

Phare Ponleu Selpak Association

Report of the Board of Directors
and
Audited financial statements

as at and for the year ended 31 December 2023



PHARE PONLEU SELPAK

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December 2023

Organization document: Phare Ponleu Selpak (“PPS” or “the Organisation”) was established under the letter No. 391 issued by the Ministry of Interior on 25 April 2002

Office address: Anh Chanh Village, Ochar Commune, Battambang Province

Donors: Phare Ponleu Selpak France (“PPSF”)
J&K WONDERLAND FOUNDATION
Nomura Bank

Governance Board/ Founders Committee:

Mr. Khuon Det
Mr. Tor Vutha
Mr. Lon Lao

Management team: Mr. Osman Khawaja Executive Director
Ms. Ly Kanha Head of Finance

Principal bankers: Aceda Bank Plc.
Canadia Bank Plc.
ABA Bank Ltd.
WB Finance Co., Ltd.
Wing Bank Cambodia Plc.

Auditors: ECOVIS VSDK & Partners Co., Ltd

Phare Ponleu Selpak Association

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REPORT OF THE BOARD OF DIRECTORS

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

The management of Phare Ponleu Selpak Association (the "Organization") is responsible for the statement of fund receipts, disbursements and fund balance for the year ended 31 December 2023 which are prepared, in all material respects, in accordance with the accounting policies described in Note 2 to the financial statements.

In preparing these financial statements, management is required to:

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

Management is responsible for ensuring that proper accounting records are kept which enable the financial statements to be prepared in compliance with the basis of accounting described in Note 2 to the financial statements. Management is also responsible for safeguarding the assets of the Organization and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Management has confirmed that it has complied with the above requirements in preparing the financial statements.

APPROVAL OF THE FINANCIAL STATEMENTS

We hereby approve the accompanying financial statements of the Organization, which are prepared, in all material respects, to present the Organization's fund balance as at 31 December 2023, and its receipts and disbursements for the year then ended, in accordance with the accounting policies described in Note 2 to the financial statements.

On behalf of the Organization's management:



Osman Khawaja
Executive Director
Phare Ponleu Selpak Association

Battambang, Kingdom of Cambodia
30 April 2024

INDEPENDENT AUDITORS' REPORT**To: The Management and Board of Directors of Phare Ponleu Selpak Association*****Qualified Opinion***

We have audited the accompanying financial statements of Phare Ponleu Selpak Association (the "Organization") which comprise the statement of fund balance as at 31 December 2023, and its receipts and disbursements for the year ended 31 December 2023 and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section in our report, the financial statements of the Organization as at 31 December 2023 and for the year then ended are prepared, in all material respects, in accordance with the accounting policies described in Note 2 to the financial statements.

Basis for Qualified Opinion

Management have not declared and remitted tax on profit from income generated by circus, theatre, music and other shows performance to tax department at all.

We conducted our audit in accordance with Cambodian International Standards on Auditing ("CISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements of the Kampuchea Institute of Certified Public Accountants and Auditors' Code of Ethics for Certified Public Accountants and Auditors (KICPAA Code) that are relevant to our audit of the financial report in Cambodia. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the KICPAA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use

We draw your attention to Note 2 to the financial statement which describes the basis of accounting. This financial statement is prepared using the modified cash basis of accounting, which is a comprehensive basis of accounting other than the Cambodian International Financial Reporting Standards. As a result, the financial statement may not be suitable for another purpose. Our report is intended solely for Phare Ponleu Selpak Association and the donors and for no other purposes and should not be distributed to or used by parties other than Phare Ponleu Selpak Association and its donors. Our opinion is not modified in respect of this matter.

Responsibilities of Management and the Board of Directors for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view in accordance with Note 2 to the financial statements, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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.

Auditor's Responsibilities for the Audit of the 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Company 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 Management 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 of Phare Ponleu Selpak Association as at and for the year ended 31 December 2023.




