peduli anak
foundation

AUDITED FINANCIAL REPORT 2025
YAYASAN PEDULI ANAK INDONESIA

www.pedulianak.org

YAYASAN PEDULI ANAK

Financial Statements
As Of December 31, 2025
And For The Year Then Ended
With Independent Auditor's Report
(Indonesian Currency)

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Financial Statements
As Of December 31, 2025
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yayasan
peduli anak

Yayasan Peduli Anak (LKSA)
Jl. Dharma Bakti Desa Langko
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NTB Indonesia

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BOARD OF EXECUTIVE'S STATEMENT LETTER
RELATING TO THE
RESPONSIBILITY ON THE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2025
AND FOR THE YEAR THEN ENDED
YAYASAN PEDULI ANAK

I, the undersigned:

Name	: Nurdiana
Office address	: Jl. Dharma Bakti, Langko Village, Kec. Lingsar, West Lombok
Domicile address as stated in ID card	: Jl. Ragi Genep, GG. Dahlia, No. 26, Banjar, Kec. Ampenan, Mataram
Phone number	: +62 817-0944-892
Position	: Chairman

state that:

1. I am responsible for the preparation and presentation of the financial statements of Yayasan Peduli Anak (the "Foundation");
2. The Foundation's financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards;
3. a. All information contained in the Foundation's financial statements has been completely and properly disclosed;
   b. The Foundation's financial statements do not contain any misleading material information or facts, and do not omit material information or facts;
4. I am responsible for the Foundation's internal control system.

This statement letter is made truthfully.

West Lombok, June 12, 2026
For and on behalf of the Board of Executives:

METERAI TEMPEL

Nurdiana
Director

MORHAN & REKAN
Registered Public Accountants
Business License No. 606/KM.1/2013

INDEPENDENT AUDITOR'S REPORT

Report No. 00144/2.0961/AU.1/11/0628-8/1/VI/2026

To the Boards of Governors and Executives, and Supervisory
Yayasan Peduli Anak

Opinion

We have audited the financial statements of Yayasan Peduli Anak (the "Foundation"), which comprise the statement of financial position as of December 31, 2025, and the statement of activities and statement of cash flows 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 the Foundation as of 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 the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Indonesia, 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 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 the Foundation'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 the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation'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.

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Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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 the Foundation'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 Foundation'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 Foundation 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.

REGISTERED PUBLIC ACCOUNTANTS
MORHAN DAN REKAN

Morhan Tirtonadi, CPA
Public Accountant Registration No. AP. 0628

June 12, 2026

00144

YAYASAN PEDULI ANAK
STATEMENT OF FINANCIAL POSITION
December 31, 2025
(Expressed in Rupiah, unless otherwise stated)

	Notes	2025	2024
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2,4,11,12	705,754,835	573,530,181
Prepaid tax	8a	1,753,056	1,409,360
Prepaid expense		52,642,955	42,849,050
Total Current Assets		**760,150,846**	**617,788,591**
NON-CURRENT ASSETS			
Fixed assets - net	2,5	48,017,763,364	43,518,566,869
Restricted funds	2,6,11,12	110,000,000	100,000,000
Total Non-Current Assets		**48,127,763,364**	**43,618,566,869**
TOTAL ASSETS		**48,887,914,210**	**44,236,355,460**
LIABILITIES AND NET ASSETS			
LIABILITIES			
CURRENT LIABILITIES			
Other payable - third party	11,12	-	1,196,286,375
Accrued expenses	2,7,11,12	217,831,771	140,120,826
Tax payable	8b	960,648	11,930
TOTAL LIABILITIES		**218,792,419**	**1,336,419,131**
NET ASSETS			
Net assets with restrictions	2	15,342,192,227	13,233,934,424
Net assets without restrictions	2	33,326,929,564	29,666,001,905
TOTAL NET ASSETS		**48,669,121,791**	**42,899,936,329**
TOTAL LIABILITIES AND NET ASSETS		**48,887,914,210**	**44,236,355,460**

See accompanying Notes to the Financial Statements
which are an integral part of the financial statements.

YAYASAN PEDULI ANAK
STATEMENT OF ACTIVITIES
For The Year Ended
December 31, 2025
(Expressed in Rupiah, unless otherwise stated)

	Notes	2025		
		Without Restrictions	With Restrictions	Total
REVENUES				
Contributions and donations	2,9	4,395,039,968	14,604,833,753	18,999,873,721
Interest income	2	6,439,459	-	6,439,459
Gain on sale of fixed assets	5	8,065,000	-	8,065,000
TOTAL REVENUES		**4,409,544,427**	**14,604,833,753**	**19,014,378,180**
EXPENSES	2,10	**(748,616,768)**	**(12,496,575,950)**	**(13,245,192,718)**
INCREASE IN NET ASSETS		**3,660,927,659**	**2,108,257,803**	**5,769,185,462**
NET ASSETS AT THE BEGINNING OF THE YEAR		**29,666,001,905**	**13,233,934,424**	**42,899,936,329**
NET ASSETS AT THE END OF THE YEAR		**33,326,929,564**	**15,342,192,227**	**48,669,121,791**

	Notes	2024		
		Without Restrictions	With Restrictions	Total
REVENUES				
Contributions and donations	2,9	4,458,915,834	22,638,869,317	27,097,785,151
Interest income	2	6,594,854	-	6,594,854
TOTAL REVENUES		**4,465,510,688**	**22,638,869,317**	**27,104,380,005**
EXPENSES	2,10	**(722,042,185)**	**(12,386,858,780)**	**(13,108,900,965)**
INCREASE IN NET ASSETS		**3,743,468,503**	**10,252,010,537**	**13,995,479,040**
NET ASSETS AT THE BEGINNING OF THE YEAR		**25,922,533,402**	**2,981,923,887**	**28,904,457,289**
NET ASSETS AT THE END OF THE YEAR		**29,666,001,905**	**13,233,934,424**	**42,899,936,329**

See accompanying Notes to the Financial Statements which are an integral part of the financial statements.

