

# Annual Report

FOR THE PERIOD ENDED DECEMBER 31, 2011



**ALTERNATIVES**  
**4 CHILDREN**  
AMSTERDAM







ALTERNATIVES  
**4 CHILDREN**

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## General information

### Alternatives 4 Children managing board members

<b>Name</b>	<b>Secondary activities</b>	<b>E-mail address</b>
Sophie Robe	Third party marketeer	sophierobe@phenixcapital.nl
Marc de Klooe	Head of Alternative Investments	marc.de.kloe@nl.abnamro.com
Didy van der Schilden	Director Asset Management	dvdschilden@mellesandpartners.com
Lennard Sigling	Partner MyReputation	lennard@sigling.nl
Meju Velji	Fund Selection Committee	mejuvelji@hotmail.com
Valerie Hagoort	Head of Business development	vreinhold@gmail.com
Tânia Jerónimo Cabral	Marketing Manager Benelux	tania.jeronimo@schroders.com
Jan de Koning:	Investment manager	jctdekoning@gmail.com
Mara Tellman	Secretary	maratellman@hotmail.com
Nathaly Leers	Lawyer	nleers@eircom.net

### Independent Advisory board

<b>Name</b>	<b>Secondary activities</b>
Remco Bleijs	Director Alternative Investments – Investment Management, Ernst & Young
Carlijne Bueters	Director, Turing Foundation
Niels Oostenbrug	Head of Alternative Investments at MN Services

### Accounting Advisor

Solutional Financial Reporting B.V.  
Vlietweg 17-s  
2266 KA Leidschendam  
The Netherlands

### Auditor

Ernst & Young Accountants LLP  
Wassenaarseweg 80  
2596 CZ The Hague  
The Netherlands

### **Banker**

ABN AMRO Bank N.V.  
Jachthavenweg 112  
1081 KJ Amsterdam  
The Netherlands

### **Taxability**

Alternatives 4 Children (A4C) is a Foundation (Stichting) established in the Netherlands. As a Foundation, A4C is exempt from corporate tax. For some activities, such as fundraising events, VAT may be (partly) applicable.

### **Contact information**

Adress: Stichting Alternatives 4 Children  
Brahmsstraat 26hs  
1077 HJ Amsterdam  
The Netherlands

E-mail: [info@a4c.nl](mailto:info@a4c.nl)

Website: [www.a4c.nl](http://www.a4c.nl)

### **Legal information**

Alternatives 4 Children is registered at the Chamber of Commerce Amsterdam under number 52712672.





## Report of the Supervisory Board

The Alternatives 4 Children foundation was founded in Amsterdam on May 12, 2011. We are delighted to serve as the foundation's first Supervisory Board.

The Supervisory Board advises the Managing Board and is responsible for approving a grant-making policy and supervising the general affairs of the foundation. In 2011 the Supervisory Board convened two times in meetings with the Managing Board. At these meetings the foundation's policies were discussed and set, as well as the fundraising strategy and financial budget. Next to these Board meetings each of the individual Supervisory Board members had several meetings with Managing Board members to advise on specific matters, like project selection criteria and accountability.

We would like to compliment the Managing Board of Alternatives 4 Children for the results achieved in 2011. We have seen during the past year how their commitment, expertise and ability to involve other professionals made possible setting up a new well-organised foundation in a short period of time and realising two successful fundraising events as well. For all this we wish to express our appreciation. Working together in this way gives us every confidence for the future.

The real test of Alternatives 4 Children will be our contribution to improving the lives of children through selected projects. We strongly believe that even relatively small but focused support will have a positive impact on the lives of individual children. We thank you for your support and hope you will continue to join us in our efforts to do so.

Niels Oostenbrug  
Remco Bleijs  
Carlijne Bueters

Amsterdam, September 25, 2012

## Letter of the Founding Members

We welcome you to the first annual report of Stichting Alternatives 4 Children and thank you for your interest and support in this good cause.

Alternatives 4 Children (A4C) aims to support projects that improve and develop the living standards of children in developing countries as well as the Netherlands. We focus on small-scale projects that aim to provide long-term alternatives for children in need with a special focus on education. A4C does this by organizing fund raising events involving the Dutch (Alternative) Financial Industry.

Our mission is to develop these fundraising events and to let them grow into the events for the Dutch (alternatives) financial community to share, meet and give.

With the generous support of the Dutch 'alternatives' community as well as other supporters who are mentioned later in this program, we can support A4C charity projects. This year our grants go out to the Edelweiss School in Bangalore, India, and The Scarab School in Tingassane, Mali.

We will look to add to our list of charities in 2012 and look to add projects that fit in with our guidelines.

Kind regards,

### Alternatives 4 Children

#### Directors

Sophie Robe  
Marc de Kloe  
Didy van der Schilden  
Lennard Sigling

#### Team members

Valerie Hagoort  
Tânia Jerónimo Cabral  
Meju Velji  
Jan de Koning  
Nathaly Leers  
Mara Tellman





## About Alternatives 4 Children

Alternatives 4 Children (A4C) is an independent charitable foundation established in 2011 in the Netherlands with the aim to involve professionals from the Dutch (Alternative) Financial industry. A4C will support sustainable projects and raise money for charities involved in improving the living standards of children. The foundation is a private initiative of a number of professionals from the Dutch hedge fund industry.

### Mission

Our mission is to improve and develop children's wellbeing with a focus on developing countries and the Netherlands to providing long lasting alternatives to children in need with a focus on education.

We

- Raise funds through the alternative investment network; and
- Carefully select projects involved with children

In order to

- Help children get access to (a better) education; and
- Ultimately help populations become self sustainable.

