

**AFESIP CAMBODIA ORGANIZATION**

**Financial Statements  
for the year ended 31 December 2023  
and  
Report of the Independent Auditors**

## Organisation information

<b>Organisation</b>	AFESIP Cambodia Organization	
<b>Organisation document</b>	Registration No.10952 issued by the Ministry of Interior on 8 August 2019	
<b>Registered office</b>	Village 24, Prey Sar Commune, Dankao District, Phnom Penh Kingdom of Cambodia	
<b>Donors</b>	Solyna Foundation Project Futures Orphaned Starfish Foundation Somrros Thormacheat Co., Ltd Royal Government of Cambodia Ngong Hy Bank Wing Bank Church Jusus Christ Duan Penh Group Heart Mothers	
<b>Board of Directors</b>	Claude Hildenbrand David Cooke Annalynne McCord Chandu Bhindi Mam Somaly Vann Sina Lin Sylor	Chairman Director, Member of BOD (resigned on 31 December 2023) Director, Member of BOD Director, Member of BOD (appointed on 30 December 2023) Director, Member of BOD Director, Member of BOD Treasury and Secretary of the BOD
<b>Management team</b>	Mam Somaly Lin Sylor Sao Chhoeurth Vann Sina	Founder and Managing Director General Director Co-Program Director Co-Program Director
<b>Principal banker</b>	Foreign Trade Bank of Cambodia Advanced Bank of Asia Ltd. Wing Bank (Cambodia) Plc. Cambodia Post Bank Plc. Canadia Bank Plc. Aleda Bank Plc.	
<b>Auditors</b>	KPMG Cambodia Ltd	

# **AFESIP Cambodia Organization**

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**AFESIP CAMBODIA**

## Statement by the Directors

I, the undersigned, on behalf of the Board of Directors and management of AFESIP Cambodia Organization, do hereby state that in my opinion, the accompanying financial statements which comprise the statement of receipts and payments for the year ended 31 December 2023 and notes, as set out on pages 5 to 18 present fairly, in all material respects, in accordance with Cambodian Financial Reporting Standard for Not-For-Profit Entities ("CFRS for NFPEs").

*Signed on behalf of the Board of Directors,*

Mrs. Mam Somaly  
*Co-Founder and Managing Director*

Phnom Penh, Kingdom of Cambodia

Date: *28 June 2024*



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## **Report of the Independent Auditors To the Donors and the Management of AFESIP Cambodia Organization**

### ***Opinion***

We have audited financial statements of AFESIP Cambodia Organization (“the Organisation”), which comprises the statement of receipts and payments for the year ended 31 December 2023 and notes, comprising significant accounting policies and other explanatory information as set out on pages 5 to 18 (hereafter referred to as “the financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the cash balances of the Organisation as at 31 December 2023, and its cash receipts and payments for the year then ended in accordance with Cambodian Financial Reporting Standard for Not-For-Profit Entities (“CFRS for NFPEs”).

### ***Basis for Opinion***

We conducted our audit in accordance with Cambodian International Standards on Auditing (“CISAs”). Our responsibilities under those standards are further described in the *Auditors’ Responsibilities for the Audit of the Financial Statements* 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 statements 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.

### ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the CFRS for NFPEs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.





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 operations or has no realistic alternative but to do so.

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

### ***Auditors' Responsibility for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 CISAs 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 these financial statements.

As part of an audit in accordance with CISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Organisation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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.

