

Stichting "Atlantic Bridge"

Financial Statements 2013

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Foundation report

When I look at the figures of 2013 and consider the past year, I am both discouraged and encouraged. We suffered losses in several areas, but, in the midst of trials and economic recession, the miracle is that we survived and even have positive figures at the end of the year. The figures are actually a very good reflection of where we are today. Let me explain:

The increase of revenues in the Internship program, the significantly diminishing amount of funds in the area of Activities, the much lower expenses in the Training and the total lack of expenses in the area of Development tells how we spent our time last year. We did much less long-distance travel, but spent more time in rebuilding our own cluster region (South-western part of The Netherlands and Flemish Belgium) through the Internship program. And the training was done by volunteers, so it cost us hardly anything! The major training expense of last year, the finishing of the Bricks curriculum, no longer added to this expense. Instead of fundraising, more time was spent on building the ground level ministry momentum, laying the basis for a year of growth in 2014.

Lacking staff and volunteers is and has always been our greatest challenge. The departure of four key staff members (Heather 2010, Yvette 2012, Cathy and Nel 2013) for different reasons - in particular health issues - would make anyone wonder what is happening. It was mostly with the help of our daughter, Noël, who stepped into the gap to become a bridge to the future, that we were able to keep and build our focus on the Internship program and the Bridgebuilders Training school, both keys to the future of this mission.

In terms of the number of young people involved or the increase of Bridge builders clubs, this was not a good year. In terms of the development of the concept of Bridge building and the future of this mission, it was a very good year. Let me explain further:

The focus on history. 2013 was officially declared THE YEAR OF THE KARAVAAN. In the summer of 2010 we started the KARAVAAN TO NORTH BOHEMIA in the historic Hungarian town of Kőszeg with the challenge of mobilizing young people to revisit and review the faith inspiration of their forefathers. The KARAVAAN ended in Herrnhut, Germany on August 9, 2013. However, instead of ending the KARAVAAN, we saw the interest growing and, realizing the potential for this mission focus, and it became more like a beginning! In the coming years we expect to continue with the mobilization strategy of the KARAVAAN and increase our focus on the heritage with a name that originated on our way to Herrnhut: The Heritage Hunt!

The Dream Team. The second highlight is the development of our Internship program. For a decade now we have been using the EVS program of the European Commission to involve young adults from different parts of Europe in our mission. It was not always successful for different reasons. This year we experienced a significant increase in the number of interns and we took the risk of calling them our DREAM TEAM. With this increase we expect to sustain the development of Bridgebuilders through a Bridgebuilders Training School starting next year.

We are increasingly reminded by friends and supporters of the unique value of this mission for our time. It sets us apart in the worldwide landscape of youth ministry organizations as a

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pioneer combining intercultural and interdenominational experiences with ministry to youth in a variety of settings, but always with the focus on building bridges of friendship and faith. We have made every effort to overcome the losses of the previous years and we know how to 'tighten the belt', We continue in our uncompromising determination to bring this mission to bear its intended fruit because we are convinced that God has worked out this plan and project from the beginning and that He will finish what He started.

Director

J.A.C. Oostdijk

Kruiningen, 24 June 2014

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Balance sheet as at 31 December 2013

(before result appropriation)

| | | 2013 | | 2012 | |
|----------------------------|---|---------------|---------------|---------------|---------------|
| | | EUR | EUR | EUR | EUR |
| Fixed assets | | | | | |
| Tangible fixed assets | 1 | <u>2.000</u> | <u>2.000</u> | <u>1.000</u> | <u>1.000</u> |
| | | | | | |
| Current assets | | | | | |
| Other receivables | 2 | 8.616 | | 4.070 | |
| Cash and cash equivalents | 3 | <u>44.125</u> | | <u>18.365</u> | |
| | | | <u>52.741</u> | | <u>22.435</u> |
| | | | <u>54.741</u> | | <u>23.435</u> |
| | | | | | |
| Funds | 4 | | -7.059 | | -6.381 |
| | | | | | |
| Current liabilities | 5 | | <u>61.800</u> | | <u>29.816</u> |
| | | | <u>54.741</u> | | <u>23.435</u> |

Profit and loss account for the year ended 31 December 2013

| | | 2013 | | Budget | | 2012 | |
|-------------------------------------|----|--------|---------|--------|-----|--------|---------|
| | | EUR | EUR | EUR | EUR | EUR | EUR |
| Income | 7 | | 142.442 | | XXX | | 172.604 |
| Internships and activities expenses | | 66.738 | | XXX | | 82.324 | |
| Wages and salaries | 9 | 42.366 | | XXX | | 40.698 | |
| Depreciation | 1 | - | | XXX | | - | |
| Other operating expenses | 10 | 31.764 | | XXX | | 52.011 | |
| Total operating expenses | | | 140.868 | | XXX | | 175.033 |
| Interest expenses | | - | 1.573 | | - | | -2.429 |
| | | | - | | - | | - |
| Net result | | | 1.573 | | - | | -2.429 |

Notes to the 2013 financial statements

General

Atlantic Bridge stands for building bridges of friendship and faith, and breaking down walls between youth from different cultural, denominational and ethnic backgrounds. We're Dutch-based, but global in orientation with a vision to mobilize youth from around the world to participate in bridgebuilding! With Europe as a primary target, Atlantic Bridge wants to mobilize and train young people, encouraging them to become agents of change -- to learn to break down walls of prejudice, ignorance and indifference and to build bridges of friendship and faith.

