

TRANSPARENCY INTERNATIONAL CAMBODIA

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

Organisation information

Organisation name	Transparency International Cambodia	
Operating License	1004 ម ជ ណ	
Registered Office	No 13, Street 554, Village 10, Sangkat Boeung Kak1 Khan Toul Kork, Phnom Penh Kingdom of Cambodia	
Funding Agency	The Swedish International Development Cooperation Agency The European Union Transparency International e.V. (Secretariat) The U.S Agency for International Development OXFAM NOVIB Strengthening Accountability Networks among Civil Society (SANCUS) International Foundation for Electoral Systems	
Board of Directors	Ms. Pok Bopha Marina Ms. Srey Sotheavy Ms. Oung Chanthol Ms. Khak Chenda Mr. Em Sovannara Mr. Prak Chan Thul Ms. Peou Rathana	Chairwoman Vice-Chairwoman Member Member Member Member Member
Principal bankers	Canadia Bank Plc. JTrust Royal Bank Plc. ACLEDA Bank Plc. Hong Leong Bank (Cambodia) Plc. Advance Bank of Asia Ltd.	
Auditors	KPMG Cambodia Ltd	

Transparency International Cambodia

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Report of the Board of Directors

The Board of Directors of Transparency International Cambodia (“TI Cambodia” or “the Organisation”) hereby submit their report together with the audited financial statements of the Organisation as at 31 December 2023 and for the year then ended.

The Organisation

Transparency International Cambodia was founded on 5 July 2010 and was officially registered with the Ministry of Interior on 6 July 2011. TI Cambodia is an accredited National Chapter of Transparency International. The mission of TI Cambodia is to work together with individuals and institutions at all levels to promote integrity and reduce corruption in Cambodia.

Principal activities

TI Cambodia’s strategic activities are in line with the United Nations Convention against Corruption’s (UNCAC) core chapters on preventive measures, law enforcement, international cooperation and implementing mechanism to promote and strengthen measures to prevent and combat corruption and to promote integrity and social accountability.

TI Cambodia’s strategic activities are also complementary to the efforts and commitments being made by the Anti-Corruption Unit (ACU) of the Government of the Kingdom of Cambodia set forth in the Anti-Corruption Strategic Foundation which requires a three-headed arrow to promote and fight corruption in Cambodia namely (1) public education, (2) prevention, and (3) enforcement of anti-corruption law.

The Board of Directors

Members of the Board of Directors during the year and at the date of this report are:

Ms. Pok Bopha Marina	Chairwoman
Ms. Srey Sotheavy	Vice-chairwoman
Ms. Oung Chanthol	Member
Ms. Khak Chenda	Member
Mr. Em Sovannara	Member
Mr. Prak Chan Thul	Member
Ms. Peou Rathana	Member

Responsibilities of Directors in respect of the financial statements

The Board of Directors is responsible for ascertaining that the financial statements as set out on pages 6 to 35 give a true and fair view the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended. In preparing these financial statements, the Board of Directors oversees the preparation of these financial statements by managements who is required to:

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- Adopt appropriate accounting policies which are supported by reasonable and prudent judgements and estimates and then apply them consistently;
- Comply with Cambodian International Financial Reporting Standard for Small and Medium-sized entities ("CIFRS for SMEs") or, if there has been any departures in the interests of true and fair presentation, ensure this has been appropriately disclosed, explained and quantified in the financial statements;
- oversee the Organisation's financial reporting process and maintain adequate accounting records and an effective system of internal controls;
- assess 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 the board of director either intends to liquidate the Organisation or to cease operations, or has no realistic alternative but to do so; and
- control and direct effectively the Organisation in all material decisions affecting the operations and performance and ascertain that such have been properly reflected in the financial statements.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Organisation and to ensure that the accounting records comply with the applicable accounting system. They are also responsible for safeguarding the assets of the Organisation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Board of Directors confirms that the Organisation has complied with the above requirements in preparing the financial statements.

Approval of the financial statements

I do hereby approve the accompanying financial statements which, in my opinion, present fairly, in all material respects, the financial position of the Organisation as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with CIFRS for SMEs.

Signed on behalf of the Board of Directors in accordance with a resolution of the Boards:



Mr. Pech Pisey
Executive Director

Phnom Penh, Kingdom of Cambodia

Date: *22 March 2024*



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Report of the Independent Auditors To the Donors of Transparency International Cambodia

Opinion

We have audited the accompanying financial statements of Transparency International Cambodia (“TI Cambodia” or “the Organisation”) which comprise the statement of financial position as at 31 December 2023, and the statements of comprehensive income, changes in reserves and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information as set out on pages 6 to 35 (hereafter referred to as “the financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organisation as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with Cambodian International Financial Reporting Standard for Small and Medium-sized Entities (“CIFRS for SMEs”).

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 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 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.

Other information

The Organisation is responsible for the other information. The other information comprises the information included in the Report of the Board of Directors set out on pages 1 to 2. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



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 CIFRS for SMEs, 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



Taing YoukFong

Partner

Phnom Penh, Kingdom of Cambodia

22 March 2024

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Statement of comprehensive income for the year ended 31 December 2023