For KPMG Cambodia Ltd

  
Yim Lundy  
Director



Phnom Penh, Kingdom of Cambodia

28 June 2024

# AFESIP Cambodia Organization

## Statement of receipts and payments for the year ended 31 December 2023

	Note	US\$	2023 KHR'000 (Note 4)	US\$	2022 KHR'000 (Note 4)
<b>Operating receipts</b>					
Donations, fundraising and other similar receipts	5	541,990	2,227,579	599,032	2,448,244
Other receipts	6	471	1,936	691	2,824
		<u>542,461</u>	<u>2,229,515</u>	<u>599,723</u>	<u>2,451,068</u>
<b>Operating payments</b>					
Volunteer and employee related payments	7	(331,626)	(1,362,982)	(280,173)	(1,145,066)
Program by activities	8	(235,951)	(969,759)	(287,878)	(1,176,557)
Other operating payments	9	(32,552)	(133,789)	(20,226)	(82,664)
Total operating payment		<u>(600,129)</u>	<u>(2,466,530)</u>	<u>(588,277)</u>	<u>(2,404,287)</u>
<b>Operating (deficit)/surplus</b>		<u>(57,668)</u>	<u>(237,015)</u>	<u>11,446</u>	<u>46,781</u>
<b>Capital payments</b>					
Purchases of resources	10	(16,380)	(67,322)	(62,625)	(255,948)
<b>Capital deficit</b>		<u>(16,380)</u>	<u>(67,322)</u>	<u>(62,625)</u>	<u>(255,948)</u>
Decrease in cash and bank balances		(74,048)	(304,337)	(51,179)	(209,167)
Cash and bank balances at beginning of the year		288,135	1,186,251	339,314	1,382,365
Currency translation differences		-	(7,369)	-	13,053
<b>Cash and bank balances at end of the year</b>		<u>214,087</u>	<u>874,545</u>	<u>288,135</u>	<u>1,186,251</u>



# AFESIP Cambodia Organization

## Statement of receipts and payments (continued) for the year ended 31 December 2023

		2023		2022	
	Note	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
<b>Represented by:</b>					
Cash at banks		211,111	862,388	272,935	1,123,673
Cash on hand		<u>2,976</u>	<u>12,157</u>	<u>15,200</u>	<u>62,578</u>
Cash and cash at banks	11	<u>214,087</u>	<u>874,545</u>	<u>288,135</u>	<u>1,186,251</u>

Prepared by:



Mrs. Mam Somaly  
*Co-Founder and Managing Director*

Date: *28 June 2024*

The accompanying notes form an integral part of this statement.

# AFESIP Cambodia Organization

## Notes to the financial statements for the year ended 31 December 2023

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

### 1. Background and activities

AFESIP Cambodia Organization (“the Organisation”) is a non-profit organisation that was established in 1996, by Mrs. Mam Somaly, a victim of trafficking and works to care for and secure the rights of young women and girls who are victims or at risk of being victims of sexual trafficking, violence, abuse, indentured slavery or exploitation and to successfully recover, educate, train, and reintegrate them into mainstream society through financial independence in a sustainable and innovative manner. The Organisation is funded by grants and contribution from its donors, which comprise both Cambodian and international NGOs.

Currently, there is only one centre in Phnom Penh called “Tom Dy” centre is being operated by the Organisation. Many victims and survivors still rely upon programs and facilities run by AFESIP Cambodia. In response to the main objectives, the Organisation has focused on 4 key program areas:

1. Recovery Services (Residential Centre);
2. Educations and Trainings;
3. Economy Empowerment (Re-integration); and
4. Survivor Empowerment Network (SEN).

Survivor Empowerment Network is a formulation a group of survivors, who have successfully recovered from all major physical and psychological injures, reintegrated back into communities across Cambodia. The aim is to empower and promote social welfare and the well-being of survivors. Sensitize and raise awareness to the public at large as they call for better solutions. Each of the SEN members plays a significant role as change-makers in their communities by bringing the voices of the voiceless to the forefront.

The Organisation’s head office is located at village 24, Prey Sar Commune, Dankao District, Phnom Penh, Kingdom of Cambodia.

As at 31 December 2023, the Organisation has 31 employees (31 December 2022: 32 employees).

The Organisation is not registered for VAT. Amounts recorded in the financial statement are inclusive of VAT (if any).

# **AFESIP Cambodia Organization**

## **Notes to the financial statements (continued) for the year ended 31 December 2023**

### **2. Basis of accounting**

#### **(a) Statement of compliance**

The financial statements have been prepared in accordance with the Cash Basis of Accounting of Cambodian Financial Reporting Standard for Not-For-Profit Entities (“CFRS for NFPEs”).

These financial statements were authorised for issue by the Organisation’s management on 28 June 2024.

#### **(b) Basis of measurement**

The financial statements expressed in United States Dollars (“US\$”) have been prepared under the historical cost convention.

### **3. Significant accounting policies**

The following significant accounting policies have been adopted by the Organisation in the preparation of these financial statements.

#### **(a) Recognition of receipts**

The Organisation recognises its fund receipts as operating receipts, which include two categories: Donations, fundraising and other similar receipts and other receipts.

##### **a. Donations, fundraising and other similar receipts**

These pertain to funds received from donors and donations from partners in order for the Organisation to carry out its projects.

##### **b. Other receipts**

These pertain to receipts for interest income from bank.

All forms of receipts are recognised when received and recorded as gross amount of bank charges, if any.

