

YAYASAN RUMAH ENERGI
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
AND
INDEPENDENT AUDITORS' REPORT

**YAYASAN RUMAH ENERGI
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

C O N T E N T S

Directors' Statement

Exhibit

Statement of Financial Position

A

Statement of Activities

B

Statement of Cash Flows

C

Notes to Financial Statements

D

Attachment

Supplementary Information

1 - 10

Independent Auditors' Report

**DIRECTORS' STATEMENT LETTER
RELATING TO
YAYASAN RUMAH ENERGI
THE RESPONSIBILITY ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

We, the undersigned :

- | | |
|-------------------------------|--|
| 1. Name | : Rebekka S. Angelyn |
| Office address | : Jl. Pejaten Barat no. 30A Jakarta Selatan 12550 |
| Domicile as stated in ID Card | : Jl. Taman Duta II/4 RT 005 RW 014 Pondok Pinang, Jakarta Selatan |
| Phone Number | : 021-7821086 |
| Position | : Chairman of Executive Board |
| | |
| 2. Name | : Hernety |
| Office address | : Jl. Pejaten Barat no. 30A Jakarta Selatan 12550 |
| Domicile as stated in ID Card | : Puri Depok Mas Blok QB No.03, Pancoran Mas, Depok |
| 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, 31 January 2020

Chairman of Executive Board

Finance Manager

(Rebekka S. Angelyn)

(Hernety)



YAYASAN RUMAH ENERGI
STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2018
(Expressed in Rupiah, unless otherwise stated)

	Notes	31 December 2018	31 December 2017 ^{*)}	1 January 2017 ^{*)}
A S S E T S				
Current Assets				
Cash and cash equivalents	4	11.016.829.182	4.424.404.630	6.441.352.209
Grant receivables	5	2.685.231.784	6.462.445.289	5.082.832.080
Other receivables		48.000.000	210.000.000	26.899.990
Advances	6	1.592.022.099	631.882.637	1.119.518.319
Prepaid rent	7	302.499.999	109.722.223	180.046.295
Long term investment	9	800.000.000	800.000.000	440.000.000
Amount due from related party	10	465.895.029	265.895.029	265.895.029
Property and equipment, net of accumulated depreciation amounted of Rp 396.410.236 (2017: Rp 360.573.382)	8	23.388.974	59.225.828	141.668.620
TOTAL ASSETS		16.933.867.067	12.963.575.636	13.698.212.542
LIABILITIES AND NET ASSETS				
Account payables	11	1.566.456.135	1.725.239.000	1.456.450.000
Loan to third parties	12	387.239.515	588.481.798	538.625.003
Grant payables	13	5.997.363.258	4.199.834.938	6.449.663.127
Taxes payables	14	132.335.979	255.941.511	193.238.478
Accruals	15	292.157.155	155.137.993	128.487.656
Amount due to related party	9	800.000.000	800.000.000	440.000.000
Provision for employment benefits	22	-	-	3.152.012.000
Total Liabilities		9.175.552.042	7.724.635.240	12.358.476.264
Net Assets				
Unrestricted	16	7.289.296.723	4.769.922.094	870.717.976
Restricted	16	469.018.302	469.018.302	469.018.302
Total Net Assets		7.758.315.025	5.238.940.396	1.339.736.278
TOTAL LIABILITIES AND NET ASSETS		16.933.867.067	12.963.575.636	13.698.212.542

^{*)} Restated (Note 23)

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

Jakarta, 31 January 2020



Hernety
Finance Manager



Rebeka S. Angelyn
Chairman of Executive Board

YAYASAN RUMAH ENERGI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2018
(Expressed in Rupiah, unless otherwise stated)

	Notes	Restricted 2 0 1 8	Unrestricted 2 0 1 8	Total 2 0 1 8	Restricted 2 0 1 7	Unrestricted 2 0 1 7	Total 2 0 1 7
Revenue							
Grant received	17,18	11.657.386.942	1.290.767.531	12.948.154.473	22.336.479.889	3.154.698.806	25.491.178.695
Expenditures							
General and administrative	20	-	1.896.814.652	1.896.814.652	-	1.614.808.441	1.614.808.441
Program expenditures	19	11.667.431.777	-	11.667.431.777	22.341.434.232	-	22.341.434.232
Other income	21	-	(2.795.990.651)	(2.795.990.651)	-	(2.090.156.550)	(2.090.156.550)
Interest income		(10.044.835)	(92.521.606)	(102.566.441)	(4.954.343)	(156.606.297)	(161.560.640)
Gain on foreign exchange		-	(236.909.493)	(236.909.493)	-	(112.550.906)	(112.550.906)
T o t a l		11.657.386.942	(1.228.607.098)	10.428.779.844	22.336.479.889	(744.505.312)	21.591.974.577
 Change in Net Assets - Current Year		-	2.519.374.629	2.519.374.629	-	3.899.204.118	3.899.204.118
Net Assets - Beginning of the Year		469.018.302	4.769.922.094	5.238.940.396	469.018.302	870.717.976	1.339.736.278
 Net Assets - End of the Year		469.018.302	7.289.296.723	7.758.315.025	469.018.302	4.769.922.094	5.238.940.396

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

Jakarta, 31 January 2020



Hernety
Finance Manager



Rebeka S. Angelyn
Chairman of Executive Board

YAYASAN RUMAH ENERGI
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018
(Expressed in Rupiah, unless otherwise stated)

	<u>2 0 1 8</u>	<u>2 0 1 7</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	2.519.374.629	3.899.204.118
Adjustment for:		
Depreciation of property and equipment	35.836.854	85.648.703
Gain on sale of property and equipment	-	(39.085.414)
	<u>2.555.211.483</u>	<u>3.945.767.407</u>
Operating cash flow before changes in working capital		
Increase in assets:		
Grant receivables	3.777.213.505 (1.379.613.209)
Other receivables	162.000.000 (183.100.010)
Advances	(960.139.462)	487.635.682
Prepaid rent	(192.777.776)	70.324.072
(Decrease) increase in liabilities:		
Account payables	(158.782.865)	268.789.000
Loan to third parties	(201.242.283)	49.856.795
Grant payables	1.797.528.320 (2.249.828.189)
Taxes payable	(123.605.532)	62.703.033
Accruals	137.019.162	26.650.337
Payment of employee benefit	-	(3.152.012.000)
Amount due to related party	-	360.000.000
	<u>6.792.424.552</u>	<u>(1.692.827.082)</u>
NET CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in association	-	(360.000.000)
Amount due from related party	(200.000.000)	
Addition of property and equipment	-	(35.583.000)
Proceeds of property and equipment	-	71.462.503
	<u>(200.000.000)</u>	<u>(324.120.497)</u>
NET CASH FLOWS USED IN INVESTING ACTIVITIES		
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	6.592.424.552 (2.016.947.579)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	<u>4.424.404.630</u>	<u>6.441.352.209</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u><u>11.016.829.182</u></u>	<u><u>4.424.404.630</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 2018
 (Expressed in Rupiah, unless otherwise stated)

1. GENERAL

Yayasan Rumah Energi (“the Organization”) 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.