		2023		2022	
	Notes	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Income					
Unrestricted income	5	697,788	2,867,909	1,110,108	4,537,011
Restricted income	6	1,207,269	4,961,876	1,017,836	4,159,896
Other income	7	<u>3,039</u>	<u>12,490</u>	<u>5,660</u>	<u>23,132</u>
Total income		1,908,096	7,842,275	2,133,604	8,720,039
Expenditures					
Program activity costs	8	810,020	3,329,182	899,291	3,675,402
Personnel costs	9	808,114	3,321,349	918,571	3,754,200
Capital expenditure	10	34,645	142,391	33,957	138,782
Office running costs	11	114,597	470,994	120,967	494,392
Communication	12	18,991	78,053	24,739	101,108
Capacity development	13	19,684	80,901	58,559	239,331
Professional fee	14	34,550	142,001	20,690	84,560
Indirect costs	15	<u>4,129</u>	<u>16,970</u>	<u>4,901</u>	<u>20,030</u>
Total expenditures		<u>1,844,730</u>	<u>7,581,841</u>	<u>2,081,675</u>	<u>8,507,805</u>
Net surplus for the year		63,366	260,434	51,929	212,234
Item that will not be reclassified to profit or loss					
Other comprehensive income					
Currency translation difference		<u>-</u>	<u>(9,225)</u>	<u>-</u>	<u>9,593</u>
Total comprehensive income for the year		<u>63,366</u>	<u>251,209</u>	<u>51,929</u>	<u>221,827</u>

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

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Statement of financial position for the year ended 31 December 2023

	Notes	31 December 2023		31 December 2022	
		US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
ASSETS					
Current assets					
Cash and cash equivalents	16	391,801	1,600,507	755,301	3,109,574
Deposits and prepayments	17	1,632	6,667	5,003	20,597
Accrued income – donors	18	190,221	777,053	1,895	7,802
Advance to project partners	19	60,659	247,792	89,799	369,702
		<u>644,313</u>	<u>2,632,019</u>	<u>851,998</u>	<u>3,507,675</u>
Non-current assets					
Property and equipment	20	225,579	921,490	207,806	855,537
Security deposit		13,200	53,922	13,200	54,346
		<u>238,779</u>	<u>975,412</u>	<u>221,006</u>	<u>909,883</u>
TOTAL ASSETS		<u>883,092</u>	<u>3,607,431</u>	<u>1,073,004</u>	<u>4,417,558</u>
LIABILITIES AND RESERVES					
LIABILITIES					
Current liabilities					
Deferred income – donors	21	245,850	1,004,297	595,797	2,452,896
Payable to project partners	22	83,769	342,196	-	-
Other payables	23	99,785	407,622	82,227	338,529
Pension fund liabilities	24	151,539	619,037	156,197	643,063
Total liabilities		<u>580,943</u>	<u>2,373,152</u>	<u>834,221</u>	<u>3,434,488</u>
RESERVES					
Fund balance		302,149	1,233,911	238,783	973,477
Currency translation reserves		-	368	-	9,593
Total reserves		<u>302,149</u>	<u>1,234,279</u>	<u>238,783</u>	<u>983,070</u>
TOTAL LIABILITIES AND RESERVES		<u>883,092</u>	<u>3,607,431</u>	<u>1,073,004</u>	<u>4,417,558</u>

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

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Statement of changes in reserves for the year ended 31 December 2023

	Fund balance		Currency translation reserves		Total reserves	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
At 1 January 2023	238,783	973,477	-	9,593	238,783	983,070
Net surplus for the year	63,366	260,434	-	-	63,366	260,434
Currency translation difference	-	-	-	(9,225)	-	(9,225)
At 31 December 2023	302,149	1,233,911	-	368	302,149	1,234,279
At 1 January 2022	186,854	761,243	-	4,128	186,854	765,371
Net surplus for the year	51,929	212,234	-	-	51,929	212,234
Currency translation difference	-	-	-	5,465	-	5,465
At 31 December 2022	238,783	973,477	-	9,593	238,783	983,070

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

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Statement of cash flows for the year ended 31 December 2023

	Notes	2023		2022	
		US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
OPERATING ACTIVITIES					
Net surplus for the year		63,366	260,434	51,929	212,234
<i>Non-cash adjustments:</i>					
Depreciation		26,300	108,093	28,988	118,474
Interest income		(1,504)	(6,181)	(2,558)	(10,455)
Pension fund		95,192	391,239	117,941	482,025
Gain on disposal of property and equipment		-	-	(245)	(1,001)
<i>Changes in:</i>					
Deposit and prepayments		3,371	13,855	49	200
Advance to project partners		29,140	119,765	124,374	508,317
Accrued income – donors		(188,326)	(774,020)	756	3,090
Deferred income – donors		(349,947)	(1,438,282)	(633,027)	(2,587,181)
Payable to project partners		83,769	344,291	-	-
Other payables		17,558	72,163	2,175	8,889
		(221,081)	(908,643)	(309,618)	(1,265,408)
Interest received		1,504	6,181	2,558	10,455
Pension fund paid		(99,850)	(410,384)	(146,577)	(599,060)
Net cash used in operating activities		(319,427)	(1,312,846)	(453,637)	(1,854,013)
INVESTING ACTIVITY					
Proceeds from disposals of property and equipment		-	-	14,800	60,488
Purchase of property and equipment		(44,073)	(181,140)	(35,756)	(146,135)
Net cash used in investing activities		(44,073)	(181,140)	(20,956)	(85,647)
Net decrease in cash and cash equivalents		(363,500)	(1,493,986)	(474,593)	(1,939,660)
Cash and cash equivalents at beginning of year		755,301	3,109,574	1,229,894	5,010,588
Currency translation difference		-	(15,081)	-	38,646
Cash and cash equivalents at end of year	16	391,801	1,600,507	755,301	3,109,574

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

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Notes to the financial statements as at and 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

Transparency International (“TI”) is the global civil society Organisation leading the fight against corruption. It brings people together in a powerful worldwide coalition to end the devastating impact of corruption on men, women, and children around the world. TI’s mission is to create change towards a world free of corruption.

Transparency International Cambodia (“the Organisation” or “TI Cambodia”) was founded on 5 July 2010 and was officially registered with the Ministry of Interior on 6 July 2011. TI Cambodia is an accredited National Chapter of Transparency International. The mission of TI Cambodia is to work together with individuals and institutions at all levels to promote integrity and reduce corruption in Cambodia.

