

FRIENDS-INTERNATIONAL LAO – PEUAN MIT



FINANCIAL STATEMENTS

31 DECEMBER 2023



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Organisation Information

Organisation Name	Friends-International Laos / Peuan Mit
Organisation Document	Memorandum of Understanding (“MoU”) issued by the Government of Lao PDR represented by the Ministry of Labour and Social Welfare from 2004 - 2011, subsequently renewed until 15 March 2018, and again until 31 December 2023

Board of Directors

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

Management

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

Registered Office	Phai Nam Road - P.O. Box 10688, Vientiane, Lao PDR
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Principal Banker	Banque pour le Commerce Exterieur Lao Public (BCEL)
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Auditors	PricewaterhouseCoopers (Lao) Sole Company Limited
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STATEMENT BY THE ORGANISATION'S MANAGEMENT

We, the undersigned, on behalf of the management of Friends-International Lao (Peuan Mit) do hereby state that, in our opinion, the accompanying financial statements which comprise the statement of financial position as at 31 December 2023, the statement of income and expenditure and the statement of change in fund balance for the year then ended as set out on pages 6 to 8 are prepared, in all material respects, in accordance with the basis of preparation and the accounting policies described in Note 2 to the financial statements.

On behalf of the management:



Ms. Ketson Phlaphandet
Country Program Director
Date: 18 June 2024



Ms. Phouthasone Phongsawan
Finance Manager
Date: 18 June 2024



Independent auditor's report

To the management of Friends-International Lao – Peuan Mit

Our opinion

In our opinion, the financial statements of Friends-International Lao – Peuan Mit (the Organisation) for the year ended 31 December 2023 are prepared, in all material respects, in accordance with accounting policies described in Note 2 to the financial statements.

What we have audited

The Organization's financial statements comprise:

- the statement of financial position as at 31 December 2023;
- the statement of income and expenditures;
- the statement of change in fund balance for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

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

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

Independence

We are independent of the Organisation in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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

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

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



The Director's responsibilities for the financial statements

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

In preparing the financial statements, the directors are responsible for assessing the Organisation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Organisation or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We are also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.



We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For PricewaterhouseCoopers (Lao) Sole Company Limited

By Sunya Rattanaibull
Director

Vientiane Capital, Lao PDR
Date: 18 June 2024

FRIENDS-INTERNATIONAL LAO – PEUAN MIT

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Notes	2023 LAK	(Restated) 2022 LAK
ASSETS			
Current assets			
Cash and cash equivalents	4	6,956,161,182	7,057,430,178
Accrued donor income	5	752,630,000	-
Other current assets	6	266,234,179	334,965,520
		7,975,025,361	7,392,395,698
Non-current assets			
Fixed assets	7	766,786,065	226,752,651
		766,786,065	226,752,651
TOTAL ASSETS		8,741,811,426	7,619,148,349
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Current liabilities			
Unearned income – donors	8	1,739,557,300	3,382,908,076
Other payables	9	177,015,535	10,642,314
Total liabilities		1,916,572,835	3,393,550,390
Fund balance			
Fund balance		6,825,238,591	4,225,597,959
Total fund balance		6,825,238,591	4,225,597,959
TOTAL LIABILITIES AND FUND BALANCE		8,741,811,426	7,619,148,349




 Ms. Ketsoné Philaphandet
 Country Program Director
 Date: 18 June 2024



 Ms. Phouthasone Phongasawanh
 Finance Manager
 Date: 18 June 2024

The accompanying notes on pages 9 to 21 form an integral part of these financial statements.

STATEMENT OF INCOME AND EXPENDITURES
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 LAK	(Restated) 2022 LAK
Income			
Funds received from donors	10	9,998,100,518	6,485,102,143
Private donations	11	60,606,200	2,028,066,700
Other income	12	1,068,969,851	896,206,021
Consultancy income		-	2,279,550
Vocational training income	13	1,468,415,605	365,892,050
Total income		12,596,092,174	9,777,546,464
Expenditures			
Personnel	14	4,915,604,880	2,877,748,074
Direct costs	15	1,882,967,765	1,730,724,500
Equipment		257,297,586	150,791,585
Indirect costs	16	1,201,448,034	836,947,621
Travel & training		278,232,998	220,570,500
Vocational training costs	17	1,033,515,000	444,172,576
Headquarter support fees	18	427,385,279	912,399,799
Total expenditures		9,996,451,542	7,173,354,655
Surplus of income over expenditure		2,599,640,632	2,604,191,809