### Project selection criteria

Our goal is to provide children with the opportunities they deserve by promoting education, safety and development needs. Keeping this goal in mind, we choose projects based on the following six criteria:

1. **Provide alternatives for children.** Focus on projects which significantly improve the chances of children living in difficult conditions in the following areas:
  - Education
  - Healthcare
  - Hygiene & clean water
  - Housing and family support
2. **Sustainability.** Focus on projects that show possibilities of becoming sustainable in the medium to long term and should be closely related to the next point of independence.
3. **Independence.** Our support should lead to self-sufficiency and not be dependent on permanent funding. Our support should contribute to an entrepreneurial, self reliant project. We require the projects we select to show personal involvement and commitment by setting objectives and realistic short plus long term goals. Therefore, we aim to support projects for a maximum of three years.

4. **Local anchoring.** Personal involvement of parents, teachers and the local community ensures the commitment to the projects. This willingness is not only important to ensure the durability of the schooling, a safe environment for the children, but also to ultimately end dependence on external funding. For these reasons, the local anchoring is a prerequisite for our project selection.
5. **Transparency.** We require our projects to be fully transparent on the allocation of our funding. They need to clarify objectives and short and long term goals. We expect them to communicate regularly with status updates in every way possible.
6. **Small scale.** We will select small scale projects to ensure maximum added value and impact. This way we can set realistic goals for the projects we select and have a clear overview on how our funding is allocated. The growth of our funding will lead to diversifying among several small projects.

For more information about the organization, please visit [www.a4c.nl](http://www.a4c.nl)

We have also received help over the last year from many other people and we look forward to welcoming them to our team over the next year. If you would like to join us, please let us know!

We especially would like to thank Jan de Koning and Mara Tellman who joined us towards the end of the year as well as input from numerous other people who have helped us during events especially the ABC Volunteers.





## A4C Directors

### Marc de Kloe

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Head of Alternative Investments, ABN AMRO PRIVATE BANKING INTERNATIONAL  
Marc has a background in law and asset management, starting off working at Clifford Chance and more recently taken up responsibility for alternative investment product management at ABN AMRO Private Banking, responsible globally but based in Amsterdam. He has rebuilt the department and service offering and coordinates efforts between the local country needs and bringing the product to market, managing the process from start to end. This includes business and product development and strategy. Marc has over 15 years of investment experience, working through the whole range of alternatives and involvement in all areas from legal, selection, structuring and investment and ultimately sales.

### Sophie Robé, CFA

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Sophie founded Phenix Capital BV in July 2012. Prior that, she was working as Director of the Hedge Fund Advisory Group at Jupiter from 2002 until September 2010 and was Sales Director, responsible for business development in the Netherlands until July 2012. Prior to this Sophie was a Vice President at Commerzbank Asset Management in Germany, where she held different roles, senior project manager in the product development department, Head of quantitative equity analysis and European sector strategist. Sophie is a French citizen, holds a PhD in Economics and Statistics of the University of Kassel in Germany and was a researcher at the University of Kassel from 1992 to 1997.

### Lennard Sigling

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After 20 years in the financial industry within different roles ranging from market maker on the stock exchange to managing director of a BU Capital Management Lennard switched from being an intrapreneur to being entrepreneur. He now is the owner of MyReputation, a company advising companies on social business, reputation management and online PR. Besides consulting, training & coaching, MyReputation builds social newsrooms, mobile and Facebook apps.

Lennard and his wife Susan have three boys and live in Amsterdam. You are free to wake him up for a basketball pick-up game.



### Didy van der Schilden, CAIA

Didy van der Schilden began her career as a hedge fund analyst in 2003 with Insinger de Beaufort. In 2006 she became responsible for institutional sales. In 2009 she was made a director, managing the financial product advisory team of Insinger de Beaufort. Didy left Insinger de Beaufort in 2010 to start a new Asset Management Company, Melles & Partners. She is Managing Partner and Director of Melles & Partners, registered with the Dutch Financial Authorities. Didy holds a B.Sc. from the HES in Amsterdam and is a Chartered Alternative Investment Analyst (CAIA). Didy is married and has one child.

### Independent supervisory board

We have an independent supervisory board, which aims to meet at least twice a year. The board is made up of the following people:

Remco Bleijs	Director Alternative Investments – Investment Management, Ernst & Young
Carlijne Bueters	Director, Turing Foundation
Niels Oostenbrug	Head of Alternative Investments at MN Services

The board's role is to supervise and advise our activities, to represent the interests of our donors and to give their input to the charitable or financial directions taken by A4C.





## Remco Bleijs

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Chairman Hedge Fund Group Ernst & Young The Netherlands and Chairman of the Financial Services Sustainability Services Group of Ernst & Young The Netherlands. Remco Bleijs is an assurance and advisory executive director in the Financial Services practice of Ernst & Young in the Netherlands. He started his career at Ernst & Young in 1988. He graduated as CPA in 1999. Since 2007 Remco leads the Hedge Fund Practice in the Netherlands. In 2011 he became member of the management board of the Asset Management Group in the Netherlands. In the same year Remco became responsible for the Corporate Responsibility activities of the Financial Services practice. His clients includes some of the largest Asset Managers in the Netherlands and several Alternative Investment managers and service providers in the Netherlands, BBC islands, Switzerland, London and New York. Remco is married since 2001 and has three children.



## Carlijne Bueters

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Carlijne Bueters developed expertise in the field of quality education in developing countries and grant-making while working as a director at the Turing Foundation trust fund. Before that she went on field missions as a financial controller to countries like Georgia, D.R.Congo and Afghanistan for Médecins sans Frontières (MSF). Carlijne is a board member of the Global Partnership for the Prevention of Armed Conflict and currently on a sabbatical pursuing postgraduate studies.



## Niels Oostenbrug

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Head of Alternative Investments, Mn Services

Niels Oostenbrug is the head of alternative investments at Mn Services. He joined Mn Services in 2002, where today he is responsible for all its alternative investments, including private equity, infrastructure, commodities, hedge funds, gtaa and special investments. Niels started his career trading derivatives and bonds, before he joined the asset management department of Fortis Bank in 1998. Niels graduated in 1994 with a Masters degree in Quantitative Business Economics from Erasmus University Rotterdam.

