



MUHAMMAD SUBUH FOUNDATION



ANNUAL REPORT 2010

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Annual Report 2010

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Cover photo & above: Subud members paying their respects at Bapak's gravesite, Suka Mulya, Indonesia. Photos by Lillian Shulman

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MUHAMMAD SUBUH FOUNDATION

Our Mission

The Muhammad Subuh Foundation honors
the name of the founder of Subud,
Bapak Muhammad Subuh
Sumohadiwidjojo.
It serves to build a lasting financial capacity
for the Subud community,
with emphasis on the long-term aims
of the World Subud Association.

Who we are

Established in 1991 by the World Subud Association to serve as the repository for legacies and bequests of Subud members, the Muhammad Subuh Foundation acts as a grant-making body to further the aims of Subud.

The Foundation acts on behalf of approximately 1,000 donors who deeply care for humanity and who therefore desire to see Subud continue to develop in the world.

To date, the majority of the Muhammad Subuh Foundation's charitable giving is focused on assisting Subud groups to obtain and improve their meeting facilities, as well as supporting social projects in conjunction with Susila Dharma International Association.

What we do

The Muhammad Subuh Foundation supports the development of Subud by providing financial assistance in a wide-range of areas, including social and humanitarian work, cultural endeavors, and youth projects - to improve the lives of our fellow human beings in meaningful ways.

This support is in addition to providing for the long-term needs of Subud such as meeting places, archives, & strengthening the capacity of our organization.

However, the Muhammad Subuh Foundation is more than a mechanism for giving. The Foundation works as a partner for donors, helping to identify where donations can have the greatest impact, guiding donors through each complex step involved in international philanthropy.

The Muhammad Subuh Foundation makes the process easy for donors, while implementing due diligence to ensure that grants are distributed effectively and have maximum impact, all the while staying in strict compliance with U.S. laws and regulations governing charitable giving internationally.

Chairman's letter

I am glad to report that despite many challenges the year 2010 was reasonably successful for the Muhammad Subuh Foundation. In January four out of seven trustees had been newly elected to the Board, which immediately set out to learn about and continue the programmes and projects initiated and developed by the previous Board of Trustees. At the same time ways and means to strengthen the Foundation were explored with the aim to improve its ability to serve the long term development of Subud.

As described in more detail in this report the Foundation was able to pursue its objective by funding a number of worthwhile programmes and projects with a total amount of about US\$190,000. Funds were granted to five Subud Houses in Nigeria, DR Congo, Colombia and Ukraine. In cooperation with Susila Dharma International Association funds were also granted to the International Child Development Project (ICDP) and the Lemba Imbu Community Health Centre Project in the DR Congo. Grants awarded to the Subud Education Fund were used for scholarships to students in Indonesia, Colombia and the DR Congo. The Foundation also contributed a grant towards revamping the website of Subud International Cultural Association, and as every year the World Subud Association received a sizable grant for its long term programmes.



A new investment policy and strategy, developed by the Foundation's Investment Advisory Committee, was executed. The objective was to create a balance between the risks from increasingly volatile financial markets and achieving acceptable returns, as well as reducing fund management costs.

Also the Foundation's Policy on International Giving was reviewed with assistance from a reputable US law firm. While the new policy unfortunately increases the work load both for the MSF management and the grantees when preparing grant documentation, it is nevertheless essential in order to comply with today's more stringent and complex laws and regulations.

Over the last five years the Muhammad Subuh Foundation has granted more than US\$900,000 to programmes and projects serving its purpose. During the same period its net assets grew by 13% or in average 2.5% per year. This was possible thanks to donations and bequests from a large number of persons supportive of the Foundations aims, but also because in earlier years administrative expenses were kept low. However looking forward, the future seems to offer some challenges. The need for a stable and professional management of the Foundation has increased and this means increased costs. While in 2008 and 2009 around 15% of income was spent on internal administration, in 2010 it was 30%. But in 2010 donations from private persons and particularly enterprises also shrunk dramatically. This is a cause of concern because in the past five years almost half of the income came from private and enterprise donations. The Foundation's net asset base of about US\$3.7 million by the end of 2010 can only produce a modest income and selling off assets would endanger its long term objectives. In other words: the future potential of the Foundation's ability to serve its aims to a large degree depends on our joint ability to attract more donations.

