

ANNUAL REPORT 2017

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

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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.

Report of the Board of the Foundation

The 2017 Board Meeting was held on April 18th, 2017. During this meeting the 2016 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". On August 1st 2017 Prof. dr. Damian Alan Pargas was appointed to the Sackler chair as the new chair holder. Therefor is this subsidy limited to k€ 41,7.

The Board consist of the following members:

Board Membership	Starting date	Term of appointment
C.J.J.M. Stolker	09-02-2013	08-02-2021
M. Ridderbos	08-05-2017	07-05-2021
H. Bijl	01-11-2016	31-10-2020

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 in accordance with the aims of the Foundation.

Report on activities***Estate and portfolio management - Investment policy 2017***

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 invested capital of Sackler 1 has in 2017 developed as follows:

	Bonds	Investment account
Financial Assets per 1-1	1,639	0,751
Direct return (interest)		0,049
Indirect return	-0,047	
Replacement	-0,365	0,365
Fee		-0,003
Withdrawal		-0,110
Financial Assets per 31-12	1,227	1,052

In 2017 the return was -/ k€ 1 of which k€ 49 concerns direct return (interest), -/ k€ 47 indirect return (value decrease of bonds) and a fee of k€ 3. In relation to the capital at the beginning of the year (k€ 1.639) this results in a return of 0,0%. In 2017 k€ 110 has been separated from the portfolio.

The asset mix in 2017 was as follows:

Asset mix	2016 Q4	2017 Q1	2017 Q2	2017 Q3	2017 Q4
Bonds	69%	71%	71%	54%	54%
Cash	31%	29%	29%	46%	46%
Total	100%	100%	100%	100%	100%

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

Report of the Raymond & Beverly Sackler Chair for the History and Culture of the United States and the Americas

Report of the chair holder,

Prof. dr. Damian Alan Pargas

Introduction

I was appointed to the Sackler chair on 1 August 2017 (my inaugural address [*oratie*] will be held on 25 May 2018). In the six months since my appointment commenced I have made considerable progress in my research and gained invaluable experience performing various new administrative duties, as outlined below.

NWO Vidi Project

I have continued to work on my Vidi project titled "Beacons of Freedom: Slave Refugees in North America, 1800-1860," which has now entered its third year. My own role in the project is to write a synthesis titled *Freedom Seekers*, which is under contract with Cambridge University Press (expected completion: December 2019). During the autumn semester I completed a rough draft of chapter 1 and have begun writing chapter 2 (there are 4 chapters total).

NWO PhD Supervision

I am also supervising 3 PhD researchers who are working on runaway slaves in various parts of North America. They have each completed rough drafts of their first chapters and aim to be finished in September 2019. They also each taught courses, attended international conferences, and conducted international research trips in 2017. The "Beacons of Freedom" team consists of:

- 1) Oran Kennedy, "Enslaved Families and Spaces of Freedom in the Northern US and Canada" (appointment: 2015-2019).
- 2) Viola Müller, "Illegal but Tolerated: Runaway Slaves in Antebellum Southern Cities" (appointment: 2015-2019).
- 3) Thomas Mareite, "Slave Refugees in the Mexican Borderlands, 1800-1860" (appointment: 2015-2019).

At present the team is planning to host an international workshop on Refugee Migration in late September 2018, aimed at not only scholars but also policymakers and activists (the keynote will be given by Udo Janz of the UNCHR).

Roosevelt Institute for American Studies, Middelburg

An important aspect of my new appointment is to serve as Executive Director of the new Roosevelt Institute for American Studies (previously known as the Roosevelt Study Center) in Middelburg. The RIAS was revamped and inaugurated in May 2017; I joined the team immediately after my appointment as Sackler chair in August. Leiden University has allocated 0,2 fte of my contract to work at the RIAS. I am in Middelburg every Friday.

Most of my workdays at the RIAS consist of providing leadership to a dedicated team of researchers and office staff, together with the Academic Director Prof. dr. Giles Scott-Smith. More specifically, I attend to important matters regarding budgets and sponsorship, meet with prominent politicians and committees of the Province of Zeeland and the City of Middelburg (for example with the Commissaris van de Koning, the mayor of Middelburg, the Wetenschappelijke Raad Zeeland, etc.), conduct staff meetings and meetings with the Raad van Toezicht, and help plan and execute RIAS activities.

