

**MasterPeace Foundation**

located, Utrecht

Report on the annual accounts  
**2015**

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## **1. ANNUAL REPORT**

# Annual Report of the Board and Management

“Peace is one of humanity’s precious needs and our highest calling”

(General Ban Ki Moon- UN Secretary)

“We grow the movement by growing its people”

(Philip Kpakiwa, MasterPeace club leader Guinea)



## General

The MasterPeace Foundation is a Civil Society Organisation. We focus on actively engaging people around the world via projects that prevent conflicts and conflict escalation. The world has seven billion inhabitants. We view them as seven billion sources of talent and energy. To achieve all that, MasterPeace offers a platform for a large community of “Nelsons”. MasterPeace uses the metaphor of Nelsons for all people who use their talents and share the desire to stand up and be a local change maker. They can be musicians, bloggers, media, volunteers, social entrepreneurs and business people.

## Our movement

The MasterPeace volunteers operate in a cell- clubs structure. Clubs take ownership of the activities described in their year plan. The core teams in Cairo, Holland and Mexico try to facilitate their plans the best way they can. We are proud to say that we are now active in ca 40 countries. They really understand the local needs for change. We thank all our Nelsons with the deepest respect possible.

As a grassroot movement the clubs decide on what they do with the best local impact. The MasterPeace movement offers them a MasterPeace licence that will be yearly reviewed and renewed.

All projects and activities have to be based on 4 core values and 4 passion statements

*Our Values:*

**Positivity, Autonomy, Co -Creation and “Walk the Talk**

*Our passion statements:*

**Music above fighting, Dialogue above judgement,**

**Bread above bombs and creation above destruction.**

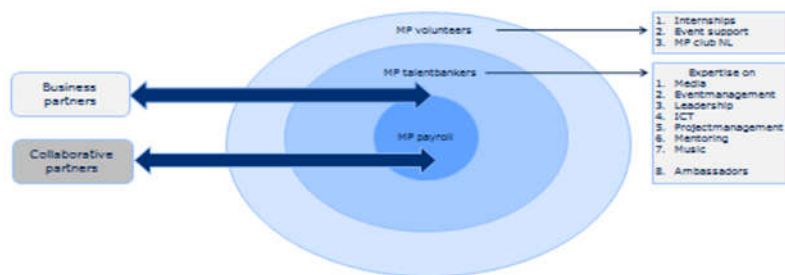
*Our organisation:*

Our movement is formally lead by Aart Bos, based in Utrecht. In September 2015 we thanked Mohamed Helmy for his vision and drive as a founder and friend of all Nelsons. He started his new social enterprise “Progrss”, which now is one of the partners of MasterPeace. The MasterPeace project office in Cairo was led on a daily bases by Raghda El Halawany and we are proud on the start of our second project office which is located in Mexico City led by Sofie de Wulf. Both are financed by the MasterPeace office in the Netherlands

By the end of 2015 we employed on the payroll 5 in the Netherlands , 7 at the Cairo project team and 4 at the Mexican project team. These employees are the core team supported by ca 50 talentbankers who donate their talents for free on specific topics like coaching, leadership development, event management and ICT.

Together with our business, media , creatives and collaborative partners we build a strong network based on the same values and passion.

**MasterPeace mobilises drive and quality to facilitate the movement via partnerships and free of charge expertise**





## Our ambition, our work

“You are more than Your money, Your likes, Your pity, Your shelter,

You are You...and this is the best thing You can give

We want YOU”

MasterPeace wants to mobilize more than 200.000 Nelsons by 2020 all over the world. They inspire togetherness. Whatever your identity, colour, religion or walk of life, we are all united through music. In this case music can be seen as a metaphor for creation and positivity. We all need unity. We actually exist because of “the other”. The African “Ubuntu” spirit is reflected in our logo and in all our activities.

Our strategy is based on three pillars:

1. Using the soft power of music, art and play to mobilize local change makers
2. Using dialogue to bring opposites together
3. Using capacity building to offer perspective

Our activities are aligned with the Sustainable Development Goals (SDG's) . We create partnerships with business, creatives NGO's and governments, the SDG's are a language to align and create impact together.

## Our activities

The growth of our movement is in number of project (ca 200 in 2015 using music, art, play and dialogue) , in number of clubs (active in 40 countries) and in impact. We implemented a new monitoring and evaluation system to learn, to improve and share best practised between the clubs. The best practises are monthly share via e magazines and newsletters with our community of more than 25.000 people.

