



**KPMG Accountants N.V.**  
Audit  
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**Confidential**

To the Board of Foundation Endowment for the  
Raymond and Beverly Sackler International  
Scholarship Fund  
P.O. Box 9500  
2300 RA LEIDEN

Our ref.: 1711227  
20X00169218DHG br

The Hague, 30 March 2020

**Subject:** Permission letter annual report 2019

Dear Madam and Sirs,

We confirm our permission to include and publish the following text of our auditor's report in the section 'other information' of the annual report as at 31 December 2019, provided that it is identical to the enclosed authenticated annual report, subject to adoption of the audited financial statement, without modification, by the board, and provided that the annual report equals the final draft presented to us of which an authenticated copy is enclosed.

We have enclosed one copy of our auditor's report with an original handwritten signature. This copy is meant for your own filing purposes.

**'Independent auditor's report**

To: the Board of Foundation Endowment for the Raymond and Beverly Sackler International Scholarship Fund

**Report on the accompanying financial statements**

***Our opinion***

We have audited the financial statements 2019 of Foundation Endowment for the Raymond and Beverly Sackler International Scholarship Fund, based in Leiden.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Foundation Endowment for the Raymond and Beverly Sackler International Scholarship Fund as at 31 December 2019, and of its result for 2019 in accordance with the Guideline for annual report C1 'Small not-for-profit organisations' of the Dutch Accounting Standards Board.

The financial statements comprise:

- 1 the balance sheet as at 31 December 2019;
- 2 the profit and loss account for 2019; and
- 3 the notes comprising a summary of the accounting policies and other explanatory information.



**Foundation Endowment for the Raymond and Beverly Sackler International Scholarship Fund**

Permission letter annual report 2019

The Hague, 30 March 2020

**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 Foundation Endowment for the Raymond and Beverly Sackler International Scholarship Fund in accordance with 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 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 Guidance for annual reporting C1 'Small not-for-profit organisations'. 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.



**Foundation Endowment for the Raymond and Beverly Sackler International Scholarship Fund**

Permission letter annual report 2019

The Hague, 30 March 2020

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 framework 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 engagement 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;



**Foundation Endowment for the Raymond and Beverly Sackler International Scholarship Fund**

Permission letter annual report 2019

The Hague, 30 March 2020

- 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, 30 March 2020

KPMG Accountants N.V.

H. Visser RA'

We emphasize that it is not allowed to publish the attached authenticated copy of the financial statements. We confirm our permission to publish the text of our unsigned auditor's report, provided that it occurs within one month (from the date of this letter).

If you wish to publish the annual report including the audited financial statements on the Internet, it is your responsibility to ensure proper separation of the annual report from other information on the website. For example, by presenting the annual report as a separate, read-only file, or by issuing a warning if readers switch from the web page containing the annual report ('You are now leaving the secured page containing the annual report, including the audited financial statements.').

Further, we recommend that you include the following disclaimer: 'In the event of any differences or inconsistencies between the text and quantitative information on this internet site and that in the original annual report, including the audited financial statements, as filed at the trade register of the Chamber of Commerce, the latter shall prevail'.

As part of the audit of the financial statements, we obtained an understanding of how the Foundation has responded to the risk arising from the system of information technology, including the reliability and continuity of the electronic data processing. Considering the existing system of internal control, and our audit approach based on this, we have not tested the effectiveness of internal controls over IT systems.

From the audit of the financial statements, there are no findings to report concerning the electronic data processing.



***Foundation Endowment for the Raymond and Beverly Sackler International Scholarship Fund***

*Permission letter annual report 2019*

*The Hague, 30 March 2020*

We will be pleased to provide any further information you may require.

Yours faithfully,

KPMG Accountants N.V.

H. Visser RA  
Partner

*Enclosure(s):*

Authenticated copy of the Annual report and the financial statements for the year ended 2019

One copy of our personally signed auditor's report



## **Independent auditor's report**

To: the Board of Foundation Endowment for the Raymond and Beverly Sackler Chair International Scholarship Fund

### **Report on the accompanying financial statements**

#### ***Our opinion***

We have audited the financial statements 2019 of Foundation Endowment for the Raymond and Beverly Sackler Chair International Scholarship Fund, based in Leiden.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Foundation Endowment for the Raymond and Beverly Sackler Chair International Scholarship Fund as at 31 December 2019, and of its result for 2019 in accordance with the Guideline for annual report C1 'Small not-for-profit organisations' of the Dutch Accounting Standards Board.

