

YAYASAN TEMAN BAIK
FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025
AND
INDEPENDENT AUDITORS' REPORT

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**MANAGEMENT'S STATEMENT LETTER
REGARDING
THE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2025 AND FOR THE YEAR THEN ENDED
YAYASAN TEMAN BAIK**

We, the undersigned:

Name : Ari Widodo
Office address : Jl. Tebet Timur I no. 4 Kel. Tebet Timur Kec. Tebet Jakarta Selatan DKI Jakarta
Domicile address : Jl. Burung Gereja No. 6 Kel. Sadang Serang Kec. Coblong Kota Bandung
Phone number : 0857 2243993
Function : Chairman of Management

declare that:

1. We are responsible for the preparation and presentation of Yayasan Teman Baik's financial statements;
2. Yayasan Teman Baik financial statements have been prepared and presented in accordance with Financial Accounting Standards in Indonesia:
 - a. All information has been fully and correctly disclosed in Yayasan Teman Baik's financial statements;
 - b. Yayasan Teman Baik financial statements do not contain materially misleading information or facts, and do not conceal any material information or facts;
3. We are responsible for Yayasan Teman Baik's internal control system.

We certify the accuracy of this reports.

For and on behalf of the Board of Managements

Jakarta, 13 April 2026



Ari Widodo
Chairman of Management

Number: 00021/2.0536/AU.1/11/1116-2/1/IV/2026

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF TRUSTEE, SUPERVISORY, AND MANAGEMENT OF

YAYASAN TEMAN BAIK

Opinion

We have audited the financial statements of Yayasan Teman Baik, which comprise the Statement of Financial Position as at December 31, 2025, and the Statement of Comprehensive Income, Statement of Cash Flow and Statement of Changing Net Asset for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Yayasan Teman Baik as at December 31, 2025, and its financial performance and its cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements paragraph of our report. We are independent of Yayasan Teman Baik in accordance with Code of Ethics for Public Accountants established by the Indonesian Institute of Certified Public Accountants as applicable to audits of financial statements of public interest entities in Indonesia. We have also 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 Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Yayasan Teman Baik'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 liquidate Yayasan Teman Baik or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Yayasan Teman Baik's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing 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 Standards on Auditing, 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 Yayasan Teman Baik'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 Yayasan Teman Baik's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Yayasan Teman Baik 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.

Tubagus Arief Prima, CPA
License of Public Accountant No.: AP. 1116
Jakarta, April 13, 2026



YAYASAN TEMAN BAIK
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2025
(Expressed in Indonesian Rupiah, unless otherwise stated)

	<u>Notes</u>	<u>2025</u>	<u>2024</u>
ASSETS			
CURRENT ASSETS			
Cash on hand and cash in bank	2c,2g,4	1,363,779,725	1,418,841,627
Other receivable	2d,2g,5	32,900,000	38,100,000
Prepayment	2e,7	36,368,750	36,368,750
Receivable from donors	6	-	257,965,637
TOTAL CURRENT ASSETS		<u>1,433,048,475</u>	<u>1,751,276,014</u>
NON-CURRENT ASSETS			
Others assets	2f,8	10,000,000	10,000,000
TOTAL NON-CURRENT ASSETS		<u>10,000,000</u>	<u>10,000,000</u>
TOTAL ASSETS		<u>1,443,048,475</u>	<u>1,761,276,014</u>
LIABILITIES AND NET-ASSETS			
CURRENT LIABILITIES			
Taxes payable	9	7,978,017	7,376,378
Unearned income	10	826,007,264	1,222,985,400
Funding payable	11	9,656,325	-
Other payable	12	44,400,000	44,400,000
Short-term employee benefits	2j,13a	28,880,553	-
TOTAL CURRENT LIABILITIES		<u>916,922,159</u>	<u>1,274,761,778</u>
NON-CURRENT LIABILITIES			
Employee benefit liabilities	2j,13b	321,404,484	260,059,289
TOTAL NON-CURRENT LIABILITIES		<u>321,404,484</u>	<u>260,059,289</u>
NET-ASSETS			
Restricted		-	-
Unrestricted		204,721,832	226,454,947
TOTAL NET ASSETS		<u>204,721,832</u>	<u>226,454,947</u>
TOTAL LIABILITIES AND NET-ASSETS		<u>1,443,048,475</u>	<u>1,761,276,014</u>