Ms. Ketsone Philaphandet
Country Program Director
Date: 18 June 2024



Ms. Phouthasone Phongsawanh
Finance Manager
Date: 18 June 2024

**STATEMENT OF CHANGE IN FUND BALANCE
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Fund balance LAK	Total Fund balance LAK
At 1 January 2023		
Fund balance	4,225,597,959	4,225,597,959
Surplus of income over expenditure for the year	2,599,640,632	2,599,640,632
At 31 December 2023	6,825,238,591	6,825,238,591
At 1 January 2022 (Restated)		
Fund balance	1,621,406,150	1,621,406,150
Surplus of income over expenditure for the year	2,604,191,809	2,604,191,809
At 31 December 2022 (Restated)	4,225,597,959	4,225,597,959




 Ms. Ketsone Philaphander
 Country Program Director
 Date: 18 June 2024



 Ms. Phouthasone Phongsawan
 Finance Manager
 Date: 18 June 2024

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1. Organisation background

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

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

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

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

The specific objectives are:

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Significant accounting policies

A. Basis of preparation

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

B. Foreign currency translation

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

C. Cash and cash equivalents

Cash and cash equivalents consist of cash and bank balances and deposits with banks with original maturities of three months or less and other highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

D. Other current assets

Advance

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

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

Accounts receivable

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

Allowance

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Significant accounting policies (continued)

Leases

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

E. Fixed Assets

(i) Recognition and measurement

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

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

If significant parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Gains or losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognised net within other income in profit or loss.

(ii) Depreciation

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Significant accounting policies (continued)

F. Income

Income from donors

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

Private Donation

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

Income from Vocational Training businesses

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**
3. Change in accounting policies
A. Change in accounting policies

The Organisation restated prior year financial statements due to a change in accounting policy of modified cash basis to accruals basis.

The effects of change in accounting policy of the above to the financial statements for year ended 31 December 2022 were adjusted the figure which previously reported in the financial statement line items as follows:

- Other current assets
- Fixed assets
- Unearned income – donors
- Fund balance
- Funds received from donors
- Equipment and Indirect costs

The following presents a reconciliation of the impacted financial statement line items;

		31 December 2022 (Previous present)	Adjustment	(Restated) 31 December 2022 (Current present)
	Notes	LAK	LAK	LAK
Assets				
Other current assets	6	215,450,068	119,515,452	334,965,520
Fixed assets	7	-	226,752,651	226,752,651
Liabilities				
Unearned income – donors	8	-	3,382,908,076	3,382,908,076
Fund balance				
Fund balance		7,262,237,932	(3,036,639,973)	4,225,597,959
Income and expenditures				
Funds received from donors	10	8,599,701,828	(2,114,599,685)	6,485,102,143
Equipment		291,425,457	(140,633,872)	150,791,585
Indirect costs	16	956,463,073	(119,515,452)	836,947,621

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

4. Cash and cash equivalents

	2023 LAK	2022 LAK
Cash on hand		
<i>Office account</i>		
LAK	15,565,500	10,017,000
<i>Luang Prabang account</i>		
LAK	16,043,000	8,161,000
<i>Business account</i>		
LAK	3,500,000	4,500,000
Cash at bank		
<i>Office account</i>		
LAK	434,168,623	292,984,470
USD	6,151,671,318	6,598,961,095
<i>Luang Prabang account</i>		
LAK	166,554,000	37,819,500
<i>Business account</i>		
LAK	135,219,555	85,778,892
USD	33,439,186	19,208,221
	6,956,161,182	7,057,430,178

5. Accrued donor income

	2023 LAK	2022 LAK
Spellbrook Foundation	752,630,000	-
	752,630,000	-

6. Other current assets

	2023 LAK	(Restated) 2022 LAK
VT Business receivables	20,532,321	6,544,821
Miscellaneous account receivable	26,921,000	28,121,000
Rental Prepayments*	221,375,679	299,494,520
Other receivables	1,000,000	4,400,000
Allowance for doubtful debts	(3,594,821)	(3,594,821)
	266,234,179	334,965,520

