

**FRIENDS INTERNATIONAL**

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

## Organisation information

<b>Organisation Name</b>	Friends International (“the Organisation”)																			
<b>Organisation Document</b>	Memorandum of Understanding (“MoU”) issued by the Government of the Kingdom of Cambodia represented by the Ministry of Foreign Affairs and International Cooperation (“MFAIC”) on 11 August 2005, subsequently extended for another period of 3 years in 2008, 2011, 2014 and 2017 and 2023 with the current period of 3 years ending on 11 December 2026. Refer to Note 1 for detail.																			
<b>Main Donors</b>	<p>Accor Heartist Solidarity            Albrecht Kiesow Foundation            ECPAT Luxembourg asbl            Epic Foundation            Fondation Junclair            Fondation Philanthropique NEXT            Fondation Pierre Bellon            Global Development Network Inc.            National Centre for HIV/AIDS &amp; Dermatology (NCHAD)            The Regent Capital Trust Corporation Ltd as Trustee of the Kwok Foundation            UNICEF Cambodia            World Childhood Foundation            And several generous donors wishing to remain anonymous</p>																			
<b>Board of Directors</b>	<p><i>From 28 March 2024:</i></p> <table> <tr> <td>Olivier Fahri</td> <td>Chairperson</td> </tr> <tr> <td>Wilfried Schneider</td> <td>Secretary</td> </tr> <tr> <td>Olivier Veilhan</td> <td>Treasurer</td> </tr> <tr> <td>Lucile Belleville</td> <td>Member</td> </tr> <tr> <td>Chenda Sophea Chhun</td> <td>Member</td> </tr> </table>		Olivier Fahri	Chairperson	Wilfried Schneider	Secretary	Olivier Veilhan	Treasurer	Lucile Belleville	Member	Chenda Sophea Chhun	Member								
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<b>Management</b>	<table> <tr> <td>Sebastien Marot</td> <td>Executive Director and Founder</td> </tr> <tr> <td>Sebastien Le Mouellic</td> <td>Saving Lives Int. Coord. and Deputy Director</td> </tr> <tr> <td>Ampor Sam-Oeun</td> <td>Building Futures International Coordinator</td> </tr> <tr> <td>Torie Mcelwain</td> <td>International ChildSafe Coordinator</td> </tr> <tr> <td>Ashley Leblanc</td> <td>International Partnerships Coordinator</td> </tr> <tr> <td>Khemanita Sok</td> <td>International Finance Coordinator (Appointed on 10 June 2024)</td> </tr> <tr> <td>Kanchan Kapoor</td> <td>International Finance and Deputy Director (Left on 5 July 2024)</td> </tr> <tr> <td>Marko Ivkovic</td> <td>International Human Resources Coordinator</td> </tr> <tr> <td>James Sutherland</td> <td>International Communication and Design Co.</td> </tr> </table>		Sebastien Marot	Executive Director and Founder	Sebastien Le Mouellic	Saving Lives Int. Coord. and Deputy Director	Ampor Sam-Oeun	Building Futures International Coordinator	Torie Mcelwain	International ChildSafe Coordinator	Ashley Leblanc	International Partnerships Coordinator	Khemanita Sok	International Finance Coordinator (Appointed on 10 June 2024)	Kanchan Kapoor	International Finance and Deputy Director (Left on 5 July 2024)	Marko Ivkovic	International Human Resources Coordinator	James Sutherland	International Communication and Design Co.
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<b>Registered Office</b>	House #89B, Street 103, P.O Box 597, Phnom Penh, Cambodia																			
<b>Principal Bankers</b>	<p>J Trust Royal Bank Plc.            Advanced Bank of Asia Limited            Woori Bank Plc.</p>																			
<b>Auditors</b>	KPMG Cambodia Ltd																			

# Friends International

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## Statement by the Management

We, the undersigned, on behalf of the Board of Directors of Friends International (“the Organisation”) do hereby state that, the accompanying financial statements as set out on pages 5 to 27, 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,*



Mr. Sebastien Marot  
*Executive Director*



Ms. Khemanita Sok  
*International Finance Coordinator*

Phnom Penh, Kingdom of Cambodia

Date: 31 March 2025



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## **Report of the Independent Auditors To the Donors and Board of Directors of Friends International**

### ***Opinion***

We have audited the accompanying financial statements of the Friends International (“the Organisation”), which comprise the statement of financial position as at 31 December 2024, the statement 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 27 (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 flow 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 Financial Statements* section of our report. We are independent of the Organisation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Cambodia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the 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**



