

REPORT
of
STICHTING MUSICIANS WITHOUT BORDERS
ALKMAAR

regarding
The financial report for 2007

CONTENTS OF THE REPORT

I GENERAL NOTES

The Foundation

1. Purpose
2. Breakdown of capital and reserves
3. Board

Compilation report

II FINANCIAL REPORT FOR 2007

Financial statements 2007

1. Balance sheet as per December 31, 2007
2. Statement of Income and Expenditure for 2007
3. Financial position and cash flow statement for 2007
4. Notes to the balance sheet as per December 31, 2007
reporting policies
balance sheet as per December 31, 2007
statement of income and expenditure for 2007

III ANNEXES FOR INTERNAL USE

1. Breakdown of the items included in the balance sheet as per December 31, 2007
2. Breakdown of the items included in the statement of income and expenditure for 2007

I GENERAL NOTES

Pursuant to Article 2 of its Articles, the Foundation's purpose is:

- o To use music to bridge ethnic, religious and ideological divides between peoples;
- o To organize encounters between musicians and other professionals to exchange know-how and experience;
- o To provide support to musicians and music organizations in the form of material assistance and musical services, in the broadest sense;
- o To perform any further acts related to the purpose above, or which may be conducive to that purpose.

The Foundations seeks to achieve its purpose by, inter alia, organizing, planning and/or funding activities carried out by individuals and groups that strive to objects set out above anywhere in the world.

I. 2 Breakdown of capital and reserves

The Foundation's capital and reserves can be broken down into:

- o income from the Foundation's activities;
- o subsidies and contributions;
- o donations and acquisitions by way of testamentary dispositions and specific legacies;
- o all other acquisitions and income.

I. 3 Board

During the relevant fiscal year, the Foundation's Board was formed by:

- o J.H.M. van Hussen chair
- o J.J. Wortel treasurer / secretary
- o F. Deug
- o A.M. Kho
- o I.C.S. Ritchie

Stichting Musicians without Borders
Sporstraat 38
NL-1815 BK Alkmaar.

COMPILATION REPORT

Engagement

In accordance with your instruction and based on the data provided by you, have compiled the financial statements 2007 of Stichting Musicians without Borders, established in Alkmaar, the Netherlands, as laid down in the present financial report.

The Foundation's Board will bear the responsibility for the accuracy and completeness of those data and the annual financial statements based on same. It is my responsibility to issue a compilation report with respect to the financial statements.

Work

In accordance with the general guidelines that apply in the Netherlands with respect to compilation engagements, the work mainly consisted of collecting, processing, categorizing and summarizing financial data.

It follows from the nature and scope of this work that this engagement cannot provide such certainty regarding the accuracy of the financial statements as derived from an auditor's report or a review report.

Letter of representation

Based on the data with which I was furnished, I have drawn up the financial statements in accordance with the reporting policies that are generally accepted in the Netherlands.

Alkmaar, April 7, 2008.

J.T.A. van Leeuwen.

The Board Report is available for inspection at the Foundation's offices.

STICHTING MUSICIANS WITHOUT BORDERS
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II. 1

BALANCE SHEET AS PE

ASSETS

Balance sheet
December 31, 2006

Balanc
Decembe

	€	€	€
FIXED ASSETS			
Tangible fixed assets			
Equipment, furniture and fittings			1.939
CURRENT ASSETS			
Receivables	19.355		31.056
Cash at bank and in hand	<u>69.268</u>		<u>25.544</u>
Total current assets		88.623	
TOTAL		<u><u>90.562</u></u>	

STICHTING MUSICIANS WITHOUT BORDERS
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December 31, 2007

LIABILITIES

	Balance sheet	Balance
	December 31, 2006	December 31, 2007
€	€	€

CAPITAL AND RESERVES

Discretionary capital and reserves

43.626

CURRENT LIABILITIES

Taxes and social security contributions

3.067

2.739

Other liabilities and deferred income

43.86920.087

46.936

TOTAL

90.562**II. 2****STATEMENT OF INCOME AND EXPENDITURE FOR 2007**

	2007	2007
	€	€
	Actual	Estimate

INCOME	260.626	211.000
Direct costs of projects and activities	<u>176.419</u>	<u>76.178</u>
BALANCE OF DONATIONS, PROJECTS AND ACTIVITIES	<u>84.207</u>	<u>134.822</u>
Wages and salaries	77.217	73.500
National insurance contributions	<u>9.195</u>	<u>9.600</u>
	86.412	83.100
Salary costs allocated to projects	<u>66.258</u>	<u>0</u>
	20.154	83.100
Depreciation of tangible fixed assets	490	0
Other operating costs	<u>55.464</u>	<u>80.160</u>
	76.108	163.260
Subsidies with respect to wage costs	0	0
Other amounts received for purposes of wage costs	<u>0</u>	<u>0</u>
TOTAL OPERATING COSTS	<u>76.108</u>	<u>163.260</u>
BALANCE OF INCOME AND EXPENDITURE	8.099	-28.438
Interest income	1.832	0
Interest expense	<u>79</u>	<u>240</u>
OPERATING RESULT	<u>9.852</u>	<u>-28.678</u>

II. 3 FINANCIAL POSITION AND CASH FLOW STATEMENT FOR 2007

The calculation of the financial position is laid down below (rounded off to € 1.000).

