

Stichting L-Earn for Impact
T.a.v.: The Managementboard
Anna van Saksenlaan 71
2593 HW DEN HAAG

Annual Report 2018



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TABLE OF CONTENT

Page

1. Board Report

2.1 Board Report 2018

3

2.2 Adoption and approval of the financial statements 2018

4

3. General

3.1 General information foundation

5

4. Annual Accounts

4.1 Balance sheet per 31 december 2018

7

4.2 Statement of income and expenditure 2018

9

4.3 Notes to the annual accounts

10

BOARD REPORT

It is our pleasure to present the first annual report of Stichting L-EARN for Impact (hereafter, the “Foundation”). This overview gives the opportunity to reflect both on our activities and achievements over the year 2018 and on our goals for the future.

The Foundation was established in 2017 under the auspices of FMO, the Dutch Development Bank, Nauta Dutilh and academic partner Erasmus University, with the aim of providing an innovative educational platform for young and talented students to gain practical experience and develop valuable financial and legal skills in a “real world” context. By monetizing recovery from non-performing loans and impaired equity investments the Foundation expects to contribute to education and development opportunities to low-income individuals from around the world, by funding scholarships in The Netherlands.

2018 was the first full year of operations for the Foundation. We welcomed the first crop of students from Erasmus University (School of Law) for the first program cycle in April for a period of four months. The students received numerous presentations and analyzed different investments, deciding on a strategy and implementing it under the guidance of FMO sector experts.

As an educational experience, the students were offered theoretical knowledge to help build context and develop strategies and practical knowledge through the cases in order to acquire the specific techniques and tools to effectively implement the strategies. This combination, coupled with the motivation and dedication of the students, resulted in the first actual recovery for the Foundation of € 17.000 in September 2018. This exciting development puts us well on our way to fulfilling the goal of awarding scholarships to high achieving individuals from developing countries. It is envisioned that the first scholarship will be rolled out in the 2019/2020 academic year.

We are very proud of the accomplishments realized so soon after launching activities and are very much looking forward to welcoming students for the second cycle of the program beginning in 2019.

Huub Cornelissen

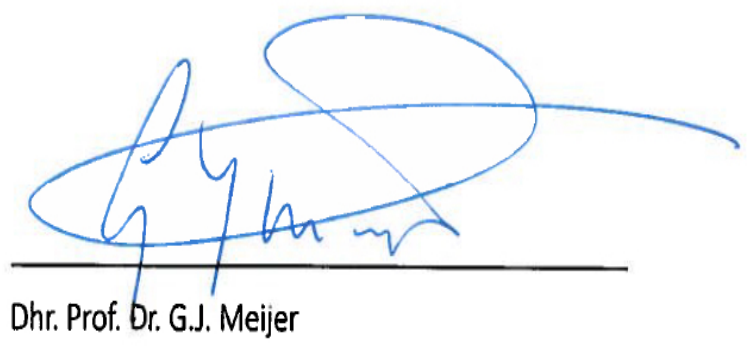
Chairman of the Board

May 8, 2019

ADOPTION AND APPROVAL OF THE FINANCIAL STATEMENTS



Dhr. H.W.H.M. Cornelissen



Dhr. Prof. Dr. G.J. Meijer

GENERAL INFORMATION FOUNDATION

ESTABLISHMENT

The foundation L-earn for Impact was established by notarial deed on 21 December 2017 and is registered in the Chamber of Commerce under number 858285976.

OBJECTIVES

The foundation's goals are:

- a) Improving education in the field of development finance, specifically through:
 - Collaboration with a university to share valuable knowledge and expertise in the field of development finance;
 - Offering students the opportunity to gain insight into and familiarise themselves with development finance, for example through student internships;
 - Obtaining, maintaining and managing securities, equity investment funds and loans as well as, when necessary, the enforcement of said securities, equity investment funds and loans and anything that is beneficial to the obtaining and maintaining the aforementioned securities, equity investment funds and loans;
- b) Financial Loans; and
- c) Carrying out any activities that are beneficial to and related to the above.