Chhay Boraniel  
*Director*

Phnom Penh, Kingdom of Cambodia

31 March 2025

# Friends International

## Statement of financial position as at 31 December 2024

	Note	31 December 2024		31 December 2023	
		US\$	KHR'000	US\$	KHR'000
			(Note 4)		(Note 4)
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	5	290,614	1,169,721	892,248	3,644,833
Term deposits	6	1,553,569	6,253,115	1,562,598	6,383,213
Accrued income – donors	7	145,513	585,690	226,334	924,574
Other receivables	8	98,460	396,302	65,342	266,922
		<u>2,088,156</u>	<u>8,404,828</u>	<u>2,746,522</u>	<u>11,219,542</u>
<b>Non-current assets</b>					
Property and equipment	9	151,614	610,246	183,130	748,085
Intangible assets	10	24,677	99,325	19,279	78,755
Guarantee deposits	8	24,949	100,420	17,480	71,406
		<u>201,240</u>	<u>809,991</u>	<u>219,889</u>	<u>898,246</u>
<b>TOTAL ASSETS</b>		<u>2,289,396</u>	<u>9,214,819</u>	<u>2,966,411</u>	<u>12,117,788</u>
<b>LIABILITIES AND RESERVES</b>					
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Deferred income – donors	11	665,184	2,677,366	869,487	3,551,854
Other payables	12	261,691	1,053,306	36,521	149,188
<b>Total liabilities</b>		<u>926,875</u>	<u>3,730,672</u>	<u>906,008</u>	<u>3,701,042</u>
<b>RESERVES</b>					
Fund balance		1,362,521	5,548,619	2,060,403	8,389,696
Currency translation reserves		-	(64,472)	-	27,050
<b>Total reserves</b>		<u>1,362,521</u>	<u>5,484,147</u>	<u>2,060,403</u>	<u>8,416,746</u>
<b>TOTAL LIABILITIES AND RESERVES</b>		<u>2,289,396</u>	<u>9,214,819</u>	<u>2,966,411</u>	<u>12,117,788</u>

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



# Friends International

## Statement of comprehensive income for the year ended 31 December 2024

	Note	2024		2023	
		US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
<b>Income</b>					
Donor funding	13	2,719,041	11,069,216	3,879,023	15,942,785
Private donations	14	187,411	762,950	74,677	306,922
Other income	15	<u>106,537</u>	<u>433,712</u>	<u>109,760</u>	<u>451,114</u>
<b>Total income</b>		<u>3,012,989</u>	<u>12,265,878</u>	<u>4,063,460</u>	<u>16,700,821</u>
<b>Expenditures</b>					
Personnel costs	16	1,586,715	6,459,517	1,486,585	6,109,864
Consultancies/ Professional fee	17	111,987	455,899	181,508	745,998
Direct costs	18	179,835	732,108	303,964	1,249,292
Equipment/assets	19	48,448	197,232	47,206	194,017
Indirect costs	20	393,988	1,603,925	185,519	762,483
Travel and training	21	33,907	138,035	46,022	189,150
Sub-grant to Friends Alliances	22	1,212,384	4,935,615	1,418,375	5,829,522
Sub-grant to 3PC Partners	23	<u>143,607</u>	<u>584,624</u>	<u>434,716</u>	<u>1,786,683</u>
<b>Total expenditures</b>		<u>3,710,871</u>	<u>15,106,955</u>	<u>4,103,895</u>	<u>16,867,009</u>
<b>Net deficit for the year</b>		(697,882)	(2,841,077)	(40,435)	(166,188)
<b>Other comprehensive loss</b>					
<i>Item that will not be reclassified to profit or loss</i>					
Currency translation difference		<u>-</u>	<u>(91,522)</u>	<u>-</u>	<u>(66,216)</u>
<b>Total comprehensive loss for the year</b>		<u>(697,882)</u>	<u>(2,932,599)</u>	<u>(40,435)</u>	<u>(232,404)</u>