YAYASAN PEDULI ANAK
STATEMENT OF CASH FLOWS
For The Year Ended
December 31, 2025
(Expressed in Rupiah, unless otherwise stated)

	2025	2024
CASH FLOWS FROM (FOR) OPERATING ACTIVITIES		
Cash receipts from contributions and donations	18,999,873,721	27,145,275,930
Cash payments for employees and other operating expenses	(12,011,243,783)	(10,302,222,656)
Interest received	6,439,459	6,594,854
Interest paid	(17,397,422)	(6,519,157)
Net Cash Provided by Operating Activities	**6,977,671,975**	**16,843,128,971**
CASH FLOWS FROM (FOR) INVESTING ACTIVITIES		
Proceeds from sale of fixed assets	8,065,000	-
Acquisition of fixed assets	(6,853,512,321)	(17,596,253,512)
Net Cash Used in Investing Activities	**(6,845,447,321)**	**(17,596,253,512)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**132,224,654**	**(753,124,541)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**573,530,181**	**1,326,654,722**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**705,754,835**	**573,530,181**

Reconciliation of changes in net assets to net cash provided by operating activities:

	2025	2024
Increase in net assets	5,769,185,462	13,995,479,040
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation of fixed assets	2,354,315,826	1,723,021,453
Gain on sale of fixed assets	(8,065,000)	-
Changes in working capital:		
Prepaid expense	(9,793,905)	(768,196)
Prepaid tax	(343,696)	(1,409,360)
Restricted funds	(10,000,000)	-
Receivable from PT Midtrans	-	47,490,779
Other payable - third party	(1,196,286,375)	1,196,286,375
Accrued expenses	77,710,945	(116,921,883)
Tax payable	948,718	(49,237)
Net Cash Provided by Operating Activities	**6,977,671,975**	**16,843,128,971**

See accompanying Notes to the Financial Statements
which are an integral part of the financial statements.

(Expressed in Rupiah, unless otherwise stated)

1. GENERAL

Establishment and General Information

Yayasan Peduli Anak (the "Foundation") was established based on Notarial Deed No. 3 dated February 4, 2006 of Lalu Sribawa, S.H., notary in Mataram. The Deed of Establishment was approved by the Minister of Law and Human Rights of the Republic of Indonesia on his Decision Letter No. C-1339.HT.01.02.Th.2006 dated June 27, 2006. The Foundation's Articles of Association have been amended several times, most recently by Notarial Deed No. 08 of Fitri Susanti, S.H., dated August 7, 2024 concerning the changes in the Foundation's management. This amendment was accepted and recorded in the Legal Entity Administration System database by the Ministry of Law and Human Rights of the Republic of Indonesia on its Acceptance Notification Letter No. AHU-0019049.AH.01.12.TAHUN 2024 dated August 8, 2024.

Based on Article 2 of the Foundation's Articles of Association, the scope of the Foundation's activities comprises of social and humanitarian services, with the following objectives:

- alleviate street children's lives and provide adequate skills to these children;
- establish houses and schools for the nine-year compulsory education;
- teach general skills and general curriculum;
- establish clinics and find caregivers to maintain health; and
- help street children lead a decent life and find a decent job.

The Foundation is located at Jl. Dharma Bakti, Langko Village, Kec. Lingsar, West Lombok.

The Foundation started its social and humanitarian activities in 2006.

Boards of Governors and Executives, Supervisory and Employee

The composition of the Foundation's Boards of Governors and Executives, and Supervisory as of December 31, 2025 and 2024 is as follows:

Board of Governors	
Founder	: Chaim Joel Fetter
Head of Governor	: Agus Mulyono
Governor	: Martina Natratilova
Board of Executives	
Chairman	: Nurdiana
Secretary	: Layla Virginia
Treasurer	: Syarifah
Supervisory	: Ramdan Hadi

As of December 31, 2025 and 2024, the Foundation had no permanent employee (unaudited).

Issuance of the Financial Statements

The financial statements have been authorized for issuance by the Foundation's Board of Executives, as the party who is responsible for the preparation and completion of the financial statements, on June 12, 2026.

2. MATERIAL ACCOUNTING POLICY INFORMATION

Compliance with Financial Accounting Standards (SAK)

The Foundation's financial statements have been prepared and presented in accordance with Indonesian SAK which comprise of the Statements of Financial Accounting Standards (PSAK) and Interpretations of Financial Accounting Standards (ISAK) issued by the Financial Accounting Standards Board of the Institute of Indonesia Chartered Accountants (DSAK IAI).

Basis of Preparation and Measurement of the Financial Statements

The financial statements of the Foundation have been prepared in accordance with ISAK 335, "Presentation of Financial Statements of Non-Profit Oriented Entity".

The measurement basis used is the historical cost, except for certain accounts which are measured on the bases described in the related accounting policies. The financial statements, except for the statement of cash flows, are prepared on accrual basis of accounting.

The statement of cash flows is prepared using direct method, which receipts and payments of cash and cash equivalents are classified into operating, investing and financing activities.

The accounting policies adopted in the preparation of the financial statements are consistent with those adopted in the preparation of the financial statements in respect of the previous period, except for the adoption of the amendments to PSAK effective January 1, 2025 as disclosed in this Note.

The functional currency of the Foundation and presentation currency used in the preparation of the financial statements is Rupiah.

