

ANNUAL REPORT 2014

Sackler Foundation
Leiden

Stichting Endowment for the Raymond and Beverly Sackler International Scholarship
Fund



KPMG Audit
Document waarop ons rapport d.d.

16 JUNI 2015

(mede) betrekking heeft.
Paraf voor identificatiedoeleinden:
KPMG Accountants N.V.

SACKLER FOUNDATION
International Scholarship Fund

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SACKLER FOUNDATION
International Scholarship Fund

REPORT OF THE BOARD OF THE FOUNDATION

Aims

1. The Foundation intends:
 - a. to give financial support by awarding scholarships to gifted and aspiring master's and PhD students at Leiden University.
2. The Foundation seeks to achieve its aims by:
 - a. using (the revenues of) the capital of the Foundation to finance the scholarships.
3. The Foundation is a non-profit organization.

Report of the Board of the Foundation

The 2014 Board Meeting was held on July 8th 2014. During this meeting the 2013 annual report was approved by the Board.

The Board consist of the following members:

Board Membership	Starting date	Term of appointment
C.J.J.M. Stolker	09-02-2013	08-02-2017
H.W. te Beest	01-09-2005	01-01-2017
S.E. Buitendijk	01-09-2011	31-08-2015

Policy plan

In accordance with ANBI status stipulations, the Foundation has a current long-term policy plan. This policy plan is approved by the Board each year.

Report on activities

Estate and portfolio management - Investment policy 2014

The assets of the Sackler Foundation are managed by Schretlen & Co. At the request of the Board of the Foundation, the Leiden University Treasury Committee monitors the performance achieved by the asset manager and the composition of the portfolio of bonds. The management and performance are discussed on an annual basis with the asset manager, and are adjusted or revised where necessary.

During the year 2014, bonds performed above expectation. Unless the low interest rate there was a reasonable rate of return.

To check the performance of the estate manager Schretlen & Co, we use benchmarks; bonds are compared to the JP Morgan Netherlands Government Bond Index (11,60 %). The mismatch between the return YTD and the benchmark is caused by comparing corporate bonds in the portfolio and government bonds in the benchmark.

Portefeuille	Bonds	Shares	Cash	Return YTD	Benchmark
Sackler Study Fund	97,0%	0	3,0%	9,43%	11,26%

Sackler scholarships 2014

Candidate Requirements

Non-Dutch students, accepted to a regular English language Master or PhD programme. Their records must be excellent, and they must be in the top 10% of their programme.

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Applicants' studies in Leiden must constitute a deepening and broadening of their previous studies in their home country.

Content of the Scholarships

Out of the \$1 million donation, for the academic year 2012-2013 Student and Educational Affairs was able to provide scholarships with a total value of € 60,000.

In 2012, Leiden University developed the "Raymond and Beverly Sackler scholarship", in order to ensure the available funds were being fully utilised. These scholarships were available to students entering a master's programme, with a scholarship amount of € 25.000 for a one-year master's programme, or € 50.000 for a two-year master's programme. This amount covers the students' tuition fees, with the remainder being paid out to the students in allowances for their living expenses. Each faculty nominated two of their top applicants for this scholarship, and the final decision was made by the Director of Student and Educational Affairs.

Selection

Two master student were awarded the "The Raymond and Beverly Sackler Scholarship" of € 25.000 each in 2014. Our awardees for 2014 were:

- Mr. Ilya Kokorin: LLM in Civil and Commercial Law
- Mrs. Viktoriia Biliaieva, Master Crisis and Security Management

A "Raymond and Beverly Sackler additional allowance of € 329 has been awarded to

- Mr. Andrii Magalich: Master Physics (2-year programme).

NAME	PROGRAMME/ FACULTY	TUITION FEE	ALLOWANCE	TOTALAWARD
Andrii Magalich	Master Physics, Faculty of Science, additional	€ -	€ 329	€ 329
Ilya Kokorin	LLM in Civil and Commercial Law, Faculty of Science	€ 13,094	€ 11,910	€ 25,004
Viktoriia Biliaieva	Master in Crisis and Security Management, Faculty of Science	€ 13,894	€ 11,109	€ 25,003
	TOTAL	€ 26,988	€ 23,348	€ 50,336