The Organization 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.H., 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 Mr. Jansehat Aritonang. SH., M.Kn dated 18 September 2017 related to changes in Organization’s structure.

The Organization’s first activity was done through a collaboration with Hivos 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, the Organization through Hivos 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, the Organization works with local NGOs, cooperatives and small-medium entrepreneurs.

The Organization 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, the Organization 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 Foundation as the leader of Organization, the Organization plays as key role in developing biogas sector in Indonesia.

The composition of the Board of the Organization as of 31 December 2018 and 2017 are as follow:

Board of Trustees

Chairman	: Robert De Groot
Members	: Sandrayanti Winarsa M. Ratna Ariati F.L

Executive Board

Chairman	: Lina Meutia Moeis
Secretary	: Gustina
Treasurer	: Husni Irawati

Supervisory Board

Chairman	: Husnul Ma’ad
Member	: Elrika Hamdi

YAYASAN RUMAH ENERGI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
 (Expressed in Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Financial Statements Preparation and Measurement

The financial statements are presented in Rupiah (Rp), which is also the Organization's functional currency.

The financial statements have been prepared using generally accepted accounting principles in Indonesia in accordance with Statements of Financial Accounting Standards in Indonesia (PSAK), particularly for PSAK No. 45 "Financial Reporting of Non-Profit Organization".

The preparation of the financial statements in compliance with PSAK requires the use of certain critical accounting estimates. It is also requires Association management to exercise judgement in applying the Organization's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements and their effects are disclosed in Note 3.

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

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

Changes to Statements of Financial Accounting Standards ("PSAK") and Interpretations Financial Accounting Standards ("ISAK")

New standards, amendments, improvements and interpretations issued and effective for the financial year at or after 1 January 2018 which do not have material impact on the financial statement are as follows:

- Amendments to PSAK 2, "Statement of Cash Flows Disclosure Initiative";
- Amendments to PSAK 13, "Investment Property - Transfers of Investment Property";
- PSAK 15 (Improvements), "Investment in Associates and Joint Ventures";
- Amendments to PSAK 16, "Property, Plant and Equipment - Agriculture: Bearer Plants";
- Amendments to PSAK 46, "Income Taxes - Recognition of Deferred Tax Assets for Unrealized Losses";
- Amendments to PSAK 53, "Share-based Payment - Classification and Measurement of Share-based Payment Transactions";
- PSAK 67 (Improvements), "Disclosures of Interest in Other Entities";
- PSAK 69, "Agriculture"; and
- PSAK 111, "Wa'd Accounting".

As at the authorization date of the financial statements, the management is still evaluating the potential impact of the new standards and interpretation and amendments to standards which have been issued but are not yet effective for the financial year beginning on 1 January 2018 as follows:

- ISAK 33, "Foreign Currency Transactions and Advance Consideration";
- Amendments to PSAK 15, "Investments in Associate and Joint Ventures: Long Term Interest in Associate and Joint Ventures
- Amendments to PSAK 62, "Insurance Contracts";
- PSAK 71, "Financial Instruments";
- Amendments to PSAK 71, "Financial Instruments: Prepayment Features with Negative Compensation";
- PSAK 72, "Revenue from Contracts with Customers"; and
- PSAK 73, "Leases".

YAYASAN RUMAH ENERGI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
 (Expressed in Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Basis of Financial Statements Preparation and Measurement (Continued)

Changes to Statements of Financial Accounting Standards ("PSAK") and Interpretations Financial Accounting Standards ("ISAK") (Continued)

All new standards and amendments to standards are effective for the financial year beginning 1 January 2020, while the new interpretation is effective beginning 1 January 2019. Early adoption of the above new standards and amendments to standards is permitted, while early adoption of PSAK 73 is permitted only upon early adoption also of PSAK 72.

b. Financial Assets and Liabilities

Financial Assets

Financial assets are classified in categories of (i) financial assets at fair value through statement of activities, (ii) loan and receivable, (iii) held-to-maturity financial assets, and (iv) available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i). Financial assets at fair value through profit or loss

Financial assets measured at their fair value through profit or loss are held for trading if the acquisition is for selling or regaining and obtaining gain purpose in short period.

The Organization has no financial assets at fair value through statement of activities.

(ii). Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Loans and receivables are initially recognized at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method.

The Organization loans and receivables include cash and cash equivalents, grant receivables, other receivables, Long term investment and related party.

(iii). Held-to-maturity financial assets

Held-to-maturity investments are non-derivative financial assets with fixed or determined payments and fixed maturities that the management has positive intention and ability to hold to maturity, other than

- a) Those that upon initial recognition designated as at fair value through statement of activities;
- b) those that designated as available for sale; and
- c) those that meet the definition of loan and receivable.

The Organization has no held-to-maturity financial assets.

YAYASAN RUMAH ENERGI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
(Expressed in Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Financial Assets and Liabilities (Continued)

Financial Assets (Continued)

(iv). Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets designated as available-for-sale or not classified in the three previous categories.

After initial measurement, available-for-sale financial assets are measured at fair value with unrealized gains or losses recognized in equity until the investment is derecognized. At that time, the cumulative gain or loss previously recognized in equity will be reclassified to statement of activities and other income as a reclassification adjustment.

The Organization has available-for-sale financial assets.

Impairment of financial asset

Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Objective evidence of impairment could include:

- (i). significant financial difficulty of the counterparty; or
- (ii). default or delinquency in interest or principal payments; or
- (iii). it becomes probable that the customer will enter bankruptcy or financial reorganization

Derecognition of financial assets

The Organization derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or the Organization transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

If the Organization neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Organization recognizes their retained interest in the asset and an associated liability for amounts they may have to pay. If the Organization retains substantially all the risks and rewards of ownership of a transferred financial asset, the Organization continues to recognize the financial asset and also recognize a collateralised borrowing for the proceeds received.

Financial Liabilities

Financial liabilities are classified in the following categories of (i) financial liabilities at fair value through statement of activities and (ii) financial liabilities measured at amortized cost

(i). Financial liabilities at fair value through statement of activities

Financial liabilities measured at fair value through profit or loss are financial liabilities held for trading.

A financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term and for which there is evidence of a recent actual pattern of short-term profit-taking.

YAYASAN RUMAH ENERGI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
(Expressed in Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Financial Assets and Liabilities (Continued)

Financial Liabilities (Continued)

(i). Financial liabilities at fair value through statement of activities (Continued)

Derivatives are also categorized as held for trading unless they are designated and effective as hedging instruments.

The Organization has no financial liabilities at fair value through statement of activities.

(ii). Financial liabilities at amortized cost

Financial liabilities not classified as financial liabilities at fair value through profit or loss are classified in this category and are measured at amortized cost. The financial liabilities measured at amortized cost include account payables, loan to third parties, grant payables, accruals and related party.