It should be noted that accounting estimates and assumptions used in preparation of the financial statements, although these estimates are based on management's best knowledge and judgment of the current events and actions, actual events may ultimately differ from those estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 to the financial statements.

Adoption of Amendments to PSAK

The Foundation applied amendments to PSAK that are mandatory for application from January 1, 2025. The application of the amendments to PSAK did not result in substantial changes to the Foundation's accounting policies and had no material effect on the amounts reported for the current or prior financial period:

- Amendments to PSAK 221, "The Effects of Changes in Foreign Exchange Rates", on Lack of Exchangeblity.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial Instruments (continued)

Financial Assets

Recognition and Measurement

Financial assets are classified at initial recognition and subsequently measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Foundation's business model for managing them. The Foundation initially measures a financial asset at its fair value plus transaction costs, in the case of a financial asset not at FVTPL.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Foundation's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Foundation commits to purchase or sell the asset.

The Foundation only had financial assets classified at amortized cost. The Foundation measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Foundation's financial assets at amortized cost include cash and cash equivalents and restricted funds.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Foundation's statement of financial position) when:

- the rights to receive cash flows from the asset have expired, or,
- the Foundation has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Foundation has transferred substantially all the risks and rewards of the asset, or (b) the Foundation has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial Instruments (continued)

Financial Assets (continued)

Derecognition (continued)

When the Foundation has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Foundation continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Foundation also recognized an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Foundation has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Foundation could be required to repay.

Financial Liabilities

Recognition and Measurement

Financial liabilities are recognized when the Foundation has a contractual obligation to transfer cash or other financial assets to other entities.

Financial liabilities, which are not measured at fair value through profit or loss, are initially recognized at fair value plus transaction costs that are directly attributable to the liability.

After initial recognition, the Foundation measures its financial liability which consist of accrued expenses at amortized cost using effective interest method.

Derecognition

The Foundation's financial liabilities are derecognized, when and only when, the obligation specified in the contract is discharged or canceled or expired.

When a financial liability is exchanged with other financial liability from the same lender on substantially different terms, or if the requirements of the financial liability are substantially modified, then exchange or modification of those requirements is recorded as early derecognition of the financial liability and recognition of new financial liability which the difference between the carrying amount of each financial liability is recognized in profit or loss.

Offsetting Financial Instruments

Financial assets and liabilities can be offset and the net amount is presented in the statement of financial position when, and only when, 1) the Foundation currently has a legally enforceable right to offset the recognized amounts and 2) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Estimation of Fair Value

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal market or, in its absence, the most advantageous market to which the Foundation has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Foundation measures the fair value of a financial instrument using the quoted price in an active market for that instrument. If there is no quoted price in an active market, then the Foundation uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Impairment of Financial Assets

The Foundation recognizes allowance for expected credit loss (ECL) on financial assets at amortized cost. ECLs are probability-weighted estimates of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the Foundation in accordance with the contract and the cash flows that the Foundation expects to receive), discounted at the effective interest rate of the financial asset, and reflects reasonable and supportable information that is available without undue cost or effort about past events, current conditions and forecasts of future economic conditions.

The Foundation recognizes an allowance for impairment based on either 12-month or lifetime ECLs, depending on whether there has been a significant increase in credit risk since initial recognition. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Foundation considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Foundation's historical experience and informed credit assessment and including forward-looking information.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Foundation considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Foundation's historical experience and informed credit assessment and including forward-looking information.

The Foundation considers a financial asset to be in default when a counterparty fails to pay its contractual obligations, or there is a breach of other contractual terms, such as covenants.

Cash and Cash Equivalents

Cash and cash equivalents represents cash on hand, cash in banks and time deposit with maturities of 3 (three) months or less at the time of placement, which are neither used as collateral nor restricted.

Restricted Funds

Funds which are pledged as collateral for credit card facilities are presented as restricted funds and stated at nominal value.

Fixed Assets

Fixed assets are initially recorded at cost. The cost of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition and location for its intended use. Subsequent to initial recognition, fixed assets, except for land, are measured at cost less accumulated depreciation and amortization, and any accumulated impairment losses. Land is carried at cost less any impairment in value.

Initial legal costs incurred to obtain legal rights are recognized as part of the acquisition cost of the land, and these costs are not depreciated. Costs related to renewal of land rights are recognized as deferred charges and amortized during the period of the land rights or the economic useful life of land, whichever is shorter.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, when it is probable that future economic benefits associated with the item will flow to the Foundation and the cost of the item can be reliably measured. The carrying amount of the replaced part is derecognized during the financial year in which they are incurred. All other repairs and maintenance are charged to the statement of activities.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Fixed Assets (continued)

Depreciation is computed using the straight-line method based on the estimated useful lives of the assets with details as follows:

	Years
Land improvements	20
Buildings	20 - 30
Building improvements	10 - 20
Furniture and equipment	2 - 25
Vehicles	8

Construction in progress are properties in the course of construction for carrying out the Foundation's activities or administrative purposes, or for purposes not yet determined, which are carried at cost less any recognized impairment loss. These assets are not depreciated until such time that the relevant assets are completed and available for use.

The estimated useful lives, residual value, if any, depreciation and amortization method of fixed assets are reviewed at each financial year end with the effect of any changes in accounting estimates accounted for on a prospective basis.

An item of fixed assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition of the asset, calculated as the difference between the net disposal proceeds and the carrying amount of the item, is recognized in the statement of activities in the year the item is derecognized.