We organised 17 local boot camps and trained for example our teams in Sierra Leone and Guinee in co creation with our partner The network university of Amsterdam on social entrepreneurship. Our club leaders are facilitated to join e-learning trainings on leadership, project and event management.

A true inspiring momentum of learning and togetherness was organised by our club in Lebanon-Beirut.



The International Day of Peace is a true momentum that we feel a wave around the world by using music, art and dialogue



In 2015 MasterPeace received again a prestigious Award, The Luxembourg Peace Prize. The jury choose MasterPeace as an “Outstanding Peace Organisation”





MasterPeace complies with the Dutch General Accepted Accounting Principles, as well as the special governance requirements for the ANBI status of foundations. Transparent reporting and governance are our guiding principles.

## **2. FINANCIAL STATEMENTS**

2.1 BALANCE SHEET AS AT 31 DECEMBER 2015

		31-12-2015		31-12-2014	
		€	€	€	€
<b>ASSETS</b>					
<b>Fixed assets</b>					
<b>Tangible fixed assets</b>					
Other fixed assets	1		-		1.618
<b>Current assets</b>					
<b>Receivables</b>					
Trade receivables	2	34.182		-	
Taxes and social security charges	3	-		5.125	
Other receivables, prepayments and accrued income	4	3.604		8.732	
			37.786		13.857
<b>Cash</b>	5		28.605		56.646
			<u>66.391</u>		<u>72.121</u>

**MasterPeace Foundation**

		31-12-2015		31-12-2014	
		€	€	€	€
<b>LIABILITIES</b>					
<b>Equity</b>					
	6				
Other reserve	7		7.214		(357.026)
<b>Current liabilities, accruals and de- ferred income</b>					
Accounts payable		1.124		36.957	
Taxes and social security charges	8	27.188		11.658	
Other liabilities and accrued expenses	9	30.865		380.532	
		59.177		429.147	
			66.391		72.121

2.2 STATEMENT OF ACTIVITIES FOR THE YEAR 2015

		Actual 2015	Budget 2015	Actual 2014
		€	€	€
<b>Benefits</b>	<i>10</i>			
Revenue from founding partners	<i>11</i>	295.000	245.000	326.250
Revenue from funding partners	<i>12</i>	89.665	75.000	312.500
Revenues from donations	<i>13</i>	307.022	320.000	258.921
Other funds	<i>14</i>	250.000	250.000	250.000
		<u>941.687</u>	<u>890.000</u>	<u>1.147.671</u>
<b>Expenses</b>				
Personnel expenses	<i>15</i>	175.112	200.000	412.914
Depreciation of intangible and tangible fixed assets		1.618	-	4.470
Project costs		340.277	214.000	929.239
Other operating expenses	<i>16</i>	56.284	95.000	140.067
<b>Total operating expenses</b>		<u>573.291</u>	<u>509.000</u>	<u>1.486.690</u>
<b>Operating result</b>		368.396	381.000	(339.019)
Interest and similar expenses	<i>17</i>	(4.156)	-	(3.111)
<b>Net result</b>		<u>364.240</u>	<u>381.000</u>	<u>(342.130)</u>
<b>APPROPRIATION OF RESULT</b>				
Other reserve		<u>364.240</u>		<u>(342.130)</u>

## **2.3 NOTES TO THE FINANCIAL STATEMENTS**

### **GENERAL**

The financial statements have been prepared in accordance with Chapter 9, Book 2 of the Netherlands Civil Code. Valuation of assets and liabilities and determination of the result takes place under the historical cost convention, unless presented otherwise.

Income and expenses are accounted for on accrual basis. Profit is only included when realized on balance sheet date. Liabilities and any losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

### **ACCOUNTING POLICIES IN RESPECT OF THE VALUATION OF ASSETS AND LIABILITIES**

#### **General**

The financial statements have been prepared in accordance with Chapter 9, Book 2 of the Netherlands Civil Code. These financial statements are presented in €, the company's functional currency. Unless presented otherwise, assets and liabilities are presented at face value.

#### **Tangible fixed assets**

Tangible fixed assets are presented at cost less accumulated depreciation and, if applicable, less impairments in value. Depreciation is based on the estimated useful life and calculated as a fixed percentage of cost, taking into account any residual value. Depreciation is provided from the date an asset comes into use. Land is not depreciated.

