



WIRTSCHAFTS-
TREUHAND AG

Report of the statutory auditor of

BOOKBRIDGE FOUNDATION, Basel

on the limited statutory examination of the financial statements 2019



Report of the statutory auditor on the limited statutory examination
to the foundation board of
BOOKBRIDGE FOUNDATION, Basel

Basel, June 19, 2020

As statutory auditor, we have examined the financial statements of **BOOKBRIDGE FOUNDATION** for the financial year ended December 31, 2019.

These financial statements are the responsibility of the foundation board. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on the Limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of foundation personnel and analytical procedures as well as detailed tests of foundation documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements do not comply with Swiss law, the foundations deed and the regulations.

Wirtschafts-Treuhand AG

Christian Zeller
Chartered Accountant
Licensed audit expert
Auditor in charge

Jens Bürgin
BSc in Betriebsökonomie
Zugelassener Revisor

Financial statements (balance sheet, profit and loss account, statement of changes in equity and notes)

Bookbridge Foundation, Basel

BALANCE SHEET	Index	31.12.2019	31.12.2019	31.12.2018	31.12.2018
	Notes	EUR	CHF	EUR	CHF
ASSETS					
Cash	3	33'465.17	36'376.64	40'256.28	45'364.80
Receivables third parties		0.00	0.00	462.43	521.11
CURRENT ASSETS		33'465.17	36'376.64	40'718.71	45'885.91
Financial assets					
Loans Social Business Fund	4	405'089.58	440'332.37	350'783.00	395'297.36
Shareholdings	5	100'000.00	108'700.00	100'000.00	112'690.00
CAPITAL ASSETS		505'089.58	549'032.37	450'783.00	507'987.36
TOTAL		538'554.75	585'409.01	491'501.71	553'873.27
LIABILITIES					
CURRENT BORROWED CAPITAL					
Deferred income	6	4'978.11	5'411.21	5'338.07	6'015.47
LONG-TERM BORROWED CAPITAL (INTEREST-FREE)	7	118'188.00	128'470.36	81'200.00	91'504.28
EQUITY					
Foundation capital paid-in		39'985.61	50'000.00	39'985.61	50'000.00
Social Business Fund		345'660.06	399'377.89	332'977.22	384'951.72
Loss / profit carried forward previous year		32'000.81	25'674.40	56'628.45	54'116.02
Annual loss		-2'257.84	-2'511.80	-24'627.64	-28'441.62
Foreign currency differences	8	0.00	-21'013.05	0.00	-4'272.60
		415'388.64	451'527.44	404'963.64	456'353.52
TOTAL		538'554.75	585'409.01	491'501.71	553'873.27

Bookbridge Foundation

Bookbridge Foundation, Basel

	Index Notes	01.01.2019 - 31.12.2019 EUR	01.01.2019 - 31.12.2019 CHF	01.01.2018 - 31.12.2018 EUR	01.01.2018 - 31.12.2018 CHF
PROFIT AND LOSS ACCOUNT					
Income					
Contributions generally		34'446.52	38'320.82	25'640.35	29'611.17
Other Income	9	0.00	0.00	191.08	220.67
		34'446.52	38'320.82	25'831.43	29'831.84
NET PROCEEDS		34'446.52	38'320.82	25'831.43	29'831.84
Direct project costs					
	10				
Bookbridge Country Support / Pedagogy		-1'245.66	-1'385.76	-417.27	-481.89
Bookbridge "Book Champions"		-355.45	-395.43	-837.18	-966.83
Donations to Country Projects		-15'962.38	-17'757.72	-15'092.72	-17'430.07
Quality-related Projects and stipends at LC		-7'844.70	-8'727.02	-11'509.48	-13'291.91
Depreciation of loans		-776.00	-863.28	-13'153.00	-15'189.95
		-26'184.19	-29'129.21	-41'009.65	-47'360.65
GROSS PROFIT		8'262.33	9'191.61	-15'178.22	-17'528.81
Other operational costs					
Accounting		-1'500.56	-1'669.33	-1'840.52	-2'125.55
Administrative costs	11	-8'794.62	-9'783.78	-3'581.95	-4'136.67
Stipend cost		0.00	0.00	-3'179.38	-3'671.76
Costs for PR-Marketing-Fundraising		0.00	0.00	0.00	0.00
		-10'295.18	-11'453.11	-8'601.85	-9'933.98
OPERATING PROFIT (before net interest)		-2'032.85	-2'261.50	-23'780.07	-27'462.79
Financial income and costs					
Financial income		0.00	0.00	20.97	24.22
Financial costs		-224.99	-250.30	-868.54	-1'003.05
		-224.99	-250.30	-847.57	-978.83
RESULT OF THE PERIOD BEFORE FUND RESULT		-2'257.84	-2'511.80	-24'627.64	-28'441.62
Contributions Social Business Fund					
Allocation to Social Business Fund		12'682.84	14'109.32	14'000.00	16'168.12
		-12'682.84	-14'109.32	-14'000.00	-16'168.12
ANNUAL LOSS		-2'257.84	-2'511.80	-24'627.64	-28'441.62

