



MUHAMMAD SUBUH FOUNDATION

ANNUAL REPORT 2007



Bapak Muhammad Subuh Sumohadiwidjo



MUHAMMAD SUBUH FOUNDATION

The Muhammad Subuh Foundation honours the name of Subud's founder, Bapak Muhammad Subuh Sumohadiwidjojo. It provides financial support to further the aims of the World Subud Association.

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Message from the Chair



E. Olivia Beauthauville-Reksodipoetro

Chair
Muhammad Subuh Foundation

In the last few years, the Muhammad Subuh Foundation has worked quietly behind the scenes.

During the meetings in Ascot in August 2007, it was agreed that the time had come for the Foundation to be more active in the world and this Annual Report aims at communicating in more detail what the Foundation is about, what it does and plans to do.

To start with, some history:

Bapak's vision was of a Subud association which was active and effective in the world in all the fields of human endeavour. He also saw the need for a body to fund these efforts and hold Subud assets. Bapak asked that as long as Bapak was in this world, this body should be called the Subud Brotherhood International Foundation (SBIF).

Bapak's vision for SBIF was that:

"SBIF be like a go between, an intermediary body to receive funds delivered from the enterprises of Subud members and to distribute them to the various Subud Centres for the establishment of latihan premises, guest houses, hospitals, schools and the homes required for the old and needy."

"If this can be done, Subud will thus prove eventually that the aim of helping and loving one's fellow-men does not exist only in words or only in the mind, but really does take material form in the shape of hospitals, schools, homes for those in need, and other activities in the realm of social work."

Y.M. Muhammad Subuh Sumohadiwidjojo, Fourth World Congress, 1971.

In 1991, the Muhammad Subuh Foundation was established in the U.S.A., incorporating the functions and purposes of its predecessor - the Subud Brotherhood International Foundation (SBIF).

The Muhammad Subuh Foundation is entering a new phase in which it hopes to more vigorously fund youth, humanitarian, communication and cultural projects, as well as Subud houses.

This process already started some years ago and is presently being given new life.

It is hoped that many will join the efforts made by the Foundation to grow and be more active in the world.

February 2008

I. Mission and Objectives

The Muhammad Subuh Foundation honours the name of Subud's founder, Bapak Muhammad Subuh Sumohadiwidjo. It provides financial support to further the ten aims of the World Subud Association:

1. Facilitate the members' worship of God through the spiritual practice of Subud and provide for the needs of Subud members;
2. Preserve the spiritual practice of Subud so that it will remain available to people everywhere in the form in which it was originally practiced under the guidance of Bapak;
3. Protect the good reputation of Subud and make available information concerning the spiritual practice of Subud;
4. Encourage peace, harmony and understanding between peoples;
5. Provide educational and other facilities for the development of the full potential of human beings;
6. Relieve poverty and deprivation;
7. Encourage the development of a healthy and harmonious inner and outer environment for the well-being of mankind;
8. Encourage cultural activities and the values that enliven the human spirit;
9. Encourage the entrepreneurial spirit, which enables people to improve their lives;
10. Make available information concerning the spiritual practice of Subud.

Through the provision of financial assistance, it stimulates and supports the endeavors of Subud members in accordance with the bylaws of the Foundation:

The Foundation promotes member bequests to the Muhammad Subuh Foundation.

The Foundation encourages donations of money and shares from enterprises.

The Foundation sets standards of integrity, good management and proper use of funds.

The Foundation aims to satisfy donor wishes to have their donations used well.

From a legal perspective, the Muhammad Subuh Foundation is a non-profit, tax-exempt organization registered under Section 501(c)(3) of the Internal Revenue Code in the USA; as such, it can provide U.S. donors with tax exemptions.

The Foundation can be viewed as the financial base of the worldwide Subud association; as such, it is ultimately under control of the World Subud Association (WSA). WSA appoints and can remove Trustees; the Foundation's annual financial statements need WSA approval, and its budget is decided in a joint meeting with WSA.

II. Affiliated Organizations

Yayasan Muhammad Subuh (YMS) - Indonesia

YMS is the Indonesian representative of the Muhammad Subuh Foundation. The Foundation holds assets in Indonesia, on behalf of the World Subud Association, which are under the auspices of YMS.

YMS was established in 1989 to hold and manage Bapak's house in Cilandak which had been acquired with contributions from members throughout the world. In accordance with the original purpose of its purchase, Bapak's house has become a focus for many activities.

In 1993, ownership of the company Bapak established for enterprises in Kalimantan was passed to YMS which has continued to facilitate pioneering work in Kalimantan. Through this company - PT Pancaran Cahaya Bahagia (PT PCB) - YMS holds significant shareholdings in mineral exploration and real estate projects in Kalimantan.

