

**MASARANG INTERNATIONAL FOUNDATION**

Annual Report 2018

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**AUDITOR'S REPORT**

To the Board of  
Masarang International Foundation  
Waterlelie 3  
2631 DE Nootdorp

Dear Board,

We hereby send you the report regarding the financial statements for the year 2018 of your foundation .

## **1 ANNUAL ACCOUNTS**

In accordance with your instructions we have compiled the annual accounts for your foundation, including the balance sheet and financial results.

## **2 AUDIT**

Masarang International is exempt from the audit requirement because your foundation is within the limits set in Article 2:396 paragraph 1 of the Dutch Civil Code. Therefore the annual accounts does not include a formal audit report. However, the financial statements have been verified and validated.

## **3 GENERAL**

### **3.1 Company**

Masarang International has the purpose to protect and restore the nature in Indonesia with the active involvement of the local population.

### **3.2 Board**

On December 31, 2018 the board is formed by:

- Hans van Willige (chairman)
- Esther Klinkum (treasurer)
- Wim van de Meerendonck (member)

### **3.3 Incorporation of the foundation**

Masarang International Foundation was incorporated by notarial deed on June 07, 2010 by mr. E. Schot in Amsterdam.

## **4 FISCAL POSITION**

### **4.1 Corporate Income Tax**

Masarang International Foundation is exempted from corporate income tax. Masarang International has the ANBI-status, which means that gifts to the foundation are tax deductible in the Netherlands.

Upon request, we will gladly provide further information.

Sincerely yours,  
Administratiekantoor Hermans

A.I. Korenhof

## **FINANCIAL STATEMENTS**

**1 BALANCE SHEET AS AT DECEMBER 31, 2018**

	December 31, 2018		December 31, 2017	
	€	€	€	€
<b>ASSETS</b>				
<b>Fixed assets</b>				
<b>Financial fixed assets</b>	(1)	195,000		105,000
<b>Current assets</b>				
<b>Receivables, prepayments and accrued income</b>	(2)			
Accounts receivable		10,528		9,350
Prepayments and accrued income		9,484		24,131
		20,012		33,481
<b>Securities</b>	(3)	2,105,391		2,697,356
<b>Cash and cash equivalents</b>	(4)	279,453		919,104
<b>TOTAL ASSETS</b>		<u>2,599,856</u>		<u>3,754,941</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Earmarked reserves	(5)	2,598,827		3,752,453
<b>Current liabilities</b>				
Accounts payable		-		1,461
Accruals and deferred income		1,029		1,027
		1,029		2,488
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>2,599,856</u>		<u>3,754,941</u>

**2 FINANCIAL RESULTS IN 2018**

		<u>2018</u>	<u>2017</u>
		€	€
<b>Income from fundraising</b>	(7)	60,816	49,701
<b>Expenses</b>			
Donations to projects in Indonesia	(8)	1,122,562	274,023
Other operating expenses	(9)	<u>6,607</u>	<u>4,015</u>
		<u>1,129,169</u>	<u>278,038</u>
<b>Operating result</b>		<u>-1,068,353</u>	<u>-228,337</u>
Financial income and expenses	(10)	<u>-85,273</u>	<u>128,140</u>
<b>Result</b>		<u>-1,153,626</u>	<u>-100,197</u>
Change in earmarked reserves	(11)	<u>1,153,626</u>	<u>100,197</u>
<b>Result</b>		<u><u>-</u></u>	<u><u>-</u></u>

### **3 NOTES TO THE FINANCIAL STATEMENTS**

#### **GENERAL**

#### **GENERAL ACCOUNTING PRINCIPLES FOR THE PREPARATION OF THE ANNUAL ACCOUNTS**

The annual accounts have been prepared in accordance with Title 9 Book 2 of the Dutch Civil Code. Valuation of assets and liabilities and determination of the result takes place under the historical cost convention. Unless presented otherwise at the relevant principle for the specific balance sheet item, assets and liabilities are presented at nominal value.

Income and expenses are accounted for on accrual basis. Profit is only included when realized on the balance sheet date. Losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

#### **PRINCIPLES OF VALUATION FOR ASSETS AND LIABILITIES**

##### **Financial fixed assets**

Upon initial recognition the receivables are valued at fair value and then valued at amortised cost, which equals the face value, after deduction of any provisions.

##### **Receivables and deferred assets**

Upon initial recognition the receivables and deferred assets are valued at fair value and then valued at amortised cost, which equals the face value, after deduction of any provisions.

##### **Securities**

The securities are valued at cost or lower market value. The lower market value is determined for each listed stock security separately.

##### **Cash and cash equivalents**

The cash is valued at face value. If cash equivalents are not freely disposable, then this has been taken into account in the valuation.