## Projects intermediaries



### Devon Reid

Devon Reid is a personal leadership consultant and business owner.

Prior to her work as a consultant Devon spent many years working in development and humanitarian aid for Doctors without Borders, the Geneva Initiative on Psychiatry and the Netherlands Institute for Health Promotion and Disease Prevention as Project Manager in Central and Eastern Europe focusing on reforming medical and psycho-social care in countries such as Russian, the Ukraine, Lithuania, Bosnia Herzegovina and Albania.

For the last 5 years Devon has done work in the Gambia, Niger and Mali. Her work with the Scarab School began in 2010 having lived with the Tuareg in Timbuktu for four months she decided to support the school's educational and leadership development.

Devon Reid holds a degree in Social Sciences from York University, Toronto, Canada, is registered with the European Association for Supervision having studied at the Institute for the Application of Social Sciences, Harlem for Coaches and Consultants.



### Troy Swanson

Founder of the AlphaBet Club Foundation ([www.theAlphaBetClub.org](http://www.theAlphaBetClub.org)), Troy is originally from Chicago, Illinois, USA and has spent the last 18 years living in Europe and travelling internationally. Troy's professional experience includes working at Microsoft as a Global Business Development Manager of European System Integrator Partners, and various international Sales and Management positions with Security and Internet Technology companies. Troy has spent 9 of the last 27 months in India.





### **Governance and organizational guidelines**

As part of our efforts to be transparent and open, Solutional Financial Reporting B.V. has offered their administrative and financial services. Furthermore Ernst & Young will perform and audit on the Foundation and A4C will make copies of the minutes of the board meetings available on request.

### **Volunteers policy**

A4C is supported by volunteers. All volunteers are professionals linked to the financial industry. All volunteers are known to one another and have been working together before the existence of the charity. Going forward, in 2012, we will ask volunteers to sign up to a “charter” stating their commitment and duties. In addition, in the future we will ask volunteers to provide a certificate of good behavior. The method of selecting team and board members is based on industry relationships, expertise and willingness to commit time.

### **Working methods of the Board, directors and team members.**

The board aims to meet physically 2 times a year, although in 2011 we only held one physical meeting as we did not have a full year. We also communicate with the Board for guidance via email when it is deemed necessary by the directors. The Board is also invited to our events which they attend. We would require at least 2 board members to attain quorum.

The directors and team members hold a regular conference call, usually on a monthly basis with follow up via email. Small sub committees are formed to organize certain functions, such as events, finance and operations, communications etc. These often occur physically. Further directors and team members often see each other at industry events and are able to discuss issues at hand. We would require at least 2 directors to achieve quorum.

### **Fund Raising supervision**

Fund raising activities are carried out under the direction of the directors. This includes negotiations with donors and service providers. Further, fund raising efforts are discussed in the monthly calls and validated by other directors and team members.

### **Communications policy to donors**

A4C has an interactive communications policy. We will take advantage of social media such as Facebook and LinkedIn. We also have a website: [www.a4c.nl](http://www.a4c.nl), where we post updates on a regular basis. In addition, we maintain an email distribution list where we send emails from time to time. In 2012 we aim to redevelop our website to make better use of this tool. We request quarterly reporting from our projects, which are available upon request. Similarly, we also will make the minutes of our board meetings available upon request.

## Reserves

A4C does not aim to make a profit, however, as we aim to commit to projects for a 3 year period, we need to build up some reserves in order to ensure we can continue to support the project throughout this time. In addition as we grow we will be able to commit to additional projects. Any reserves we hold will be held in a savings account.

## Expense policy

All expenses require the sign off of at least 2 directors. Furthermore income and expenses are a fixed item on the agenda of the boardmeeting.

## Achievements 2011

2011 was a very busy year for us. We managed to achieve the following:

- 1) Set up and register the Alternatives 4 Children Foundation in the Netherlands
- 2) Registered the Foundation with the KvK as well as receive our ANBI status
- 3) Liaised with the Tax office (Belastingdienst) to agree on the level of VAT / BTW we need to pay on our events.
- 4) Held our first board meeting
- 5) Carried out full due diligence and selected 2 charity projects to support
- 6) Set up finance and control function
- 7) Organized 2 events (a cocktail event and a gala dinner)
- 8) Presented at the Ernst & Young annual Alternatives Symposium
- 9) Rang the closing bell for the Euronext stock exchange
- 10) Received contributions of nearly EUR 108,000.

In addition to our corporate donations we also received private donations from individuals or other groups wishing to donate money to A4C. We would also like to thank Kempen who donated the proceeds of their Christmas Auction to us and the British School of Amsterdam who also raised money for us. We also received considerable media attention and look to build upon this in the next year.

We will look to build upon this success in 2012.





## Projects

In 2011 two projects were selected to support. Details on the two projects can be found below. A full due diligence was carried out before investing, and information on this process can be obtained on request from the directors as transparency is a key issue for our projects. We will support these projects for a maximum of three years. We are looking to add one or two additional projects in the short term.

### Scarab School

#### General information

Scarab School is a public primary school registered with the local Ministry of Education in Bamako, Mali under the official name of Ecole Publique Tinghassane, since 11/01/2010. The school is managed by a “comite de gestion” with 11 members and a school director, Ibrahim Mohamed. It welcomes 58 children from 6 to 14 years old and focuses on reading, writing, arithmetic, history and geography as well on teaching local craftsmanship and trade.

The Scarab school has been built in the Mali desert next to Timbuktu by a private initiative and the support of AmiMali and small German organizations. It is in a village called Tinghassane, 1225 inhabitants, who is a sedentary and nomadic population practicing cattle raising, artisanal activities, gardening, and small commerce with tourists. The school is important to the community as there is no other. Illiteracy rate is about 75 percent in Sub Saharian Africa and without access to education> The school is an opportunity for the community to get access to education and ultimately to be able to deal with the government, foreign companies seeking natural resources in this area and improve their living conditions.

