1

For the Year 2012
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Dear reader,

It all started with a single thought that once arisen stayed and grew. It was 2010, I had been living and exploring volunteering in Thailand for four years and I knew what I wanted; to effectively help where help was most needed. To provide children who had been hit hard by life with safety and a future, and to empower vulnerable adults to take more control over their own lives.

So how to do this most effectively? In those four years my ideas had grown and developed as I explored various possibilities. Small, local initiatives really appealed to me. That’s where I came across passionate, capable people who know and understand the problems within their own communities. People who do not wait passively for something to be done by ‘the powers that be’, but ‘achievers’ who are able to make a real and valuable difference. You should see them at work – the impact they have is immense!

Unfortunately, one seldom sees this kind of local initiative in the media. There are no nationwide televised fundraiser shows, no charity runs, no large newspaper ads. These organisations are extremely effective because they are able to achieve a lot with only a little support, but the outside world never sees them.

I could see that this was it, this was the point where I could affect the most change, and that is why I decided to focus on these small local organisations; in 2010 and 2011 as an independent consultant, and since 2012 within my foundation, Philanthropy Connections.

Our mission is to connect commendable and effective local organisations to the external resources and funds that they require, that they need, to implement community-driven solutions to the challenges faced by vulnerable people. We leave the actual aid in the hands of the local experts. They are ideally placed to do so, they understand the local challenges, they know the local culture, and they speak the local languages.

As a starting amateur speed skater, I often spun off the track in the first curve on the 500 metres; I went way too fast for my technique. Chances were that in the start-up phase of Philanthropy Connections the same thing would have happened. A lot of funding came in for the projects that I wanted to support, and all my time and effort went into coordinating and supervising everything to ensure that the projects were successful; that did not leave much time for building the organisation.

Fortunately, in 2012, many positive things have happened. We were able to put in place a solid foundation for our organisation, more people got involved in supporting our work, and I am glad to be able to announce that Philanthropy Connections, both organisationally as well as on a management level, is now ready for future challenges.

This annual report is packed with great examples of what we have accomplished so far. But we can, and should help many more children and adults build an independent and dignified life for themselves. We hope you are willing to support us in achieving that. Supporting us is directly supporting them. I am confident that – when you see the results of our work - you will enjoy the same good feeling that we have.

Sallo Polak
2. Introducing Philanthropy Connections Foundation

Mission:
Our mission is to connect community partners to the resources that they need to support vulnerable people to build dignified lives for themselves.

Vision:
Philanthropy Connections strives to become the household name for community partners in Thailand, Cambodia and Burma who seek assistance for the work they do to empower their communities, as well as for international private and corporate sponsors who want to be sure that their support is used in the most effective and cost efficient way. Because community organisations are low-key, they are invisible to many development organisations and lack access to needed resources. We therefore endeavour to operate at their local level to discover appropriate partner organisations.

Philanthropy Connections Foundation in Brief
Established in 2011, Philanthropy Connections Foundation is a charitable organisation registered in the Netherlands. From its operating base in Chiang Mai in northern Thailand, Philanthropy Connections pursues its mission of empowering vulnerable people by supporting carefully selected local organisations that are most capable of finding solutions to the diverse problems these people face.
In 2012, Philanthropy Connections supported 12 different projects in Thailand, Cambodia, and Burma. Philanthropy Connections’ impact is underpinned by a growing global network of supporters, volunteers and donors.
The Philanthropy Connections Approach

Philanthropy Connections is built on the premise that people and communities in vulnerable situations can create an independent and dignified existence for themselves, if they have access to the right support. We believe that local organisations are ideally placed to provide this support, as they understand the issues that face their communities better than any outsider, they know the local culture and they speak the local language. However, local organisations often do not have access to the resources and funding they need to optimally support their communities.

Philanthropy Connections helps these local organisations to maximise their impact by connecting them to the external resources they require. In most cases we raise funds to support the projects of these organisations, but we also place and supervise volunteers, provide trainings and connect parties who offer complimentary services. We carefully screen the organisations we support and closely monitor the implementation of projects, in order to ensure that funds are used responsibly.

Within our own organisation, we are committed to working as cost-effectively as possible, and to provide maximum transparency to our stakeholders. Our organisation operates with very low overhead costs, thanks to our reliance on volunteers, our partnership with the Foundation for Local Development (see page 6), and the low price level in northern Thailand.

We believe that only by being transparent, cost-effective, and respectful to all stakeholders, Philanthropy Connections can earn the trust of sponsors and partner organisations, and thus successfully pursue its mission of helping vulnerable people.