# AFESIP Cambodia Organization

## Notes to the financial statements (continued) for the year ended 31 December 2023

### 3. Significant accounting policies (continued)

#### (b) Recognition of payments

The Organisation classifies its fund payments into two categories: operating payments and capital payments.

##### (i) *Operating payments comprise:*

###### a. Volunteer and employee related payments

These pertain to the salaries and other benefits of the Organisation's staff.

###### b. Program by activities

These pertain to the payments directly related to the Organisation's program and activities.

###### c. Other operating payments

These are the general expenses incurred by the Organisation.

##### (ii) *Capital payments comprise:*

###### a. Purchase of resources

All payments are recognised when paid.

#### (c) Cash and bank balance

Cash and bank balance consist of cash on hand and cash in banks that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

#### (d) Non-expendable items

The cost of non-expendable equipment is charged to the statement of receipts and payments upon acquisition. For control and management purposes, a memorandum account for non-expendable equipment is maintained by way of a non-expendable equipment listing.

#### (e) Foreign currency transactions

The Organisation transacts and maintains its accounting records primarily in United States Dollars ("US\$"). Transactions in currencies other than US\$ are converted into US\$ at the exchange rates prevailing on the transaction dates. Exchange differences are recognised in the statement of receipts and payments.

# AFESIP Cambodia Organization

## Notes to the financial statements (continued) for the year ended 31 December 2023

### 4. Translation of United States Dollars into Khmer Riel

The financial statements are expressed in United States Dollars (“US\$”) which is the Organisation’s functional currency. The translations of US\$ amounts into Khmer Riels (“KHR”) meets the presentation requirements pursuant to Law on Accounting and Auditing and has been done in accordance with the translation method of CFRS for NFPEs Section A17.

Cash and bank balance are translated at the closing rate as at the reporting date. The statement of receipts and payments are translated into KHR at the average rate for the year, which has been deemed to approximate the exchange rate at the date of transaction as exchange rates have not fluctuated significantly during the year. Exchange differences arising from the translation are recognised in the statement of receipts and payments.

The Organisation uses the following exchange rates:

<b>Financial year end</b>			<b>Closing rate</b>	<b>Average rate</b>
31 December 2023	US\$1	=	KHR4,085	KHR4,110
31 December 2022	US\$1	=	<u>KHR4,117</u>	<u>KHR4,087</u>

The translation to Khmer Riel should not be construed as representations that the United States Dollars amounts have been, could have been, or could in the future be, converted into Khmer Riel at this or any other rate of exchange.



# AFESIP Cambodia Organization

## Notes to the financial statements (continued) for the year ended 31 December 2023

### 5. Donations, fundraising and other similar receipts

	2023		2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Solyna Foundation	110,060	452,346	230,117	940,488
Project Futures	150,960	620,446	146,474	598,640
Government of the Kingdom of Cambodia	147,892	607,836	64,016	261,633
Orphaned Starfish Foundation	20,925	86,002	17,925	73,259
Somrors Thomacheat Co., Ltd	51,000	209,610	15,200	62,122
Heart Mothers	-	-	14,975	61,203
Cambodian Red Cross	-	-	8,569	35,022
NongHyup Finance	5,000	20,550	5,000	20,435
Wing Bank (Mao Chamnan)	8,000	32,880	5,000	20,435
Other individuals (*)	48,153	197,909	91,756	375,007
	<u>541,990</u>	<u>2,227,579</u>	<u>599,032</u>	<u>2,448,244</u>

(\*) This income was received through donations to the Organisation's bank account held at the Foreign Trade Bank of Cambodia. The donations are online donation through ABA Pay, PayWay, PayPal, Wing, visitor-to-shelters fees charged, and in-person donations. The majority of donors could not be identified, and some individuals specifically requested to be anonymous.

### 6. Other receipts

	2023		2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Interest income	<u>471</u>	<u>1,936</u>	<u>691</u>	<u>2,824</u>

### 7. Volunteer and employee related payments

	2023		2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Salaries	325,833	1,339,173	274,794	1,123,082
Staff fringe benefits	<u>5,793</u>	<u>23,809</u>	<u>5,379</u>	<u>21,984</u>
	<u>331,626</u>	<u>1,362,982</u>	<u>280,173</u>	<u>1,145,066</u>

# AFESIP Cambodia Organization

## Notes to the financial statements (continued) for the year ended 31 December 2023

### 7. Volunteer and employee related payments (continued)

The volunteer and employee related payments was utilised by each Program activities' as follow:

	2023		2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Recovery services	183,112	752,590	108,601	443,852
Education and training	55,659	228,758	58,013	237,099
Economy empowerment	31,167	128,096	44,540	182,035
Survivor empowerment network	38,560	158,482	19,660	80,350
Other operating payments	23,128	95,056	49,359	201,730
	<u>331,626</u>	<u>1,362,982</u>	<u>280,173</u>	<u>1,145,066</u>

### 8. Program by activities

The Organisation has focused on 4 key Programs as follow:

	Note	2023		2022	
		US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Recovery services	A	131,039	538,570	160,827	657,300
Education and training	B	54,424	223,683	56,566	231,185
Economy empowerment	C	12,564	51,638	7,359	30,076
Survivor empowerment network	D	37,924	155,868	63,126	257,996
		<u>235,951</u>	<u>969,759</u>	<u>287,878</u>	<u>1,176,557</u>

# AFESIP Cambodia Organization

## Notes to the financial statements (continued) for the year ended 31 December 2023

### 8. Program by activities (continued)

#### A. Recovery services

	2023		2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Food, clothes, domestic and gas-wood	59,194	243,287	74,584	304,825
Psycho and medical supports	34,193	140,533	53,199	217,425
Centre operating costs	25,921	106,535	22,477	91,863
Social recreational and gardening costs	11,446	47,043	10,567	43,187
Other support to victims	285	1,172	-	-
	<u>131,039</u>	<u>538,570</u>	<u>160,827</u>	<u>657,300</u>

#### B. Education and training

	2023		2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Living expenses	41,697	171,375	30,967	126,562
Travel cost	5,799	23,834	14,320	58,526
Scholarships tuition	4,277	17,578	6,114	24,988
Outsourced skill training	1,754	7,209	5,165	21,109
Non-formal education	897	3,687	-	-
	<u>54,424</u>	<u>223,683</u>	<u>56,566</u>	<u>231,185</u>

#### C. Economy empowerment

	2023		2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Staff travel and per-diem	4,400	18,084	4,920	20,108
Workshop/networks/operational costs	279	1,147	700	2,861
Micro-Business	5,790	23,797	154	629
Others	2,095	8,610	1,585	6,478
	<u>12,564</u>	<u>51,638</u>	<u>7,359</u>	<u>30,076</u>

# AFESIP Cambodia Organization

## Notes to the financial statements (continued) for the year ended 31 December 2023

### 8. Program by activities (continued)

#### D. Survivor empowerment network

	2023		2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Pocket money support	29,652	121,870	56,720	231,815
Travel cost for social workers	8,000	32,880	5,818	23,778
Utilities	222	912	343	1,402
Post reintegration support	-	-	245	1,001
World AIDS Day and national events	50	206	-	-
	<u>37,924</u>	<u>155,868</u>	<u>63,126</u>	<u>257,996</u>

### 9. Other operating payments

	2023		2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Audit fees	7,026	28,877	14,595	59,650
Administrative	9,773	40,168	4,209	17,202
Bank charge	776	3,189	890	3,637
Transportation and travelling	14,321	58,859	368	1,505
Premises	656	2,696	164	670
	<u>32,552</u>	<u>133,789</u>	<u>20,226</u>	<u>82,664</u>

### 10. Purchases of resources

The purchase of resource below was utilised by each Program activities' fund as follows:

	Note	2023		2022	
		US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Recovery services	A	12,564	51,638	61,011	249,352
Education and training	B	535	2,199	547	2,236
Economy empowerment	C	-	-	62	253
Survivor empowerment network	D	-	-	1,005	4,107
Administration	E	3,281	13,485	-	-
		<u>16,380</u>	<u>67,322</u>	<u>62,625</u>	<u>255,948</u>

# AFESIP Cambodia Organization

## Notes to the financial statements (continued) for the year ended 31 December 2023

### 10. Purchases of resources (continued)

#### A. Recovery services

	2023		2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Medical equipment	-	-	29,500	120,567
Furniture and fittings	10,299	42,329	17,619	72,009
Appliances	342	1,406	2,965	12,118
IT and computers	1,019	4,188	1,657	6,772
Other equipment	904	3,715	9,270	37,886
	<u>12,564</u>	<u>51,638</u>	<u>61,011</u>	<u>249,352</u>

#### B. Education and training

	2023		2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Furniture and Fittings	-	-	241	985
IT and computers	363	1,492	6	25
Other equipment	-	-	300	1,226
Appliances	172	707	-	-
	<u>535</u>	<u>2,199</u>	<u>547</u>	<u>2,236</u>