Impairment of Non-Financial Assets

The Foundation assesses at each reporting period whether there is an indication that an asset may be impaired. If such indication exists, the Foundation estimates the fair value less the costs to sell of the asset. If the estimated fair value is lower than its carrying amount, then the Foundation is required to reduce the carrying amount of the asset and recognize the decrease immediately as impairment loss in the statement of activities.

Income Tax

Tax is recognized as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from a transaction or event which is recognized outside profit or loss. Tax that relates to items recognized in other comprehensive income is recognized in other comprehensive income and tax that relates to items recognized directly in equity is recognized in equity.

<u>Current Tax</u>

The current tax payable is based on taxable profit for the year. The liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the end of the reporting period.

Management periodically evaluates the amount reported in the Annual Tax Return (SPT) in relation to the circumstances in which the applicable tax regulations are subject to interpretation and, if necessary, the management will calculate the amount of fees that may arise.

Net Assets Classification

The Foundation reports information regarding its financial position and activities according to 2 (two) net asset classifications: Without Restrictions and With Restrictions. Net assets without restrictions are not restricted by donors, or the donor's imposed restrictions have expired. The net assets with restrictions include all funds which have full purpose restrictions designated by the donor or grantor which cannot be changed by the management.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Revenues and Expenses

Revenues are recognized when it is probable that economic benefits associated with the transaction will flow to the Foundation and the amount of revenues can be reliably ascertained. Revenues are measured at fair value.

Expenses are recognized when incurred (accrual basis).

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In the application of the Foundation's accounting policies, which are described in Note 2 to the financial statements, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily available from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant.

Management believes that the following represent a summary of the significant judgments, estimates and assumptions made that affected certain reported amounts and disclosures in the financial statements.

Judgments

The following judgment was made by management in the process of applying the Foundation's accounting policies which have the most significant effects on the amounts recognized in the financial statements:

Classification of Financial Assets and Liabilities

The Foundation determines the classifications of certain assets and liabilities as financial assets and liabilities by judging if they meet the definition. Accordingly, the financial assets and liabilities are accounted for in accordance with the Foundation's accounting policies disclosed in Note 2 to the financial statements.

Estimates and Assumptions

The key assumptions related to the future and the key sources of estimation uncertainty at the reporting date that have a significant risk of material adjustments to the carrying amount of assets and liabilities within the next year end are disclosed below. The Foundation's assumptions and estimates are based on reference available at the time the financial statements are prepared. Current condition and assumptions regarding future developments may change due to market changes or circumstances beyond the control of the Foundation. These changes are reflected in the related assumptions when they occur.

Depreciation of Fixed Assets

Fixed assets are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these fixed assets to be within 2 to 30 years, which are common life expectancies applied in the industry where the Foundation conducts its activities. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, and therefore future depreciation charges could be revised.

Income Tax

The Foundation as a taxpayer calculates its tax obligation by self-assessment based on current tax regulations. The calculation is considered correct to the extent that there is no tax assessment letter from the Directorate General of Taxes for the tax reported amount or within 5 (five) years (maximum elapse tax period) there is no tax assessment letter issued. The difference in the income tax liabilities might arise from tax audit, new tax evidences and different interpretation on certain tax regulations between management and the tax officer.

(Expressed in Rupiah, unless otherwise stated)

4. CASH AND CASH EQUIVALENTS

This account consists of:

	2025	2024
Cash on hand	49,054,000	47,948,293
Cash in banks		
PT Bank Central Asia Tbk	324,341,123	200,580,460
PT Bank Negara Indonesia (Persero) Tbk	16,546,095	8,825,928
PT Bank Tabungan Negara (Persero) Tbk	689,094	929,093
PT Bank Pembangunan Daerah Nusa Tenggara Barat Syariah	124,523	246,407
Sub-total	341,700,835	210,581,888
Time deposit		
PT Bank Negara Indonesia (Persero) Tbk	315,000,000	315,000,000
Total	**705,754,835**	**573,530,181**

As of December 31, 2025 and 2024, time deposit has interest rates of 2.5% per annum. For the years ended December 31, 2025 and 2024, the total interest income earned amounted to Rp6,299,988 and Rp6,317,232, respectively.

(Expressed in Rupiah, unless otherwise stated)

5. FIXED ASSETS

The details and movements of fixed assets are as follows:

	2025										
	Acquisition Costs					Accumulated Depreciation				Accumulated Impairment Loss December 31, 2025	Net Book Value December 31, 2025
	Gross Book Value January 1, 2025	Acquisitions	Reclassification	Deduction	Gross Book Value December 31, 2025	January 1, 2025	Depreciation	Deduction	December 31, 2025		
Land	4,057,683,288	-	-	-	4,057,683,288	-	-	-	-	-	4,057,683,288
Land improvements											
Draining channel	617,805,901	-	237,507,605	-	855,313,506	181,144,648	36,010,182	-	217,154,830	-	638,158,676
Fence	401,929,031	-	-	-	401,929,031	241,157,416	13,397,634	-	254,555,050	-	147,373,981
Electrical services	591,260,268	-	185,633,284	-	776,893,552	161,823,051	32,313,594	-	194,136,645	-	582,756,907
Landscapes	151,399,060	-	-	-	151,399,060	33,635,616	7,569,953	-	41,205,569	-	110,193,491
Irrigation canal	22,730,000	-	-	-	22,730,000	2,367,708	1,136,500	-	3,504,208	-	19,225,792
Party wall	42,453,250	-	-	-	42,453,250	11,566,436	2,122,663	-	13,689,099	-	28,764,151
Road	1,336,814,977	-	849,262,595	-	2,186,077,572	312,943,408	77,456,531	-	390,399,939	-	1,795,677,633
River channel	46,029,250	-	-	-	46,029,250	11,123,737	2,301,463	-	13,425,200	-	32,604,050
Water tower irrigation	55,201,170	-	-	-	55,201,170	12,939,877	4,825,055	-	17,764,932	-	37,436,238
Water services	416,380,216	-	343,489,801	-	759,870,017	113,479,477	25,831,383	-	139,310,860	-	620,559,157
Playground	319,032,547	-	-	-	319,032,547	75,175,222	15,951,627	-	91,126,849	-	227,905,698
Futsal	1,101,881,218	-	-	-	1,101,881,218	246,838,114	72,430,686	-	319,268,800	-	782,612,418
Swimming pool	226,159,417	-	-	-	226,159,417	53,477,582	11,307,971	-	64,785,553	-	161,373,864
Fish pond	101,133,300	-	-	-	101,133,300	25,283,325	5,056,665	-	30,339,990	-	70,793,310
Garden	103,081,800	-	-	-	103,081,800	26,091,927	5,154,090	-	31,246,017	-	71,835,783
Boundary wall	1,561,233,000	-	44,035,810	-	1,605,268,810	210,755,200	78,612,098	-	289,367,298	-	1,315,901,512
Retaining wall	105,754,000	-	-	-	105,754,000	28,201,066	5,287,700	-	33,488,766	-	72,265,234
Step wall	133,364,000	-	-	-	133,364,000	35,563,733	6,668,200	-	42,231,933	-	91,132,067
Well	19,689,491	-	-	-	19,689,491	3,773,819	984,475	-	4,758,294	-	14,931,197
Landfill	-	-	382,840,000	-	382,840,000	-	17,267,000	-	17,267,000	-	365,573,000
Sub-total	7,353,331,896	-	2,042,769,095	-	9,396,100,991	1,787,341,362	421,685,470	-	2,209,026,832	-	7,187,074,159

YAYASAN PEDULI ANAK
NOTES TO THE FINANCIAL STATEMENTS
As Of December 31, 2025
And For The Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

5. FIXED ASSETS (continued)

2025 (continued)

	Acquisition Costs					Accumulated Depreciation				Accumulated Impairment Loss December 31, 2025	Net Book Value December 31, 2025
	Gross Book Value January 1, 2025	Acquisitions	Reclassification	Deduction	Gross Book Value December 31, 2025	January 1, 2025	Depreciation	Deduction	December 31, 2025		
Buildings											
Kitchen and warehouse	100,776,538	-	801,763,857	-	902,542,395	39,191,653	10,022,048	-	49,213,701	61,586,865	791,741,809
Mosque	455,512,342	-	961,759,110	-	1,417,271,452	128,765,397	33,246,831	-	162,012,228	10,625,129	1,246,634,095
Office	1,525,935,882	-	1,810,606,082	-	3,336,541,964	373,862,101	99,210,620	-	473,072,721	-	2,863,469,243
Primary school	1,515,084,389	-	-	-	1,515,084,389	530,099,593	46,754,361	-	576,853,954	308,812,019	629,418,416
Middle school	1,770,002,238	-	5,075,236,710	-	6,845,238,948	435,582,374	151,940,571	-	587,492,945	-	6,257,746,003
Power house and garage	125,160,000	-	-	-	125,160,000	31,290,000	6,258,000	-	37,548,000	-	87,612,000
Aula renovation	89,382,700	-	-	-	89,382,700	15,238,679	4,469,135	-	19,707,814	-	69,674,886
Security post	174,092,710	-	61,706,585	-	235,799,295	38,284,406	14,887,593	-	53,171,999	-	182,627,296
Canteen	143,670,102	-	-	-	143,670,102	38,312,027	7,183,505	-	45,495,532	-	98,174,570
Pet's cage	48,690,150	-	-	-	48,690,150	10,440,884	2,434,508	-	12,875,392	-	35,814,758
Extracurricular rooms	837,013,316	-	-	-	837,013,316	280,758,064	46,850,666	-	327,608,730	-	509,404,586
Sanitary	337,992,540	-	-	-	337,992,540	96,966,569	16,899,627	-	113,866,196	-	224,126,344
Children homes	6,756,810,935	-	9,555,622,449	-	16,312,442,384	2,521,686,696	639,450,413	-	3,161,137,109	-	16,151,305,275
Roofing	-	-	1,397,076,625	-	1,397,076,625	-	17,463,458	-	17,463,458	-	1,379,613,167
Sport center	-	-	1,736,049,693	-	1,736,049,693	-	21,700,621	-	21,700,621	-	1,714,349,072
Water storage	-	-	112,634,693	-	112,634,693	-	1,407,934	-	1,407,934	-	111,226,759
Sub-total	18,960,134,842	-	21,512,455,804	-	38,492,590,646	4,538,448,443	1,128,179,891	-	5,656,628,334	381,024,033	32,452,938,279
Building improvements											
Toilet	59,603,852	-	-	-	59,602,852	34,437,204	-	-	34,437,204	25,165,648	-
Kitchen revamp	-	88,518,000	78,512,190	-	167,030,190	-	2,935,158	-	2,935,158	-	164,095,032
Container renovation	30,241,500	-	-	-	30,241,500	13,860,688	3,024,150	-	16,884,838	-	13,356,662
Incinerator	45,824,875	-	-	-	45,824,875	10,883,409	2,291,244	-	13,174,653	-	32,650,222
Inscription in mosque	5,887,000	-	-	-	5,887,000	2,698,208	588,700	-	3,286,908	-	2,600,092
Parking lot	22,845,000	-	-	-	22,845,000	10,661,000	2,284,500	-	12,945,500	-	9,899,500
Parking lot for bicycle	7,730,700	-	-	-	7,730,700	3,478,815	773,070	-	4,251,885	-	3,478,815
Sub-total	172,131,927	88,518,000	78,512,190	-	339,162,117	76,010,324	11,896,822	-	87,916,146	25,165,648	220,080,323
Furniture and equipment	5,429,409,898	2,393,159,064	99,337,879	23,125,000	7,898,781,841	3,290,436,768	717,741,100	23,125,000	3,985,054,868	-	3,913,726,775
Vehicles	838,873,344	-	-	-	838,873,344	575,800,261	82,812,543	-	658,612,804	-	180,260,540
Construction in progress	19,301,239,711	4,371,835,257	(23,733,074,968)	-	-	-	-	-	-	-	-
Total	54,192,894,704	6,853,512,321	-	23,125,000	61,023,182,027	10,268,048,156	2,354,315,826	23,125,000	12,599,238,982	406,189,681	48,017,763,364

