

YAYASAN RUMAH ENERGI

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

A N D

INDEPENDENT AUDITORS' REPORT

**YAYASAN RUMAH ENERGI
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

C O N T E N T S

Directors' Statement

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**DIRECTORS' STATEMENT LETTER
RELATING TO
THE RESPONSIBILITY ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
YAYASAN RUMAH ENERGI**

We, the undersigned :

1. Name : Lina Meutia Moeis
Office address : Jl. Pejaten Barat no. 30A Jakarta Selatan 12550
Domicile as stated in ID Card : Jl. Ancol Timur I no. 8 Bandung
Phone Number : 021-7821086
Position : Chairperson of Yayasan Rumah Energi

2. Name : Husni Irawati
Office address : Jl. Pejaten Barat no. 30A Jakarta Selatan 12550
Domicile as stated in ID Card : Jl. Flamboyan Raya Komp. Setiabudi Flamboyan P-10 Medan
Phone Number : 021-7821086
Position : Finance Manager

State that :

1. We are responsible for the preparation and presentation of the financial statements;
2. The financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standard;
3. All information contained in the financial statements is complete and correct;
4. The financial statements do not contain misleading material information or facts, and do not omit material information and facts;
5. We are responsible for the Organization internal control system.

This statement letter is made truthfully.

Jakarta, 21 November 2017

Chairman

Finance Manager



(Lina Meutia Moeis)

(Husni Irawati)

Yayasan Rumah Energi

Jl. Pejaten Barat No.30A

Jakarta 12550 | Indonesia

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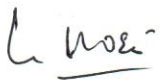
YAYASAN RUMAH ENERGI
STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2016
(Expressed in IDR, unless otherwise stated)

ASSETS	Notes	2 0 1 6	2 0 1 5^{*)}	2 0 1 4^{*)}
Current Assets				
Cash and cash equivalent	4	6,441,352,209	10,919,702,911	15,793,303,550
Grant receivables	5	5,082,832,080	652,623,135	1,703,645,215
Other receivables		26,899,989	21,500,000	219,138,722
Advances	6	1,119,518,319	1,048,074,262	164,317,579
Prepaid rent	7	180,046,295	341,666,667	188,250,002
Total Current Assets		<u>12,850,648,892</u>	<u>12,983,566,975</u>	<u>18,068,655,068</u>
Non-Current Assets				
Fixed assets, net of accumulated depreciation amounted of IDR 327,349,682 (2015: IDR 185,807,230)	8	141,668,620	283,211,072	439,810,583
Long-term investment	9	265,895,030	-	-
Total Non-Current Assets		<u>407,563,650</u>	<u>283,211,072</u>	<u>439,810,583</u>
TOTAL ASSETS		<u>13,258,212,542</u>	<u>13,266,778,047</u>	<u>18,508,465,651</u>
LIABILITIES AND NET ASSETS				
Current Liabilities				
Account payables	10	1,995,075,003	1,849,208,333	1,107,450,000
Grant payables	11	6,449,663,127	7,329,570,817	13,360,623,144
Taxes payables	12	193,238,478	198,890,024	427,118,565
Accrued expense	13	128,487,656	519,011,420	788,633,375
Total Current Liabilities		<u>8,766,464,264</u>	<u>9,896,680,594</u>	<u>15,683,825,084</u>
Non-Current Liabilities				
Provision for employee benefits	18	3,152,012,000	675,335,405	392,154,008
Total Liabilities		<u>11,918,476,264</u>	<u>10,572,015,999</u>	<u>16,075,979,092</u>
Net Assets				
Unrestricted		870,717,976	2,225,743,746	1,963,468,257
Restricted		469,018,302	469,018,302	469,018,302
Total Net Assets		<u>1,339,736,278</u>	<u>2,694,762,048</u>	<u>2,432,486,559</u>
TOTAL LIABILITIES AND NET ASSETS		<u>13,258,212,542</u>	<u>13,266,778,047</u>	<u>18,508,465,651</u>

*) Restated - Note 3

See accompanying Notes to Financial Statements on Exhibit D
which are an integral part of the Financial Statements taken as a whole

Jakarta, 21 November 2017


Lina Meutia Moeis
Director

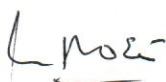
YAYASAN RUMAH ENERGI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2016
(Expressed in IDR, unless otherwise stated)

	<u>Notes</u>	<u>2 0 1 6</u>	<u>2 0 1 5^{*)}</u>
UNRESTRICTED NET ASSETS			
Revenue			
Grant received	14	317,803,753	170,741,220
Expenditure			
General and administrative	17	(2,468,115,021)	(370,200,270)
Other (expense) income			
Other income		713,929,233	638,935,298
Interest income	14	207,935,985	229,526,101
Exchange loss		(126,579,720)	(406,726,860)
Total other (expense) income		<u>795,285,498</u>	<u>461,734,539</u>
(DECREASED) INCREASED IN UNRESTRICTED NET ASSETS		(1,355,025,770)	262,275,489
UNRESTRICTED NET ASSETS AT BEGINNING YEAR		<u>2,225,743,746</u>	<u>1,963,468,257</u>
UNRESTRICTED NET ASSETS AT END OF YEAR		<u>870,717,976</u>	<u>2,225,743,746</u>

*) Restated - Note 3

See accompanying Notes to Financial Statements on Exhibit D
which are an integral part of the Financial Statements taken as a whole