In 1996, YMS was asked by the World Subud Association to take over the care and ownership of Bapak's personal archives and the International Archive House in Wisma Subud. The rental income of the Archive House provides for the costs of maintaining the archives.

In 1997, YMS came under the legal umbrella of the Muhammad Subuh Foundation through the appointment of MSF as a Patron of YMS. However, the day-to-day work of Yayasan Muhammad Subuh continues to be carried out by its Board of Management. The chairpersons of both MSF and YMS meet regularly to ensure effective communication.

Yayasan Subud (YS) - Indonesia

In 1960, Bapak found several hectares of land to the south of the city in a suburb known as Cilandak which at that time was still an area of paddy fields and small farms in what was to become Wisma Subud. Wisma Subud was then established by Bapak as an international Subud Centre and is managed by Yayasan Subud (YS).

In 2006, YS came under the legal umbrella of the Muhammad Subuh Foundation through the appointment of MSF as one of the Patrons of YS. However, the day-to-day work of Yayasan Subud continues to be carried out by its Board of Management. The Trustees of MSF in Indonesia meet regularly with YS to ensure effective communication.

III. The Board

The Muhammad Subuh Foundation is presently managed by a Board of eight Trustees dedicated to the long term development of Subud worldwide. The World Subud Association (WSA) appoints seven Trustees from nominations put forward by national organizations through their zonal representatives, World Subud Council (WSC) members, and the Foundation's Trustees. The WSA Chair is an ex-officio member of the Board. The Trustees meet at least once a year, at the same time as the World Subud Council.

The members of the Board are:

E. Olvia Reksodipoetro – Trustee / Chairperson
Appointed July 2005



Olvia Reksodipoetro

Olvia was born in Paris and has worked in a number of administrative positions both in France and in Indonesia. In 1995, she established her own company – CYBERconsult – doing various projects for the World Bank, the IMF and the U.N. Olvia is presently the Chairperson of Yayasan Usaha Mulia (Foundation for Noble Work - www.yumindonesia.org), a charitable organization involved in several regions of Indonesia, as well as a Director of Susila Dharma Indonesia (www.susiladharmaindonesia.org). Olvia is currently serving on the management board of the Jakarta chapter of the International Association of Fundraising Professionals (www.aifpnet.org). She joined Subud in 1967 and has served as Helper, National Helper, and Director of the Susila Dharma International Association.

Leonard van Willenswaard – Trustee / Treasurer
Appointed in 2000



Leonard v. Willenswaard

Leonard has a degree in Law and for fourteen years was a partner in a successful import/export company, Image Trading International. He was a Trustee of the Subud Brotherhood International Foundation (SBIF). Since 2001 he has been managing the finances of WSA/ISC, and is also currently a Director of PT S. Widjojo and of S.Widjojo International, which represents offshore shareholders in PT S. Widjojo.

Ismana Haryono – Trustee
Appointed August 2003



Ismana Sumohadiwidjono

Ismana has served as an International Helper, Coordinator Kejiwaan Helper for South-East Asia and Asia, Chairperson of Yayasan Usaha Mulia, Chairperson of Susila Dharma Indonesia, and Director of Susila Dharma International. She is the current Chairperson of Sekolah Cita Buana. Ismana has extensive involvement in community development, manpower training, and educational development.

The Board continued

Simone Paige – Trustee

Appointed July 2005



Simone Paige

Simone holds a PH.D in British Victorian Literature and has been a teacher of history, literature, and women's studies and has run workshops on creative writing. She is working on the subject of landscape and spirituality in Victorian poetry. She is a member of a Quaker Meeting near Philadelphia and was formerly the Chair of Subud Philadelphia and a Regional Helper.

Rusdi Bustillo – Trustee

Appointed July 2005



Rusdi Bustillo

Rusdi Bustillo has been working on Subud projects for the last 25 years, first on the local committee in Bogota, and later as a founding member and treasurer of Fundacion Amor in Bogota. He was a founding member of Fundacion Amanecer and worked on the construction of the center. He has been a Deputy Chair of WSA and an International Helper. Between 1999 and 2005, he worked on the development of Rungan Sari in Central Kalimantan.

Muchtar Martins - Trustee

Appointed August 2007



Muchtar Martins

Muchtar, an architect living in Lisbon, Portugal, was opened in 1969. Beginning with local helper and committee work he has gone on to hold many positions in Subud including International Helper, Chairman of WSA, International Coordinator for Subud Centers and is currently serving his second term as an MSF Trustee. He has dedicated many years to supporting various Subud enterprises and endeavors, especially the worldwide creation of new Subud houses and now looks forward to participating in widening the scope of MSF.

