
ARSYAD & REKAN
REGISTERED PUBLIC ACCOUNTANTS

YAYASAN EKOTURISME INDONESIA

**FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2008 AND 2007
AND
INDEPENDENT AUDITORS' REPORT**

INDONESIAN CURRENCY



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STATEMENT LETTER OF CHAIRMAN OF THE FOUNDATION

CONCERNING THE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008 YAYASAN EKOTURISME INDONESIA

We, undersigned below:

1. Name : David John Booth MBE
Office Address : Jl. Tunjung Sari No. 2YZ Padangsambian, Denpasar
Telephone Number : (62) 0361 410071
Position : Founder & Trustee
2. Name : I Komang Kurniawan
Office Address : Jl. Tunjung Sari No. 2YZ Padangsambian, Denpasar
Telephone Number : (62) 0361 410071
Position : Chairman

certify that:

1. We certify that, as members of management, we are responsible for the preparation and presentation of the Foundation's financial statements;
2. The Foundation's financial statements have been prepared and presented in conformity with generally accepted accounting principles;
3. a. All information in the Foundation's financial statements are complete and correct;
b. The Foundation's financial statements do not contain information or material fact which is not true, and do not omit material information or facts;
4. We are responsible for the internal control system in the Foundation.

We declare that the above statements are true.

Bank Account Details:

Rupiah Account:

Bank Name: BNI Capem Jl. Kamboja, Denpasar
Address: Jl. Kamboja, No.5, Denpasar, Bali
Acc. Name: Yayasan Ekoturisme Indonesia
Acc. No: 0055 295 647
Swift code: BNI NI DJA RNN

US\$ Account:

Bank Name: ABN AMRO Bank NV, Denpasar, Bali
Address: Jl. Teuku Umar No. 10, Blok A1-A3,
Denpasar, Bali, Indonesia
Acc. Name: Yayasan Ekoturisme Indonesia or
'East Bali Poverty Project'
Acc. No: 3601 034 157 USD
Swift code: ABNAIDJA

Denpasar, April 27, 2009

I Komang Kurniawan
Chairman



David John Booth MBE
Founder & Trustee

INDEPENDENT AUDITORS' REPORT

Report No. ARS-020/09

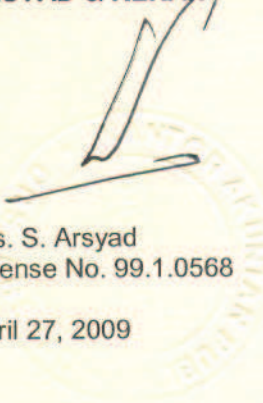
The Organs of Foundation
Yayasan Ekoturisme Indonesia

We have audited the financial positions of Yayasan Ekoturisme Indonesia as of December 31, 2008 and 2007 and the related statements of activities and cash flows for the years then ended. These financial statements are responsibility of the Foundation's executives. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards established by the Indonesian Instituted of Certified Public Accountants. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by executives, as well as evaluating the overall financial position presentations. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respect the financial position of Yayasan Ekoturisme Indonesia as of December 31, 2008 and 2007 and the results of its activities, and its cash flow for the years then ended in conformity with generally accepted accounting principles.

ARSYAD & REKAN



Drs. S. Arsyad
License No. 99.1.0568

April 27, 2009

NOTICE TO READERS

The accompanying financial statements are intended to present the financial position, result of the activities and cash flows in accordance with accounting principles and practices generally accepted in Indonesia and not those of any other jurisdictions. The standards, procedures and practices applied to audit such financial statements are those generally accepted and applied in Indonesia.