And at the same time we look forward with great interest to learn about both new and established projects that can help develop Subud long term and support

social and humanitarian developments. Let us know how MSF can assist when putting them into reality or taking them to the next level.

We are proud of and grateful to our committed donors and friends who over the years have supported our many projects. With your continued grants and backing I am confident that the Foundation will be able to maximize the social impact of your donations.

I wish my successor, Bachtiar Lorot, the trustees and the management team all the best and much success in the further development of the Muhammad Subuh Foundation.

Samuel Simonsson
Trustee and Chairman 2010 - March 2011
Muhammad Subuh Foundation



Hamilton Chaffee
Haryanto Truong
Marcella Cooke
Estate of Riduan Tomkins
Sermin & Hassan Fehmi
Victor & Shoshanah Margolin
Rohana & Abdurrachman Mitchell
Mahrus and Hamidah Herhacker
Ir. Muhammad Mustafa Syafrudin Achmad
David McCormack
Laura White
Lillian Shulman
Simon Davis
Dahlan Simpson
Subud Austria

Raymond North
Rosalind Longridge
Estate of Frank Harry Marchant
Ibu Hardiyati Syafrudin
Ibu Siti Rahayu Wiryohudoyo
Bamabang Sumenang, DRS
Bambang Soetedjo, DRS
Oakley & Rohana McLaughlin
Icsan & Roosmiwati Reynolds
Hasan & Malama MacNeil
Mashuri Warren & Istafiah Bevier
Raymond & Jane Prescott
William Thomas Henry Old
Marie Ethel Green (deceased)
Edmund John Green (deceased)

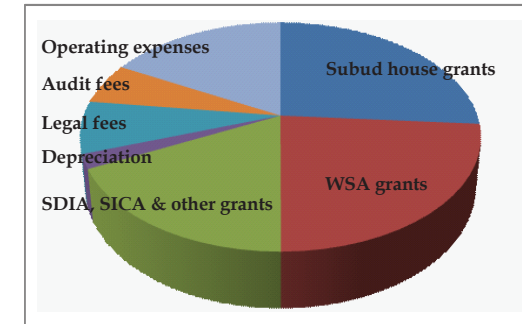
Samuel & Helena Gudgeon
Arthur (Ramsay) Horsnall (deceased)
Rosana Marston (deceased)
Larissa von Hahn (deceased)
Rachiman Gintzburger (deceased)
Hilde Honningstad
Estate of Masaaki Koichi Abe
Lucian & Hannah Parshall
Dr. Patrick McClure
Hermine Rutz
Lorna Mitchell
Helma Laurian
Duccio Bassi
Medwin Lehman
Estate of Aisah Parker

Lamont & Heidi Lear
Rohana Hutchings
Rev. Rohana Laing
Ronald (Simon) Davis
S Dwijosoemarmo
Maliat Kustur
Huneko Toshiko Abe
Husein Jethabhai Patel
Ngadiri Sentonoardjo
Lusijah Marx
Lavinia Swanson

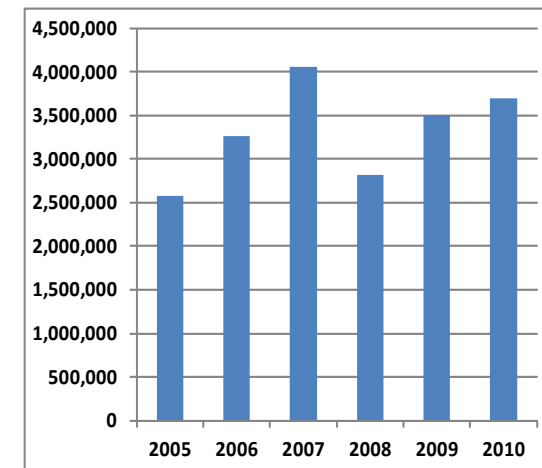
Financials

The Muhammad Subud Foundation Statement of Financial Position
December 31, 2010
 (With summarized financial information for Fiscal Year 2009)
U.S. Dollars