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

# Friends International

## 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	<u>2,060,403</u>	<u>8,389,696</u>	<u>-</u>	<u>27,050</u>	<u>2,060,403</u>	<u>8,416,746</u>
<b>Total comprehensive loss</b>						
Net deficit for the year	(697,882)	(2,841,077)	-	-	(697,882)	(2,841,077)
Currency translation difference	<u>-</u>	<u>-</u>	<u>-</u>	<u>(91,522)</u>	<u>-</u>	<u>(91,522)</u>
	<u>(697,882)</u>	<u>(2,841,077)</u>	<u>-</u>	<u>(91,522)</u>	<u>(697,882)</u>	<u>(2,932,599)</u>
At 31 December 2024	<u><u>1,362,521</u></u>	<u><u>5,548,619</u></u>	<u><u>-</u></u>	<u><u>(64,472)</u></u>	<u><u>1,362,521</u></u>	<u><u>5,484,147</u></u>
At 1 January 2023	<u>2,100,838</u>	<u>8,555,884</u>	<u>-</u>	<u>93,266</u>	<u>2,100,838</u>	<u>8,649,150</u>
<b>Total comprehensive loss</b>						
Net deficit for the year	(40,435)	(166,188)	-	-	(40,435)	(166,188)
Currency translation difference	<u>-</u>	<u>-</u>	<u>-</u>	<u>(66,216)</u>	<u>-</u>	<u>(66,216)</u>
	<u>(40,435)</u>	<u>(166,188)</u>	<u>-</u>	<u>(66,216)</u>	<u>(40,435)</u>	<u>(232,404)</u>
At 31 December 2023	<u><u>2,060,403</u></u>	<u><u>8,389,696</u></u>	<u><u>-</u></u>	<u><u>27,050</u></u>	<u><u>2,060,403</u></u>	<u><u>8,416,746</u></u>

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

# Friends International

## Statement of cash flows for the year ended 31 December 2024

	2024		2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
<b>Cash flow from operating activities</b>				
Net deficit for the year	(697,882)	(2,841,077)	(40,435)	(166,188)
<i>Non-cash adjustments:</i>				
Employee benefit obligation	-	-	70,169	288,395
Depreciation	37,978	154,608	34,309	141,010
Interest income	(106,216)	(432,405)	(109,655)	(450,682)
Bad debts (Provision/Actual)	-	-	(650)	(2,672)
<i>Changes in:</i>				
Deferred income – donors	(204,303)	(831,718)	(655,555)	(2,677,942)
Accrued donor income	80,821	329,022	(177,962)	(726,975)
Other receivables	(40,587)	(165,230)	(17,807)	(72,742)
Other payables	225,170	916,667	12,214	49,894
Cash used in operation	(705,019)	(2,870,133)	(885,372)	(3,617,902)
Interest received	115,245	469,162	70,526	289,862
Employee benefit obligation paid	-	-	(317,218)	(1,303,766)
<b>Net cash used in operating activities</b>	<b>(589,774)</b>	<b>(2,400,971)</b>	<b>(1,132,064)</b>	<b>(4,631,806)</b>
<b>Cash flow from investing activities</b>				
Term deposit	-	-	(500,000)	(2,055,000)
Proceed from disposal of property and equipment	251	1,022	-	-
Purchase of intangible assets	(8,140)	(33,138)	-	-
Purchase of property and equipment	(3,971)	(16,166)	(44,319)	(182,151)
<b>Net cash used in investing activities</b>	<b>(11,860)</b>	<b>(48,282)</b>	<b>(544,319)</b>	<b>(2,237,151)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(601,634)</b>	<b>(2,449,253)</b>	<b>(1,676,383)</b>	<b>(6,868,957)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>892,248</b>	<b>3,644,833</b>	<b>2,568,631</b>	<b>10,575,054</b>
Currency translation difference	-	(25,859)	-	(61,264)
<b>Cash and cash equivalents at end of year</b>	<b>290,614</b>	<b>1,169,721</b>	<b>892,248</b>	<b>3,644,833</b>

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

# Friends International

## 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 and activities

Since 1994, Friends International has been running projects worldwide for and with marginalised children and youths, to reintegrate these children and youths into their society. Friends-International works with marginalised children in a developmental and sustainable perspective in accordance with United Nations Convention of the Rights of the Child (“UN-CRC”).

On 1 August 1994, Sebastien Marot started a project called Mith Samlanh (“Friends” in English) with the objectives of helping street children. Friends-International supported the development of this organisation and its localisation.

On 11 August 2005, Friends International (“the Organisation”) signed a Memorandum of Understanding (“MoU”) with the Royal Government of Cambodia represented by the Ministry of Foreign Affairs and International Cooperation (“MOFA”) to open its office in Cambodia, to conduct its humanitarian activities and to implement its approved projects within the law and regulations of the Kingdom of Cambodia and in accordance with the provision of the MoU. The MoU has been renewed every 3 years, with the current MoU are valid until 11 December 2026.

Friends-International comprises two offices based in Cambodia:

- Office based in Phnom Penh called Friends International (“FI PP”); and
- Office based in Siem Reap called Friends International Siem Reap / Kaliyan Mith.

As at 31 December 2024, FI had 147 personnel (31 December 2023: 154 personnel).