YAYASAN TEMAN BAIK
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in Indonesian Rupiah, unless otherwise stated)

	Notes	2025		
		Restricted	Unrestricted	Total
Revenues				
Donor fundings	2i,14	2,475,452,514	434,025,000	2,909,477,514
Private donation	2i,14	-	8,310,511	8,310,511
Consultancy income	2i,14	-	-	-
Other income	2i,14	-	13,122,477	13,122,477
Total Revenues		2,475,452,514	455,457,988	2,930,910,502
Expenses				
Personnel	2i,15	1,519,752,771	310,170,661	1,829,923,432
Direct costs	2i,15	319,059,395	32,279,730	351,339,125
Equipment / assets	2i,15	5,200,000	-	5,200,000
Indirect costs	2i,15	347,676,233	129,860,578	477,536,811
Travel and training	2i,15	1,097,590	775,000	1,872,590
Transfer to program	2i,15	282,666,525	-	282,666,525
Total Expenses		2,475,452,514	473,085,969	2,948,538,483
SURPLUS (DEFICIT)		-	(17,627,981)	(17,627,981)
Other Comprehensive Income (Loss)		-	(4,105,133)	(4,105,133)
TOTAL COMPREHENSIVE INCOME		-	(21,733,144)	(21,733,144)
2024				
	Notes	Restricted	Unrestricted	Total
Revenues				
Donor fundings	2i,14	2,163,277,868	-	2,163,277,868
Private donation	2i,14	-	45,300,000	45,300,000
Consultancy income	2i,14	-	-	-
Other income	2i,14	-	25,730,403	25,730,403
Total Revenues		2,163,277,868	71,030,403	2,234,308,271
Expenses				
Personnel	2i,15	1,161,546,679	399,842,876	1,561,389,555
Direct costs	2i,15	484,705,350	113,462,450	598,167,800
Equipment / assets	2i,15	-	-	-
Indirect costs	2i,15	296,335,455	146,729,431	443,064,886
Travel and training	2i,15	200,000	39,380,280	39,580,280
Transfer to program	2i,15	220,490,384	-	220,490,384
Total Expenses		2,163,277,868	699,415,037	2,862,692,905
DEFICIT		-	(628,384,634)	(628,384,634)
Other Comprehensive Income (Loss)		-	4,150,775	4,150,775
TOTAL COMPREHENSIVE INCOME		-	(624,233,859)	(624,233,859)

YAYASAN TEMAN BAIK
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in Indonesian Rupiah, unless otherwise stated)

	<u>2025</u>	<u>2024</u>
RESTRICTED NET ASSETS		
Beginning balance	-	-
Deficit for the year	-	-
Ending balance of restricted net assets	-	-
UNRESTRICTED NET ASSETS		
Beginning balance	226,454,946	850,688,806
Surplus (deficit) for the year	<u>(17,627,981)</u>	<u>(628,384,634)</u>
Ending balance of unrestricted net assets	<u>208,826,965</u>	<u>222,304,172</u>
Other comprehensive income	<u>(4,105,133)</u>	<u>4,150,775</u>
Ending balance of other comprehensive income	<u>204,721,832</u>	<u>226,454,947</u>
TOTAL NET ASSETS	<u>204,721,832</u>	<u>226,454,947</u>

YAYASAN TEMAN BAIK
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in Indonesian Rupiah, unless otherwise stated)

	2025	2024
CASH FLOW FROM OPERATING ACTIVITIES		
Net increase (decrease) in net assets	(21,733,114)	(624,233,860)
Changes in assets and liabilities		
Decrease (increase) in assets:		
Advances	-	6,000,000
Other receivables	5,200,000	33,900,000
Receivable from donors	257,965,636	(257,965,636)
Increase (decrease) in liabilities:		
Taxes payable	601,639	5,288,256
Social security	-	(9,802,188)
Unearned income	(396,978,136)	(274,585,815)
Funding payable	9,656,325	-
Other payable	-	(51,615,000)
Short-term employee benefits	28,880,553	-
Employee benefit liability	61,345,195	33,985,635
Net cash provided by (used for) operating activities	<u>(55,061,902)</u>	<u>(1,139,028,608)</u>
Net decrease in cash and cash equivalents	(55,061,902)	(1,139,028,608)
Cash and cash equivalent at the beginning of years	1,418,841,627	2,557,870,235
Cash and cash equivalent at the end of years	<u>1,363,779,725</u>	<u>1,418,841,627</u>