The Founder: Sallo Polak

Previously a successful floor manager in the Dutch television industry, Sallo moved to Chiang Mai, Thailand, in 2006 to dedicate himself full-time to helping vulnerable people. After several years of working for a charitable organisation located in Chiang Mai, he was offered a position as coordinator for a home for street children. At this point Sallo realised that he could either accept the position and have an immediate impact on the lives of 50 children, or he could find a capable coordinator for the project and then explore what he could do to support other projects, benefiting many more people. The idea for Philanthropy Connections was born.
Activities Prior to 2012

The 2012 annual report is Philanthropy Connections’ first ever annual report, since the foundation was only registered in December 2011. However, there were already important achievements in 2011, preceding the official registration of Philanthropy Connections. While preparing the registration of the foundation, we already received numerous requests for assistance from various projects, as well as generous offers by sponsors willing to help.

One such example was the decision by Vivid and Roger Lee from Taiwan to support the RICD Wheelchair Project near Chiang Mai, Thailand. The RICD Wheelchair project provides hundreds of wheelchairs and other mobility aids each year to people who otherwise could not afford them. In order to provide people in remote areas with custom-fit wheelchairs, they needed a specially adapted van, which would serve as a mobile workshop. Roger and Vivid Lee agreed to fully fund such a van, which was originally budgeted at THB 2.8 million.

By comparing different solutions and closely monitoring the cost of the project, Philanthropy Connections was able to reduce the actual cost of the van to THB 1.58 million. With the consent of the donors, the resulting savings were partly saved, and partly used to provide emergency relief to the Bahn Ruam Jai shelter for children at risk, which had suffered severe flood damage.

Further projects in 2011 included, among others, housing renovation and the installation of solar panels in a refugee camp on the Thai-Burmese border, the provision of neonatal medical equipment to hospitals, and emergency aid after severe flooding in Cambodia.
3. Organisation

Organisation and Employees

Philanthropy Connections is registered as a foundation (Dutch: Stichting) in Amsterdam in the Netherlands, under the name Stichting Philanthropy Connections. Day-to-day operations are carried out from our office in Chiang Mai, Thailand. Being based in Thailand means that we can keep operating costs low and be geographically close to our projects.

Philanthropy Connections does not have any employees, per se. Philanthropy Connections has an arrangement with the Foundation for Local Development (see below), whereby the Foundation for Local Development acts as the employer of people working for Philanthropy Connections and includes the cost of these employees in its invoices for overhead costs to Philanthropy Connections. In 2012, there was only one such employee, the Chairman and Executive Director Sallo Polak.

Philanthropy Connections benefits from a variety of administrative services provided by the Foundation for Local Development, including office management, accounting, and legal and regulatory support. In addition, numerous volunteers support Philanthropy Connections with specific skills and expertise that the organisation requires to operate. A list of volunteers and their contributions can be found on page 23.

Partnership with the Foundation for Local Development

Philanthropy Connections has formed a partnership with the Foundation for Local Development (FLD). The FLD is registered in Chiang Mai, Thailand, and is active in the areas of community development and training for empowerment. The FLD supports PCF’s work for underprivileged children, adults and communities and facilitates our operations in Thailand by providing us with all legal requirements to work in the Thai Kingdom. Our activities in Thailand are carried out within the legal framework and under the name of the FLD. The FLD provides Philanthropy Connections with free office space and access to shared services, including the support of FLD's accountants and office manager. This arrangement allows Philanthropy Connections to keep our overhead costs very low. The FLD partnership is expected to continue for the foreseeable future.
The Board

In accordance with the foundation’s articles of incorporation, Philanthropy Connections’ work is overseen by a board. In 2012, the board consisted of four members. Sallo Polak served as chairman of the board. The other three members were René Mendel, Catherine Keyl, Gerard Verberne.

René Mendel is the treasurer of Philanthropy Connections. Outside of his role as treasurer, René is also the director of Interakt Foundation. Interakt produces documentaries, television programmes, websites, DVDs, books and exhibitions with a historical, cultural, educational or social angle.

Catherine Keyl is the specialist for public relations on the board of Philanthropy Connections. Catherine was a talk show host in the Netherlands for more than twenty years. During that time, she regularly worked with Sallo. Today, she writes articles for GezondNU, is a columnist for a leading Dutch newspaper, De Telegraaf, and makes frequent appearances on TV.

Gerard Verberne is the secretary of the board. Gerard is a successful entrepreneur with a background in mechanical engineering. Following the sale of his businesses, he works as a consultant and advisor to various companies. In addition, Gerard is active in mediation, and executive coaching.
4. Projects in 2012

Project Selection Criteria

Philanthropy Connections’ focus is primarily on organisations that are active in the fields of health, education, social justice, and more generally, poverty alleviation. We support organisations that work with their communities to identify and solve problems in an efficient and cost-effective manner.

We look for organisations and projects that fit our objectives. If, after a thorough investigation, we are convinced of the quality of their work and their reliability as a partner, we will discuss their needs. After this, we start searching for ways to meet those needs, with all the resources at our disposal.