BOARDMEMBERS

Management is executed by:

- Mr H.W.H.M. Cornelissen
- Prof. Dr. G. J. Meijer
- Mr E. Creemers (appointed in Board meeting of May 8th, 2019)

ANNUAL ACCOUNTS

BALANCE SHEET

ASSETS

	<u>31-12-18</u>
	€
FIXED FINANCIAL ASSETS	
Long term receivables	-
Other securities	<u>1</u>
	1
SHORT TERM RECEIVABLES	
Other receivables	17.419
LIQUID ASSETS	
Cash and Cash equivalents	4.250
TOTAL ASSETS	<u><u>21.670</u></u>

BALANCE SHEET

LIABILITIES

31-12-18

€

FOUNDATION'S CAPITAL

General Reserve

14.095

LONG-TERM DEBT

Long-term debt

SHORT-TERM DEBT

Short-Term Loans

5.000

Other Liabilities

2.421

Creditors

154

7.575

TOTAL LIABILITIES

21.670

STATEMENT OF INCOME AND EXPENDITURE

	<u>2018</u>
	€
INCOME	
Revenues	17.136
Fundraising	<u>-</u>
	17.136
ACTIVITY EXPENDITURE	
Volunteer Compensation	<u>750</u>
Gross operating profit	16.386
MANGEMENTS COST	
Board compensation	-
Administration costs	2.574
Other Costs	<u>-</u>
	2.574
Operating profit	13.812
Interest income and similar income	283
Interest expenses and similar expenses	<u>-</u>
Balance of financial income and expenses	283
NET RESULT	<u>14.095</u>
Appropriation of Net Result	
added to: General Reserve	<u>14.095</u>

NOTES TO THE ANNUAL ACCOUNTS

GENERAL

The financial statements are drawn up in accordance with the generally accepted accounting principles of the Netherlands, using the Guideline for annual reporting 'not-for-profit organisations'.

Information Foundation

The foundation L-Earn for Impact has its registered office at Anna van Saksenlaan 71 in The Hague. The foundation is registered in the Chamber of Commerce under number 858285976.

Activities

The foundation offers students a training programme that introduces them to development finance where both theoretical and practical lessons are given.

During the practical lessons, a number of cases are discussed, analysed, and scrutinised from both a commercial and legal standpoint.

The cases have been supplied from the loan and equity portfolio of FMO that have been written off for a long time. These cases have been transferred to the foundation for training purposes

Currency

The financial statements are drawn up in euro's. Advances, debts and liabilities in a foreign currency are converted to euro's using the balance sheet date rate. Transactions in foreign currency during the reporting period are recorded in the financial statements converted at the rate of the effective date of the transaction. Any exchange rate differences are recorded in the statement of income and expenses.

BALANCE SHEET ACCOUNTING POLICIES

Fixed Financial Assets

The fixed assets consist of equity and loans owned by the foundation after having been transferred from FMO.

These fixed assets are valued at cost price, which is equal to the true value of the asset at the moment of transfer.

Short-Term Receivables

The short term debtors are recorded at nominal value. The valuation of a short-term receivables is assessed individually with a provision taken if the asset is not recoverable.

Cash and Cash equivalents

Cash and Cash equivalents are valued at nominal value and unless otherwise stated, are available for use by the foundation. Cash equivalents are advances to credit institutions that can be claimed immediately. The value is presented in euro's.

Foundation's Capital

General Reserve

The general reserve is part of the foundations capital that the foundation can legally access for the aim for which the foundation was set up.

Long-term debts

The long-term debts are loans with a duration greater than one year. That part of the loan that is repayable in the coming year is recorded under short-term debt.

Short-term debts

The short-term debts are loans with a duration of less than one year. These are valued, unless stated otherwise against nominal value.

Liabilities not recorded in the balance sheet

The liabilities not recorded in the balance sheet are valued, unless stated otherwise, against nominal value.

STATEMENT OF INCOME AND EXPENDITURE ACCOUNTING POLICIES

General

The determination of the profit or loss is based on historic cost price. Income and expenses are booked in the year that they relate to. Profits are only recorded if they have been achieved on the date of the balance sheet. Liabilities and possible losses that date from before the end of the reporting year, will be booked if they are known before drawing up the financial statements.

Income

Income means the amounts received for goods or services supplied in the reporting year minus any discounts and tax related revenue, as well as income from donations, subsidies, sponsor amounts and other receipts.

Activity expenses

Activity expenses are costs incurred related to the income.

Management Costs

These are costs not directly related to the income. The management costs are booked in the reporting year that they are related to.

Financial income and expense

The financial income and expenses are interest income and costs related to issued and received loans and credits in the reporting period.