

FRIENDS-INTERNATIONAL LAO – PEUAN MIT



FINANCIAL STATEMENTS

31 DECEMBER 2024



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**Organisation Information**

**Organisation Name** Friends-International Laos / Peuan Mit

**Organisation Document** Memorandum of Understanding (“MoU”) issued by the Government of Lao PDR represented by the Ministry of Labour and Social Welfare from 2004 - 2011, subsequently renewed until 2023, and again until 31 December 2028 which is under signing process.

**Board of Directors**

1 Jan 2023 – 28 March 2024	From 28 March 2024
Lucile Belleville – Chairperson	Olivier Fahri - Chairperson
Wilfried Schneider - Secretary	Wilfried Schneider - Secretary
Olivier Fahri – Treasurer	Olivier Veilhan – Treasurer
Olivier Veilhan – Member	Lucile Belleville – Member
Chenda Sophea Chhun - Member	Chenda Sophea Chhun - Member

**Management**

Sebastien Marot	Executive Director and Founder
Ketsone Philaphandet	Country Program Director
Phouthasone Phonghsawanh	Finance Manager
Bouavone Boualivong	Vientiane Coordinator
Anousin Phanthachit	Luang Prabang Coordinator
Khampam Meungvong	Saving Lives Coordinator
Dao Xiong	Building Futures Coordinator

**Registered Office** Phai Nam Road - P.O. Box 10688, Vientiane, Lao PDR

**Principal Banker** Banque pour le Commerce Exterieur Lao Public (BCEL)

**Auditors** PricewaterhouseCoopers (Lao) Sole Company Limited

## STATEMENT BY THE ORGANISATION'S MANAGEMENT

We, the undersigned, on behalf of the management of Friends-International Lao (Peuan Mit) do hereby state that, in our opinion, the accompanying financial statements which comprise the statement of financial position as at 31 December 2024, the statement of income and expenditure and the statement of change in fund balance for the year then ended as set out on pages 6 to 8 are prepared, in all material respects, in accordance with the basis of preparation and the accounting policies described in Note 2 to the financial statements.

On behalf of the management:



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Ms. Ketsone Philaphandet  
Country Program Director  
Date: 4 April 2025

A handwritten signature in blue ink, appearing to read "Ph. Phongsawanh", is written above a horizontal line.

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Ms. Phouthasone Phongsawanh  
Finance Manager  
Date: 4 April 2025



## Independent auditor's report

### To the management of Friends-International Lao – Peuan Mit

#### Our opinion

In our opinion, the financial statements of Friends-International Lao – Peuan Mit (the Organisation) for the year ended 31 December 2024 are prepared, in all material respects, in accordance with accounting policies described in Note 2 to the financial statements.

#### What we have audited

The Organization's financial statements comprise:

- the statement of financial position as at 31 December 2024;
- the statement of income and expenditures;
- the statement of change in fund balance for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We are independent of the Organisation 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). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

#### Emphasis of matter - Basis of accounting and restriction on distribution and use

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with accounting policies described in Note 2 to the financial statements. As a result, the financial statements may not be suitable for another purpose.

Our report is intended solely for the Organisation and should not be distributed to or used by parties other than the Organisation. Our opinion is not modified in respect to this matter.



## **The Director's responsibilities for the financial statements**

The directors are responsible for the preparation of the financial statements in accordance with accounting policies described in Note 2 to the financial statements, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 the directors either intend to liquidate the Organisation or to cease operations, or has no realistic alternative but to do so.

## **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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We are 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Conclude on the appropriateness of the directors' 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 Organization'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 Organization to cease to continue as a going concern.