Koung Jor Shan Refugee Camp

Koung Jor camp on the Thai-Burma border houses over 500 refugees from the Shan state in Burma, who have been displaced by the fighting between the Burmese army and armed groups in Shan state. In 2012, Philanthropy Connections has been able to support three different projects in the camp.

1. Funding the operating costs for the boarding house

Koung Jor Refugee Camp has a boarding house, which serves as a home to 20 refugee children who are either orphans or whose parents are unable to care for them. The boarding house provides these children with a safe and supportive environment and thus with a chance to develop into healthy, independent adults. Philanthropy Connections was able to identify a generous sponsor, who has agreed to pay the operating costs for this project for 2012 and 2013.

(Helfen Ohne Grenzen, Switzerland, EUR 10,800)

2. Repairs to the boarding house dormitories

The dormitories housing the children were in dire need of repair, as the roofs of both the girls’ and the boys’ dormitories were leaking, leading to unhealthy living conditions.

Fortunately, Philanthropy Connections found a sponsor willing to pay for the necessary repairs to both roofs.

(anonymous donor, Netherlands, EUR 375)

Boarding house at Koung Jor Refugee Camp: Funding for operating costs has been secured and the roofs of the dormitories have been fixed.
3. Scholarships for two Burmese students

Philanthropy Connections supported two young men from the camp in pursuing further education. Tee Hseng and Hseng Lake were accepted to the English Immersion Programme (EIP) and the Wide Horizons School, respectively. Both schools cater to displaced persons from Burma and provide them with a high-quality education and important skills, ranging from computer skills to community development and project management. While the schools provided small stipends, these proved insufficient for covering basic living expenses. As the two youths’ families were unable to support them, Philanthropy Connections arranged additional funds that enabled them to attend the schools. Both Hseng Lake and Tee Hseng have now graduated and have returned to the refugee camp, where they are completing a year-long placement serving their community.

(Khmer Akphiwat Khmer Organisation (KAKO)

KAKO, the Khmer Akphiwat Khmer Organisation (which translates to “Cambodians Helping Cambodians Organisation”) is a small Cambodian NGO committed to helping poor rural communities in the area of Siem Reap. Run by two locals with a deep understanding of the problems facing these communities, KAKO focuses on improving access to education and sanitation. In 2012, Philanthropy Connections has supported KAKO’s work in the following ways.

1. Opening of 7 village libraries

Philanthropy Connections has found sponsors for seven village libraries, which will enhance access to books, newspapers, and education for villagers in remote locations. KAKO has supervised the renovation of suitable buildings (completed in March 2013) and continues to monitor the operations of the libraries.

(anonymous donor, Netherlands, EUR 9,030)
(Pothaar MijnLef foundation, Netherlands, EUR 3,200)
2. Construction of 26 toilets
The lack of proper sanitation facilities exposes rural communities to a range of dangerous infectious diseases. In 2012, Philanthropy Connections raised funds for the construction of 26 toilets for poor households. KAKO supervised the construction and trained villagers in the use and maintenance of the toilets. The KAKO team has experience with toilet construction in the area and ensured that the toilets were built to be durable and flood-resistant.
(Jars of Clay Foundation, Netherlands, EUR 5,500)

3. Scholarships for four girls
KAKO provides scholarships to children from the poorest families, enabling to attend primary and secondary school. Scholarships consist of school uniforms, rations of rice and eggs, and a bicycle to go to school. Philanthropy Connections has found sponsors to fund scholarships for four girls until their completion of secondary school.
(KiddyColors, Netherlands, EUR 575)
(Eva & Georg Naegeli-Kober, Switzerland, EUR 785)
(anonymous donor, Netherlands, EUR 1,880)
Bahn Ruam Jai Boarding House

Bahn Ruam Jai, near Chiang Mai, Thailand, provides a safe haven for 40 hill tribe children from remote rural areas, who are innocent victims of neglect and exposure to violence, drugs and sexual abuse. At Bahn Ruam Jai, these children get a chance to grow up in a caring, supportive environment, while attending local schools. In addition, Bahn Ruam Jai arranges outreach programmes to support other at-risk children not living in the boarding house. Unfortunately, the Bahn Ruam Jai project lost its main sponsor in 2011, as a result of the financial crisis.

1. Emergency funding and new water pump
When the project faced an acute funding shortage in 2012, Philanthropy Connections was able to arrange emergency funding to cover the operating costs of the project. This funding also allowed Bahn Ruam Jai to replace the broken water pump for the well that provides the boarding house with fresh water.
(Eva & Georg Naegeli-Kober, Switzerland, EUR 1,675)
(Tony Mann, UK, EUR 1,650)

2. Operating costs December 2012 – December 2013
Moreover, with the help of a very generous donor, we have been able to secure funding covering the operating costs of the boarding house for a whole year.
(anonymous donor, Netherlands, EUR 69,820)
Renovation of a Village School in Burma

Guwa is an impoverished fishing village in Rakhine state (also known as Arakan state) in Burma. A local initiative of young social workers, the Arakanese Youth Network Society (AYNS), has committed to providing the village’s children with an education. Philanthropy Connections has facilitated a donation for the renovation of the village’s dilapidated school building.