The Board continued

Hannah Baerveldt – Trustee

Appointed October 2007



Hannah Baerveldt

Hannah holds an Arts & Letters bachelor's degree with honors from Portland State University and is currently involved in social work as a Director of Yayasan Usaha Mulia (Foundation for Noble Work: www.yumindonesia.org). Hannah is a member of the International Association of Fundraising Professionals (www.afpnet.org) and is currently serving on the management board of the Jakarta Chapter. Hannah has also been elected to the management board of a Condominium Association located in Toronto and is currently serving her term as Secretary. Originally from Portland, Oregon (USA) where she joined Subud in 1972, Hannah has been living in Jakarta, Indonesia for the past nine years. Through membership in Subud, she has been consistently supportive of Subud with her efforts as a helper, serving on local, national, and international committees, and by working in Subud enterprises.

Osanna Vaughn – ex-officio Trustee as WSA Chair

Began serving August 2005



Osanna Vaughn

As Chairlady for the World Subud Association for the period from 2005 to 2009, Osanna Vaughn automatically is an ex-officio Muhammad Subuh Foundation Trustee for the same period.

Over the years, Osanna has held a variety of positions within the Subud structure, and brings her wide experience and knowledge of the association to this position. She speaks several languages, and is an author and a communicator.

Lillian Shulman – Administrator

Began serving December 2007



Lillian Shulman

Lillian is a helper who has also served as Chairperson of Subud Boston, Regional Treasurer, and editor of the Subud East Coast News. She is an ESL and language arts teacher currently living and working in Portland, Oregon, USA.

National Representatives/Liaisons

The role of the Muhammad Subuh Foundation's National Liaisons is to assist the Trustees and to:

- (i) Act as a point of information and promote the Foundation in their country through presentations to national, regional and local meetings, and through the production of articles for newsletters.
- (ii) Facilitate bequests by preparing information sheets on estate tax laws in their countries and become familiar with the procedures for making bequests to the Muhammad Subuh Foundation.
- (iii) Be available to consult with individual members considering making a bequest to the Foundation.
- (iv) Liaise with enterprises wishing to make contributions to the Foundation.
- (v) Act as a source of information on project proposals in their own or nearby countries.
- (vi) Provide feedback to the Trustees on members' attitudes towards the Muhammad Subuh Foundation.
- (vii) Whenever possible, become a member of the National Committee in their country.

Four new National Liaisons were appointed in 2007:

Saadah Kimiko Hayashi for Japan
 Mariamah Crona for Norway
 Sarinder Kaur for Malaysia
 Lucas Roldan for Colombia

The current National Liaisons are:

ASIA PACIFIC

Australia	Freeman Wyllie
Indonesia	Kuswanda
New Zealand	Rosario Moir
Japan	Saadah Kimiko Hayashi
Malaysia	Sarinder Kaur

EUROPE

Britain	Stephen Gonsalves
France	Faustine Le Roy
Norway	Mariamah Crona
Portugal	Hamid da Silva
Germany	Viktor Boehm

AMERICAS

USA East Coast	Rochana Alkaitis
USA West Coast	Renata Robb
Canada	Lester Sutherland
Colombia	Lucas Roldan

IV. Review of 2007

A number of changes in the Muhammad Subuh Foundation took place in 2007. Rohana Mitchell, who had served the Foundation for over 12 years, decided to retire as Chairperson and Trustee for health reasons. Wayne Lerrigo, who served for several terms also retired. Ismana Haryono was reappointed for another 4-year term and two new Trustees were appointed: Muchtar Martins and Hannah Baerveldt.

The Foundation had its Annual Board meeting in Ascot (U.K.) in August but not all Trustees could attend due to ill health or other personal reasons.

A part-time Administrator, Lillian Shulman, was appointed to enable the Foundation to grow and be more active.

Increased cooperation was also initiated with the foundations holding the major assets of the Muhammad Subuh Foundation, and several appointments were made, as follows:

- Olivia Reksodipoetro as a Patron of Yayasan Muhammad Subuh, replacing retiring Trustee Wayne Lerrigo.
- Ismana Haryono as a Patron of Yayasan Subud, replacing retiring Trustee Rohana Mitchell.
- Lucas Roldan and Isabel Perafan as MSF representatives on the Board of Fundacion Amanecer.

Projects funded in 2007

The Foundation supports several long term projects of the World Subud Association such as the translation of Bapak's Talks, the Tape Preservation Unit, the International Archives, the History of Subud, and the Subud Emergency Fund. Further, the Foundation gave a one-time grant for International Helper Travel in 2007. Total support for WSA in 2007 was US\$60,000.