(Expressed in Rupiah, unless otherwise stated)

5. FIXED ASSETS (continued)

	2024							
	Acquisition Costs			Accumulated Depreciation				
	Gross Book Value January 1, 2024	Acquisitions	Gross Book Value December 31, 2024	January 1, 2024	Depreciation	December 31, 2024	Accumulated Impairment Loss December 31, 2024	Net Book Value December 31, 2024
Land	4,057,683,288	-	4,057,683,288	-	-	-	-	4,057,683,288
Land improvements								
Draining channel	617,805,901	-	617,805,901	150,254,353	30,890,295	181,144,648	-	436,661,253
Fence	401,929,031	-	401,929,031	227,759,782	13,397,634	241,157,416	-	160,771,615
Electrical services	591,260,268	-	591,260,268	132,694,599	29,128,452	161,823,051	-	429,437,217
Landscapes	151,399,060	-	151,399,060	26,065,663	7,569,953	33,635,616	-	117,763,444
Irrigation canal	22,730,000	-	22,730,000	1,231,208	1,136,500	2,367,708	-	20,362,292
Party wall	42,453,250	-	42,453,250	9,443,773	2,122,663	11,566,436	-	30,886,814
Road	1,336,814,977	-	1,336,814,977	246,102,659	66,840,749	312,943,408	-	1,023,871,569
River channel	46,029,250	-	46,029,250	8,822,274	2,301,463	11,123,737	-	34,905,513
Water tower irrigation	55,201,170	-	55,201,170	8,114,822	4,825,055	12,939,877	-	42,261,293
Water services	416,380,216	-	416,380,216	92,660,466	20,819,011	113,479,477	-	302,900,739
Playground	319,032,547	-	319,032,547	59,223,595	15,951,627	75,175,222	-	243,857,325
Futsal	986,303,718	115,577,500	1,101,881,218	184,038,886	62,799,228	246,838,114	-	855,043,104
Swimming pool	226,159,417	-	226,159,417	42,169,611	11,307,971	53,477,582	-	172,681,835
Fish pond	101,133,300	-	101,133,300	20,226,660	5,056,665	25,283,325	-	75,849,975
Garden	103,081,800	-	103,081,800	20,937,837	5,154,090	26,091,927	-	76,989,873
Boundary wall	1,561,233,000	-	1,561,233,000	132,693,550	78,061,650	210,755,200	-	1,350,477,800
Retaining wall	105,754,000	-	105,754,000	22,913,366	5,287,700	28,201,066	-	77,552,934
Step wall	133,364,000	-	133,364,000	28,895,533	6,668,200	35,563,733	-	97,800,267
Well	19,689,491	-	19,689,491	2,789,344	984,475	3,773,819	-	15,915,672
Sub-total	7,237,754,396	115,577,500	7,353,331,896	1,417,037,981	370,303,381	1,787,341,362	-	5,565,990,534

(Expressed in Rupiah, unless otherwise stated)

5. FIXED ASSETS (continued)

	2024 (continued)							
	Acquisition Costs			Accumulated Depreciation			Accumulated Impairment Loss December 31, 2024	Net Book Value December 31, 2024
	Gross Book Value January 1, 2024	Acquisitions	Gross Book Value December 31, 2024	January 1, 2024	Depreciation	December 31, 2024		
Buildings								
Kitchen and warehouse	100,778,538	-	100,778,538	39,191,653	-	39,191,653	61,586,885	-
Mosque	455,512,342	-	455,512,342	105,540,555	21,224,842	126,765,397	10,625,129	318,121,816
Office	1,525,935,882	-	1,525,935,882	297,565,307	76,296,794	373,862,101	-	1,152,073,781
Primary school	1,515,084,389	-	1,515,084,389	483,345,232	46,754,361	530,099,593	308,812,019	676,172,777
Middle school	1,770,002,238	-	1,770,002,238	347,052,261	88,500,113	435,552,374	-	1,334,449,864
Power house and garage	125,160,000	-	125,160,000	25,032,000	6,258,000	31,290,000	-	93,870,000
Aula renovation	89,382,700	-	89,382,700	10,769,544	4,469,135	15,238,679	-	74,144,021
Security post	138,015,210	36,077,500	174,092,710	29,579,771	8,704,635	38,284,406	-	135,808,304
Canteen	143,670,102	-	143,670,102	31,128,522	7,183,505	38,312,027	-	105,358,075
Pet's cage	48,690,150	-	48,690,150	8,006,375	2,434,509	10,440,884	-	38,249,266
Extracurricular rooms	937,013,316	-	937,013,316	233,907,397	46,850,667	280,758,064	-	656,255,252
Sanitary	337,992,540	-	337,992,540	80,066,942	16,899,627	96,966,569	-	241,025,971
Children homes	9,756,819,935	-	9,756,819,935	2,033,845,699	487,840,997	2,521,686,696	-	7,235,133,239
Sub-total	16,944,057,342	36,077,500	16,980,134,842	3,725,031,258	813,417,185	4,538,448,443	381,024,033	12,060,662,366
Building improvements								
Toilet	59,602,852	-	59,602,852	34,437,204	-	34,437,204	25,165,648	-
Container renovation	30,241,500	-	30,241,500	10,836,538	3,024,150	13,860,688	-	16,380,812
Incinerator	45,824,875	-	45,824,875	8,592,165	2,291,244	10,883,409	-	34,941,466
Inscription in mosque	5,887,000	-	5,887,000	2,109,508	588,700	2,698,208	-	3,188,792
Parking lot	22,845,000	-	22,845,000	8,376,500	2,284,500	10,661,000	-	12,184,000
Parking lot for bicycle	7,730,700	-	7,730,700	2,705,745	773,070	3,478,815	-	4,251,885
Sub-total	172,131,927	-	172,131,927	67,057,660	8,961,664	76,019,324	25,165,648	70,946,955
Furniture and equipment	4,973,538,746	455,870,952	5,429,409,698	2,842,912,084	447,526,682	3,290,438,766	-	2,138,970,932
Vehicles	838,873,344	-	838,873,344	492,987,720	82,812,541	575,800,261	-	263,073,083
Construction in progress	2,372,512,151	16,988,727,560	19,361,239,711	-	-	-	-	19,361,239,711
Total	36,596,551,194	17,596,253,512	54,192,804,706	8,545,026,703	1,723,021,453	10,268,048,156	406,189,681	43,518,566,869