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

7. Fixed assets

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

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

Movement for the year ended 31 December 2022 is as follows:

	Furniture, Machinery & Other Equipment LAK	Motor vehicles LAK	(Restated) Total LAK
Cost			
At 1 January 2021	-	107,648,474	107,648,474
Additions	65,852,997	136,851,460	202,704,457
At 31 December 2022	65,852,997	244,499,934	310,352,931
Accumulated depreciation			
At 1 January 2022	-	(21,529,695)	(21,529,695)
Charge for the year	(13,170,599)	(48,899,986)	(62,070,585)
At 31 December 2022	(13,170,599)	(70,429,681)	(83,600,280)
Net book value			
As at 31 December 2022	52,682,398	174,070,253	226,752,651

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

8. Unearned income – donors

	2023 LAK	(Restated) 2022 LAK
Anonymous (FLCF)	632,212,889	-
Sir Horace Kadoorie International Foundation	233,977,169	280,003,273
UNICEF Laos	497,037,655	-
FI / Anonymous (OFF)	296,870,223	510,080,512
FI / The Cold Mountain Fund of RSF Social Finance	79,459,364	1,115,627,221
FI/ Credit Suisse APAC Foundation Limited	-	176,893,226
Fondation Pro Victimis	-	516,769,730
FI/ The Regent Capital Trust Corporation Ltd as Trustee of the Kwok Foundation	-	347,538,358
Spellbrook Foundation	-	435,995,755
	<u>1,739,557,300</u>	<u>3,382,908,076</u>

9. Other payables

	2023 LAK	2022 LAK
Salary tax payable	38,664,363	10,542,314
Miscellaneous Payable*	114,220,454	100,000
Other payable	24,130,718	-
	<u>177,015,535</u>	<u>10,642,314</u>

* This represents accrued annual audit fee for year 2023 amount 5,500 USD (Equivalent to LAK 112,574,000).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**
10. Funds received from donors

	2023	(Restated)
	LAK	2022
		LAK
UNICEF Laos	1,756,865,405	1,310,804,746
SeCoDév	1,336,580,000	1,341,100,000
Sir Horace Kadoorie International Foundation	1,687,773,072	890,154,609
Fondation Pro Victimis	557,204,714	409,694,986
Spellbrook Foundation	1,188,625,755	204,351,427
Gisela Stichting	195,840,000	370,096,246
FI/ Partners for Equity (DF)	-	145,779,767
FI/ Anonymous (FLCF)	271,176,843	259,081,259
FI/ Anonymous (OFF)	213,210,288	363,168,547
FI/ Credit Suisse APAC Foundation Limited	1,097,953,226	392,735,785
FI/ The Cold Mountain Fund of RSF Social Finance	1,036,167,857	179,622,779
FI/ The Regent Capital Trust Corporation Ltd as Trustee of the Kwok Foundation	347,538,358	84,211,642
FI/ Fondation Next	-	500,032,650
FI/ Fondation Juniclair	-	22,206,195
UNODC	-	12,061,505
International Monetary Fund*	309,165,000	-
	9,998,100,518	6,485,102,143

* This is new donor supported to Vocational Training Vientiane and Luangprabang.

11. Private donations

Private donations of LAK 60,606,200 (2022: LAK 2,028,066,700) refer to donations received from individual persons, foundations etc which mainly from outside Lao PDR.

12. Other income

	2023	2022
	LAK	LAK
Exchange gain	1,067,080,850	893,721,021
Sale old material	1,899,001	2,485,000
	1,068,969,851	896,206,021

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**
13. Vocational training income

	2023 LAK	2022 LAK
Khaiphaen vocational training restaurant*	1,146,650,055	224,135,000
Mini-Makphet vocational training restaurant*	263,190,300	127,065,945
Mechanics vocational training	3,555,000	2,707,500
Friends N Stuff	55,020,250	11,983,605
	<u>1,468,415,605</u>	<u>365,892,050</u>

* The significant increase is attributable to re-opening of Khaiphaen and Mini Makphet restaurants since Covid – 19.

