

ANNUAL REPORT 2015

Sackler Foundation
Leiden

Stichting Endowment for the Raymond and Beverly Sackler International Scholarship
Fund



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- 3 MAY 2016

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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 2015 Board Meeting was held on June 30th 2015. During this meeting the 2014 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	01-05-2017
S.E. Buitendijk	01-09-2011	31-07-2016

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, being the allocation of its budget is accordance with the aims of the Foundation.

Report on activities

Estate and portfolio management - Investment policy 2015

The asset management of Sackler Foundation is executed by Rabobank. On behalf of the board of the foundation, the treasury committee of Leiden university monitors the development of the capital (including the return) as well as the asset mix of the portfolio (bonds and bank account). The management and the development of the capital is discussed once a year in a meeting between the treasury committee and Rabobank.

The capital of Sackler Foundation has in 2015 developed as follows:

Capital at 1-1	2.114.905
Return	
Direct return	63.087
Indirect return	-58.835
Result	4.252
Separated (to cash)	-175.118
Total	-170.866
Capital at 31-12	1.944.039



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Explanation

In 2015 the return was M€ 0,004 of which M€ 0,063 concerns direct return (dividend and coupon interest), -/- M€ 0,059 indirect return (value decrease of stocks and bonds). In relation to the capital at the beginning of the year (M€ 2,115) this results in a return of

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0,2%. In 2015 M€ 0,050 has been separated from the portfolio. The costs of administration were M€ 0,003.

The asset mix in 2015 was as follows:

Asset mix	2014 Q4	2015 Q1	2015 Q2	2015 Q3	2015 Q4
Bonds	97%	90%	88%	90%	90%
Investment account	3%	10%	12%	10%	10%
Total	100%	100%	100%	100%	100%

Sackler scholarships 2015

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

Content of the Scholarships

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

One master student was awarded the "The Raymond and Beverly Sackler Scholarship" of € 50.000:

- Mr. Premaratne Ganohariti (2-year programme)

NAME	PROGRAMME/ FACULTY	TUITION FEE	ALLOWANCE	TOTAL AWARD
Premaratne Ganohariti	Master International Relations & Diplomacy	€ 14.799	€ 35.201	€ 50.000
	TOTAL	€ 14.799	€ 35.201	€ 50.000

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



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ANNUAL REPORT 2015

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



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BALANCE SHEET AS AT 31 DECEMBER 2015

	2015	2014
(After appropriation of the result)		
ASSETS		
<i>Current assets</i>		
Bonds	€ 1,944,039	€ 2,114,905
Accounts receivable	€ 29,750	€ 38,269
Cash	€ 254,447	€ 82,504
Total current assets	€ 2,228,236	€ 2,235,678
TOTAL ASSETS	€ 2,228,236	€ 2,235,678
LIABILITIES		
<i>Equity</i>		
Initial capital	€ 1,660,000	€ 1,660,000
Additional capital	€ 555,315	€ 411,638
Other reserves	€ 21,944-	€ 143,677
Total equity	€ 2,193,371	€ 2,215,315
<i>Short term debts</i>		
Other debts	€ 34,865	€ 20,363
Total short term debts	€ 34,865	€ 20,363
TOTAL LIABILITIES	€ 2,228,236	€ 2,235,678



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STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR 2015

	2015	2014
INCOME		
<i>Financial revenues</i>		
Intrest from bank accounts	€ 664	€ 1,675
Intrest from bonds	€ 54,868	€ 63,971
Unrealised capital result on securities	€ 0	€ 54,406
Realised capital result on securities	€ 0	€ 85,660
Total financial revenues	€ 55,532	€ 205,712
TOTAL INCOME	€ 55,532	€ 205,712
EXPENDITURE		
<i>Institution's expenses</i>		
Bank charges	€ 3,585	€ 3,666
Auditor's fee	€ 3,025	€ 3,025
Total institution's expenses	€ 6,610	€ 6,691
<i>Financial expenses</i>		
Unrealised capital result on securities	€ 17,480	€ 0
Realised capital result on securities	€ 3,386	€ 5,008
Total financial expenses	€ 20,866	€ 5,008
<i>Transfer of income</i>		
Scholarships	€ 50,000	€ 50,336
Totaal transfer of income	€ 50,000	€ 50,336
TOTAL EXPENDITURE	€ 77,476	€ 62,035
RESULT FOR THE YEAR	€ 21,944	€ 143,677

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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 2015. 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 fund.
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.

Changes in accounting policy

Change in accounting policy for the disclosure from financial fixed assets to current assets

Until 1 January 2015 the securities were stated as financial fixed assets. As the securities are held for sale the securities should be presented as current assets. There is no retrospective of this change in accounting policy on the net assets as at 1 January 2015.

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.

Trade receivables

The trade receivables amount does not include any amount due for a period exceeding one year.

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.

