

MITH SAMLANH

**Financial Statements
for the year ended 31 December 2024
and
Report of the Independent Auditors**

Mith Samlanh

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Organisation Information

Organisation document	Registration No.172 issued by the Ministry of Interior on 11 February 2002	
Registered Office	#215, Street 13, Phnom Penh Kingdom of Cambodia	
Main donors	Accor Heartist Solidarity/FI Asian Community Trust Canada Fund for Local Initiatives Credit Suisse APAC Foundation Limited/FI ECPAT Luxembourg asbl/FI Epic Fondation/FI Fondation Junclair/FI Fondation Philanthropique NEXT/FI Fondation Pierre Bellon/FI Friends Deutschland/FI Gisela Stichting Global Developments Award Competition/FI Global Fund/NCHADS/FI UN Voluntary Trust Fund for Victims of Human Trafficking/FI UNICEF Cambodia United Nations Economic & Social Commission for Asia and the Pacific World Childhood Foundation/FI	
Board of Directors	Mr. Reth Vuthy Mr. Sebastien Marot Ms. Chhun Chendasophea Ms. Tith Davy	Chairperson Treasurer Member Member
Technical Coordinator	Friends-International (FI)	
Management Team	Ms. Map Somaya Mr. Pring KimChhay Ms. Khem Soley Ms. Nao Phalla Mr. Phourng Tola Mr. Khin Seyha	Program Director Finance Coordinator Building Futures Coordinator Saving Lives Coordinator HR/Admin Coordinator MEL Manager
Principal Bankers	J Trust Royal Bank Plc. Advanced Bank of Asia Limited Wing Bank (Cambodia) Plc	
Auditors	KPMG Cambodia Ltd	

Statement by the management

I, the undersigned, on behalf of the Board of Directors of Mith Samlanh (“the Organisation”), do hereby state that the financial statements as set out on pages 5 to 26 present fairly, in all material respects, the financial position of the Organisation as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with Cambodian International Financial Reporting Standard for Small and Medium-sized Entities (“CIFRS for SMEs”).

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



Ms. Map Somaya
Program Director

Phnom Penh, Kingdom of Cambodia

Date: 31 March 2025



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Report of the Independent Auditors

To the Donors of Mith Samlanh

Opinion

We have audited the accompanying financial statements of Mith Samlanh (“the Organisation”) which comprise the statement of financial position as at 31 December 2024, 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 5 to 26 (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 2024, 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.

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

31 March 2025

Mith Samlanh

Statement of financial position for the year ended 31 December 2024

	Notes	31 December 2024		31 December 2023	
		US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
ASSETS					
Current assets					
Cash and cash equivalents	5	179,506	722,512	233,423	953,533
Term deposit	6	362,369	1,458,535	365,884	1,494,636
Accrued income – donors	7	7,958	32,032	55,616	227,191
Other receivables	8	4,372	17,597	5,472	22,354
		<u>554,205</u>	<u>2,230,676</u>	<u>660,395</u>	<u>2,697,714</u>
Non-current assets					
Property and equipment	9	<u>2,865,710</u>	<u>11,534,483</u>	<u>2,831,668</u>	<u>11,567,364</u>
TOTAL ASSETS		<u><u>3,419,915</u></u>	<u><u>13,765,159</u></u>	<u><u>3,492,063</u></u>	<u><u>14,265,078</u></u>
LIABILITIES AND RESERVES					
LIABILITIES					
Current liabilities					
Unearned income – donors	10	92,284	371,443	209,998	857,842
Other payables	12	<u>15,967</u>	<u>64,267</u>	<u>17,015</u>	<u>69,506</u>
Total liabilities		<u>108,251</u>	<u>435,710</u>	<u>227,013</u>	<u>927,348</u>
RESERVES					
Fund balance		3,311,664	13,487,898	3,265,050	13,298,132
Currency translation reserves		<u>-</u>	<u>(158,449)</u>	<u>-</u>	<u>39,598</u>
Total reserves		<u>3,311,664</u>	<u>13,329,449</u>	<u>3,265,050</u>	<u>13,337,730</u>
TOTAL LIABILITIES AND RESERVES		<u><u>3,419,915</u></u>	<u><u>13,765,159</u></u>	<u><u>3,492,063</u></u>	<u><u>14,265,078</u></u>