We communicate with the directors 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 PricewaterhouseCoopers (Lao) Sole Company Limited

By Sunya Rattana Vibull  
Director

Vientiane Capital, Lao PDR  
Date: 4 April 2025

FRIENDS-INTERNATIONAL LAO – PEUAN MIT

STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2024

	Notes	2024 LAK	2023 LAK
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	3,433,737,380	6,956,161,182
Accrued donor income	4	279,790,562	752,630,000
Other current assets	5	676,627,086	266,234,179
		<b>4,390,155,028</b>	<b>7,975,025,361</b>
<b>Non-current assets</b>			
Fixed assets	6	698,006,605	766,786,065
		<b>698,006,605</b>	<b>766,786,065</b>
<b>TOTAL ASSETS</b>		<b>5,088,161,633</b>	<b>8,741,811,426</b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Unearned income – donors	7	202,155,874	1,739,557,300
Other payables	8	525,732,042	177,015,535
<b>Total liabilities</b>		<b>727,887,916</b>	<b>1,916,572,835</b>
<b>Fund balance</b>			
Fund balance		4,360,273,717	6,825,238,591
<b>Total fund balance</b>		<b>4,360,273,717</b>	<b>6,825,238,591</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>		<b>5,088,161,633</b>	<b>8,741,811,426</b>



Ms. Ketsone Philaphandet  
Country Program Director  
Date: 4 April 2025



Ms. Phouthasone Phongsawanh  
Finance Manager  
Date: 4 April 2025

The accompanying notes on pages 9 to 18 form an integral part of these financial statements.



FRIENDS-INTERNATIONAL LAO – PEUAN MIT

STATEMENT OF INCOME AND EXPENDITURES  
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 LAK	2023 LAK
<b>Income</b>			
Funds received from donors	9	5,421,697,578	9,998,100,518
Private donations	10	1,356,794,496	60,606,200
Other income	11	189,309,565	1,068,969,851
Vocational training income	12	2,431,874,062	1,468,415,605
<b>Total income</b>		<b>9,399,675,701</b>	<b>12,596,092,174</b>
<b>Expenditures</b>			
Personnel	13	7,162,855,692	4,915,604,880
Direct costs	14	1,612,463,347	1,882,967,765
Equipment		242,116,267	257,297,586
Indirect costs	15	1,151,956,498	1,201,448,034
Travel & training		150,287,674	278,232,998
Vocational training costs	16	1,211,222,337	1,033,515,000
Headquarter support fees	17	333,738,760	427,385,279
<b>Total expenditures</b>		<b>11,864,640,575</b>	<b>9,996,451,542</b>
<b>Surplus of income over expenditure</b>		<b>(2,464,964,874)</b>	<b>2,599,640,632</b>



Ms. Ketsone Philaphandet  
Country Program Director  
Date: 4 April 2025

Ms. Phouthasone Phongsawanh  
Finance Manager  
Date: 4 April 2025

The accompanying notes on pages 9 to 18 form an integral part of these financial statements.

FRIENDS-INTERNATIONAL LAO – PEUAN MIT

STATEMENT OF CHANGE IN FUND BALANCE  
FOR THE YEAR ENDED 31 DECEMBER 2024

	Fund balance LAK	Total Fund balance LAK
<b>At 1 January 2024</b>		
Fund balance	6,825,238,591	6,825,238,591
Deficits of expenditures over income for the year	<u>(2,464,964,874)</u>	<u>(2,464,964,874)</u>
<b>At 31 December 2024</b>	<b><u>4,360,273,717</u></b>	<b><u>4,360,273,717</u></b>
<b>At 1 January 2023 (Restated)</b>		
Fund balance	4,225,597,959	4,225,597,959
Surplus of income over expenditure for the year	<u>2,599,640,632</u>	<u>2,599,640,632</u>
<b>At 31 December 2023</b>	<b><u>6,825,238,591</u></b>	<b><u>6,825,238,591</u></b>



Ms. Ketsone Philaphandet  
Country Program Director  
Date: 4 April 2025



Ms. Phouthasone Phongsawanh  
Finance Manager  
Date: 4 April 2025

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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**1. Organisation background**

Since 1994, Friends-International (the Organisation) has been running projects worldwide for and with marginalized children, youth and their families providing creative and innovative services supporting their social reintegration. Friends-International works with marginalized children and youth in a developmental and sustainable perspective in accordance with the Convention of the Rights of the child (UN-CRC).