TI Cambodia’s strategic activities are in line with the United Nations Convention against Corruption’s (“UNCAC”) core chapters on preventive measures, law enforcement, international cooperation and implementing mechanism to promote and strengthen measures to prevent and combat corruption and to promote integrity and social accountability. TI Cambodia’s strategic activities are also complementary to the efforts and commitments being made by the Anti-Corruption Unit (“ACU”) of the Government of the Kingdom of Cambodia set forth in the Anti-Corruption Strategic Foundation which requires a three-headed arrow to promote and fight corruption in Cambodia namely (1) public education, (2) prevention, and (3) enforcement of anti-corruption law.

TI Cambodia receives core funding for the main strategic programme from the Swedish International Development Cooperation Agency (“SIDA”), for the period 1 January 2023 - 31 December 2024. TI Cambodia also receives funds for specific projects from TI-Secretariat (“TI-S”) and other donors.

The Organisation’s registered office is located at no.13, street 554, Sangkat Boeng Kak I, Khan Tuol Kork, Phnom Penh. As at 31 December 2023, the Organisation employed 38 employees (31 December 2022: 33 employees).

2. Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with Cambodian International Financial Reporting Standard for Small and Medium-sized Entities (“CIFRS for SMEs”).

The financial statements of the Organisation were authorised for issue by the Board of Directors on 22 March 2023.

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Notes to the financial statements (continued) as at and for the year ended 31 December 2023

2. Basis of preparation (continued)

(b) Basis of measurement

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

(c) Functional and presentation currency

The national currency of Cambodia is the Khmer Riel (“KHR”). However, as the Organisation transacts its operations and maintains its accounting records primarily in United States Dollars (“US\$”), management has determined US\$ to be the Organisation’s functional and presentation currency as it reflects the economic substance of the underlying events and circumstances of the Organisation.

These financial statements are presented in US\$, which is the Organisation’s functional currency. All amounts have been rounded to the nearest dollar, except otherwise indicated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with CIFRS for SMEs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3. Significant accounting policies

(a) Foreign currency translation

Transactions in currencies other than US\$ are translated into US\$ at the exchange rate ruling at the dates of the transactions. Monetary assets and liabilities denominated in currencies other than US\$ at the reporting date are translated into US\$ at the rates of exchange ruling at that date. Exchange differences arising on translation are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in other currency are translated using the exchange rate as at the respective dates of the initial transactions.

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Notes to the financial statements (continued) as at and for the year ended 31 December 2023

3. Significant accounting policies (continued)

(b) Recognition of income

TI Cambodia receives income mainly from grants, with residual amounts of funds being raised through individual donations, performance of charitable activities and finance income. Regardless of the origin of the income, all contributors to income are henceforth defined as “donors”. The recognition criteria for each category of income is detailed below.

(i) *Grant income*

Grant income is accounted for in accordance with Section 24 of CIFRS for SMEs. As such, income is recognised when (a) the grant proceeds are receivable, (b) performance conditions are met. TI Cambodia considers provision (a) met when the formal offer of funding is communicated in writing. Provision (b) is met when the activities required by the grant have been performed or the objectives upon which the grant is conditional have been met. When entitlement is dependent on certain specific performance conditions, funds are identified as “restricted or unrestricted” and recognised as income when conditions are satisfied. This is usually proportional to the relevant expenditure incurred. Grants received but not yet utilised are presented in the Statement of Financial Position as current liabilities under “deferred income - donors”; grants committed and utilised but not yet received in cash are presented within current assets under “accrued income - donors”.

(ii) *Individual donations*

Individual donations are recognised when they are deemed receivable. An individual donation is deemed to be receivable when actually received, e.g. in the case of voluntary cash payments collected via the TI Cambodia’s website; or when a contract is in place and any outstanding conditions under the contract have been met, e.g. contributions from legacies are recognised when the administrator confirms the transfer of title of the equity. Donations in kind, if any, are recognised at fair value when received using a reliable estimate of the cost of the donated goods or services.

(iii) *Finance income*

Finance income comprises interest income on deposits and placements and exchange rate gains. Interest income and realised exchange rate gains are recognised when TI Cambodia becomes entitled to them.

(c) Recognition of expenditure

Expenditure comprises operating expenditure incurred at TI Cambodia, operating expenditure incurred by project partners, and finance costs. The recognition criteria for each category of expenditure are detailed below.

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Notes to the financial statements (continued) as at and for the year ended 31 December 2023

3. Significant accounting policies (continued)

(c) Recognition of expenditure (continued)

(i) *Operating expenditure incurred at TI Cambodia*

Operating expenditure incurred at TI Cambodia consists generally of personnel costs, office running costs, travel costs and consultancy fees. Service and labour costs are recognised in line with the rendering of services and labour; purchases of goods are recognised when TI Cambodia acquires title to the property. Office running costs include leases, related to office space and equipment. Under current lease contracts, a significant portion of the risks and rewards of ownership are effectively retained by the lessor. As such, in accordance with Section 20, these are classified as operating leases, and the related payments are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

Program costs are fully charged for each activity incurred under the respective donor while the running costs, supporting staff costs are shared-cost to each donor based on the approved budget.

(ii) *Operating expenditure incurred by project partners*

A portion of TI Cambodia's expenditure is incurred by project partners that receive grants from TI Cambodia, mostly for the implementation of grant-funded projects.

Expenditure is accounted for when incurred by the partner. TI Cambodia estimates the expenditure incurred based on periodic reports issued by partners, which are assessed for accuracy and compliance with donor requirements and good accounting practice.

Grants disbursed but not yet spent by project partners are included in the Statement of Financial Position as "Advances to project partners".