### 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.

#### (b) Basis of measurement

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

# Friends International

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

### 2. Basis of accounting (continued)

#### (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.

#### (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.

# Friends International

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

### 3. Significant accounting policies (continued)

#### (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 cost 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.

##### (iii) *Depreciation*

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

Depreciation of equipment 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>
Office and IT equipment	4
Furniture, machinery and other equipment	5
Vehicles	5
Construction and building works (owned properties)	10

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.

# Friends International

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

### 3. Significant accounting policies (continued)

#### (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.

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 is 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.

# Friends International

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

### 3. Significant accounting policies (continued)

#### (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.

#### (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 & 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 the Organisation becomes entitled to them.



# Friends International

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

### 3. Significant accounting policies (continued)

#### (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.

#### (l) Accounting standards issued but 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 Company 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 Company'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 amounts into Khmer Riel ("KHR") meets the presentation requirements pursuant to Law on Accounting and Auditing and has been done in compliance with CIFRS for SMEs Section 30, Foreign Currency Translation.

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:

			<b>Closing rate</b>	<b>Average rate</b>
31 December 2024	US\$1	=	KHR4,025	KHR4,071
31 December 2023	US\$1	=	KHR4,085	KHR4,110

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.

# Friends International

## 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	2,733	11,000	874	3,570
Cash at banks (*)	<u>287,881</u>	<u>1,158,721</u>	<u>891,374</u>	<u>3,641,263</u>
Cash and cash equivalents	<u>290,614</u>	<u>1,169,721</u>	<u>892,248</u>	<u>3,644,833</u>

(\*) These balances refer to current accounts and saving accounts placed with banks and financial institutions and earned annual interest rates ranging from 0.1% to 2.00% (2023: 0.20% to 1.50%).

### 6. Term deposits

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Term deposits	1,500,000	6,037,500	1,500,000	6,127,500
Accrued interest receivables	<u>53,569</u>	<u>215,615</u>	<u>62,598</u>	<u>255,713</u>
	<u>1,553,569</u>	<u>6,253,115</u>	<u>1,562,598</u>	<u>6,383,213</u>

The term deposit placement at J Trust Royal Bank Plc. with principal amounting to US\$1,000,000 for maturity of one year and bear interest rates of 6.25% and 6.75% (2023: 6.50% and 7.00%) per annum. Deposit placement at Advanced Bank of Asia Limited with principal amounting to US\$500,000 for maturity of one year and bear interest rate of 7% (2023: 7%) per annum, then placed at Woori Bank Plc. after maturity date for the same amount, for maturity of one year and bear interest rate of 6% (2023: N/A) per annum.

### 7. Accrued income – donors

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Fondation Philanthropique				
NEXT WISE Sarl	88,244	355,182	-	-
Anonymous (AKF)	57,269	230,508	-	-
ECPAT Luxembourg asbl	-	-	554	2,263
Epic Foundation Inc	-	-	221,652	905,448
RAJA Foundation	-	-	4,128	16,863
	<u>145,513</u>	<u>585,690</u>	<u>226,334</u>	<u>924,574</u>

# Friends International

## 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)
<b>Current</b>				
Funding receivable	21,215	85,390	5,256	21,471
Project Advances	13,896	55,931	5,315	21,712
Prepayment	5,474	22,033	4,613	18,844
Staff loan	43,771	176,178	41,927	171,272
Health insurance	2,246	9,040	7,404	30,245
Miscellaneous receivable	11,858	47,730	827	3,378
	<u>98,460</u>	<u>396,302</u>	<u>65,342</u>	<u>266,922</u>
<b>Non-current</b>				
Guarantee deposits	<u>24,949</u>	<u>100,420</u>	<u>17,480</u>	<u>71,406</u>
	<u>123,409</u>	<u>496,722</u>	<u>82,822</u>	<u>338,328</u>

# Friends International

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

### 9. Property and equipment

	Building and leasehold improvement US\$	Vehicle US\$	IT equipment US\$	Furniture, Machinery & Other Equipment US\$	US\$	Total KHR'000 (Note 4)
<b>2024</b>						
<b>Cost</b>						
At 1 January 2024	322,969	2,940	5,695	-	331,604	1,354,602
Additions	-	-	2,661	1,310	3,971	16,166
Disposal	-	-	(1,003)	-	(1,003)	(4,083)
Currency translation difference	-	-	-	-	-	(20,033)
At 31 December 2024	<u>322,969</u>	<u>2,940</u>	<u>7,353</u>	<u>1,310</u>	<u>334,572</u>	<u>1,346,652</u>
<b>Less: Accumulated depreciation</b>						
At 1 January 2024	144,830	1,468	2,176	-	148,474	606,517
Depreciation for the year	32,297	588	2,089	262	35,236	143,446
Disposal	-	-	(752)	-	(752)	(3,061)
Currency translation difference	-	-	-	-	-	(10,496)
At 31 December 2024	<u>177,127</u>	<u>2,056</u>	<u>3,513</u>	<u>262</u>	<u>182,958</u>	<u>736,406</u>
<b>Carrying amounts</b>						
At 31 December 2024	<u>145,842</u>	<u>884</u>	<u>3,840</u>	<u>1,048</u>	<u>151,614</u>	<u>610,246</u>