YAYASAN TEMAN BAIK
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR THEN ENDED DECEMBER 31, 2025
(Expressed in Indonesian Rupiah, unless otherwise stated)

1. GENERAL

a. Foundation's Background

Yayasan Teman Baik (the "Foundation") is a non-profit organization which was established on March 26, 2013, based on Notarial Deed No. 366 of Dini Lestari Siburian S.H. dated August 1, 2013, and has been approved by the Ministry of Law and Human Rights of the Republic of Indonesia with its decree No. AHU-5596.01.04 dated September 26, 2013.

The Foundation is domiciled in Jalan Tebet Timur 1, No. 4, Kelurahan Tebet Timur, Kecamatan. Tebet Jakarta Selatan, DKI Jakarta, Indonesia.

b. Scope and Activities

In accordance with Article 2 of the Articles of Incorporation, the Foundation is mainly engaged in working with all members of the society (children, youth, families, communities) in order to:

1. Save lives: protecting and preventing children and youth from all form of abuses.
2. Build futures: supporting marginalized urban children youth and caregivers to become functional, productive citizen of their country.

Activities are conducted via direct outreach on the streets and in vulnerable communities where the most marginalized children and families live and work.

The main activities of the Foundation are:

- a. Research and mapping of the issues faced by the children and the existing services;
- b. Life skills education sessions to teach children and youth how to protect themselves from risks they face (hygiene, risk of abuse and exploitation, road safety, etc.);
- c. Supporting children, youth and families to obtain legal registration papers (birth certificate, ID Card, etc.) so they can have access to existing government services;
- d. Support to out-of-school children to be reintegrated to public school if possible, or alternative forms of education;
- e. Support to unemployed youth to access vocational training or direct placement into employment;
- f. Support to parents or other caretakers of vulnerable children to improve the economic condition of families through placement into employment or micro-business start-up;
- g. Overall collaboration with a network partner (national and local government, civil society organization, private sector companies, and key community members) to build a network of holistic protection and reintegration services.

c. Board of Management

The composition of the Foundation's Board of Management as of December 31, 2025 and 2024 are as follows:

Board of Trustee

Chairman	:	Mr. Wilfried Schneider
Treasurer	:	Mr. Leonard Coster
Secretary	:	Mr. Michael Laurence Gilmore
	:	Ms. Vivian Hannah Gee
Member	:	Mr. Timothee Lucien Pierre Wagener
	:	

Board of Supervisor

Chairman	:	Mr. Sebastian Marot
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Board of Management

Chairman	:	Mr. Ari Widodo
Secretary	:	Mr. Tupa S
Treasurer	:	Mr. Ivan Wijaya Putra

As of December 31, 2025 and 2024, the Foundation 18 employees, respectively (audited).

YAYASAN TEMAN BAIK
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR THEN ENDED DECEMBER 31, 2025
(Expressed in Indonesian Rupiah, unless otherwise stated)

1. GENERAL - continued

d. Completion of the Financial Statements

The management of the Foundation is responsible of the preparation of these financial statements which have been authorized for issue by the Directors on April 13, 2026.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

a. Basis of Preparation of Financial Statements and Statement of Compliance

The financial statements have been prepared in accordance with Indonesian Financial Accounting Standards ("SAK"), which comprise the Statements of Financial Accounting Standards ("PSAK") and Interpretation of Financial Accounting Standards ("ISAK") issued by the Board of Financial Accounting Standards of the Indonesian Institute of Accountants.

The financial statements have been prepared in accordance with ISAK No. 335 "Financial Reporting for Non-Profit Organizations".

The reporting currency used in the preparation of the financial statements is Indonesian Rupiah ("Rp"), which is also the Foundation's functional currency.

The financial statements have been prepared using the historical cost concept, except for certain accounts that are measured on the basis described in the related accounting policies.