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the assets and settle the liability simultaneously.

Impairment of Other Non-Financial Assets

At the reporting date, the Organization reviews the carrying amount of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the recoverable value of the asset is estimated to determine the level of impairment loss. If it is not possible to estimate the recoverable amount of an individual asset, the Organization estimates the recoverable value of the cash generating unit to an asset.

Estimated recoverable amount is the higher of fair value less cost to sell or value in use. If the recoverable amount of a non-financial asset (cash generating unit) is less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount and an impairment loss is recognized immediately against earnings.

c. Foreign Currency Transactions and Translations

Transactions denominated in foreign currencies are translated into Rupiah at the exchange rates prevailing at the date of the transaction. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated into Rupiah using the exchange rates prevailing at the statement of financial position date.

Exchange gains and losses arising from transactions in foreign currencies and from the translation of foreign currency monetary assets and liabilities are recognized in the current year statement of activities.

The exchange rates used to translate the monetary assets and liabilities denominated in foreign currencies as of 31 December 2018 and 2017 are as follows:

	<u>2 0 1 8</u>	<u>2 0 1 7</u>
United States Dollar (USD) :	14.481,00	13.548,00
Euro (EUR) :	16.559,75	16.173,62

YAYASAN RUMAH ENERGI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
 (Expressed in Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Transaction With Related Party

A related party is a person or entity that is related to the Organization (reporting entity):

1. A person or a close member of that person's family is related to a reporting entity if that person;
 - (i). has control or joint control over the reporting entity;
 - (ii). has significant influence over the reporting entity; or
 - (iii). is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
2. An entity is related to a reporting entity if any of the following conditions applies:
 - (i). The entity and the reporting entity are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii). One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a business group which the other entity is a member).
 - (iii). Both entities are joint ventures of the same third party.
 - (iv). One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v). The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - (vi). The entity is controlled or jointly controlled by a person identified in (1).
 - (vii). A person identified in (1)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii). The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

e. Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, in banks, time deposit 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.

f. Prepaid Expenses

Prepaid expenses are amortized over the useful lives of each expense using the straight-line method.

g. Property and Equipment

Direct Acquisition

Property and equipment are initially carried at cost. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to the working condition and location for its intended use.

The Organization has applied the cost model in subsequent recognition for its property and equipment. Property and equipment except land are recognized at cost less accumulated depreciation and accumulated impairment losses, if any.

The initial cost of property and equipment consists of its purchase price, including import duties and taxes and any directly attributable costs in bringing the property and equipment to its working condition and location for its intended use.

Expenditures incurred after the property and equipment have been put into operations, such as repairs and maintenance costs, are normally charged to the statement of activities in the year such costs are

YAYASAN RUMAH ENERGI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
(Expressed in Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Property and Equipment

Direct Acquisition (Continued)

incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase 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 property and equipment is computed on a straight-line basis over the property and equipment's 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 amount of a fixed asset is derecognized when released or no future economic benefits are expected from its use or disposal. Property and equipment sold or disposed of, are removed from the group of property, plant and equipment together with the accumulated depreciation and accumulated impairment losses related to the property and equipment.

Any gains or loss arising from derecognition of property and equipment (calculated as the difference between the net disposal proceed, if any's with the carrying amount of the item) is included in the statement of activities in the year the item is derecognized.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written-down immediately to its recoverable amount.

Gains or losses on disposal of property and equipment are determined by comparing proceeds with the carrying amount and are included in the statement of activities for the current year.

The carrying value of property and equipment, useful lives and depreciation method are reviewed and adjusted if not appropriate, at each financial year end.

h. Other Receivables

Other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, except where the effect of discounting would be immaterial, less provision for receivable impairment.

i. 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.

YAYASAN RUMAH ENERGI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
(Expressed in Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. 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. The grants are recognized when the expenses occurred and the remaining fund recognized as "Grant Payables".

Expenses are recognized when incurred (accrual basis).

k. Net Assets

Net assets mainly represent funds available for the 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.

l. Provision for Employee Benefits

Short-term employee benefits are recognized when they are owed to the employee based on an accrual method in accordance with Labor Law No. 13/2003 dated 25 March 2003.

Past service costs arising from amendment or curtailment programs are recognized as expenses in statement of activities when incurred.

The benefit obligation recognized in the statement of financial position represents the present value of the defined benefit obligation, as adjusted for unrecognized actuarial gains and losses and unrecognized past service cost.

Remeasurements arising from adjustment and changes in actuarial assumptions are directly recognized in statement of activities.

Gains or losses on the curtailment or settlement of the defined benefit obligation are recognized when the curtailment or settlement occurs.

m. Income Taxes

Based on Law No. 36/2008 article No. 4 Subsection No. 3 Point A2, the amendment of tax law No. 7/1983 on taxes income, the donation received by the Foundation were not subjected to income tax.

Additional tax principal and penalty amounts based on notice of tax assessment letters ("SKP") are recognized as income or expense in the current year/period activities. However, when further avenue is sought, such amounts are deferred if they meet the asset recognition criteria.

n. Event After Reporting Period

Events after the reporting period that provide evidence of conditions that existed at the end of the reporting period (adjusting events) are reflected in the financial statements.

Events after the reporting period that are not adjusting events are disclosed in the notes to financial statements when material.

YAYASAN RUMAH ENERGI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
(Expressed in Rupiah, unless otherwise stated)

3. SIGNIFICANT ACCOUNTING JUDGEMENT, ESTIMATES AND ASSUMPTIONS

The preparation of the Organization financial statements requires management to make judgement, estimates and assumptions that affect the reported amounts of revenues, expenditures, assets and liabilities at the end of the reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset and liability affected in future periods.

Judgement

Going Concern

The Organization's management has made an assessment of the Organization's ability to continue as a going concern and is satisfied that the Organization has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Organization's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below. The Organization based its assumptions and estimates on parameters available when the financial statements were prepared. Such changes are reflected in the assumptions when they occur.

Depreciation of Property and Equipment

The costs of property and equipment are depreciated on a straight-line method over their estimated useful lives. Management estimates the useful lives of these property and equipment to be within 4 to 8 years. These are common life expectancies applied in the industries where the Organization conducts its businesses. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets and therefore future depreciation charges could be revised.

Provision for Employee Benefits

The determination of provision for employee benefits depends on selection of certain assumption used by actuary for the calculation of the liability. These assumptions include discount rate and rate of increase in salaries. Different realization from the Organization assumptions are accumulated and amortized over the future periods and consequently will affect the liabilities recognized in the future.