(d) Classification of Expenditures

Program activity costs are direct expenditures charged to the projects funded by the respective donors. Other expenditures relating to personnel, capital expenditure, office running, communication, capacity development and professional fees are systematically allocated to projects and activities as per budget heading based on the available fund limit in the approved budget by the respective donors. Indirect overhead costs are charged to projects at a maximum of 7% for EU, 10% USAID, 7% of TIS-SANCUS and 10% of IFES of total expenses respectively.

(e) Cash and cash equivalents

Cash and cash equivalents consist of cash and bank balances and deposits with banks with original maturities of three months or less and other highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

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Notes to the financial statements (continued) as at and for the year ended 31 December 2023

3. Significant accounting policies (continued)

(f) Other assets and Other liabilities

Other assets and other liabilities are carried at amortised cost using the effective interest method in the statement of financial position.

(g) Property and equipment

(i) Recognition and measurement

The organisation capitalises all items of property and equipment with acquisition cost in excess of US\$1,000.

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Gains or losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognised net within other income in profit or loss.

(ii) Subsequent cost

The costs of replacing a part of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation of equipment is charged to profit or loss on a straight-line basis over the estimated useful lives of the individual assets as follows:

<i>Class of assets</i>	<i>Years</i>
Office and IT equipment	3 – 5
Furniture and fixtures	5
Vehicles	7

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Notes to the financial statements (continued) as at and for the year ended 31 December 2023

3. Significant accounting policies (continued)

(g) Property and equipment (continued)

(iii) Depreciation (continued)

If there is an indication that there has been a significant change in the depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

Disposals are recorded when the assets are scrapped or sold. Cost of maintenance is expensed as incurred.

(h) Intangible asset

Intangible asset comprises of computer software which is stated at historical cost less accumulated amortisation and impairment losses, if any. This is amortised using the straight-line method over an estimated useful life of three years. Costs associated with the maintenance of computer software are recognised as expenses when incurred.

(i) Impairment

At each reporting date, property and equipment and intangible asset are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Similarly, at each reporting date, inventories are assessed for impairment by comparing the carrying amount of each item of inventory (or group of similar items) with its selling price less costs to complete and sell. If an item of inventory (or group of similar items) is impaired, its carrying amount is reduced to selling price less costs to complete and sell, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

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Notes to the financial statements (continued) as at and for the year ended 31 December 2023

3. Significant accounting policies (continued)

(j) Operating leases

Leases when substantially all the rewards and risks of ownership of assets remain with the Lessor are accounted for as operating leases. Rental payable under operating leases are recognised in the statement of comprehensive income on a straight-line basis over the term of the relevant lease.

(k) Employee benefits

(i) *Short-term employee benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Organisation has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

A *Seniority payment*

Starting from 2019, the Organisation pays a fifteen days annual seniority payment to staff under unfixed duration contract in two instalments with half of the seniority payment (7.5 days) in June payroll and the remaining half (7.5 days) in December payroll of each year. Payments made by the Organisation are reported under Personnel costs in the statement of comprehensive income.

B *Thirteen-month salary*

The Organisation pays a thirteen-month salary which is equal to one month's salary to the employees under extended-term contract and open-ended contract at the time of Khmer New Year (at the end of March or in early April). To be eligible for this benefit, employees must have 12 months of continuous employment with the Organisation. For a period of employment shorter than 12 months, the thirteen-month salary is reduced pro rata based on the number of full months worked to date. Payments made by the Organisation are being reported under Personnel costs in the statement of comprehensive income.

C *Paid annual leave*

Full-time employees of the Organisation are entitled to 18 days (1 day increase every 3 years) paid annual leave each year. Annual leave is to be taken at a time mutually agreed by the employee and their immediate supervisor. Employees are encouraged to take their full entitlement of annual leave during each calendar year. A maximum of 9 days of unused annual leave per employee can be carried forward to the following calendar year and any unused leave remaining more than 12 months will be forfeited. If employment is terminated or an employee resigns, their accrued unutilised annual leave will be paid to the employee.

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Notes to the financial statements (continued) as at and for the year ended 31 December 2023

3. Significant accounting policies (continued)

(k) Employee benefits (continued)

(ii) *Other long-term employee benefits*

The Organisation's net obligation in respect of long-term employee benefits is the amount of the benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurements are recognised in profit or loss in the period in which they arise.

A *Pension fund*

The Organisation sets up a provision for pension fund for employees immediately after their employment. The Organisation and staff contribute 10% each of the monthly salary to the pension fund scheme. The fund is maintained in a separate bank account maintained at J Trust Royal Bank under the Organisation's name. The fund will be paid to the staff at the end of their employment. Staff who have been working with the Organisation for less than two years are entitled to only the amount of their own contribution. During the employment, staff can advance their fund if they have been working with the Organisation for more than two years.

Contribution of 10% by the Organisation are reported under Personnel costs in the statement of comprehensive income.

(l) Provisions

Provisions are recognised if, as a result of a past event, the Organisation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

(m) Income tax

No provision for income tax since TI Cambodia is registered as not-for-profit organisation which is subject to exempt from income tax under Article 9 of Cambodian Law on Taxation.

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 United States Dollars amounts into Khmer Riel ("KHR") meets the presentation requirements pursuant to Law on Accounting and Auditing and has been done in compliance with CIFRS for SMEs Section 30, *Foreign Currency Translation*.

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Notes to the financial statements (continued) as at and for the year ended 31 December 2023

4. Translation of United States Dollars into Khmer Riel (continued)

Assets and liabilities are translated at the closing rate as at the reporting. The statements of comprehensive income and cash flows are translated into KHR using the average rate for the year, which have been deemed to approximate the exchange rates at the date of transaction as exchange rates have not fluctuated significantly during the period. Exchange differences arising from the translation are recognised as “Currency translation reserves” in the other comprehensive income.

The Organisation uses the following exchange rates:

Financial year end		Closing rate	Average rate
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.