Tangible fixed assets are capitalized if the economic ownership held by the company, and its group companies, is governed by a financial lease agreement. The commitment arising from the financial lease agreement is accounted for as a liability. The interest included in the future lease instalments is charged to the result over the term of the financial lease agreement.

#### *Other fixed assets*

Other fixed assets are presented at cost less accumulated depreciation and, if applicable, less impairments in value. Depreciation is based on the estimated useful life and calculated as a fixed percentage of cost, taking into account any residual value. Depreciation is provided from the date an asset comes into use.

Other fixed assets are capitalized if the economic ownership held by the company is governed by a financial lease agreement. The commitment arising from the financial lease agreement is accounted for as a liability. The interest included in the future lease instalments is charged to the result over the term of the financial lease agreement.

#### **Accounts receivable**

Upon initial recognition the receivables are valued at fair value and then valued at amortized cost. The fair value and amortized cost equal the face value. Provisions deemed necessary for possible bad debt losses are deducted. These provisions are determined by individual assessment of the receivables.

#### *Trade receivables*

Upon initial recognition the receivables are valued at fair value and then valued at amortized cost. The fair value and amortized cost equal the face value. Provisions deemed necessary for possible bad debt losses are deducted. These provisions are determined by individual assessment of the receivables.

#### *Other accounts receivable*

Upon initial recognition the receivables from and loans to associated companies and other receivables are valued at fair value and then valued at amortized cost, which equals the face value, after deduction of any provisions.

#### *Accruals and prepaid expenses*

Accrued income and prepaid expenses are recognized at face value.

**Cash at bank**

Cash and cash equivalents are valued at face value. If cash is not freely available this is taken into account for the valuation.

**Equity**

Financial instruments are classified as equity, if they have the substance of equity instruments; the legal form is of no consequence.

*Other reserve*

Other reserves are all reserves, except the legal and statutory reserves. Other reserves can freely be distributed to the shareholders.

**Current liabilities**

Upon initial recognition, current liabilities are stated at fair value and then valued at amortized cost.

*Accounts payable*

Upon initial recognition, accounts payable are stated at fair value and then valued at amortized cost.

*Taxes and social security charges*

Upon initial recognition, taxes and social security charges payable are stated at fair value and then valued at amortized cost.

*Accruals and deferred income*

Upon initial recognition, accruals and deferred income are stated at fair value and then valued at amortized cost.

*Other payables*

Upon initial recognition, other short-term liabilities are stated at fair value and then valued at amortized cost.

**ACCOUNTING POLICIES IN RESPECT OF RESULT DETERMINATION**

**General**

Revenues ensuing from the sale of goods are accounted for when all major entitlements to economic benefits as well as all major risks have transferred to the buyer. The cost price of these goods is allocated to the same period.

Revenues from services are recognized in proportion to the services rendered, based on the cost incurred in respect of the services performed up to balance sheet date, in proportion to the estimated costs of the aggregate services to be performed. The cost price of these services is allocated to the same period.

The profit to be allocated to the work in progress on construction contracts is determined on the basis of costs incurred for the work as at balance sheet date, in proportion to the aggregate costs expected to be spent on the work. The net realizable value is based on an expected sales price net of costs to be incurred for completion and sales.

**Net turnover**

Net turnover represents amounts invoiced for goods and services supplied during the financial year reported on, net of discounts and value added taxes.

Revenues ensuing from the sale of goods are accounted for when all major entitlements to economic benefits as well as all major risks have transferred to the buyer. The cost price of these goods is allocated to the same period.

Revenues from services are recognized in proportion to the services rendered. The cost price of these services is allocated to the same period.

**Depreciation and amortization**

Depreciation of other fixed assets is based on the estimated useful life and calculated as a fixed percentage of cost, taking into account any residual value. Depreciation is provided from the date an asset comes into use. Book profits and losses upon disposal of a business asset are included in depreciation.

**Other operating expenses**

Costs are taken into account under the historical cost convention and allocated to the period concerned.

**Net financial result**

Interest income and expenses consist of interest received from or paid to third parties.

**Taxation**

Corporate income tax is calculated at the applicable rate on the result for the financial year, taking into account permanent differences between profit calculated according to the financial statements and profit calculated for taxation purposes, and with which deferred tax assets (if applicable) are only valued insofar as their realization is likely.