Prof. Dr. C.J.J.M. Stolker
President



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ANNUAL REPORT 2014

- Balance sheet
- Statement of income and expenditure
- Explanatory notes



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SACKLER FOUNDATION
International Scholarship Fund

BALANCE SHEET AS AT 31 DECEMBER 2014

	2014	2013
(After appropriation of the result)		
ASSETS		
<i>Financial fixed assets</i>		
Bonds	€ 2,114,905	€ 1,999,945
Total financial fixed assets	€ 2,114,905	€ 1,999,945
<i>Current assets</i>		
Accounts receivable	€ 38,269	€ 51,742
Cash	€ 82,504	€ 63,071
Total current assets	€ 120,773	€ 114,813
TOTALASSETS	€ 2,235,678	€ 2,114,758
LIABILITIES		
<i>Equity</i>		
Initial capital	€ 1,660,000	€ 1,660,000
Additional capital	€ 411,638	€ 436,464
Other reserves	€ 143,677	€ 24,826-
Total equity	€ 2,215,315	€ 2,071,638
<i>Short term debts</i>		
Other debts	€ 20,363	€ 43,120
Total short term debts	€ 20,363	€ 43,120
TOTALLIABILITIES	€ 2,235,678	€ 2,114,758



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STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR 2014

	2014	2013
INCOME		
<i>Financial revenues</i>		
Intrest from bank accounts	€ 1,675	€ 3,807
Intrest from bonds	€ 63,971	€ 66,771
Unrealised capital result on securities	€ 54,406	€ 0
Realised capital result on securities	€ 85,660	€ 0
Total financial revenues	€ 205,712	€ 70,578
TOTAL INCOME	€ 205,712	€ 70,578
EXPENDITURE		
<i>Institution's expenses</i>		
Bank charges	€ 3,666	€ 3,392
Auditor's fee	€ 3,025	€ 3,075
Total institution's expenses	€ 6,691	€ 6,467
<i>Financial expenses</i>		
Unrealised capital result on securities	€ 0	€ 32,929
Realised capital result on securities	€ 5,008	€ 0
Total financial expenses	€ 5,008	€ 32,929
<i>Transfer of income</i>		
Scholarships	€ 50,336	€ 56,008
Totaal transfer of income	€ 50,336	€ 56,008
TOTAAL EXPENDITURE	€ 62,035	€ 95,404
RESULT FOR THE YEAR	€ 143,677	€ 24,826-

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EXPLANATORY NOTES TO THE ANNUAL REPORT

GENERAL

According to article 10 of the statutes of the Foundation, an account is hereby given of the financial management for 2014. The Foundation was statutorily established on October 25, 2004.

Capital

The capital allocated to realizing the aims of the Foundation is formed of:

- a. the sum ("Endowment sum") allocated by the Donors listed below for the realization of the Foundation's aims. Donors:
 - La Fondation Raymond et Beverly Sackler / The Raymond and Beverly Sackler Foundation (Canada);
 - Raymond & Beverly Sackler Stiftung (Basel, Switzerland);
- b. the sum allocated by the Leiden University for the realization of the Foundation's aims.
- c. other subsidies, gifts and donations, including:
- d. that which is received through testamentary dispositions or legacies;
- e. that which is received in other ways.

Income from the Endowment sum

1. The Board of the Foundation is authorized to use the income received from the Endowment sum, but not the Endowment sum itself, to reimburse the costs arising directly from the establishment and maintenance of the above-mentioned chair and the associated position of professor.
2. If the income from the Endowment sum is greater than the specified costs, the excess sum will be added in the next financial year to the Endowment sum and shall form part of it.
3. In contrast, if the specified costs are greater than the income from the Endowment sum, the excess sum will be paid from the sum received from Leiden University.
4. The sum received from the University of Leiden will at least match the total sum received from the Donors.
5. The Board of the Foundation is **not** authorized to use the Endowment sum, to establish an usufructs for the benefit of another, to pledge the Endowment sum or to use it in any other way for security for the payment of debts or liabilities of others.

GENERAL PRINCIPLES FOR COMPILING THE ANNUAL ACCOUNT

The annual account is compiled on the grounds of the Guidelines for Annual Reporting 640 for entrepreneurs without profit ambitions (the relevant principles are therefore equivalent to the principles applicable to the university on the grounds of the Guideline for Annual Reporting 660 for educational institutions).