Beside the school, is a community project, to help with craftsmanship, develop a garden, etc. Scarab School requested A4C’s support for the sanitary facilities and then for the operational and “needs for improvement” costs.

#### A4C Implication

When the project was presented, the immediate need was sanitary facilities, as having them would give the school the right to government subsidies, necessary to pay for the running costs and the potential development of the school.

It was agreed at the beginning that the project was risky: it was a new school with little operational knowledge and no track record. Because one of our own members had been there and been able to meet the people involved in the school, the experience of the intermediary (Devon Reid) and also

because of A4C's desire to support projects that can be out of reach from established charities, we agreed to help Scarab School.

A4C agreed to fund € 8,014 for 2012, to cover the operational costs (material and teachers) as well as the needs assessment (travel cost from the intermediary, who has to play an active role to help the school develop).

It was also agreed that A4C would support Devon Reid and the school in improving their communication so A4C can also report accurately to its sponsors. The amount contributed would be reviewed every year with the possibility to sponsor the school an additional two years.

The budget was as follows:

School Materials	- € 2,300
Part time atelier teacher	- € 828
One teacher (as per existing budget)	- € 1,656
Needs assessment	- € 3,230
<b>Total</b>	<b>- € 8,014</b>

In 2011, the school received € 1,650 in June and € 1,317 from private donations.

### Vision from the Touareg of Tinghassane

*"Our vision is to continue to create an excellent Touareg school and a cultural vocational learning institution. To bridge the divide between our children and the world at large, to support our children to be whatever they want to be by introducing them to possibilities. To support them by learning about our culture grounded in poetry, artisanal design, cultivation, tribe and the desert. So many of our children are having difficulties as our culture goes through significant changes as the world is changing around us. We want to prepare them for the future and to dream about how they can support themselves, our strong cultural heritage and our cultures future development in these changing times. We want to provide them with an education that is integrated into their lives and gives them the necessary capacities to go beyond the desert."*

**Parents Association, Scarab School, Tinghassane, Mali**





**The Touareg:** The Touareg, traditionally a nomadic pastoralist people, inhabit the Saharan regions of North Africa - Niger, Mali, Libya, Algeria and Burkina Faso. Touareg is an Arabic term meaning abandoned by God. They call themselves Imohag, translated as free men. Their numbers are unclear, but estimates run between 300,000 and 1 million.

**Country information:** Mali is one of the poorest and least developed countries in the world, ranked 160 out of 169 countries by the United Nations Development Program. Out of a total population of 13.3 million, 51 percent lives on less than US\$ 1.25/day, and 68 percent is under 25 years of age. The country has higher rates of infant and maternal mortality, disease, and malnutrition than most countries in sub-Saharan Africa and an illiteracy rate of 75 percent.

**Scarab School:** Situated in Tinghassane, Mali, about 35 km from Timbuktu. Tinghassane has a population of 1,225 inhabitants, sedentary and nomadic people practicing cattle raising, artisanal activities, gardening, and small commerce with tourists. There are 185 school-aged children in a region of 0 to 35 km from the school and 65 children between the ages of 6 and 14 who actively attend Scarab School.

### **Our and your participation**

Scarab School is in desperate need for school supplies, teaching materials, teachers, good governance and improving the buildings. As can be seen from the below documentation, A4C decided to support the Scarab School with € 8,500 in 2012. This contribution will enable the school to start to function as a school.

We are looking for more parties who are interested in supporting the school and engaging in relationship to make this school a sustainable option for Touareg children.



**Alternative 4 Children**  
 Brahmstraat 26hs  
 1077HJ Amsterdam  
 The Netherlands

Amsterdam, 5<sup>th</sup> January 2012

Dear Devon and members of the Scarab School committee,

The members of **Alternative 4 Children** are delighted to confirm, with this letter, the commitment of **A4C** to the Scarab School project and their intended support for the coming three years, with a financial contribution of Euro 8,500 for the first year (January 2012 to January 2013). The payment should be made in the coming weeks.

**A4C's** grant aims at covering the yearly cost for:

School Materials	-€ 2 300
Part time atelier teacher	-€ 828
One teacher (as per existing budget)	-€ 1 656
Needs assessment	-€ 3 230
<b>Total:</b>	<b>-€ 8 014</b>

The funds will be transferred to the bank account of 'L'École Tinghassane' (bank account in Timbuktu), at the following dates: 4<sup>th</sup> January, 4<sup>th</sup> April, 4<sup>th</sup> June and 4<sup>th</sup> September.

We request from the Scarab school administration:

- Detailed financial statements (on excel) every 29<sup>th</sup> day of each month
- Every month:
  - A written report about the improvements of the school
  - A review, written by the teacher, about the improvements of the students
  - Pictures about the school posted on Facebook

The "needs assessment" line, in our budget stands, for Devon's work and trips to Mali. We believe that her work for the school is essential to the development of the project. This amount will be transferred directly to Devon's bank account based on sufficient proof of expenses incurred.

Devon will be the interface between **A4C** and the Scarab School. **A4C** is relying on her to be kept up to date with the progresses made as well as with the issues the school faces. She will also be responsible for translating their needs into the





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assessment plan and ensuring that the donations are used in the best possible way. Devon's commitment to the school is to assist in its sustainability (long term).

We plan to donate the same amount another two years in a row, providing we have been able to raise sufficient funds and depending on our other commitments. We would also like to reassess that depending on the progresses made as well as the needs from the school, the amount can be re-negotiated.