Other projects receiving funding in 2007 were:

- Youth Support Program

Youth travel (\$3,800)

The International Youth Travel Fund was established in 2006 through the cooperation of MSF and ISC (the International Subud Committee). In the past year funding has been granted to six applicants for various Subud activities. Ariel Mayrose and Mira Shafir from Israel and Zeina Abdel Khalik from Lebanon received travel grants and were sponsored to attend the Thank You Gathering in Ascot, England. Zeina brought jewelry from Lebanon to sell at the gathering and returned half of her profits to the Youth Travel Fund with the other half going to her local Subud group to help pay for the lathan facility in Beirut. Ariel and Mira were active helping with the gathering and attending various activities.

Mahrus Dewes from Portland, Oregon was looking to spend some time volunteer teaching after receiving his bachelor's degree. With travel funded by MSF he is now teaching at the BCU School in Kalimantan.

Andrini Tristiawati and Yuli Setiawan from Semarang, Indonesia received grants to attend the 2007 Australian National Congress and a Spirit of Enterprise meeting for youth. Benefits from their trip have been evident in the Semarang group with renewed activity and energy among the young Subud members. Also, a Subud enterprise connection was established for the export of teak from Indonesia to Australia.



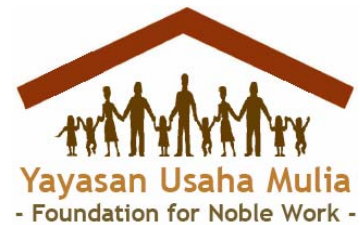
For more information on the Youth Travel Fund, please contact Hamilton Manley at himanfam3@aol.com or Rhyana Blakeley at rhyanablakeley@yahoo.co.uk

Review of 2007 continued

- Social and Humanitarian Projects

Yayasan Usaha Mulia / Foundation for Noble Work (\$26,271)

Yayasan Usaha Mulia (YUM), a social foundation established in Indonesia in 1975, initiated a new project in 2007 called "Talent Development Scholarships". The funding provided by the Muhammad Subuh Foundation enabled YUM to provide scholarships and a living allowance for six young people from poor families - three in Java and three in Central Kalimantan - to pursue university studies. Fifty primary school students in Central Java and Central Kalimantan were also sponsored to enable them to attend primary school in their area. Funding was provided from the revenues of the Lucienne & Feri Farkas Fund.



For detailed information about YUM, please visit: www.yumindonesia.org.

Indonesia flood relief (\$1,000)

MSF donated \$1000 to Susila Dharma Indonesia (SDI) to aid victims of the severe floods that occurred in Jakarta, Indonesia on February 2, 2007 during which over 70,000 homes were flooded, resulting in the displacement of some 200,000 people. The flooding caused much suffering and loss, especially among those who live in extreme poverty along the banks of Jakarta's many rivers and streams.

SDI, with teams of volunteer Subud youth, focused its relief efforts on children aged five or under in the Rawa Indah, Pengasaan area of North Jakarta where flooding was waist deep. SDI gave fifty sacks of powdered milk, bringing nutritional sustenance to the small children of about 150 families staying in emergency tents.

SDI also gave fifty sacks of milk to the residents of the Terogong area of South Jakarta, as well as cash assistance to several of the hardest hit of the 41 Subud families located by SDI who were victims of the flooding.



For information on Susila Dharma Indonesia, please visit: www.susiladharmaindonesia.org/members_asia_indonesia.html

DRC representative travel (\$1,000)

The Foundation contributed to the travel expenses of Charlotte Ndona, Chair of Susila Dharma DRC, to enable her to attend the Ascot meeting, where the DRC was high on the Foundation's agenda. Charlotte provided important input on the Strategic Action Plan for the DRC, which was approved in Ascot.

Review of 2007 continued

- Subud Houses

Seattle, U.S.A. (\$20,000)

Subud Greater Seattle, located near downtown Seattle, with a spectacular view of the skyline and easy access to public transportation, has been undergoing renovations since 2004. The house has been painted, the siding repaired, new energy efficient windows have been installed as well as new doors and a new roof. This was possible due to a loan of \$40,000 from the Subud USA House Fund.

The most serious problem was the wiring. With an MSF grant of \$20,000 which has been fully matched by local donations, new electrical service panels were installed.

A theme of the construction has been “keep it Green” so green building materials have been used in the renovation where possible. Completed space will be used to host an Ecology workshop. The goal is to rent the space to bring in additional revenue to support the remodeling. This workshop should bring very good exposure to the building as a rental space, its Green aspects being a feature benefit.

With renovations slated for completion by Summer, 2008 Subud Greater Seattle expects to have an Open House inviting all Subud members as well as other community members to celebrate as well as to introduce the house as a new meeting space.