Jakarta, 21 November 2017



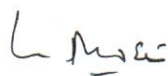
Lina Meutia Moeis
Director

YAYASAN RUMAH ENERGI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2016
(Expressed in IDR, unless otherwise stated)

	<u>Notes</u>	<u>2 0 1 6</u>	<u>2 0 1 5</u>
RESTRICTED NET ASSETS			
Revenue			
Grant received	15	20,154,131,660	18,417,046,451
Expenditure			
Program expenditure	16	(20,178,899,604)	(18,423,259,659)
Other income		<u>24,767,944</u>	<u>6,213,208</u>
INCREASED IN RESTRICTED NET ASSETS			
		-	-
RESTRICTED NET ASSETS AT BEGINNING OF YEAR		<u>469,018,302</u>	<u>469,018,302</u>
RESTRICTED NET ASSETS AT END OF YEAR		<u>469,018,302</u>	<u>469,018,302</u>

See accompanying Notes to Financial Statements on Exhibit D
which are an integral part of the Financial Statements taken as a whole

Jakarta, 21 November 2017



Lina Meutia Moeis
Director

YAYASAN RUMAH ENERGI
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016
(Expressed in IDR, unless otherwise stated)

	<u>2 0 1 6</u>	<u>2 0 1 5^{*)}</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
(Decrease) increase in net assets	(1,355,025,770)	262,275,489
Adjustment for:		
Depreciation of fixed assets	141,542,452	156,599,511
Provision for employee benefit	<u>2,476,676,595</u>	<u>283,181,397</u>
Operating cash flow before changes in working capital	1,263,193,277	702,056,397
Decrease (increase) in assets:		
Grant receivables	(4,430,208,945)	1,051,022,080
Other receivables	(5,399,989)	197,638,722
Advances	(71,444,057)	(883,756,683)
Prepaid rent	161,620,372	(153,416,665)
(Decrease) increase in liabilities:		
Account payables	145,866,670	741,758,333
Grant payables	(879,907,690)	(6,031,052,327)
Taxes payable	(5,651,546)	(228,228,541)
Accrued expenses	<u>(390,523,764)</u>	<u>(269,621,955)</u>
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	<u>(4,212,455,672)</u>	<u>(4,873,600,639)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Investment to PT Inovasi Daya Lestari	<u>(265,895,030)</u>	<u>-</u>
NET DECREASE IN CASH AND CASH EQUIVALENT	<u>(4,478,350,702)</u>	<u>(4,873,600,639)</u>
CASH AND CASH EQUIVALENT AT BEGINNING OF THE YEAR	<u>10,919,702,911</u>	<u>15,793,303,550</u>
CASH AND CASH EQUIVALENT AT END OF THE YEAR	<u><u>6,441,352,209</u></u>	<u><u>10,919,702,911</u></u>

See accompanying Notes to Financial Statements on Exhibit D
which are an integral part of the Financial Statements taken as a whole

**YAYASAN RUMAH ENERGI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
(Expressed in IDR, unless otherwise stated)**

1. GENERAL

Yayasan Rumah Energi (“YRE”) is a local Non-Government Organization (NGO) which operates based on social and humanist values to support Indonesian families by facilitating and enhancing access to new and renewable energy and contribute to improve food welfare and encourages the Indonesian sovereignty in food and energy welfare in general.

YRE was established and has started its activities on 19 November 2012 based on Notarial Deed No. 25 of Public Notary Ms. Dewi Tenty Septi Artiany, SH, M.kn and legally registered under the Ministry of Justice and Human Rights on 13 May 2013 with aims to give a response for better access to affordable food and energy and to address unsustainable use of fossil fuels and the impact of climate change, as well as to help people to empowered in manage their natural resources. The articles of Organization have been amended several times, the latest by Notarial Deed of Ms. Putu Asti Nurtjahjati, SH dated 8 April 2015 related to changes in Organization’s structure.

YRE’s first activity was done through a collaboration with Hivos ROSEA Foundation in implementing the Indonesia Domestic Biogas Programme (BIRU Programme) which was funded by the Dutch Government, with technical support from SNV (Netherlands Development Organization) in Lampung, West Java, Central Java, Special Region of Yogyakarta, Denpasar, West Nusa Tenggara (Lombok and Sumbawa), East Nusa Tenggara and South Sulawesi provinces. The BIRU programme seeks to distribute biogas digesters as a local sustainable energy source by developing a commercial, market-oriented sector in selected Indonesian provinces. The financial support from the Dutch Government ended at the end of 2013.

Start from February 2013, YRE through Hivos ROSEA Foundation also received contribution from Energizing Development (Endev) to implementing the Indonesia Domestic Biogas Programme in East Java.

When implementing the Indonesia Domestic Biogas Programme, YRE works with local NGOs, cooperatives and small-medium entrepreneurs.

YRE is responsible for the program implementation and managing the partner Organizations. YRE assesses and selects the partners, implements comprehensive monitoring measures and conducts regular evaluation for its programme. YRE also provides the partners with necessary capacity building support.

Since established, YRE has developed close coordination with the Indonesian Government, especially the Directorate Bio-energy at the Ministry of Mineral and Energy Resources (MEMR) and International donor agencies. Together with Hivos ROSEA Foundation as the leader of Organization, YRE plays as key role in developing biogas sector in Indonesia.