The financial statements comprise:

- 1 the balance sheet as at 31 December 2019;
- 2 the profit and loss account for 2019; 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 Foundation Endowment for the Raymond and Beverly Sackler Chair International Scholarship Fund in accordance with 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 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**

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- Report of the Board of the Foundation;
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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 Guidance for annual reporting C1 'Small not-for-profit organisations'. 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 framework 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 engagement 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, 30 March 2020

KPMG Accountants N.V.

H. Visser RA



ANNUAL REPORT 2019

Sackler Foundation  
Leiden

Stichting Endowment for the Raymond and Beverly Sackler International Scholarship Fund



KPMG Audit  
Document to which our report  
1711227 20X00169218DHG dated  
**30 March 2020**

SACKLER FOUNDATION  
International Scholarship Fund

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## 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 2018 Board Meeting was held on March 26<sup>th</sup> 2019. During this meeting the 2018 annual report was approved by the Board.

The Board has decided to place the Foundation Endowment for the Raymond and Beverly Sackler International Scholarship Fund as a registered found with the Foundation Praesidium Libertatis I.

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.

### Sackler scholarships 2019

#### *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 utilized. These scholarships were available to students entering a master's programme, with a scholarship amount of € 30,000 for a one-year master's programme, or € 60,000 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 students are awarded the "The Raymond and Beverly Sackler Scholarship" of € 60,000:



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NAME	PROGRAMME/ FACULTY	TUITION FEE	ALLOWANCE	TTL AWARD
Mr. A. Mikulenko	Master Physics	€ 36,900	€ 23,280	€ 60,180
	<b>TOTAL</b>	€ 36,900	€ 23,280	€ 60,180

### Report on activities

#### *Estate and portfolio management - Investment policy 2019*

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 2 has in 2019 developed as follows (amounts are in Euro's x 1,000):

	<b>Bonds</b>	<b>Investment account</b>
<b>Financial Assets per 1-1</b>	<b>1,564.3</b>	<b>492.4</b>
Direct return (interest)		40.6
Indirect return	-24.1	
Fee		-2.6
Withdrawal		-60.8
Other	-200.0	211.9
<b>Financial Assets per 31-12</b>	<b>1,340.2</b>	<b>681.5</b>

In 2019 the return was k€ 13.9 of which k€ 40.6 concerns direct return (interest), -/- k€ 24.1 indirect return (value decrease of bonds) and a fee of k€ 2.6. In relation to the capital at the beginning of the year (k€ 2,086.5) this results in a return of 0,7%. In 2019 k€ 60.8 has been separated from the portfolio.

The asset mix in 2019 was as follows:

Asset mix	2018 Q4	2019 Q1	2019 Q2	2019 Q3	2019 Q4
Bonds	76%	76%	70%	72%	66%
Cash	24%	24%	30%	28%	34%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

### Future

The foundation's main assets are investments in bonds. The securities market has responded to the recent outbreak of the corona virus, which has reduced investment value in 2020. This decrease in value has no impact on the continuity of the foundation. The liquidity ratios are sufficient and the foundation remains able to pay its debts. In addition, the board of the foundation may decide to grant fewer subsidies if the liquidity position requires so.

Leiden, 30 March 2020

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



KPMG Audit  
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**30 March 2020**

SACKLER FOUNDATION  
International Scholarship Fund

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**FINANCIAL STATEMENTS**



KPMG Audit  
Document to which our report  
1711227 20X00169218DHG dated  
**30 March 2020**  
also refers.  
KPMG Accountants N.V.

SACKLER FOUNDATION  
International Scholarship Fund

**BALANCE SHEET AS AT 31 DECEMBER 2019**  
(After appropriation of the results)

		2019		2018	
		EUR	EUR	EUR	EUR
<b>Current Assets</b>					
Bonds	1	1,340,206		1,564,262	
Accounts receivable	2	23,412		24,293	
Cash	3	718,434		532,554	
<b>Total current assets</b>			<b>2,082,052</b>		<b>2,121,109</b>
<b>TOTAL ASSETS</b>			<b>2,082,052</b>		<b>2,121,109</b>
<b>Equity</b>					
Initial capital	4	1,660,000		1,660,000	
Additional capital	5	426,493		482,124	
Other reserves	6	-50,870		-55,631	
<b>Total equity</b>			<b>2,035,623</b>		<b>2,086,493</b>
<b>Short term debts</b>					
Other debts	7	46,429		34,616	
<b>Total short term debts</b>			<b>46,429</b>		<b>34,616</b>
<b>TOTAL LIABILITIES</b>			<b>2,082,052</b>		<b>2,121,109</b>