(Euroclear, Netherlands, EUR 1,500)

Connecting the Warm Heart Foundation and the Burma Children Medical Fund to the RICD Wheelchair Project

As the name of our organisation indicates, making connections is an important part of our work. In 2012, we established a link between the RICD Wheelchair Project, which provides custom-fit wheelchairs and mobility aids to disabled people in need, and the Warm Heart Foundation, which provides services to disabled and elderly people through its Huay Say Community Center in the Phrao district. The resulting connection has already provided many people from the Phrao district with suitable mobility aids, and the relationship between the two organisations has the potential to impact many more lives in the future.

Similarly, we connected the RICD Wheelchair Project to the Burma Children Medical Fund, an organisation that helps children from the Thai-Burma border area obtain complex medical treatment in Thai hospitals. As a result, the Wheelchair Project now provides wheelchairs to a growing number of these children.

Community Centre in Huay Say, Thailand

The Huay Say Community Centre in Phrao, one of the poorest districts in Thailand, was set up by the Warm Heart Foundation to take care of disabled people, as well as lonely elderly people. The centre provides social activities, medical services and therapeutic massages, as well as helping disabled people and their relatives to apply for available government services. Philanthropy Connections found a sponsor for the refurbishment of a building to house the community centre.

(Roger & Vivid Lee, Taiwan, EUR 2,400)
Financial Aid for a Burmese Student

Marie Grace is from Burma and was fortunate enough to be able to study nursing in Thailand on a scholarship. However, to practice as a nurse in Burma with a foreign diploma, she had to pass a special Burmese exam, with an exam fee of over EUR 100. With no parents or family to support her, the exam fee presented a seemingly insurmountable obstacle. Fortunately, Philanthropy Connections was able to help her pay the fee. Marie Grace is now working as a nurse in a hospital in Yangon, Burma.

(Kraaikracht Project, the Netherlands, EUR 100)
5. Supporting Philanthropy Connections

To continue empowering vulnerable people, Philanthropy Connections relies on the generosity of people around the world. We require financial support of two kinds. On the one hand, we are constantly looking for sponsors who are willing to fund specific projects, or parts of projects. On the other hand, we rely on donations to support the day-to-day operations of our own organisation, which are growing more complex as we are supporting more projects.

Banking information
ABN AMRO Bank Amsterdam
Account holder: Stichting Philanthropy Connections
Account number: 51 76 43 723
IBAN: NL73ABNA0517643723
BIC: ABANL2A
Branch: Leidseplein 29, Amsterdam, the Netherlands

Tax-exempt status
Philanthropy Connections Foundation has tax-exempt status in the Netherlands. In addition, tax-exempt donations can currently be made from Switzerland, the UK, Germany, France and Luxembourg through the Transnational Giving Europe network.
For details, please refer to our website www.philanthropyconnections.org or contact us directly.

Contact information

In the Netherlands:
Stichting Philanthropy Connections
c/o Singel 360
1016 AG Amsterdam
The Netherlands
info@philanthropyconnections.org

In Thailand:
Philanthropy Connections Foundation
277/12 Changklan Road
T. Changklan, A.Muang
Chiang Mai 50100
Thailand
T: +66 (0) 53 272 865
F: +66 (0) 53 272 866
info@philanthropyconnections.org

www.philanthropyconnections.org
## 6. Financial Statements

### Consolidated Statement of Financial Activities

for the year ended 31 December 2012  
(including an income and expenditure account)

<table>
<thead>
<tr>
<th>Incoming resources</th>
<th>Notes</th>
<th>THB</th>
<th>EUR</th>
<th>Exchange rate for THB:EUR</th>
<th>Total in EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voluntary income</td>
<td>2</td>
<td>3,461,136.58</td>
<td>26,849.73</td>
<td>0.024925</td>
<td>113,118.56</td>
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<tr>
<td>Investment income</td>
<td>2</td>
<td>2,237.60</td>
<td></td>
<td>0.024925</td>
<td>55.77</td>
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<tr>
<td><strong>Total incoming resources</strong></td>
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<td><strong>3,463,374.18</strong></td>
<td><strong>26,849.73</strong></td>
<td><strong>0.024925</strong></td>
<td><strong>113,174.33</strong></td>
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</table>