We defined together a plan in two phases. We are looking forward to the results of the first phase end of September 2012. The steps to take are as follows:

- Contact the Scarab Schools NGO partners in the region. Establish contact with them and getting good insight into their support, participation and so on in relationship to the school. What needs are they fulfilling and what are their expectations.
- Speak with the local Ministry of Health to obtain (as much as possible) a good indication of their support and what this includes.
- Sit down with the Parents Committee to discuss and explain the relationship with A4C.
- Brainstorm about improving the 'teaching method' and the 'content' of the school's education. What is the best way forward? The stages of development for the next year? What are the best ways to establish the stability and credibility of the school? What are innovative and more cost effective ways of doing this in the coming two years?
- Speak directly with the teachers and assessing hands how the school is run at the moment in terms of educational content and management.
- Research 'models of good practice from other organisations' who have implemented new innovative models of financial and educational sustainability.
- Create a vision plan, plan of action and setting clear financial intentions and objectives for the three coming years.

We are looking forward to working with Devon and hopefully being able to help Scarab school with capacity building and wish all the people involved with this project a lot of success.

The A4C team

## AlphaBetClub and the Edelweiss School

### General information

The AlphaBet Club (ABC) raises money to fund Educational Infrastructure, while actively working together with the local non-profit organizations to help them stabilize and ensure operational excellence and sustainability of the projects we fund. Currently ABC is focusing its efforts on projects in India. The first School ABC funded (in 2009) was a Primary school in Laos where we supported the charity Room to Read (<http://www.roomtoread.org>).

ABC's objective is to support local non-profit organizations in the provision of quality education and nutrition for children in need, and to promote and work towards self sustainability of the projects that we fund.

ABC is currently focused on projects in India. ABC has previously funded projects in Laos and Cambodia. Future projects will be based on the need of the community and where ABC can make the biggest impact financially and also to support the organization to be sustainable.

ABC requested support from A4C for the Edelweiss School in Bangalore, with 45 children registered as of August 2011 from 3 to 5,5 years old.

### A4C's involvement

ABC seemed a perfect first project to sponsor: they are a small scale charity, independent, have a local anchoring with the Indian NGO Building Blocks and seem transparent as well as working on sustainability, as much as it can be implemented. Without being operationally mature yet, they had also shown they could raise funds, develop and manage a project and we were confident funding one of their schools could be a great opportunity for the community in Bangalore as ABC could make it a success.

ABC received funds from A4C to support the Edelweiss School, in Bangalore, India.

€ 22,633 were given to ABC to support the running cost for 2012. The funds were transferred December 23 2011. A4C also committed to another 2 years, provided fundraising and other engagements would allow it. It was agreed that A4C would receive quarterly updates through the intermediary (Troy Swanson to start with, another ABC member in the future) to be informed about the latest developments and also about the financial situation of the school.



**Breakdown of Expenditures for Edelweiss School Project**

	<b>DEC '11</b>
Rent for School Building	€ 296.88
Building Utilities	€ 59.28
Teacher's Salary (4 currently - hiring 5th in March/April)	€ 447.91
Administrator - School Lead Salary	€ 210.94
Cook's Salary	€ 70.31
Cleaner's Salary	€ 85.94
Social Worker Salary (Partial Resource)	€ 72.91
Teacher Trainer Salary (Partial Resource)	€ 49.47
Project Manager / Comms Salary (Partial Resource)	€ 67.70
Breakfast (Meal)	€ 80.08
Lunch (Meal)	€ 108.45
Transport	€ 70.86
School Maintenance	€ 0.00
School Supplies	€ 9.70
School Activities	€ 9.38
Finance & Communications Reporting	€ 181.41
Operational Cost of School in Euros per month	€ 1,821.20
Bank Transfer Fee	
Amount Transferred	
ABC Project Management Fee (8%)	€ 145.70
Funds Allocated to Date	€ 1,966.90
Amount Received from A4C for Yearly Operational Costs	
Amount Remaining to spend over remaining 9 months	

Transfer Exchange Rate 64 INR (Rupees to 1 EUR) for Dec, Jan, Feb.

**AlphaBet Club (ABC)** is a Netherlands based charitable organization that raises money to create sustainable opportunities for children in poverty for a better life through education. ABC works together with local non-profit organizations to build educational infrastructures and ensure operational excellence and sustainability of the projects ABC funds.

### **Current Project – Pre-School in Bangalore, India**

In December 2010 ABC opened Edelweiss, a pre-school for 45 three to five year old children that live in a slum in Bangalore, India. In August ABC completed an expansion project which increased the total number of students to 70.

The AlphaBet Club, together with local charity Building Blocks with which it has developed a close relationship, executes the construction and operation of new schools in Bangalore, bringing quality education to children in need, right next to the slums in which they live. Together they offer a free educational program where children are taught reading, arithmetic, writing and development of their motor skills. The curriculum is designed to prepare children to gain admission into English Medium Schools, their best opportunity for a quality education in India.

The AlphaBet Club projects bring value to children, their families and the local community. These children get an education (in English) in a safe, fun environment with two nutritious meals, 6 days a week. ABC also provides them with the basics of personal hygiene, uniforms and school supplies and access to medical attention.

Away from the rough, harsh environment of the slum, the school brings the kids into a nurturing school environment that offers the opportunity to enjoy their childhood. Families benefit from learned skills, cleanliness and gifts. Mothers have more time to earn a living and communities are strengthened by stronger relationships built through the school. ABC and A4C believe this school project is the first step in helping these children to break the cycle of poverty and that is why A4C decided to donate € 22,633 this project as can be seen from the document below.

ABC's objective: ensure the operational funding of Edelweiss (€ 1,800 /month) so that ABC can start a new school development project in the next year (€ 12,000 / school), through funds raised by Sponsors, grants, as well as their own events. For more info on the AlphaBet Club go to: [www.theAlphaBetClub.org](http://www.theAlphaBetClub.org)





**Alternative 4 Children**

Brahmstraat 26hs  
1077HJ Amsterdam  
Pays-Bas

AlphaBet Club Stichting  
Troy James Swanson  
Prinsengracht 185 Bg  
1015 DS Amsterdam  
Netherlands

**To the Board of Directors of the AlphaBet Club Stichting**

Amsterdam, le 21 November 2011

Dear members of the Board,

The members of **Alternative 4 Children** are delighted to confirm, with this letter, the commitment of **A4C** to the Edelweiss school project and their intended support for the coming three years.