For more information on Subud Greater Seattle, please contact:

Marston Gregory at marstongregory@msn.com

Malang, Indonesia (\$15,000)

The Malang Subud Group in East Java was established in the 1950s and has about 132 members. They met in one rented premises after another until 2007 when they moved into their own house. In 2004 a member donated about 200 square meters of land to the group. The group collected about a third of an estimated US\$45,000 cost to build a Subud hall on this land and used it all to build the base structure.

With a grant from the Muhammad Subuh Foundation, the group continued construction of the hall to the point where it can be used for latihan and meetings. The next step is to use MSF loan funds for the construction of the second floor and the completion of both floors. The group is already using the first floor for enterprises that will help the group repay the MSF loan. If all goes as planned, the Latihan Hall, Malang, will be officially opened by the Indonesian National Chair in June 2008.



For more information on Subud Malang, please contact:
Mula di Hantoro muladihantoro@yahoo.com

Review of 2007 continued

Lisbon, Portugal - (\$20,000 loan in 2004; converted into a grant in 2007)

An old factory space was purchased and renovated for Subud Portugal with the financial assistance of the Muhammad Subuh Foundation and others.

The building is in a good location close to public transport, restaurants and shopping areas. There is 300 square meters on the second floor of the building suitable for latihan. In addition, the centre now includes a reception area, a cafeteria, toilets and changing rooms, and a medium-size meeting room. On the floor above are the offices of two Subud enterprises.



For more information on Subud Lisbon, contact Muchtar Martins: muchtar.martins@tuatara.pt

Mayenne, France (\$13,000)

Towards the end of September 2006, after a lengthy search, the group found a small house that needed renovation and seemed adequate for their needs, and cost only €27000. The members of the group raised some €8000, enough for a deposit. Subsequently, the house was acquired in the name of Subud France, financed by donations from members in France and Britain and shares held by Subud France.

With a grant from the Muhammad Subuh Foundation, the group has renovated the house. Except for the car park, all renovations were done by Subud members free of charge. They plan to put in two small bedrooms, a toilet, shower, and kitchen. This will enable them to rent out the property to raise funds for its upkeep. The building, while small, is in a beautiful setting. It will be suitable, eventually, for workshops on subjects such as personal development. The land on which it stands is spacious enough for camps.



For more information on Subud Mayenne, contact Richard Harvey: rima_harvey@yahoo.fr

Review of 2007 continued

Updates by Region

- **Zones 1 and 2 (Asia Pacific)**

The Subud house in Central Jakarta (Indonesia) that was partly funded by the Muhammad Subuh Foundation is used regularly by 30-40 members. To cover maintenance costs, the house is rented out for weddings and one room is used for a small enterprise. Monthly Posyandu meetings (health service volunteers together with mothers and their babies) are held there as well as a way to reinforce good community relations.

Purwokerto (Indonesia): After construction of a Subud house, partially funded by the Muhammad Subuh Foundation, the group in Purwokerto has grown to 80 members and is holding many community meetings (Christmas celebrations, teachers' meetings, National Day celebrations, etc.). In addition, the house is being used as a kindergarten.

- **Zones 5 and 6 (Africa)**

An Action Plan for DR Congo was agreed with WSA and Susila Dharma International Association in August 2007 during the meetings in Ascot (U.K.). It includes: (1) Capacity development of Subud organizations, (2) Review of material needs of the membership, (3) Review the need of Subud families to educate large families, (4) Support to social projects and improving local project management, and (5) Emergency needs of Subud members.

As part of this program, the Muhammad Subuh Foundation will be assisting groups in DR Congo in need of latihan premises and will consider the possibility of helping towards the rent of premises rather than purchasing land and building a house, when the latter does not seem a viable option.

A similar approach will be taken in Nigeria where the need for latihan premises is also great.

- **Zone 7 (North America)**

Puebla (Mexico): Inaugurated on the 15th of April 1964, during the first Subud National Congress in Mexico, and renovated with MSF funding in 1997, this was the first Subud house in the Americas and the third in the world. Besides being used for local, national and even international meetings, the house also hosts training sessions organized by Usaha Mulia Abadi - a social project running educational workshops for children and vocational trainings for adults.

Further updates on houses and projects having received funding from the Muhammad Subuh Foundation can be found at <http://www.msubuhfoundation.org>.

V. Priorities for 2008

As the development of Subud is the cornerstone of the Muhammad Subuh Foundation, the foundation will be more active in assisting groups applying for funding of a Subud house. Particular attention will be paid to Subud groups in Africa.