<table>
<thead>
<tr>
<th>Costs of charitable activities</th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative charges</td>
<td>3</td>
<td>(9,084.00)</td>
<td></td>
<td>0.024925</td>
<td>(226.42)</td>
</tr>
<tr>
<td>Projects</td>
<td>3</td>
<td>(1,187,690.72)</td>
<td>(3,500.37)</td>
<td>0.024925</td>
<td>(33,109.14)</td>
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<tr>
<td><strong>Total costs of charitable activities</strong></td>
<td></td>
<td><strong>(1,196,998.48)</strong></td>
<td><strong>(3,500.37)</strong></td>
<td><strong>0.024925</strong></td>
<td><strong>(33,335.56)</strong></td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Other Expenses</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank charges</td>
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<td>(134.45)</td>
<td></td>
<td>0.024925</td>
<td>(134.45)</td>
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<tr>
<td>Employee salaries</td>
<td>3</td>
<td>-</td>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Withholding tax</td>
<td>3</td>
<td>(223.76)</td>
<td></td>
<td>0.024925</td>
<td>(5.58)</td>
</tr>
<tr>
<td><strong>Total other expenses</strong></td>
<td></td>
<td><strong>(223.76)</strong></td>
<td><strong>(134.45)</strong></td>
<td><strong>0.024925</strong></td>
<td><strong>(140.03)</strong></td>
</tr>
</tbody>
</table>

**Total resources expended**  
(33,475.59)

Exchange rate gain/(loss)  
4  
4,506.58

<table>
<thead>
<tr>
<th>Net movement in Funds</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Funds brought forward</strong></td>
<td>5</td>
<td>2,401.00</td>
<td></td>
<td>0.02411</td>
<td>57.89</td>
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</table>

<table>
<thead>
<tr>
<th>Funds carried forward</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Funds carried forward</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>84,263.21</strong></td>
</tr>
</tbody>
</table>
## Balance Sheets at 31 December 2012

<table>
<thead>
<tr>
<th></th>
<th>Notes</th>
<th>THB</th>
<th>EUR</th>
<th>Exchange rate for THB:EUR</th>
<th>Total in EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed assets</strong></td>
<td>6</td>
<td>9,391.00</td>
<td>764.00</td>
<td>Historical Rates</td>
<td>993.39</td>
</tr>
<tr>
<td><strong>Total Fixed assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>993.39</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Notes</th>
<th>THB</th>
<th>EUR</th>
<th>Exchange rate for THB:EUR</th>
<th>Total in EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash on hand</td>
<td>7</td>
<td>9,033.00</td>
<td>0.02643</td>
<td></td>
<td>238.74</td>
</tr>
<tr>
<td>Cash in Dutch bank</td>
<td>7</td>
<td></td>
<td></td>
<td></td>
<td>23,189.91</td>
</tr>
<tr>
<td>Cash in Thai bank</td>
<td>7</td>
<td>2,264,138.10</td>
<td>0.02643</td>
<td></td>
<td>59,841.17</td>
</tr>
<tr>
<td><strong>Total Current assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>83,269.82</td>
</tr>
</tbody>
</table>

|               |       |      |      |                           |              |
| **Non-current liabilities** |       |      |      |                           |              |
| **Total Non-current liabilities** |       |      |      |                           | -            |

|               |       |      |      |                           |              |
| **Current liabilities** |       |      |      |                           | -            |
| **Total Non-current liabilities** |       |      |      |                           | -            |

|               |       |      |      |                           |              |
| **Net assets** |       |      |      |                           | 84,263.21    |

|               |       |      |      |                           |              |
| **Funds** |       |      |      |                           |              |
| Beginning Funds | 5 | 2,401.00 | 0.02411 |                           | 57.89        |
| Net movement in Funds | | | | | 83,205.32 |
| **Total Funds** |       |      |      |                           | 84,263.21    |
# Cash Flow Statement for the year ended 31 December 2012

## Notes EUR

<table>
<thead>
<tr>
<th>Description</th>
<th>EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net (outgoing)/incoming resources</td>
<td>84,263.21</td>
</tr>
<tr>
<td>Adjustments to exclude investment income and non-cash items</td>
<td>(55.77)</td>
</tr>
<tr>
<td><strong>Net cash (outflow)/inflow from operating activities</strong></td>
<td>84,207.44</td>
</tr>
<tr>
<td>Investment income</td>
<td>55.77</td>
</tr>
<tr>
<td>Capital expenditure and financial investments</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net cash (outflow)/inflow from investing activities</strong></td>
<td>-</td>
</tr>
<tr>
<td>Management of liquid resources</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net cash inflow/(outflow) from liquid resources</strong></td>
<td>-</td>
</tr>
<tr>
<td>Increase in cash</td>
<td>84,263.21</td>
</tr>
</tbody>
</table>
Notes to the Account

1. Accounting Policies

These accounts have been prepared on the going concern basis and under the historical cost convention as modified by the revaluation of investment properties and listed investments. They comply with the International Financial Reporting Standards (IFRS). The financial statements are prepared on a cash basis and transactions related to incoming resources and resources expended are recorded in full.

As there are no accruals, there are also no liabilities and assets, except for bank and cash balances as well as fixed assets.