YAYASAN EKOTURISME INDONESIA
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2008 AND 2007

	Notes	2008	2007
<u>ASSETS</u>			
CURRENT ASSETS			
Cash and banks	2,3,10	Rp 570,701,938	Rp 468,418,476
Other current assets	2,4	429,883,423	315,172,689
Total Current Assets		<u>1,000,585,361</u>	<u>783,591,165</u>
NON CURRENT ASSETS			
Due from related parties	2,5	7,205,668	3,714,619
Deferred tax assets	2,7	40,785,555	37,557,976
Fixed assets - net of accumulated depreciation	2,6,9	1,156,252,475	764,315,721
Total Non Current Assets		<u>1,204,243,698</u>	<u>805,588,316</u>
TOTAL ASSETS		<u>Rp 2,204,829,059</u>	<u>Rp 1,589,179,481</u>
<u>LIABILITIES AND NET ASSETS</u>			
CURRENT LIABILITIES			
Accrued expenses		Rp 5,313,978	Rp 7,489,454
Tax payable	2,7	7,205,668	3,714,619
Other payable		800,000	800,000
Total Liabilities		<u>13,319,646</u>	<u>12,004,073</u>
NON CURRENT LIABILITY			
Provision for retirement and employee benefits	2,11	<u>145,662,695</u>	<u>125,193,253</u>
NET ASSETS			
Unrestricted		(1,766,339,028)	(1,458,246,870)
Restricted - temporary		<u>3,812,185,746</u>	<u>2,910,229,025</u>
Total Net Assets		<u>2,045,846,718</u>	<u>1,451,982,155</u>
TOTAL LIABILITIES AND NET ASSETS		<u>Rp 2,204,829,059</u>	<u>Rp 1,589,179,481</u>

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

YAYASAN EKOTURISME INDONESIA
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	Notes	2008	2007
CHANGE IN UNRESTRICTED NET ASSETS:			
Revenue			
Donations	2,8	Rp 558,691,425	Rp 227,131,365
Others		59,023,689	39,457,064
Total Unrestricted Revenue		617,715,114	266,588,429
Expenses	2		
General and administrative	6,9,11	924,010,596	822,324,622
Others		5,024,255	5,604,983
Total Unrestricted Expenses		929,034,851	827,929,605
Decrease in Unrestricted Net Assets		(311,319,737)	(561,341,176)
CHANGE IN TEMPORARY RESTRICTED NET ASSETS:			
Revenue from donations	2,8	3,352,792,953	2,897,453,817
Program Expenses	2		
Integrated education program		839,070,627	789,890,027
Vetiver program		364,084,770	202,990,554
Community safe water supply program		292,433,014	275,768,313
Health program		281,205,413	327,644,786
Infrastructure program		203,469,425	97,940,489
Bamboo development and reforestation program		142,131,185	69,201,600
Agriculture program		87,289,415	69,162,108
Educational art story book program		49,814,000	-
Solar power system program		38,389,090	237,724,980
Further education program		34,475,065	39,550,602
Site transport to facilitate all programmes		28,841,499	-
School uniform program		26,134,800	24,352,650
Goat breeding program		22,434,274	28,538,270
Library development program		21,507,764	24,687,000
Independence day celebrations empowering children		19,555,891	18,847,743
Total Program Expenses		2,450,836,232	2,206,299,122
Increase in Temporary Restricted Net Assets		901,956,721	691,154,695
INCREASE IN NET ASSETS BEFORE PROVISION FOR INCOME TAX		590,636,984	129,813,519
PROVISION FOR INCOME TAX - DEFERRED	7	3,227,579	3,742,563
INCREASE IN NET ASSETS		593,864,563	133,556,082
NET ASSETS AT BEGINNING OF YEAR		1,451,982,155	1,318,426,073
NET ASSETS AT END OF YEAR		Rp 2,045,846,718	Rp 1,451,982,155

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

YAYASAN EKOTURISME INDONESIA
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	Notes	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from donations	8	Rp 3,911,484,378	Rp 3,124,585,182
Cash paid for project expenses		(2,284,580,746)	(2,109,445,498)
Cash received from operations		1,626,903,632	1,015,139,684
Cash received from interest		19,425,850	16,241,734
Cash paid for general and administration expenses		(879,412,964)	(670,144,519)
Net Cash Provided by Operating Activities		766,916,518	361,236,899
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceed from sale of fixed assets	6	65,000,000	250,000
Purchase of fixed assets	6	(729,633,056)	(466,927,580)
Net Cash Used in Operating Activities		(664,633,056)	(466,677,580)
NET INCREASE (DECREASE) IN CASH AND BANKS		102,283,462	(105,440,681)
CASH AND BANKS AT BEGINNING OF YEAR		468,418,476	573,859,157
CASH AND BANKS AT END OF YEAR	3	Rp 570,701,938	Rp 468,418,476