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SACKLER FOUNDATION  
International Scholarship Fund

**STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR 2019**

	2019		2018	
	EUR	EUR	EUR	EUR
<b>Financial revenues</b>				
Interest from bank accounts	57		-634	
Interest from bonds	40,588		41,521	
<b>Total financial revenues</b>		<b>40,645</b>		<b>40,887</b>
<b>Financial expenses</b>				
Unrealised capital result on securities	-25,888		-39,500	
Realised capital result on securities	1,832		-	
<b>Total financial expenses</b>		<b>-24,056</b>		<b>-39,500</b>
<b>TOTAL INCOME</b>		<b>16,589</b>		<b>1,387</b>
<b>Institution's expenses</b>				
Bank charges	2,611		2,735	
Auditor's fee	4,620		4,283	
Other costs	48		-	
<b>Total institution's expenses</b>		<b>7,279</b>		<b>7,018</b>
<b>Transfer of income</b>				
Scholarships	60,180		50,000	
<b>Total transfer of income</b>		<b>60,180</b>		<b>50,000</b>
<b>TOTAL EXPENDITURE</b>		<b>67,459</b>		<b>57,018</b>
<b>RESULT FOR THE YEAR</b>		<b>-50,870</b>		<b>-55,631</b>

**Motion for appropriation of the result of the financial year 2019**

The Board proposes to appropriate the achieved negative result of € 50,870 as follows. The negative result 2018 of € 50,870 will be paid from the other reserves. The above motion has been incorporated in the annual accounts accordingly.



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**30 March 2020**

## 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 2019. The Foundation was statutorily established on October 25, 2004 and is listed under number 28102973 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);
- 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 C1 "small, not for profit organizations".





## **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.

### **Financial reporting period**

These financial statements cover the year 2019, which ended at the balance sheet date of 31 December 2019.

### **Going concern**

The financial statements of the Company have been prepared on the basis of the going concern assumption.

### **Functional and presentation currency**

The financial statements are presented in euros, the company's functional currency.

### **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 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 'barthers' 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.

SACKLER FOUNDATION  
International Scholarship Fund

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**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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**30 March 2020**

SACKLER FOUNDATION  
International Scholarship Fund

EXPLANATORY NOTES TO THE ANNUAL REPORT

	2019		2018	
	EUR	EUR	EUR	EUR
<b>Current Assets</b>				
<b>1. Bonds</b>				
Bonds as at 1 January	1,564,262		1,603,762	
Additions	-		-	
Disposals	-200,000		-	
Unrealised capital result on securities	-25,888		-39,500	
Realised capital result on securities	1,832		-	
<b>Total Bonds</b>		<b>1,340,206</b>		<b>1,564,262</b>
<b>2. Accounts receivable</b>				
Coupon interest	23,307		24,240	
Bank interest	57		53	
Other	48		-	
<b>Total accounts receivable</b>		<b>23,412</b>		<b>24,293</b>
<b>3. Cash</b>				
NL67 RABO 0161959652 payment account	36,893		40,109	
NL16 RABO 0301709440 investment account	681,541		492,444	
<b>Total cash</b>		<b>718,434</b>		<b>532,553</b>
<b>Equity</b>				
<b>4. Initial capital</b>				
Sackler part (49,9%)	829,860		829,860	
Leiden University part (50,1%)	830,140		830,140	
<b>Total initial capital</b>		<b>1,660,000</b>		<b>1,660,000</b>
<b>5. Additional capital</b>				
Sackler part (49,9%)	337,476		337,476	
Allocation from Other reserves	-		-	
<b>Subtotal Additional capital (Sackler part)</b>		<b>337,476</b>		<b>337,476</b>
Leiden University part (50,1%)	144,648		202,754	
Allocation from Other reserves	-55,631		-58,106	
<b>Subtotal Additional capital (Leiden University part)</b>		<b>89,017</b>		<b>144,648</b>
<b>Total Additional capital</b>		<b>426,493</b>		<b>482,124</b>
<b>6. Other reserves</b>				
Sackler part (49,9%) as at 1 January	-		-	
Allocation to Additional capital	-		-	
Operating result	-		-	
<b>Subtotal Other reserves (Sackler part)</b>		<b>-</b>		<b>-</b>
Leiden University part (50,1%) as at 1 January	55,631		58,106	
Allocation to Additional capital	-55,631		-58,106	
Operating result	-50,870		-55,631	
<b>Subtotal Other reserves (Leiden University part)</b>		<b>-50,870</b>		<b>-55,631</b>
<b>Total Other reserves</b>		<b>-50,870</b>		<b>-55,631</b>



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**Appropriation of the 2018 result**

The 2018 annual accounts were adopted in the Board meeting held on March 26<sup>th</sup>, 2019. The Board meeting has paid the result 2018 of € 55,631 from the other reserves.