Bookbridge Foundation

Basel, 10. June 2020
Zc/3-50373-F

STATEMENT OF CHANGES IN EQUITY

Capital of the organisation	Balance 01.01.2019		Allocation/ Uses		Transfer		Result of the period		Foreign currency effect	Balance 31.12.2019	
	EUR	CHF	EUR	CHF	EUR	CHF	EUR	CHF	CHF	EUR	CHF
Foundation capital paid-in	39'985.61	50'000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	39'985.61	50'000.00
Social Business Fund	332'977.22	384'951.72	12'682.84	14'109.32	0.00	0.00	0.00	0.00	316.84	345'660.06	399'377.89
Carried forward previous years	56'628.45	54'116.02	0.00	0.00	-24'627.64	-28'441.62	0.00	0.00	0.00	32'000.81	25'674.40
Annual loss	-24'627.64	-28'441.62	0.00	0.00	24'627.64	28'441.62	-2'257.84	-2'511.80	0.00	-2'257.84	-2'511.80
FX difference between P&L and B/S	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Foreign currency differences	0.00	-4'272.60	0.00	0.00	0.00	0.00	0.00	0.00	-16'740.45	0.00	-21'013.05
Total capital of the organisation	404'963.64	456'353.52	12'682.84	14'109.32	0.00	0.00	-2'257.84	-2'511.80	-16'423.61	415'388.64	451'527.44

Bookbridge Foundation, Basel

NOTES

1 General notes to the foundation

1.1 Legal form and purpose

Purpose of the charitable foundation is to promote education, an international attitude, tolerance in all spheres of culture and international understanding, development cooperation and the social commitment for non-profit purposes. Its purpose is, in particular, to seek a global education equilibrium, regardless of religious, ethnic, economic and geographical conditions. The Foundation pursues the objectives of promoting access to education, improving the quality of education, the creation of jobs in the education sector in developing countries, the enhancement of the role of education in developed countries, and promote social and corporate citizenship in these countries through the participation of children and adolescents. The Foundation can realize their purpose itself or by auxiliary staff. In addition, it is envisaged that the foundation can its purposes also meet in that it provides funding to charities that are active in the countries with low education rate. The Foundation may raise funds for these charities and thereby achieve their purposes.

1.2 Specification of deed and regulations

Deed of foundation	22.12.2010
Foundation regulations	n/a
Organisational regulations	01.12.2014
Social Business Fund regulations	10.02.2017

The foundation board is working on the regulation of the Social Business Fund. At the moment the final version of the regulations is not approved by the board (cf. 4 and 7). The foundation board has yet waived the creation of additional regulations according to Art. 12 of the deed of foundation.

1.3 Foundation board	Function	Period of office
Rasheed Abdullah	President	2018-2020
Richard Rupp	Member	2018-2020
Barbara Käch	Member	2018-2020
Curdin Duschletta	Member	2018-2020
Tsolmon Gundenbal	Ex officio non-voting Member	2018-2020

All members of the foundation board (also the president) have collective signature.