We were impressed by the capacity demonstrated by ABC to find a strong local partner (Building Blocks), take a project off the ground (build the Edelweiss School), and find an original source of funding for the charities they are involved with. We are also convinced that the school is of tremendous value for the local community it reaches and we also think that the people involved as well as the way it was set up make it a great project to support.

We strongly believe in sustainable development, independence, transparency, local involvement and small-scale projects. The Edelweiss school fulfills all our criteria and we hope our financial contribution will help it grow and reach even more children and families in the future.

Troy Swanson (or somebody he will appoint) will be our intermediary during these three years. His presence in the Netherlands as well as his strong connection with Building Blocks and the Edelweiss School will help us build a strong and transparent relationship. We will direct our



questions and requests to him and will expect a regular report about the school on a regular basis (that will have to be defined) especially with respect to the funds provided by A4C.

**A4C** is a private charity based in the Netherlands that was set up by 7 financial professionals wishing to contribute to the improvement of living conditions, hygiene and education for children in need, The charity's goal is to involve the actors of the Dutch alternative investments industry in a durable project and raise funds that will be dedicated mainly to charities and projects we believe in, like the Edelweiss School.

Our selection process is based on an in depth due diligence process and interviews with the persons in charge, to understand the project and the needs as good as possible. Our objective here is to be able to tell our sponsors how the funds are being used and how useful their contribution were.

We hope that supporting the running costs for the Edelweiss School will be of great help for the community. We will grant 22 633 Euros for the coming year. We aim to participate to the running costs of the school for two additional years: the amount can be adjusted depending on our fundraising and our other commitments.

We are looking forward to cooperating and working with you. Hopefully some of our members will have the opportunity to visit the school soon and meet the pupils, the teachers and the members of the Building Blocks charity.

Kind regards,

The **A4C** team





## Acknowledgements

We would like to thank our supporters in 2011:

### Big Heart Supporters



## Warm Heart Supporters



## A4C Charity Gala Auction Main Sponsor & Tombola Main Sponsor



## Accounting advisor



## Silver Heart Supporters

SNS Securities	WebBySab	Link2Ticket	Scooter King
AJAX Foundation	Starwood Hotels & Resorts	Restaurant La Viña	Bridge Fins & Vins
Travel Essence	VacantieExperts	MyReputation	StudioGM2

This annual report has been prepared by Solutional Financial Reporting (preparation), Ernst & Young Accountants LLP (review) and StudioGM2 (graphic design & lay-out). All the services by these parties have been delivered pro bono.





## Financial position

At the end of December 2011, A4C has € 63,882 in reserves of which € 1,357 is allocated to future projects.

### Relevant ratios

Total spending on the objective € 25,640 / Sum of charges € 51,110 =	50,2%
Total spending on the objective € 25,640 / Total income € 114,992 =	22,3%
Expenses own fundraising events € 24,992 / Income own fundraising events € 111,979 =	22,3%

## Plan 2012

For 2012 we aim to improve on our achievements of 2011. As part of our effort to be transparent and open, Solutional has offered their administrative and financial services. Furthermore Ernst & Young will perform an audit on the Foundation and we will make copies of the minutes of the board meetings available upon request. In the second half of 2011 we held our first board meeting. We used this meeting to discuss the set up of the Foundation and to discuss the due diligence on the first projects supported by Alternatives 4 Children.

For 2012 we planned at least two board meetings. We will organise three events, a cocktail event, a golf event and a gala dinner. All three events have one goal: Receive donations to support our projects with the aim of improving and developing the living standards of children. For 2012 we plan to raise over € 100,000. We will try to achieve this by selling donation-packages, single tickets for the events, auctions and lotteries. The donation-packages will be sold to Financial Institutions, Asset Managers and Financial Service Providers in the Netherlands but also abroad. A large part of last year's donators have informed us to be interested in supporting the Foundation again in 2012.

Furthermore we will keep the costs of the events as low as possible. Our projections for 2012 have led to the following budget:

	<b>Budget</b>
	<b>2012</b>
<i>(all amounts in EUR)</i>	
<b>Source of income</b>	
Income from own fundraising events	101,375
Gifts in kind	-
	<hr/>
<b>Total income</b>	<b>101,375</b>
<b>Expenses</b>	
Scarab School Timuktu, Mali	8,014
Edelweiss school Bangalore, India	22,633
	<hr/>
<b>Total project expenses</b>	<b>30,647</b>
Expenses fundraising events	30,000
Operational and administrative expenses	1,000
	<hr/>
<b>Total expenses</b>	<b>61,647</b>
	<hr/>
<b>Net result</b>	<b>39,728</b>
	<hr/> <hr/>









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# Financial Statements

FOR THE PERIOD ENDED DECEMBER 31, 2011

## Statement of Financial Position

At December 31 (before appropriation of the result)

<i>(all amounts in EUR)</i>	Notes	2011
<b>Assets</b>		
<i>Current assets</i>		
Cash at banks	5	33,865
Receivables	6	32,861
		<hr/>
<b>Total assets</b>		<b>66,726</b>
		<hr/> <hr/>
<b>Capital</b>		
<i>Reserves</i>		
Free disposable reserve		-
Tied-up capital		1,357
Unappropriated result for the period		62,525
		<hr/>
<b>Total capital</b>	7	<b>63,882</b>
<b>Liabilities</b>		
<i>Current liabilities</i>		
Other liabilities	8	2,844
		<hr/>
<b>Total liabilities</b>		<b>2,844</b>
		<hr/> <hr/>
<b>Total capital and liabilities</b>		<b>66,726</b>
		<hr/> <hr/>