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

YAYASAN EKOTURISME INDONESIA
NOTES TO FINANCIAL STATEMENTS (Continued)
For The Years Ended December 31, 2008 and 2007

1. GENERAL

Yayasan Ekoturisme Indonesia (the Foundation) was established based on notarial deed No. 96 of Meiyane Halimatussyadiah, S.H. dated July 25, 1998. The deed of establishment was registered at the Denpasar Public Court in its Report List No. 26 dated August 11, 1998. The Foundation's Articles of Association have been amended several times, most recently by notarial deed No. 6 dated October 4, 2005 of Meiyane Halimatussyadiah, S.H., to conform with Law No. 16 year 2001 regarding Foundation. The deed of amendment was approved by the Minister of Justice and Human Right of the Republic of Indonesia in his decision letter No. C-HT.01.09-250 dated October 19, 2005.

The purposes and objectives of the Foundation are to be active in the social sector, particularly improving the welfare of village communities through information that can improve knowledge and awareness of these communities, of their village potential or the community potential, in a voluntary and non-profit manner.

The Foundation has two Secretariats: one is located in Jalan Tunjung Sari No. 2YZ Padangsambian, Denpasar, and the other in Dusun Ban, Ban Village, Kecamatan Kubu, Karangasem, Bali Province, Indonesia.

As of December 31, 2008 and 2007, the members of the organs of the Foundation are as follows:

Patrons

Chairman	:	Ketut Arthana
Member	:	David Booth MBE Endang Husnaeni

Executives

Chairman	:	I Komang Kurniawan
Vice Chairman	:	Tri Budiyo
Secretary	:	Gede Ngurah Indraguna Pinatih
Treasurer	:	I Gusti Ngurah Adi Suputra

<u>Supervisor</u>	:	John Scott Younger
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The Foundation had 116 and 108 employees in 2008 and 2007, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Financial Statements

The Foundation adopted the accounting policies and presented the financial statements based on the Statement of Financial Accounting Standards (SFAS) No. 45, "Financial Reporting for Non Profit Organizations", and the principles and practices generally accepted in Indonesia.

The financial statements have been prepared on the historical cost basis of accounting. The basic assumption for financial statements preparation is accrual basis. The statement of cash flows present cash received and payments classified into operating, investing and financing activities. The cash flows from operating activities are presented using the direct method.

The reporting currency used in the financial statements is the Indonesian Rupiah.

Transactions with Related Parties

The Foundation has transactions with certain parties, which are regarded as having special relationship, as defined under SFAS No. 7, "Related Parties Disclosures".

YAYASAN EKOTURISME INDONESIA
NOTES TO FINANCIAL STATEMENTS (Continued)
For The Years Ended December 31, 2008 and 2007

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

All significant transactions with related parties, whether or not conducted under similar price, term and conditions as those with third parties, are disclosed in the notes to financial statements.

Allowance for Doubtful Accounts

Allowance for doubtful accounts is provided based on a review of the collectibility of the receivable accounts at the end of the year.

Prepaid Expenses

Prepaid expenses (presented in as part of "Other Current Assets") are amortized over periods benefited using the straight-line method.

Fixed Assets

Effective January 1, 2008, the Foundation applied SFAS No. 16 (Revised 2007), "Fixed Assets", which supersedes SFAS No. 16 (1994), "Fixed Assets and Other Assets", and SFAS No. 17 (1994), "Accounting for Depreciation", whereby the Foundation has chosen the cost model. The Adoption of this revised SFAS did not result in a significant effect in the Foundation's statements of financial position.

Fixed assets are stated at cost less accumulated depreciation and impairment losses. Such cost includes the cost of replacing part of the fixed assets when that cost is incurred, if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the fixed assets as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs that do not meet the recognition criteria are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line method over the estimated useful lives of the assets as follows:

	Years
Solar power system	10
Vehicles	4 and 8
Office equipment	4 and 8

An item of fixed assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognizing of the assets (calculated as the difference between the net disposal proceeds and the carrying amount of the assets) is included in profit or loss in the year the asset is derecognized.