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

Mith Samlanh

Statement of comprehensive income for the year ended 31 December 2024

	Note	2024		2023	
		US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Income					
Donor grants	13	1,249,722	5,087,618	1,731,479	7,116,379
Private donation	14	27,189	110,686	11,516	47,331
Other income	15	27,903	113,593	34,370	141,261
		<u>1,304,814</u>	<u>5,311,897</u>	<u>1,777,365</u>	<u>7,304,971</u>
Expenditure					
Personnel costs	16	773,203	3,147,709	954,058	3,921,178
Direct costs	17	287,442	1,170,176	451,923	1,857,404
Equipment/Assets	18	6,371	25,936	9,958	40,927
Indirect costs	19	112,290	457,133	180,860	743,335
Travel and training	20	3,200	13,027	4,417	18,154
Sub-Grants to Friends Alliance	21	75,694	308,150	315,785	1,297,876
Total expenditure		<u>1,258,200</u>	<u>5,122,131</u>	<u>1,917,001</u>	<u>7,878,874</u>
Net surplus/(deficit) for the year		<u>46,614</u>	<u>189,766</u>	<u>(139,636)</u>	<u>(573,903)</u>
Other comprehensive loss					
<i>Item that will not be reclassified to profit or loss</i>					
Currency translation difference		<u>-</u>	<u>(198,047)</u>	<u>-</u>	<u>(105,460)</u>
Total comprehensive income/ (loss) for the year		<u>46,614</u>	<u>(8,281)</u>	<u>(139,636)</u>	<u>(679,363)</u>

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

Mith Samlanh

Statement of changes in reserves for the year ended 31 December 2024

	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 2024	3,265,050	13,298,132	-	39,598	3,265,050	13,337,730
<i>Total comprehensive income</i>						
Net surplus for the year	46,614	189,766	-	-	46,614	189,766
Currency translation difference	-	-	-	(198,047)	-	(198,047)
	<u>46,614</u>	<u>189,766</u>	<u>-</u>	<u>(198,047)</u>	<u>46,614</u>	<u>(8,281)</u>
At 31 December 2024	<u><u>3,311,664</u></u>	<u><u>13,487,898</u></u>	<u><u>-</u></u>	<u><u>(158,449)</u></u>	<u><u>3,311,664</u></u>	<u><u>13,329,449</u></u>
At 1 January 2023	3,404,686	13,872,035	-	145,058	3,404,686	14,017,093
<i>Total comprehensive loss</i>						
Net deficit for the year	(139,636)	(573,903)	-	-	(139,636)	(573,903)
Currency translation difference	-	-	-	(105,460)	-	(105,460)
	<u>(139,636)</u>	<u>(573,903)</u>	<u>-</u>	<u>(105,460)</u>	<u>(139,636)</u>	<u>(679,363)</u>
At 31 December 2023	<u><u>3,265,050</u></u>	<u><u>13,298,132</u></u>	<u><u>-</u></u>	<u><u>39,598</u></u>	<u><u>3,265,050</u></u>	<u><u>13,337,730</u></u>

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

Mith Samlanh

Statement of cash flows for the year ended 31 December 2024

	Notes	2024		2023	
		US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Cash flow from operating activities					
Net surplus/(deficit) for the year		46,614	189,766	(139,636)	(573,903)
<i>Non-cash adjustments:</i>					
Depreciation	9	6,006	24,450	1,634	6,716
Employee benefit obligation	11	32,983	134,274	37,924	155,867
Bad debt expense		-	-	(1,320)	(5,426)
Interest income	15	(27,567)	(112,225)	(31,671)	(130,168)
<i>Changes in:</i>					
Accrued donor income		47,658	194,016	(24,187)	(99,409)
Other receivables		1,100	4,478	9,801	40,282
Deferred income – donors		(117,714)	(479,214)	(260,133)	(1,069,147)
Other payables		(1,049)	(4,270)	11,769	48,371
Cash used in from operations		(11,969)	(48,725)	(395,819)	(1,626,817)
Employee benefit obligation paid	11	(32,983)	(134,274)	(174,559)	(717,437)
Interest received		31,083	126,539	30,518	125,429
Net cash used in operating activities		(13,869)	(56,460)	(539,860)	(2,218,825)
Cash flow from investing activities					
Purchase of property and equipment	9	(40,048)	(163,035)	(3,088)	(12,692)
Placement of Term deposit		-	-	150,000	616,500
Net cash (used in)/generated from investing activities		(40,048)	(163,035)	146,912	603,808
Net decrease in cash and cash equivalents		(53,917)	(219,495)	(392,948)	(1,615,017)
Cash and cash equivalents at beginning of year		233,423	953,533	626,371	2,578,770
Currency translation difference		-	(11,526)	-	(10,220)
Cash and cash equivalents at end of year	5	179,506	722,512	233,423	953,533