Building a Sustainable marginalized children, youth and families' project in Laos PDR Implementation and Capacity Building has operations in Vientiane Capital and Luang Prabang province Lao PDR, with cooperation between the Ministry of Labour and Social Welfare and Friends-International. Memorandum of Understandings historically signed include:

- 2004 - 2008
- 1 January 2008 – 31 December 2011
- 16 March 2012 - 15 March 2017
- 12 December 2019 – 31 December 2023
- 1 January 2024 – 31 December 2028\*\*

\*\* At the reporting date, the Memorandum of Understanding (MOU) for the period of 2024 to 2028, historically signed for the Organisation for the period from the year 2004 to 2023 is under the process of being signed.

Further it is also agreed in Memorandum of Understanding MoU (Objective 2, section 2.3.6) that all income and profits from vocational trainings and shops will be spent in the Project activities and are exempted from income tax.

The specific objectives are:

- Prevention: Prevent children, youth and families from moving to the streets and from engaging in dangerous or harmful activities.
- Outreach: support children, youth and families living and working on the streets and engaged in illegal activities.
- Drop-in-Centres, Transitional Home, Dormitories, Group Homes: Run centres (day and night) that respond clearly to the needs and desires expressed by marginalized children and youth and provide protection, care and support leading to their social reintegration.
- Social Reintegration and Job Placement: Provide reintegration services such as school reintegration for children, family reintegration and job reintegration for youth and caregivers.
- Support children to access education and remain in school
- Provide vocational training in social business environments.
- Support young people and parents/caretakers to access vocational training and sustainable and dignified employment.
- Ensure the sustainability of the program through close collaboration and capacity building of relevant Lao authorities or Government partners.
- Operate with best practices, using Standards of Procedures and tools and share best practice methodologies.
- Reinforce the overall capacity of Lao professionals working in the program to become a best practice model in Laos and in the region.
- Engage the community around the marginalized children, youth and families to support the Program activities, actively protect children and their ability to report situations of risks and abuse using the ChildSafe Movement material and processes

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

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2. Significant accounting policies

A. Basis of preparation

The accompanying financial statements have been prepared in accordance with the Organisation's accounting policies as described in Note 2 of these financial statements. The Organization has adopted specific accounting policies in relation to certain areas as disclosed in the relevant notes below.

B. Foreign currency translation

The financial statements are expressed in the LAK currency. Transactions in currencies other than LAK are converted to LAK at the rate of exchange ruling at the transaction dates. Monetary assets and liabilities in currencies other than LAK are converted to LAK at the rate of exchange ruling at the Statement of Financial Position date. Differences on exchange are included in the Statement of Income and Expenditure.

C. 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.

D. Other current assets

**Advance**

Advances are included in the aggregated Statement of Financial Position when cash is disbursed. When the advances are liquidated and approved, the related expenses are recognized in the aggregated Statement of Income and Expenditure.

Any long outstanding and uncollectible advances are written-off and the resulting expenses are recognized as expenditures in the Statement of Income and Expenditures.

**Accounts receivable**

Other accounts receivable is initially recognised at the invoice value of the consideration received or receivable and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in the Statement of Income and Expenditures.

**Allowance**

Allowance for Doubtful Debts are recorded as an expense and Current Asset (Accounts Receivable) in the Statement of Financial Position.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

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2. Significant accounting policies (continued)

D. Other current assets (continued)

**Leases**

Leases are classified as operating leases. Payments made under operating leases (net of any incentives from the lessor) are charged to the Statement of Income and Expenditures on a straight-line basis over the period of the lease.

E. Fixed Assets

(i) *Recognition and measurement*

The Organisation capitalises all items of property and equipment with acquisition cost in excess of LAK 16,000,000 (approx. US\$ 1,000).