14. Personnel

	2023 LAK	2022 LAK
National staff*	4,591,973,347	2,724,842,177
Health & Pensions	263,869,473	119,856,724
Stipend	4,920,000	4,920,000
Overtime	52,812,060	26,574,173
Recruitment costs	2,030,000	950,000
Others	-	605,000
	<u>4,915,604,880</u>	<u>2,877,748,074</u>

* During the year 2023, all Lao PDR staff's salaries were adjusted as pegged to the USD. This impact is from the depreciated value of the LAK.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**
15. Direct costs

	2023	2022
	LAK	LAK
Hygiene costs	87,809,000	113,750,000
Medical costs	159,167,000	119,954,000
IEC Material	600,000	2,713,000
Clothing for beneficiaries	16,134,000	8,656,000
Non-formal educational materials	22,158,000	6,330,500
Food/Drink for Beneficiaries	556,366,500	314,497,500
Family/ Support	92,086,500	432,592,000
Centre supplies	58,274,500	50,738,500
Other activity costs	919,000	886,000
Case Manager Travel	56,507,000	45,858,000
Recreational activity support	19,044,500	12,061,500
Outreach materials	4,571,000	1,841,000
School reintegration support	280,594,000	219,815,000
Vocational Training Materials/Referrals	109,096,265	116,987,500
Employment Activities	155,352,500	116,205,500
ChildSafe Materials/Activities	8,483,500	5,899,000
Foster Care Families	37,402,000	26,754,000
Staff uniforms	45,840,000	-
Independent Living	126,965,000	66,270,000
Beneficiary Transport	22,186,000	35,319,000
Beneficiary COVID Testing	-	12,805,000
Beneficiary Trainings / Meetings	-	14,171,000
Community Event Costs	23,411,500	6,620,500
	<u>1,882,967,765</u>	<u>1,730,724,500</u>

FRIENDS-INTERNATIONAL LAO – PEUAN MIT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

16. Indirect costs

	2023 LAK	(Restated) 2022 LAK
Communications	30,740,500	47,076,955
Transport/ Gasoline/ Maintenance	184,221,000	156,225,000
Maintenance/Renovations	61,106,500	45,513,500
Office supplies	26,883,500	33,570,880
Rent	250,230,434	216,555,180
Utilities	95,521,428	73,681,250
Printing/Photocopying	4,529,000	4,581,500
Postage & Shipping	1,225,000	773,000
Bank charges	10,606,332	12,698,705
External audits	201,974,672	66,281,489
Vehicle/Building insurance	7,396,106	24,358,538
Advertising/Marketing	4,395,261	-
Subscriptions	1,447,511	2,818,824
Donor/Staff/Authority relations	107,661,500	35,449,000
Other expenses	213,509,290	117,363,800
	<u>1,201,448,034</u>	<u>836,947,621</u>

17. Vocational training costs

	2023 LAK	2022 LAK
Cost of sales*	719,757,500	236,350,000
Outlet supplies	168,269,500	74,171,000
Staff & student food costs	145,488,000	96,143,000
Business uniforms	-	29,616,000
Provision for bad debts and account receivables written off	-	7,892,576
	<u>1,033,515,000</u>	<u>444,172,576</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**
18. Headquarter support fees

	Contribution Type	2023 LAK	2022 LAK
SeCoDév	Technical Coordinator	-	36,104,021
The Cold Mountain Fund of RSF			
Social Finance	HQ support	-	168,945,649
Anonymous (OFF)	HQ support	-	56,315,089
The Regent Capital Trust Corporation Ltd as Trustee of the Kwok Foundation	HQ support	-	56,315,216
Spellbrook Foundation	HQ support	56,869,027	6,868,267
Gisela Stichting	HQ support	22,254,783	34,179,087
UNICEF Laos	Technical Coordinator	120,000,000	90,000,000
Fondation Pro Victimis	HQ support	-	111,493,852
Sir Horace Kadoorie International Foundation	Technical Coordinator	66,426,785	40,427,767
Partners for Equity / Anonymous (DF)	HQ support	-	20,392,706
Credit Suisse APAC Foundation Limited	HQ support	111,101,594	25,647,920
Anonymous (HLMF)	HQ support	-	128,004,257
Anonymous (TO)	HQ support	-	137,705,968
FI/ Anonymous (FLCF)	HQ support	50,733,090	-
		427,385,279	912,399,799

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

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