4. CASH AND CASH EQUIVALENTS

	<u>2 0 1 8</u>	<u>2 0 1 7</u>
Cash on hand	15.000.000	15.000.000
Cash in banks		
PT Bank Negara Indonesia (Persero) Tbk		
Indonesian Rupiah	6.936.989.941	2.134.346.445
Euro	306.289.798	1.094.134.380
United States Dollar	176.271.710	113.688.584
PT Bank Rabobank International Indonesia		
Euro	-	515.360.597
Indonesian Rupiah	579.427.225	550.374.437
Carried Forward	8.013.978.674	4.422.904.443

YAYASAN RUMAH ENERGI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
(Expressed in Rupiah, unless otherwise stated)

4. CASH AND CASH EQUIVALENTS (Continued)

	<u>2 0 1 8</u>	<u>2 0 1 7</u>
Bought Forward	8.013.978.674	4.422.904.443
PT Bank Mandiri (Persero) Tbk Indonesian Rupiah	<u>2.850.508</u>	<u>1.500.187</u>
Sub-total	<u>8.001.829.182</u>	<u>4.409.404.630</u>
Time deposit		
PT Bank Rabobank International Indonesia Indonesian Rupiah	<u>3.000.000.000</u>	<u>-</u>
T o t a l	<u>11.016.829.182</u>	<u>4.424.404.630</u>

As of 31 December 2018 time deposit represent deposit in Indonesian Rupiah with effective interest rate on time deposit of PT Bank Rabobank International Indonesia 6,75% yearly and have maturity of 90 days.

5. GRANT RECEIVABLES

	<u>2 0 1 8</u>	<u>2 0 1 7</u>
Hivos Foundation :		
1012802 Investing in Renewable Energy for Rural. Remote Communities in South Sulawesi, East Nusa Tenggara and West Nusa Tenggara	2.299.836.624	5.508.417.769
1012622 Millennium Challenge Account Indonesia Gading	181.575.478	648.181.774
1017121 Subsidies For Rural Household Biodegisters In Indonesia	<u>203.819.682</u>	<u>-</u>
Sub-total	<u>2.685.231.784</u>	<u>6.156.599.543</u>
ICCTF		
Adaptasi Perubahan Iklim dengan penerapan Bio-Slurry di Lombok (ASA-Lombok)	-	228.845.746
Nestle		
Biogas Development in East Java	<u>-</u>	<u>77.000.000</u>
T o t a l	<u>2.685.231.784</u>	<u>6.462.445.289</u>

6. ADVANCES

	<u>2 0 1 8</u>	<u>2 0 1 7</u>
Project	1.123.177.590	-
Kiva	398.652.843	526.599.993
Operational	50.027.327	53.563.755
Program	7.098.000	21.984.172
Others	<u>13.066.339</u>	<u>29.734.717</u>
T o t a l	<u>1.592.022.099</u>	<u>631.882.637</u>

YAYASAN RUMAH ENERGI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
(Expressed in Rupiah, unless otherwise stated)

7. PREPAID RENT

	<u>2 0 1 8</u>	<u>2 0 1 7</u>
Office rent :		
Jakarta	270.046.296	86.574.074
Lampung	15.277.777	-
Makasar	9.074.074	-
Sumba	8.101.852	23.148.149
T o t a l	<u>302.499.999</u>	<u>109.722.223</u>

8. PROPERTY AND EQUIPMENT

<u>2 0 1 8</u>	<u>Beginning balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
C o s t:				
Direct acquisition				
Vehicles	244.350.473	-	-	244.350.473
Office equipment	20.459.340	-	-	20.459.340
Office inventory	154.989.397	-	-	154.989.397
T o t a l	<u>419.799.210</u>	<u>-</u>	<u>-</u>	<u>419.799.210</u>
Accumulated depreciation:				
Direct acquisition				
Vehicles	221.121.295	23.229.178	-	244.350.473
Office equipment	13.092.187	3.711.926	-	16.804.113
Office inventory	126.359.900	8.895.750	-	135.255.650
T o t a l	<u>360.573.382</u>	<u>35.836.854</u>	<u>-</u>	<u>396.410.236</u>
Carrying amount	<u>59.225.828</u>			<u>23.388.974</u>
 <u>2 0 1 7</u>	 <u>Beginning balance</u>	 <u>Additions</u>	 <u>Deductions</u>	 <u>Ending Balance</u>
C o s t:				
Direct acquisition				
Vehicles	327.690.062	-	83.339.589	244.350.473
Office equipment	20.459.340	-	-	20.459.340
Office inventory	120.868.900	35.583.000	1.462.503	154.989.397
T o t a l	<u>469.018.302</u>	<u>35.583.000</u>	<u>84.802.092</u>	<u>419.799.210</u>
Accumulated depreciation:				
Direct acquisition				
Vehicles	208.851.419	63.232.376	50.962.500	221.121.295
Office equipment	8.957.812	4.134.375	-	13.092.187
Office inventory	109.540.451	18.281.952	1.462.503	126.359.900
T o t a l	<u>327.349.682</u>	<u>85.648.703</u>	<u>52.425.003</u>	<u>360.573.382</u>
Carrying amount	<u>141.668.620</u>			<u>59.225.828</u>

YAYASAN RUMAH ENERGI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
(Expressed in Rupiah, unless otherwise stated)

8. PROPERTY AND EQUIPMENT (Continued)

	<u>2 0 1 8</u>	<u>2 0 1 7</u>
Depreciation of property and equipment expenses is charged to - general and administrative (Note 20)	<u>35.836.854</u>	<u>85.648.703</u>

9. LONG TERM INVESTMENT

2018					
Name Entity	Percentage of ownership	Beginning Balance	Adjustment	Addition	Ending Balance
PT Inovasi Daya Lestari	80%	800.000.000	-	-	800.000.000

2017					
Name Entity	Percentage of ownership	Beginning Balance	Adjustment	Addition	Ending Balance
PT Inovasi Daya Lestari	80%	440.000.000	-	360.000.000	800.000.000

Based on notarial deed no 5 dated on 8 July 2015 by Mr. Jansehat Aritonang. SH., M.Kn concerning establishment of PT Inovasi Daya Lestari (PT IDL) stated that the Organization has 80% ownership of PT IDL's capital or amounted of Rp 440.000.000.

PT IDL has made change to its articles by Mr. Abdul Rajab Rahman. SH., M.Kn no 03 dated on, concerning changes of PT IDL Shareholder. The Organization has added for 2500 shares or amounted of Rp 360.000.000.

The deed was approved by Ministry of Law and Human Rights of the Republic of Indonesia by virtue of his decree No. AHU-2450373.AH.01.01-2015 dated on 7 August 2015.

As of 31 December 2018 and 2017, the Organization has not yet realized its capital to PT IDL and recorded as amount due to related parties.

10. AMOUNT DUE FROM RELATED PARTIES

On 24 May 2016, the Organization provide and place fund amounted to Rp 265.895.029 (represent 2016's asset of the organization) for operational activities of PT Inovasi Daya Lestari (PT IDL)'s project.

Based on *Surat Perjanjian Hutang Piutang* dated on 2 November 2017 between the Organization with PT IDL stated the organization will provide loan for capital expenditure for operational activities of PT IDL amounted to Rp 200.000.000 on 7 November 2017. Due date of this transaction is not more than 6 months after the Organization transfer the fund and will be converted as equity participation on PT IDL, if PT IDL not able to pay-off the transaction.