	2010	2009
Assets		
Cash Available for Current Use	\$ 1,580,897	\$ 1,500,332
Accounts Receivable & Prepayments	\$ 53,124	\$ 54,645
Investments	\$ 1,707,995	\$ 1,652,537
Notes Receivable Long Term	\$ 231,137	\$ 270,546
Notes Receivable from Subud Organisations	\$ 96,168	\$ 82,700
Land and Buildings Net of Accumulated Depreciation	\$ 143,172	\$ 148,647
TOTAL ASSETS	\$ 3,812,493	\$ 3,709,407
Liabilities & Net Assets		
<u>Liabilities</u>		
Loans from Trustees	\$ 15,000	\$ 15,000
Euro loan	\$ 90,950	\$ 97,920
Distributable Grants	\$ 3,467	\$ 16,285
Accounts payable	\$ 9,839	\$ 76,185
Total Liabilities	\$ 119,256	\$ 205,390
<u>Net Assets</u>		
Unrestricted - Capital Use Fund	\$ 2,346,123	\$ 2,331,462
Unrestricted - Designated as Education Fund	\$ 5,000	\$ -
Unrestricted - Designated as Youth Support Fund	\$ 11,000	\$ 11,000
Total Unrestricted Net Assets	\$ 2,362,123	\$ 2,342,462
Temporarily Restricted	\$ 155,169	\$ 264,032
Permanently Restricted - Permanent Capital Fund	\$ 1,175,945	\$ 897,523
Total Net Assets	\$ 3,693,237	\$ 3,504,017
TOTAL LIABILITIES AND NET ASSETS	\$ 3,812,493	\$ 3,709,407



*Total Expenditures
Fiscal Year 2010*



Net Assets 2005 - 2010

A complete copy of the Muhammad Subud Foundation's audited financial statements is available upon request.

Financials

The Muhammad Subuh Foundation Statement of Financial Position

December 31, 2010

(With summarized financial information for Fiscal Year 2009)

U.S. Dollars

	Unrestricted 2010	Temporarily Restricted 2010	Permanently Restricted 2010	Total 2010	2009
Support and Revenue					
Contributions from Subud Members	\$ 2,231	\$ 7,432	\$ 200	\$ 9,863	\$ 201,718
Contributions from Enterprises	\$ -		\$ -	\$ -	\$ -
Grants	\$ -		\$ -	\$ -	\$ -
Legacies & Bequests	\$ -	\$ 4,567	\$ 241,219	\$ 245,786	\$ 40,791
Dividends and Realized Gains	\$ -	\$ -	\$ -	\$ -	\$ 49,124
Interest Revenue	\$ 14,069	\$ -	\$ 2,247	\$ 16,316	\$ 14,838
Miscellaneous	\$ 253	\$ -		\$ 253	\$ -
	<u>\$ 16,553</u>	<u>\$ 11,999</u>	<u>\$ 243,666</u>	<u>\$ 272,218</u>	<u>\$ 306,471</u>
Net Assets Released from Restrictions	<u>\$ 123,721</u>	<u>\$ -123,721</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL SUPPORT AND REVENUE	\$ 140,274	\$ -111,722	\$ 243,666	\$ 272,218	\$ 306,471
Expenses					
Programs:					
Grants for Subud houses	\$ 71,247	\$ -	\$ -	\$ 71,247	\$ 44,000
Grants to World Subud Association	\$ 64,740	\$ -	\$ -	\$ 64,740	\$ 50,603
Grants - Other	\$ 48,212	\$ -	\$ -	\$ 48,212	\$ 97,466
Depreciation Expense on Long-Term Assets	\$ 5,475	\$ -	\$ -	\$ 5,475	\$ 5,475
Total Program Expenses	<u>\$ 189,674</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 189,674</u>	<u>\$ 197,544</u>
Management and General	\$ 82,488	\$ -	\$ -	\$ 82,488	\$ 49,255
Total Expenses	<u>\$ 272,162</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 272,162</u>	<u>\$ 246,799</u>
Other Gains/Losses					
Unrealized (Gain -)/Loss on Investments	\$ -177,431	\$ -2,859	\$ -29,336	\$ -209,626	\$ -560,843
(Gains -)/Losses on Currency differences	\$ 31,427	\$ -	\$ -5,420	\$ 26,007	\$ -78,187
Other (Gains)/Losses	\$ -5,545	\$ -	\$ -	\$ -5,545	\$ 12,803
TOTAL EXPENSES AND LOSSES	\$ 120,613	\$ -2,859	\$ -34,756	\$ 82,998	\$ -379,428
Change in Net Assets	\$ 19,661	\$ -108,863	\$ 278,422	\$ 189,220	\$ 685,899
Net Assets - Beginning of Period	\$ 2,342,462	\$ 264,032	\$ 897,523	\$ 3,504,017	\$ 2,818,118
Net Assets - End of Period	\$ 2,362,123	\$ 155,169	\$ 1,175,945	\$ 3,693,237	\$ 3,504,017

Funds

Non-Endowment Funds

A non-endowment fund allows both the earnings and the principal of a donation to be used for granting. It is a non-permanent fund.