2. Incoming Resources

Incoming resources are accounted for on a cash basis in the Financial Statements. Incoming resources comprise:

2.1 Voluntary Income

2.1.1 Sponsorship Funds

Sponsorship funds are used to fund projects and the administrative costs required to supervise these projects.

In 2012, we received 3,296,320.55 THB and 10,240.30 EUR for this account, which translates into 92,401.09 EUR (average 2012 exchange rate of 1 THB: 0.02495 EUR).

Sponsorship funds are recognised immediately when they are received from sponsors in our Dutch and Thai bank accounts. There is no provision of accruals.

2.1.2 General Donation Funds

General Donation funds are used to fund office administration costs and overhead costs for operating PCF.

In 2012, we received 164,816.03 THB and 16,563.11 EUR for this account, which translates into 20,671.05 EUR (average 2012 exchange rate of 1 THB: 0.02495 EUR).

Like Sponsorship funds, General Donation funds are recognised immediately when they are received from sponsors in our Dutch and Thai bank accounts. There is no provision of accruals.

2.2 Investment Income

Interest income results from the interest paid on cash held in our Thai bank account.
3. Resources Expended

Expenditures are accounted for on a cash basis. Resources expended comprise:

3.1 Costs of Charitable Activities

3.1.1 Projects

Projects are Philanthropy Connections’ main activities. Philanthropy Connections receives proposals from local organisations in Thailand, Cambodia and Burma and performs due diligence on them before proposing the selected projects for funding from donors. Projects costs are recognised immediately when they are paid out from our Thai bank account. There is no provision of accruals. The amounts expended in THB for each project is as follows:

<table>
<thead>
<tr>
<th>No.</th>
<th>Name of the Projects</th>
<th>2012 Expense in THB</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Donation from Philanthropy Connections for Project &quot;school fees for 2 down syndrome students&quot;</td>
<td>27,000.00</td>
</tr>
<tr>
<td>2</td>
<td>Donation from Philanthropy Connections for Project &quot;Koung Jor Shan Refugee Camp: renovation of Boarding House&quot;</td>
<td>14,550.00</td>
</tr>
<tr>
<td>3</td>
<td>Donation from Philanthropy Connections for Project &quot;Koung Jor Shan Refugee Camp: Running costs for the boarding house for 19 orphans and disadvantaged children&quot;</td>
<td>149,741.00</td>
</tr>
<tr>
<td>4</td>
<td>Donation from Philanthropy Connections for Project &quot;Koung Jor Shan Refugee Camp: Scholarships for 2 students&quot;</td>
<td>14,000.00</td>
</tr>
<tr>
<td>5</td>
<td>Donation from anonymous donor to KAKO for Project &quot;The renovation of 4 and re-opening of 7 village libraries&quot;</td>
<td>231,119.06</td>
</tr>
<tr>
<td>6</td>
<td>Donations from Tony Mann, an anonymous donor, and Eva &amp; Georg Naegeli-Kober for Project &quot;Bahn Ruam Jai: Running cost for boarding house for 40 at risk hill tribe children&quot;</td>
<td>751,280.66</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>1,187,690.72</strong></td>
</tr>
</tbody>
</table>

3.1.2 Office Administration

Office administration costs relate to administrative costs connected with operating the office.

Office administrations costs are recognised immediately when they are paid out from our Thai bank account. There is no provision of accruals.
3.2 Other Expenses

3.2.1 Bank Charges
Bank charges relate to expenses as a result of amounts being transferred from the Dutch bank account to the Thai bank account and from the Thai bank account to the projects.

Bank charges are recognised immediately when they are paid out from our Thai bank account. There is no provision of accruals.

3.2.2 Employee Salaries
Employee Salaries are absent because PCF has no employees, per se. PCF has an arrangement with the Foundation for Local Development (FLD), whereby the FLD acts as the employer of people working for PCF and includes the cost of these employees in its invoices for overhead costs to PCF. In 2012, there was only one such employee, the Chairman and Executive Director Sallo Polak.

To date, Sallo Polak has not received any payment for establishing PCF in 2011 and operating it until now. The Board is shortly to determine an appropriate remuneration. This amount will hence only appear in our 2013 Statement of Financial Activities.

3.2.3 Withholding Tax
Withholding tax relates to amounts paid to Thai authorities from the Thai bank account.

Withholding tax payments are recognised immediately when they are paid out from our Thai bank account. There is no provision of accruals.