Included in the cost of property and equipment were costing US\$78,434 which were fully depreciated as at 2024 (2023: US\$70,849) but are still in active used.

# Friends International

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

### 9. Property and equipment (continued)

	Building and leasehold improvement US\$	Vehicle US\$	IT equipment US\$	Furniture, Machinery & Other Equipment US\$	US\$	Total KHR'000 (Note 4)
<b>2023</b>						
<b>Cost</b>						
At 1 January 2023	281,334	2,940	3,011	-	287,285	1,182,752
Additions	41,635	-	2,684	-	44,319	182,151
Currency translation difference	-	-	-	-	-	(10,301)
At 31 December 2023	<u>322,969</u>	<u>2,940</u>	<u>5,695</u>	<u>-</u>	<u>331,604</u>	<u>1,354,602</u>
<b>Less: Accumulated depreciation</b>						
At 1 January 2023	112,533	880	752	-	114,165	470,017
Depreciation for the year	32,297	588	1,424	-	34,309	141,010
Currency translation difference	-	-	-	-	-	(4,510)
At 31 December 2023	<u>144,830</u>	<u>1,468</u>	<u>2,176</u>	<u>-</u>	<u>148,474</u>	<u>606,517</u>
<b>Carrying amounts</b>						
At 31 December 2023	<u>178,139</u>	<u>1,472</u>	<u>3,519</u>	<u>-</u>	<u>183,130</u>	<u>748,085</u>

# Friends International

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

### 10. Intangible assets

	HR software		HR software work in progress	
	2024		2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
<b>Cost</b>				
At 1 January	19,279	78,755	19,279	79,372
Addition	8,140	33,138	-	-
Currency translation difference	-	(1,531)	-	(617)
At 31 December	<u>27,419</u>	<u>110,362</u>	<u>19,279</u>	<u>78,755</u>
<b>Less: Accumulated depreciation</b>				
At 1 January	-	-	-	-
Depreciation for the year	2,742	11,162	-	-
Currency translation difference	-	(125)	-	-
At 31 December	<u>2,742</u>	<u>11,037</u>	<u>-</u>	<u>-</u>
<b>Carrying amounts</b>				
At 31 December	<u>24,677</u>	<u>99,325</u>	<u>19,279</u>	<u>78,755</u>

### 11. Deferred income – donors

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Arab Gulf Program for Development	31,240	125,741	32,432	132,485
Anonymous (OFF)	-	-	13,200	53,922
Andrew Leaver	-	-	4,227	17,267
CW Asia Fund Charitable Foundation	2,632	10,594	-	-
Friends Suisse / Ville de Genève	5,618	22,612	-	-
Friends Deutschland	24,745	99,600	-	-
ECPAT Luxembourg asbl	-	-	4,427	18,084
Epic Foundation	405,267	1,631,200	271,227	1,107,962
Fondation Philanthropique NEXT	13,738	55,295	323,211	1,320,317
Fondation Pierre Bellon	37,816	152,209	39,409	160,986
Foundation Juniclair	-	-	43,563	177,955
Fossil Foundation	-	-	1,117	4,563
Gisela Stichting	6,340	25,519	-	-
Give2Asia	10,789	43,426	-	-
Intrepid Foundation	8,401	33,814	13,935	56,924
Subtotal	<u>546,586</u>	<u>2,200,010</u>	<u>746,748</u>	<u>3,050,465</u>

# Friends International

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

### 11. Deferred income – donors (continued)

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
The Regent Capital Trust Corporation Ltd as Trustee of the Kwok Foundation	47,658	191,823	-	-
Pro Victimis Foundation	15,766	63,458	-	-
The Cold Mountain Fund of RSF Social Finance	-	-	35,656	145,655
National Center for HIV/AIDS & Dermatology (NCHAD)	54,557	219,592	7,335	29,964
Tourism Cares	617	2,483	2,111	8,623
UNICEF Cambodia	-	-	77,637	317,147
Subtotal	<u>118,598</u>	<u>477,356</u>	<u>122,739</u>	<u>501,389</u>
Total	<u>665,184</u>	<u>2,677,366</u>	<u>869,487</u>	<u>3,551,854</u>

