

# **Yayasan Sampoerna**

Financial Statements And Independent Auditors' Report  
For The Ten Months Ended December 31, 2001  
(Indonesian Currency)

## **Independent Auditors' Report**

### Report No.

The Board of Advisors and Supervisors  
**Yayasan Sampoerna**

We have audited the statement of financial position of Yayasan Sampoerna ("the Foundation") as of December 31, 2001 and the related statements of activities and cash flows for the ten months then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards established by the Indonesian Institute of Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Yayasan Sampoerna as of December 31, 2001 and the results of its activities and its cash flows for the ten months then ended in conformity with generally accepted accounting principles in Indonesia.

### **PRASETIO, UTOMO & CO.**

License No. 98.2.0024

Drs. Nunu Nurdjaman

License No. 98.1.0062

February 28, 2002

### NOTICE TO READERS

The accompanying financial statements are intended to present the financial position and results of activities and cash flows in accordance with accounting principles and practices generally accepted in Indonesia and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in Indonesia.

**YAYASAN SAMPOERNA**  
**STATEMENT OF FINANCIAL POSITION**

December 31, 2001

(In Rupiah)

**ASSETS**

**CURRENT ASSETS**

Cash in bank (Note 3)

Rp 1,729,114,058

**TOTAL ASSETS**

Rp 1,729,114,058

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Taxes payable

Rp 17,088,000

Accrued expenses (Note 7c)

96,200,000

Other payables (Note 4)

67,224,950

Total Current Liabilities

180,512,950

**NET ASSETS (Note 5)**

Unrestricted

1,548,601,108

**TOTAL LIABILITIES AND NET ASSETS**

Rp 1,729,114,058

**YAYASAN SAMPOERNA**  
**STATEMENTS OF ACTIVITIES**

For The Ten Months Ended December 31, 2001(\*)

(In Rupiah)

**REVENUES** (Notes 2 and 6)

Contributions Rp 3,322,150,000

**EXPENSES AND LOSSES** (Note 2)

Graduate Local Scholarship Expenses (Note 7a)

Tuition fees	194,937,500
Cost of living	100,000,000
Professional fees	95,000,000
Student orientation	65,000,000
Advertisements	28,066,500
Tests and courses	27,728,500
Others	10,101,000

Total Graduate Local Scholarship Expenses 520,833,500

High School Scholarship Expenses (Note 7b)

Tuition fees	81,000,000
Office supplies and stationeries	33,825,000
Others	12,550,000

Total High School Scholarship Expenses 127,375,000

Management and General Expenses

Professional fees (Note 7c)	982,775,100
Loss on foreign exchange	100,852,650
Office supplies and stationeries	21,234,600
Traveling	9,936,878
Others	10,541,164

Total Management and General Expenses 1,125,340,392

Total Expenses 1,773,548,892

**INCREASE IN NET ASSETS** 1,548,601,108

**NET ASSETS AT BEGINNING OF PERIOD** -

**NET ASSETS AT END OF PERIOD** Rp 1,548,601,108

(\*) The Foundation was established on March 1, 2001.

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

**YAYASAN SAMPOERNA**  
**STATEMENT OF CASH FLOWS**

For The Ten Months Ended December 31, 2001(\*)  
(In Rupiah)

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash receipts from donors	Rp	3,322,150,000
Cash payments for:		
Professional services	(	813,987,1
Scholarship programs	(	648,208,5
Other operating activities	(	29,987,69
Unrealized loss on foreign exchange	(	100,852,6
Net Cash Provided by Operating Activities		<u>1, 729,114,058</u>
<b>NET INCREASE IN CASH IN BANK</b>		1, 729,114,058
<b>CASH IN BANK AT BEGINNING OF PERIOD</b>		<u>-</u>
<b>CASH IN BANK AT END OF PERIOD</b>	Rp	<u><u>1,729,114,058</u></u>

(\*) The Foundation was established on March 1, 2001.

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

## **YAYASAN SAMPOERNA NOTES TO FINANCIAL STATEMENTS**

For The Ten Months Ended December 31, 2001

(In Rupiah)

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### **1. GENERAL**

Yayasan Sampoerna (the Foundation) was established on March 1, 2001 based on Notarial Deed No. 1 of Sutjipto, S.H. The Deed of Establishment was published in Supplement No. 161 of State Gazette No. 64 dated August 10, 2001.

As stated in the Articles of Association, the scope of activities of the Foundation comprises of, among others, education and research support through scholarship and other related programs. The Foundation is domiciled in Jakarta.

The main donor of this Foundation is PT Hanjaya Mandala Sampoerna Tbk. (HMS) that is committed to contribute at a maximum of 2% of its net income each year.

In 2001, the Foundation has awarded the Graduate Local Scholarship Program and High School Scholarship Program to qualified students, and has been preparing for the Graduate Overseas Degree Scholarship Program.

The members of the Foundation's Board of Advisors, Board of Supervisors and Board of Management are as follows:

<u>Board of Advisors</u>	<u>Board of Supervisors</u>	<u>Board of Management</u>
1. Putera Sampoerna <sup>*)</sup> Sampoerna	1. Eka Dharmajanto Kasih <sup>*)</sup>	1. Jacqueline      Michelle
2. Arief T. Surowidjojo	2. Marzuki Usman	2. Niken K. Rahcma
3. John A. Prasetyo	3. Phang Cheow Hock <sup>*)</sup>	3. Tjandra Bachtiar
4. Nurcholis Madjid		
5. Dorijatun Kuntjoro Jakti		

<sup>\*)</sup> HMS's commissioners

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### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### *Basis of Financial Statements*

The Foundation adopted the accounting policies and presented the financial statements based on Statement of Financial Accounting Standards (PSAK) No. 45, "Financial Reporting for Non-Profit Organizations", and the principles and practices generally accepted in Indonesia.