Sopheak PEL
Partner

ECOVIS VSDK & Partners Co., Ltd.
Certified Public Accountants
Registered Auditors

Phnom Penh, Kingdom of Cambodia
30 April 2024

Phare Ponleu Selpak Association

STATEMENT OF FUND RECEIPTS, DISBURSEMENTS AND FUND BALANCE
as at and for the year ended 31 December 2023

	Notes	2023		2022	
		US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
FUND RECEIPTS					
Corporations	7	62,525	256,978	59,796	244,385
Foundations / Organizations	8	183,168	752,820	377,440	1,542,598
Individuals	9	79,335	326,069	55,121	225,281
Sales revenue	10	330,414	1,358,003	245,801	1,004,587
Phare performing social enterprise	11	117,052	481,083	6,792	27,758
Other incomes	12	65,271	268,262	49,432	202,029
Total fund received		837,765	3,443,215	794,382	3,246,639
EXPENDITURES					
Personnel and related costs	13	481,723	1,979,881	471,265	1,926,059
Administration expenses	14	94,471	388,277	57,615	235,471
Expenses from activities and projects	15	214,572	881,891	265,285	1,084,220
Legal and professional fees	16	9,100	37,402	22,655	92,591
Partner project expenses	17	-	-	55,323	226,105
Non-expendable equipment	18	48,663	200,003	48,699	199,032
Taxes paid	19	6,928	28,474	26,162	106,925
Cost of sales of boutique and Food and Beverages	20	54,501	223,999	14,774	60,380
Total expenditures		909,958	3,739,927	961,777	3,930,784
Deficit of source of fund over expenditures		(72,193)	(296,712)	(167,395)	(684,145)
Fund balance at beginning of the year		799,632	3,268,095	967,027	3,952,239
Cumulative exchange differences		-	205	-	-
Total fund balance as at 31 December		727,439	2,971,588	799,632	3,268,095
Fund balance represented by:					
Cash and bank balances	3	305,279	1,247,064	319,550	1,306,000
Other receivables	4	179,216	732,096	140,890	575,815
Investment in PPSE	5	472,044	1,928,299	472,044	1,929,243
Other payables	6	(229,100)	(935,871)	(132,852)	(542,964)
Total fund balance as at 31 December		727,439	2,971,588	799,632	3,268,095

The attached notes 1 to 22 form part of the financial statement.

Phare Ponleu Selpak Association

NOTE TO THE STATEMENT OF FUND RECEIPTS, DISBURSEMENTS AND FUND BALANCE as at and for the year ended 31 December 2023

1. ORGANIZATION BACKGROUND

Phare Ponleu Selpak Association (“PPSA” or “the Organization”) is a Cambodian not for profit Organization registered with the Ministry of Interior on 25 April 2002 under registration No. ៣៤១ សង្កាត់, PPSA is located at Anh Chanh Village, Ochar Commune, Battambang Province, offering support to children, youth and the surrounding communities through artistic, educational, social and community outreach and engagement programmes.

Over 1000 students are empowered every year through this Organization and its programmes: performing, visual and applied arts leisure classes, and vocational training aid children and young adults to develop their creativity, communication and concentration skills, and to access a sustainable artistic career whilst preserving and promoting Cambodian arts and culture.

Vision

PPSA believes passionately in the power of the arts as a tool for human development and social change.

Mission

PPSA is dedicated to providing a nurturing and creative environment where young people can access quality arts training, education, and social support.

At present, the Organization’s major activities are as follows:

Formal education: its aims to promote children’s access to their rights of which education is a key issue. Promoting access to formal education includes the availability of a school, which is free of charge, the development of a high teaching standard and the availability of school materials combined with complementary sources of knowledge including books.

Social action: its aims to enforce child rights through delivering social services to the most vulnerable. The Organisation is aware that it is impossible for children to follow educative and cultural activities without their basic life needs being fulfilled. The Organisation’s social services support these needs in order to ensure children have access to their other rights.

Circus: the circus school has welcomed kids and teenagers to be trained all day long in several circus disciplines: acrobatics, juggling, balancing, contortion, trapeze and clowning.

Theatre: a natural division occurred within the circus with some members preferring a more physical approach, while others displayed an aptitude for theatre and the performing arts.

Music: through the music school’s wide range of activities, its pupils can adapt their musical talents to a number of different settings. Musicians are also trained in traditional Khmer

music making them able to perform during traditional ceremonies (funerals, pagodas, weddings) but also in modern rhythms with contemporary musical instruments. This enables them to mix their knowledge of traditional music with new beats.

Visual arts: The first artistic school and the start of the Organisation. Welcoming all children and young adults, the visual arts school enjoys a high reputation in Cambodia and has started to develop activities abroad. Exhibitions have taken place throughout Cambodia, in hotels and cultural centres but also in Thailand and France. The Organisation’s visual arts school is involved in set design and making costumes. It has also decorated many orphanages, schools and other buildings for children.

Phare Ponleu Selpak Association

NOTE TO THE STATEMENT OF FUND RECEIPTS, DISBURSEMENTS AND FUND BALANCE
(continued)
as at and for the year ended 31 December 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The Organization's financial statements, expressed in United States Dollar (USD), are prepared on a modified cash basis of accounting. This is the basis of accounting that is designed to meet the requirements of the Organization; it is not designed to produce financial statements that are compatible with any generally accepted accounting principles.