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

Mith Samlanh

Notes to the financial statements for the year ended 31 December 2024

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

1. Background

Mith Samlanh (“the Organisation”) was established in 1994 in Phnom Penh, Cambodia, and works with vulnerable children/youth, their families and their communities. The Organisation registered as a local NGO with the Ministry of Interior on 11 February 2002 and revised the registration letter on 13 March 2020 under letter No. 1808, and is party to a Memorandum of Understanding with several Ministries as listed here:

- Ministry of Health (2 April 2016 - 31 May 2023) and renewed (1 January 2024 to 31 December 2026)
- Ministry of Education, Youth and Sports (1 January 2023 - 31 December 2025)
- Ministry of Vocational Training and Employment (20 December 2023 - 20 December 2028)
- Municipality of Phnom Penh (20 April 2023 – 20 April 2028)
- National Authority for Combating Drugs (2 July 2020 - 02 July 2021, 12 August 2022 - 27 August 2023) and renewed (1 July 2024 to 1 July 2025)
- Ministry of Social Affairs, Veterans and, Youth Rehabilitation (28 October 2022 - 28 October 2025)

The Organisation’s objective is to save lives and build futures. Mith Samlanh saves lives through outreach, drop-in-centres, detoxification and rehabilitation centres, support groups, provision of emergency support services with the objective of stabilising and securing young people and caregivers, before supporting them to build their futures. After stabilization, Mith Samlanh focuses on building futures, reintegrating children into school, and youth, caregivers into employment and for communities to become active and productive citizens of their country and in protecting children. Since 1994, the Organisation has been working with children and youth to develop the best possible service to give them opportunities to go to school, learn a trade, find employment, recover from drug addiction and move away from life on the streets.

As at 31 December 2024, the Organisation had 119 employees (2023: 141 employees).

2. Basis of preparation

(a) Statement of compliance

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

These financial statements were authorised for issue by the Organisation’s management on 31 March 2025.

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Notes to the financial statements (continued) for the year ended 31 December 2024

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) for the year ended 31 December 2024

3. Significant accounting policies (continued)

(b) 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.

(c) Other receivables

Other receivables comprise prepayments, deposit and advance where credit is extended beyond normal credit terms, receivables are measured at amortised cost using the effective interest method.

(d) Property and equipment

(i) *Recognition and measurement*

The Organisation capitalises all items of property and equipment, except leased property renovation with acquisition cost in excess of US\$1,000 and leased property renovations is capitalised when the cost incurred excess of \$5,000.

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) *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 Organisation 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.

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Notes to the financial statements (continued) for the year ended 31 December 2024

3. Significant accounting policies (continued)

(d) Property and equipment (continued)

(iii) Depreciation

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

Depreciation is charged to statement of comprehensive income on a straight-line basis over the estimated useful lives of the individual assets as follows:

<i>Class of assets</i>	<i>Years</i>
Building (owned properties)	10
Vehicles	5
Furniture, Machinery and other equipment	5

Freehold land is not depreciated.

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 expended as incurred.

(e) Other payables

Other payables are carried at amortised cost during the effective interest method in the statement of financial position.

(f) 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.

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Notes to the financial statements (continued) for the year ended 31 December 2024

3. Significant accounting policies (continued)

(f) Impairment (continued)

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.

(g) 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.

(h) Provisions

A provision is 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.

(i) Employee benefits

(i) *Short-term employee benefits*

Short-term employee benefits are expense as the related service is provide. 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.

(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.

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Notes to the financial statements (continued) for the year ended 31 December 2024

3. Significant accounting policies (continued)

(j) Recognition of income

(i) Donor grants

Donor grants are accounted for in accordance with Section 24 of CIFRS for SMEs. As such, the income received from restricted grants is only recognised when “earned”, regardless of when grant instalments are paid when a) for the period in which expenses for the related grant are recognised for which the grant is intended to compensate and b) where grant conditions are met.

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 – donors”.

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 income - donors”.

(ii) 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. 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 Mith Samlanh becomes entitled to them.