5. Unrestricted income

	US\$	2023 KHR'000 (Note 4)	US\$	2022 KHR'000 (Note 4)
The Swedish International Development Cooperation Agency and European Union (SIDA/EU)	<u>697,788</u>	<u>2,867,909</u>	<u>1,110,108</u>	<u>4,537,011</u>

This represents funding from SIDA for the project “Collective Actions Against Corruption 2023-2025”.

SIDA has committed a total fund of SEK7,850,000 (equivalent to US\$745,142 as per Oanda’s exchange rate on 15 March 2023) to TI Cambodia for the year 2023. However, the fund receipt of SEK7,850,000 transferred to TI Cambodia in 2023 was converted to US\$ for an amount of US\$728,836 as per exchange rate on the received date which resulted in TI Cambodia has deficit fund (received amount less than committed amount) of US\$16,306.19 due to the fluctuation of exchange rate of SEK/USD.

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Notes to the financial statements (continued) as at and for the year ended 31 December 2023

6. Restricted income

	2023		2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
The European Union (EU) (*)	547,246	2,249,181	665,637	2,720,458
U.S Agency for International Development (USAID) (*)	324,081	1,331,973	190,446	778,353
Transparency International Secretariat (TIS) – IPP Project	39,373	161,823	68,150	278,529
IFES (*)	38,796	159,451	24,379	99,638
TIS-SANCUS Project (*)	41,034	168,650	17,258	70,533
Oxfam Fair Trade	59,665	245,223	18,096	73,958
Oxfam-YBT	-	-	18,895	77,224
Oxfam (FFIP-TI)	-	-	14,975	61,203
TIS-WSF	42,750	175,703	-	-
TIS-YWPA	43,689	179,562	-	-
USAID-2EP-HRD	48,791	200,531	-	-
USAID-YPE	21,844	89,779	-	-
	<u>1,207,269</u>	<u>4,961,876</u>	<u>1,017,836</u>	<u>4,159,896</u>

(*) Including in these income are indirect cost charged based on total expenses of fund from EU (7%), USAID(10%), TIS-SANCUS (7%) and IFES (10%).

The cost will be deducted from respective fund account to TI Cambodia's account annually. During 2023, there was indirect cost amounting to US\$77,980 (2022: US\$72,064).

7. Other income

	2023		2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Bank interest	1,504	6,181	2,558	10,455
Exchange gain	45	185	130	531
Other contributions	1,490	6,124	2,972	12,146
	<u>3,039</u>	<u>12,490</u>	<u>5,660</u>	<u>23,132</u>

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Notes to the financial statements (continued) as at and for the year ended 31 December 2023

8. Program activity costs

	2023															
	SIDA/EU	EU	USAID	Oxfam Fair Trade	Oxfam Fair Finance	Oxfam Fair Tax	TIS-IPP	TIS- SANCUS	TIS-WFS	TIS- YWPA	IFES	USAID- 2EP-HRD	TIC	USAID YPE	Total	
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	KHR'000
Project monitoring and evaluation	65,295	4,776	25,784	27,474	-	-	10,606	13,325	7,765	6,000	2,051	-	-	-	163,076	670,242
Workshop and conference	62,575	201,270	139,507	9,431	-	-	10,125	-	3,005	37,456	8,655	31,263	808	20,778	524,873	2,157,228
Publication	4,292	-	1,759	-	-	-	-	-	-	-	1,300	-	-	-	7,351	30,213
Transportation	9,283	22,576	19,658	90	-	-	1,515	-	-	190	1,523	-	437	-	55,272	227,168
Other direct costs	14,379	6,034	24,731	2,491	-	-	6,543	1,522	-	-	3,748	-	-	-	59,448	244,331
	155,824	234,656	211,439	39,486	-	-	28,789	14,847	10,770	43,646	17,277	31,263	1,245	20,778	810,020	3,329,182

	2022														
	SIDA/EU	EU	USAID	Oxfam Fair Trade	Oxfam Fair Finance	Oxfam Fair Tax	TIS-IPP	TIS- SANCUS	TIS-WFS	TIS- YWPA	IFES	USAID- 2EP-HRD	TIC	Total	
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	KHR'000 (Note 4)
Project monitoring and evaluation	95,540	4,441	12,885	-	13,988	10,688	22,112	-	-	-	-	-	3,294	162,948	665,968
Workshop and conference	161,290	354,702	45,720	-	672	7,094	24,775	-	-	-	7,199	-	496	601,948	2,460,161
Publication	10,827	1,091	3,642	-	60	-	2,047	-	-	-	-	-	-	17,667	72,205
Transportation	30,364	21,585	4,898	185	-	338	5,285	2,758	-	-	257	-	2,754	68,424	279,649
Other direct costs	3,901	15,575	20,921	-	142	-	5,141	-	-	-	2,624	-	-	48,304	197,419
	301,922	397,394	88,066	185	14,862	18,120	59,360	2,758	-	-	10,080	-	6,544	899,291	3,675,402

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Notes to the financial statements (continued) as at and for the year ended 31 December 2023