During the autumn semester we hosted American visiting professor Dr. Justin Hart (Texas Tech University), organized an international PhD conference on American history, and hosted a major international conference on the theme of "The Rooseveltian Century." At the moment we are devoting considerable attention to developing a long-term plan regarding the housing of our institute as well as the future of our American Library.

RIAS PhD Supervision (together with Prof. dr. Giles Scott-Smith)

The RIAS received an extra grant from the Province of Zeeland to recruit 4 PhD researchers for the research line "The Rooseveltian Century." One of my main tasks during the past few months has therefore been to hire and begin supervising these new PhDs, together with my colleague Giles Scott-Smith. We are happy to announce that 2 PhDs started in November, and 2 more will be starting in February 2018:

- 1) Paul Brennan, "The Impact of Progressive Thought on the New Deal" (appointment Nov. 2017-Oct. 2021).
- 2) Celia Nijdam, "Communist Ideology and Labor Movement Theater in the New Deal Era" (appointment Nov. 2017-Oct. 2021).
- 3) Rosa Oskam, "US Foreign Policy in the Former Soviet Republics and Its Impact on Diplomatic Relations with Russia" (appointment Feb. 2018-Jan. 2022).
- 4) Nanka de Vries, "Eleanor Roosevelt's Democracy Promotion through the UN" (appointment Feb. 2018-Jan. 2022).

Institute for History, Leiden University

Since my appointment as Sackler chair I have moved from the section Economische en Sociale Geschiedenis to the section Algemene Geschiedenis within the Institute for History. Part of my new position is to provide leadership to the American history specialists within the section. I chaired the search committee to hire our newest staff member, Dr. W.M. (Mike) Schmidli, who moved here from the United States and joined our institute this month. I will conduct an introductory meeting (startgesprek) with Mike at the end of the month, and I will conduct ROG meetings with the other American history staff members during the course of the semester.

I also work closely with my colleague Dr. Joke Kardux, the coordinator of the MA program in North American Studies. The program is doing very well and we have been ranked the best NAS program in the country this year. I sit on the Opleidingscommissie and have been teaching an MA research seminar titled "Redemption Songs: African-American Freedom Struggles from Slavery to the Present," which is cross-listed with the MA History (PCNI track). I have also supervised (or am currently supervising) 8 MA theses and 3 BA theses in American history.

Publications

Published since my appointment as Sackler Chair:

ARTICLE: "Urban Refugees: Fugitive Slaves and Spaces of Informal Freedom in the American South, 1800-1860," *Journal of Early American History* 7, no. 3 (Dec. 2017): 262-284.

BOOK: (with Felicia Roşu) *Critical Readings in Global Slavery*, 4 vols. (Boston and Leiden: Brill 2018). [Released in Dec. 2017.]

BOOK CHAPTER: (with Felicia Roşu), "Introduction: Global Perspectives on Slavery," in Damian Alan Pargas & Felicia Roşu, eds., *Critical Readings in Global Slavery* (Boston & Leiden: Brill, 2018). [Released in Dec. 2017.]

BOOK: (with Jeff Fynn-Paul) *Slaving Zones: Cultural Identities, Ideologies, and Institutions in the Evolution of Global Slavery* (Boston and Leiden: Brill, 2018). [Released in Dec. 2017.]

Approved and forthcoming in 2018:

BOOK REVIEW: *Juan Latino, Talento y destino: Un afroespañol en tiempos de Carlos V y Felipe II*, by Aurelia Martín Casares (Granada: Editorial Universidad de Granada, 2016). *Journal of Global Slavery* 2, no. 1 (Apr. 2018): forthcoming.

BOOK REVIEW: *A Mind to Stay: White Plantation, Black Homeland*, by Sydney Nathans (Cambridge, Mass.: Harvard University Press, 2017). *Journal of American History* (Mar. 2018): forthcoming.

BOOK: *Fugitive Slaves and Spaces of Freedom in North America* (Gainesville: University Press of Florida, 2018), forthcoming.

BOOK CHAPTER: "Introduction: Spaces of Freedom in North America," in Damian Alan Pargas, ed., *Fugitive Slaves and Spaces of Freedom in North America, 1775-1860* (Gainesville: University Press of Florida, 2018), forthcoming.

BOOK CHAPTER: "Seeking Freedom in the Midst of Slavery: Fugitive Slaves in the Antebellum South," in Damian Alan Pargas, ed., *Fugitive Slaves and Spaces of Freedom in North America* (Gainesville: University Press of Florida, 2018), forthcoming.