	<u>2 0 1 8</u>	<u>2 0 1 7</u>
PT Inovasi Daya Lestari	<u>465.895.029</u>	<u>265.895.029</u>

11. ACCOUNT PAYABLES

	<u>2 0 1 8</u>	<u>2 0 1 7</u>
Fund withheld for the after sales service of biogas digesters	<u>1.566.456.135</u>	<u>1.725.239.000</u>

YAYASAN RUMAH ENERGI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
(Expressed in Rupiah, unless otherwise stated)

12. LOAN TO THIRD PARTIES

	<u>2 0 1 8</u>	<u>2 0 1 7</u>
Kiva for Biodigester users	387.239.515	500.174.998
PT Resco Sumba Terang	-	88.306.800
T o t a l	<u>387.239.515</u>	<u>588.481.798</u>

13. GRANT PAYABLES

	<u>2 0 1 8</u>	<u>2 0 1 7</u>
Ford Foundation:		
129921 for support to develop and replicate a system for delivering sustainable and customizable business development and networking services for rural women entrepreneurs in Indonesia	3.686.368.241	-
Hivos Foundation :		
1006707 Upscaling the Indonesian Programme in East Java	1.722.164.852	2.398.267.463
1009540 Development of Sustainable Business Unit for Yayasan Rumah Energi	221.246.608	221.246.608
1010123 Upscaling the Indonesian Domestic Biogas Sector 2015	205.583.557	205.583.557
1006121 Indonesia Domestic Biogas Programme Implementation 2013	-	1.290.767.531
1013737 Support the Development and Promoting the Quality Feed Supply and its Distribution Channels in Pigs Sector (Prisma Phase 2)	-	80.884.064
Sub-total	<u>5.835.363.258</u>	<u>4.196.749.223</u>
Nestle		
Biogas Development in East Java	162.000.000	-
Other	-	3.085.715
T o t a l	<u>5.997.363.258</u>	<u>4.199.834.938</u>

14. TAXES PAYABLES

	<u>2 0 1 8</u>	<u>2 0 1 7</u>
Income tax :		
Article 21	18.328.988	17.099.935
Article 23	1.989.880	2.114.203
Article 29	112.017.111	235.060.707
Article 4(2)	-	1.666.666
T o t a l	<u>132.335.979</u>	<u>255.941.511</u>

15. ACCRUALS

	<u>2 0 1 8</u>	<u>2 0 1 7</u>
Accruals biogas	<u>292.157.155</u>	<u>155.137.993</u>

YAYASAN RUMAH ENERGI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
(Expressed in Rupiah, unless otherwise stated)

16. NET ASSET

The Donors of the Organization have placed restriction on the use of their contributions and thus the Foundation's net assets are classified as restricted and unrestricted. These accounts refer to the incoming resources and resources expended which affect the changes of the Organization's net assets in 31 December 2018 and 2017 and balances for the years ended 31 December 2018 and 2017.

17. GRANT RECEIVED - UNRESTRICTED

	<u>2 0 1 8</u>	<u>2 0 1 7</u>
RNE Project Closed	1.290.767.531	2.600.294.622
Remaining Grant Funds Project	-	316.864.000
Hivos First placement	-	134.214.959
PLTMH Project Closed	-	103.325.225
T o t a l	<u>1.290.767.531</u>	<u>3.154.698.806</u>

18. GRANT RECEIVED - RESTRICTED

	<u>2 0 1 8</u>	<u>2 0 1 7</u>
Hivos Foundation		
1006707 Upscaling the Indonesia Programme in East Java	5.657.386.787	4.173.672.621
1012802 TERANG Implementation in South Sulawesi, West Nusa Tenggara and East Nusa Tenggara	4.071.859.651	10.170.696.136
1016651 PRISMA commercial feed Cattle Farmers NTB Sub Contract	340.803.240	-
1012622 GADING Implementation in West Java, Jogjakarta, West Nusa Tenggara and East Nusa Tenggara	213.990.132	6.068.854.377
1013737 Support the Development and Promoting the Quality Feed Supply and its Distribution Channels in Pigs Sector (Prisma Phase 2)	204.977.090	306.536.725
1017121 Subsidies for Rural Household Biodigisters in Indonesia	203.819.682	-
Nestle		
Biogas Development in East Java	319.000.000	978.000.000
ICCTF		
Adaptasi Perubahan Iklim dengan Penerapan Bio - Slury di Lombok (ASA - Lombok)	471.034.886	428.845.746
FORD FOUNDATION		
129921 for support to develop and replicate a system for delivering sustainable and customizable business development and networking services for rural women entrepreneurs in Indonesia.	171.429.758	-
New Zealand Embassy		
Head of Embassy Fund	3.085.716	209.874.284
T o t a l	<u>11.657.386.942</u>	<u>22.336.479.889</u>

YAYASAN RUMAH ENERGI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
(Expressed in Rupiah, unless otherwise stated)

19. PROGRAM EXPENDITURES - RESTRICTED

	<u>2 0 1 8</u>	<u>2 0 1 7</u>
Hivos Foundation:		
1006707 Upscaling the Indonesia Programme in East Java	5.666.398.510	4.176.092.201
1012802 TERANG Implementation in South Sulawesi, West Nusa Tenggara and East Nusa Tenggara	4.072.892.763	10.171.538.169
1016651 PRISMA commercial feed Cattle Farmers NTB Sub Contract	340.803.240	-
1012622 GADING Implementation in West Java, Jogjakarta, West Nusa Tenggara and East Nusa Tenggara	213.990.132	6.070.427.739
1013737 Support the Development and Promoting the Quality Feed Supply and its Distribution Channels in Pigs Sector (Prisma Phase 2)	204.977.090	306.536.725
1017121 Subsidies for Rural Household Biodigesters in Indonesia	203.819.682	-
	<u>10.702.881.417</u>	<u>20.724.594.834</u>
Sub-total		
	<u>10.702.881.417</u>	<u>20.724.594.834</u>
ICCTF		
Adaptasi Perubahan Iklim dengan Penerapan Bio - Slurry di Lombok (ASA - Lombok)	471.034.886	428.965.114
Nestle		
Biogas Development in East Java	319.000.000	978.000.000
FORD FOUNDATION		
129921 for support to develop and replicate a system for delivering sustainable and customizable business development and networking services for rural women entrepreneurs in Indonesia.	171.429.758	-
New Zealand Embassy		
Head of Embassy Fund	3.085.716	209.874.284
T o t a l	<u>11.667.431.777</u>	<u>22.341.434.232</u>

20. GENERAL AND ADMINISTRATIVE - UNRESTRICTED

	<u>2 0 1 8</u>	<u>2 0 1 7</u>
Biogas project	797.298.133	709.961.600
National consultants expenses	577.158.924	408.198.601
Office expenses	215.181.629	23.186.862
Tax expenses	160.003.089	187.837.930
Transportation & accommodation expenses	111.336.023	199.974.745
Depreciation of property and equipment expenses (Note 8)	35.836.854	85.648.703
T o t a l	<u>1.896.814.652</u>	<u>1.614.808.441</u>

YAYASAN RUMAH ENERGI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
(Expressed in Rupiah, unless otherwise stated)

21. OTHER INCOME

	<u>2 0 1 8</u>	<u>2 0 1 7</u>
Income from donor for operational	2.735.781.541	1.716.826.034
Income from activities	38.206.675	71.179.086
Other	22.002.435	302.151.430
T o t a l	<u>2.795.990.651</u>	<u>2.090.156.550</u>

22. 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 2018 and 2017 are Nil, respectively.