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PRINCIPLES FOR EVALUATION OF ASSETS AND LIABILITIES AND THE DETERMINATION OF THE RESULT

General principles

The principles applied for the assessment of assets and liabilities and the determination of the result are based on historic costs, with the exception of the financial instruments. Unless otherwise mentioned, assets and liabilities are included at nominal value.

An asset is included in the balance sheet when it is probable that the future economic advantages will accrue to the organization and the value of this can be determined.

A liability is included in the balance when it is probable that the settlement of this will be accompanied by an outflow of resources and the extent of the amount can be determined reliably.

The income and expenditure are ascribed to the period to which they relate. The annual account is prepared in Euros.

The preparation of the annual accounts requires that the management should formulate evaluations, and should make estimates and assumptions that influence the application of principles and the reported value of assets and obligations, and profits and losses. The actual results may vary from these estimates. The estimates and underlying assumptions will be assessed on a continuous basis. Revisions of estimates will be included in the period in which the estimate is revised and in future periods for which the revision has consequences.

Benefits will be included in the profit and loss account when an increase in the economic potential of an asset or a reduction of an obligation has taken place, of which the extent can be determined reliably. Costs will be processed when a reduction in the economic potential, together with a reduction of an asset or an increase of an obligation, has taken place, of which the extent can be determined reliably.

Accounts receivable and debts

Fair value of accounts receivables and short term debts are included against amortized cost price and they do not deviate significantly from their nominal amounts.

Bonds

The individual bonds are valued against the market price on the balance sheet date. Adjustments in the valuations are recognized in the statement of income and expenditure.

Cash

Cash are included at nominal values and are available for discretionary spending.



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Other reserves

Each year the business results achieved will be added to or deducted from the 'Other reserves' business result. This reserve is fully available in line with the objectives of the Foundation. No distinction is made in the articles between reserves for discretionary spending and fixed reserves nor between specific objectives and/or restricted spending options.

Basis for determination of the result

Sponsoring proceeds based on Barter

In case of a barter transaction ('Barter') the proceeds shall only be processed if, on the one hand, the barter involves services which are not comparable in nature and if, on the other hand, the proceeds of these obtained 'barter' may be determined in a reliable manner.

Subsidy

Subsidies are awarded in accordance with the stipulations in the Foundation's articles. Unconditionally awarded subsidies are recorded as a charge in the year in which they have been awarded. Conditionally awarded subsidies will be recorded as obligations which are not evidenced by the balance sheet, in case not all the conditions have yet been complied with on the balance sheet date.

Appropriation of the result for the year

According to the article of the statutes, a positive result for the year will be added in the next financial year to the initial capital in ratio of the "Endowment sum" and of the "Leiden University sum". In the current financial year a positive operating result will be added to the balance sheet "Other reserves" and is available to the aims of the Foundation.

In case of an negative operating result the excess sum will be paid from the sum received from Leiden University.

Determination of the results

The balance of the profits and losses will be determined as the difference between the balance of profits and losses on the one hand and the costs incurred in exploitation on the other hand.

Transfer of income

Transfer of income is awarded in line with the statutory stipulations of the Foundation. Unconditional subsidies are accounted for as expenditure. Conditional subsidies are included as obligations not taken from the balance, if all or some of the conditions have not been met on the balance date.



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NOTES TO THE BALANCE SHEET AS AT 31 DECEMBER 2014