The composition of the Board of the Organization, as of 31 December 2016 and 2015, are as follow:

	<u>2 0 1 6</u>	<u>2 0 1 5</u>
Board of Trustees		
Chairman	: Robert De Groot	Robert De Groot
Members	: Shinta Laksmi M. Ratna Ariati F.L	Shinta Laksmi M. Ratna Ariati F.L

YAYASAN RUMAH ENERGI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
(Expressed in IDR, unless otherwise stated)

1. **GENERAL (Continued)**

	2 0 1 6	2 0 1 5
Executive Board		
Chairwoman	: Lina Meutia Moeis	Lina Meutia Moeis
Secretary	: Sandrayanti Winarsa	Sandrayanti Winarsa
Treasurer	: Husni Irawati	Husni Irawati
Supervisory Board		
Chairman	: Sundar Prasad Bajgain	Sundar Prasad Bajgain
Member	: Elrika Hamdi	Elrika Hamdi

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

a. **Basis of Financial Statements Preparation and Measurement**

The financial statements have been prepared using accounting principles and reporting practices generally accepted accounting principles in Indonesia such as the Statements of Financial Accounting Standards (PSAK), particularly PSAK No. 45 Financial Reporting of Non Profit Organization. Such financial statements are an English translation of the Organization's statutory report in Indonesia, and are not intended to present the financial position, results of activities, and cash flows in accordance with accounting principles and reporting practices generally accepted in other countries and jurisdictions.

The Financial Statements have been prepared and measured under historical cost concept, except for certain accounts which are measured on the bases described in the related accounting policies. The financial statements, except the statements of cash flows, are prepared under the accrual basis of accounting.

The statement of cash flows have been prepared based on indirect method by classifying the cash flows into operating, investing and financing activities.

The reporting currency used in the preparation of the financial statements is the Indonesian Rupiah (IDR).

b. **Foreign Currency Transactions and Translations**

The books of accounts of the Organization are maintained in Indonesian Rupiah (IDR). Transactions during the year involving foreign currencies are recorded at the rates of exchange prevailing at the time the transactions occurred. At statements of financial position date, monetary assets and liabilities denominated in foreign currencies are adjusted to reflect the rates of exchange prevailing at that date. The resulting gains or losses are credited or charged to current operations. As of 31 December 2016 and 2015, Bank Indonesia's middle rates used in the translation of foreign currencies for United States Dollar (US Dollar) is IDR 13,436 and IDR 13,795, respectively.

c. **Cash and Cash Equivalent**

Cash and cash equivalent consist of cash on hand, in banks and all unrestricted investments with maturities periods of three months or less at the time of placement that are not used as collateral or are not restricted.

YAYASAN RUMAH ENERGI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
(Expressed in IDR, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Prepaid Expenses

Prepaid expenses are amortised over the useful live of each expense using the straight-line method.

e. Fixed Assets

Fixed assets are initially carried at cost, excluding day-to-day service, less accumulated depreciation and any accumulated impairment in value. The initial cost of property and equipment consists of its purchase price, including import duties and taxes and any directly attributable costs in bringing fixed assets to its working condition and location for its intended use.

The expenditures incurred after fixed assets operated, such as repairs and maintenance costs, are normally charged to operations in the year such costs are incurred. In the situations where it can be clearly demonstrated that the expenditures have resulted an increasing amount in the future economic benefits expected to be obtained from the use of the property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment. Depreciation of fixed assets are computed using the straight-line method over the estimated useful lives as follows:

	<u>Years</u>	<u>% per year</u>
Vehicles	8	12.5
Office equipment	8	12.5
Office inventory	4	25

The carrying values of fixed assets are reviewed for impairment when occurs or changes in circumstances indicate that the carrying values may not be recoverable.

When each major inspection is performed, its cost is recognized in the carrying amount of the item of fixed assets as a replacement if the recognition criteria are satisfied such major inspection is capitalized and amortized over the next major inspection activity.

When assets are sold or retired, the cost and related accumulated depreciation and any impairment loss are eliminated from the accounts. An item of fixed assets is derecognized upon disposal or when no future economics benefits are expected from its use or disposal. Any gain or loss arising from recognized of fixed assets (calculated as the difference between the net disposal proceeds, if any, and the carrying amount of the item) is included in the statements of activities in the year the item is derecognized.

The asset's residual values, useful lives and depreciation method are reviewed and adjusted if appropriate, at each financial year ended.

YAYASAN RUMAH ENERGI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
(Expressed in IDR, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Impairment of Assets

An assessment by management of the assets value is made at each statements of financial position date to determine whether there is any indication of impairment of any assets and possible write down to its recoverable amount whenever occurs or changes in circumstances indicate that the assets value may not be recoverable.

An impairment loss is recognized only if the carrying amount of an asset exceeds its recoverable amount. An assets recoverable amount is computed as the higher of the assets value in use and its net selling price.

On the other hand, a reversal of an impairment loss is recognized whenever there is an indication that the asset is not impaired anymore. The amount of impairment loss (reversal of impairment loss) is charged to (credited in) current year's operations.

g. Revenue and Expenses Recognition

Revenue from donations is recognized in the period designated by the Donor, or in the absence of specified periods, at the time the commitment is made.

Expenses are recognized when incurred (accrual basis).

h. Net Assets

Net assets mainly represent funds available for organization's activities, direct fund raising, administration and capital expenditures.