The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted prospectively if appropriate, at each financial year end.

Impairment of Assets

Assets is reviewed for impairment losses whenever events or charges. In circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use.

Revenue and Expense Recognition

Revenue from donations is recognized when received from donors. Expenses are recognized as incurred (accrual basis).

YAYASAN EKOTURISME INDONESIA
NOTES TO FINANCIAL STATEMENTS (Continued)
For The Years Ended December 31, 2008 and 2007

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign Currency Transactions and Balances

Transactions involving foreign currencies are recorded at the rates of exchange prevailing at the time the transactions are made. At balance sheets date, assets and liabilities denominated in foreign currencies are adjusted to reflect the average buying and selling rates prevailing at such date as published by Bank Indonesia and any resulting gains or losses are credited or charged to current operations.

As of December 31, 2008 and 2007, the exchange rate using for US\$ 1 are Rp 10,950, and Rp 9,419, respectively.

Provision for Income Tax

The Foundation uses the deferred income tax method in accounting for income tax, in accordance with SFAS No. 46, "Accounting for Income Taxes", which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between tax bases and financial reporting bases of assets and liabilities and for the carry forward of fiscal losses. The tax effects of temporary differences and fiscal loss carry forwards, which individually are either assets or liabilities, are shown at the applicable net amounts.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires executives to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could be different from these estimates.

3. CASH AND BANKS

This account consists of the following:

	2008	2007
Cash on hand	Rp 16,431,794	Rp 27,375,284
Cash in banks:		
PT Bank Negara Indonesia (Persero) Tbk	553,824,698	435,901,171
ABN - AMRO Bank, N.V. (US\$ 40.68 in 2008 and US\$ 545.92 in 2007)	445,446	5,142,021
Total	Rp 570,701,938	Rp 468,418,476

There was no restriction on the usage of the Foundation's funds or either in banks.

4. OTHER CURRENT ASSETS

This account consists of the following:

	2008	2007
Prepaid expenses:		
Rental	Rp 393,289,235	Rp 281,490,835
Insurance	34,882,705	32,762,396

YAYASAN EKOTURISME INDONESIA
NOTES TO FINANCIAL STATEMENTS (Continued)
For The Years Ended December 31, 2008 and 2007

4. OTHER CURRENT ASSETS (Continued)

	2008		2007	
Advances	Rp	1,711,483	Rp	919,458
Total	Rp	429,883,423	Rp	315,172,689

5. DUE FROM RELATED PARTIES

This account represents employees receivables which bears no interest, with no collateral and no payment schedule.

No allowance for doubtful account was provided on due from related parties, as the executives believe that all such receivables are collectible.

6. FIXED ASSETS

The details of fixed assets are as follows:

	2008			
	Beginning Balance	Additions	Deductions	Ending Balance
<u>Carrying Value</u>				
Solar power system	Rp -	Rp 367,613,216	Rp -	Rp 367,613,216
Vehicles	987,855,950	280,230,000	67,000,000	1,201,085,950
Office equipment	489,291,528	81,789,840	-	571,081,368
Total Carrying Value	1,477,147,478	729,633,056	67,000,000	2,139,780,534
<u>Accumulated Depreciation</u>				
Solar power system	-	28,630,590	-	28,630,590
Vehicles	440,079,825	156,631,333	2,093,750	594,617,408
Office equipment	272,751,932	87,528,129	-	360,280,061
Total Accumulated Depreciation	712,831,757	272,790,052	2,093,750	983,528,059
Net Book Value	Rp 764,315,721			Rp 1,156,252,475
	2007			
	Beginning Balance	Additions	Deductions	Ending Balance
<u>Carrying Value</u>				
Vehicles	Rp 664,055,950	Rp 323,800,000	Rp -	Rp 987,855,950
Office equipment	352,487,011	143,127,580	6,323,063	489,291,528
Total Carrying Value	1,016,542,961	466,927,580	6,323,063	1,477,147,478
<u>Accumulated Depreciation</u>				
Vehicles	Rp 296,466,950	Rp 143,612,875	Rp -	Rp 440,079,825
Office equipment	210,748,972	67,830,294	5,827,334	272,751,932
Total Accumulated Depreciation	507,215,922	211,443,169	5,827,334	712,831,757
Net Book Value	Rp 509,327,039			Rp 764,315,721

