
Financial report 2019

Coöperatieve Vereniging United
World College Maastricht U.A.

Maastricht

28/05/2020

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Management Report

1. Report Head of College

Leadership

The year 2019 was characterized by the continued consolidation of the senior and middle leadership of the school. The interim leadership arrangements in Secondary (Kate Doyle) and Primary (Tanya Surawski) were made permanent and the appointment of Paul Hart as Deputy Director of Secondary School strengthened the leadership of the residential community. Across the school leadership is distributed in increasable effective and well-trained teams, with a clear understanding of initiative and accountability. In the senior leadership a new position was created for a Director of Technology and Learning, who we expect to start in September 2020.

Governance

Following the signing of the Samenwerkingsovereenkomst Coöperatie UWC Maastricht in 2017 the Coop partners have worked hard to develop a management statute for the Cooperation UWC Maastricht. This management statute explicates how the various responsibilities of the partners are organised and which responsibilities are handed over the Board of the Cooperative. In addition new working agreements related to HR were signed between the school Board and the educational partners LVO and Mosalira. This process has been completed in 2019, including the writing of the school management statute. This document stipulates how the Board delegates some of its responsibilities to the Head of College. In 2020 we plan to update the schools Participation Council statute (Medezeggenschapsstatuut), aligned to the aforementioned governance documents.

The challenge with the Foundation UWC Maastricht and its relationship with UWC Nederland continued to be a priority in 2019 and was addressed by the UWC International Board. All related parties want to resolve this challenge. Therefore renewed initiatives are taken. Due to the complexity it is uncertain when this will be resolved. In the Cooperative Board, Emiel van der Wal and Loek Radix announced their resignation from their respective roles. Angelique Paulussen will replace Emiel as the portfolio holder branding, communications and fundraising. Gabriel Zwart will replace Loek as portfolio holder Finance. Both new Board members will begin their tenure early in 2020.

Finance

Financially the school has had a stable year. Challenges remain in the budget of the Primary school, although filling in the leadership position without a deputy director has contributed to a positive result above expectation of € 246.707 (2018: -/- 207.008). The Boarding column remains a matter of attention with a negative result of -/- € 275.273 (2018: -/- 1.025.023). Till 2018 the provision for major maintenance of buildings only included the maintenance work on the school buildings. As of 2019 the maintenance work on the residences is also incorporated in the provision for major maintenance of buildings. This results in an unforeseen endowment in the maintenance provision for the residences of € 322.061,-. The Secondary schools remains financially healthy, and generated a positive result of € 770.335,- (2018: 1.162.389). This decline in result is due to the change in the allocation of the back office costs from student numbers to revenue as of 2019 and due to the investment in teaching staff. We close the financial year with an overall positive result of € 741.769,- (2018: -/- € 69.642,-).

Student numbers

Student numbers remain stable with an overall enrollment of 914 students as we closed for Christmas break in December 2019. This is well beyond original capacity, and has allowed us to engage with the municipality to consider ways to expand our campus. The building of six additional temporary classrooms and office spaces started in November 2019 and was completed and put in use in January 2020. These much needed classrooms provide a three year solution. Conversations with the Gemeente Maastricht for a more permanent solution will continue in 2020.

Educational developments

2019 was largely dedicated to implementing and developing two aspects of the UWC Maastricht curriculum: an increased use of IT resources in education and the development of more outdoor educational programmes across the school. This has also led to the creation of new positions in 2020: A full time position for a Director of Technology and Learning and a part-time role for an Outdoor Education coordinator.

Together with our sister UWC schools and colleges we continue to engage in the multi-year curriculum development project, which will allow us to offer broader and more tailor-made programmes to our senior students within or outside of the IB Diploma programme. This is increasingly becoming a collaboration with our historic partner the IB.

Prognosis 2020

Whilst we write this management report, UWC Maastricht is faced by temporary school closure due to the Covid-19 Pandemic. We closed our campus for all day students on Monday 16 March for an initial three weeks, a period that has been extended until at least 28 April (Government regulations as of 31 March 2020). Due to the incredible adaptability of our teachers and IT staff, we were able to start remote learning for all students within 48 hours of school closure. As a residential school, the Boarding arrangements were a particular concern, and we followed the advice of the RIVM (the National Public Health Agency) and our local GGD and school doctor. After the global cancellation of the IB Diploma examinations for May 2020, approximately 55 percent of our 200 residential students decided to go home. We do not envisage that the Covid-19 crisis will increase the costs of our college operations in any significant way during the academic year 2019-2020. At present we do not expect to significantly reimburse any parental contributions, as UWC Maastricht is still fulfilling its legal obligation to educate students towards a degree. However, the duration of the crisis may imply that there will be challenges with reopening "as usual" in September 2020. If the crisis extends well into the summer, this could have an impact on our student enrollment numbers, or on the number of residential students on campus. Even students admitted to UWCM may not be able to travel to Maastricht to join us in August/September. We will be developing scenarios to prepare for such an unfortunate situation. However, the data currently available does not yet indicate a decline in applications. We will continue to monitor this situation closely and take appropriate action when and if needed.