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 Barters

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 'barters' 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 2015

	2015	2014
CURRENT ASSETS		
Bonds		
Bonds as at 1 January	€ 2,114,905	€ 1,999,945
Additions	€ 0	€ 741,352
Disposals	€ 150,000-	€ 761,450-
Unrealised capital result on securities	€ 17,480-	€ 54,405
Realised capital result on securities	€ 3,386-	€ 80,653
Total Bonds	€ 1,944,039	€ 2,114,905
Accounts receivable		
Coupon interest	€ 29,750	€ 37,969
Interest bank	€ 0	€ 300
Total accounts receivable	€ 29,750	€ 38,269
Cash		
NL55 RABO 0161981208 payment account	€ 28,386	€ 16,924
NL87 RABO 0301701954 investment account	€ 226,061	€ 0
Schretlen account	€ 0	€ 65,580
Total cash	€ 254,447	€ 82,504
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	€ 262,358
Allocation from Other reserves	€ 71,695	€ -
Subtotal Additional capital (Sackler part)	€ 334,053	€ 262,358
Leiden University part (50,1%)	€ 149,280	€ 174,106
Allocation from Other reserves	€ 71,982	€ 24,826-
Subtotal Additional capital (Leiden University part)	€ 221,262	€ 149,280
Total Additional capital	€ 555,315	€ 411,638
Sackler part (49,9%) as at 1 January	€ 71,695	€ 0
Allocation to Additional capital	€ 71,695-	€ 0
Operating result	€ 0	€ 71,695
Subtotal Other reserves (Sackler part)	€ 0	€ 71,695
Leiden University part (50,1%) 1 January	€ 71,982	€ 24,826-
Allocation to Additional capital	€ 71,982-	€ 24,826
Operating result	€ 21,944-	€ 71,982
Subtotal Other reserves (Leiden University part)	€ 21,944-	€ 71,982
Total Other reserves	€ 21,944-	€ 143,677
SHORT TERM DEBTS		
Bank expenses	€ 890	€ 938
Scholarships	€ 30,950	€ 16,400
Auditor's charge	€ 3,025	€ 3,025
Total Short term debts	€ 34,865	€ 20,363



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SIGNATURE OF ANNUAL REPORT 2015

Leiden,

2016

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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International Scholarship Fund

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 2014 result

The 2014 annual accounts were adopted in the Board meeting held on June 30th, 2015. The Board meeting has added the result 2014 of € 143,677 to the other reserves.

Motion for appropriation of the result of the financial year 2015

The Board proposes to appropriate the achieved negative result of € 21,944 as follows. The negative result 2015 of € 21,944 will be paid from the other reserves, the Leiden University part. The above motion has been incorporated in the annual accounts accordingly.

NOTES TO THE BALANCE SHEET

	2015	2014
Allocated yield to "Other reserves"		
Sackler part (49,9%)	€ 0	€ 71,695
Leiden University part (50,1%)	€ 21,944-	€ 71,982
Total allocation operating result	€ 21,944-	€ 143,677



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AUDITOR'S REPORT



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Appendix 1 SPECIFICATION BONDS AS AT 31ST DECEMBER 2015

Specification bonds as at 31 December 2015

EUROBONDS	STOCK VALUE			PAID IN EUR	UNREALISED DIFFERENCES	
	NOMINAL VALUE	CURRENCY	STOCK VALUE			
ABN AMRO 13/23 2,5%	100,000	EUR	108.300%	108,519	103,986	4,533
Danone 2013/2019 1,375%	100,000	EUR	103.535%	104,301	99,648	4,653
Duitsland 2011/2022 2%	100,000	EUR	111.415%	113,393	105,300	8,093
Eur Fin Stab Facility 2011/2016 2,75%	50,000	EUR	102.710%	51,453	51,025	428
IBM Senior 2012/2019 1,375%	100,000	EUR	103.835%	103,993	98,520	5,473
McDonalds 2013/2023 2%	100,000	EUR	103.950%	105,114	96,495	8,619
Nederland 2007/2017 4,5%	250,000	EUR	107.435%	273,782	275,138	-1,356
Nederlandse Gasunie 2012/2022 2,625%	100,000	EUR	110.315%	111,541	106,730	4,811
Optus Finance 2009/2020 3,5%	50,000	EUR	111.715%	56,369	50,361	6,009
Polen 2005/2020 4,2%	200,000	EUR	116.830%	239,627	200,741	38,886
Procter and Gamble 2005/2020 4,125%	50,000	EUR	117.605%	58,938	55,774	3,164
Procter and Gamble 2012/2022 2%	100,000	EUR	107.230%	107,979	103,050	4,929
Rabobank Nederland 2006/2021 4,375%	85,000	EUR	118.320%	102,675	100,840	1,835
Schiphol 2011/2021 4,43%	50,000	EUR	118.975%	60,982	52,322	8,661
Tennet 2011/2023 4,625%	100,000	EUR	123.360%	127,326	120,509	6,817
Toyota Motor Reg S 553 2013/2023 2,375%	100,000	EUR	108.565%	110,732	104,800	5,932
Wolters Kluwer 2014/2024 2,5%	100,000	EUR	105.730%	107,315	101,437	5,878
TOTALEUROBONDS				1,944,039	1,826,674	117,365

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