#### **ACCOUNTING PRINCIPLES FOR THE FINANCIAL RESULTS**

##### **General**

The financial result is defined as the difference between the revenue from fundraising, donations and other income, and the costs and expenses for that year, valued at historical costs.



**Financial income and expenses**

Financial income and expenses refers to interest income and expenses for loans (issued and received) during the current reporting period.

**4 NOTES TO THE BALANCE SHEET AS OF DECEMBER 31, 2018****ASSETS****FIXED ASSETS****1. Financial fixed assets**

	<u>12/31/2018</u>	<u>12/31/2017</u>
	€	€
<b>Other receivables</b>		
Loan Sugar Factory - working capital	75,000	75,000
Loan Sugar Factory - roof renovation	30,000	30,000
Loan Sugar Factory - contribution to labour flexibility fund	90,000	-
	<u>195,000</u>	<u>105,000</u>

Repayment of the loans will be made once the liquidity of the Sugar Factory is sufficient. No interest will be charged.

**CURRENT ASSETS****2. Receivables, prepayments and accrued income****Accounts receivable**

Interest still to be received	-	212
Dividend tax still to be received	10,528	9,138
	<u>10,528</u>	<u>9,350</u>

**Prepayments and accrued income**

Ongoing projects Indonesia	<u>9,484</u>	<u>24,131</u>
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**3. Securities**

Alex Bank	<u>2,105,391</u>	<u>2,697,356</u>
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The securities are valued at the acquisition price or the lower market value if applicable. Any write-down to a lower market value is determined on an individual basis. The market value of the securities as of December 31, 2018 is € 2.260.659 (2017: € 3.481.165).

	<u>12/31/2018</u>	<u>12/31/2017</u>
	€	€
<b>4. Cash and cash equivalents</b>		
Rabobank	240,596	182,499
Alex Bank	38,857	736,605
	<u>279,453</u>	<u>919,104</u>

## EQUITY AND LIABILITIES

### 5. Equity

#### Earmarked reserves

Earmarked reserves	<u>2,598,827</u>	<u>3,752,453</u>
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	<u>2018</u>	<u>2017</u>
	€	€

#### *Earmarked reserves*

Carrying amount as of January 1	3,752,453	3,800,000
Withdrawal	-1,153,626	-100,197
Miscellaneous changes	-	52,650
Carrying amount as of December 31	<u>2,598,827</u>	<u>3,752,453</u>

#### Other reserves

Carrying amount as of January 1	-	52,650
Miscellaneous changes	-	-52,650
Carrying amount as of December 31	<u>-</u>	<u>-</u>

**6. Current liabilities**

	<u>12/31/2018</u>	<u>12/31/2017</u>
	€	€
<b>Accounts payable</b>		
Accounts payable	-	1,461
	<u>          </u>	<u>          </u>
<b>Accruals and deferred income</b>		
Audit costs	1,000	1,000
Interest and bank charges	29	27
	<u>          </u>	<u>          </u>
	<u>1,029</u>	<u>1,027</u>

**5 NOTES TO THE FINANCIAL RESULTS IN 2018**

	2018	2017
	€	€
<b>7. Income from fundraising</b>		
Donations from private individuals	30,316	31,172
Donations from companies	1,300	1,500
Donations other foundations	29,200	17,029
	<u>60,816</u>	<u>49,701</u>
<b>8. Donations to projects in Indonesia</b>		
<i>Donations to projects in Indonesia</i>		
Land purchases Temboan Beach	900,000	-
Release of Orang Utans Kalimantan	-	111,323
Investment in local organisation/Yayasan Masarang	106,087	50,457
Upgrade Tasikoki	63,099	-
New staff uniforms Tasikoki	5,000	-
Reforestation BolTim	-	52,000
Other reforestations	11,929	29,281
Scholarships and other education	-	20,506
Renovation/relocation Amfitheatre	18,500	-
Sustainable Tengkawan/palmsugar factory	-	10,456
Sustainable agriculture Kalimantan	10,000	-
Other projects	7,947	-
	<u>1,122,562</u>	<u>274,023</u>
<b>9. Other operating expenses</b>		
<i>Management and administration costs</i>		
Audit costs	1,227	1,627
Banking fees	1,057	408
Internet payment module	125	-
Postage and shipping costs	254	236
Website costs	2,008	759
Office support	1,936	985
	<u>6,607</u>	<u>4,015</u>

	Audit report May 31, 2019	
	2018	2017
	€	€
<b>10. Financial income and expenses</b>		
Income of non-current receivables and of securities	99,501	89,077
Interest and similar income	-	212
Changes in value of financial assets and of securities	-184,774	39,003
Exchange rate differences	-	-152
	<u>-85,273</u>	<u>128,140</u>
<b>11. Change in earmarked reserves</b>		
Change in earmarked reserves	<u>1,153,626</u>	<u>100,197</u>