Projects under consideration are:

Support for rental of latihan premises in

- Nigeria (Lagos, Calabar & Ibadan)
- DRC Congo (Kinshasa & Matadi)
- Lebanon (Beirut)

Adi Puri - renovation of Bapak's house in Wisma Subud, Indonesia

Muhammad Subuh Centre - renovations; Kalimantan, Indonesia

Palangkaraya Subud House - renovations; Kalimantan, Indonesia

Surabaya Subud House - renovations; Indonesia

Amanecer - renovations; Colombia

La Florida Subud House - purchase; Santiago, Chile

Budapest Subud House - purchase; Hungary

Susila Dharma International - support for Africa Action Plan

Yayasan Usaha Mulia - scholarships; Indonesia

Usaha Mulia Abadi - education centre; Mexico

In 2008, the Muhammad Subuh Foundation will aim to strengthen cooperation with WSA, National committees and WSA wings, MSF Liaisons, Yayasan Muhammad Subuh, Yayasan Subud, and Fundacion Amanecer.

The Trustees are aware that the Muhammad Subuh Foundation needs to be more proactive in promoting the purpose of the Foundation and, to that effect, will be sending monthly e-NEWS starting in January 2008, will publish a new brochure, improve its website (<http://www.msubuhfoundation.org>) and will make more frequent presentations during National Congresses and other Subud venues.

To maintain the momentum of funding more projects, the Foundation will become more active in seeking contributions from enterprises, members' bequests and donations. The Trustees will collect information on estate tax laws applicable in different countries so that both members and their legal advisers have adequate information to structure a bequest to the Muhammad Subuh Foundation in the simplest and most tax-effective manner.

The Trustees also plan to call on experts to advise them on Planned Giving, a fundraising strategy that has been most successful for many non-profit organizations, and investments (including socially responsible investments).

VI. Financial Review of 2007

There are several aspects to sound financial management - the application of appropriate expertise, a spending policy which determines the proportion of income/capital spent each year, and a policy which determines how funds are invested.

The objective of a foundation is to accumulate a substantial pool of capital from which to fund projects. The distribution of this pool of capital is determined by a "spending policy". Most foundations spend only a portion of their income and no capital. However, the 1997 Subud World Congress approved a generous policy of the Muhammad Subuh Foundation spending up to 15% of the Muhammad Subuh Foundation's free liquid assets each year (except in the case of endowment funds), plus current year income.

This policy intends to strike a balance between the wish to fund the maximum number of projects while at the same time preserving an adequate capital base. It is hoped that the visible results of the Muhammad Subuh Foundation's work will also encourage further contributions.

The Foundation has three Permanently Restricted Funds:

1. The Bapak Legacy Fund

The Bapak Legacy Fund was established in 2001 by Subud USA to ensure a financial basis for Subud in the future and was, by mutual agreement, made a part of the Muhammad Subuh Foundation. This fund is for contributions and bequests where only the annual income can be used, with the capital permanently preserved.

2. The Lucienne & Feri Farkas Endowment Fund

The Farkas Fund was established in 1995 to honor the lives of Lucienne & Feri Farkas. This fund has two objectives: the promotion of Bapak's talks and educational support for young people.

3. The Leonard & Aisyah Parker Fund

This fund was established in memory of Leonard and Aisyah Parker. The revenues are for the benefit of Subud Australia, to be spent for purposes decided in consultation with the Australian National Committee.

The Foundation also holds earmarked and designated funds for Subud houses, humanitarian projects, youth support as well as for other purposes in accordance with donor instructions.

VII. Financial Statements

THE MUHAMMAD SUBUH FOUNDATION Provisional Financial Report 2007

	<u>2007</u>	<u>2006</u>
<u>Statement of Activities</u>		
<u>Income - Unrestricted</u>		
Cash		
Individual donations	\$ 3,636.00	\$ 18,323.00
Enterprise donations	\$ 1,500.00	\$ 99,271.00
Legacies, Bequests	\$ 27,374.00	\$ 16,354.00
Dividends, Interest	\$ 20,633.00	\$ 204,621.00
	\$ 53,143.00	\$ 338,569.00
Non-Cash		
Legacies, Bequests	\$ 119,328.00	\$ -
 <u>Income - Restricted</u>		
Cash		
Muhd. Subuh Centre	\$ 1,800.00	\$ 1,700.00
Bapak Legacy Fund Canberra	\$ 90,704.00	\$ 40,360.00
Various	\$ -	\$ 2,500.00
	\$ 83,538.00	\$ 46,483.00
Non-cash		
Bapak Legacy Fund	\$ -	\$ -
 <u>Total income</u>	 <u>\$ 264,975.00</u>	 <u>\$ 385,052.00</u>
Assets released from restr.	\$ -	\$ 2,245.00
less: unused restr. Funds	\$ -	\$ (108,981.00)
 <u>Grand total</u>	 <u>\$ 264,975.00</u>	 <u>\$ 278,316.00</u>
 <u>Spending</u>		
Grants made		
Subud houses		
Seattle	\$ 20,000.00	\$ -
Lisbon	\$ 20,000.00	\$ -
Mayenne	\$ 13,000.00	\$ -
Malang	\$ 15,000.00	\$ -
MSC, Kingantoko, Dnepro	\$ 7,532.00	\$ 10,106.00
Depreciation	\$ 6,715.00	\$ 6,715.00
	\$ 82,247.00	\$ 16,821.00
 Wings' projects		
KUU Learning	\$ 26,271.00	\$ -
Various social	\$ 2,000.00	\$ 2,500.00
Youth Fund	\$ 3,950.00	\$ 13,773.00
2006: RSFA, YES	\$ -	\$ -
	\$ 32,221.00	\$ 16,273.00