(k) Income tax

Provision for income tax is not applicable, as the Organisation is registered as not-for-profit organisation which is subject to exempt from income tax under Article 9 of Cambodian Law on Taxation.

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Notes to the financial statements (continued) for the year ended 31 December 2024

3. Significant accounting policies (continued)

(i) New Accounting Standard Issued not yet effective

In February 2025, the International Accounting Standards Board (IASB) issued the Third Edition of the IFRS for SMEs Accounting Standard, which will be simultaneously adopted as CIFRS for SMEs. This standard becomes effective for annual reporting periods beginning on or after 1 January 2027. While early adoption is permitted, the Organisation has opted to implement the new standard from its mandatory effective date. This revised edition introduces significant amendments across multiple accounting areas, aiming to better align the IFRS for SMEs with updates to IFRS accounting standards. Key changes include modifications to financial statement presentation, revenue recognition, financial instruments, consolidation, leases, and other reporting areas. As of the financial statement date, management is assessing the potential impact of these changes on the Organisation's financial statements, including any necessary adjustments to accounting policies, disclosures, and financial reporting processes.

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 amount 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.

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 2024	US\$1	=	KHR4,025	KHR4,071
31 December 2023	US\$1	=	<u>KHR4,085</u>	<u>KHR4,110</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.

Mith Samlanh

Notes to the financial statements (continued) for the year ended 31 December 2024

5. Cash and cash equivalents

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Cash on hand	140	564	164	670
Cash at banks:				
J Trust Royal Bank Plc.	41,108	165,460	38,332	156,586
Advanced Bank of Asia Ltd.	138,223	556,348	194,910	796,207
Wing Bank (Cambodia) Plc.	35	140	17	70
	<u>179,366</u>	<u>721,948</u>	<u>233,259</u>	<u>952,863</u>
Cash and cash equivalents	<u>179,506</u>	<u>722,512</u>	<u>233,423</u>	<u>953,533</u>

6. Term deposit

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Term deposit	350,000	1,408,750	350,000	1,429,750
Accrued interest income	12,369	49,785	15,884	64,886
	<u>362,369</u>	<u>1,458,535</u>	<u>365,884</u>	<u>1,494,636</u>

The term deposit is with J Trust Royal Bank Plc. for a maturity of one year and bears interest at rates of 6.25% (2023: 8%) per annum.

7. Accrued income – donors

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
FI / Global Developments Award Competition	5,000	20,125	-	-
FI / Fondation Philanthropique NEXT	2,958	11,907	-	-
FI/Epic Foundation	-	-	55,616	227,191
	<u>7,958</u>	<u>32,032</u>	<u>55,616</u>	<u>227,191</u>

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Notes to the financial statements (continued) for the year ended 31 December 2024

8. Other receivables

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Prepayment	1,874	7,543	1,999	8,166
Staff loans	700	2,818	-	-
Guarantee deposits	1,599	6,436	1,630	6,659
Other	199	800	271	1,107
Insurance receivables	-	-	1,572	6,422
	<u>4,372</u>	<u>17,597</u>	<u>5,472</u>	<u>22,354</u>

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Notes to the financial statements (continued) for the year ended 31 December 2024

9. Property and equipment

2024	Freehold land (*) US\$	Building	Vehicles US\$	Furniture, machinery and other equipment US\$	US\$	Total	KHR'000 (Note 4)
Cost							
At 1 January 2024	2,826,900	-	5,080	3,088	2,835,068	11,581,253	
Additions	-	22,968	17,080	-	40,048	163,035	
Currency translation difference	-	-	-	-	-	(171,946)	
At 31 December 2024	<u>2,826,900</u>	<u>22,968</u>	<u>22,160</u>	<u>3,088</u>	<u>2,875,116</u>	<u>11,572,342</u>	
Less: Accumulated depreciation							
At 1 January 2024	-	-	2,782	618	3,400	13,889	
Depreciation for the year	-	957	4,431	618	6,006	24,450	
Currency translation difference	-	-	-	-	-	(480)	
At 31 December 2024	<u>-</u>	<u>957</u>	<u>7,213</u>	<u>1,236</u>	<u>9,406</u>	<u>37,859</u>	
Carrying amounts							
At 31 December 2024	<u>2,826,900</u>	<u>22,011</u>	<u>14,947</u>	<u>1,852</u>	<u>2,865,710</u>	<u>11,534,483</u>	

