

ANNUAL REPORT 2014

**Sackler Foundation
Leiden**

Foundation Endowment for the Raymond and Beverly Sackler Chair of the history and culture of the United States of America and the Americas



KPMG Audit
Document waarop ons rapport d.d.

16 JUNI 2015

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

TABLE OF CONTENTS

	<u>Page</u>
Report of the Board of the Foundation	3
Financial Statements	
Balance sheet as at 31 December 2014	7
Statement of income and expenditure for the year 2014	8
Explanatory notes of the annual report	9
Signature of annual report 2014	13
Other Information	
Appropriation of the result for the year 2014	14
Auditor's report	15
 Appendix 1: Specification bonds as at 31 December 2014	 17



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REPORT OF THE BOARD OF THE FOUNDATION

Aims

1. The Foundation intends:
 - a. to improve the knowledge about and the understanding of the history and the culture of America, particularly the United States of America;
 - b. to contribute to improving the quality of education and scientific knowledge and research at the Leiden University in the field of the history and the culture of America, particularly the United States of America;
 - c. to establish and maintain a position of professor at the Faculty of Arts of the Leiden University in the field of the history and the culture of America, especially the United States of America, this chair will be called: a "The Raymond and Beverly Sackler Chair of the History and Culture of the United States of America and the Americas";
 - d. to improve the connections between and the knowledge and understanding of the people of the Netherlands and the United States of America;
 - e. to carry out whatever is appropriate to the above or could promote the above, defined as broadly as possible.
2. The Foundation seeks to achieve its aims by:
 - a. establishing and maintaining a fund to pay the costs associated with the above-mentioned chair and the associated position of professor;
 - b. supporting the University of Leiden in the establishment and maintenance of the above-mentioned chair and the associated position of professor.
3. The Foundation is a non-profit organization.



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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.

According to the arrangements the Board assigned k€ 100 to the Faculty of Humanities concerning the "Sackler-chair".

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 Chair	95,1%	0	4,9%	5,5%	11,04%

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



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Report of the chair holder, Dr A. Fairclough

Report to the Sackler Foundation for the year 2014

Research

After returning from a year's sabbatical spent in Washington D.C., I submitted the partially-completed manuscript of my book on Reconstruction to the University of Georgia Press. The Press has accepted the manuscript for publication, which manuscript bears the tentative title, *Why Reconstruction Failed: The Birth and Death of Democracy in Natchitoches, Louisiana, 1865-1879*. The manuscript is nearing completion, and I plan to submit it within the next two or three months.

As the research has already spun off four published articles, I have spent the last year focusing entirely on the book. An article relating to my previous research, on the education of blacks in the southern U.S. is currently in press.

Teaching

The principal development in 2014 concerned the B.A. program in International Studies, which was launched three years ago and is based in The Hague. In the spring I contributed an entirely new course, designed for 2nd-year BAIS students, on Politics in North America. The lectures received positive evaluations from the student group.

2014 saw further growth in the M.A. program in North American Studies. We are especially pleased with the increase in the number of overseas students. The program currently draws students from Slovakia, China, Greece, England, Scotland, and the United States, as well as, of course, the Netherlands.

Ph.D. supervision

The thesis by Mark de Vries has been approved, and the graduation will probably take place

in April 2015. Titled "The Politics of Terror: Enforcing Reconstruction in Louisiana's Red River Valley," the thesis is being considered for publication by the University of North Carolina Press. Mr. de Vries has been awarded a six-month postdoctoral fellowship by the History department at Leiden University, to begin in August 2015. The fellowship will enable him to write and submit an application to the Dutch research council, NWO, for a three-year "VENI" fellowship. If successful, de Vries will receive funding to undertake a research project on the passage of the Fifteenth Amendment to the Constitution.

Dr. David Ballantyne, who received his Ph.D. from Cambridge University in 2013, joined me

as a post-doctoral researcher in January 2014 for a period of 18 months. Dr. Ballantyne is researching the history of Reconstruction in Rapides Parish, Louisiana.



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ANNUAL REPORT 2014

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



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BALANCE SHEET AS AT 31 DECEMBER 2014

	2014	2013
(After appropriation of the results)		
ASSETS		
<i>Financial fixed assets</i>		
Bonds	€ 2,376,896	€ 2,287,166
Total financial fixed assets	€ 2,376,896	€ 2,287,166
<i>Current assets</i>		
Accounts receivable	€ 44,147	€ 50,914
Cash	€ 129,305	€ 177,271
Total current assets	€ 173,452	€ 228,185
TOTALASSETS	€ 2,550,348	€ 2,515,351
LIABILITIES		
<i>Equity</i>		
Initial capital	€ 2,282,303	€ 2,282,303
Additional capital	€ 129,023	€ 226,977
Other reserves	€ 34,950	€ 97,954-
Total equity	€ 2,446,276	€ 2,411,326
<i>Short term debts</i>		
Other debts	€ 104,072	€ 104,025
Total short term debts	€ 104,072	€ 104,025
TOTALLIABILITIES	€ 2,550,348	€ 2,515,351



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STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR 2014