The statements of cash flows, which have been prepared using the indirect method, present receipts and disbursements of cash on hand and in bank classified into operating, investing and financing activities.

b. New and Revised Statements and Interpretation of Financial Accounting Standards Effective in the Current Year

The application of the following revised accounting standards and interpretation of the accounting standards, which are effective from January 1, 2025 and relevant for Foundation, but did not result in substantial changes to the Foundation's accounting policies and had no material effect on the amounts reported for the current year financial statements:

- PSAK 117 "Insurance Contracts"
- PSAK 221 "The Effect of Changes in Foreign Exchange Rates – Lack of Exchangeability"
- PSAK 370 "Accounting for Assets and Liabilities Arising from Tax Amnesty"

c. Cash and cash equivalents

This account consists of cash on hand and in bank that are not pledge as collateral nor restricted in use.

d. Advances and other receivables

Advances and other receivables represent funds given to staff (field team/management) to support all of the program activities and will be charged to expense upon presentation of documents supporting this expense.

e. Prepayment

These expenses represent prepaid expenses for office space rental to be amortized in in upcoming months.

f. Other assets

Other assets represent guarantee deposits on the office space rentals.

YAYASAN TEMAN BAIK
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR THEN ENDED DECEMBER 31, 2025
(Expressed in Indonesian Rupiah, unless otherwise stated)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued

g. Financial Instruments

Financial assets

The Foundation has applied PSAK No. 109, which set the requirements in classification and measurement, impairment in value of financial assets and hedging accounting.

Classification and measurement of financial assets are based on business model and contractual cash flows - whether from solely payment of principal and interest.

Financial assets are classified into the three categories as follows:

- Financial assets at amortised cost;
- Financial assets at Fair Value Through Profit or Loss ("FVTPL");
- Financial assets at Fair Value Through Other Comprehensive Income ("FVTOCI").

The Foundation determines the classification of its financial assets at initial recognition and cannot change the classification made at initial adoption.

The Foundation has financial assets classified as financial assets at amortized cost. Financial assets at amortized cost consist of cash, and trade and other receivables. Financial assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current. Financial assets at amortized cost are recognized initially at fair value plus transaction costs and subsequently measured at amortized cost using the effective interest rate method.

Subsequent measurement

Financial assets at amortized cost are subsequently measured using the Effective Interest Rate ("EIR") method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition fees or costs that are an integral part of the EIR. The EIR amortization is included in the profit or loss. The losses arising from impairment are also recognized in the profit or loss.

Impairment of financial assets

At each reporting date, the Foundation assess whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Foundation use the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Foundation compare the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions, that is indicative of significant increases in credit risk since initial recognition.

The Foundation applied a simplified approach to measure such expected credit loss for trade receivables and contract assets without significant financing component.

Derecognition of financial assets

The Foundation shall derecognize financial assets when, and only when: the contractual rights to receive the cash flows from the financial asset expire; or the contractual rights to receive the cash flows of the financial asset are transferred to another entity or the contractual rights to receive the cash flows of the financial asset are retained but they assume a contractual obligation to pay the cash flows to one or more recipients in an arrangement that meets certain conditions. When the Foundation transfers a financial asset, it shall evaluate the extent to which it retains the risks and rewards of ownership of the financial asset.

YAYASAN TEMAN BAIK
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR THEN ENDED DECEMBER 31, 2025
(Expressed in Indonesian Rupiah, unless otherwise stated)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued

g. Financial Instruments - continued

Financial liabilities

Financial liabilities within the scope of PSAK 109 are classified as follows:

- Financial liabilities at amortized cost.
- Financial liabilities at FVTPL or FVOCI.

The Foundation determines the classification of its financial liabilities at initial recognition. As of December 31, 2025 and 2024, the Foundation classified its financial liabilities as financial liabilities at amortised cost.

Subsequent measurement

Financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, inclusive of directly attributable transaction costs. After initial recognition, loans and borrowings are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains or losses are recognized in the profit or loss.

Derecognition of financial liabilities

The Foundation derecognizes financial liabilities when, and only when, the Foundation's obligations are discharged, cancelled or expired.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Financial instruments measured at amortized cost

Amortized cost is computed using the effective interest method less any allowance for impairment and principal repayment or reduction. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

h. Fixed Assets

Fixed Assets purchased for less than IDR 15,000,000, are directly charged to the project expenses. Property and equipment for IDR 15,000,000 or more, will be capitalized and depreciated in accordance with the Foundation's financial policies.

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost. Residual value is assumed to be nil.

	<u>Years</u>
Office and IT Equipment	4
Furniture, Machinery, and Other Equipment	5
Vehicles	5
Intangible Assets	10
Construction and Building Works	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 expensed as incurred.