General Fund (also known as the Annual Programs Fund) provides support for Subud premises, translations, Bapak's talks, archives, infrastructure capacity-building, helper travel, and many other worthy programs of the World Subud Association.

Field of Interest Funds

A field of interest fund allows donors to contribute at any level to particular areas of interest simply by earmarking their donations.

Subud Houses
Archives
Helper Travel
Youth Support

Endowment Funds

An endowment is a permanent fund through which net investment proceeds are available for grant making in perpetuity. An endowment fund at the Muhammad Subuh Foundation is one of the best ways to leave a lasting legacy for Subud.

Bapak Legacy Fund is designed to promote lasting financial capacity for the Subud Association. It is a permanently-restricted fund whose principal is held in perpetuity and only the income and appreciation on the funds may be distributed.

Francois & Lucienne Farkas Endowment Fund supports educational opportunities and programs for young people in need around the world, and helps make Bapak's talks widely available.

Leonard & Aisah Parker Endowment Fund benefits the development of Subud houses in Australia.

Grants

Subud Houses

Subud Calabar, Nigeria

Funding of US\$22,000 was awarded by the Foundation to Subud Calabar for the purchase of a Subud house. The house will provide a meeting space for the members of Subud Calabar: 22 men and 7 women.

Subud Lagos, Nigeria

A \$3,468 grant was made to Subud Lagos to find premises to rent for a couple of years in order to meet and practice the spiritual exercise of Subud. It is hoped that this will strengthen the group, giving them the time and support to then decide where and how to meet in the future. The Subud group, comprising 11 men and 4 women, had been meeting in one of the members' houses three times a week.

Subud Kinshasa, DR Congo

Subud Kinshasa has been meeting and worshipping together for many years now, but in a very small space. About three years ago, during a visit by some members of the Subud World Council, a request for funds was made to MSF for a new and bigger hall. This was deemed to be too costly so a second application was made the following year for a smaller sum which was then granted.

The Kinshasa Subud members meet both in the city and in several small groups dotted around the city. In 2010, they received a grant of \$25,000 and a loan of \$15,000 from MSF to acquire new premises. Unfortunately, due to the economic situation worsening yet again, the price of the house which they had found had increased to such an extent that it became out of reach by the time the money arrived. Another property, responding to the criteria given, was later found and purchased by the group.

Subud Bogota (Teusaquillo), Colombia

Subud Teusaquillo was given a loan of US\$1,500 and a grant of US\$3,500, in August 2010. The purpose of the grant was to renovate the house in order to generate rental income, particularly to renovate the kitchen and bathroom.

Subud Cherkassy, Ukraine

A grant of US\$8,000 was approved by the Foundation to Subud Cherkassy for the purchase of land adjacent to their existing Subud house. The plot of land was acquired and the certificate of ownership was obtained 24th February 2011. The group is active and there are currently 11 men and 16 women, including some new members (5 men and 1 woman) who joined in 2010. The house is still well used with its main purpose being for group meetings to do the spiritual exercise of Subud three times a week. The halls are also rented to various groups, which provides additional income to help pay for utilities.

Grants Projects

Susila Dharma International Association (SDIA)

International Child Development Project (ICDP)

ICDP has developed projects worldwide but most of these projects receive funding directly without contributing to ICDP. A review of ICDP International revealed that the organisation should focus on certain areas such as, among others, the formation of international consultants and increase its fundraising capacity. ICDP therefore approached MSF for funds, via SDIA, to help them build a sustainable operation.

A grant of US\$4,000 from MSF received in 2010 was used to carry out a broad consultation with different stakeholders, and develop a strategic plan and a plan of action. MSF funding, complemented by GHFP funding, was also earmarked for the appointment of a part-time marketing manager. SDIA believed that these approaches would help ICDP find its financial stability during 2012. SDIA reports that the situation of ICDP international has now improved and appears to have better financial prospects.