### 12. Other payables

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Tax payables (*)	231,096	930,161	9,256	37,810
Others	<u>30,595</u>	<u>123,145</u>	<u>27,265</u>	<u>111,378</u>
	<u>261,691</u>	<u>1,053,306</u>	<u>36,521</u>	<u>149,188</u>

(\*) This includes the comprehensive tax audit results of the period from 1 January 2016 to 31 December 2020 for FI Phnom Penh amounting to KHR 896,432,851 (US\$ equivalent to 222,716). The Organisation paid the amount to the General Department of Taxation on 26 February 2025.

### 13. Donor funding

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Accor Heartist Solidarity	52,823	215,042	38,144	156,772
Anonymous (AKF)	105,796	430,696	-	-
Arab Gulf Program for Development	1,192	4,853	7,568	31,104
Australian Volunteers International	-	-	2,684	11,031
Credit Suisse APAC Foundation Limited	-	-	349,500	1,436,445
CW Asia Fund Charitable Foundation	<u>12,368</u>	<u>50,350</u>	-	-
Sub Total	<u>172,179</u>	<u>700,941</u>	<u>397,896</u>	<u>1,635,352</u>

# Friends International

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

### 13. Donor funding (Continued)

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
ECPAT Luxembourg asbl	223,762	910,935	283,641	1,165,765
Epic Foundation	413,984	1,685,329	515,898	2,120,341
FI Deutschland	7,561	30,781	-	-
Fondation Junclair	219,274	892,664	247,777	1,018,363
Fondation Philanthropique NEXT / WISE Sarl	385,140	1,567,905	240,817	989,758
Fondation RAJA-Danièle Marcovici	108	440	20,199	83,018
Fondation Pierre Bellon	149,284	607,735	198,363	815,272
Fossil Foundation	1,116	4,543	34,829	143,147
Friends-International (France)	124,881	508,391	-	-
Friends Suisse / Ville de Genève	30,040	122,293	17,173	70,581
Gisela Stichting	9,312	37,909	28,468	117,003
Give2Asia	18,744	76,307	-	-
Global Development Network Inc	45,000	183,195	-	-
International Labour Organisation	-	-	4,777	19,633
Intrepid Foundation	6,632	26,999	-	-
Lloyd George Asia Foundation	20,000	81,420	26,519	108,993
Mith Samlanh / Asian Development Bank	-	-	85,372	350,879
National Center for HIV/AIDS & Dermatology (NCHAD)	325,944	1,326,918	376,104	1,545,787
Pro Victimis Foundation	21,234	86,444	-	-
Shiseido Travel Retail Asia Pacific Pte. Ltd	-	-	138,018	567,254
Skoll Foundation	3,100	12,620	315	1,295
The Regent Capital Trust Corporation Ltd as Trustee of the Kwok Foundation	152,342	620,184	201,218	827,006
The Cold Mountain Fund of RSF Social Finance	35,656	145,156	129,678	532,977
Tourism Cares	6,495	26,441	4,629	19,025
UNICEF Cambodia	77,637	316,060	628,853	2,584,586
World Childhood Foundation	67,112	273,213	33,555	137,911
Private Donors	202,504	824,393	264,924	1,088,839
Subtotal	<u>2,546,862</u>	<u>10,368,275</u>	<u>3,481,127</u>	<u>14,307,433</u>
Total	<u>2,719,041</u>	<u>11,069,216</u>	<u>3,879,023</u>	<u>15,942,785</u>



# Friends International

## 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)
General Donation	123,664	503,436	49,777	204,583
ChildSafe Donation	3,694	15,038	9,633	39,592
ChildSafe Experiences	3,830	15,592	5,027	20,661
Futures Factory	4,754	19,354	10,240	42,086
Sub-Grant Private Donation	51,469	209,530	-	-
	<u>187,411</u>	<u>762,950</u>	<u>74,677</u>	<u>306,922</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)
Bank interest	106,216	432,405	109,655	450,682
Others	321	1,307	105	432
	<u>106,537</u>	<u>433,712</u>	<u>109,760</u>	<u>451,114</u>

### 16. Personnel costs

	2024		2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
International staff	529,307	2,154,809	490,611	2,016,411
National staff	915,395	3,726,573	863,324	3,548,262
Health & pensions	42,769	174,113	42,721	175,583
Stipend	5,567	22,663	5,170	21,249
Overtime	3,779	15,384	3,512	14,434
Recruitment costs	10,108	41,150	11,078	45,530
Severance pay/Indemnity	79,790	324,825	70,169	288,395
	<u>1,586,715</u>	<u>6,459,517</u>	<u>1,486,585</u>	<u>6,109,864</u>

# Friends International

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

### 17. Consultancies/Professional fees

	2024		2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Consultancies/Professional fees	<u>111,987</u>	<u>455,899</u>	<u>181,508</u>	<u>745,998</u>

This represents expenses for consultancies and other professional fees such as audit firms, security companies or any other type of consultants' support depending on specific needs.