2. General information

Mission statement

UWC makes education a force to unite people, nations and cultures for peace and a sustainable future. UWC Maastricht will deliver a challenging and transformational educational experience to a diverse cross section of students, inspiring them to create more peaceful and sustainable future.

Values

Our unique model of education, driven by our mission and nine values, supports young people to flourish – physically, intellectually, emotionally and ethically.

Our nine values

International and intercultural understanding

We are committed to building communities that are free from prejudice and intolerance, irrespective of people's gender, and socioeconomic, cultural, racial, religious or national background.

Celebration of difference

We consciously create supportive environments where differences are valued and recognised for the strength they bring to communities

Personal responsibility and integrity

Personal responsibility, accountability and integrity are at the heart of the UWC experience. We expect the people we work with to behave in a similar way.

Mutual responsibility and respect

We believe in collaboration and mutual support, and recognise that respect underpins the smooth functioning of any encounter or team. People who work with our members find them dependable and respectful.

Compassion and service

Our actions and language communicate compassion and commitment to communities. We work at all levels – personally, locally, regionally, nationally – to make the world a better place.

Respect for the environment

We recognise our interdependence with the environment and actively seek solutions that will contribute to a sustainable future. Our choices and actions demonstrate this commitment.

A sense of idealism

We inspire our members to believe that it is possible to make a difference and work with others who share that belief.

Personal challenge

We are committed to learning through doing. By taking the initiative and taking on challenges, we learn about ourselves and those around us, developing a sense of responsibility for others

Action and personal example

We believe in the importance of acting on your beliefs and making your voice heard so your actions stand out.

Codes of conduct

Dutch education does not have a universally accepted code of conduct for teachers or professionals working in primary and secondary schools. The UWC movement has adopted a set of nine values and a mission statement, and all staff are expected to align their behaviour to these values in the pursuit of the UWC mission. In addition, all students, particularly the residential students, are expected to follow the UWC code of conduct. This code of conduct was established in 2008 and will be reviewed in 2018. As a CIS accredited and UWC school we also follow protocols and minimum standards established by these partner organizations. In recruitment, we choose to follow the standards of the NVP, the Nederlandse Vereniging voor Personeelsmanagement & Organisatieontwikkeling.

CSR ('maatschappelijk verantwoord ondernemen')

As a Charitable Foundation, the Cooperative UWC Maastricht makes education a force for peace and a sustainable future. We take our societal responsibility seriously, and endorse the dictum of educational philosopher John Dewey that "the moral responsibility of the school, and to those who conduct it, is to society." As a school that depends on a fundraising function, we also have a policy towards ethical fundraising. This policy stipulates that we will not solicit funds from organizations and companies with values opposed to ours (e.g. the armament industry) or from those whose activities are at odds with public health (e.g. tobacco companies).

Legal structure

The Coöperatieve Vereniging United World College Maastricht U.A. is a cooperative. The members of the cooperative are Stichting Limburgs Voortgezet Onderwijs, Mosalira Stichting voor leren, onderwijs en opvoeding and Stichting United World College Maastricht.

The main activities of the Coöperatie are :

- providing international education to primary and secondary students in the age of 3 till 18 based on the UWC Mission statement;
- exploit and maintain the campus which is used for providing the education.

International

UWC has eighteen schools and colleges on four continents. Each of the schools and colleges has its own distinct character and identity, influenced by the host country, the specific setting, cultural context and the community. What makes each one of them a UWC is a deliberately diverse student body, with students coming from all over the world, bringing with them very different backgrounds to learn and live together - and their joined mission to make education a force for peace and sustainability.

Africa:

Waterford Kamhlaba UWC - Mbabane, Swaziland
UWC Tanzania, Moshe and Arusha, Tanzania

Asia:

Li Po Chun UWC - Hong Kong SAR
UWC Changshu - Changshu, China
UWC Mahindra College - Pune, India
UWC South East Asia - Singapore
UWC Thailand - Phuket, Thailand
UWC Isak - Japan

Europe:

UWC Adriatic - Duino, Italy
UWC Atlantic College - Llantwit Major, UK
UWC Dilijan - Dilijan, Armenia
UWC Maastricht - Maastricht, the Netherlands
UWC in Mostar - Mostar, Bosnia and Herzegovina
UWC Red Cross Nordic- Flekke, Norway
UWC Robert Bosch College - Freiburg, Germany

The Americas:

Pearson College UWC Victoria - Canada
UWC-USA Montezuma - New Mexico, USA
UWC Costa Rica - Santa Ana, Costa Rica

3. Financial information

Development of income and expenses

To provide insight in the development of the result for 2019, below an outline has been prepared based on the profit and loss account of 2019 compared to the profit and loss account of 2018. Income and expenses are expressed in euros and as a percentage of the total revenue.