Financial Statements continued

	2007	2006
<u>WSA/ISC long-term projects</u>		
Archives/TPU	\$ 15,000.00	\$ 15,000.00
History of Subud	\$ 10,000.00	\$ 10,000.00
CST/Intl. Almoners	\$ 5,000.00	\$ 5,000.00
Kejiwaan/Human Activities	\$ 30,100.00	\$ 20,000.00
	\$ 60,100.00	\$ 50,000.00
Other projects		
<u>Subud Australia</u>	\$ 89,637.00	\$ -
<u>Total Project Expense</u>	\$ 264,105.00	\$ 83,094.00
<u>Management & General</u>		
Travel/Meetings	\$ 9,051.00	\$ 8,413.00
Fees/Allowances	\$ 5,592.00	\$ 4,835.00
Office cost	\$ 4,365.00	\$ 1,133.00
Bank charges	\$ 1,174.00	\$ 1,340.00
Credit card charges	\$ 672.00	\$ 571.00
Audit	\$ 8,241.00	\$ 7,939.00
	<u>\$ 29,095.00</u>	<u>\$ 24,231.00</u>
Total spendings	\$ 293,200.00	\$ 107,325.00
<u>Income less spendings</u>	\$ (28,325.00)	\$ 170,991.00
Various profit/loss		
Unrealized Gains (Losses)	\$ 822,642.00	\$ -
Realized loss on investments	\$ (48,229.00)	\$ -
Freefall Uncollectible Debts	\$ 15,000.00	\$ -
Currency differences	\$ 36,356.00	\$ 12,850.00
	<u>\$ 825,769.00</u>	<u>\$ 12,850.00</u>
Year surplus/(loss)	<u><u>\$ 797,444.00</u></u>	<u><u>\$ 183,841.00</u></u>

Financial Statements continued

THE MUHAMMAD SUBUH FOUNDATION

Provisional Financial Report per 31 December 2007

Balance sheet	31.12.2007	31.12.2006
Cash	\$ 2,090,836.00	\$ 1,915,099.00
Listed investments	\$ 142,407.00	\$ 402,746.00
Unlisted investments	\$ 1,416,715.00	\$ 435,258.00
Loans for Subud houses	\$ 27,919.00	\$ 50,208.00
Loan to YMS	\$ 56,918.00	\$ 56,405.00
Properties		
Amanecer Main Hall	\$ 238,982.00	\$ 238,982.00
Archive House Cilandak	\$ 31,000.00	\$ 31,000.00
less: depreciation	<u>\$ (101,706.00)</u>	<u>\$ (94,991.00)</u>
	\$ 168,276.00	\$ 174,991.00
Debtors	\$ 54,361.00	\$ 77,923.00
Long Term Loans	<u>\$ 310,947.00</u>	<u>\$ 301,542.00</u>
	\$ 4,268,379.00	\$ 3,414,172.00
less:		
Current liabilities	<u>\$ 205,478.00</u>	<u>\$ 148,716.00</u>
	<u>\$ 4,062,901.00</u>	<u>\$ 3,265,456.00</u>
Net Assets		
Permanently restricted		
Farkas Fund	\$ 460,000.00	\$ 460,000.00
Bapak Legacy Fund	\$ 411,189.00	\$ 342,789.00
L. & A Parker Fund	\$ 74,541.00	\$ 75,000.00
	\$ 945,730.00	\$ 877,789.00
Temporarily restricted	\$ 351,965.00	\$ 656,157.00
Unrestricted		
General Fund	\$ 1,383,867.00	\$ 1,329,331.00
Capital Preservation Fund	\$ 1,368,739.00	\$ 385,629.00
Youth Support Fund	\$ 12,600.00	\$ 16,550.00
	<u>\$ 2,765,206.00</u>	<u>\$ 1,731,510.00</u>
Total Net Assets	<u>\$ 4,062,901.00</u>	<u>\$ 3,265,456.00</u>
Temporarily restricted funds		
MSC	\$ 700.00	\$ -
PTSW/Amal	\$ -	\$ 500.00
ESI - Australia	\$ 21,728.00	\$ 177,506.00
ESI- WSA	\$ 100,000.00	\$ 177,506.00
Subud House Fund	\$ 167,000.00	\$ 235,000.00
Subud Australia	\$ 16,342.00	\$ 16,342.00
Humanitarian (Farkas Fund)	\$ 24,516.00	\$ 49,203.00
ISC	\$ -	\$ 100.00
WSA (from BLF)	\$ 21,679.00	\$ -