Net assets are disclosed as either restricted or unrestricted funds. Funds are unrestricted if these are not subject to any externally imposed restriction. If the Donor imposes specific conditions that limit the usage of the funds, then the funds are treated as restricted.

i. Provision for Employee Benefits

The Organization recognizes its unfunded employee benefits liability in accordance with Labor Regulation No. 13/2003 dated 25 March 2003 ("the Regulation").

The Organization adopted SFAS No. 24 (Revised 2015), "Employee Benefits", which regulates the accounting and disclosure for employee benefits, both short term (i.e., paid annual leave and paid sick leave) and long term (i.e., long service leaves and post employments medical benefits). Starting in 2014, in relation with the above mentioned application of SFAS No. 24 (Revised 2015), the Organization decided to recognize all actuarial gains and losses through statement of activities. The Organization also requires recognition of liabilities and expense when an employee has provided service and the Organization consumes economic benefit arising from the service.

YAYASAN RUMAH ENERGI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
(Expressed in IDR, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Provision for Employee Benefits (Continued)

The employee benefits are actuarially determined using the Projected Unit Credit Method. The estimated liability as of the date of the statements of financial position represents the present value of the defined benefits obligation at statements of financial position date, less the fair value of plan assets and adjusted for unrecognized actuarial gains or losses, non-vested past service costs, termination costs and curtailment gain or loss.

Prior to 2014, employee benefits related to retirement, service and compensation payments are recognized when they are accrued to the employees. A provision is made for the estimated liability as a result of past services rendered by employees up to the statements of financial position date and meets the requirements of the prevailing law and regulations.

3. RESTATEMENT AND RECLASSIFICATION FINANCIAL STATEMENT YEARS 2015 AND 2014

The Organization has restated its financial statements for the years 31 December 2015 regarding re-computation on Organization's provision for employee benefits. Certain accounts in the financial statements for the year ended 31 December 2015 and 2014 have been reclassified and restated. Summary of changes to the accounts in 2015 and 2014 are as follows:

	2 0 1 5		2 0 1 4	
	Previously reported	Restated	Previously reported	Restated
<u>Financial position account</u>				
Provision for employee benefits	-	675,335,405	-	392,154,008
Total liabilities	12,077,156,495	10,572,015,999	16,975,867,234	16,075,979,092
<u>Activities account</u>				
General and administrative expenses	(336,517,326)	(370,200,270)	(426,845,719)	(296,451,287)
Other income	-	638,925,298	-	769,493,709
Unrestricted net assets at beginning of year	1,063,580,115	1,963,468,257	47,687,764	47,687,764
Unrestricted net assets at end of year	720,603,250	2,225,743,746	1,063,580,115	1,963,468,257
	2 0 1 5		2 0 1 4	
	Previously reported	Reclassified	Previously reported	Reclassified
<u>Financial position account</u>				
Accrued expenses	2,699,487,321	519,011,420	2,080,675,525	788,633,375

YAYASAN RUMAH ENERGI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
(Expressed in IDR, unless otherwise stated)

4. CASH AND CASH EQUIVALENT

	2 0 1 6	2 0 1 5
Cash on hand	<u>18,000,000</u>	<u>12,000,000</u>
Cash in banks		
PT Bank Negara Indonesia (Persero) Tbk		
Euro	549,010,580	6,102,748,568
US Dollar	78,719,912	458,161,471
Indonesian Rupiah	1,446,704,988	496,007,401
PT Bank Rabobank International Indonesia		
Euro	591,320,759	627,336,613
Indonesian Rupiah	<u>757,595,970</u>	<u>223,448,858</u>
Sub total cash in banks	<u>3,423,352,209</u>	<u>7,907,702,911</u>
Time deposit		
PT Bank Rabobank International Indonesia		
Indonesian Rupiah	<u>3,000,000,000</u>	<u>3,000,000,000</u>
T o t a l	<u><u>6,441,352,209</u></u>	<u><u>10,919,702,911</u></u>

Interest rate of time deposit in 2016 amounting to 7.25% (2015: 9%) and time deposit has due date every three month and rollovered automatically. Income from time deposit is presented in Statement of Activities as Interest Income.

5. GRANT RECEIVABLES

	2 0 1 6	2 0 1 5
Hivos Regional Office Southeast Asia - 1006707 Upscaling the Indonesia Programme in East Java	3,344,305,539	288,493,703
Hivos Regional Office Southeast Asia - 1012802 Investing in Renewable Energy for Rural, Remote Communities in South Sulawesi, East Nusa Tenggara and West Nusa Tenggara	1,462,941,499	-
Hivos Regional Office Southeast Asia - 1012622 Millennium Challenge Account Indonesia Gading	189,340,681	277,885,071
Hivos Regional Office Southeast Asia - 1006084 Biogas Components in Sumba	<u>86,244,361</u>	<u>86,244,361</u>
T o t a l	<u><u>5,082,832,080</u></u>	<u><u>652,623,135</u></u>

6. ADVANCES

	2 0 1 6	2 0 1 5
Advance Kiva	594,883,138	633,941,667
Advance Hivos Regional Office Southeast Asia Foundation	300,000,000	-
Advance Program	79,005,544	125,203,100
Advance Operational	35,421,820	79,090,294
Advance Others	<u>110,207,817</u>	<u>209,839,201</u>
T o t a l	<u><u>1,119,518,319</u></u>	<u><u>1,048,074,262</u></u>