9. Personnel costs

		2023														
		SIDA/EU	EU	USAID	Oxfam Fair Trade	Oxfam Fair Finance	TIS- IPP	TIS- SANCUS	TIS- WFS	TIS- YWPA	USAID- 2EP- HRD	USAID- YPE	IFES	TIC	Total	
		US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$ KHR'000 (Note 4)	
Salary		329,187	197,047	46,877	15,840	-	4,663	17,356	21,593	-	13,172	880	11,816	-	658,431	2,706,151
Benefits		103,969	16,425	12,028	2,750	-	2,180	3,809	6,431	-	4,219	125	2,209	(4,462)	149,683	615,198
		433,156	213,472	58,905	18,590	-	6,843	21,165	28,024	-	17,391	1,005	14,025	(4,462)	808,114	3,321,349
		2022														
		SIDA/EU	EU	USAID	Oxfam Fair Trade	Oxfam Fair Finance	TIS- IPP	TIS- SANCUS	TIS- WFS	TIS- YWPA	USAID- 2EP- HRD	USAID- YPE	IFES	TIC	Total	
		US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$ KHR'000 (Note 4)	
Salary		494,907	161,748	51,571	12,000	752	-	9,589	-	-	-	-	5,545	-	736,112	3,008,490
Benefits		146,625	15,250	12,176	3,115	-	189	3,369	-	-	-	-	1,345	390	182,459	745,710
		641,532	176,998	63,747	15,115	752	189	12,958	-	-	-	-	6,890	390	918,571	3,754,200

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Notes to the financial statements (continued) as at and for the year ended 31 December 2023

10. Capital expenditure

	2023								
	SIDA/EU	EU	USAID	Oxfam Fair Trade	TI-A	TIS-IPP	TIC	Total	
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	KHR'000 (Note 4)
Depreciation expense	12,439	8,495	3,417	-	-	-	1,949	26,300	108,093
Minor equipment	4,629	1,523	124	-	-	-	2,069	8,345	34,298
	17,068	10,018	3,541	-	-	-	4,018	34,645	142,391
	2022								
	SIDA/EU	EU	USAID	Oxfam Fair Trade	TI-A	TIS-IPP	TIC	Total	
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	KHR'000 (Note 4)
Depreciation expense	14,695	11,863	518	-	-	-	1,912	28,988	118,474
Minor equipment	2,859	490	1,620	-	-	-	-	4,969	20,308
	17,554	12,353	2,138	-	-	-	1,912	33,957	138,782

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Notes to the financial statements (continued) as at and for the year ended 31 December 2023

11. Office running costs

	2023															
	SIDA/EU	EU	USAID	Oxfam Fair Trade	Oxfam Fair Finance	Oxfam Fair Tax	TIS-IPP	TIS-SANCUS	TIS-WFS	TIS-YWPA	USAID-YPE	USAID-2EP-HRD	IFES	TIC	Total	
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	KHR'000 (Note 4)
Office rental	20,025	6,875	6,000	400	-	-	-	-	-	-	-	-	1,500	-	34,800	143,028
Utilities	4,985	2,126	1,976	340	-	-	-	-	-	-	-	-	494	-	9,921	40,775
Stationeries and supplies	8,080	1,829	376	206	-	-	-	-	-	-	2	2	106	200	10,801	44,392
Other running costs	23,554	21,028	3,470	387	-	-	202	60	69	44	38	147	212	9,864	59,075	242,799
	56,644	31,858	11,822	1,333	-	-	202	60	69	44	40	149	2,312	10,064	114,597	470,994
	2022															
	SIDA/EU	EU	USAID	Oxfam Fair Trade	Oxfam Fair Finance	Oxfam Fair Tax	TIS-IPP	TIS-SANCUS	TIS-WFS	TIS-YWPA	USAID-YPE	USAID-2EP-HRD	IFES	TIC	Total	
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	KHR'000 (Note 4)
Office rental	30,004	7,500	5,689	750	-	-	-	-	-	-	-	-	821	-	44,764	182,950
Utilities	4,408	2,152	1,730	732	-	-	-	-	-	-	-	-	308	-	9,330	38,132
Stationeries and supplies	12,493	2,221	605	591	-	-	138	-	-	-	-	-	222	20	16,290	66,577
Other running costs	32,937	5,155	5,690	252	(34)	25	2,448	50	-	-	-	-	53	4,007	50,583	206,733
	79,842	17,028	13,714	2,325	(34)	25	2,586	50	-	-	-	-	1,404	4,027	120,967	494,392

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Notes to the financial statements (continued) as at and for the year ended 31 December 2023

12. Communication

		2023											
		SIDA/EU	EU	USAID	Oxfam Fair Trade	TIS-IPP	TIS- SANCUS	IFES	USAID- YPE	USAID- 2EP-HRD	TIC	Total	
		US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	
		KHR'000 (Note 4)											
Telephone and internet		8,746	4,371	2,828	366	201	264	694	21	20	1,480	18,991	78,053
		2022											
		SIDA/EU	EU	USAID	Oxfam Fair Trade	TIS-IPP	TIS- SANCUS	IFES	USAID- YPE	USAID- 2EP-HRD	TIC	Total	
		US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	
		KHR'000 (Note 4)											
Telephone and internet		15,795	4,775	2,585	647	556	93	273	-	-	15	24,739	101,108

This represents the expense for telephone and internet expense incurred in the office. It is not for the programme communication expense.

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Notes to the financial statements (continued) as at and for the year ended 31 December 2023

13. Capacity development

		2023										
		SIDA/EU	EU	USAID	Oxfam Fair Trade	TI-A	TIS-IPP	TIS-SANCUS	IFES	TIC	Total	
		US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	KHR'000 (Note 4)
Internal training		12,449	-	-	-	-	-	-	-	-	12,449	51,165
External training		5,366	1,752	-	-	-	-	-	-	117	7,235	29,736
		17,815	1,752	-	-	-	-	-	-	117	19,684	80,901
		2022										
		SIDA/EU	EU	USAID	Oxfam Fair Trade	TI-A	TIS-IPP	TIS-SANCUS	IFES	TIC	Total	
		US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	KHR'000 (Note 4)
External training		43,707	7,230	-	-	-	1,879	270	2,389	3,084	58,559	239,331

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Notes to the financial statements (continued) as at and for the year ended 31 December 2023