Financial Statements continued

SOME COMMENTS TO THE PROVISIONAL FINANCIAL STATEMENTS 2007

The year 2007 (provisionally) shows an amazing surplus in the Profit & Loss account (P&L) of almost US\$800,000. The two main elements in that result are PT S Widjojo (PTSW) and Kalimantan Investment Corporation (KIC).

In February 2007, PTSW shareholders agreed to a sale of the company at a price which was, in early 2008, specified at \$ 2.70 (and later \$ 3.10) per share. In recent years MSF's participation in PTSW had been valued at zero, so this new situation resulted in an increase in value of \$ 646,041 (including a significant parcel of shares received during the year from a legacy). Although contracts still have to be finalized, a fair expectation is that payout will take place around the middle of the year.

KIC shareholders approved a proposal to exchange their KIC shares for Kalimantan Gold Corporation (KGC) shares on a 1:4 ratio, resulting in an increase in book value of \$ 335,416. As the joint venture with the Australian company Oxiana fell through at the end of 2007, the future of Kalimantan Gold Corp., and thus of MSF's participation in that company, is just as uncertain as before.

During 2007, the estate of Rosanna Marston was settled and the Foundation received, after the initial payment in 2006, a further \$ 104,562, of which \$ 80,188 was earmarked for the Bapak Legacy Fund.

Dividends/Interest are sharply down in comparison with 2006 due to the uncertainties that hit the stock and bond markets in the second half of 2007. They amounted to about \$ 31,000 in total, half of which for accounting reasons has been booked under Unrealized Gains.

It is recommended that the Financial Advisory Panel be activated urgently in order to consider what the best strategy is for the Foundation in these financially turbulent times.

The ESI options (earmarked for WSA and Subud Australia) lost about \$ 200,000 of their value during the year. Subud Australia decided to cash in and sold the majority of their part of this donation. The options expire by November 2008.

The Foundation sold off a number of small participations in various companies just before the market went down.

On the expense side the Foundation seems to have gone considerably over budget for Subud houses (\$ 82,247 against \$ 60,000). However, the \$ 20,000 for Lisbon was in fact already approved in 2003, MSC etc. \$ 7,532 are either earmarked donations or skeletons from the past (Dnepropetrovsk, Kingantoko), and Depreciation, \$ 6,715, is not included in the budget as it has no cash implications. If these amounts are deducted from the total we are well within respectable limits.

The support for Subud Australia, \$ 89,637, is the total revenue of Subud Australia's sale of its ESI shares. Technically speaking, it is compensated by the free-falling of the same amount from the Temporarily Restricted Funds, so for the P&L the result is neutral.

Management & General is well over budget, mainly by relatively high legal fees and the unbudgeted cost of an administrator (included under office costs).

The Freefall Uncollectible Debts, \$ 15,000, is the result of an anonymous philanthropist paying off in full the debt of Subud Cherkassy, for which we had made a provision for the full \$ 15,000.

The Currency Differences (\$ 36,356 surplus) are the consequence of the steady weakening of the US\$ against the Euro and other currencies. They are a double-edged sword.

Leonard van Willenswaard
Trustee / Treasurer
MUHAMMAD SUBUH FOUNDATION

VIII. Report of the Independent Auditors

The report from the independent auditors will be available upon request.

Office:

P.O. Box 8571
3009 AN Rotterdam
Netherlands

Tel: 31-10-2271865
Fax: 31-10-2849307

Email: umswikic@euronet.nl

<http://www.msubuhfoundation.org>

Bankers:

ABN AMRO Bank
Duikerlaan, Capelle/Yssel,
Netherlands
a/c 51.21.50.710
SWIFT: ABNANL2R

Auditors:

Ernst & Young,
Accountants

Registration:

Virginia, U.S.A. 501(c)3
Non Profit Organization
No. 52-1742864