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

If significant 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) *Depreciation*

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

<u><b>Class of assets</b></u>	<u><b>Years</b></u>
Office & IT equipment	4
Furniture, Machinery and Other equipment	5
Vehicles	5
Construction & Building Works	10

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

F. Income

**Income from donors**

Income from donors is recognised when earned, rather than when received. Where the grant instalments have been received, but not recognised or utilised, they are presented in the Statement of Financial Position as a current liability under “Unearned Income”. Where grant instalments have not been received, are committed and utilised in advance of payment, they are presented in the Statement of Financial Position as a current asset under “Accrued donor income”.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

2. Significant accounting policies (continued)

F. Income (continued)

**Private Donation**

Private donations are recognised when they are deemed receivable. A private donation is deemed to be receivable when actually received from individuals, companies, organisations or institutions which are not covered by specific grant agreements with terms and conditions.

**Income from Vocational Training businesses**

Revenue from services and sales is recognised when the following conditions are satisfied:

- the Organisation has transferred to the buyer the significant risks and rewards of ownership of the goods.
- the amount of revenue can be measured reliably.
- it is probable that the economic benefits associated with the transaction will flow to the Organisation; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

3. Cash and cash equivalents

	<b>2024</b>	<b>2023</b>
	<b>LAK</b>	<b>LAK</b>
Cash on hand		
<i>Office account</i>		
LAK	288,000	15,565,500
<i>Luang Prabang account</i>		
LAK	33,120,372	16,043,000
<i>Business account</i>		
LAK	4,500,000	3,500,000
Cash at bank		
<i>Office account</i>		
LAK	33,832,792	434,168,623
USD	2,964,008,742	6,151,671,318
<i>Luang Prabang account</i>		
LAK	173,029,000	166,554,000
<i>Business account</i>		
LAK	182,395,377	135,219,555
USD	42,563,097	33,439,186
	<b><u>3,433,737,380</u></b>	<b><u>6,956,161,182</u></b>

FRIENDS-INTERNATIONAL LAO – PEUAN MIT

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

4. Accrued donor income

	2024 LAK	2023 LAK
Spellbrook Foundation	-	752,630,000
Sir Horace Kadoorie International Foundation	279,790,562	-
	<u>279,790,562</u>	<u>752,630,000</u>

5. Other current assets

	2024 LAK	2023 LAK
VT Business receivables	71,716,000	20,532,321
Miscellaneous account receivable	25,121,000	26,921,000
Rental prepayments*	494,613,086	221,375,679
Other receivables	78,002,000	1,000,000
Allowance for doubtful debts	7,175,000	(3,594,821)
	<u>676,627,086</u>	<u>266,234,179</u>

\* This represents advance payment of house rental in Luang Prabang and Vientiane.

6. Fixed assets

Movement for the year ended 31 December 2024 is as follows:

	Furniture, Machinery & Other Equipment LAK	Motor vehicles LAK	Construction & Building Works LAK	Total LAK
<b>Cost</b>				
At 1 January 2024	65,852,997	997,129,934	-	1,062,982,931
Additions	-	-	159,796,807	159,796,807
<b>At 31 December 2024</b>	<u>65,852,997</u>	<u>997,129,934</u>	<u>159,796,807</u>	<u>1,222,779,738</u>
<b>Accumulated depreciation</b>				
At 1 January 2024	(26,341,198)	(269,855,668)	-	(296,196,866)
Charge for the year	(13,170,599)	(199,425,987)	(15,979,681)	(228,576,267)
<b>At 31 December 2024</b>	<u>(39,511,797)</u>	<u>(469,281,655)</u>	<u>(15,979,681)</u>	<u>(524,773,133)</u>
<b>Net book value As at 31 December 2024</b>	<u>26,341,200</u>	<u>527,848,279</u>	<u>143,817,126</u>	<u>698,006,605</u>

FRIENDS-INTERNATIONAL LAO – PEUAN MIT

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

6. Fixed assets (continued)

Movement for the year ended 31 December 2023 is as follows:

	Furniture, Machinery & Other Equipment LAK	Motor vehicles LAK	Total LAK
<b>Cost</b>			
At 1 January 2023 (Restated)	65,852,997	244,499,934	310,352,931
Additions	-	752,630,000	752,630,000
<b>At 31 December 2023</b>	<b>65,852,997</b>	<b>997,129,934</b>	<b>1,062,982,931</b>
<b>Accumulated depreciation</b>			
At 1 January 2023 (Restated)	(13,170,599)	(70,429,681)	(83,600,280)
Charge for the year	(13,170,599)	(199,425,987)	(212,596,586)
<b>At 31 December 2023</b>	<b>(26,341,198)</b>	<b>(269,855,668)</b>	<b>(296,196,866)</b>
<b>Net book value</b>			
<b>As at 31 December 2023</b>	<b>39,511,799</b>	<b>727,274,266</b>	<b>766,786,065</b>