The translation of the US\$ amounts into Khmer Riel ("KHR") is presented in the financial statements using the closing and average rate for the year then ended, as announced by the Accounting and Auditing Regulator ("ACAR").

The financial statements are presented in KHR based on the following applicable exchange rates per US\$1:

	<i>2023</i>	<i>2022</i>
Closing rate	4,085	4,117
Average rate for the year	4,110	4,087

The significant policies adopted in the preparation of these financial statements are set out below:

Revenue recognition

Fund received from donors

Fund received from donors is the grant received from various donors including bank interests received on these funds. Fund is recognized as a source when cash is recorded in the Organization's designated account rather than when committed or budgeted.

Fund received from services providing

Fund received from services providing is recognised when services are performed.

Recognition of expenditures

Expenditure under each component is recognized when incurred and when the documents substantiating the Organization's transactions are approved.

Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company 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.

Seniority indemnity payments

In accordance with Prakas No. 443 MoLVT/Br.K dated 21 September 2018 issued by the Ministry of Labour and Vocational Training ("MoLVT"), the Company are required to pay seniority indemnity to its workers/employees as follows:

The employment seniority payment as stated in Article 89 (new) of the Labour Law shall apply to workers/employees who have unspecified duration contracts (UDC) only.

Phare Ponleu Selpak Association

NOTE TO THE STATEMENT OF FUND RECEIPTS, DISBURSEMENTS AND FUND BALANCE
(continued)

as at and for the year ended 31 December 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

For workers/employees who have fixed duration contracts, the employer shall provide the worker/employee with severance pay proportional to both the wages and the length of the contract. The exact amount of the severance pay is set by a collective agreement. If nothing is set in the collective agreement, the severance pay is at least equal to 5% of the wages paid during the length of the contract.

From 1 January 2019 onwards, employees under the UDC shall be entitled to employment seniority payments, the employer shall pay them a seniority payment equal to 15 days per year of their wages and other accessory income. The seniority payment must be paid two times per year and payment shall be made to workers/employees as follows:

- Payment of 7.5 (seven and half) days shall be made in June of each year, and
- Payment of 7.5 (seven and half) days shall be made in December of each year.

Other long-term employee benefits

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

Pension schemes payments

In accordance with the Prakas No. 170/22 MoLVT dated 05 July 2022 issued by Ministry of Labour and Vocational Training's ("MoLVT") to set the starting date of contribution payments for social security compulsory and voluntary pension schemes as stated in Article 33 of Sub-Decree No. 32 ANKr-BrK dated 4 March 2021 on social security pension schemes for persons defined by Labour Law provisions.

The starting date of contribution payments for social security compulsory and voluntary pension schemes is 01 October 2022 onwards. The Company requires contributions old-age pension (OP) schemes are as follows:

First stage – In the first five years, the pension contribution rate is 4% of the contributory wage of the worker/employee. The employer contributes 2%, while the other 2% comes from the worker/employee.

Second stage – In the next five years (i.e. the sixth to tenth years), the contribution rate is 8% of the contributory wage.

Third stage – The contribution rate will increase 2.75% in the eleventh to twentieth years, with subsequent increases of 2.75% every ten years.

Workers/employees who are NSSF members are entitled to receive an OP if they fulfil the following conditions:

1. have registered for a pension scheme
2. are at least 60 years old, and
3. have paid contributions to the pension scheme for at least 12 months.

If condition 3 is not met, they will receive an old-age allowance instead.

The pension contributions will be paid monthly. The sub-decree also introduces a voluntary pension contribution scheme for those who wish to receive a larger pension when they retire.

Phare Ponleu Selpak Association

NOTE TO THE STATEMENT OF FUND RECEIPTS, DISBURSEMENTS AND FUND BALANCE
(continued)
as at and for the year ended 31 December 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances held at banks that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value.

Advance to partners

Advance to partners are initially recognized as receivables in financial statement and only recognized as expenditure when they have been liquidated by supporting invoice and other related documents.

Other assets

Other assets comprise deposit which is stated at transaction price and included in the fund balance in the statement of fund receipts, disbursements and fund balance. It is recognized as expenditures upon liquidation.

Other liabilities

Other liabilities are stated at the outstanding balances.