14. Professional fee

2023										
	SIDA/EU	EU	USAID	Oxfam Fair Trade	TI-A	TIS-IPP	IFES	TIC	Total	
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	KHR'000 (Note 4)
Professional services	<u>8,853</u>	<u>15,000</u>	<u>6,197</u>	<u>-</u>	<u>-</u>	<u>3,500</u>	<u>1,000</u>	<u>-</u>	<u>34,550</u>	<u>142,001</u>
2022										
	SIDA/EU	EU	USAID	Oxfam Fair Trade	TI-A	TIS-IPP	IFES	TIC	Total	
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	KHR'000 (Note 4)
Professional services	<u>10,518</u>	<u>-</u>	<u>2,530</u>	<u>-</u>	<u>-</u>	<u>3,580</u>	<u>1,150</u>	<u>2,912</u>	<u>20,690</u>	<u>84,560</u>

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Notes to the financial statements (continued) as at and for the year ended 31 December 2023

15. Indirect costs

	2023										
	SIDA/EU	EU	USAID	Oxfam Fair Trade	TI-A	TIS-WFS	SANCUS	IFES	TIC	Total	
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	KHR'000 (Note 4)
Indirect costs	-	-	-	-	-	-	-	-	4,129	4,129	16,970
	2022										
	SIDA/EU	EU	USAID	Oxfam Fair Trade	TI-A	TIS-WFS	SANCUS	IFES	TIC	Total	
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	KHR'000 (Note 4)
Indirect costs	-	-	-	-	-	-	-	-	4,901	4,901	20,030

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Notes to the financial statements (continued) as at and for the year ended 31 December 2023

16. Cash and cash equivalents

	31 December 2023		31 December 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Cash on hand	1,186	4,845	1,551	6,385
Cash at banks	390,615	1,595,662	753,750	3,103,189
	391,801	1,600,507	755,301	3,109,574

The cash at banks pertain to current accounts and saving accounts placed with local banks which earned interest rate ranging from 0.15% to 0.55% (2022: 0.15% to 0.55%) per annum for saving accounts.

Included in cash at banks is a designed account for pension fund of US\$106,596 (31 December 2022: US\$80,748) kept at JTrust Royal Bank Plc. As at 31 December 2023, there were the remaining pension fund amounting to US\$44,530 (31 December 2022: US\$75,450) kept under other bank accounts of SIDA fund, EU fund and TIC reserve fund. At the date of these financial statements, these remaining pension fund has not transferred to the designed account yet.

17. Deposits and prepayments

	31 December 2023		31 December 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Deposits	280	1,144	808	3,327
Prepaid insurance	1,342	5,482	1,185	4,879
Others	10	41	3,010	12,391
	1,632	6,667	5,003	20,597

18. Accrued income – donors

	31 December 2023		31 December 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
The European Union	133,124	543,812	1,895	7,802
TIS – IPP Project	4,287	17,512	-	-
The International Foundation for Electoral Systems	10,102	41,267	-	-
TIS– SANCUS	20,864	85,229	-	-
USAID-YPE Project	21,844	89,233	-	-
	190,221	777,053	1,895	7,802

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Notes to the financial statements (continued) as at and for the year ended 31 December 2023

19. Advance to project partners

This represents the outstanding advances provided to partners for the project implementation.

	31 December 2023		31 December 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
ActionAid Cambodia	-	-	57,551	236,937
Advocacy and Policy Institution	5,248	21,438	10,630	43,763
Politikofee	2,888	11,797	6,229	25,645
CamboJA	5,527	22,578	15,389	63,357
Camboida Institute for Democracy	15,028	61,389	-	-
Equitable Cambodia (EC)	11,877	48,518	-	-
Sahmakum Teang Tnaut	9,604	39,232	-	-
Highlander Association- Ratanakiri	5,268	21,520	-	-
Ponlok Khmer	4,364	17,827	-	-
Cambodia Youth Network Association	855	3,493	-	-
	<u>60,659</u>	<u>247,792</u>	<u>89,799</u>	<u>369,702</u>

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Notes to the financial statements (continued) as at and for the year ended 31 December 2023

20. Property and equipment

2023	Land and land improvement US\$	Office and IT equipment US\$	Furniture and fixtures US\$	Vehicles US\$	Construction in progress US\$	US\$	Total KHR'000 (Note 4)
Cost							
At 1 January 2023	127,425	55,757	12,490	85,302	-	280,974	1,156,770
Additions	16,302	10,802	-	-	16,969	44,073	181,140
Currency translation difference	-	-	-	-	-	-	(10,093)
At 31 December 2023	<u>143,727</u>	<u>66,559</u>	<u>12,490</u>	<u>85,302</u>	<u>16,969</u>	<u>325,047</u>	<u>1,327,817</u>
Accumulated depreciation							
At 1 January 2023	-	39,298	7,867	26,003	-	73,168	301,233
Depreciation for the year	-	11,931	2,498	11,871	-	26,300	108,093
Currency translation difference	-	-	-	-	-	-	(2,999)
At 31 December 2023	<u>-</u>	<u>51,229</u>	<u>10,365</u>	<u>37,874</u>	<u>-</u>	<u>99,468</u>	<u>406,327</u>
Carrying amounts							
At 31 December 2023	<u>143,727</u>	<u>15,330</u>	<u>2,125</u>	<u>47,428</u>	<u>16,969</u>	<u>225,579</u>	<u>921,490</u>

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Notes to the financial statements (continued) as at and for the year ended 31 December 2023