YAYASAN RUMAH ENERGI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
(Expressed in IDR, unless otherwise stated)

7. PREPAID RENT

	<u>2 0 1 6</u>	<u>2 0 1 5</u>
Office rent in Jakarta	141,666,666	341,666,667
Office rent in West Java	19,861,111	-
Office rent in Sumba	18,518,518	-
T o t a l	<u>180,046,295</u>	<u>341,666,667</u>

8. FIXED ASSETS

<u>2 0 1 6</u>	<u>Opening balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending balance</u>
C o s t				
Vehicles	327,690,062	-	-	327,690,062
Office equipment	20,459,340	-	-	20,459,340
Office inventory	120,868,900	-	-	120,868,900
	<u>469,018,302</u>	<u>-</u>	<u>-</u>	<u>469,018,302</u>
Accumulated depreciation				
Vehicles	113,036,012	95,815,407	-	208,851,419
Office equipment	4,823,437	4,134,375	-	8,957,812
Office inventory	67,947,781	41,592,670	-	109,540,451
	<u>185,807,230</u>	<u>141,542,452</u>	<u>-</u>	<u>327,349,682</u>
Book value	<u>283,211,072</u>			<u>141,668,620</u>
 <u>2 0 1 5</u>	 <u>Opening balance</u>	 <u>Additions</u>	 <u>Disposals</u>	 <u>Ending balance</u>
C o s t				
Vehicles	327,690,062	-	-	327,690,062
Office equipment	20,459,340	-	-	20,459,340
Office inventory	120,868,900	-	-	120,868,900
	<u>469,018,302</u>	<u>-</u>	<u>-</u>	<u>469,018,302</u>
Accumulated depreciation				
Vehicles	16,573,402	96,462,610	-	113,036,012
Office equipment	689,062	4,134,375	-	4,823,437
Office inventory	11,945,255	56,002,526	-	67,947,781
	<u>29,207,719</u>	<u>156,599,511</u>	<u>-</u>	<u>185,807,230</u>
Book value	<u>439,810,583</u>			<u>283,211,072</u>
			<u>2 0 1 6</u>	<u>2 0 1 5</u>
Depreciation of fixed assets expenses is charged to - General and Administrative (Note 17)			<u>141,542,452</u>	<u>156,599,511</u>

YAYASAN RUMAH ENERGI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
(Expressed in IDR, unless otherwise stated)

9. LONG-TERM INVESTMENT

On 8 July 2015, based on Notarial Deed No. 5 of Public Notary Jansehat Aritonang, SH., MKn, the Organization share subription agreement to PT Inovasi Daya Lestari. Based on the regulation in Indonesia No. 16 on 2001 about The Organization that the Foundation may engage in various prospective business activities under the terms of all such participation at most 25% of the total value of the Foundation's property amounted to Rp 265,895,030.

10. ACCOUNT PAYABLES

	2 0 1 6	2 0 1 5
Funds withheld for the after sales service of biogas digesters	1,456,450,000	1,167,750,000
Loan from Kiva for Biodigester users	538,625,003	681,458,333
T o t a l	1,995,075,003	1,849,208,333

11. GRANT PAYABLES

	2 0 1 6	2 0 1 5
Hivos Regional Office Southeast Asia - 1006121 Indonesia Domestic Biogas Programme Implementation 2013	3,891,062,153	5,641,693,543
Nestle - Biogas Development in East Java	901,000,000	-
Hivos Regional Office Southeast Asia - 1010123 Upscaling the Indonesian Domestic Biogas Sector 2015	512,329,857	1,340,052,385
Hivos Regional Office Southeast Asia - 1012622 GADING Implementation in West Java, Jogjakarta, West Nusa Tenggara and East Nusa Tenggara	391,776,543	-
Hivos Regional Office Southeast Asia - 1009540 Development of Sustainable Business Unit for Yayasan Rumah Energi	221,246,608	244,499,665
Hivos Regional Office Southeast Asia - 1013737 Support the Development and Promoting the Quality Feed Supply and its Distribution Channels in Pigs Sector (Prisma Phase 2)	117,522,742	-
Hivos Regional Office Southeast Asia - 1007582 Implementation of Microhydro in La Au East Sumba	103,325,224	103,325,224
Others	311,400,000	-
T o t a l	6,449,663,127	7,329,570,817

12. TAXES PAYABLES

	2 0 1 6	2 0 1 5
Article 29	155,538,591	169,565,268
Article 21	32,665,339	27,239,255
Article 23	2,812,326	973,197
Article 4(2)	2,222,222	1,112,304
T o t a l	193,238,478	198,890,024