Talks & Public Outreach

Since my appointment in August I have given one conference paper and one public interview for *Elsevier Weekblad*.

CONFERENCE PAPER: "Runaway Slaves and Illegality in the Antebellum United States," Leiden, 31 Aug. 2017. CMGI Research Symposium, "Changes in the Mechanisms of Inclusion and Exclusion since the Early Modern Period," hosted by Leiden University.

INTERVIEW: 'Amerika is niet wezenlijk anders.' Interview for *Elsevier Weekblad*, 11 Sept. 2017.

Other

Managing Editor, *Journal of Global Slavery*. Brill.

Series Editor (with J. Fynn-Paul), *Studies in Global Slavery*. Brill.

Board member, Netherlands American Studies Association.

Chair, European Membership Committee of the Southern Historical Association, 2017-present.

FINANCIAL STATEMENTS

SACKLER FOUNDATION

BALANCE SHEET AS AT 31 DECEMBER 2017
(After appropriation of the results)

		2017		2016	
		EUR	EUR	EUR	EUR
Current Assets					
Bonds	1	1,226,670		1,638,856	
Accounts receivable	2	18,120		25,551	
Cash	3	1,106,508		754,794	
Total current assets			2,351,298		2,419,201
TOTAL ASSETS			2,351,298		2,419,201
Equity					
Initial capital	4	2,282,303		2,282,303	
Additional capital	5	72,700		107,263	
Other reserves	6	-54,682		-34,563	
Total equity			2,300,321		2,355,003
Short term debts					
Other debts	7	50,977		64,198	
Total short term debts			50,977		64,198
TOTAL LIABILITIES			2,351,298		2,419,201

SACKLER FOUNDATION

STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR 2017

	2017		2016	
	EUR	EUR	EUR	EUR
Financial revenues				
Interest from bank accounts	2,000		2,122	
Interest from bonds	39,227		59,119	
Total financial revenues		41,227		61,241
Financial expenses				
Unrealised capital result on securities	-10,484		1,936	
Realised capital result on securities	-36,702		-30,766	
Total financial expenses		-47,186		-28,830
TOTAL INCOME		-5,959		32,411
Institution's expenses				
Bank charges	2,694		3,691	
Auditor's fee	4,283		4,283	
Other costs	79		0	
Total institution's expenses		7,056		7,974
Transfer of income				
Subsidy of Sackler Chair	41,667		59,000	
Total transfer of income		41,667		59,000
TOTAL EXPENDITURE		48,723		66,974
RESULT FOR THE YEAR		-54,682		-34,563

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 2017. The Foundation was statutorily established on 21 May 2002 and is listed under number 28095440 in the Trade Register.

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).

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.

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.

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.

SACKLER FOUNDATION

EXPLANATORY NOTES TO THE ANNUAL REPORT

	2017	2016
	EUR	EUR
Current Assets		
1. Bonds		
Bonds as at 1 January	1,638,856	2,347,686
Additions	0	0
Disposals	-365,000	-680,000
Unrealised capital result on securities	-10,484	1,936
Realised capital result on securities	-36,702	-30,766
Total Bonds	1,226,670	1,638,856
2. Accounts receivable		
Coupon interest	16,120	23,748
Bank interest	2,000	1,803
Total accounts receivable	18,120	23,748
3. Cash		
NL67 RABO 0161959652 payment account	55,005	4,069
NL16 RABO 0301709440 investment account	1,051,503	750,725
Total cash	1,106,508	754,794
Equity		
4. Initial capital		
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
5. Additional capital		
Sackler part (49,9%)	156,652	156,652
Allocation from Other reserves	0	0
Subtotal Additional capital (Sackler part)	156,652	156,652
Leiden University part (50,1%)	-49,389	7,321
Allocation from Other reserves	-34,563	-56,710
Subtotal Additional capital (Leiden University part)	-83,952	-49,389
Total Additional capital	72,700	107,263
6. Other reserves		
Sackler part (49,9%) as at 1 January	0	0
Allocation to Additional capital	0	0
Operating result	0	0
Subtotal Other reserves (Sackler part)	0	0
Leiden University part (50,1%) as at 1 January	-34,563	-56,710
Allocation to Additional capital	34,563	56,710
Operating result	-54,682	-34,563
Subtotal Other reserves (Leiden University part)	-54,682	-34,563
Total Other reserves	-54,682	-34,563

Appropriation of the 2016 result

The 2016 annual accounts were adopted in the Board meeting held on April 18th, 2017. The Board meeting has paid the result 2016 of € 34,563 from the other reserves.