4. Exchange Rate Gain/(Loss)

The direct exchange rate of THB to EUR appreciated in 2012 by 6.04% from 0.024925 to 0.02643. As 76% of all our donations was converted to THB throughout the year, the appreciation of the THB against the EUR meant that we had a significant exchange gain of 3,513.19 EUR.
5. Fixed Assets

Fixed assets are carried at historical costs. If they are incurred in THB, the historical exchange rates are used. The fixed assets as purchased are as follows:

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
<th>THB</th>
<th>Exchange Rate</th>
<th>Total in EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>17/02/11</td>
<td>Office desk volunteer</td>
<td>2,470</td>
<td>0.02407</td>
<td>59.45</td>
</tr>
<tr>
<td>19/02/11</td>
<td>Softcases laptop</td>
<td>550</td>
<td>0.02396</td>
<td>13.18</td>
</tr>
<tr>
<td>15/12/11</td>
<td>Files and office cabinet</td>
<td>542</td>
<td>0.02399</td>
<td>13.00</td>
</tr>
<tr>
<td>21/10/11</td>
<td>Laptop</td>
<td>764.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>08/02/12</td>
<td>Office desk (office furniture)</td>
<td>2,540</td>
<td>0.02454</td>
<td>62.33</td>
</tr>
<tr>
<td>09/02/12</td>
<td>Office cabinet (office furniture)</td>
<td>999</td>
<td>0.02446</td>
<td>24.44</td>
</tr>
<tr>
<td>19/04/12</td>
<td>Charger Laptop ASUS</td>
<td>1,300</td>
<td>0.02471</td>
<td>32.12</td>
</tr>
<tr>
<td>27/06/12</td>
<td>Office fan (office equipment)</td>
<td>490</td>
<td>0.02513</td>
<td>12.31</td>
</tr>
<tr>
<td>05/11/12</td>
<td>Office telephone</td>
<td>500</td>
<td>0.02511</td>
<td>12.56</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>993.39</strong></td>
</tr>
</tbody>
</table>

6. Funds Brought Forward/Beginning Funds

Funds brought forward or beginning funds totalling 2,401 THB relate to the 2,301 THB that was left over from the van purchase for RICD Wheelchair Organisation and the 100 THB that was in the Thai Bank Account held and managed by the FLD. These amounts were converted to THB using the 1 January 2012 exchange rate of 1 THB: 0.02411 EUR.
### 7. Bank Accounts and Cash

<table>
<thead>
<tr>
<th>Bank Account</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dutch Bank Account</strong></td>
<td>The Dutch Bank Account holds amounts in Euros (EUR) and is held with ABN AMRO bank and registered in our statutory filings in the Netherlands. There are no interests paid on bank balances. This Bank Account receives donations from donors who sponsor projects (“Sponsorship Pool”) and donors who sponsor Philanthropy Connections’ operation costs. In 2012, 24% of our donations were received through this account. The moneys are then transferred to the Thai Bank Account, held by and managed by our Thai partner, the FLD, for payment towards our projects.</td>
</tr>
<tr>
<td><strong>Thai Bank Account</strong></td>
<td>The Thai Bank Account holds amounts in Thai Baht (THB) and is funded by transfers from our Dutch bank account. This Bank Account also receives donations from donors who sponsor projects (“Sponsorship Pool”) and donors who sponsor Philanthropy Connections’ operation costs. In 2012, 76% of our donations were received through this account. It is held by and managed by our Thai partner, the FLD, for payment towards our projects. 2.15% interest per annum is paid on bank balances.</td>
</tr>
<tr>
<td><strong>Cash on Hand</strong></td>
<td>The accountants of the FLD withdraw amounts from the Thai Bank Account and manage this cash float to finance administration of the office.</td>
</tr>
</tbody>
</table>
7. Volunteers & Supporters

Philanthropy Connections’ development and the impact we have achieved so far would not have been possible without the phenomenal support we have received from numerous volunteers. Their expertise and their countless hours of pro-bono work have enabled us to achieve a greater impact much faster than we ever thought possible. The following is a list of all our volunteers, not just from 2012, but from the beginning of Philanthropy Connections to August 2013. We are deeply grateful to each and every one of them.

Angie Ng  A friend from Malaysia who connected us to some great sponsors and helped in our office in November 2012.

Anneke Magendans  Dutch CSR and sustainability advisor at CSR Asia. She lives in Thailand and translates many of our Dutch texts into English.

Arno Smit  Concepts and copy writer from the Netherlands who helps us with our Dutch texts.

Carolyn Moffatt  English teacher from the UK who originated one of our scholarship projects and also edited some of our English texts.

Cees de Bruin  Relations coach. A Dutchman who advised us on effective use of language.

Damian Doyle  Dutchman. He is our web builder, web host and search engine optimisation expert.

Dick Stevens  Dutch video producer and film maker. He and his partner Adriënne Kranendonk filmed on location in Thailand and produced many of our videos.

Elonie Kooter  Student from the Netherlands. She was a volunteer in our office from February to July 2012. With her friend Eva, she edited our early videos and cleaned up our picture archives.

Esther van der Leeuw  Dutch travelling charity worker. Within a few weeks in January 2012 she made significant progress towards reorganising our office administration.

Eva van Dijk  Volunteer, high school graduate from Holland. From February to July 2012, she and her friend Elonie edited videos from ‘old’ footage and finished many other tasks.