(Expressed in Rupiah, unless otherwise stated)

5. FIXED ASSETS (continued)

For the years ended December 31, 2025 and 2024, depreciation expense charged to general and administrative expenses amounted to Rp2,354,315,826 and Rp1,723,021,453, respectively (see Note 10).

The decrease in fixed assets represents the disposal of fixed assets, with details as follows:

	2025	2024
Proceeds from sale	8,065,000	-
Net book value	-	-
Gain on sale	**8,065,000**	**-**

Construction in progress is related to the construction of Foundation in Sumbawa, West Nusa Tenggara. The overall physical progress has reached 100% of the total project value, and the construction was completed in 2025.

As of December 31, 2025 and 2024, land, buildings, furniture and equipment were insured against losses due to earthquake, fire, theft and other risks by PT Asuransi Allianz Indonesia and vehicles were insured by PT Asuransi Umum Mega and PT Asuransi Jasa Indonesia with a total coverage of Rp96,679,830,100 and Rp58,337,330,000, respectively.

Management believes that the insurance coverage is adequate to cover all possible losses.

Based on the assessment of the Foundation's management, there are no events or changes in circumstances which may indicate impairment in value of fixed assets as of December 31, 2025 and 2024.

6. RESTRICTED FUNDS

As of December 31, 2025 and 2024, this account represents the Foundation's balance at PT Bank Central Asia Tbk which is restricted because it is used as collateral for credit card facilities amounted to Rp110,000,000 and Rp100,000,000, respectively.

7. ACCRUED EXPENSES

This account consists of:

	2025	2024
Credit card	162,831,771	88,291,775
Professional fee	55,000,000	50,000,000
Others	-	1,829,051
Total	**217,831,771**	**140,120,826**

8. TAXATION

a. Prepaid Tax

As of December 31, 2025 and 2024, this account represents income tax Article 21 amounted to Rp1,753,056 and Rp1,409,360, respectively.

b. Tax Payable

As of December 31, 2025 and 2024, this account represents income tax Article 23 amounted to Rp960,648 and Rp11,930, respectively.

(Expressed in Rupiah, unless otherwise stated)

8. TAXATION (continued)

c. Corporate Income Tax

Reconciliation between increase in net assets before income tax based on the statement of activities and the estimated taxable income for the years ended December 31, 2025 and 2024 is as follows:

	2025	2024
Increase in net assets per statement of activities	5,769,185,462	13,995,479,040
Permanent difference:		
Income already subjected to final tax and non-tax object	(5,769,185,462)	(13,995,479,040)
Estimated taxable income	-	-

9. CONTRIBUTIONS AND DONATIONS

The details of this account are as follows:

	2025		
	Without Restrictions	With Restrictions	Total
Individual contributions	3,702,446,443	6,801,390,917	10,503,837,360
Corporate contributions	675,743,525	7,656,942,836	8,332,686,361
Government subsidies	16,850,000	146,500,000	163,350,000
Total	**4,395,039,968**	**14,604,833,753**	**18,999,873,721**

	2024		
	Without Restrictions	With Restrictions	Total
Individual contributions	334,895,186	18,046,641,316	18,381,536,502
Corporate contributions	4,097,420,648	4,409,148,001	8,506,568,649
Government subsidies	26,600,000	183,080,000	209,680,000
Total	**4,458,915,834**	**22,638,869,317**	**27,097,785,151**

Contributions and donations with restrictions pertain to:

a) Contributions that are restricted for the education and additional care that are directed by the donor for certain children which can only be spent for that purpose.
b) Government subsidies restricted for educational activities only.
c) Contributions that are restricted for expenses related to the objectives of each fundraising programs created by the Foundation.

Contributions and donations without restrictions mainly pertain to general donations without restrictions and no limitation for its use.