20. Property and equipment (continued)

2022	Land US\$	Office and IT equipment US\$	Furniture and fixtures US\$	Vehicles US\$	US\$	Total KHR'000 (Note 4)
Cost						
At 1 January 2022	127,425	40,201	12,490	99,651	279,767	1,139,771
Additions	-	15,556	-	20,200	35,756	146,135
Disposals	-	-	-	(34,549)	(34,549)	(141,202)
Currency translation difference	-	-	-	-	-	12,066
At 31 December 2022	127,425	55,757	12,490	85,302	280,974	1,156,770
Accumulated depreciation						
At 1 January 2022	-	27,439	4,763	31,972	64,174	261,445
Depreciation for the year	-	11,859	3,104	14,025	28,988	118,474
Disposals	-	-	-	(19,994)	(19,994)	(81,715)
Currency translation difference	-	-	-	-	-	3,029
At 31 December 2022	-	39,298	7,867	26,003	73,168	301,233
Carrying amounts						
At 31 December 2022	127,425	16,459	4,623	59,299	207,806	855,537

On 30 September 2020, the Organisation purchased a piece of land located at Putsiang commune in Khan Prek Phnov, Phnom Penh using TI Cambodia's own reserve which mainly generated from the indirect charge to donor based on percentage of total expenses approved by donor. The purpose of this land is to support its long-term sustainability efforts to have its own building for implementing programme activities and hosting events including meetings, workshops, forums, youth camp and youth gatherings. The land ownership was registered in soft title deed and hold in trust under the name of the three representatives of TI Cambodia. In early 2023, TI Cambodia has processed for land hard title; however, the application for hard title has not been completely finalised due to the fact that the government has re-evaluated the tax rate for land, and the result has not been released yet for the General Department of Taxation to apply in determining the stamp tax for hard title deed.

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Notes to the financial statements (continued) as at and for the year ended 31 December 2023

21. Deferred income – donors

	31 December 2023		31 December 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
EU	-	-	414,122	1,704,940
SIDA and EU co-fund (*)	61,027	249,295	29,979	123,424
U.S Agency for International Development (USAID)	16,910	69,077	65,858	271,137
Oxfam Fair Trade	13,120	53,595	30,583	125,910
Transparency International Secretariat (TIS) – IPP Project	-	-	35,085	144,445
Secretariat (TIS) – 4.0 Project	-	-	20,170	83,040
USAID-2EPHRD	133,582	545,683	-	-
TIS-Climate	3,547	14,490	-	-
TIS-YWPA	17,664	72,157	-	-
	245,850	1,004,297	595,797	2,452,896

(*) This represents co-funding from SIDA and EU for the project Collective Actions Against Corruption 2023-2025.

The reconciliation of movement of deferred income was as follows:

	2023		2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
At 1 January	595,797	2,452,896	1,228,824	5,006,229
Receipt during the year	1,555,110	6,391,502	1,494,917	6,109,726
Transfer to income	(1,905,057)	(7,639,279)	(2,127,944)	(8,696,907)
Currency translation different	-	(200,822)	-	33,848
At 31 December	245,850	1,004,297	595,797	2,452,896

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Notes to the financial statements (continued) as at and for the year ended 31 December 2023

21. Deferred income – donors (continued)

The detail of receipt during the year were as follows:

	2023		2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
European Union	133,122	547,131	333,777	1,364,147
SIDA&EU	728,836	2,995,516	799,643	3,268,141
USAID	296,977	1,220,575	237,078	968,938
USAID-2EP-HRD	182,373	749,553	-	-
IFES	38,798	159,460	24,379	99,637
Oxfam - Fair Trade	42,202	173,450	15,050	61,509
TIS-SANCUS	30,303	124,545	37,428	152,968
TIS-Climate	46,297	190,281	-	-
TIS-YWPA	51,914	213,367	-	-
TIS-TI IPP	4,288	17,624	47,562	194,386
	1,555,110	6,391,502	1,494,917	6,109,726

22. Payable to project partners

	31 December 2023		31 December 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
ActionAid Cambodia	64,125	261,951	-	-
Alliance for Conflict Transformation	6,359	25,977	-	-
Banteay Srei	4,067	16,614	-	-
Youth Council of Cambodia	6,259	25,567	-	-
Khmer Youth Association	2,959	12,087	-	-
	83,769	342,196	-	-

23. Other payables

	31 December 2023		31 December 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Accrual bonus	29,379	120,013	34,144	140,571
Professional fee	27,775	113,461	10,275	42,302
Withholding tax payable	16,322	66,675	19,842	81,690
Unused annual leave	13,364	54,592	17,826	73,390
Others	12,945	52,881	140	576
	99,785	407,622	82,227	338,529

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Notes to the financial statements (continued) as at and for the year ended 31 December 2023

24. Pension fund liabilities

Pension fund pertains to the balance of pension fund contributed by TI Cambodia at 10% and by employee at 10% of their monthly salary.

Movements of the pension fund was as follows:

	2023		2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
At 1 January	156,197	643,063	184,833	753,010
Contribution during the year	95,192	391,239	117,941	482,025
Settlements	(99,850)	(410,384)	(146,577)	(599,060)
Currency translation difference	-	(4,881)	-	7,088
At 31 December	151,539	619,037	156,197	643,063

25. Related party transactions

	2023		2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Compensation for key management	112,906	464,044	112,436	459,526
Board meeting honorarium (communication/transportation)	400	1,644	600	2,452

26. Commitments and contingencies

(i) Lease commitment

TI Cambodia has commitments under non-cancellable operating lease for office building. The total future minimum operating lease payments are as follow:

	31 December 2023		31 December 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Not later than one year	25,000	102,125	34,800	143,272
Later than one year but less than five years	-	-	25,000	102,925
	25,000	102,125	59,800	246,197

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Notes to the financial statements (continued) as at and for the year ended 31 December 2023

26. Commitments and contingencies (continued)

(ii) Tax contingencies

The tax returns of the Organisation are subject to periodic examination by the General Department of Taxation, who is enabled by law to impose severe fines, penalties and interest charges. As the application of tax laws and regulations to various types of transactions is susceptible to varying interpretations. Management believes that it has adequately provided tax liabilities based on its interpretation of the tax legislation. However, the relevant authorities may have different interpretations and the effect could be significant.