	2019		2018		movement	
	€		€		€	
Revenue						
Government contributions	7.223.613	43%	6.976.809	44%	246.804	4%
School-, scholarship and registration fees	8.797.866	52%	8.369.204	52%	428.662	5%
Other revenues	746.211	4%	614.663	4%	131.549	21%
	<u>16.767.690</u>	100%	<u>15.960.675</u>	100%	<u>807.015</u>	5%
Expenses						
Personnel costs	11.174.547	67%	10.579.663	66%	594.884	6%
Depreciations	385.151	2%	424.031	3%	(38.880)	-9%
Housing costs	1.311.976	8%	1.242.821	8%	69.155	6%
Other operating expenses	3.137.837	19%	3.778.061	24%	(640.223)	-17%
	<u>16.009.511</u>	95%	<u>16.024.575</u>	100%	<u>(15.064)</u>	0%
Operating profit	758.179	5%	(63.900)	0%	822.079	-1287%
Financial income and expenses	(16.410)	0%	(5.741)	0%	(10.668)	186%
Result before tax	<u>741.769</u>	4%	<u>(69.642)</u>	0%	<u>811.411</u>	-1165%
Tax on result	-		-			
Result after tax	<u><u>741.769</u></u>	4%	<u><u>(69.642)</u></u>	0%	<u><u>811.411</u></u>	-1165%

The major positive influence on the result 2019 compared to 2018 is:

The increase in student numbers but also the indexation of school fees and subsidies led to a higher income of government contributions and fees. The overall increase of government contributions and fees is € 675.466,-. The increase in other revenues of 131.549,- is because more donations were raised by Coöp. UWCM.

The major negative influence on the result 2019 compared to 2018 is:

The personnel costs increased mainly due to the indexation in the CLA 2018-2019. The other operating expenses includes the endowment to the provision for major maintenance of buildings. The other operating expenses declined mainly due to the endowment to the provision financial fixed assets in 2019 € 0 (2018: € 1.025.023). This provision includes the boarding results on the members account of Foundation UWCM (2018: € 369.772 and 2017: € 655.251). As of 2019 the maintenance work on the residences is also incorporated in the provision for major maintenance of buildings. This results is an unforeseen endowment in the maintenance provision for the residences of € 322.061,-.

This diminished the decline in the other operating expenses caused by the endowment to the provision financial fixes assets.

Balance sheet

To provide insight in the development of the balance sheet for 2019, below an outline has been prepared based on the balance sheet of 2019 compared to the balance sheet of 2018.

Assets and Liabilities are expressed in euros and as a percentage of the total of the balance sheet.

	<u>31-12-2019</u>		<u>31-12-2018</u>		<u>movement</u>	
	€		€		€	
<u>Assets</u>						
<u>Fixed assets</u>						
Tangible fixed assets	3.115.678	28%	3.105.292	31%	10.386	0%
Financial fixed assets	576.979	5%	251.408	3%	325.571	129%
<u>Current assets</u>						
Inventories	61.989	1%	56.113	1%	5.876	10%
Receivables	2.915.782	26%	2.954.994	29%	(39.213)	-1%
Cash at banks and in hand	4.425.705	40%	3.653.487	36%	772.218	21%
	<u>11.096.132</u>	<u>100%</u>	<u>10.021.294</u>	<u>100%</u>	<u>1.074.838</u>	<u>11%</u>
	<u>31-12-2019</u>		<u>31-12-2018</u>		<u>movement</u>	
	€		€		€	
<u>Liabilities</u>						
<u>Equity</u>						
Other reserve	931.563	8%	1.001.205	10%	(69.642)	0%
Undistributed profit	741.769	7%	(69.642)	-1%	811.411	-1165%
<u>Provisions</u>	2.165.496	20%	1.614.841	16%	550.655	34%
<u>Non-current liabilities</u>	187.188	2%	1.184.177	12%	(996.989)	-84%
<u>Current liabilities</u>	<u>7.070.116</u>	<u>64%</u>	<u>6.290.712</u>	<u>63%</u>	<u>779.404</u>	<u>12%</u>
	<u>11.096.132</u>	<u>100%</u>	<u>10.021.294</u>	<u>100%</u>	<u>1.074.838</u>	<u>11%</u>

The major influence on the balance sheet 2019 compared to 2018 is:

The decrease of the non-current liabilities € 996.989 reflects the repayment of the loan of foundation LVO and the loan of foundation Mosalira. The increase of the current liabilities € 779.404 is caused by the deferred income of school, exam and scholarship fee's. The increase in the undistributed profit is due to the positive result of 2019.

Lodewijk van Oord

Financial statements

Balance sheet as at 31 December 2019

(Before appropriation of result)

Assets		31-12-2019		31-12-2018	
	Note	€	€	€	€
Fixed assets					
Tangible fixed assets	4.	3.115.678		3.105.292	
Financial fixed assets	5.	<u>576.979</u>		<u>251.408</u>	
			3.692.657		3.356.700
Current assets					
Inventories	6.	61.989		56.113	
Receivables	7.	2.915.782		2.954.994	
Cash at banks and in hand	8.	<u>4.425.705</u>		<u>3.653.487</u>	
			7.403.476		6.664.594
			<u>11.096.132</u>		<u>10.021.294</u>

(Before appropriation of result)