Susila Dharma International Association (SDIA)

Lemba Imbu Community Health Centre Project, DR Congo

In 2010, MSF provided \$20,000 to support this pilot project, situated on the outskirts of Kinshasa, which is serving an isolated community of about 18,000 people. This MSF grant has been used to cover the activities of MDA in the training of a community network of volunteer health workers, the training of a Community Health committee to manage the centre and the recruitment and training of a team of medical and administrative staff who will operate the centre. An additional MSF grant of \$1400 has been given to cover administrative and management expenses for this initiative such as travelling to the DRC and monitoring this project with other partners.

This is an innovative project, involving a close collaboration between several key partners: SDIA, SD DRC, the Subud Group of Lemba Imbu, the NGO African Doctors (MDA) and the community of Lemba Imbu.





Subud International Cultural Association (SICA)

SICA website development

An application to MSF for a grant of US\$5,000 was made by SICA to complement the funds already raised to revamp the existing SICA website with a content management system to allow multiple users from around the world to add content. Updating and rebuilding that site will enable it to become more accessible and usable. It is hoped that the new site will also provide resources, services, news, inspiration and information. SICA anticipates that it will also provide access to tools for marketing and professional development and be used for networking. It is planned that it will also offer online interactive workspaces for the creative expressions of Subud members. In the words of the SICA chairperson, Latifah Taormina, "We are very grateful for the MSF's grant in support of our creating this new website." The new website www.subud-sica.org was launched in December 2010.



World Subud Association

Talk translations, international helper travel, archives, History of Subud project, and the tape preservation unit

In 2010 MSF provided US\$59,740 to the World Subud Association (WSA) to ensure continued progress in the selected programs of the WSA listed above. These particular programs correspond to the strategic goals of the Muhammad Subuh Foundation, and the Foundation considers these services to have long-term benefit for the development of Subud.

WSA Care Support Team

Subud Education Fund - scholarships

A grant from MSF of US\$5,000 was awarded to the Subud Education Fund (SEF) in 2010. A further US\$3,815 was transferred from the Emergency fund, since it had not been fully used, to add to the MSF grant, making a total amount of \$8,815 for SEF, which was used to assist an Indonesian third-year Nursing School student covering an eight-month internship at a hospital; a Colombian student in Social Work at University; and, 19 DR Congo students including 5 elementary school students, 7 secondary school students, and 7 university level students: 2 civil engineering students, 1 electrical/mechanical engineering student, 2 students at nursing school, and 2 law students.

Board of Trustees & Staff



Samuel Simonsson
Trustee & Chairman



Lawrence Fryer
Trustee & Treasurer



Olivia Reksodipoetro
Trustee



Ismana Haryono
Trustee



Hannah Baerveldt
Trustee



Shyam Wadhwa
Trustee



Luke Pensney
Trustee (ex-officio)



Rayner Sutherland
Executive Director



Elwyn Waugh
Accountant



Lillian Shulman
Administrator

The Muhammad Subuh Foundation is registered in the Commonwealth of Virginia, U.S.A. as a 501(c)3 Non-Profit Corporation, No. 52-1742864

Foundation Auditors: Ernst & Young, Accountants

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

2010 MSF National Liaisons

Australia:	Veronica Kay
Canada:	Lester Sutherland
Colombia:	Samuel Marcks
France:	Annie Tavakilian, Francoise Ivanoff, & Harlinah Chalom
Indonesia:	Aryati Prawoto, Lita Arida, & Luqman McKingley
Japan:	Saodah Kimiko Hayashi
New Zealand:	Judy Gibbs
Norway:	Raymond Hensen
Spain:	Jorge Guerin

Investment Advisory Team

The Foundation draws on the knowledge of experienced financial and investment consultants from around the world who are willing to contribute their advice for the betterment of our Association.

Publications Team

MSF eNEWS Team

Hannah Baerveldt
Lillian Shulman
Valentine Narvey
Rayner Sutherland

Translations Team

Samuel Chapleau	Hector Rivero
Arnaud Delune	Nurlaila Arratia
Francoise Ivanoff	Emmanuel Fajardo
Maryam Roldan	Clemente Solis
Martin Fisco	Sebastian Alvarez Ayala



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