### 18. Direct costs

	2024		2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Hygiene costs	4,632	18,857	7,643	31,413
Medical costs	4,325	17,607	2,958	12,157
IEC Material	494	2,011	1,889	7,764
Clothing for Beneficiaries	235	957	1,844	7,579
Non-Format Education Materials	4	16	-	-
Food/Drink for Beneficiaries	33,401	135,975	34,583	142,136
Family/Support	9,627	39,192	19,995	82,179
Harm Reduction Materials	195	794	91,513	376,118
Centre Supplies	8,872	36,118	9,052	37,204
Other Activity Costs	44	179	73	300
Case Manager Travel	1,569	6,387	1,951	8,019
Recreational Activity Support	459	1,869	584	2,400
Outreach Materials	-	-	519	2,133
School Reintegration Support	38,874	158,256	35,966	147,820
Vocational Training Materials/Referrals	30,010	122,171	19,511	80,190
Employment Hotline Phone costs	100	407	75	308
Soft Skills Trainings	275	1,120	248	1,019
Futures Office Supplies	829	3,375	961	3,950
Employment Promotion Costs	205	835	435	1,788
Job Placement Support	401	1,632	1,106	4,546
Self-Employment Support	24,690	100,513	25,757	105,861
ChildSafe Hotline Activities	1,053	4,287	2,174	8,935
ChildSafe Awareness-Raising	255	1,037	728	2,991
Childsafe Agents Visibility Materials	395	1,608	3,146	12,930
Foster Care Families	9,322	37,950	17,294	71,078
Uniforms	4,008	16,316	1,984	8,157
CS Experiences Activities	1,935	7,877	2,581	10,608
Independent Living	2,769	11,273	4,933	20,275
Beneficiary Transport	760	3,094	4,447	18,277
Beneficiary Trainings/Meetings	-	-	2,542	10,447
Community Event Costs	97	395	7,472	30,710
	<u>179,835</u>	<u>732,108</u>	<u>303,964</u>	<u>1,249,292</u>

# Friends International

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

### 19. Equipment/Assets

	2024		2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
IT/Computers	5,197	21,157	8,671	35,638
Furniture/Fittings	475	1,934	1,616	6,642
Vocational Training Equipment	3,074	12,514	2,522	10,365
Intangible Asset	825	3,359	-	-
Inventory	899	3,660	88	362
Depreciation and amortisation	37,978	154,608	34,309	141,010
	<u>48,448</u>	<u>197,232</u>	<u>47,206</u>	<u>194,017</u>

### 20. Indirect costs

	2024		2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Communications	17,584	71,583	16,506	67,839
Transport/ Gasoline/ Maintenance	11,810	48,079	12,816	52,674
Maintenance/Renovations	10,068	40,987	8,751	35,967
Office Supplies	8,499	34,599	10,428	42,859
Rent	65,180	265,348	64,798	266,320
Utilities	16,230	66,072	15,659	64,358
Printing/Photocopying	2,572	10,471	1,752	7,201
Postage & Shipping	848	3,452	577	2,371
Bank Charges	2,435	9,913	3,520	14,467
External Audits	15,900	64,729	36,091	148,334
Vehicle/Building Insurance	3,312	13,483	1,664	6,839
Advertising/Marketing	1,153	4,695	410	1,685
Subscriptions	7,121	28,990	5,178	21,282
Donor/staff/Authority relations	7,172	29,197	5,667	23,291
Other Expenses	224,089	912,266	962	3,954
Fundraising Costs	15	61	90	370
Bad Debts (Provision/Actual)	-	-	650	2,672
	<u>393,988</u>	<u>1,603,925</u>	<u>185,519</u>	<u>762,483</u>

## Friends International

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

#### 21. Travel and training

	2024		2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
International Travel	14,994	61,041	12,348	50,750
National Travel	4,034	16,422	7,015	28,832
Staff Training	2,303	9,376	853	3,506
Workshops/Meetings	12,506	50,912	24,532	100,827
Exchanges/Exposure Trips	70	284	1,274	5,235
	<u>33,907</u>	<u>138,035</u>	<u>46,022</u>	<u>189,150</u>