The foundation, having its legal address in Kruiningen, the Netherlands is a foundation under Dutch law ("stichting").

Basis of preparation

The financial statements of the foundation are prepared in conformity with general accounting principles accepted in the Netherlands and the guidelines for annual reporting in the Netherlands as issued by the Dutch Accounting Standards Board, in particular guideline 640 'Not-for-profit organisations'.

Going concern

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

Accounting policies

General

When necessary, the figures for 2012 have been reclassified to conform with current year's presentation.

Unless stated otherwise, assets and liabilities are shown at nominal value.

An asset is disclosed in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. A liability is recognised in the balance sheet when it is expected to result in an outflow from the entity of resources embodying economic benefits and the amount of the obligation can be measured with sufficient reliability.

Income is recognised in the profit and loss account when an increase in future economic potential related to an increase in an asset or a decrease of a liability has arisen, the size of which can be measured reliably. Expenses are recognised when a decrease in the economic potential related to a decrease in an asset or an increase of a liability has arisen, the size of which can be measured with sufficient reliability.

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If a transaction results in a transfer of future economic benefits and or when all risks relating to assets or liabilities transfer to a third party, the asset or liability is no longer included in the balance sheet. Assets and liabilities are not included in the balance sheet if economic benefits are not probable and/or cannot be measured with sufficient reliability.

The revenue and expenses are allocated to the period to which they relate. Revenues are recognized when the foundation has transferred the significant risks and rewards of ownership of the goods to the buyer.

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

Use of estimates

The preparation of the financial statements requires the management to form opinions and to make estimates and assumptions that influence the application of principles and the reported values of assets and liabilities and of income and expenditure. Actual results may differ from these estimates.

The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are recognised in the period in which the estimate is revised and in future periods for which the revision has consequences.

Principles for the translation of foreign currency

Transactions in foreign currencies

Transactions denominated in foreign currency are translated into the relevant functional currency of the group companies at the exchange rate applying on the transaction date. Monetary assets and liabilities denominated in foreign currency are translated at the balance sheet date into to the functional currency at the exchange rate applying on that date. Non-monetary assets and liabilities in foreign currency that are stated at historical cost are translated into euros at the applicable exchange rates applying on the transaction date. Translation gains and losses are taken to the profit and loss account as expenditure.

Financial instruments

Financial instruments include investments in other receivables, cash items, other financing commitments and other payables.

After initial recognition, financial instruments are valued in the manner described below.

Financial instruments

Financial instruments (assets and liabilities) are carried at fair value and changes in the fair value are recognised in the profit and loss account. In the first period of recognition, attributable transaction costs are charged to the profit and loss account.

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Other receivables

Other receivables are carried at amortised cost on the basis of the effective interest method, less impairment losses.

Other financial commitments

Financial commitments that are not held for trading are carried at amortised cost on the basis of the effective interest rate method.

Tangible fixed assets

Tangible fixed assets are valued at purchase cost less the remaining value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each item of the tangible fixed assets.

Impairment

Assets with a long life should be tested for impairment in the case of changes or circumstances arising that lead to an indication that the carrying amount of the asset will not be recovered. The recoverability of assets in use is determined by comparing the carrying amount of an asset with the estimated present value of the future net cash flows which the asset is expected to generate.

If the carrying amount of an asset exceeds the estimated present value of the future cash flows, impairment is charged to the difference between the carrying amount and the recoverable amount.

Receivables

The accounting policies applied for the valuation of trade and other receivables are described under the heading 'Financial instruments'.

Provisions

Provisions should be valued at the nominal value of the expenses expected to be incurred in settling the liabilities and losses.

A provision is recognised if the following applies:

- the foundation has a legal or constructive obligation, arising from a past event; and
- the amount can be estimated reliably; and
- it is probable that an outflow of economic benefits will be required to settle the obligation.

Current liabilities

The valuation of current liabilities is explained under the heading 'Financial instruments'.

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Revenue recognition

Donations

Donations are recognised in the profit and loss in the period to which they relate.

Government grants

Government grants are initially recognised in the balance sheet as deferred income when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. Grants that compensate the Group for expenses incurred are recognized in the profit and loss on a systematic basis in the same period in which the expenses are recognised. Grants that compensate the Group for the cost of an asset are recognized in the profit and loss account on a systematic basis over the useful life of the asset.