## Statement of revenue and expenditure

(for the period May 12 through December 31)

		Actuals 2011	Budget 2011
<i>(all amounts in EUR)</i>	Notes		
<b>Source of income</b>			
Income from own fundraising events	10	111,979	117,200
Gifts in kind	11	3,013	-
		<b>114,992</b>	<b>117,200</b>
<b>Expenses</b>			
<i>Objective: Improve and develop the living standards of children</i>			
<i>Project I</i>			
Securing founding of Scarab School Timuktu, Mali		1,650	p.m.
Donations specifically for project I	7	1,357	p.m.
<b>Total project I</b>		<b>3,007</b>	-
<i>Project II</i>			
Ensuring operational funding and new school projects of Edelweiss school Bangalore, India		22,633	p.m.
<b>Total project II</b>		<b>22,633</b>	-
<b>Total project expenses</b>		<b>25,640</b>	-
Expenses own fundraising events	12	24,992	22,544
Operational and administrative expenses	13	478	-
<b>Total other expenses</b>		<b>25,470</b>	<b>22,544</b>
<b>Total expenses</b>		<b>51,110</b>	<b>22,544</b>
<b>Net result for the period</b>		<b>63,882</b>	<b>94,656</b>

A4C was set up in May 2011, therefore the foundation was not operational for a full year. This explains the difference between the actual income and the budgeted income as budgeted income was calculated for a full year. The difference between the actual expenses and the budgeted expenses is caused by some unexpected costs. As A4C started its activities in 2011, the budget for 2011 did not include any projects.

## Statement of Cash Flows

(for the period May 12 through December 31)

<i>(all amounts in EUR)</i>	Notes	<b>2011</b>
<b>Operating activities</b>		
Receipts and donations		84,426
Expenses fundraising events		(24,443)
Payments for projects		(25,640)
Other expenses		(478)
		<hr/>
<b>Net cash flow generated from operating activities</b>		<b>33,865</b>
		<hr/>
<b>Net cash flow during the year</b>		<b>33,865</b>
Cash and cash equivalents at beginning of period		-
Foreign currency translation on cash positions		-
		<hr/>
<b>Cash and cash equivalents at end of the year</b>		<b>33,865</b>
		<hr/> <hr/>





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## Notes to the Financial Statements

FOR THE PERIOD ENDED DECEMBER 31, 2011



## 1. Corporate information

Alternatives 4 Children (A4C) aims to support projects that improve and develop the living standards of children. We focus on small-scale projects that aim to provide long-term alternatives for children in need with a special focus on education. A4C does this by organizing fund raising events involving the Dutch (Alternative) Financial Industry.

The financial statements were authorized for issue by the Managing Board on September 25, 2012.

## 2. Basis of preparation

### Accounting principles

The financial statements of A4C have been prepared on a historical cost basis in accordance with accounting principles generally accepted in the Netherlands pursuing RJ 650 (Fund Raising Organisations). Unless indicated otherwise, asset and liabilities are stated at face value.

This is the first annual report of A4C reflecting the activities from the start at May 12, 2011 through December 31, 2011. As a result, no comparative figures are included.

### Statement of cash flows

A4C presents cash flows using the direct method. The presented amounts are the actual cash flows received and paid during the period. Cash flows in foreign currencies are translated against the actual exchange rate at transaction date.

## 3. Summary of significant accounting policies

### Foreign currency translation

#### *Functional currency and presentation currency*

The functional currency of A4C is the Euro (EUR) reflecting the fact that the majority of the transactions are settled in EUR.





#### *Transactions and balances*

All recognized assets and liabilities denominated in non-EUR currencies are translated into EUR equivalents using year-end spot rates. Transactions in foreign currencies are translated at the rates of exchange prevailing at the date of the transaction. Realized and unrealized exchange differences on other assets and liabilities are also recorded in the statement of comprehensive income and disclosed as foreign currency translation.

#### **Trade and other receivables**

Trade and other receivables are valued at face value less a provision for possible uncollectible accounts.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise balances with less than three months maturity from the date of acquisition, included cash and non-restricted balances with banks.

#### **Other assets and liabilities**

All other statement of financial position items are valued at amortized costs.

#### **Composition, appointment and resignation managing board members**

- The managing board exists out of three members. An incomplete board retains its voting rights.
- Board members are appointed, suspended and dismissed by the Supervisory Board. Vacancy in the board will be filled as soon as possible.
- The board is composed such that it can properly fulfil its tasks.
- The desired composition of the board is defined in a profile that is determined by the rules of the Supervisory Board.
- Board members have to be: individuals that are not a member of the Supervisory Board.
- Board members are appointed for a period of 4 years.
- Board members retire according to the retire schedule made by the supervisory board.
- There will be no fees paid to the board members. Costs made by the board members during their duty can be, within reasonable, reimbursed.
- A board member can retire:
  - o By resignation whether or not in accordance with the retire schedule.
  - o By disease
  - o Because the board member is declared bankrupt or suspension of payments made or fall under the Dutch law 'Wet Schuldsanering Natuurlijke Personen'.
  - o By resignation by the supervisory board.
  - o By resignation granted by the court.

### Allocation of expenses

Expenses are recognised at the historical cost convention and are allocated to the reporting year in which they occurred. Expenses are allocated to the objectives or operational and administrative costs.

### Events after the reporting date

The financial statements are adjusted to reflect events that occurred between the reporting date and the date when the financial statements are authorised for issue, provided they give evidence of conditions that existed at the reporting date. Significant events that are indicative of conditions that arose after the reporting date are disclosed, but do not result in an adjustment of the consolidated financial statements themselves.

## 4. Significant accounting estimates and judgment in applying accounting policies

The preparation of A4C's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about the assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

## 5. Cash at banks

(at December 31, all amounts in EUR)

	<b>2011</b>
Current account ABN AMRO	33,865
<b>Total</b>	<b>33,865</b>

ABN AMRO is rated A1 by S&P (short term credit rating) as at January 23, 2012.