**Motion for appropriation of the result of the financial year 2019**

The Board proposes to appropriate the achieved negative result of € 50,870 as follows. The negative result 2018 of € 50,870 will be paid from the other reserves. The above motion has been incorporated in the annual accounts accordingly.

	2019		2018	
	EUR	EUR	EUR	EUR
<b>7. Short term debts</b>				
Scholarships	41,405		29,783	
Bank expenses	524		550	
Auditor's charge	4,452		4,283	
Other costs	48		-	
<b>Total Short term debts</b>		<b>46,429</b>		<b>34,616</b>

**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.

**Subsequent events**

The foundation's main assets are investments in bonds. The securities market has responded to the recent outbreak of the corona virus, which has reduced investment value in 2020. This decrease in value has no impact on the continuity of the foundation. The liquidity ratios are sufficient and the foundation remains able to pay its debts. In addition, the board of the foundation may decide to grant fewer subsidies if the liquidity position requires so.



**SIGNATURE OF ANNUAL REPORT 2019**

Leiden, 30 March 2020

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

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Drs. M. Ridderbos RC  
Secretary-Treasurer

\_\_\_\_\_

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

\_\_\_\_\_



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**OTHER INFORMATION**

**Provisions in the Article 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 from the sum received from Leiden University.



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**AUDITOR'S REPORT**

**Independent auditor's report**

To: the Board of Foundation Endowment for the Raymond and Beverly Sackler Chair International Scholarship Fund

**Report on the accompanying financial statements**

*Our opinion*

We have audited the financial statements 2019 of Foundation Endowment for the Raymond and Beverly Sackler Chair International Scholarship Fund, based in Leiden.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Foundation Endowment for the Raymond and Beverly Sackler Chair International Scholarship Fund as at 31 December 2019, and of its result for 2019 in accordance with the Guideline for annual report C1 'Small not-for-profit organisations' of the Dutch Accounting Standards Board.

The financial statements comprise:

- 1 the balance sheet as at 31 December 2019;
- 2 the profit and loss account for 2019; 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 Foundation Endowment for the Raymond and Beverly Sackler Chair International Scholarship Fund in accordance with 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 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 Guidance for annual reporting C1 'Small not-for-profit organisations'. 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 framework 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 engagement 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;



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- 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.

Den Haag, 30 March 2020

KPMG Accountants N.V.

H. Visser RA



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Appendix 1 SPECIFICATION BONDS AS AT 31<sup>ST</sup> DECEMBER 2019

Specification bonds as at 31 December 2019

EUROBONDS	STOCK VALUE			PAID IN EUR	UNREALISED DIFFERENCES	
	NOMINAL VALUE	CURRENCY	STOCK VALUE			
ABN AMRO 13/23 2,5%	100,000	EUR	109.373%	109,591	103,986	5,605
Duitsland 2011/2022 2%	100,000	EUR	105.360%	107,339	105,300	2,039
McDonalds 2013/2023 2%	100,000	EUR	107.003%	108,167	96,495	11,672
Nederlandse Gasunie 2012/2022 2,625%	100,000	EUR	106.906%	108,132	106,730	1,402
Optus Finance 2009/2020 3,5%	50,000	EUR	102.558%	51,791	50,361	1,430
Polen 2005/2020 4,2%	200,000	EUR	101.475%	208,917	193,890	15,027
Procter and Gamble 2005/2020 4,125%	50,000	EUR	104.247%	52,259	55,774	-3,515
Procter and Gamble 2012/2022 2%	100,000	EUR	105.821%	106,569	103,050	3,519
Rabobank Nederland 2006/2021 4,375%	85,000	EUR	106.595%	92,709	100,840	-8,130
Schiphol 2011/2021 4,43%	50,000	EUR	105.833%	54,411	52,322	2,090
Tennet 2011/2023 4,625%	100,000	EUR	115.038%	119,004	120,509	-1,505
Toyota Motor Reg S553 2013/2023 2,375%	100,000	EUR	107.714%	109,880	104,800	5,080
WoltersKluwer 2014/2024 2,5%	100,000	EUR	109.852%	111,437	101,437	10,000
<b>TOTAL EUROBONDS</b>				<b>1,340,206</b>	<b>1,295,492</b>	<b>44,714</b>



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