Address	Bookbridge Foundation Feierabendstrasse 80 4051 Basel
Telephone	061 511 52 24

Bookbridge Foundation, Basel

NOTES

1.4 Statutory auditor, administration, supervisory authority

Statutory auditor: Wirtschafts-Treuhand AG, Basel

Administration: Stiftungszentrum.de Servicegesellschaft mbH, München

Supervisory authority: The Federal Department of Home Affairs (FDHA), Berne

2 Information on the principles applied in the annual financial statements

These annual financial statements were prepared in line with the provisions of Swiss law, in particular the article on commercial accounting and bookkeeping in the Swiss Code of Obligations (Articles 957 to 962). Additional the recommendation of the federal foundation oversight board concerning accounting referring to Swiss GAAP FER 21 have been taken into consideration.

The accounting requires that the foundation board makes estimates and assumptions which can influence the amount of the disclosed assets and liabilities as well as contingent liabilities on the balance sheet date, and which can also influence income and expenses in the reporting period.

The annual financial statement is presenting a true and fair view of the assets, liabilities, financial position and profit and loss.

2.1 Assets - valuation and investment principles

Cash

Valuation at nominal value

Receivables

Valuation at nominal value less necessary accumulated impairment

Capital Assets

Valuation at acquisition costs less necessary accumulated depreciation and impairment

2.2 Liabilities - valuation and investment principles

Liabilities generally

Valuation at face value

Provisions

If past events lead to the expectation of a cash outflow in future financial years, a provision for the approximate amount will be made and charged to the profit and loss account.

2.3 Equity

Foundation capital paid-in and Social Business Fund are accounted on historical paid-in currency rates (cf. 8).

Bookbridge Foundation, Basel

NOTES	2019 EUR	2019 CHF	2018 EUR	2018 CHF
<i>Information, breakdown and comments on items on the balance sheet and in the profit and loss account</i>				
3 Cash				
PostFinance, current account EUR 91-320368-0	878.37	954.79	966.92	1'089.62
PostFinance, current account CHF 60-256939-4	18'646.80	20'269.07	19'292.90	21'741.17
PostFinance, e-savings account EUR 92-315769-0	13'940.00	15'152.78	19'996.46	22'534.01
	33'465.17	36'376.64	40'256.28	45'364.80
4 Loans Social Business Fund				
Ang Tasom Learning Center, Cambodia	34'050.00	37'012.35	26'550.00	29'919.20
Ang Tasom Mobile Learning Center, Cambodia	7'900.00	8'587.30	7'900.00	8'902.51
Arvaikheer Learning Center, Mongolia	1'499.00	1'629.41	4'165.00	4'693.54
Bandarawela Learning Center, Sri Lanka	28'633.00	31'124.07	23'000.00	25'918.70
Batticaloa Larning Center, Sri Lanka	24'342.00	26'459.75	20'000.00	22'538.00
Bayankhongor Learning Center, Mongolia	20'000.00	21'740.00	0.00	0.00
Business Training Center, Mongolia	34'500.00	37'501.50	20'000.00	22'538.00
Cambodia SBF Buffer Funds, Cambodia	10'553.00	11'471.11	4'279.00	4'822.01
Chinggis Learning Center, Mongolia	8'179.00	8'890.57	10'643.00	11'993.60
Chreav Learning Center, Cambodia	17'882.00	19'437.73	20'000.00	22'538.00
Dalanzadgad Learning Center, Mongolia	7'289.00	7'923.14	9'529.00	10'738.23
Ger District Learning Center, Mongolia	1'300.00	1'413.10	1'300.00	1'464.97
Green Business College, South Africa	9'935.00	10'799.35	10'000.00	11'269.00
Kerlenchimeg, Mongolia	1'730.00	1'880.51	0.00	0.00
Kekirawa Learning Center, Sri Lanka	14'956.00	16'257.17	20'000.00	22'538.00
Khovd Learning Center, Mongolia	12'719.00	13'825.55	15'000.00	16'903.50
Mandalgovi Learning Center, Mongolia	19'695.00	21'408.47	21'568.00	24'304.98
MasterClass 1, Sri Lanka	1'200.00	1'304.40	1'200.00	1'352.28
Mongolia SBF Buffer Funds, Mongolia	13'647.00	14'834.29	0.00	0.00
Mpho, Illussion xiix, South Africa	2'088.00	2'269.66	0.00	0.00
Orange Farm, South Africa	6'500.00	7'065.50	0.00	0.00
Pelawatte Learning Center, Sri Lanka	20'000.00	21'740.00	20'000.00	22'538.00
Psar Kranlanh Learning Center, Cambodia	20'000.00	21'740.00	20'000.00	22'538.00
Sainshand Learning Center, Mongolia	17'168.00	18'661.62	10'302.00	11'609.32
Siem Reap Learning Center, Cambodia	20'000.00	21'740.00	20'000.00	22'538.00
Sothea Phall, Cambodia	3'080.00	3'347.96	0.00	0.00
South Africa SBF Buffer Funds, South Africa	65.00	70.66	0.00	0.00
Sri Lanka SBF Buffer Funds, Sri Lanka	5'211.00	5'664.36	0.00	0.00
Steung Sen Learning Center, Cambodia	28'342.00	30'807.75	24'000.00	27'045.60
Sukhbaatar Learning Center, Mongolia	10'047.00	10'921.09	10'197.00	11'491.00
Takeo Town Learning Center, Cambodia	20'000.00	21'740.00	20'000.00	22'538.00
Tani Learning Center, Cambodia	21'853.00	23'754.21	24'465.00	27'569.61
Tonloab Learning Center, Cambodia	16'712.00	18'165.94	18'256.00	20'572.69
Wooden Toy Manufacturing, Mongolia	1'980.00	2'152.26	1'980.00	2'231.26
Depreciation due to risk appraisal	-57'965.42	-63'008.41	-33'551.00	-37'808.62
	405'089.58	440'332.37	350'783.00	395'297.36