	2014	2013
FINANCIAL FIXED ASSETS		
Bonds as at 1 January	€ 1,999,945	€ 1,632,912
Additions	€ 741,352	€ 399,962
Disposals	€ 761,450-	€ 0
Unrealised capital result on securities	€ 54,405	€ 32,929-
Realised capital result on securities	€ 80,653	€ 0
Total fixed assets	€ 2,114,905	€ 1,999,945
CURRENT ASSETS		
Coupon interest	€ 37,969	€ 51,442
Interest bank	€ 300	€ 300
Total accounts receivable	€ 38,269	€ 51,742
RABO	€ 16,924	€ 23,188
Schretlen account	€ 65,580	€ 39,883
Total cash	€ 82,504	€ 63,071
EQUITY		
Sackler part (49,9%)	€ 829,860	€ 829,860
Leiden University part (50,1%)	€ 830,140	€ 830,140
Total initial capital	€ 1,660,000	€ 1,660,000
Sackler part (49,9%)	€ 262,358	€ 179,976
Allocation from Other reserves	€ 82,382	€ 82,382
Subtotal Additional capital (Sackler part)	€ 262,358	€ 262,358
Leiden University part (50,1%)	€ 174,106	€ 91,393
Allocation from Other reserves	€ 24,826-	€ 82,713
Subtotal Additional capital (Leiden University part)	€ 149,280	€ 174,106
Total Additional capital	€ 411,638	€ 436,464
Sackler part (49,9%) as at 1 January	€ 0	€ 82,382
Allocation to Additional capital	€ 0	€ 82,382-
Operating result	€ 71,695	€ 0
Subtotal Other reserves (Sackler part)	€ 71,695	€ 0
Leiden University part (50,1%) 1 January	€ 24,826-	€ 82,713
Allocation to Additional capital	€ 24,826	€ 82,713-
Operating result	€ 71,982	€ 24,826-
Subtotal Other reserves (Leiden University part)	€ 71,982	€ 24,826-
Total Other reserves	€ 143,677	€ 24,826-
SHORT TERM DEBTS		
Bank expenses	€ 938	€ 855
Scholarships	€ 16,400	€ 39,240
Auditor's charge	€ 3,025	€ 3,025
Total Short term debts	€ 20,363	€ 43,120

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SIGNATURE OF ANNUAL REPORT 2014

Leiden,

2015

Prof. dr. C.J.J.M. Stolker
President,

Drs. H.W. te Beest
Secretary-Treasurer

Prof. dr. S.E. Buitendijk
Member of the Board



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Other information

Payment of members of the Board

The members of the Board do not receive any emoluments of the Sackler Foundation.

Employees

The Sackler Foundation has no employees.

Report of incidents after the balance sheet date

No incidents occurred that had consequences for the balance sheet date.

Appropriation of the result for the year

According to the article of the statutes, a positive result for the year will be added in the next financial year to the initial capital in ratio of the "Endowment sum" and of the "Leiden University sum". In the current financial year a positive operating result will be added to the balance sheet "Other reserves" and is available to the aims of the Foundation.

In case of an negative operating result the excess sum will be paid from the sum received from Leiden University.

Appropriation of the 2013 result

The 2013 annual accounts were adopted in the Board meeting held on July 8th, 2014. The Board meeting has paid the negative result 2013 of € 24,826 from the other reserves, Leiden University part.

Motion for appropriation of the result of the financial year 2014

The Board proposes to appropriate the achieved result of € 143,677 as follows. The result 2014 of € 143,677 will be paid from the other reserves. The above motion has been incorporated in the annual accounts accordingly.

In the event of a negative operating result the excess sum will be paid from the sum received from Leiden University.

NOTES TO THE BALANCE SHEET

	2014	2013
Allocated yield to "Other reserves"		
Sackler part (49,9%)	€ 71,695	€ 0
Leiden University part (50,1%)	€ 71,982	€ 24,826-
Total allocation operating result	€ 143,677	€ 24,826-



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AUDITOR'S REPORT



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AUDITOR'S REPORT

Controleverklaring van de onafhankelijke accountant

Aan: het Bestuur van Stichting Endowment for the Raymond and Beverly Sackler International Scholarship Fund

Wij hebben de in dit rapport opgenomen jaarrekening over 2014 van Stichting Endowment for the Raymond and Beverly Sackler International Scholarship Fund te Leiden gecontroleerd. Deze jaarrekening bestaat uit de balans per 31 december 2014 en de winst-en-verliesrekening over 2014 met de toelichting, waarin zijn opgenomen een overzicht van de gehanteerde grondslagen voor financiële verslaggeving en andere toelichtingen.

Verantwoordelijkheid van het bestuur

Het bestuur van de stichting is verantwoordelijk voor het opmaken van de jaarrekening die het vermogen en het resultaat getrouw dient weer te geven in overeenstemming met Richtlijn voor de jaarverslaggeving 640 'Organisaties zonder winststreven'. Het bestuur is tevens verantwoordelijk voor een zodanige interne beheersing als het noodzakelijk acht om het opmaken van de jaarrekening mogelijk te maken zonder afwijkingen van materieel belang als gevolg van fraude of fouten.