	31-12-2007	31-12-2006
	€	€
Current assets		
Receivables	20.000	31.000
Cash at bank and in hand	<u>69.000</u>	<u>26.000</u>
(a)	<u>89.000</u>	<u>57.000</u>

Current liabilities		
Taxes/social security contributions	3.000	3.000
Other liabilities and deferred income	<u>44.000</u>	<u>20.000</u>
	(b) <u><u>47.000</u></u>	<u><u>23.000</u></u>
Liquidity position	(a-b)	42.000
Tangible fixed assets		34.000
		2.000
		0
Capital invested in the Foundation		<u>44.000</u>
		<u>34.000</u>
Financed with:		
Equity		<u>44.000</u>
		<u>34.000</u>

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The € 44,000 increase in the cash at bank and in hand is explained in the cash flow statement below.

CASH FLOW FROM OPERATING ACTIVITIES

€

Operating result
Depreciation
CASH FLOW

Conversion into cash flow from operating activities:
Increase in working capital*

Cash flow from operating activities represents increase in cash at bank

and in hand

* Increase in working capital as a result of	
Increase in current liabilities	24.000
Decrease in receivables	<u>12.000</u>
	36.000
Decrease in working capital as a result of	
Investments in equipment, furniture and fittings	<u>-3.000</u>
On balance increase in working capital	<u><u>33.000</u></u>

II. 4 NOTES TO THE FINANCIAL STATEMENTS 2007

REPORTING POLICIES

1. Accounting policies for purposes of the balance sheet

Tangible fixed assets

The assets were valued on the basis of their purchase price, less the applicable straight line depreciation based on the estimated useful life and calculated on the basis of the purchase price.

During the year of purchase, the assets are depreciated pro rata temporis.

Receivables

The receivables are carried at face value, insofar as necessary subject to a value adjustment for bad and doubtful debts.

Cash at bank and in hand

Cash at bank and in hand is carried at face value.

Current liabilities

The current liabilities are carried at face value.

2 Accounting policies for determining the result

General

The result is fixed by determining the difference between the income from donations and gifts, services provided and other income achieved during the fiscal year on the one hand and the Foundation's operating costs on the other.

Operating costs

The operating costs are based on the acquisition price and are allocated to fiscal year to which they pertain.

Interest income and expense

The interest income and expense pertains to the interest received from and third parties with respect to the relevant fiscal year.

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BALANCE SHEET AS PER DECEMBER 31, 2007

ASSETS

Tangible fixed assets

The movements in the tangible fixed assets for 2007 may be described as follows:

	Equipment and fitting: €
Balance sheet as per December 31, 2006	0
Investments 2007	2.429
Depreciation	<u>490</u>

Balance sheet as per December 31, 2007	<u><u>1.939</u></u>
Accumulated cost	2.429
Accumulated depreciation	<u>490</u>
Balance sheet as per December 31, 2007	<u><u>1.939</u></u>

The equipment, furniture and fittings will be depreciated over three years.

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LIABILITIES

EQUITY

The movements in the equity during the fiscal years 2006 and 2007 may described as follows:

	Equity €
Balance as per December 31, 2005	12.388
Operating result 2006	<u>21.386</u>
Balance as per December 31, 2006	33.774
Operating result 2007	<u>9.852</u>
Balance as per December 31, 2007	<u><u>43.626</u></u>

Liabilities not included in the balance sheet

Based on the lease agreements entered into, the annual rent liability amounts to over € 6,000.

STATEMENT OF INCOME AND EXPENDITURE FOR 2007**Employees**

In 2007, the Foundation had an average of three employees.