The board has made a risk appraisal concerning the granted loans and therefore made a depreciaton coming out of the risk based on repayment due and the repayment made.

Bookbridge Foundation, Basel

NOTES

2019	2019	2018	2018
EUR	CHF	EUR	CHF

5 Shareholdings

Bookbridge GmbH, D-92318 Neumarkt

Purpose:

Reaching a global education equilibrium and procuring financial resources for this purpose by means of a commercial activity. The company is authorized to carry out all actions and measures that are likely to promote the above corporate purpose directly or indirectly. These include in particular:

- Provision of corporate social responsibility services for other companies, including the construction of bridges,
- Conducting training and employee retention programs for other companies,
- Market research and development services,
- Publications and lectures,
- Domestic support and foreign institutions, corporations or estates, which pursue the same or similar objectives as the company, and other cooperation with these,
- Otherwise activities under the corporate purpose.

Share capital (EUR 25'000.00)	25'000.00	27'175.00	25'000.00	28'172.50
Shareholders' equity	-54'472.42	-59'211.52	-69'495.89	-78'314.92
Amount of holding	100%	100%	100%	100%
Participating interest	100%	100%	100%	100%
Historical cost (EUR 100'000)	100'000.00	108'700.00	100'000.00	112'690.00
Adjustment	0.00	0.00	0.00	0.00
	100'000.00	108'700.00	100'000.00	112'690.00

Bookbridge GmbH can be referred to as "start-up" company. Despite negative equity the foundation board considers an accounting at historical cost value as sustainable. This due to the current development and the positive business outlook, which are set by the financial plans to 2020 and due to the received partnerships in implementation and distribution of the products of the GmbH.

6 Deferred income

Fee for administration	1'978.11	2'150.21	2'338.07	2'634.77
Fee for statutory auditors	2'700.00	2'934.90	2'700.00	3'042.63
Swiss Federal Supervisory Authority for Foundations	300.00	326.10	300.00	338.07
	4'978.11	5'411.21	5'338.07	6'015.47

7 Long-term borrowed capital (interest-free) - Social Business Fund

One Young World Social Business Accelerator Ltd.	20'000.00	21'740.00	20'000.00	22'538.00
One Young World Social Business Accelerator Ltd.	20'000.00	21'740.00	20'000.00	22'538.00
Arnd Overbeck	20'000.00	21'740.00	0.00	0.00
Gisbert Reichelt	2'088.00	2'269.66	0.00	0.00
Knut Pohlen	2'900.00	3'152.30	0.00	0.00
Endriss GmbH	7'000.00	7'609.00	0.00	0.00
Arnd Overbeck	5'000.00	5'435.00	0.00	0.00
Christine Mildenberger	800.00	869.60	800.00	901.52
Benjamin Mettler	400.00	434.80	400.00	450.76
Knut Pohlen	10'000.00	10'870.00	10'000.00	11'269.00
Fondation Oyun	20'000.00	21'740.00	20'000.00	22'538.00
SFAG Holding AG	10'000.00	10'870.00	10'000.00	11'269.00
	118'188.00	128'470.36	81'200.00	91'504.28

All loans are long-term and interest-free.