Verantwoordelijkheid van de accountant

Onze verantwoordelijkheid is het geven van een oordeel over de jaarrekening op basis van onze controle. Wij hebben onze controle verricht in overeenstemming met Nederlands recht, waaronder de Nederlandse controlestandaarden. Dit vereist dat wij voldoen aan de voor ons geldende ethische voorschriften en dat wij onze controle zodanig plannen en uitvoeren dat een redelijke mate van zekerheid wordt verkregen dat de jaarrekening geen afwijkingen van materieel belang bevat.

Een controle omvat het uitvoeren van werkzaamheden ter verkrijging van controle-informatie over de bedragen en de toelichtingen in de jaarrekening. De geselecteerde werkzaamheden zijn afhankelijk van de door de accountant toegepaste oordeelsvorming, met inbegrip van het inschatten van de risico's dat de jaarrekening een afwijking van materieel belang bevat als gevolg van fraude of fouten. Bij het maken van deze risico-inschattingen neemt de accountant de interne beheersing in aanmerking die relevant is voor het opmaken van de jaarrekening en voor het getrouwe beeld daarvan, gericht op het opzetten van controlewerkzaamheden die passend zijn in de omstandigheden. Deze risico-inschattingen hebben echter niet tot doel een oordeel tot uitdrukking te brengen over de effectiviteit van de interne beheersing van de stichting. Een controle omvat tevens het evalueren van de geschiktheid van de gebruikte grondslagen voor financiële verslaggeving en van de redelijkheid van de door het bestuur van de stichting gemaakte schattingen, alsmede een evaluatie van het algehele beeld van de jaarrekening.



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Wij zijn van mening dat de door ons verkregen controle-informatie voldoende en geschikt is om een onderbouwing voor ons oordeel te bieden.

Oordeel

Naar ons oordeel geeft de jaarrekening een getrouw beeld van de grootte en samenstelling van het vermogen van Stichting Endowment for the Raymond and Beverly Sackler International Scholarship Fund per 31 december 2014 en van het resultaat over 2014 in overeenstemming met de Richtlijn voor de jaarverslaggeving 640 'Organisaties zonder winststreven'.

Den Haag, 16 juni 2015

KPMG Accountants N.V.

H. Visser RA



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Appendix 1 SPECIFICATION BONDS AS AT 31ST DECEMBER 2014

Specification bonds as at 31 December 2014						
EUROBONDS	STOCK VALUE				PAID IN EUR	UNRELEASIED DIFFERENCES
	NOMINAL VALUE	CURRENCY	AMOUNT	STOCK VALUE		
5.9560% Deutsche Bk Fund Trust VI	150,000	EUR	150,300	150,300	153,387	-3,087
4.6250% Tennet 11-23	100,000	EUR	125,760	125,760	120,509	5,251
4.5000% Nederland 07-17	250,000	EUR	278,575	278,575	275,138	3,437
4.4300% Schiphol 11-21	50,000	EUR	60,965	60,965	52,322	8,644
4.3750% Rabobank Ned 06-21	85,000	EUR	104,913	104,913	100,840	4,073
4.2000% Poland 05-20	200,000	EUR	238,000	238,000	200,741	37,259
4.1250% Procter & Gamle 05-20	50,000	EUR	60,485	60,485	55,774	4,712
3.5000% Optus Finance 10-20	50,000	EUR	57,307	57,307	50,361	6,947
2.7500% EFSF 11-16	50,000	EUR	52,645	52,645	51,025	1,620
2.6250% Ned. Gasunie 12-22	100,000	EUR	112,825	112,825	106,730	6,095
2.5000% ABN AMRO 13-23	100,000	EUR	112,250	112,250	103,986	8,264
2.5000% Wolters Kluwer 14-24	100,000	EUR	110,315	110,315	101,437	8,878
2.3750% Toyota Motor 13-23	100,000	EUR	112,085	112,085	104,800	7,285
2.0000% Duitsland 11-22	100,000	EUR	112,620	112,620	105,300	7,320
2.0000% McDonalds 13-23	100,000	EUR	108,105	108,105	96,495	11,610
2.0000% Procter & Gamble 12-22	100,000	EUR	109,145	109,145	103,050	6,095
1.3750% Danone 13-19	100,000	EUR	104,240	104,240	99,648	4,592
1.3750% IBM 12-19	100,000	EUR	104,370	104,370	98,520	5,850
TOTAL EUROBONDS			2,114,905	2,114,905	1,980,061	134,844

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