		<u>31-12-2019</u>		<u>31-12-2018</u>	
		€	€	€	€
Liabilities					
	Note				
Equity					
Other reserve	9.	931.563		1.001.205	
Undistributed profit	10.	<u>741.769</u>		<u>(69.642)</u>	
		1.673.332		931.563	
Provisions	11.	2.165.496		1.614.841	
Non-current liabilities	12.	187.188		1.184.177	
Current liabilities	13.	<u>7.070.116</u>		<u>6.290.712</u>	
		<u>11.096.132</u>		<u>10.021.294</u>	

Income statement for the year ended 31 December 2019

		2.019	Budget 2019	2.018
	Note	€	€	€
Revenue				
Government contributions	15.	7.223.613	6.895.881	6.976.809
School-, scholarship and registration fees	16.	8.797.866	8.613.115	8.369.204
Other revenues	17.	746.211	717.200	614.663
		<u>16.767.690</u>	<u>16.226.196</u>	<u>15.960.675</u>
Expenses				
Personnel costs	18.	11.174.547	11.250.374	10.579.663
Depreciations	19.	385.151	439.412	424.031
Housing costs	20.	1.311.976	1.263.597	1.242.821
Other operating expenses	21.	3.137.837	2.801.013	3.778.061
		<u>16.009.511</u>	<u>15.754.396</u>	<u>16.024.575</u>
Operating profit		<u>758.179</u>	<u>471.800</u>	<u>- 63.900</u>
Financial income and expenses	22.	- 16.410	- 2.750	- 5.741
Result before tax		<u>741.769</u>	<u>469.050</u>	<u>- 69.642</u>
Tax on result		-	-	-
Result after tax		<u>741.769</u>	<u>469.050</u>	<u>- 69.642</u>

Cash flow statement for the year ended 31 December 2019

	31-12-2019		31-12-2018	
	€	€	€	€
Cash flow from operating activities				
Operating profit/(loss)		758.179		(63.900)
<i>Adjustments for:</i>				
Depreciation fixed assets	783.648		811.413	
Release contribution from third parties	(428.642)		(428.642)	
Movement in provisions	550.655		395.709	
		905.661		778.480
<i>Movements in working capital:</i>				
Inventories	(5.876)		20.232	
Receivables	39.213		(464.718)	
Current liabilities (excluding borrowings)	779.404		842.812	
		812.740		398.326
Cash generated from operations		2.476.580		1.112.906
Interest paid	(16.410)		(5.741)	
		(16.410)		(5.741)
Net cash generated from operating activities		2.460.170		1.107.165
Cash flow from investment activities				
Investments in tangible fixed assets	(365.392)		(242.872)	
Net cash generated from investment		(365.392)		(242.872)
Cash flow from financing activities				
Repayment current account mothers	(996.989)		(959.214)	
Other movement current account	(325.571)		285.486	
Student Initiative Fund (SIF)	-		92.148	
Net cash generated from financing		(1.322.560)		(581.580)
Net increase/(decrease) in cash at banks and in		772.217		282.713
Balance as at 1 January		3.653.487		3.370.774
Movements during the financial year		772.217		282.713
Balance as at 31 December		4.425.705		3.653.487

Notes to the balance sheet and income statement

1. General notes

1.1. Activities

The Coöperatieve Vereniging United World College Maastricht U.A. makes education a force to unite people, nations and cultures for peace and a sustainable future. UWC Maastricht will deliver a challenging and transformational educational experience to a diverse cross section of students, inspiring them to create a more peaceful and sustainable future.

The main activities of the Coöperatie are :

- providing international education to primary and secondary students in the age of 3 till 18;
- exploit and maintain the campus which is used for providing the education.

1.2. Registered office

The registered and actual address of Coöperatieve Vereniging United World College Maastricht U.A. is Discusworp 65, 6225 XP Maastricht.

1.3. Related parties

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also entities which can control the Company are considered to be a related party. In addition, statutory directors, other key management of Coöperatieve Vereniging United World College Maastricht U.A. or the ultimate parent company and close relatives are regarded as related parties. Transactions with related parties are disclosed in the notes insofar as they are not transacted under normal market conditions. The nature, extent and other information is disclosed if this is necessary in order to provide the required insight.

1.4. Accounting policies for the cash flow statement

The cash flow statement has been prepared using the indirect method. The cash items disclosed in the cash flow statement comprise cash at banks and in hand.

2. General accounting policies

2.1. General

The financial statements are drawn up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards including accounting guidelines RJ 640 accounting regulations regarding 'non-for-profit' entities and RJ 660 accounting regulations regarding educational institutions, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving'). Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost. In the balance sheet, income statement and the cash flow statement, references are made to the notes.

2.2. Comparison with previous year

The valuation principles and method of determining the result are the same as those used in the previous year, with the exception of the changes in accounting policies as set out in the relevant sections.

2.3. Foreign currency

Transactions in foreign currencies are stated in the financial statements at the exchange rate of the functional currency on the transaction date.

3. Accounting policies applied to the valuation of assets and liabilities

3.1. Tangible fixed assets

Land and buildings are valued at historical cost plus additional costs or production cost less straight-line depreciation based on the expected useful life. Land is not depreciated. Impairments expected on the balance sheet date are taken into account. With regard to the determination as to whether a tangible fixed asset is subject to an impairment, please refer to the relevant section.