YAYASAN TEMAN BAIK
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR THEN ENDED DECEMBER 31, 2025
(Expressed in Indonesian Rupiah, unless otherwise stated)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued

i. Revenues and expenses recognition

Revenue from contracts with customers

The Foundation has applied PSAK No. 115, which requires revenue recognition to fulfill five (5) steps of assessment:

1. Identify contract(s) with a customer.
2. Identify the performance obligations in the contract. A performance obligation may be satisfied at the following (a) a point in time (b) over time.
3. Determine the transaction price.
4. Allocate the transaction price to each performance.
5. Recognize revenue when performance obligation is satisfied by transferring a promised goods or services to a customer (which is when the customer obtains control of that goods or services).

The Foundation applies PSAK No. 115 to its donor funding, as follows:

Donor funding from restricted grants is only recognized when "earned" regardless of when the grant instalments are paid, i.e.:

- a) for the period in which expenses for the related grant are recognized for which the grant is intended to compensate and,
- b) where grant conditions are met. Where the grant instalments have been received, but not recognized or utilized, they are presented in the Statement of Financial Position as a current liability under "Unearned Income".

Where grant instalments have not been received, are committed, and utilized in advance of payment, they are presented in the Statement of Financial Position as a current asset under "Earned Income".

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

Donations in kind, if any, are recognized at fair value when received using a reliable estimate of the cost of the donated goods or services.

Expenditure incurred consists of personnel costs, direct costs, indirect costs, travel & training, Headquarters support, and equipment/assets with a value below IDR 15,000,000. Expenditure is only recognized for the period to which is relates.

j. Employee benefits

The Foundation determines its employee benefits liability under the Labor Law No. 13/2003 dated March 25, 2003 ("the Law"). PSAK No. 219, "Employee Benefits" requires cost of post-employment benefits based on the Law is determined using the "Projected Unit Credit" actuarial valuation method.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service cost are recognized immediately in profit or loss.

The Foundation recognizes gains or losses on the curtailment or settlement when it occurs. A curtailment occurs when an entity is demonstrably committed to make a significant reduction in the number of employees covered by a plan; or amends the terms of a defined benefit plan so that a significant element of future service by current employees will no longer qualify for benefits, or will qualify only for reduced benefits.

YAYASAN TEMAN BAIK
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR THEN ENDED DECEMBER 31, 2025
(Expressed in Indonesian Rupiah, unless otherwise stated)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued

k. Foreign Currency Transactions and Balances

Transactions in foreign currencies are translated into the Foundation's functional currency (Rp) at the rates of exchange prevailing at transaction date. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities denominated in foreign currency that are measured at historical cost are translated using exchange rate at the date of the transaction.

Foreign currency gains and losses on translation of monetary assets and liabilities that arise from operating activities are generally recognized in profit or loss.

	<u>2025</u>	<u>2024</u>
US Dollar 1/Rupiah	16,782	16,162

l. Leases

The Foundation has applied PSAK 116, which set the requirement for the recognition of lease liabilities in relation to leases which had been previously classified as "operating lease". This policy is applied to contracts entered into or changed, on or after January 1, 2020.

At the inception of a contract, the Foundation assesses whether the contract is, or contains, a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified assets for a period of time in exchange for consideration.

The Foundation recognizes a right-of-use asset and a lease liability at the lease commencement date. The right of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not yet paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Foundation's incremental borrowing rate. Generally, the Foundation uses its incremental borrowing rate as the discount rate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Foundation has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less. The Foundation recognizes the leases payments associated with these leases as an expense on a straight-line basis over the lease term.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements, in conformity with Indonesian Financial Accounting Standards, requires management to make judgments, estimations and assumptions that affect amounts reported therein. Due to the inherent uncertainty in making estimates, actual results reported in future periods may differ from those estimates.

The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions as they occur. The following judgments, estimates and assumptions made by management in the process of applying the Company's accounting policies have the most significant effects on the amounts recognized in the financial statements:

YAYASAN TEMAN BAIK
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3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS - continued

Determining functional currency

The factors considered in determining the functional currency of the Company include, among others, the currency:

- that mainly influences sales prices for services;
- of the country whose competitive forces and regulations mainly determine the sales prices of its goods and services;
- that mainly influences labor, material and other costs of providing services;
- in which funds from financing activities are generated; and in which receipts from operating activities are usually retained

Classification of financial assets and financial liabilities

The Company determines the classifications of certain assets and liabilities as financial assets and financial liabilities by judging if they meet the definition set forth in PSAK No. 109. Accordingly, the financial assets and financial liabilities are accounted for in accordance with the Company's accounting policies disclosed in Note 2.