13. ACCRUED EXPENSE

	2 0 1 6	2 0 1 5
Accrued biogas	128,487,656	519,011,420

YAYASAN RUMAH ENERGI
NOTES TO FINANCIAL STATEMENTS
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14. NET ASSETS

	<u>Restricted 2016</u>	<u>Unrestricted 2016</u>	<u>Total 2016</u>	<u>Restricted 2015^{*)}</u>	<u>Unrestricted 2015^{*)}</u>	<u>Total 2015^{*)}</u>
Revenue						
Grant received	20,154,131,660	317,803,753	20,471,935,413	18,417,046,451	170,741,220	18,587,787,671
Expenditures						
General and administrative	-	2,468,115,021	2,468,115,021	-	370,200,270	370,200,270
Program expenditures	20,178,899,604	-	20,178,899,604	18,423,259,659	-	18,423,259,659
Other income	-	(713,929,233)	(713,929,233)	-	(638,935,298)	(638,935,298)
Interest income	(24,767,944)	(207,935,985)	(232,703,929)	(6,213,208)	(229,526,101)	(235,739,309)
Exchange loss	-	126,579,720	126,579,720	-	406,726,860	406,726,860
T o t a l	<u>20,154,131,660</u>	<u>1,672,829,523</u>	<u>21,826,961,183</u>	<u>18,417,046,451</u>	<u>(91,534,269)</u>	<u>18,325,512,182</u>
Change in Net Assets - Current Year	-	(1,355,025,770)	(1,355,025,770)	-	262,275,489	262,275,489
Net Assets - Beginning of the Year	<u>469,018,302</u>	<u>2,225,743,746</u>	<u>2,694,762,048</u>	<u>469,018,302</u>	<u>1,963,468,257</u>	<u>2,432,486,559</u>
Net Assets - End of the Year	<u>469,018,302</u>	<u>870,717,976</u>	<u>1,339,736,278</u>	<u>469,018,302</u>	<u>2,225,743,746</u>	<u>2,694,762,048</u>

15. GRANT RECEIVED

	<u>2 0 1 6</u>	<u>2 0 1 5</u>
Hivos Regional Office Southeast Asia - 1012802 TERANG Implementation in South Sulawesi, West Nusa Tenggara and East Nusa Tenggara	8,679,243,407	169,077,015
Hivos Regional Office Southeast Asia - 1006707 Upscaling the Indonesia Programme in East Java	5,377,804,396	5,384,048,964
Hivos Regional Office Southeast Asia - 1012622 GADING Implementation in West Java, Jogjakarta, West Nusa Tenggara and East Nusa Tenggara	4,473,535,119	277,885,071
Hivos Regional Office Southeast Asia - 1008400 Upscaling the Indonesian Domestic Biogas Sector 2015	827,722,528	9,315,145,955
Nestle - Biogas Development in East Java	699,000,000	-
Hivos Regional Office Southeast Asia - 1013737 Support the Development and Promoting the Quality Feed Supply and its Distribution Channels in Pigs Sector (Prisma Phase 2)	73,573,153	-
Hivos Regional Office Southeast Asia - 1009540 Development of Sustainable Business Unit for Yayasan Rumah Energi	23,253,057	1,305,389,384
Hivos Regional Office Southeast Asia - 1006084 Biogas Components in Sumba	-	1,965,500,062
T o t a l	<u>20,154,131,660</u>	<u>18,417,046,451</u>

*) Restated - Note 3

YAYASAN RUMAH ENERGI
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16. PROGRAM EXPENDITURES

	2 0 1 6	2 0 1 5
Hivos Regional Office Southeast Asia - 1012802 TERANG Implementation in South Sulawesi, West Nusa Tenggara and East Nusa Tenggara	8,685,466,606	169,077,015
Hivos Regional Office Southeast Asia - 1006707 Upscaling the Indonesia Programme in East Java	5,381,783,278	5,384,572,638
Hivos Regional Office Southeast Asia - 1012622 GADING Implementation in West Java, Jogjakarta, West Nusa Tenggara and East Nusa Tenggara	4,485,330,677	277,885,071
Hivos Regional Office Southeast Asia - 1008400 Upscaling the Indonesian Domestic Biogas Sector 2015	830,492,833	9,320,823,802
Nestle - Biogas Development in East Java	699,000,000	-
Hivos Regional Office Southeast Asia - 1013737 Support the Development and Promoting the Quality Feed Supply and its Distribution Channels in Pigs Sector (Prisma Phase 2)	73,573,153	-
Hivos Regional Office Southeast Asia - 1009540 Development of Sustainable Business Unit for Yayasan Rumah Energi	23,253,057	1,305,389,384
Hivos Regional Office Southeast Asia - 1006084 Biogas Components in Sumba	-	1,965,511,749
T o t a l	20,178,899,604	18,423,259,659

17. GENERAL AND ADMINISTRATIVE

	2 0 1 6	2 0 1 5
Provision for employee benefit expense	2,179,277,428	33,682,944
Depreciation of fixed assets expenses	141,542,452	156,599,511
Tax expenses	77,809,690	169,565,268
Office expenses	69,485,451	3,979,547
National consultants expenses	-	3,520,000
Transportation & accommodation expenses	-	2,853,000
T o t a l	2,468,115,021	370,200,270

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18. PROVISION FOR EMPLOYMENT BENEFITS

The Organization provided defined provision for employment benefits for its qualifying employees in accordance with Labor Law No. 13 dated 25 March 2003 concerning to Manpower. The numbers of employees entitled to the benefits for 2016 and 2015 are 26, respectively.