**2.4 NOTES TO THE BALANCE SHEET AS AT 31 DECEMBER 2015**

***FIXED ASSETS***

**1 Tangible fixed assets**

	<u>Other fixed assets</u> €
<u>Balance as at 1 January 2015</u>	
Acquisition costs	19.805
Cumulative depreciation	(18.187)
	<hr/>
Book value as at 1 January 2015	1.618
	<hr/> <hr/>
Movements	
Depreciation	(1.618)
	<hr/>
Balance movements	(1.618)
	<hr/> <hr/>
<u>Balance as at 31 December 2015</u>	
Acquisition costs	19.595
Cumulative depreciation	(19.595)
	<hr/>
Book value as at 31 December 2015	-
	<hr/> <hr/>
Depreciation percentages	25% - 50%
	<hr/> <hr/>

***CURRENT ASSETS***

**Receivables**

**Receivables > 1 year**

There are no receivables with a remaining term exceeding one year.

	<u>31-12-2015</u> €	<u>31-12-2014</u> €
<b>2 Trade receivables</b>		
Trade receivables	34.182	-
	<hr/> <hr/>	<hr/> <hr/>

**MasterPeace Foundation**

	<u>31-12-2015</u>	<u>31-12-2014</u>
	€	€
<b>3 Taxes and social security charges</b>		
Value added tax	-	5.125
	<u>          </u>	<u>          </u>
	<u>31-12-2015</u>	<u>31-12-2014</u>
	€	€
<b>4 Other receivables, prepayments and accrued income</b>		
Accruals and prepaid expenses	3.604	8.732
	<u>          </u>	<u>          </u>
	<u>31-12-2015</u>	<u>31-12-2014</u>
	€	€
<b>5 Cash</b>		
Cash	-	425
Other banks	28.605	56.221
	<u>          </u>	<u>          </u>
	<u>28.605</u>	<u>56.646</u>
	<u>          </u>	<u>          </u>
<b>6</b>		
	<u>2015</u>	<u>2014</u>
	€	€
<b>7 Other reserve</b>		
Balance as at 1 January	(357.026)	(14.896)
Appropriated of result	364.240	(342.130)
	<u>          </u>	<u>          </u>
Balance as at 31 December	7.214	(357.026)
	<u>          </u>	<u>          </u>
	<u>          </u>	<u>          </u>
<b><i>CURRENT LIABILITIES, ACCRUALS AND DEFERRED INCOME</i></b>		
	<u>31-12-2015</u>	<u>31-12-2014</u>
	€	€
<b>8 Taxes and social security charges</b>		
Value added tax	23.139	-
Wage tax	4.049	11.658
	<u>          </u>	<u>          </u>
	<u>27.188</u>	<u>11.658</u>
	<u>          </u>	<u>          </u>
	<u>31-12-2015</u>	<u>31-12-2014</u>
	€	€
<b>9 Other liabilities and accrued expenses</b>		
Holiday allowance	5.303	7.183
Payable to related party	25.562	39.345
Short term loans	-	110.000
Payments received in advance	-	175.000
Invoices still to be received	-	29.823
Other accruals, deferred income and liabilities	-	19.181
	<u>          </u>	<u>          </u>
	<u>30.865</u>	<u>380.532</u>
	<u>          </u>	<u>          </u>

**2.5 NOTES TO THE STATEMENT OF ACTIVITIES FOR THE YEAR 2015**

	Actual 2015 €	Budget 2015 €	Actual 2014 €
<b>10 BENEFITS</b>			
Revenue from founding partners	295.000	245.000	326.250
Revenue from funding partners	89.665	75.000	312.500
Revenues from donations	307.022	320.000	258.921
Other funds	250.000	250.000	250.000
	<u>941.687</u>	<u>890.000</u>	<u>1.147.671</u>
<b>11 REVENUE FROM FOUNDING PARTNERS</b>			
Triodos Foundation	75.000	75.000	75.000
IKV Pax Christi	50.000	50.000	65.000
Corio N.V.	75.000	75.000	75.000
Vfonds	75.000	20.000	56.250
Cordaid	20.000	25.000	55.000
	<u>295.000</u>	<u>245.000</u>	<u>326.250</u>
<b>12 REVENUE FROM FUNDING PARTNERS</b>			
Vfonds education grant	-	-	12.500
Vfonds 'break-trough' programm	75.000	75.000	225.000
Private family foundation	-	-	75.000
Other	14.665	-	-
	<u>89.665</u>	<u>75.000</u>	<u>312.500</u>
<b>13 REVENUES FROM DONATIONS</b>			
Revenue small business & corporates	238.750	100.000	52.014
Donations small business & corporates	33.414	-	106.930
Various donations	9.930	220.000	20.778
Revenue events	24.928	-	79.199
	<u>307.022</u>	<u>320.000</u>	<u>258.921</u>
<b>14 OTHER FUNDS</b>			
Dutch National Postcode Lottery (via IKV Pax Christi)	250.000	250.000	250.000