The Company determines the classifications of certain assets and liabilities as financial assets and financial liabilities by judging if they meet the definition set forth in PSAK No. 109. Accordingly, the financial assets and financial liabilities are accounted for in accordance with the Company's accounting policies disclosed in Note 2.

Estimate of pension cost and employee benefits

The determination of the Company's employee benefits liabilities is dependent on its selection of certain assumptions used in calculating such amounts. Those assumptions include among others, discount rates, annual salary increase rate, annual employee turn-over rate, disability rate, retirement age and mortality rate. While the Company believes that its assumptions are reasonable and appropriate, significant differences in the Company's actual results or significant changes in the Company's assumptions may materially affect its estimated employee benefits liabilities and employee benefits expense. Further details are discussed in Note 13.

Leases

The Company has entered into lease agreements as lessee. The management exercise judgement in determining whether an agreement is, or contains a lease and whether the lease has lease term of 12 months or less and low-value assets

4. CASH AND CASH EQUIVALENTS

	<u>2025</u>	<u>2024</u>
Cash on hand	6,557,600	5,109,100
Cash in bank		
PT Bank Mandiri (Persero) Tbk	1,357,222,125	1,413,732,527
TOTAL	<u>1,363,779,725</u>	<u>1,418,841,627</u>

5. OTHER RECEIVABLES

	<u>2025</u>	<u>2024</u>
Other receivables	32,900,000	38,100,000
TOTAL	<u>32,900,000</u>	<u>38,100,000</u>

Other receivables are receivables for employee loans.

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6. RECEIVABLE FROM DONORS

	2025	2024
Receivable from donors	-	257,965,637
TOTAL	-	257,965,637

This account related to funding from donor which the Foundation received after the project has been finished (reimbursement).

7. PREPAYMENT

	2025	2024
Rent	36,368,750	36,368,750
TOTAL	36,368,750	36,368,750

8. OTHER ASSETS

This account consists of security deposits related to the rental of the office to be returned at the end of the lease contract amounted to Rp10,000,000 as of December 31, 2025 and 2024.

9. TAXES PAYABLE

	2025	2024
Income taxes Article 21	7,978,017	7,376,378
TOTAL	7,978,017	7,376,378

10. UNEARNED INCOME

	2025	2024
Unearned income	826,007,264	1,222,985,400
TOTAL	826,007,264	1,222,985,400

This account related to donor funding from Friends International that was received in advance.

11. FUNDING PAYABLE

	2025	2024
Funding Payable	9,656,325	-
TOTAL	9,656,325	-

This account related to payables to headquarter (Friends International) for the services performed by headquarter employees in relation to the project of the Foundation.

12. OTHER PAYABLE

	2025	2024
Other payable	44,400,000	44,400,000
TOTAL	44,400,000	44,400,000

Other payable are payable for audit fees.

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13. EMPLOYEE BENEFITS LIABILITY

Post-employment benefits liability as of December 31, 2025 and 2024 was calculated by an independent actuary, Kantor Konsultan Aktuaria Setya Widodo, MM, FSAI, AAIJ, CFP, CWM, MUDP dated February 6, 2026, used the "Projected Unit Credit" method with the consideration of the following assumptions:

An assessment of the employee benefit liabilities as of December 31, 2025 and 2024 with the following assumptions:

	2025	2024
Present value of the obligation	350,285,037	260,059,289
Less:		
Current portion	(28,880,553)	-
TOTAL	321,404,484	260,059,289
	2025	2024
Discount rate	6.56%	7.13%
Salary increase rate	0.00%	0.00%
Mortality rate	TMI-IV	TMI-IV
Disability rate	5% TMI-IV	5% TMI-IV

The following details summarized the obligation for post-employment benefits as reflected in the statement of financial position, movement in the obligation during the year, and expense recognized in the Company's income statement.