Subsidies on investments will be deducted from the historical cost price or production cost of the assets to which the subsidies relate.

A provision for major maintenance has been created for the future costs of major maintenance to the buildings. The addition to the provision is determined based on the expected amount of the maintenance work and the intervals between the times when major maintenance work is carried out.

The used depreciation periods are :

- Land	no depreciation
- Buildings	40 years
- Inventory and furniture	10-20 years
- ICT	3-5 years

3.2. Financial fixed assets

Receivables recognised under financial fixed assets are initially measured at fair value and subsequently carried at amortised cost.

3.2.1. Members account

The members account can be debited or credited according to the members contract. The members account can be divided into a current account position and a result position. The current account position only contains the investments of the members into the cooperative association. This is the difference between the subsidies which are received from the Ministry of Education Culture & Science and the salary cost, transfer of assets and other investment by the members. The result position only contains results according to the appropriation of the results as decided by the General Members Meeting until the balance date of the annual account. The members accounts are free of interest.

3.3. Impairment of non-current assets

The realisable value is initially based on a binding sale agreement; if there is no such agreement, the realisable value is determined based on the active market, whereby usually the prevailing bid price is taken as market price. For the determination of the value in use, an estimate is made of the future net cash flows.

If it is established that an impairment that was recognised in the past no longer exists or has reduced, the increased carrying amount of the asset concerned is set no higher than the carrying amount that would have been determined if no impairment value adjustment for the asset concerned had been reported.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists, the impairment loss is determined and recognised in the income statement

The amount of an impairment loss incurred on financial assets stated at amortised cost is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss shall be reversed. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal shall be recognised through profit or loss.

3.4. Inventories

The inventories refers to the study books which are being used by the students and to the library books. Inventories are valued at historical cost less straight-line depreciation based on the expected useful life. The used depreciation period for study and library books is four years.

3.5. Accounts receivable

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. Interest gains are recognised using the effective interest method. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.

3.6. Cash at banks and in hand

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Cash at banks and in hand is carried at nominal value.

3.7. Equity

The equity contains the result before appropriation.

3.8 Continuity reserve

The continuity reserve has been drawn up to cover risks in the short-term and to ensure the Coöperatieve Vereniging United World College Maastricht U.A. can meet its obligations in the future in case of unexpected events. The continuity reserve consists of freely disposable capital. The size of the continuity reserve is based on the risk analysis which was performed in the beginning of 2020.

3.8. Provisions

3.8.1. General

Provisions are measured at the best estimate of the amount that is necessary to settle the obligation as per the balance sheet date. The other provisions are carried at the nominal value of the expenditure that is expected to be necessary in order to settle the obligation, unless stated otherwise.

The cooperative association has a defined benefit pension plan with the APG pension fund. The pension plan is based on the average salary system.

The cooperative association pays premiums based on legal requirements and a contractual basis to the APG pension fund. The Cooperation has no other obligation under the pension plan then to pay the pension premiums. Premiums are recognised as employee cost when they are due. Prepaid contributions are recognised as deferred assets if these lead to a refund or reduction of future payments. Contributions that are due but have not yet been paid are presented as liabilities.

3.8.2. Provision for major maintenance of buildings

A provision is recognised for expenditures incurred on major maintenance work on buildings in order to spread these costs over a number of financial years. The addition to the provision is determined based on the expected amount of the maintenance work and the intervals between the times when major maintenance work is carried out.

3.9. Non-current liabilities

The non-current liabilities are valued at the fair value.

3.9.1. Members account

On initial recognition long-term debts are recognised at fair value. Transaction costs which can be directly attributed to the acquisition of the long-term debts are included in the initial recognition. After initial recognition long-term debts are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. The difference between stated book value and the mature redemption value is accounted for as interest cost in the income statement on the basis of the effective interest rate during the estimated term of the long-term debts.

The members account can be debited or credited according to the members contract. The members account can be divided into a current account position and a result position. The current account position only contains the investments of the members into the cooperative association. This is the difference between the subsidies which are received from the Ministry of Education Culture & Science and the salary cost, transfer of assets and other investment by the members. The result position only contains results according to the appropriation of the results as decided by the General Members Meeting until the balance date of the annual account. The members accounts are free of interest.

3.10. Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received, taking into account premiums or discounts, less transaction costs. This usually is the nominal value.

4. Principles for the determination of the result

4.1. General

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

4.2. Sales of services

Revenues from the services rendered are recognised in proportion to the services delivered, based on the services rendered up to the balance sheet date in proportion to the total of services to be rendered. The Government contributions, school-, scholarship, registration fees and other revenues are included in the revenue in the year to which they apply.

4.3. Other operating income

In other operating income results are recognized which are not directly linked to the supply of goods or services as part of the normal, non-incidental operations. The other operating income comprises of royalty income. Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreements.

4.3. Personnel costs

Salaries, wages and social security contributions are charged to the income statement based on the terms of employment, where they are due to employees and the tax authorities respectively. The cooperative association pays premiums based on legal requirements and a contractual basis to the APG pension fund. The cooperative association has no other obligation under the pension plan then to pay the pension premiums. Premiums are recognised as employee cost when they are due.