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Notes to the financial statements (continued) for the year ended 31 December 2024

9. Property and equipment (Continued)

2023	Freehold land (*) US\$	Vehicles US\$	Furniture, machinery and other equipment US\$	US\$	Total KHR'000 (Note 4)
Cost					
At 1 January 2023	2,826,900	5,080	-	2,831,980	11,659,262
Additions	-	-	3,088	3,088	12,692
Currency translation difference	-	-	-	-	(90,701)
At 31 December 2023	<u>2,826,900</u>	<u>5,080</u>	<u>3,088</u>	<u>2,835,068</u>	<u>11,581,253</u>
Less: Accumulated depreciation					
At 1 January 2023	-	1,766	-	1,766	7,271
Depreciation for the year	-	1,016	618	1,634	6,716
Currency translation difference	-	-	-	-	(98)
At 31 December 2023	<u>-</u>	<u>2,782</u>	<u>618</u>	<u>3,400</u>	<u>13,889</u>
Carrying amounts					
At 31 December 2023	<u>2,826,900</u>	<u>2,298</u>	<u>2,470</u>	<u>2,831,668</u>	<u>11,567,364</u>

(*) On 5 December 2006, the Organisation purchased the freehold land located at #215, Street 13, Sangkat Chey Chumneas, Khan Daun Penh, Phnom Penh, Kingdom of Cambodia. The purpose of this land is to secure the future of the programme of the Organisation where its core activities are based. The land ownership was registered in hard title deed and hold in trust under the name of the Program Director, Ms. Map Somaya on behalf of the Organisation.

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Notes to the financial statements (continued) for the year ended 31 December 2024

10. Unearned income – donors

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Asian Community Trust	75	302	665	2,720
Canada Fund for Local Initiatives	7,723	31,085	-	-
UNICEF Cambodia	11,487	46,235	-	-
FI/Friends Deutschland	1,478	5,949	-	-
FI/Fondation Pierre Bellon	22,786	91,713	26,607	108,690
FI/Fondation Junclair	38,621	155,450	31,228	127,566
FI/NCHADS/GFATM	10,114	40,709	1,724	7,043
United Nations Economic and Social Commission for Asia and the Pacific (UN ESCAP)	-	-	18,641	76,148
Fondation Junclair	-	-	21,593	88,207
FI/Credit Suisse APAC Foundation Limited	-	-	23,040	94,118
FI/ECPAT Luxembourg asbl	-	-	1,109	4,530
FI/Epic Foundation	-	-	5,396	22,043
FI/Fondation Philanthropique NEXT	-	-	79,995	326,777
	<u>92,284</u>	<u>371,443</u>	<u>209,998</u>	<u>857,842</u>

11. Employee benefit obligation

This represents provision for seniority indemnity on current pay by Prakas N.443 issued by the Ministry of Labour and Vocational Training on 21 September 2018 and subsequently amended by the Instruction No.042/19 dated 22 March 2019.

The movement in employee benefit obligation are as bellow:

	2024		2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
At 1 January	-	-	136,635	562,526
Recognised in profit or loss (Note 16)	32,983	134,274	37,924	155,867
Payment during the year	(32,983)	(134,274)	(174,559)	(717,437)
Currency translation difference	-	-	-	(956)
On 31 December	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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Notes to the financial statements (continued) for the year ended 31 December 2024

12. Other payables

	2024		2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Tax payable	2,138	8,605	2,658	10,858
Others	13,829	55,662	14,357	58,648
	<u>15,967</u>	<u>64,267</u>	<u>17,015</u>	<u>69,506</u>