The amounts recognized in statement of financial position and statement of activities arising from obligation on provision for employment benefits are nil since the organization has no permanent staff for 2018 and 2017, respectively.

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

	<u>2 0 1 8</u>	<u>2 0 1 7</u>
Beginning of the year	-	3.152.012.000
Benefit payment - released by the Organization (not plan asset)	-	(3.152.012.000)
End of the year	<u>-</u>	<u>-</u>

Based on Memo from the Executive Director of the Organization to all Organization's permanent staff dated 29 September 2017. Management of Organization has decided to terminate all permanent staffs starting effectively on 30 November 2017. The reasons for this decision were as follow:

1. Funding for the BIRU program which is the largest portofolio in the Organization where almost all of the staffs working has decreased significantly in 2017 compared to the previous year.
2. The two projects funded by Millennium Challenge Account Indonesia (MCA-I), namely GADING and TERANG will also expire in the first quarter of 2018, so that in 2018 the only available BIRU portofolio source is from Endev Project.
3. MCA-I as the main Donor also requires several things that are not in line with the accrual severance system that applies at the Organization for permanent workers, as the result, the Organization has to settle the severance pay on cash basis.

Due to the reasons above, the management of the Organization as the responsibility holder of the implementation of the BIRU program must make decisions related to changes in the structure of human resources and its employment agreement. This decision was made in order that the Organization could continue to fulfill its obligations to meet the targets of programs that had been agreed with Hivos and the continuation of the mission to uphold the biogas sector in Indonesia. In making these changes and adjustments, the Organization must firstly terminate the employment contract for all permanent staffs.

In the future, the Organization will plan and provide its unfunded employee benefits liability for permanent staff with main consideration on the fund source availability from the Donors to support the provision for employee benefit continuously in accordance with labor regulation No.13/2003 dated 25 March 2013.

As of 31 December 2018 and 2017 the Organization has no permanent staff.

YAYASAN RUMAH ENERGI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
(Expressed in Rupiah, unless otherwise stated)

23. RESTATED OF FINANCIAL STATEMENTS

The organization restated financial statement as of 31 December 2017 and 1 January 2017 in relation of recognition of investment in association and amount due to related party retrospectively.

The comparison between amounts previously reported and after restated amounts in the financial statements as of 31 December 2017 and 1 January 2017 were as follows:

	31 December 2017	
	Before restated	After restated
A S S E T S		
Long term investment	-	800.000.000
Amount due from related party	-	265.895.029
TOTAL ASSETS	12.163.575.636	12.963.575.636
LIABILITIES		
Amount due to related party	-	800.000.000
TOTAL LIABILITIES	6.924.635.240	7.724.635.240
TOTAL LIABILITIES AND NET ASSETS	12.163.575.636	12.963.575.636
	1 January 2017	
	Before restated	After restated
A S S E T S		
Long term investment	265.895.029	440.000.000
Amount due from related party	-	265.895.029
TOTAL ASSETS	13.258.212.542	13.698.212.542
LIABILITIES		
Amount due to related party	-	440.000.000
TOTAL LIABILITIES	11.918.476.264	12.358.476.264
TOTAL LIABILITIES AND NET ASSETS	13.258.212.542	13.698.212.542

24. RECLASSIFICATION OF FINANCIAL STATEMENTS

The Organization reclassified its financial statement as of 31 December 2017 and 1 January 2017 in relation of long term investment to amount due from related party and account payables to loan to third parties because of nature of the transactions

The comparison between amounts previously reported and after reclassified amounts in the financial statements as of 31 December 2017 and 1 January 2017 were as follows:

	31 December 2017	
	Before reclassification	After reclassification
A S S E T S		
Amount due from related party	-	265.895.029
Long-term investment	265.895.029	-
TOTAL ASSETS	12.163.575.636	12.963.575.636

YAYASAN RUMAH ENERGI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
(Expressed in Rupiah, unless otherwise stated)

24. RECLASSIFICATION OF FINANCIAL STATEMENTS (Continued)

	31 December 2017	
	Before reclassification	After reclassification
LIABILITIES		
Account payables	2.313.720.798	1.725.239.000
Loan to third parties	-	588.481.798
TOTAL LIABILITIES	6.924.635.240	7.724.635.240
TOTAL LIABILITIES AND NET ASSETS	12.163.575.636	12.963.575.636
	1 January 2017	
	Before reclassification	After reclassification
A S S E T S		
Amount due from related party	-	265.895.029
Long-term investment	265.895.029	-
TOTAL ASSETS	13.258.212.542	13.698.212.542
LIABILITIES		
Account payables	1.995.075.003	1.456.450.000
Loan to third parties	-	538.625.003
TOTAL LIABILITIES	11.918.476.264	12.358.476.264
TOTAL LIABILITIES AND NET ASSETS	13.258.212.542	13.698.212.542

25. FINANCIAL RISK MANAGEMENT

In performing operating, investing, and financing activities, the Organization faces the financial risks such as currency risk and credit risk. The financial risk management program is mainly focused on uncertainties in the financial market and minimizing the loss potential which affects the Organization's financial performance and defines risks and management's considerations in facing these risks:

a) Currency Risk

The Organization is exposed to foreign exchange risk primarily arising from recognized monetary assets and liabilities that are denominated in a currency that is not the Organization's functional currency. The Organization closely monitors the foreign exchange rate fluctuation and market expectation so it can take necessary actions to manage such risk in due time. The Organization has not entered into any forward/swaps currency transaction.

YAYASAN RUMAH ENERGI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
(Expressed in Rupiah, unless otherwise stated)

25. FINANCIAL RISK MANAGEMENT (Continued)

a) Currency Risk (Continued)

As of 31 December 2018 and 2017, the Organization has monetary assets and liabilities in foreign currency are as follows:

	2018			2017		
	USD	Euro	Equivalent Rp	USD	Euro	Equivalent Rp
Cash and cash equivalent	12.172,62	18.496,04	482.561.508	8.391,54	99.513,62	1.723.183.561

b) Credit Risk

The Organization takes on exposure to credit risk, which is the risk that may arise on outstanding financial instruments should a counterparty default on its obligations.