4.4. Depreciations

The depreciations of tangible fixed assets are based on the historical cost. The depreciations are based on straight-line depreciation and the expected useful life. Land is not depreciated.

4.5. Housing cost and other operating expenses

These cost are based on the historical cost and are recorded as cost in the year which these cost relate to.

4.6. Financial income and expenses

Interest income and expenses are recognised on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which they relate.

4. Tangible fixed assets

	Land and buildings	Inventory Furniture & ICT	Assets under con- struction	Total
	€	€	€	€
Balance as at 1 January 2019				
Acquisition cost	19.428.970	2.776.757		22.205.727
Cumulative depreciation	(2.657.756)	(1.612.633)		(4.270.389)
Cumulative contribution third parties	(17.145.676)			(17.145.676)
Cumulative release contribution third parties	2.315.630			2.315.630
Book values	<u>1.941.168</u>	<u>1.164.124</u>	<u>-</u>	<u>3.105.292</u>
Movements				
Investments without donations from third parties	59.186	306.206		365.392
Donations from third parties				-
Depreciation	(523.303)	(260.346)	-	(783.648)
Release contribution from third parties	428.642	-	-	428.642
Balance	<u>(35.474)</u>	<u>45.860</u>	<u>-</u>	<u>10.386</u>
Balance as at 31 December 2019				
Acquisition costs	19.488.156	3.082.963	-	22.571.119
Cumulative depreciation	(3.181.059)	(1.872.979)	-	(5.054.037)
Cumulative contribution third parties	(17.145.676)			(17.145.676)
Cumulative release contribution third parties	2.744.272			2.744.272
Book value	<u>1.905.694</u>	<u>1.209.984</u>	<u>-</u>	<u>3.115.678</u>

The total investment in 2019 is € 365.392 and this is within the budget 2019 € 451.376,-. The in 2019 planned investment in the bike shed and in the curtains in the atrium of in total € 50.000,- have been postponed to 2020.

5. Financial fixed assets

The members account can be divided into a current account position and a result position. The current account position only contains the investments of the members into the cooperative association. This is the difference between the subsidies which are received from the Ministry of Education Culture & Science and the salary costs, transfer of assets and other investment by the members. The result position only contains results according to the appropriation of the results as decided by the General Members Meeting until the balance date of the annual account. If this is an asset item it is a receivable. The members accounts are free of interest. Nothing has been agreed in respect of securities.

	<u>31/12/2019</u>	<u>31/12/2018</u>
	€	€
Members account foundation UWCM	1.276.631	1.276.431
Provision for members account foundation UWCM	(1.025.023)	(1.025.023)
Members account foundation Mosalira	325.371	
Ending balance	<u>576.979</u>	<u>251.408</u>

Breakdown members account foundation UWCM into the current account and result position

	<u>31/12/2019</u>	<u>31/12/2018</u>
	€	€
Current account position on members account of Foundation UWCM	8.747	8.547
Result position on members account of Foundation UWCM	1.267.883	1.267.883
Total members account foundation UWCM	<u>1.276.631</u>	<u>1.276.431</u>

Detailed overview current account position Foundation UWCM

	<u>31/12/2019</u>	<u>31/12/2018</u>
	€	€
Opening balance	8.547	5.800
Other movement in the financial year	200	2.747
Ending balance	<u>8.747</u>	<u>8.547</u>

Detailed overview result position Foundation UWCM

	<u>31/12/2019</u>	<u>31/12/2018</u>
	€	€
Opening balance	1.267.883	242.860
Result 2017 according to distribution of profits in the ALV		655.251
Invoice result boarding 2018		369.772
Ending balance	<u>1.267.883</u>	<u>1.267.883</u>

Detailed overview provision for financial fixed assets

	<u>31/12/2019</u>	<u>31/12/2018</u>
	€	€
Opening balance	(1.025.023)	-
Result boarding 2017		(655.251)
Result boarding 2018		(369.772)
Ending balance	<u>(1.025.023)</u>	<u>(1.025.023)</u>

Breakdown members account foundation Mosalira into the current account and result position

	<u>31/12/2019</u>	<u>31/12/2018</u>
	€	€
Current account position on members account of foundation Mosalira	325.371	
Result position on members account of foundation Mosalira	-	-
Total members account foundation Mosalira	<u>325.371</u>	<u>-</u>

Detailed overview current account position Foundation Mosalira

	<u>31/12/2019</u>	<u>31/12/2018</u>
	€	€
Opening balance	(132.957)	
Repayment current account debt based on the 10 years term	132.957	
	-	-
Other movement in the financial year	325.371	
Ending balance	<u>325.371</u>	<u>-</u>

On 17 March 2020 € 325.371,- was paid by Foundation Mosalira to Coop. UWCM.