YAYASAN EKOTURISME INDONESIA
NOTES TO FINANCIAL STATEMENTS (Continued)
For The Years Ended December 31, 2008 and 2007

6. FIXED ASSETS (Continued)

Depreciation for the years ended December 31, 2008 and 2007 has been charged to the following:

	2008		2007	
	Rp		Rp	
General and administrative (see Note 9)	106,534,566		114,589,545	
Program expenses	166,255,486		96,853,624	
Total	272,790,052		211,443,169	

Deduction of fixed assets for the years 2008 and 2007 are as follows:

	2008		2007	
	Rp		Rp	
Sales price	65,000,000		250,000	
Net book value	64,906,250		495,729	
Gain (loss) on sale of fixed assets	93,750		(245,729)	

In 2008 and 2007, vehicles are covered by insurance against losses by accident amounting to Rp 531,250,000 and Rp 512,000,000. The executives believes the insurance is sufficient to cover possible losses arising from such risk.

Based on the executives' assessment, there are no events or changes in circumstances, which may indicate impairment in value of fixed assets as of December 31, 2008 and 2007.

7. TAX PAYABLE

This account represents Income Tax payable article 21.

The reconciliation between net increase in net assets before provision for Income Tax, as shown in the statements of activities, and the estimated fiscal loss for the years ended December 31, 2008 and 2007 are as follows:

	2008		2007	
	Rp		Rp	
Net increase in net assets before provision for Income Tax	590,636,984		129,813,519	
Timing differences:				
Employee benefit	20,469,442		12,475,210	
Permanent differences:				
Rental	62,285,200		50,367,633	
Salaries and employee benefit	-		57,237,132	
Interest income already subjected to final tax	(19,425,850)	(16,241,734)	
Donations received	(3,911,484,378)	(3,124,585,182)	
Estimated fiscal loss before fiscal loss carry-forward	(3,257,518,602)	(2,890,933,422)	
Fiscal loss carry-forward				
- 2002	-	(942,920,319)	
- 2003	(940,455,840)	(940,455,840)	

YAYASAN EKOTURISME INDONESIA
NOTES TO FINANCIAL STATEMENTS (Continued)
For The Years Ended December 31, 2008 and 2007

7. TAX PAYABLE (Continued)

	2008	2007
- 2004	(Rp 1,465,720,354)	(Rp 1,465,720,354)
- 2005	(1,616,315,580)	(1,616,315,580)
- 2006	(1,921,695,626)	(1,921,695,626)
- 2007	(2,890,933,422)	-
Estimated fiscal loss	(Rp 12,092,639,424)	(Rp 9,778,041,141)

In accordance to Law No. 17 Year 2000, donations to recipient parties are not tax objects as long as the donations are not received under relations of business, ownership or controlling relations between relevant parties.

Under the taxation laws of Indonesia, the Foundation calculates, assess and submits tax returns on the basis of self-assessment. The Directorate General of Taxation may assess or amend taxes within ten years from the date the tax becomes due or up to 2013 whichever is earlier (based on the taxation laws of Indonesia which will be effective since 2008, Directorate General of Taxation may assess or amend within five years from the date the tax become due).

Deferred

The computations of deferred income tax for the years ended December 31, 2008 and 2007 using the maximum tax rate of 28% in 2008 and 30% in 2007 are as follows:

	2008	2007
Employee benefit	Rp 3,227,579	Rp 3,742,563

The deferred tax assets as of December 31, 2008 and 2007 are as follows:

	2008	2007
Employee benefit	Rp 40,785,555	Rp 37,557,976

In 2008 and 2007, the Foundation did not recognize deferred tax assets on fiscal losses amounting to Rp 3,385,939,039 and Rp 2,933,412,342, respectively, because the fiscal losses are considered unrecoverable.