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ALKMAAR

**III. 1 BREAKDOWN OF THE ITEMS INCLUDED IN THE BALANCE SHEET
AS PER DECEMBER 31, 2007**

ASSETS	31-12-2007
	€
CURRENT ASSETS	
Receivables	
Subsidy from Cordaid	0
Subsidy from NBE	10.000
Subsidies for projects	5.772
Subsidies for Entry Level and Step-Up Jobs [<i>ID-banen</i>] for previous years	0
Interest from bank	1.839
Miscellaneous	1.744
	<u>19.355</u>
Cash at bank and in hand	
Cash	655
Postbank	17.837
Postbank rentemeerrekening ('Interest Plus Account')	50.776

69.268

LIABILITIES

CURRENT LIABILITIES

Taxes and social security contributions

Wage tax/social security contributions	3.067
	<u>0</u>
	<u>3.067</u>

Other liabilities and deferred income

Project costs	0
Salary costs	484
Reserve for vacation bonus	3.314
Advance payments from Oxfam/Novib for conference	12.517
Miscellaneous	27.554
	<u>43.869</u>

17

STICHTING MUSICIANS WITHOUT BORDERS
ALKMAAR

III. 2 BREAKDOWN OF THE ITEMS INCLUDED IN THE STATEMENT OF INCOME AND EXPENDITURE FOR 2007

	2007	2007
	€	€
	Actual	Estimate
OPBRENGSTEN		
Donations – general	15.298	12.000
Third-party collections	3.940	7997
General Cordaid subsidy (= 70% of the total subsidies)	77.000	60.000
Income from projects and activities	164.388	131.003
	<u>260.626</u>	<u>211.000</u>

BREAKDOWN BY PROJECT 2007

	Income	Expenditure	Salary costs
	€	€	€
Collaboration with St. De Vrolijkheid*	18.030	5.257	12.773
Nederlands Blazers Ensemble	34.000	30.048	4.576
Oxfam/Novib Conference	10.454	10.454	0
Oxfam/Novib Palestine Trip	16.461	12.661	3.800
Oxfam/Novib Toolkit	4.390	4.390	0
C&M Lelemam	4.996	7.693	0
C&M Mihira	20.563	14.497	5.152

Music Bus	11.121	11.121	0
Concerts	8.000	3.591	6.912
CD and music book sales	3.098	0	0
Other projects**	275	10.449	33.045
Cordaid subsidy for projects(= 30% of the total subsidy)	33.000		
	<u>164.388</u>	<u>110.161</u>	<u>66.258</u>

*De Vrolijkheid salary costs pertain to 2006 and 2007.

**Other projects, e.g.

Instrument Fund
BiH Bosnia-Herzegovina
Singing the Bridge
Conference/Toolkit/Palestine Trip (additional staff hours)

18

STICHTING MUSICIANS WITHOUT BORDERS
ALKMAAR

	2007 Actual €	2007 Estimate €
Miscellaneous operating costs		
Other staff costs	4.791	6.540
Office accommodation costs	7.266	6.960
General costs	43.407	66.660
	<u>55.464</u>	<u>80.160</u>
Office accommodation costs		
Lease of office	7.260	6.900
Other accommodation costs	6	60
	<u>7.266</u>	<u>6.960</u>
General costs		
Publicity and advertising costs	3.885	6.000
Costs relating to volunteers	3.192	1.296
Telephone costs	879	2.400
Postage	850	2.100
Accountancy and administration costs	10.360	5.004
Consultancy costs	12.684	24.300
ICT costs	6.231	7.200
Board costs	2.285	4.200

Office costs	723	6.660
Miscellaneous	2.318	7.500
	<u>43.407</u>	<u>66.660</u>

Interest income		
Interest received	<u>1.832</u>	<u>0</u>

Interest expense		
Interest and costs payable to bank	<u>79</u>	<u>240</u>

Page

4

4

4

5

8-9

10

11-12

13

14-15

15

17

18-19

ER

ce sheet
er 31, 2007

€

0

56.600

56.600

ce sheet
er 31, 2007
€

33.774

22.826

56.600

2006
€
Actual

242.426
91.413

151.013

121.539
14.887
136.426
0
136.426

533
46.313
183.272

39.340
14.091

129.841

21.172

392
178

21.386

Movements
€

-11.000
43.000

32.000

0
24.000
24.000

8.000
2.000
10.000

10.000

€
10.000
1.000
11.000

33.000

44.000

=====

t, furniture
s

31-12-2006
€

10.000
0
8.122
3.526

390
9.018
31.056

1.475
23.684
385

25.544

2.739

0

2.739

3.260

500

5.202

0

11.125

20.087

2006

€

Actual

9.151

530

122.833

109.912

242.426

Margin

€

0

-624

0

0

0

-2.697

914

0
-2.503
3.098
-43.219
33.000
-12.031

2006
Actual
€

5.768
6.600
33.945
46.313

6.600
0
6.600

3.981
3.076
1.615
144
6.255
3.076
7.080
3.679

578
3.194
32.678

392

178