Foreign exchange differences

Disbursements and withdrawals in foreign currencies are converted into USD at the prevailing exchange rates at the date of transactions. Monetary items denominated in foreign currencies are translated into USD for reporting purposes at the closing exchange rate prevailing at the reporting date.

3. CASH AND BANK BALANCES

	2023		2022	
	US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
Cash on hand	2,862	11,691	3,795	15,508
Cash in bank - current accounts	489	1,996	499	2,038
Cash in bank - saving accounts	201,928	824,877	215,258	886,216
Term deposit with maturity more than 3 months (*)	100,000	408,500	100,000	408,700
	305,279	1,247,064	319,550	1,306,000

* On 27 April 2021, PPSA placed deposit amount of USD 100,000 at interest rate of 7.25% per annum at WB Finance Co., Ltd. for the period from 27 April 2021 to 27 April 2022. (2020: 7.50% p.a.) However, PPSA have not withdrawn yet during the year.

And on 07 September 2021, PPSA placed deposit amount of USD 150,000 at interest rate of 7.25% per annum at WB Finance Co., Ltd. for the period from 07 September 2021 to 07 September 2022. However, PPSA have already withdrawn for this deposit during the year.

Phare Ponleu Selpak Association

NOTE TO THE STATEMENT OF FUND RECEIPTS, DISBURSEMENTS AND FUND BALANCE
(continued)
as at and for the year ended 31 December 2023

4. OTHER RECEIVABLES

	2023		2022	
	US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
Advances to partners	156,321	638,572	89,415	365,440
Account receivables	9,102	37,181	27,230	111,289
Staff advances	12,159	49,668	22,451	91,756
Others	1,634	6,675	1,794	7,331
	179,216	732,096	140,890	575,815

5. INVESTMENT IN PPSE

	2023		2022	
	US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
Investment in PPSE*	472,044	1,928,299	472,044	1,929,243
	472,044	1,928,299	472,044	1,929,243

* In 2013, PPSA transferred its tangible assets to Phare Performing Social Enterprise Co., Ltd. ("PPSE" or "the Company") amounting to USD 286,710 as equity contribution in kind in accordance with the provision of the Memorandum and Articles of Association dated 30 October 2013.

In 2015, PPSA injected additional capital contribution in cash of USD 129,020 which increased the total investment in PPSE's equity capital from USD 268,710 to USD 415,730 representing 71.10% of the PPSE's registered share capital in accordance with the letter of approval by the Ministry of Commerce dated 7 October 2015.

In 2018, PPSA injected share capital amounting to USD 56,314 which increased the total investment in PPSE to USD 472,044 representing 73.60% of the Company's share capital in accordance with the letter of approval by the Ministry of Commerce dated 6 April 2018.

6. OTHER LIABILITIES

	2023		2022	
	US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
Amount due to Grants	67,345	275,106	8,284	33,857
Taxation	1,421	5,804	3,268	13,358
Others	160,334	654,961	121,299	495,749
	229,100	935,871	132,852	542,964

Phare Ponleu Selpak Association

NOTE TO THE STATEMENT OF FUND RECEIPTS, DISBURSEMENTS AND FUND BALANCE
(continued)

as at and for the year ended 31 December 2023

7. CORPORATIONS

	2023		2022	
	US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
International	500	2,055	4,491	18,353
Local	62,025	254,923	55,305	226,032
	62,525	256,978	59,796	244,385

8. FOUNDATIONS / ORGANIZATIONS

	2023		2022	
	US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
<i>Fund received from:</i>				
Phare Ponleu Selpak France	99,191	407,675	121,554	496,793
Fund for partners	-	-	55,323	226,105
Norec (formerly known as FK Norway)	-	-	52,678	215,294
EU Aid	-	-	31,305	127,942
Voice – Oxfam	1,192	4,900	9,087	37,138
Others	82,785	340,245	107,494	439,328
	183,168	752,820	377,440	1,542,598

9. INDIVIDUALS

	2023		2022	
	US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
Local community (donations)	37,280	153,219	23,427	95,746
PPSE big top shows (donations)	16,552	68,027	7,045	28,792
Individuals monthly recurring	3,502	14,393	767	3,134
PPS Big top shows (donations)	9,143	37,576	3,578	14,621
Others	12,858	52,854	20,305	82,987
	79,335	326,069	55,121	225,281