Employee benefits/pensions

Dutch pension plans

There are no pension plans for the employees.

Corporate income tax

The foundation is exempt from corporate income tax.

Determination of fair value

A number of accounting policies and disclosures in the financial statements require the determination of the fair value for both financial and non-financial assets and liabilities. For measurement and disclosure purposes, fair value is determined on the basis of the following methods. Where applicable, detailed information concerning the principles for determining fair value are included in the section that specifically relates to the relevant asset or liability.

Trade and other receivables

The fair value of trade and other receivables is estimated at the present value of future cash flows.

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1 Tangible fixed assets

| | 2013 EUR | 2012 EUR |
|------------------------------|--------------|--------------|
| Other furniture and fixtures | 2.000 | 1.000 |
| | <u>2.000</u> | <u>1.000</u> |

The balance at 31 December 2012 and 31 December 2012 represents the remaining value of other furniture and fixtures, therefore no depreciation was charged in 2013.

2 Other receivables

| | 2013 EUR | 2012 EUR |
|-------------------|--------------|---------------|
| Other receivables | 8.616 | 13.109 |
| Prepayments | - | - |
| | <u>8.616</u> | <u>13.109</u> |

Other receivables

Other receivables are all due within one year.

3 Cash and cash equivalents

Cash and cash equivalents represent cash in hand and bank balances with a maturity of less than twelve months. Unless stated otherwise, they are freely disposable.

4 Funds

| | 2013 EUR | 2012 EUR |
|----------------------|--------------|---------------|
| Balance at 1 January | -6.381 | -3.670 |
| Result | 1.573 | -2.429 |
| Other | -2.251 | -282 |
| | <u>7.059</u> | <u>-6.381</u> |

5 Current liabilities

| | 2013 EUR | 2012 EUR |
|---------------------|-------------|-------------|
| Clearing account | | 141 |
| Payable to director | 6.370 | 4.556 |
| Payable amounts | 13.696 | 3.709 |
| Received in advance | 41.124 | 20.100 |
| Payable salary tax | 610 | 1.310 |
| | <hr/> | <hr/> |
| | 61.800 | 29.816 |
| | <hr/> <hr/> | <hr/> <hr/> |

Other liabilities

The 'Received in advance' includes the annual operating grant 2012 received from EACEA, which has not been utilized in 2012.

Other liabilities are all due within one year.

6 Off-balance sheet assets and liabilities

Claims

No claims have been lodged against the foundation.

Liability and guarantees

The foundation issued no declarations of joint and several liability for debts.

Contingent liabilities

At year-end 2013, there are no contingent liabilities.

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7 Income

In comparison to 2012 income decreased with 17.5%.

8 Wages and salaries

Staffing level

During the 2013 financial year, the average number of staff employed in the group, converted into full-time equivalents, amounted to 1.2 people (2012: 1.2 people), of which all were employed in the Netherlands. This staffing level (average number of staff) can be divided into the following staff categories:

| | 2013 | 2012 |
|------------|-------------|-------------|
| Management | 1.0 | 1.0 |
| Accounting | 0.2 | 0.2 |
| | <hr/> | <hr/> |
| | 1.2 | 1.2 |
| | <hr/> <hr/> | <hr/> <hr/> |

9 Social security charges and pension costs

| | 2013 EUR | 2012 EUR |
|-------------------------|-------------|-------------|
| Social security charges | 3.550 | 1.000 |
| Pension costs | - | - |
| | <hr/> | <hr/> |
| | 3.550 | 1.000 |
| | <hr/> <hr/> | <hr/> <hr/> |

10 Other operating expenses

| | 2013 EUR | 2012 EUR |
|--------------------------|-------------|-------------|
| Development/fundraising | - | 5.872 |
| Travel and accommodation | 6.154 | 12.112 |
| Representation | 1.764 | 1.089 |
| Promotion | 1.352 | 1.427 |
| Office | 13.914 | 10.336 |
| Communication | 5.871 | 5.836 |
| Training | 147 | 12.320 |
| Miscellaneous | 2.562 | 3.019 |
| | <hr/> | <hr/> |

31.764

52.011

11 Transactions with related parties

Transactions with related parties occur when a relationship exists between the foundation and their board and key management personnel.

There were no transactions with related parties that were not on a commercial basis.

Kruiningen, 24 June 2013

Director

J.A.C. Oostdijk

Board

David Schroeder

Johannes Smink

Jaco Boven

Jennifer Zimmerman

Carla Heijtk

Michel van Haneghem

Other information

Provisions in the Articles of Association governing the appropriation of profit

Under the Articles of Association of the foundation's, the result is at the disposal of the Board, which can allocate said result either wholly or partly to the formation of – or addition to – one or more general or special reserve funds.

Proposal for profit appropriation

The Board will be asked to approve the following appropriation of the 2013 result: an amount of EUR 1.573 to be added to the funds.

Subsequent events

There were no subsequent events.