8. DONATIONS

This account represents unrestricted and temporary restricted donations received from donor. The details of this account are as follows:

	2008	2007
Unrestricted:		
Regional Institutions	Rp 406,200,719	Rp 149,171,135
Private	113,234,306	68,013,030
Others	39,256,400	9,947,200
	558,691,425	227,131,365

YAYASAN EKOTURISME INDONESIA
NOTES TO FINANCIAL STATEMENTS (Continued)
For The Years Ended December 31, 2008 and 2007

8. DONATIONS (Continued)

	2008		2007	
Temporary Restricted:				
Education program	Rp	1,265,202,360	Rp	860,166,158
Solar power system program		436,865,943		201,050,850
Water supply program		357,250,000		616,965,549
Vetiver development program		323,658,456		222,447,101
Agriculture program		198,229,427		55,631,480
Health program		165,452,206		267,165,089
Site transport to facilitate all programs		155,363,458		275,799,800
Bamboo development and reforestation program		146,491,208		182,501,000
Infrastructure program		144,784,004		72,214,035
Educational art story book program		90,322,000		70,590,564
Further education program		38,648,410		32,742,500
School uniform program		19,500,000		30,730,000
Goat breeding program		11,025,481		-
Development of comprehensive library program		-		8,262,191
Independence day		-		1,187,500
		<u>3,352,792,953</u>		<u>2,897,453,817</u>
Total	Rp	<u>3,911,484,378</u>	Rp	<u>3,124,585,182</u>

9. GENERAL AND ADMINISTRATIVE

This account consists of the following:

	2008		2007	
Salaries and employee benefit (see Note 11)	Rp	375,439,679	Rp	281,360,860
Depreciation (see Note 6)		106,534,566		114,589,545
Office supplies		84,848,535		57,492,253
Transportation		82,439,621		90,780,653
Insurance		79,735,840		42,335,329
Rental		51,893,533		50,367,633
Public relation, marketing and fundraising		48,525,535		65,724,099
Media and communication		48,234,429		63,683,431
Electricity and water		25,870,340		29,306,405
Others		20,488,518		26,684,414
Total	Rp	<u>924,010,596</u>	Rp	<u>822,324,622</u>

10. ASSETS IN FOREIGN CURRENCY

As of December 31, 2008 and 2007, the Foundation has cash in bank denominated in foreign currency amounting to US\$ 40.68 and US\$ 545.92, which is equivalent Rp 445,446 and Rp 5,142,021, respectively.

YAYASAN EKOTURISME INDONESIA
NOTES TO FINANCIAL STATEMENTS (Continued)
For The Years Ended December 31, 2008 and 2007

11. PROVISION FOR RETIREMENT AND EMPLOYEE BENEFIT

In December 2008 and 2007, the Foundation recorded an accrual for employee termination, gratuity and compensation amounting to Rp 145,662,695 and Rp 125,193,253, respectively, as provided under the Labor Law No. 13/2003 dated March 25, 2003. The accrual has been determined based on the following assumptions:

Annual discount rate	:	11% pa in 2008 and 2007
Annual salary increase	:	10% pa
Retirement age	:	55 years

Mutation of provision for retirement and employee benefits is as follows:

	2008		2007	
Beginning balance	Rp	125,193,253	Rp	112,718,043
Provision during the year		20,469,442		12,475,210
Ending balance	Rp	145,662,695	Rp	125,193,253

Such benefits were presented as salaries and employee benefit account in general and administrative expenses in statements of activities and provision for retirement and employee benefits account in statement of financial position.

The Foundation's executives believe that the amount of accrual made is adequate to cover the related liabilities arising from this decree.

12. RECLASSIFICATION ACCOUNT

Accounts in 2008 financial statements have been reclassified to conform with the presentation of accounts in 2007 financial statements.

13. APPROVAL OF FINANCIAL STATEMENTS

These financial statements are the responsibility of the foundation's executives and have been approved for issued at April 27, 2009.