Financial instruments of the Organization that are potentially exposed to credit risk are cash and cash equivalents, other receivables, long term investment and amount due from related party. The maximum exposure to credit risk is equal to its carrying value.

The fair values of financial assets and liabilities, together with the carrying amounts are as follows:

	2018		2017	
	Carrying Value	Maximum Exposure	Carrying Value	Maximum Exposure
Cash and cash equivalents	11.016.829.182	11.016.829.182	4.424.404.630	4.424.404.630
Grant receivables	2.685.231.784	2.685.231.784	6.462.445.289	6.462.445.289
Other receivables	48.000.000	48.000.000	210.000.000	210.000.000
Long term investment	800.000.000	800.000.000	800.000.000	800.000.000
Amount due from related party	465.895.029	465.895.029	265.895.029	265.895.029
T o t a l	15.015.955.995	15.015.955.995	12.162.744.948	12.162.744.948

c) Liquidity Risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting financial obligations due to shortage of funds.

The Organization manages liquidity risk by maintaining sufficient cash to enable it to meet its operational requirements.

Fair Value of Financial Instruments Estimation

The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purpose.

PSAK 68, "Fair Value Measurement" requires disclosures of fair value measurements by level of the following fair value measurement hierarchy:

- a. Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities

YAYASAN RUMAH ENERGI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
(Expressed in Rupiah, unless otherwise stated)

25. FINANCIAL RISK MANAGEMENT (Continued)

Fair Value of Financial Instruments Estimation (Continued)

PSAK 68, "Fair Value Measurement" requires disclosures of fair value measurements by level of the following fair value measurement hierarchy: (Continued)

- b. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- c. Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of financial assets and liabilities approximates their carrying amount, as the impact of discounting is not significant, are as follows:

	<u>2 0 1 8</u>	<u>2 0 1 7</u>
A S S E T S		
Cash and cash equivalents	11.016.829.182	4.424.404.630
Grant receivables	2.685.231.784	6.462.445.289
Other receivables	48.000.000	210.000.000
Amount due from related party	<u>465.895.029</u>	<u>265.895.029</u>
T O T A L	<u>14.215.955.995</u>	<u>11.362.744.948</u>
LIABILITIES		
Account payables	1.566.456.135	1.725.239.000
Loan to third parties	387.239.515	588.481.798
Grant payables	5.997.363.258	4.199.834.938
Accruals	292.157.155	155.137.993
Amount due to related party	<u>800.000.000</u>	<u>800.000.000</u>
TOTAL LIABILITIES	<u>9.043.216.063</u>	<u>7.468.693.729</u>

26. EVENT AFTER REPORTING DATE

Amount Due From Related Party

Based on *Surat Perjanjian Hutang Piutang* No YRE/017a/201905/LMM dated on 3 May 2019 between the Organization with PT Inovasi Daya Lestari stated the Organization will provide loan capital expenditure for operational activities PT Inovasi Daya Lestari amounted Rp 300.000.000. Due date of this transaction is not more than 4 months after the organization transfer the fund and will be converted as equity participation on PT Inovasi Daya Lestari, if PT Inovasi Daya Lestari not able to pay-off the transaction.

Change of Executive Boards and Supervisory Boards

Based on notarial deed No. 42 dated on 4 July 2019 of the public notary Mr. Janesehat Aritonang. SH., MKn. legally registered under the Ministry of Justice and Human Rights on 24 July 2019, there were changes on boards of the Organization as follow:

Board of Trustees

Chairman : Robert De Groot
Members : Sandrayanti Winarsa

YAYASAN RUMAH ENERGI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
(Expressed in Rupiah, unless otherwise stated)

26. EVENT AFTER REPORTING DATE (Continued)

Change of Executive Boards and Supervisory Boards (Continued)

Executive Board

Chairman : Rebekka Sondang Angelyn KSH, LLM,
Secretary : Gustina
Treasurer : Hernety

Supervisory Board

Chairman : Husnul Ma'ad
Member : Elrika Hamdi
Member : Husni Irawati

27. AUTHORIZATION OF FINANCIAL STATEMENTS

The management of the Organization is responsible for preparation of the financial statements that were approved for issuance by the Organization's Management on 31 January 2020.

YAYASAN RUMAH ENERGI
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2018
(Expressed in Rupiah, unless otherwise stated)

Following below is the breakdown of statement of activities of Hivos Foundation - 1006707 Upscaling the Indonesia Programme in East Java fund for the year ended 31 December 2018 and 2017:

	<u>2 0 1 8</u>	<u>2 0 1 7</u>
Revenue		
Hivos Foundation - 1006707 Upscaling the Indonesia Programme in East Java	5.657.386.787	4.173.672.621
Expenditure		
Hivos Foundation - 1006707 Upscaling the Indonesia Programme in East Java	(5.666.398.510)	(4.176.092.201)
Other Income		
Interest income	<u>9.011.723</u>	<u>2.419.580</u>
Current year fund balance - net	-	-
Beginning fund balance	<u>-</u>	<u>-</u>
Ending fund balance	<u><u>-</u></u>	<u><u>-</u></u>

**YAYASAN RUMAH ENERGI
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2018
(Expressed in Rupiah, unless otherwise stated)**

Following below is the breakdown of statement of activities of Hivos Foundation - 1012802 TERANG Implementation in South Sulawesi, West Nusa Tenggara and East Nusa Tenggara fund for the year ended 31 December 2018 and 2017:

	<u>2 0 1 8</u>	<u>2 0 1 7</u>
Revenue		
Hivos Foundation -1012802 TERANG Implementation in South Sulawesi, West Nusa Tenggara and East Nusa Tenggara	4.071.859.651	10.170.696.136
Expenditure		
Hivos Foundation - 1012802 TERANG Implementation in South Sulawesi, West Nusa Tenggara and East Nusa Tenggara	(4.072.892.763)	(10.171.538.169)
Other Income		
Interest income	<u>1.033.112</u>	<u>842.033</u>
Current year fund balance - net	-	-
Beginning fund balance	<u>-</u>	<u>-</u>
Ending fund balance	<u>-</u>	<u>-</u>

**YAYASAN RUMAH ENERGI
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2018
(Expressed in Rupiah, unless otherwise stated)**

Following below is the breakdown of statement of activities of Hivos Foundation - 1016651 PRISMA commercial feed Cattle Farmers NTB Sub Contract fund for the year ended 31 December 2018 and 2017:

	<u>2 0 1 8</u>	<u>2 0 1 7</u>
Revenue		
Hivos Foundation - 1016651 PRISMA commercial feed Cattle Farmers NTB Sub Contract	340.803.240	-
Expenditure		
Hivos Foundation - 1016651 PRISMA commercial feed Cattle Farmers NTB Sub Contract	(340.803.240)	-
Other Income		
Interest income	-	-
Current year fund balance - net	-	-
Beginning fund balance	-	-
Ending fund balance	-	-

YAYASAN RUMAH ENERGI
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2018
(Expressed in Rupiah, unless otherwise stated)