	2014	2013
INCOME		
<i>Financial revenues</i>		
Intrest from bank accounts	€ 2,336	€ 4,664
Intrest from bonds	€ 75,985	€ 83,599
Total financial revenues	€ 78,321	€ 88,263
<i>Financial expenses</i>		
Unrealised capital result on securities	€ 71,444	€ 0
Realised capital result on securities	€ 0	€ 0
Total financial expenses	€ 71,444	€ 0
TOTAL INCOME	€ 149,765	€ 88,263
EXPENDITURE		
<i>Institution's expenses</i>		
Bank charges	€ 4,145	€ 4,183
Auditor's fee	€ 3,025	€ 3,075
Total institution's expenses	€ 7,170	€ 7,258
<i>Financial expenses</i>		
Unrealised capital result on securities	€ 0	€ 73,500
Realised capital result on securities	€ 7,646	€ 5,459
Total financial expenses	€ 7,646	€ 78,959
<i>Transfer of income</i>		
Subsidy of Sackler Chair	€ 100,000	€ 100,000
Total transfer of income	€ 100,000	€ 100,000
TOTAL EXPENDITURE	€ 114,816	€ 186,217
RESULT FOR THE YEAR	€ 34,949	€ 97,954

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EXPLANATORY NOTES TO THE ANNUAL REPORT

GENERAL

According to article 11 of the statutes of the Foundation, an account is hereby given of the financial management for 2014. The Foundation was statutorily established on 21 May 2002.

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);
 - The Research Foundation (Bermuda)
- 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

- a. 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.
- b. 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.
- c. 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.
- d. The sum received from the University of Leiden will at least match the total sum received from the Donors.
- e. 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 a 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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16 JUNI 2015

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SACKLER FOUNDATION

NOTES TO THE BALANCE SHEET AS AT 31 DECEMBER 2014

	2014	2013
FINANCIAL FIXED ASSETS		
Bonds as at 1 January	€ 2,287,166	€ 1,970,862
Additions	€ 325,932	€ 505,263
Disposals	€ 300,000-	€ 110,000-
Unrealised capital result on securities	€ 71,444	€ 73,500-
Realised capital result on securities	€ 7,646-	€ 5,459-
Total fixed assets	€ 2,376,896	€ 2,287,166
CURRENT ASSETS		
Coupon interest	€ 43,947	€ 50,564
Bank interest	€ 200	€ 350
Total accounts receivable	€ 44,147	€ 50,914
RABO account 1619.59.652	€ 5,239	€ 2,322
Schretlen account	€ 124,066	€ 174,949
Total cash	€ 129,305	€ 177,271
EQUITY		
Sackler part (49,9%)	€ 1,138,869	€ 1,138,869
Leiden University part (50,1%)	€ 1,143,434	€ 1,143,434
Total initial capital	€ 2,282,303	€ 2,282,303
Sackler part (49,9%)	€ 139,212	€ 122,319
Allocation from Other reserves	€ -	€ 16,893
Subtotal Additional capital (Sackler part)	€ 139,212	€ 139,212
Leiden University part (50,1%)	€ 87,765	€ 70,805
Allocation from Other reserves	€ 97,954-	€ 16,960
Subtotal Additional capital (Leiden University part)	€ 10,189-	€ 87,765
Total Additional capital	€ 129,023	€ 226,977
Sackler part (49,9%) as at 1 January	€ -	€ 16,893
Allocation to Additional capital	€ -	€ 16,893-
Operating result	€ 17,440	€ 0
Subtotal Other reserves (Sackler part)	€ 17,440	€ 0
Leiden University part (50,1%) as at 1 January	€ 97,954-	€ 16,960
Allocation to Additional capital	€ 97,954	€ 16,960-
Operating result	€ 17,510	€ 97,954-
Subtotal Other reserves (Leiden University part)	€ 34,950	€ 97,954-
Total Other reserves	€ 52,390	€ 97,954-
SHORT TERM DEBTS		
Costs/subsidy Sackler Chair	€ 100,000	€ 100,000
Bank expenses	€ 1,047	€ 1,000
Auditor's charge	€ 3,025	€ 3,025
Total Short term debts	€ 104,072	€ 104,025

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 € 97,954 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 € 34,950 as follows. The result 2014 of € 34,950 will be added to 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%)	€ 17,440	€ 0
Leiden University part (50,1%)	€ 17,510	€ 97,954-
Total allocation operating result	€ 34,950	€ 97,954-

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 Chair of the History and Culture of the United States of America and the America's

Wij hebben de in dit rapport opgenomen jaarrekening over 2014 van Stichting Endowment for the Raymond and Beverly Sackler Chair of the History and Culture of the United States of America and the America's 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 Chair of the History and Culture of the United States of America and the America's 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	UNREALISED DIFFERENCES
	NOMINAL VALUE	CURRENCY	AMOUNT	STOCK VALUE		
5.5000% E.On Int.fin. 09-16	330,000	EUR	348,166	348,166	350,922	-2,756
4.6250% Heineken 09/16	250,000	EUR	268,925	268,925	257,794	11,131
4.6250% Tennet 11-23	100,000	EUR	125,760	125,760	120,509	5,251
4.5000% Nederland 07/17	365,000	EUR	406,720	406,720	401,702	5,018
4.4300% Schiphol 11-21	100,000	EUR	121,930	121,930	104,643	17,287
4.1250% Procter & Gamle 05-20	100,000	EUR	120,970	120,970	111,547	9,423
3.5000% Optus Finance 10-20	100,000	EUR	114,615	114,615	100,721	13,894
2.7500% EFSF 11-16	100,000	EUR	105,290	105,290	102,050	3,240
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
2.0000% Duitsland 11-22	200,000	EUR	225,240	225,240	210,600	14,640
2.0000% McDonalds 13-23	100,000	EUR	108,105	108,105	96,495	11,610
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				2,376,896	2,260,574	116,322

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