## MasterPeace Foundation

	Actual 2015	Budget 2015	Actual 2014
	€	€	€
<b>15 PERSONNEL EXPENSES</b>			
Wages and salaries	116.679	136.000	270.446
Social security charges and pensions cost	19.470	24.000	51.650
Other staff expenses	38.963	40.000	90.818
	<u>175.112</u>	<u>200.000</u>	<u>412.914</u>

	2015
Average number of employees	
Netherlands	5
Egypt	7
Mexico	4
	<u>16</u>

	Actual 2015	Budget 2015	Actual 2014
	€	€	€

## 16 OTHER OPERATING EXPENSES

Other operational costs	56.284	95.000	140.067
	<u>56.284</u>	<u>95.000</u>	<u>140.067</u>
	Actual 2015	Budget 2015	Actual 2014
	€	€	€

### Other operational costs

Travel costs	3.720	95.000	7.669
General communications costs	6.669	-	47.671
Conferences, meetings and presentations	338	-	6.512
Indirect personell costs	7.383	-	17.787
Accountants, Insurance	6.934	-	18.611
Office and general costs	31.240	-	41.817
	<u>56.284</u>	<u>95.000</u>	<u>140.067</u>
	Actual 2015	Budget 2015	Actual 2014
	€	€	€

## 17 INTEREST AND SIMILAR EXPENSES

Interest tax authorities	239	-	-
Interest other liabilities	2.736	-	-
Other interest expenses	1.181	-	3.111
	<u>4.156</u>	<u>-</u>	<u>3.111</u>

**Analysis of difference realization with budget**

	Actual 2015		Budget 2015		Movement	
	€	%	€	%	€	%
<i>x 1.000</i>						
<b>Benefits</b>	941.687	100,0	890.000	100,0	51.687	5,8
	941.687	100,0	890.000	100,0	51.687	5,8
Personnel expenses	175.112	18,6	200.000	22,5	(24.888)	(12,4)
Depreciation of intangible and tangible fixed assets	1.618	0,2	-	-	1.618	-
Project costs	340.277	36,1	214.000	24,0	126.277	59,0
Other operating expenses	56.284	6,0	95.000	10,7	(38.716)	(40,8)
<b>Total operating expenses</b>	573.291	60,9	509.000	57,2	64.291	12,6
<b>Operating result</b>	368.396	39,1	381.000	42,8	(12.604)	(3,3)
Financial income and expen- se	(4.156)	(0,4)	-	-	(4.156)	-
<b>Net result</b>	364.240	38,7	381.000	42,8	(16.760)	(4,4)

Utrecht, 9 June 2016  
MasterPeace Foundation

Heba Ramzy  
Chairwoman

**3. OTHER INFORMATION**

*3.1 Statutory provision regarding appropriation of result*

In the company statutory regulations the following has been presented concerning the appropriation of result:

*3.2 Proposal appropriation of result*

The management of the entity proposes to appropriate the result as follows:

The appropriation of profit for the year 2015 in the amount of €364.240 will be added to in full to the other reserves.

### 3.3 INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements 2015 of MasterPeace Foundation, Utrecht, which comprise the balance sheet as at 31 December 2015, the statement of activities for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

#### *Management's responsibility*

The board of the foundation is responsible for the preparation and fair presentation of these Financial statements . Furthermore the board of the foundation is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of the foundation, as well as evaluating the overall presentation of the financial statements.

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

#### *Opinion with respect to the financial statements*

In our opinion, the financial statements give a true and fair view of the financial position of MasterPeace Foundation as at 31 December 2015 and of its result for the year then ended.

Amsterdam, 9 June 2016

Londen & Van Holland

  
K.J. Schouten