13. Donor grants

	2024		2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Asian Community Trust	13,986	56,937	18,670	76,734
Canada Fund for Local Initiatives	12,263	49,923	-	-
Gisela Stichting	25,000	101,775	48,548	199,532
UNICEF Cambodia	4,264	17,359	-	-
United Nations Economic & Social Commission for Asia and the Pacific (UN ESCAP)	23,642	96,247	6,359	26,135
FI/Accor Heartist Solidarity	29,122	118,556	28,347	116,506
FI/Credit Suisse APAC Foundation Limited	23,040	93,796	66,730	274,260
FI/ECPAT Luxembourg asbl	111,413	453,562	129,033	530,326
FI/Epic Foundation	335,081	1,364,112	154,347	634,366
FI/Fondation Juniclair/ATOZ	118,292	481,567	107,402	441,422
FI/Fondation Juniclair	126,170	513,638	114,308	469,806
FI/Fondation Philanthropique NEXT	82,953	337,702	71,635	294,420
FI/Fondation Pierre Bellon	42,026	171,088	83,236	342,100
FI/Friends Deutschland	30,828	125,501	-	-
FI/NCHADS / GFATM	167,826	683,220	149,255	613,438
FI/Global Developments Award Competition	50,000	203,550	-	-
FI/UN Voluntary Trust Fund for Victims of Human Trafficking	14,706	59,868	-	-
FI/UNICEF Cambodia	8,784	35,760	107,273	440,892
FI/World Childhood Foundation	30,326	123,457	16,920	69,542
Asian Development Bank	-	-	345,324	1,419,282
FI/Bel Foundation	-	-	15,699	64,523
FI/CW Asia Fund Charitable Foundation	-	-	6,500	26,715
FI/Fossil Foundation	-	-	13,799	56,714
FI/Regent Capital Trust Corporation Limited as Trustee of the Kwok Foundation	-	-	43,478	178,695
FI/Shiseido Travel Retail Asia Pacific Pte. Ltd.	-	-	68,130	280,014
FI/The Cold Mountain Fund of RSF Social Finance	-	-	129,577	532,561
FI/The International Labour Organization	-	-	6,909	28,396
Total	<u>1,249,722</u>	<u>5,087,618</u>	<u>1,731,479</u>	<u>7,116,379</u>

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Notes to the financial statements (continued) for the year ended 31 December 2024

14. Private donations

	2024		2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Other private/individual donors	<u>27,189</u>	<u>110,686</u>	<u>11,516</u>	<u>47,331</u>

This represents donations from individuals, companies, organisations or institutes which are not covered by specific grant agreements.

15. Other income

	2024		2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Interest income	27,567	112,225	31,671	130,168
Others	<u>336</u>	<u>1,368</u>	<u>2,699</u>	<u>11,093</u>
	<u>27,903</u>	<u>113,593</u>	<u>34,370</u>	<u>141,261</u>

16. Personnel costs

	2024		2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
National staff	694,295	2,826,475	850,817	3,496,858
Health and pensions	30,636	124,719	40,939	168,259
Stipend	4,261	17,347	3,896	16,013
Overtime	7,109	28,941	16,158	66,409
Consultancies/professional fees	3,696	15,046	3,716	15,273
Recruitment costs	223	907	608	2,499
Severance pay/seniority (*) (Note 11)	<u>32,983</u>	<u>134,274</u>	<u>37,924</u>	<u>155,867</u>
	<u>773,203</u>	<u>3,147,709</u>	<u>954,058</u>	<u>3,921,178</u>

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Notes to the financial statements (continued) for the year ended 31 December 2024

16. Personnel costs (continued)

(*) In accordance with Prakas No. 443 MLVT/Br. K issued by the Ministry of Labor and Vocational Training on 21 September 2018 and subsequently amended by the Instruction No. 042/19 dated 22 March 2019, all employees are entitled to seniority indemnity at the amount equal to 15 days of net wage per year.

17. Direct costs

	2024		2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Hygiene costs	3,393	13,813	11,161	45,872
Medical costs	13,998	56,986	36,321	149,279
Information, Education, Communication Materials	1,087	4,425	299	1,229
Clothing for Beneficiaries	289	1,177	2,152	8,845
Non-Formal Education materials	787	3,204	2,549	10,476
Food/Drink for Beneficiaries	78,882	321,129	95,470	392,382
Family Support	23,607	96,104	49,345	202,808
Harm Reduction Materials	2,962	12,058	5,695	23,406
Centre Supplies	8,662	35,263	15,151	62,271
Other Activity Costs	228	928	833	3,424
Case Manager Travel	2,665	10,849	6,740	27,701
Recreational Activity Support	3,879	15,791	3,552	14,598
Outreach Materials	1,912	7,784	1,433	5,890
School Reintegration Support	21,950	89,358	41,452	170,368
Vocational Training Materials	15,538	63,255	33,752	138,721
Employment activities	43,237	176,018	39,212	161,161
ChildSafe Activities	1,791	7,291	11,313	46,496
Foster Care Families	16,708	68,018	43,804	180,034
Uniforms	2,396	9,754	1,035	4,254
Independent Living	7,897	32,149	8,319	34,191
Beneficiary Transport	31,601	128,648	37,329	153,422
Beneficiary Trainings/Meetings	3,077	12,526	4,159	17,093
Community Event Costs	896	3,648	847	3,483
	<u>287,442</u>	<u>1,170,176</u>	<u>451,923</u>	<u>1,857,404</u>