6. Inventories

Inventory study books

€

Balance as at 1 January 2019

Acquisition cost	364.245
Cumulative depreciation	(308.132)
Book values	<u>56.113</u>

Movements

Investments	36.021
Depreciation	(30.145)
Balance	<u>5.876</u>

Balance as at 31 December 2019

Acquisition costs	400.266
Cumulative impairments and depreciation	(338.277)
Book value	<u>61.989</u>

7. Receivables

	31/12/2019		31/12/2018	
	Total	Remaining term > 1 year	Total	Remaining term > 1 year
	€	€	€	€
Debtors	2.064.538	0	2.228.183	0
Other revenues still to be invoiced	139.500	0	119.310	0
Prepaid costs	380.631	0	402.219	0
Province-grants receivable	201.386	0	192.000	0
Wage tax and social insurance premiums	19.509	0	-	0
Cost to be passed on	57.122	0	1.003	0
Other receivables	53.096	0	12.279	0
	<u>2.915.782</u>	<u>0</u>	<u>2.954.994</u>	<u>0</u>

The fair value of the receivables approximates the carrying amount due to their short-term character and the fact that provisions for bad debt are recognised, where necessary.

7.1 Debtors

	31/12/2019	31/12/2018
	€	€
Debtors	2.320.614	2.422.504
Less: provision for bad debt	<u>(256.076)</u>	<u>(194.321)</u>
	<u>2.064.538</u>	<u>2.228.183</u>

The debtors are mainly parents, companies and national committees which need to pay school, exam and scholarship fees.

8. Cash at banks and in hand

The cash at banks and in hand are at free disposal.

9. Equity

9.1 Other reserve

The movements in the continuity reserve is as follows:

	31/12/2019	31/12/2018
	€	€
Opening balance	1.001.205	-
Result Primary according to distribution of profits in the ALV	(207.008)	18.947
Result Secondary according to distribution of profits in the ALV	1.162.389	982.258
Result Boarding according to distribution of profits in the ALV	(1.025.023)	
Ending balance	<u>931.563</u>	<u>1.001.205</u>

The continuity reserve per department is as follows:

	31/12/2019	31/12/2018
	€	€
Result Primary according to distribution of profits in the ALV	(188.061)	18.947
Result Secondary according to distribution of profits in the ALV	2.144.647	982.258
Result Boarding according to distribution of profits in the ALV	(1.025.023)	
Ending balance	<u>931.563</u>	<u>1.001.205</u>

The other reserve is build up by private funds. This is a continuity reserve until the threshold of € 5.421.150,- is reached. The board estimates the maximum reservation of the continuity reserve to be € 5.421.150,-. This maximum is based on the risk analysis which was performed in the beginning of 2020.

10. Undistributed profit

The movements in the undivided result is as follows:

	31/12/2019	31/12/2018
	€	€
Opening balance	-69.642	345.954
Result Primary according to distribution of profits in the ALV to the continuity reserve	207.008	(18.947)
Result Secondary according to distribution of profits in the ALV to the continuity reserve	-1.162.389	(982.258)
Result Boarding according to distribution of profits in the ALV to the members accountant of Foundation UWCM	1.025.023	655.251
Subtotal	-0	-
Result financial year	741.769	(69.642)
Ending balance	<u>741.769</u>	<u>(69.642)</u>

Proposed appropriation of profits

The board of directors proposed to distribute the profit of 2019 as follows:

Result Primary after back office costs to the continuity reserve	246.707
Result Secondary after back office costs to the continuity reserve	770.335
Result Boarding after back office costs to the members account of foundation UWCM	(275.273)
Total result after back office costs	<u>741.769</u>

The profit appropriation is not reflected in these financial statements.

11. Provisions

	<u>31/12/2019</u>	<u>31/12/2018</u>
	€	€
Provision for major maintenance of buildings	2.165.496	1.614.841
The movements in provision for major maintenance of buildings is as follows:	<u>31/12/2019</u>	<u>31/12/2018</u>
	€	€
Opening balance	1.614.841	1.219.132
Additions	624.978	426.959
	<u>2.239.819</u>	<u>1.646.091</u>
Withdrawal	(74.323)	(31.250)
Ending balance	<u><u>2.165.496</u></u>	<u><u>1.614.841</u></u>

A provision is recognised for expenditures incurred on major maintenance work on buildings in order to spread these costs over a number of financial years. The future major maintenance work is based on a report from Bremen Bouwadviseurs which is an independent construction cost consultant. This report is renewed each two years. The addition to the provision is determined based on the expected amount of the maintenance work and the intervals between the times when major maintenance work is carried out. The provision is not indexed and is not valued at the present value. Up and including 2018 this provision includes the maintenance work on the school buildings. As of 2019 the maintenance work on the residences is also incorporated in the provision for major maintenance of buildings. Of the endowment to the maintenance provision an amount of € 322.061,- relates to the residences and an amount of € 302.917,- relates to the school buildings.

12. Non-current liabilities

The members account can be divided into a current account position and a result position. The current account position only contains the investments of the members into the cooperative association. This is the difference between the subsidies which are received from the Ministry of Education Culture & Science and the salary costs, transfer of assets and other investment by the members. The result position only contains results according to the appropriation of the results as decided by the General Members Meeting until the balance date of the annual account. If this is liability item it is a debt.

The members accounts are free of interest. Nothing has been agreed in respect of securities.