Motion for appropriation of the result of the financial year 2017

The Board proposes to appropriate the achieved negative result of € 54,682 as follows. The negative result 2017 of € 54,682 will be paid from the other reserves, the Leiden University part. The above motion has been incorporated in the annual accounts accordingly.

7. Short term debts

Costs/subsidy Sackler Chair	41,667	59,000	
Bank expenses	665	915	
Auditor's charge	8,566	4,283	
Other costs	79	0	
Total Short term debts	50,977	64,198	

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.

SIGNATURE OF ANNUAL REPORT 2017

Leiden, 7 March 2018

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

Drs. M. Ridderbos RC
Secretary-Treasurer

Prof. dr.ir.drs. H. Bijl
Member of the Board

OTHER INFORMATION

Provisions in the Articles of Association governing the appropriation of the result

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 to the sum received from Leiden University.

Independent auditor's report

To: the Board of Stichting Endowment for the Raymond and Beverly Sackler Chair of the history and culture of the United States of America and the Americas

Report on the accompanying financial statements

Our opinion

We have audited the financial statements 2017 of Stichting Endowment for the Raymond and Beverly Sackler Chair of the history and culture of the United States of America and the Americas, based in Leiden.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Stichting Endowment for the Raymond and Beverly Sackler Chair of the history and culture of the United States of America and the Americas as at 31 December 2017, and of its result for 2017 in accordance with the Guideline for annual reporting 640 'Not-for-profit organisations' of the Dutch Accounting Standards Board.

The financial statements comprise:

- 1 the balance sheet as at 31 December 2017;
- 2 the statement of income and expenditure for the year 2017; and
- 3 the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Stichting Endowment for the Raymond and Beverly Sackler Chair of the history and culture of the United States of America and the Americas in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- report of the Board of the foundation;
- other information;
- appendix 1.

Based on the following procedures performed, we conclude that the other information is consistent with the financial statements and does not contain material misstatements.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The board is responsible for the preparation of the other information.

Description of the responsibilities for the financial statements

Responsibilities of the board for the financial statements

The board is responsible for the preparation and fair presentation of the financial statements in accordance with the Guideline for annual reporting 640 'Not-for-profit organisations' of the Dutch Accounting Standards Board. Furthermore, the board is responsible for such internal control as the board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to errors or fraud.

As part of the preparation of the financial statements, the board is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the board should prepare the financial statements using the going concern basis of accounting unless the board either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so. The board should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud during our audit.

Misstatements can arise from fraud or errors and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to errors or fraud, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board;

- concluding on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company ceasing to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

The Hague, 7 March 2018

KPMG Accountants N.V.

H. Visser RA

Appendix 1 SPECIFICATION BONDS AS AT 31ST DECEMBER 2017

Specification bonds as at 31 December 2017

EUROBONDS	STOCK VALUE				PAID IN EUR	UNREALISED DIFFERENCES
	NOMINAL VALUE	CURRENCY	STOCK VALUE			
ABN AMRO 13/23 2,5%	100.000	EUR	111,856%	112.075	103.986	8.089
Danone 2013/2019 1,375%	100.000	EUR	102,252%	103.020	99.648	3.372
Duitsland 2011/2022 2%	200.000	EUR	109,500%	222.956	210.600	12.356
IBM Senior 2012/2019 1,375%	100.000	EUR	102,925%	103.083	98.520	4.563
McDonalds 2013/2023 2%	100.000	EUR	107,174%	108.341	96.495	11.846
Optus Finance 2009/2020 3,5%	100.000	EUR	109,144%	110.170	100.721	9.449
Procter and Gamble 2005/2020 4,125%	100.000	EUR	112,288%	112.559	111.547	1.012
Schiphol 2011/2021 4,43%	100.000	EUR	114,003%	117.001	104.643	12.358
Tennet 2011/2023 4,625%	100.000	EUR	121,793%	125.759	120.509	5.250
Wolters Kluwer 2014/2024 2,5%	100.000	EUR	110,117%	111.706	101.437	10.269
TOTAL EUROBONDS				1.226.670	1.148.106	78.564