#### 22. Sub-grant to Friends Alliance

	2024		2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Peuan Mit (Laos)	-	-	45,000	184,950
Teman Baik (Indonesia)	43,663	177,752	192,479	791,089
Peuan Peuan (Bangkok, Thailand)	-	-	87,000	357,570
Peuan Peuan (Aran, Thailand)	-	-	10,000	41,100
Mith Samlanh	1,101,243	4,483,160	1,005,564	4,132,869
Tha Ngae Chin Myar (Yangon)	67,478	274,703	78,332	321,944
	<u>1,212,384</u>	<u>4,935,615</u>	<u>1,418,375</u>	<u>5,829,522</u>

#### 23. Sub-grant to 3PC partners

	2024		2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Damnok Toek (DT)	4,422	18,002	50,052	205,714
Komar Rikreay (KMR)	4,487	18,267	29,123	119,696
M'lop Tapang (MT)	9,768	39,766	55,685	228,865
Samatapheap Khnom Organisation (SKO)	4,683	19,064	33,214	136,510
Cambodia Children's Trust (CCT)	3,600	14,655	24,377	100,189
Transcultural Psychosocial Organisation (TPO)	4,458	18,149	45,051	185,160
Sub-total	<u>31,418</u>	<u>127,903</u>	<u>237,502</u>	<u>976,134</u>

## Friends International

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

#### 23. Sub-grant to 3PC partners (continued)

	2024		2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Krousar Thmey (KT)	3,687	15,010	19,782	81,304
Children's Futures International (CFI)	4,307	17,534	33,556	137,915
Korsang (KS)	1,042	4,242	92,332	379,485
Creative Generation (CG)	-	-	5,000	20,550
Khmer Cultural Development Institute (KCDI)	3,616	14,720	6,508	26,748
Epic Arts (EA)	99,537	405,215	22,526	92,582
Legal Aid of Cambodia (LAC)	-	-	17,510	71,965
Sub-total	<u>112,189</u>	<u>456,721</u>	<u>197,214</u>	<u>810,549</u>
Total	<u>143,607</u>	<u>584,624</u>	<u>434,716</u>	<u>1,786,683</u>

#### 24. Related parties' transactions

	2024		2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
<b>Key Management remuneration</b>				
Remuneration	<u>116,810</u>	<u>475,534</u>	<u>116,810</u>	<u>480,089</u>
<b>Grant/donation paid to programs</b>				
Mith Samlanh	1,101,243	4,483,160	1,005,564	4,132,868
Peuan Peuan (Bangkok, Thailand)	-	-	87,000	357,570
Peuan Peuan (Aran, Thailand)	-	-	10,000	41,100
Teman Baik (Indonesia)	43,663	177,752	192,479	791,089
Tha Ngae Chin Myar - Myanmar	67,478	274,703	78,332	321,945
Peuan Mit (Laos)	-	-	45,000	184,950
	<u>1,212,384</u>	<u>4,935,615</u>	<u>1,418,375</u>	<u>5,829,522</u>
<b>Grant/donation received from programs</b>				
Friends France	675,561	2,750,211	-	-
Peuan Peuan (Thailand)	51,469	209,531	-	-
Mith Samlanh	-	-	85,372	350,879
Friends Suisse	<u>30,040</u>	<u>122,293</u>	<u>17,173</u>	<u>70,581</u>

# Friends International

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

### 25. Lease commitments

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	30,280	121,877	32,867	134,261
Within two to five years	63,623	256,083	95,378	389,619
More than five years	34,650	139,466	34,650	141,545
	<u>128,553</u>	<u>517,426</u>	<u>162,895</u>	<u>665,425</u>

### 26. Taxation contingencies

Since August 2021, General Department of Taxation (“GDT”) has issued tax notification letter for comprehensive tax audit in respect of the period from 1 January 2016 to 31 December 2020 for FI Phnom Penh and Siem Reap offices. On September 2022, a notice of tax reassessment (“NTR”) was issued, alleging the under-declaration of various taxes with imposed tax penalties and interest, totalling KHR 6,208,433,913 (approximate to US\$1,552,108).

FI Phnom Penh office’s tax audit has been resolved and provisioned for as per Note 12 while the tax reassessment status for FI Siem Reap office will continue its negotiation. The Organisation is seeking the support of the Ministry of Social Affairs, Veterans & Youth Rehabilitation (“MoSVY”) and the Ministry of Labour & Vocational Training (“MoLVT”). As at the date of these financial statements, a conclusion has not yet been reached for FI Siem Reap office.

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.