## 6. Receivables

(at December 31, all amounts in EUR)

2011

Donor income receivable	32,861
<b>Total</b>	<b>32,861</b>

All donors fully paid their donations for 2011 as per April 12, 2012.

## 7. Capital

(at December 31, all amounts in EUR)

2011

### Scarab School

Private donation Guillaume Mattais	1,110
Donation British school of Amsterdam	247
<b>Total tied up capital</b>	<b>1,357</b>

Result for the period	63,882
Tied up capital within result for the period	(1,357)
<b>Unappropriated result for the period</b>	<b>62,525</b>
<b>Total capital</b>	<b>63,882</b>

## 8. Other liabilities

(at December 31, all amounts in EUR)

2011

VAT payable	2,844
<b>Total</b>	<b>2,844</b>

The VAT payable represents the net balance of the VAT reclaimable and payable for own Fund raising events. In the second quarter of 2012 A4C received a VAT number from the Dutch Tax Authority. The Fund raising activities are near the maximum amounts applicable for VAT exemption and therefore the VAT payable is recognized. VAT is calculated based on the economic value of the services or products.

## 9. Contingencies and commitments

For 2013 and 2014 A4C has confirmed their intended support to the two projects, however the exact commitment depends on the actual needs which will be assessed during 2012 and 2013. For 2012 A4C committed itself to project expenses of EUR 31,133.

## 10. Income from own fundraising events

(for the period May 12 through December 31, all amounts in EUR) **2011**

Receipts event tickets		9,090
Receipts donors		4,232
Receipts Big/Warm Heart donors		85,480
Lottery revenues		10,874
Lottery prizes		1,200
Auction revenues		3,548
Profit selling products		
- Total revenue	1,750	
- Cost price	(588)	
- VAT 19%	<u>(112)</u>	
- Net donation		1,050
VAT Correction (payable)		<u>(3,495)</u>
<b>Total</b>		<b><u><u>111,979</u></u></b>

## 11. Gifts in kind

(for the period May 12 through December 31, all amounts in EUR) **2011**

NOC Sport Gala tickets		1,215
Cartier ring		1,319
Signed Ajax shirt		80
Cartier bracelet		<u>399</u>
<b>Total</b>		<b><u><u>3,013</u></u></b>





## 12. Expenses own fundraising events

(for the period May 12 through December 31, all amounts in EUR) **2011**

May event (cocktail party)	4,707
October event (gala dinner)	19,736
Lottery prices	1,200
VAT correction (deductable)	(651)
<b>Total</b>	<b>24,992</b>

The expenses for the fund raising events consist of charges for the rent of the hotel, use of the pin machine, the rent of DJ equipment and food and beverages (no VAT refund).

## 13. Operational and administrative expenses

(for the period May 12 through December 31, all amounts in EUR) **2011**

Team dinner	360
Travel expenses	15
Bank charges	65
Chamber of commerce expenses	38
<b>Total</b>	<b>478</b>

## 14. Ratios

Total spending on the objective € 25,640 / Sum of charges € 51,110 =	50,2%
Total spending on the objective € 25,640 / Total income € 114,992 =	22,3%
Expenses own fundraising events € 24,992 / Income own fundraising events € 111,979 =	22,3%

## 15. Employee information

A4C is fully managed and organized on a voluntary basis, therefore A4C had no employees during the period ended December 31, 2011. The Managing Board members received no remuneration during the reporting period.





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## Other Information

FOR THE PERIOD ENDED DECEMBER 31, 2011

EDELWEISS SCHOOL



## Proposed appropriation of result

In accordance with the articles of association of the Foundation it is proposed to appropriate the net result for the period as follows:

(for the period May 12 through December 31, all amounts in EUR) **2011**

Addition to:

Free disposable reserve	32,749
Tied-up capital	<u>31,133</u>
<b>Total</b>	<u><u><b>63,882</b></u></u>

The tied-up capital represents commitments to the Edelweiss school project (EUR 22,633) and the Scarab school project (EUR 8,500) for 2012. For 2013 and 2014 A4C has confirmed their intended support to the two projects, however the exact commitment depends on the actual needs which will be assessed during 2012 and 2013.





## Report of the independent auditor

### Review report

To: the managing board members and the independent advisory board of Stichting Alternatives 4 Children

### Introduction

We have reviewed the financial statements of Stichting Alternatives 4 Children, Amsterdam, for the year 2011 (as set out on pages 35 to 45). Management is responsible for the preparation of the financial statements in accordance with the Guideline for annual reporting 650 'Fund Raising Organisations' of the Dutch Accounting Standards Board. Our responsibility is to issue a review report on these financial statements.

### Scope

We conducted our review in accordance with Dutch Law, including the Dutch Standard 2400 'Engagements to review financial statements'. This requires that we plan and perform the review to obtain moderate assurance about whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and therefore provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

### Basis for qualified conclusion

The total income from own fundraising events 2011 of Stichting Alternatives 4 Children of € 111,979 includes € 4,735 of cash. For the cash income no preventive internal control measures exist. Accordingly, as the evidence available to us regarding this cash income was limited, our review procedures with respect to this cash income were restricted to the amounts recorded in the financial records. Consequently, we were unable to determine whether any adjustments to this amount were necessary.

### Qualified conclusion

Based on our review, except for the possible effects of the matter described in the Basis for qualified conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying financial statements do not give a true and fair view of the financial position of Stichting Alternatives 4 Children as at December 31, 2011, and of its results for the year then ended in accordance with the Guideline for annual reporting 650 'Fund Raising Organisations' of the Dutch Accounting Standards Board.

Amsterdam, September 25, 2012

Ernst & Young Accountants LLP

signed by J.C.J. Preijde







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