Following below is the breakdown of statement of activities of Hivos Foundation - 1012622 GADING Implementation in West Java, Jogjakarta, West Nusa Tenggara and East Nusa Tenggara fund for the year ended 31 December 2018 and 2017:

	<u>2 0 1 8</u>	<u>2 0 1 7</u>
Revenue		
Hivos Foundation - 1012622 GADING Implementation in West Java, Jogjakarta, West Nusa Tenggara and East Nusa Tenggara	213.990.132	6.068.854.377
Expenditure		
Hivos Foundation - 1012622 GADING Implementation in West Java, Jogjakarta, West Nusa Tenggara and East Nusa Tenggara	(213.990.132)	(6.070.427.739)
Other Income		
Interest income	-	1.573.362
Current year fund balance - net	-	-
Beginning fund balance	-	-
Ending fund balance	-	-

YAYASAN RUMAH ENERGI
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2018
(Expressed in Rupiah, unless otherwise stated)

Following below is the breakdown of statement of activities of Hivos Foundation - 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 2018 and 2017:

	<u>2 0 1 8</u>	<u>2 0 1 7</u>
Revenue		
Hivos Foundation - 1013737 Support the Development and Promoting the Quality Feed Supply and its Distribution Channels in Pigs Sector (Prisma Phase 2)	204.977.090	306.536.725
Expenditure		
Hivos Foundation - 1013737 Support the Development and Promoting the Quality Feed Supply and its Distribution Channels in Pigs Sector (Prisma Phase 2)	(204.977.090)	(306.536.725)
Other Income		
Interest income	<u>-</u>	<u>-</u>
Current year fund balance - net	-	-
Beginning fund balance	<u>-</u>	<u>-</u>
Ending fund balance	<u>-</u>	<u>-</u>

YAYASAN RUMAH ENERGI
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2018
(Expressed in Rupiah, unless otherwise stated)

Following below is the breakdown of statement of activities of Hivos Regional Office Southeast Asia - 1017121 Subsidies for Rural Household Biodigisters in Indonesia fund for the year ended 31 December 2018 and 2017:

	<u>2 0 1 8</u>	<u>2 0 1 7</u>
Revenue		
Hivos Regional Office Southeast Asia - 1017121 Subsidies for Rural Household Biodigisters in Indonesia	203.819.682	-
Expenditure		
Hivos Regional Office Southeast Asia - 1017121 Subsidies for Rural Household Biodigisters in Indonesia	(203.819.682)	-
Other Income		
Interest income	<u>-</u>	<u>-</u>
Current year fund balance - net	-	-
Beginning fund balance	<u>-</u>	<u>-</u>
Ending fund balance	<u><u>-</u></u>	<u><u>-</u></u>

YAYASAN RUMAH ENERGI
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2018
(Expressed in Rupiah, 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 2018 and 2017:

	<u>2 0 1 8</u>	<u>2 0 1 7</u>
Revenue		
Nestle - Biogas Development in East Java	319.000.000	978.000.000
Expenditure		
Nestle - Biogas Development in East Java	(319.000.000)	(978.000.000)
Other Income		
Interest income	<u>-</u>	<u>-</u>
Current year fund balance - net	-	-
Beginning fund balance	<u>-</u>	<u>-</u>
Ending fund balance	<u><u>-</u></u>	<u><u>-</u></u>

YAYASAN RUMAH ENERGI
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2018
(Expressed in Rupiah, unless otherwise stated)

Following below is the breakdown of statement of activities of ICCTF - Adaptasi Perubahan Iklim dengan Penerapan Bio-Slurry di Lombok (ASA - Lombok) fund for the year ended 31 December 2018 and 2017:

	<u>2 0 1 8</u>	<u>2 0 1 7</u>
Revenue		
ICCTF - Adaptasi Perubahan Iklim dengan Penerapan Bio-Slurry di Lombok (ASA - Lombok)	471.034.886	428.845.746
Expenditure		
ICCTF - Adaptasi Perubahan Iklim dengan Penerapan Bio-Slurry di Lombok (ASA - Lombok)	(471.034.886)	(428.965.114)
Other Income		
Interest income	-	119.368
Current year fund balance - net	-	-
Beginning fund balance	-	-
Ending fund balance	<u>-</u>	<u>-</u>

**YAYASAN RUMAH ENERGI
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2018
(Expressed in Rupiah, unless otherwise stated)**

Following below is the breakdown of statement of activities of FORD Foundation - 129921 for support to develop and replicate a system for delivering sustainable and customizable business development and networking services for rural women entrepreneurs in Indonesia fund for the year ended 31 December 2018 and 2017:

	<u>2 0 1 8</u>	<u>2 0 1 7</u>
Revenue		
FORD Foundation - 129921 for support to develop and replicate a system for delivering sustainable and customizable business development and networking services for rural women entrepreneurs in Indonesia	171.429.758	-
Expenditure		
FORD Foundation - 129921 for support to develop and replicate a system for delivering sustainable and customizable business development and networking services for rural women entrepreneurs in Indonesia	(171.429.758)	(-)
Current year fund balance - net	-	-
Beginning fund balance	-	-
Fund balance, ending	<u>-</u>	<u>-</u>

YAYASAN RUMAH ENERGI
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2018
(Expressed in Rupiah, unless otherwise stated)

Following below is the breakdown of statement of activities of New Zealand Embassy - Head of Embassy fund for the year ended 31 December 2018 and 2017:

	<u>2 0 1 8</u>	<u>2 0 1 7</u>
Revenue		
New Zealand Embassy - Head of Embassy	3.085.716	209.874.284
Expenditure		
New Zealand Embassy - Head of Embassy	(3.085.716)	(209.874.284)
Current year fund balance - net	-	-
Beginning fund balance	-	-
Fund balance, ending	<u>-</u>	<u>-</u>



Tel : +62-21 5795 7300
Fax : +62-21 5795 7301
www.bdo.co.id

Tanubrata Sutanto Fahmi Bambang & Rekan
Certified Public Accountant
Licence No. 622/KM.1/2016

Prudential Tower, 17th Floor
Jl. Jend. Sudirman Kav. 79
Jakarta 12910 - Indonesia

No. : 00010/2.1068/AU.1/11/1239-3/1/I/2020
Re : Financial Statements
31 December 2018

Independent Auditors' Report

The Executive Board, Supervisory Board and Advisory Board
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 2018, and the related statement of activities, and statement of 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.

TANUBRATA SUTANTO FAHMI BAMBANG & REKAN

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, financial position of Yayasan Rumah Energi as of 31 December 2018, and their financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Other Matters

As disclosed in Note 23 to the accompanying financial statements, The Organization has restated financial statements for the year ended 31 December 2017 and 2016 regarding long term investment, amount due to PT Inovasi Daya Lestari and amount due from PT Inovasi Daya Lestari.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information as described in Attachments 1 to 10 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. M.Ak, CA, CPA, ASEAN CPA
License No. AP. 1239

31 January 2020

Hi/ap