Reconciliation of the movement of the net liabilities recognized in the statements of financial position:

a. Short-term employee benefits

	2025	2024
Beginning balance	-	-
Employee benefits expense	28,880,553	-
Actuarial gains recognized in other comprehensive income	-	-
Ending balance	28,880,553	-

Post-employment benefit expenses recognized in the statements of comprehensive income:

	2025	2024
Current-service cost	22,870,584	-
Past-service cost	6,009,969	-
Interest cost	-	-
Total employee benefit expense	28,880,553	-

b. Employee benefits liability

	2025	2024
Beginning balance	260,059,289	226,073,654
Employee benefits expense	57,240,062	38,136,410
Actuarial gains recognized in other comprehensive income	4,105,133	(4,150,775)
Ending balance	321,404,484	260,059,289

Post-employment benefit expenses recognized in the statements of comprehensive income:

	2025	2024
Current-service cost	39,006,695	33,494,962
(Gains) or losses of settlement	(321,083)	-
Interest cost	18,554,450	4,641,448
Total employee benefit expense	57,240,062	38,136,410

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14. INCOME

	2025	2024
Restricted		
Donor funding	2,475,452,514	2,163,277,868
Private donations	-	-
Consultancy income	-	-
Other income	-	-
	<u>2,475,452,514</u>	<u>2,163,277,868</u>
Unrestricted		
Donor funding	434,025,000	-
Private donations	8,310,511	45,300,000
Consultancy income	-	-
Other income	13,122,477	25,730,403
	<u>455,457,988</u>	<u>71,030,403</u>
TOTAL	<u>2,930,910,502</u>	<u>2,234,308,271</u>

15. EXPENSE

	2025	2024
Restricted		
Personnel		
National staff	1,395,419,961	1,052,094,610
Health & Pensions	124,332,810	109,452,069
Total Personnel	<u>1,519,752,771</u>	<u>1,161,546,679</u>
Direct cost		
Hygiene costs	708,700	501,900
Medical costs	13,635,000	9,926,600
Non-Formal Education materials	12,832,200	2,817,800
Food/Drink for Beneficiaries	2,045,300	4,232,400
Family Support	24,699,127	10,479,500
Case Manager Travel	-	795,000
Recreational Activity Support	7,397,600	-
Outreach Materials	756,965	1,461,500
School Reintegration Support	26,692,605	33,092,800
Vocational Training Materials/Referrals	103,596,983	239,724,485
Employment Hotline Phone costs	1,500,600	7,284,700
Soft Skills Trainings	8,731,820	4,491,500
Futures Office Supplies	-	243,500
Employment Promotion Costs	1,019,000	820,100
Job Placement Support	80,748,000	120,140,000
Self-Employment Support	13,321,922	16,076,500
ChildSafe Hotline Activities	3,767,100	12,914,250
ChildSafe Awareness-Raising	8,041,100	5,927,500
ChildSafe Agents Visibility Materials	-	1,104,415
Uniforms	4,533,173	-
Beneficiary Transport	3,457,200	491,500
Beneficiary Trainings / Meetings	1,575,000	-
Community Event Costs	-	12,179,400
Total direct cost	<u>319,059,395</u>	<u>484,705,350</u>
Equipment/ assets		
IT/ Computers	5,200,000	-
Total equipment/ assets cost	<u>5,200,000</u>	<u>-</u>

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15. EXPENSE - continued

	2025	2024
Restricted		
Indirect costs		
Communication	41,039,400	38,199,064
Transport / gasoline / maintenance	118,744,250	85,915,600
Maintenance/Renovations	5,000,000	1,270,500
Office Supplies	17,434,450	18,928,900
Rent	115,449,279	99,143,899
Utilities	7,903,500	10,355,900
Printing/Photocopying	530,702	20,000
Postage & Shipping	35,000	228,000
Bank Charges	(192,018)	1,473,592
External Audits	40,281,670	39,350,000
Donor/Staff/Authority Relations	1,450,000	1,450,000
Total indirect costs	347,676,233	296,335,455
Travel and training		
Staff Training	-	200,000
Workshops/ Meetings	1,097,590	-
Total travel and training	1,097,590	200,000
Transfer to programs		
Head office	282,666,525	220,490,384
Total transfer to program	282,666,525	220,490,384
Total restricted	2,475,452,514	2,163,277,868
Unrestricted		
Personnel		
National staff	191,633,955	328,031,478
Health & Pensions	112,986,706	64,216,398
Consultancies/Professional fees	5,550,000	7,595,000
Total Personnel	310,170,661	399,842,876
Direct costs		
Hygiene costs	-	6,242,100
Medical costs	-	4,130,210
Non-Formal Education materials	295,000	3,004,700
Food/Drink for Beneficiaries	111,000	-
Family Support	4,821,800	-
Recreational Activity Support	-	708,500
Outreach Materials	-	254,190
School Reintegration Support	-	11,349,500
Vocational Training Materials/Referrals	-	23,050,000
Employment Hotline Phone costs	-	871,050
Soft Skills Trainings	188,000	635,000
Employment Promotion Costs	-	122,900
Job Placement Support	17,500,000	53,150,000
Self-Employment Support	3,995,603	-
ChildSafe Hotline Activities	305,500	2,608,500
ChildSafe Awareness-Raising	1,868,000	4,485,800
ChildSafe Agents Visibility Materials	-	2,850,000
Uniforms	3,194,827	-
Total direct costs	32,279,730	113,462,450