7. Unearned income – donors

	2024 LAK	2023 LAK
Anonymous (FLCF)	155,300,807	632,212,889
Sir Horace Kadoorie International Foundation	-	233,977,169
UNICEF Laos	-	497,037,655
FI / Anonymous (OFF)	-	296,870,223
FI / The Cold Mountain Fund of RSF Social Finance	-	79,459,364
Spellbrook Foundation	46,155,067	-
	<b>202,155,874</b>	<b>1,739,557,300</b>

8. Other payables

	2024 LAK	2023 LAK
Salary tax payable	39,125,180	38,664,363
Miscellaneous Payable*	124,244,196	114,220,454
Other payable	362,326,666	24,130,718
	<b>525,732,042</b>	<b>177,015,535</b>

\* This mainly represents accrued annual audit fee for year 2024 amount 5,500 USD (Equivalent to LAK 118,731,695).



FRIENDS-INTERNATIONAL LAO – PEUAN MIT

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

9. Funds received from donors

	2024 LAK	2023 LAK
UNICEF Laos	594,549,009	1,756,865,405
SeCoDév	1,186,240,000	1,336,580,000
Sir Horace Kadoorie International Foundation	1,844,537,617	1,687,773,072
Fondation Pro Victimis	-	557,204,714
Spellbrook Foundation	641,189,131	1,188,625,755
Gisela Stichting	219,990,000	195,840,000
FI/ Anonymous (FLCF)	516,112,234	271,176,843
FI/ Anonymous (OFF)	296,870,223	213,210,288
FI/ Credit Suisse APAC Foundation Limited	42,750,000	1,097,953,226
FI/ The Cold Mountain Fund of RSF Social Finance	79,459,364	1,036,167,857
FI/ The Regent Capital Trust Corporation Ltd as Trustee of the Kwok Foundation	-	347,538,358
International Monetary Fund	-	309,165,000
	<b>5,421,697,578</b>	<b>9,998,100,518</b>

10. Private donations

Private donations of LAK 1,356,794,496 (2023: LAK 60,606,200) refer to donations received from individual persons, foundations etc which mainly from outside Lao PDR.

11. Other income

	2024 LAK	2023 LAK
Exchange gain	186,693,065	1,067,080,850
Sale old material	2,616,500	1,899,001
	<b>189,309,565</b>	<b>1,068,969,851</b>

12. Vocational training income

	2024 LAK	2023 LAK
Khaiphaen vocational training restaurant	2,039,559,707	1,146,650,055
Mini-Makphet vocational training restaurant	339,168,782	263,190,300
Mechanics vocational training	4,102,000	3,555,000
Friends N Stuff shop	49,043,573	55,020,250
	<b>2,431,874,062</b>	<b>1,468,415,605</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

13. Personnel

	<b>2024</b>	<b>2023</b>
	<b>LAK</b>	<b>LAK</b>
National staff	6,720,333,350	4,591,973,347
Health & Pensions	300,492,500	263,869,473
Stipend	4,920,000	4,920,000
Overtime	18,700,842	52,812,060
Recruitment costs	620,000	2,030,000
Others	117,789,000	-
	<b><u>7,162,855,692</u></b>	<b><u>4,915,604,880</u></b>