The amounts recognized in statement of financial position arising from obligation on provision for employment benefits are as follows:

	<u>2 0 1 6</u>	<u>2 0 1 5</u>	<u>2 0 1 4</u>
Present value of defined benefit obligation	1,079,424,343	675,335,405	392,154,008
Additional accrual for termination 2017	2,072,587,657	-	-
T o t a l	<u><u>3,152,012,000</u></u>	<u><u>675,335,405</u></u>	<u><u>392,154,008</u></u>

The amounts recognized in the statement of activities are as follows:

	<u>2 0 1 6</u>	<u>2 0 1 5</u>	<u>2 0 1 4</u>
Current service cost	301,080,495	217,296,617	201,706,079
Interest cost	56,008,772	33,102,879	15,010,473
Additional accrual for termination 2017	2,072,587,657	-	-
T o t a l	<u><u>2,429,676,924</u></u>	<u><u>250,399,496</u></u>	<u><u>216,716,552</u></u>

Movements in the liability recognized in the statement of financial position are as follows:

	<u>2 0 1 6</u>	<u>2 0 1 5</u>	<u>2 0 1 4</u>
Beginning of the year	675,335,405	392,154,008	190,930,779
Net expense recognized in the statement of activities	2,429,676,924	250,399,496	216,716,552
The recognized of Other Comprehensive Income (OCI)	53,438,955	32,781,901	3,386,302
Benefit payment - released by the Organization (not plan asset)	(6,439,284)	-	(18,879,625)
End of the year	<u><u>3,152,012,000</u></u>	<u><u>675,335,405</u></u>	<u><u>392,154,008</u></u>

The cost of providing provision for employee benefits is calculated by an independent actuary, PT Padma Radya Aktuaria. The actuarial valuation for 2016, 2015, and 2014 was carried out using the following key assumptions:

	<u>2 0 1 6</u>	<u>2 0 1 5</u>	<u>2 0 1 4</u>
Discount rate	8.50%	8.50%	8.50%
Salary increment rate	7.00%	7.00%	7.00%
Mortality rate	TMI III	TMI III	TMI III
Disable rate	5% from mortality rate	5% from mortality rate	5% from mortality rate
Normal retirement age	55 years	55 years	55 years

*¹) After the translation adjustment to PSAK No. 24 (Revised 2015) (Note 3)

19. AUTHORIZATION OF FINANCIAL STATEMENTS

The management of the Organization is responsible for preparation of the financial statements that were authorized by the Director for issuance on 21 November 2017.

**YAYASAN RUMAH ENERGI
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2016
(Expressed in IDR, unless otherwise stated)**

Following below is the breakdown of statement of activities of Hivos Regional Office Southeast Asia - 1012802 TERANG Implementation in South Sulawesi, West Nusa Tenggara and East Nusa Tenggara fund for the year ended 31 December 2016 and 2015:

	<u>2 0 1 6</u>	<u>2 0 1 5</u>
Revenue		
Hivos ROSEA -1012802 TERANG Implementation in South Sulawesi, West Nusa Tenggara and East Nusa Tenggara	8,679,243,407	169,077,015
Expenditures		
Hivos ROSEA - 1012802 TERANG Implementation in South Sulawesi, West Nusa Tenggara and East Nusa Tenggara	(8,685,466,606)	(169,077,015)
Other income		
Interest income	<u>6,223,199</u>	<u>-</u>
Fund balance, current year	-	-
Fund balance, beginning	<u>-</u>	<u>-</u>
Fund balance, ending	<u><u>-</u></u>	<u><u>-</u></u>

**YAYASAN RUMAH ENERGI
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(Expressed in IDR, unless otherwise stated)**

Following below is the breakdown of statement of activities of Hivos Regional Office Southeast Asia - 1006707 Upscaling the Indonesia Programme in East Java fund for the year ended 31 December 2016 and 2015:

	<u>2 0 1 6</u>	<u>2 0 1 5</u>
Revenue		
Hivos ROSEA - 1006707 Upscaling the Indonesia Programme in East Java	5,377,804,396	5,384,048,964
Expenditure		
Hivos ROSEA - 1006707 Upscaling the Indonesia Programme in East Java	(5,381,783,278)	(5,384,572,638)
Other income		
Interest income	<u>3,978,882</u>	<u>523,674</u>
Fund balance, current year	-	-
Fund balance, beginning	<u>-</u>	<u>-</u>
Fund balance, ending	<u><u>-</u></u>	<u><u>-</u></u>

**YAYASAN RUMAH ENERGI
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FOR THE YEAR ENDED 31 DECEMBER 2016
(Expressed in IDR, unless otherwise stated)**

Following below is the breakdown of statement of activities of Hivos Regional Office Southeast Asia - 1012622 GADING Implementation in West Java, Jogjakarta, West Nusa Tenggara and East Nusa Tenggara fund for the year ended 31 December 2016 and 2015:

	<u>2 0 1 6</u>	<u>2 0 1 5</u>
Revenue		
Hivos ROSEA - 1012622 GADING Implementation in West Java, Jogjakarta, West Nusa Tenggara and East Nusa Tenggara	4,473,535,119	277,885,071
Expenditure		
Hivos ROSEA - 1012622 GADING Implementation in West Java, Jogjakarta, West Nusa Tenggara and East Nusa Tenggara	(4,485,330,677)	(277,885,071)
Other income		
Interest income	<u>11,795,558</u>	<u>-</u>
Fund balance, current year	-	-
Fund balance, beginning	<u>-</u>	<u>-</u>
Fund balance, ending	<u>-</u>	<u>-</u>

**YAYASAN RUMAH ENERGI
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2016
(Expressed in IDR, unless otherwise stated)**