The financial statements have been prepared on the historical cost basis of accounting. These financial statements are prepared using accrual basis, except for the statements of cash flows.

The statements of cash flows present the receipts and payments of cash in bank classified into operating activities using the direct method.

The reporting currency used in the financial statements is Indonesian Rupiah.

**YAYASAN SAMPOERNA**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

For The Ten Months Ended December 31, 2001

(In Rupiah)

Revenue and Expense Recognition

Revenue from donors is recognized upon receipts of donations, and is considered as unrestricted donation. Expenses are recognized as incurred.

Foreign Currency Transactions and Balances

Transactions involving foreign currencies are recorded in Rupiah amounts at the rates of exchange prevailing. The resulting gains or losses are credited or charged to operations of the current period.

For December 31, 2001, the rate of exchange used was Rp 10,400 to USD 1, computed by taking the average of

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**3. CASH IN BANK**

Cash in bank consists of:

	2001
In Rupiah	Rp 1,204,051,058
In US Dollar	525,063,000
Total	Rp 1,729,114,058

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**4. OTHER PAYABLES**

Other payables mainly consist of liabilities to HMS representing advances made by HMS for professional fee incurred by the Foundation.

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**5. NET ASSETS**

Donors of the Foundations have placed no restrictions on the usage of their contributions that the Foundation's Net Assets are all classified as "Unrestricted".

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**6. REVENUES**

For the ten months ended December 31, 2001, the Foundation's revenue came only from donors' contributions, as follows:

**YAYASAN SAMPOERNA**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

For The Ten Months Ended December 31, 2001  
(In Rupiah)

	2001
In Rupiah	Rp 2,018,480,000
In US Dollar	1,303,670,000
Total	Rp 3,322,150,000

The Foundation's revenue mainly derived from contributions of HMS and Putera Sampoerna amounting to Rp 2,000,000,000 and US\$ 100,000 (equivalent to Rp 1,140,000,000), respectively.

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**7. EXPENSES**

a. Graduate Local Scholarship Expenses

This account represents tuition fee, books and research costs, cost of living and other related expenses of the scholars under the Graduate Local Scholarship Program of the Foundation. The amount of scholarship grant will depend on the recommendation from the university where the scholars are taking their graduate studies. As of December 31, 2001, the Foundation has twenty scholars under this Program, and it plans to grant ninety-nine (99) qualified individuals each year.

Based on this program, the scholarship applicants who have met the general requirements have to pass all stages of selection process such as university entrance test, psychological test, and interview. An applicant who passes the final interview is required to submit a written composition (essay) about specific subject. The selection process and procedures have been established by Dr. Rhenald Kasali, an independent management consultant. The selection process is being managed and decided by an independent Committee. The members of the Committee were recommended by Dr. Kasali, and have been approved by the Foundation.

b. High School Scholarship Expenses

This account represents tuition fees, books and allowances and related expenses of the scholars under the High School Scholarship Program of the Foundation in cooperation with the Ministry of Education (Depdiknas) (see Note 8a). Under this program, Depdiknas provides information about the students in need of financial support to continue their secondary education (high school). Then, the Foundation will select and award the scholarship to the deserving and outstanding students based on their academic records.

As of December 31, 2001, the Foundation has about 1500 scholars all over Indonesia under this program. To distribute the scholarship grants to scholars, the Foundation entered an agreement with PT Pos Indonesia (see Note 8b).

c. Management and General Expenses

This accounts mainly consists of expenses on professional services rendered by Dr. Rhenald Kasali in relation to the scholarship selection process, CMS International Consulting Ltd., Auckland, New Zealand for overseas education consulting service, and Prasetio Strategic Consulting, Jakarta for the services rendered in relation to the Foundation's blue print project.

**YAYASAN SAMPOERNA**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For The Ten Months Ended December 31, 2001  
(In Rupiah)

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**8. AGREEMENTS**

a. Ministry of National Education

On May 29, 2001, the Foundation entered into an agreement with the Ministry of Education (Depdiknas), whereby the Foundation is committed to grant scholarships to 3,000 students with financial disadvantage each year to help them complete their secondary education (high school). The Foundation will provide Rp 30,000 per month to each student for tuition fees and books allowances.

The Foundation will grant scholarship for three consecutive academic year starting 2001/2002 until 2003/2004. Each grant will cover a three-year high school education of selected students.

The agreement is valid for five years and is terminated upon payment of the third phase scholarships at the end of academic year of 2005/2006.

b. PT Pos Indonesia

On July 17, 2001, the Foundation entered into cooperation agreement with PT Pos Indonesia in relation to the High School Scholarship Program granted by the Foundation in cooperation with Depdiknas (see Note 7b). The agreement provides that PT Pos Indonesia will administer the distribution of the scholarship funds to the students all over Indonesia, and to provide report on payments made to the students through PT Pos Indonesia's website for at least a month after the payments. The Foundation is charged Rp 8,000 for each payment made to the students.