Phare Ponleu Selpak Association

NOTE TO THE STATEMENT OF FUND RECEIPTS, DISBURSEMENTS AND FUND BALANCE
(continued)

as at and for the year ended 31 December 2023

10. SALES REVENUE

	2023		2022	
	US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
External shows/ Events	144,018	591,913	143,143	585,025
Internal workshops / Events	26,231	107,810	32,812	134,101
Boutique	40,126	164,917	17,253	70,514
Food and beverage	23,583	96,928	6,087	24,878
Big top shows	83,738	344,161	23,744	97,042
Media / Design services	12,718	52,274	22,762	93,028
	330,414	1,358,003	245,801	1,004,587

11. PHARE PERFORMING SOCIAL ENTERPRISE

	2023		2022	
	US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
PPSE Royalties	117,052	481,083	6,792	27,758
	117,052	481,083	6,792	27,758

12. OTHER INCOMES

	2023		2022	
	US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
Rental service income	10,341	42,503	24,152	98,711
Interest income	10,469	43,028	18,125	74,077
Gifts in kind	43,981	180,761	-	-
Others income	480	1,970	7,155	29,242
	65,271	268,262	49,432	202,029

13. PERSONNEL AND RELATED COSTS

	2023		2022	
	US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
Staff salaries	446,971	1,837,050	421,594	1,723,056
Staff insurance	10,042	41,274	9,842	40,223
Staff travelling costs related to admin and activities	14,615	60,066	38,301	156,534
Other personnel costs	5,567	22,880	1,350	5,519
Staff training & development	4,528	18,611	178	726
	481,723	1,979,881	471,265	1,926,059

Phare Ponleu Selpak Association

NOTE TO THE STATEMENT OF FUND RECEIPTS, DISBURSEMENTS AND FUND BALANCE
(continued)
as at and for the year ended 31 December 2023

14. ADMINISTRATION EXPENSES

	2023		2022	
	US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
Utilities	21,468	88,235	18,960	77,488
Repair and maintenance	45,820	188,322	21,379	87,374
Office stationeries and supplies	1,774	7,290	842	3,439
Other insurance	5,304	21,797	2,053	8,390
Bank charges	3,825	15,722	1,665	6,804
Postal services	83	342	254	1,040
Other administrative costs	16,197	66,569	12,463	50,936
	94,471	388,277	57,615	235,471

15. EXPENSES FROM ACTIVITIES AND PROJECTS

	2023		2022	
	US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
Expense related to activity / project	170,765	701,846	193,259	789,849
Rental expenses	1,053	4,326	22,515	92,018
Expense for student show and workshop	42,754	175,719	49,511	202,353
	214,572	881,891	265,285	1,084,220

16. LEGAL AND PROFESSIONAL FEES

	2023		2022	
	US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
Professional service fees	-	-	12,947	52,915
Auditing services	4,400	18,084	5,900	24,113
Training fee and services for staff	2,652	10,902	859	3,510
Other services related to admin	1,493	6,138	2,799	11,440
Training fee and services for students/projects	555	2,278	150	613
	9,100	37,402	22,655	92,591

Phare Ponleu Selpak Association

NOTE TO THE STATEMENT OF FUND RECEIPTS, DISBURSEMENTS AND FUND BALANCE
(continued)
as at and for the year ended 31 December 2023

17. PARTNER PROJECT EXPENSES

	2023		2022	
	US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
Blue Dragon	-	-	55,323	226,105
	-	-	55,323	226,105

18. NON-EXPENDABLE EQUIPMENT

	2023		2022	
	US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
Furniture and fixtures	-	-	1,210	4,945
Machinery and equipment	43,253	177,768	47,489	194,087
Vehicles	5,410	22,235	-	-
	48,663	200,003	48,699	199,032

19. TAXES PAID

	2023		2022	
	US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
Withholding tax	6,928	28,474	26,162	106,925
	6,928	28,474	26,162	106,925

20. COST OF SALES BOUTIQUE FOOD AND BEVERAGES

	2023		2022	
	US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
Cost of Sale boutique food and beverages	54,501	223,999	14,774	60,380
	54,501	223,999	14,774	60,380

Phare Ponleu Selpak Association

NOTE TO THE STATEMENT OF FUND RECEIPTS, DISBURSEMENTS AND FUND BALANCE
(continued)

as at and for the year ended 31 December 2023

21. SUBSEQUENT EVENTS

No other significant events occurred after the end of the reporting period and the date of authorization of the financial statements, which would require adjustments or disclosures to be made in the financial statements.

22. TAX CONTINGENCY

The taxation system in Cambodia is characterized by numerous taxes and frequently changing legislation, which is often unclear, contradictory and subject to interpretation. Often, differing interpretations exist among numerous taxation authorities. 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. These facts may create tax risks in Cambodia which can be substantially more significant than in other countries.