Bookbridge Foundation, Basel

NOTES	2019 EUR	2019 CHF	2018 EUR	2018 CHF
-------	-------------	-------------	-------------	-------------

8 Currency concept

The accounts are kept in the functional currency Euro. The conversion in CHF was carried out at the balance sheet (except for the equity) at year-end exchange rate and the profit and loss account (except for the contribution/allocation Social Business Fund) at the average rate. The conversion difference between balance sheet and profit and loss account of the respective year is shown in the statement of changes in equity.

The capital paid-in and Social Business Fund shown under Equity is converted at historical exchange rate in time of conversion. The contribution/allocation Social Business Fund is converted at exchange rate in time of conversion. Origin CHF-amounts under Equity are not converted in EUR and reversed in CHF.

The Conversion had been made with the following rates:

1) Balance sheet (EUR - CHF)	1.087000	1.126900
2) Profit and Loss Account (EUR - CHF)	1.112473	1.154866

9 Other Income

Correction audit cost (provision to high)	0.00	0.00	41.08	47.44
Correction of Invoice received on administration cost	0.00	0.00	150.00	173.23
	0.00	0.00	191.08	220.67

10 Direct project costs

The foundation board confirmed by circular resolutions in February 2019 (PY Februray 2018) that the use of the following funds were the foundation's purpose accordingly.

Support country op. Mongolia, Cambodia, Sri Lanka	-1'245.66	-1'385.76	-417.27	-481.89
Collection of English books for learning centers	-355.45	-395.43	-837.18	-966.83
Pedagogical funding of work in learing centers	-15'962.38	-17'757.72	-15'092.72	-17'430.07
Quality-related projects and stipends at learning centers	-7'844.70	-8'727.02	-11'509.48	-13'291.91
Depreciation of loans (cf. 4)	-776.00	-863.28	-13'153.00	-15'189.95
	-26'184.19	-29'129.21	-41'009.65	-47'360.65

Bookbridge Foundation, Basel

NOTES	2019 EUR	2019 CHF	2018 EUR	2018 CHF
11 Administrative costs				
Audit	-3'017.31	-3'356.68	-3'000.00	-3'464.60
Other administrative expenses	-5'777.31	-6'427.10	-581.95	-672.07
	-8'794.62	-9'783.78	-3'581.95	-4'136.67

12 Number of full-time equivalents on average over the year

The Foundation has engaged in 2019 two employees (1.6 FTE -> 2018 = 2) in Cambodia on our local partner Cambodia Scouts. The contracts were signed with the Foundation. Salaries 2019 have been paid by Bookbridge GmbH (cf. 15).

13 Information on the nature and extent of gratuitous benefits

The benefits of the foundation board members were fully provided voluntarily.

14 Related party transactions

Incurred expenses were refunded to the foundation board.

Bookbridge GmbH has assumed the following costs:	USD		USD	
- Salaries Cambodia	16'800.00	16'693.41	16'800.00	16'431.14

Otherwise, no transactions are recorded with related parties.

15 Requirements of the supervisory authority

There are no requirements from the supervisory authority.

16 Events after the balance sheet date

On January 29, 2020, the World Health Organization's Emergency Committee (WHO) declared a "health emergency of international scope" because of the coronavirus. The Federal Council classified the situation in Switzerland on March 16, 2020 as an "exceptional situation" in accordance with the Epidemic Act and closed all shops, restaurants, bars and entertainment and leisure businesses until at least April 19, 2020. This pandemic and its lasting macroeconomic impact could also have negative consequences for the business activities of BOOKBRIDGE FOUNDATION (e.g. market activities of the social enterprises we are invested in, currency fluctuations, employment of personnel, traveling etc.). The assessment of the financial impact depends on the duration and extent of the restrictions caused by the COVID-19 virus and cannot be quantified at the current time. At the time of signing the annual financial statements, there were no indications that indicate significant uncertainty regarding the ability to continue operating.

Bookbridge Foundation