14. Direct costs

	<b>2024</b>	<b>2023</b>
	<b>LAK</b>	<b>LAK</b>
Hygiene costs	48,447,500	87,809,000
Medical costs	71,586,681	159,167,000
IEC Material	2,211,000	600,000
Clothing for beneficiaries	12,345,000	16,134,000
Non-formal educational materials	22,463,500	22,158,000
Food / Drink for beneficiaries	722,829,500	556,366,500
Family / Support	69,358,500	92,086,500
Centre supplies	53,815,000	58,274,500
Other activity costs	1,880,000	919,000
Case manager travel	16,388,000	56,507,000
Recreational activity support	16,358,000	19,044,500
Outreach materials	12,602,000	4,571,000
School reintegration support	252,433,500	280,594,000
Vocational training materials / referrals	45,220,030	109,096,265
Employment activities	129,709,468	155,352,500
ChildSafe materials/activities	3,177,000	8,483,500
Foster care families	3,760,000	37,402,000
Uniforms	26,880,000	45,840,000
Independent living	72,016,668	126,965,000
Beneficiary transport	21,638,000	22,186,000
Beneficiary trainings / meetings	4,000,000	-
Community event costs	3,344,000	23,411,500
	<b><u>1,612,463,347</u></b>	<b><u>1,882,967,765</u></b>

FRIENDS-INTERNATIONAL LAO – PEUAN MIT

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

15. Indirect costs

	2024 LAK	2023 LAK
Communications	37,843,315	30,740,500
Transport/ Gasoline/ Maintenance	186,283,000	184,221,000
Maintenance/Renovations	100,320,000	61,106,500
Office supplies	24,471,753	26,883,500
Rent	434,050,832	250,230,434
Utilities	110,927,393	95,521,428
Printing/Photocopying	1,658,000	4,529,000
Postage & Shipping	983,500	1,225,000
Bank charges	14,629,697	10,606,332
External audits	118,731,695	201,974,672
Vehicle/Building insurance	53,138,835	7,396,106
Advertising/Marketing	1,422,000	4,395,261
Subscriptions	-	1,447,511
Donor/Staff/Authority relations	18,007,000	107,661,500
Other expenses	49,489,478	213,509,290
	<b>1,151,956,498</b>	<b>1,201,448,034</b>

16. Vocational training costs

	2024 LAK	2023 LAK
Cost of sales*	1,046,847,000	719,757,500
Outlet supplies	159,430,337	168,269,500
Staff & student food costs	-	145,488,000
Miscellaneous Business Costs	4,945,000	-
	<b>1,211,222,337</b>	<b>1,033,515,000</b>

\*Cost of sales are mainly incurred from purchasing spare part and material for Mechanic vocational training, and raw food and beverage for Restaurant vocational trainings to be prepared.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

17. Headquarter support fees

	Contribution Type	2024 LAK	2023 LAK
Spellbrook Foundation	HQ support	79,046,587	56,869,027
Gisela Stichting	HQ support	28,694,395	22,254,783
UNICEF Laos	Technical Coordinator	80,000,000	120,000,000
Sir Horace Kadoorie International Foundation	Technical Coordinator	74,591,939	66,426,785
Credit Suisse APAC Foundation Limited	HQ support	-	111,101,594
FI/ Anonymous (FLCF)	HQ support	71,405,839	50,733,090
		<b>333,738,760</b>	<b>427,385,279</b>

This represents management support paid to the Friends-International Headquarters for its support by Executive Director, International Coordination (Saving Lives, Building Futures, Finance, Communications, HR, Design, Social Services, Monitoring & Evaluation, Grants & Fundraising), strategic planning and implementation support, branding and website maintenance, technical support for Child Protection, Vocational Training & Employment, Education, proposal-writing, governance etc. The charges ranged from 10% - 15% of approved budget.

The “Technical Coordinator” represents specific salary contributions to the Organisation’s Technical Coordinator, who supports the Organisation’s donor report-writing, donor communications, proposal-writing, monitoring, evaluation of data, supporting the Organisation’s achievement of strategic goals, and overall acts as a liaison in English language between the Organisation and the Friends-International Headquarters.

18. Events after the reporting period

At the beginning of the year 2025, the Organisation will adopt a new accounting policy by preparing financial statements in United States Dollar (USD) currency going forward.

At the reporting date, the Memorandum of Understanding (MOU) for the period of 2024 to 2028, historically signed for the Organisation for the period from the year 2004 to 2023, is under the process of being signed, as detailed in Note 1.