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15. EXPENSE - continued

	2025	2024
Unrestricted		
Indirect costs		
Communications	15,937,000	3,203,095
Transport/ Gasoline/ Maintenance	65,667,495	61,547,100
Maintenance/Renovations	1,112,000	350,000
Office Supplies	836,250	7,678,900
Rent	30,025,721	49,931,101
Utilities	122,200	350,000
Printing/Photocopying	612,045	2,376,345
Postage & Shipping	769,950	-
Bank Charges	3,216,514	4,121,989
External Audits	4,118,330	5,050,000
Donor/Staff/Authority Relations	1,541,000	648,000
Other Expenses	5,902,073	6,305,022
Subscriptions	-	5,167,879
Total indirect costs	129,860,578	146,729,431
Travel and training		
Staff Training	-	145,300
Workshops/ Meetings	775,000	39,234,980
Total travel and training	775,000	39,380,280
Total unrestricted	473,085,969	699,415,037

16. FINANCIAL INSTRUMENTS

The following table presents the carrying values and the estimated fair values of the financial instruments carried on the statements of financial position as of December 31, 2025 and 2024:

	2025	
	Carrying amount	Fair value
Financial assets		
Cash on hand and cash in bank	1,363,779,725	1,363,779,725
Other receivables	32,900,000	32,900,000
Other non-current assets	10,000,000	10,000,000
TOTAL	1,406,679,725	1,406,679,725
	2025	
	Carrying amount	Fair value
Financial liabilities		
Unearned income	826,007,264	826,007,264
Funding payable	9,656,325	9,656,325
Other payable	44,400,000	44,400,000
TOTAL	880,063,589	880,063,589
	2024	
	Carrying amount	Fair value
Financial assets		
Cash on hand and cash in bank	1,418,841,627	1,418,841,627
Other receivables	38,100,000	38,100,000
Receivable from donors	257,965,637	257,965,637
Other non-current assets	10,000,000	10,000,000
TOTAL	1,724,907,264	1,724,907,264

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16. FINANCIAL INSTRUMENTS - continued

	2024	
	Carrying amount	Fair value
Financial liabilities		
Unearned income	1,222,985,400	1,222,985,400
Other payable	44,400,000	44,400,000
TOTAL	1,267,385,400	1,267,385,400

Based on PSAK No. 107, "Financial Instruments: Disclosures", there are levels of fair value hierarchy as follows:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from market prices) (level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The fair values of short-term financial instruments with remaining maturities of one year or less (cash, other receivables and other payable) approximate to their carrying amounts largely due to their short-term maturities. The fair value of other non-current assets approximates its carrying amount and not discounted.

The Foundation is affected by various financial risks, including credit risk and liquidity risk. The Foundation's overall risk management objectives are to effectively manage these risks and minimize potential adverse effects on its financial performance.

a. Credit risk

The Foundation's exposure to credit risk arises from the default of other parties, with maximum exposure equal the carrying amount of its financial assets, as follows:

	2025	2024
Cash on hand and cash in bank	1,363,779,725	1,418,841,627
Other receivables	32,900,000	38,100,000
Other non-current assets	10,000,000	10,000,000
TOTAL	1,406,679,725	1,466,941,627

b. Liquidity risk

The Foundation would be exposed to liquidity risk if there is a significant mismatch in timing of receivables collection and the settlement of payables. The Foundation manages this liquidity risk by performing ongoing monitoring of the projected and actual cash flows.