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Notes to the financial statements (continued) for the year ended 31 December 2024

18. Equipment/Assets

	2024		2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Furniture/Fittings	269	1,095	1,507	6,194
Inventory	95	387	1,182	4,857
Depreciation of Fixed Assets	6,007	24,454	1,634	6,716
Vocational Training Equipment	-	-	3,035	12,474
IT/Computers	-	-	2,600	10,686
	<u>6,371</u>	<u>25,936</u>	<u>9,958</u>	<u>40,927</u>

19. Indirect costs

	2024		2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Communications	9,621	39,167	15,159	62,303
Transport/ Gasoline/Maintenance	26,986	109,860	33,091	136,004
Maintenance/Renovations	6,364	25,908	25,815	106,100
Office Supplies	3,533	14,383	5,730	23,550
Office Rent	21,030	85,613	42,053	172,838
Utilities	26,367	107,340	27,498	113,017
Printing/Photocopying	582	2,369	839	3,448
Postage & Shipping	28	114	136	559
Bank Charges	353	1,437	821	3,374
External Audits	7,700	31,347	17,545	72,110
Vehicle/Building Insurance	3,366	13,703	1,822	7,488
Advertising/Marketing	277	1,128	-	-
Subscriptions	644	2,622	874	3,592
Donor/staff/Authority relations	644	2,622	3,734	15,347
Other Expenses	4,795	19,520	4,422	18,175
Bad debts	-	-	1,321	5,430
	<u>112,290</u>	<u>457,133</u>	<u>180,860</u>	<u>743,335</u>

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Notes to the financial statements (continued) for the year ended 31 December 2024

20. Travel and training

	2024		2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Staff training	374	1,523	3,762	15,462
Workshops/Meetings	2,618	10,658	655	2,692
Exchanges/Exposure trips	<u>208</u>	<u>846</u>	<u>-</u>	<u>-</u>
	<u>3,200</u>	<u>13,027</u>	<u>4,417</u>	<u>18,154</u>

21. Sub-Grants to Friends Alliance

This represents sub-grants to other Friends Alliance partners, and Program Support by Friends-International – Phnom Penh for its technical support, fundraising support and core management. The amount ranges from 10% to 15% of the approved donor budgets.

22. Related parties' transactions

	2024		2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Key management remuneration	<u>36,140</u>	<u>147,126</u>	<u>36,140</u>	<u>148,535</u>
Grant/donation paid to programs:				
Friends International, Phnom Penh	75,694	308,150	120,770	496,364
Kaliyan Mith, Siem Reap	-	-	90,380	371,462
Peaun Peaun, Thailand	<u>-</u>	<u>-</u>	<u>104,635</u>	<u>430,050</u>
	<u>75,694</u>	<u>308,150</u>	<u>315,785</u>	<u>1,297,876</u>
Fund received from				
Friends International, Phnom Penh	<u>1,109,026</u>	<u>4,514,845</u>	<u>995,402</u>	<u>4,091,101</u>

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Notes to the financial statements (continued) for the year ended 31 December 2024

23. Lease commitments

The Organisation leases its Transitional Homes and Drop-in-Centres under non-cancellable operating lease agreement which the lease term are 5 years and the expiry date will be on 31 October 2028.

As at 31 December, the Organisation has commitments in respect of these operating leases as follows:

	2024		2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Within one year	13,860	55,787	9,636	39,363
Within two to five years	<u>26,565</u>	<u>106,924</u>	<u>35,420</u>	<u>144,691</u>
	<u>40,425</u>	<u>162,711</u>	<u>45,056</u>	<u>184,054</u>

24. Tax contingencies

The Organisation assesses its tax obligations based on applicable tax laws and regulations as of the reporting date. Given the evolving nature of tax legislation, certain tax treatments may necessitate judgment and interpretation. Management exercises judgment in establishing the Organisation's tax positions and continually monitors regulatory developments. While the Organisation strives to comply with current tax requirements, interpretations of tax regulations may vary. Any adjustments resulting from regulatory reviews, once conducted and finalised, will be reflected into the financial statements as appropriate.