#### C. Economy empowerment

	2023		2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
IT and computers	-	-	12	49
Other equipment	-	-	50	204
	<u>-</u>	<u>-</u>	<u>62</u>	<u>253</u>



# AFESIP Cambodia Organization

## Notes to the financial statements (continued) for the year ended 31 December 2023

### 10. Purchases of resources (continued)

#### D. Survivor empowerment network

	2023		2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
IT and computers	-	-	870	3,555
Furniture and Fittings	-	-	135	552
	<u>-</u>	<u>-</u>	<u>1,005</u>	<u>4,107</u>

#### E. Administration

	2023		2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Appliances	2,920	12,001	-	-
Electrical accessory	12	49	-	-
Other equipment	349	1,435	-	-
	<u>3,281</u>	<u>13,485</u>	<u>-</u>	<u>-</u>

### 11. Cash and bank balances

	31 December 2023		31 December 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Cash at banks	211,111	862,388	272,935	1,123,673
Cash on hand	2,976	12,157	15,200	62,578
	<u>214,087</u>	<u>874,545</u>	<u>288,135</u>	<u>1,186,251</u>

Cash at banks represents current accounts and saving account, which bear interest rate at 0.50% and 0.75% per annum (2022: 0.5% and 0.75% per annum) held at Advanced Bank of Asia Ltd. and Cambodia Post Bank Plc, respectively.

# AFESIP Cambodia Organization

## Notes to the financial statements (continued) for the year ended 31 December 2023

### 12. In-kind contribution

During the year, the Organisation received in-kind contributions including bookshelf, sofa, bio-chemistry machine, hematology machine, 5 units of laptop, printer from Church Jusus Christ, 2 units of refrigerator from Daun Penh Group, and 2 units of Tuk Tuk from Government of the Kingdom of Cambodia to support the Organisation's day-to-day activities.

### 13. Commitments and contingencies

#### (i) *Expenditure commitments*

As at 31 December 2023, the Organisation had no any expenditure commitments.

#### (ii) *Seniority indemnity commitments*

This represents seniority indemnity payments required by Prakas No. 443 issued by the Ministry of Labour and Vocational Training ("MoLVT") on 21 September 2018 and subsequently amended by the Instruction No. 042/19 dated 22 March 2019.

It requires all employers to settle the seniority indemnity to their employee as follows:

- Current pay: starting from 2019 onwards at the amounts equal to 15 days of wages and other benefits per year.
- Retrospective (back-pay): For non-garment manufacturing and footwear sector, payment will start from 2021 onwards at the amounts equal to 6 days of net wages per year. The provision of back-pay seniority indemnity is calculated at a maximum amount of 6 months net wages (depends on the length of the service employee served) to the employee who has seniority before 2019.

Payments will be made twice a year, in June and December, respectively. An employee is not entitled to the remaining back-pay seniority indemnity which is not yet due if he/she resigns from the entity.

During the year, on 27 February 2023, the Organisation has settled the accumulated amount of seniority current pay from 2019 to 2022 in full to respective staffs.

As at 31 December 2023, the organisation has a seniority indemnity back-pay amount approximate to US\$11,748 to be settled to staffs.

# AFESIP Cambodia Organization

## Notes to the financial statements (continued) for the year ended 31 December 2023

### 13. Commitments and contingencies (continued)

#### (iii) Tax contingencies

Taxes are subject to review and investigation by a number of authorities, who are enabled by law to impose severe fines, penalties and interest charges. The application of tax laws and regulations to many types of transactions are susceptible to varying interpretations.

These facts may create tax risks in Cambodia substantially more significant than in other countries. Management believes that it has adequately provided for tax liabilities based on its interpretation of tax legislation. However, the relevant authorities may have differing interpretations and the effects could be significant.

### 14. Related party transaction

	2023		2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
<b>Key management remuneration</b>				
Remuneration	<u>144,000</u>	<u>591,840</u>	<u>139,560</u>	<u>570,382</u>

### 15. Advances

The following represents unliquidated advances which maintained by way of an advance register by management for monitoring purpose:

	As at 31 December 2023		As at 31 December 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Program by activities	15,587	63,673	5,269	21,692
Volunteer and employee related payments	14,400	58,824	17,300	71,224
Other operating payments	<u>400</u>	<u>1,634</u>	<u>185</u>	<u>762</u>
	<u>30,387</u>	<u>124,131</u>	<u>22,754</u>	<u>93,678</u>