Following below is the breakdown of statement of activities of Hivos Regional Office Southeast Asia - 1008400 Upscaling the Indonesian Domestic Biogas Sector 2015 fund for the year ended 31 December 2016 and 2015:

	<u>2 0 1 6</u>	<u>2 0 1 5</u>
Revenue		
Hivos ROSEA - 1008400 Upscaling the Indonesian Domestic Biogas Sector 2015	827,722,528	9,315,145,955
Expenditure		
Hivos ROSEA - 1008400 Upscaling the Indonesian Domestic Biogas Sector 2015	(830,492,833)	(9,320,823,802)
Other income		
Interest income	<u>2,770,305</u>	<u>5,677,847</u>
Fund balance, current year	-	-
Fund balance, beginning	<u>-</u>	<u>-</u>
Fund balance, ending	<u><u>-</u></u>	<u><u>-</u></u>

**YAYASAN RUMAH ENERGI
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2016
(Expressed in IDR, unless otherwise stated)**

Following below is the breakdown of statement of activities of Nestle - Biogas Development in East Java fund for the year ended 31 December 2016 and 2015:

	<u>2 0 1 6</u>	<u>2 0 1 5</u>
Revenue		
Nestle - Biogas Development in East Java	699,000,000	-
Expenditure		
Nestle - Biogas Development in East Java	(699,000,000)	-
Fund balance, current year	-	-
Fund balance, beginning	-	-
Fund balance, ending	<u>-</u>	<u>-</u>

**YAYASAN RUMAH ENERGI
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Following below is the breakdown of statement of activities of Hivos Regional Office Southeast Asia - 1013737 Support the Development and Promoting the Quality Feed Supply and its Distribution Channels in Pigs Sector (Prisma Phase 2) fund for the year ended 31 December 2016 and 2015:

	<u>2 0 1 6</u>	<u>2 0 1 5</u>
Revenue		
Hivos Regional Office Southeast Asia - 1013737 Support the Development and Promoting the Quality Feed Supply and its Distribution Channels in Pigs Sector (Prisma Phase 2)	73,573,153	-
Expenditure		
Hivos Regional Office Southeast Asia - 1013737 Support the Development and Promoting the Quality Feed Supply and its Distribution Channels in Pigs Sector (Prisma Phase 2)	(73,573,153)	-
Fund balance, current year	-	-
Fund balance, beginning	-	-
Fund balance, ending	<u>-</u>	<u>-</u>

**YAYASAN RUMAH ENERGI
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(Expressed in IDR, unless otherwise stated)**

Following below is the breakdown of statement of activities of Hivos Regional Office Southeast Asia - 1009540 Development of Sustainable Business Unit for Yayasan Rumah Energi fund for the year ended 31 December 2016 and 2015:

	<u>2 0 1 6</u>	<u>2 0 1 5</u>
Revenue		
Hivos ROSEA - 1009540 Development of Sustainable Business Unit for Yayasan Rumah Energi	23,253,057	1,305,389,384
Expenditure		
Hivos ROSEA - 1009540 Development of Sustainable Business Unit for Yayasan Rumah Energi	(23,253,057)	(1,305,389,384)
Fund balance, current year	-	-
Fund balance, beginning	-	-
Fund balance, ending	<u>-</u>	<u>-</u>

**YAYASAN RUMAH ENERGI
SUPPLEMENTARY INFORMATION
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(Expressed in IDR, unless otherwise stated)**

Following below is the breakdown of statement of activities of Hivos Regional Office Southeast Asia - 1006084 Biogas components in Sumba fund for the year ended 31 December 2016 and 2015:

	<u>2 0 1 6</u>	<u>2 0 1 5</u>
Revenue		
Hivos ROSEA - 1006084 Biogas components in Sumba	-	1,965,500,062
Expenditure		
Hivos ROSEA - 1006084 Biogas components in Sumba	-	(1,965,511,749)
Other income		
Interest income	-	11,687
Fund balance, current year	-	-
Fund balance, beginning	-	-
Fund balance, ending	<u>-</u>	<u>-</u>



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Jalan Jend. Sudirman Kav. 79
Jakarta 12910 - Indonesia

No. : 1010/0.Y035/ZLK.0/12.16
Re : Financial Statements
31 December 2016

Independent Auditors' Report

The Director
Yayasan Rumah Energi
J a k a r t a

We have audited the accompanying financial statements of Yayasan Rumah Energi which comprise the statement of financial position as of 31 December 2016, and the statement of activities, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of such financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the organization's financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, financial position of Yayasan Rumah Energi as of 31 December 2016, and their financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

TANUBRATA SUTANTO FAHMI BAMBANG & REKAN

Tanubrata Sutanto Fahmi Bambang & Rekan (Certified Public Accountants), an Indonesian partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of International BDO network of Independent member firms.

Other Matters

As explained in Note 3 to the accompanying financial statements, the Organization has restated financial statements for the year ended 31 December 2015 and 2014 regarding recomputation on Organization's provision for employee benefits.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as whole. The accompanying supplementary information as described in Attachment 1 to 8 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. This supplementary information is the responsibility of the Organization's Management. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statement and, in our opinion, such supplementary information is fairly stated in all respects in relation to the basic financial statements taken as whole.

Kantor Akuntan Publik
TANUBRATA SUTANTO FAHMI BAMBANG & Rekan



Zoelkarnain, SE, Ak, CA, CPA
License No. AP. 1239

21 November 2017

THC/yn