(Expressed in Rupiah, unless otherwise stated)

9. CONTRIBUTIONS AND DONATIONS (continued)

The details of cash contributions and donations are as follows:

	2025	2024
Cash receipts from contributions and donations	18,999,873,721	27,145,275,930
Change in receivable from:		
PT Midtrans	-	(47,490,779)
Total	**18,999,873,721**	**27,097,785,151**

10. EXPENSES

The details of this account are as follows:

	2025	2024
Program expenses		
Without restrictions		
Fundraising costs	282,633,619	199,759,463
Gift and celebration	72,284,813	9,728,243
Office supplies	7,660,389	9,839,727
Charity	5,815,800	14,717,335
Office contents	5,322,030	3,413,318
Security contents	-	4,229,908
Marketing	-	3,852,050
Others	91,703,333	195,805,800
Sub-total	465,419,984	441,345,844
With restrictions		
Fundraising costs	4,349,627,180	4,349,522,886
Food and water	947,682,945	938,357,306
General	242,424,312	216,262,610
Education external	202,553,891	209,512,608
Education internal	147,123,610	151,400,697
Internal education contents	140,244,174	188,982,600
Pocket money	120,496,000	112,702,000
Social work operations	63,269,466	30,866,084
Uniform and footwears	51,607,773	179,619,860
Clinic	43,528,423	71,976,413
Children homes contents	21,692,547	17,680,068
Extracurricular activities	18,380,166	62,150,143
Children savings	18,000,000	13,600,000
Recreational	16,137,010	18,303,757
Gardening	15,157,600	9,134,500
Kitchen contents	13,225,702	5,902,500
Personnel	9,000,000	10,400,000
Gift and celebration	5,112,545	37,868,796
Sub-total	6,425,263,344	6,624,244,828
Total program expenses	**6,890,683,328**	**7,065,590,672**

(Expressed in Rupiah, unless otherwise stated)

10. EXPENSES (continued)

	2025	2024
General and administrative expenses		
Without restrictions		
Insurance	94,144,788	68,071,527
Transportation	76,766,205	77,629,280
Professional fees	60,443,630	65,786,950
External program	25,606,792	47,613,557
Office	2,651,411	5,635,099
Others	6,186,536	9,440,771
Sub-total	265,799,362	274,177,184
With restrictions		
Personnel	3,378,572,056	3,833,883,651
Depreciation of fixed assets (Note 5)	2,354,315,826	1,723,021,453
Maintenance and repairs	280,226,231	131,188,543
Cleaning supplies	35,779,245	39,525,907
Toiletries	22,419,248	34,994,398
Sub-total	6,071,312,606	5,762,613,952
Total general and administrative expenses	**6,337,111,968**	**6,036,791,136**
Others		
Without restrictions		
Interest expense	**17,397,422**	**6,519,157**
Total	**13,245,192,718**	**13,108,900,965**

The total expenses without restrictions and with restrictions presented in statement of activities are as follows:

	2025	2024
With restrictions expenses	12,496,575,950	12,386,858,780
Without restrictions expenses	748,616,768	722,042,185
Total	**13,245,192,718**	**13,108,900,965**

For the years ended December 31, 2025 and 2024, restrictions expenses relate to:

a. Government subsidies used for children's education.
b. Education and additional care that are directed by the donor for certain children.
c. Expenses related to the objectives of each fundraising programs created by the Foundation.

11. FINANCIAL INSTRUMENTS

As of December 31, 2025 and 2024, the carrying amounts of financial assets and liabilities approximate their fair values, as follows:

- Cash and cash equivalents

  Cash and cash equivalents are due within 12 months, thus the carrying amounts of the financial assets approximate its fair values.

- Restricted funds

  Restricted funds are recorded at cost as the fair values cannot be determined reliably.

- Other payable - third party and accrued expenses

  All of the above financial liabilities are due within 12 months, thus the carrying amount of the financial liabilities approximate their fair value.

12. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Foundation's activities are exposed to credit risk and liquidity risk arising in the normal course of business. The management continually monitors the Foundation's risk management process to ensure the appropriate balance between risk and control are achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Foundation's activities.

a. Credit Risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument and leading to a financial loss. The Foundation's objective is to minimize losses incurred due from increased exposure to credit risk.

Credit risk arises from cash in banks, cash equivalents and restricted funds.

No credit limits exceeded during the reporting period, and management does not expect any losses due to non-collectibility of receivables.

Cash in banks and cash equivalents are placed with reputable financial institutions.

b. Liquidity Risk

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting financial obligations due to shortage of funds. The Foundation's exposure to liquidity risk arises primarily from mismatch of the maturities of financial assets and liabilities.

The Foundation's financial liabilities based on undiscounted contractual payments have a maturity profile of less than one year.

13. ISSUANCE OF NEW, AMENDMENTS AND IMPROVEMENTS TO THE STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS

DSAK IAI has issued the following new, amendments and improvements to the Statements of Financial Accounting Standards which will be applicable to the financial statements for annual periods beginning on or after:

<u>January 1, 2026</u>

- Amendments to PSAK 109, "Financial Instruments", and PSAK 107, "Financial Instruments: Disclosures", on Classification and Measurement of Financial Instruments;
- PSAK 107 (Annual Improvements 2024), "Financial Instruments: Disclosures";
- PSAK 109 (Annual Improvements 2024), "Financial Instruments";
- PSAK 110 (Annual Improvements 2024), "Consolidated Financial Statements"; and
- PSAK 207 (Annual Improvements 2024), "Statement of Cash Flows".

<u>January 1, 2027</u>

- PSAK 118, "Presentation and Disclosure in Financial Statements";
- PSAK 119, "Subsidiaries without Public Accountability: Disclosures"; and
- Amendments to PSAK 119, "Subsidiaries without Public Accountability: Disclosures".

The Foundation is still evaluating the effects of these new, amendments and improvements to the Statements of Financial Accounting Standards and has not yet determined the related effects on the financial statements.