Gerda van den Dool  Our very first intern/volunteer. As part of her studies in International Communications she helped us with our first steps into the world of social media. Coming from Holland, she stayed with us for six months in 2011.

Gideon Polak  Dutch nephew of PCF’s founder Sallo. Gideon was a long-term volunteer for one of our partners in 2012, and supported PCF during his free time. He holds Master’s degrees in Communications Science and Health Education and Prevention.

Harm Edens  Dutch TV personality and playwright. He advises us on PR texts.

Heleen Minderaa  Journalist and documentary film maker from the Netherlands. Involved in promoting PCF and overall support since early 2012.

Joris Hofmans  Creative producer with ‘Close & Counter’, a Dutch advertising agency. He designed our website and advises on web strategies and campaigns.

Jos Polak  Brother of the founder of PCF. He designed our 2013 brochure and has been Sallo’s sounding board from the very start.

Kamiel van Kessel  Dutch Graphic Designer. He designed our logo and house style.
Kate Mellor
Australian master’s student at Stanford University in the US, has been active from the very beginning of Philanthropy Connections. Among many other things, over the last year, she helped with management advice, administrative support and text edits. She is now a member of PCF’s Board.

Kevin LJ
Photographer and videographer from New Zealand. He edited pictures for our website.

Leo Cok
Organisational coach from the Netherlands. He advises us in the transition process from a small ‘one-man organisation’ to a bigger setup with a wider reach.

Lucy Firth
Australian social and innovation economist (PhD), worked for the UN, various Australian Governments, industries and universities. She was a volunteer in our office in July 2012 for three weeks. She helped with organisational structures and setting up a legal status in Australia. Lucy continues to advise us in various fields.

Mark Kearns
IT expert from Ireland, who set up a free customer relationship management (CRM) system for us, migrating contact details and configuring the CRM to meet our requirements. He supports us with all our IT issues and advises on social media use and functionality.

Max Stallkamp
German master’s student in Strategy and International Management at the University of St. Gallen (HSG) in Switzerland. He interned with us from 1st July to 1st September. Produced our annual report 2012, made an inventory of the current issues at of one our projects and works towards a partnership between the University of St. Gallen and PCF.

Melanie Naegeli
International Hospitality Management graduate from Switzerland. She was a volunteer for us in September and October 2012 and helped with administrative tasks, proposal- and report-writing and fundraising.

Mijke Gesthuizen
Dutch television producer. From her home in the Netherlands, she helped with text edits for our website and social media in 2012.

Naoko Osaki
A Japanese living in Chiang Mai, Naoko started to support us in June 2013. She focuses on establishing Japanese connections.

Stan Commissaris
Dutch civil law notary. He completed all the official legal paperwork to register our foundation in the Netherlands and to establish our tax-exempt status (ANBI) there.

Tatiana Serikova
Russian intern from the Strategy and International Management master’s Programme at the University of St. Gallen (HSG) in Switzerland. In August 2013 she produced the ‘Prezi-presentation’ of Philanthropy Connections.

Teun Melis
Chiang Mai-based Dutchman. He helped us in the first stages of setting up our accountancy system.

Thomas Hofmans
Founder and Director of ‘Radar Groep’ – consultants on social issues. Dedicated, together with Heleen Minderaa, to take Philanthropy Connections to the ‘next level’ of professionalism and greater impact.

Tobias Oostveen
Dutch Master of Science in Business Studies graduate and volunteer in our Chiang Mai office from December 2012 to January 2013. Tobias was involved in streamlining our administration, writing project proposals and connecting with various stakeholders.
Vargo Bawits  Dutch TV producer. He wrote the scenario of our teaser video ‘This is who we are’ in 2013.

Victor Ong  Singaporean master’s student in Strategy and International Management at the University of St. Gallen (HSG) in Switzerland. As an intern in July 2013, he created a tailor-made accountancy system for us and produced our corporate handbook.

William Cao  A fifteen year-old Chinese volunteer who, in 2012, translated our project proposals for preschools and toilets in Cambodia into Chinese and created a Power Point presentation for a fundraiser that resulted in the construction of 35 toilets and the opening of three preschools.

New Staff in 2013
In early 2013, Vanessa Loucky joined us on a full-time basis to help manage the increasingly complex work of Philanthropy Connections. Even though Vanessa did not start working for the organisation until after the end of the fiscal year 2012, we would like to take this opportunity to thank her for all her contributions.

Vanessa Loucky is from the United States. A graduate of Western Washington University with a major in International Development and Human Rights, Vanessa is also an alumna of AmeriCorps VISTA. She has extensive experience in working with community-based organisations and the not-for-profit sector.
2012 was a very fruitful year for Philanthropy Connections.

We hope you will join us in making 2013 even better!

www.philanthropyconnections.org

Picture: Mango harvest at the Bahn Ruam Jai project.