	<u>31/12/2019</u>	<u>31/12/2018</u>
	€	€
Members account foundation LVO	95.040	959.072
Members account foundation Mosalira		132.957
Student Initiative Fund (SIF)	92.148	92.148
	<u>187.188</u>	<u>1.184.177</u>

Breakdown members account foundation LVO into the current account and result position

	<u>31/12/2019</u>	<u>31/12/2018</u>
	€	€
Current account position on members account of foundation LVO	95.040	959.072
Result position on members account of foundation LVO	-	-
Total members account foundation LVO	<u>95.040</u>	<u>959.072</u>

Detailed overview current account position foundation LVO

	<u>31/12/2019</u>	<u>31/12/2018</u>
	€	€
Opening balance	959.072	2.149.210
Repayment current account debt based on the 10 years term 2016		(335.745)
Repayment difference between S4 -/- S3 personnel lumpsum 2016		(190.191)
Repayment other movements previous year	(40.928)	(179.194)
Repayment current account debt based on the 10 years term	(335.745)	(335.745)
Repayment difference between S4 -/- S3 personnel lumpsum	(190.191)	(190.191)
	<u>392.208</u>	<u>918.144</u>
Other repayment	(297.168)	
Other movement in the financial year	-	40.928
Ending balance	<u>95.040</u>	<u>959.072</u>

Breakdown members account foundation Mosalira into the current account and result position

	<u>31/12/2019</u>	<u>31/12/2018</u>
	€	€
Current account position on members account of foundation Mosalira	-	132.957
Result position on members account of foundation Mosalira	-	-
Total members account foundation Mosalira	<u>-</u>	<u>132.957</u>

Detailed overview current account position Foundation Mosalira

	<u>31/12/2019</u>	<u>31/12/2018</u>
	€	€
Opening balance	-	485.189
Repayment current account debt based on the 10 years term	-	(88.107)
Repayment other movements from 2017	-	-
Repayment other movements from 2015 and 2016	-	219.666
	-	616.748
Other movement in the financial year	-	(483.791)
Ending balance	<u>-</u>	<u>132.957</u>

Breakdown Student Initiative Fund (SIF)

	<u>31/12/2019</u>	<u>31/12/2018</u>
	€	€
Opening balance	92.148	-
Other movement in the financial year	-	92.148
Ending balance	<u>92.148</u>	<u>92.148</u>

The Student Initiative Fund aims to provide funding for high-quality student projects that strive to have a significant and sustainable impact. These projects are linked to the UWC missions and values. The SIF committee consisting of staff and students. The committee set up criteria for the projects and decides about the project proposals. Students who receive funding report back to the SIF committee.

13. Current liabilities

	<u>31/12/2019</u>	<u>31/12/2018</u>
	€	€
School, exam and scholarship fees invoiced in advance	5.063.707	4.410.894
School fees received in advance	152.295	143.680
Debts to trade creditors	459.713	288.543
Book and locker deposits	300.217	290.125
Wage tax and social insurance premiums		164.316
Pension premiums	158	5.299
Value added tax	5.739	2.776
Current account foundation Educational	-	-
Payable vacation bonus	156.766	136.838
Deferred income bilateral agreements United World College the Netherlands	399.182	411.542
Other liabilities and accruals	532.339	436.699
	<u>7.070.116</u>	<u>6.290.712</u>

All current liabilities fall due in less than one year. The fair value of the current liabilities approximates the book value due to their short-term character.

14. Assets and liabilities not recognised in balance sheet (Contingent liabilities and assets)

14.1 (Multiyear) financial obligations

Contingent liabilities arising from contracts which are not recognised in the balance sheet are:

Contract	Duration of the contract	< 1 year 2020	1-5 years 2021 till 2024	> 5 years from 2025
Rent dorms	01/08/2013 till 31/07/2053	594.650	2.378.600	16.997.079
Catering boarding students	01/09/2016 till 31/07/2022 term of notice 3 months	440.851		
Cleaning school, dorm and mensa	01/01/2020 till resignation of the contract, term of notice 6 months	112.095		
Maintenance of mechanical installations	01/04/2019 till 31/03/2024	39.906	129.698	
Rent sports accommodation	15/09/2019 till 30/06/2020	17.374		
various small contracts	various	70.632	15.352	

14.2 Not capitalizing tax losses carried forward

To be settled	Available for compensation until
2011 528.150	2020
2012 153.184	2021
2016 36.144	2025
2017 484.155	2026
2018 235.523	2027
2019 567.846	2025
<u>2.005.002</u>	

These losses can be offset against expected future fiscal profits for a period of six years.

No deferred income tax receivable have been recognised on the balance sheet because it is uncertain if there will be taxable profits in the future. The estimated tax losses, which can be carried forward, amount at the end of 2019 € 2.005.002 (end of 2018: € 2.581.097).

15. Government contributions

	<u>31/12/2019</u>	<u>Budget 2019</u>	<u>31/12/2018</u>
	€	€	€
Subsidy ministry of Education Culture and Science for secondary education	5.323.725	5.081.612	5.078.694
Subsidy ministry of Education Culture and Science for primary education	1.899.888	1.814.269	1.898.115
	<u>7.223.613</u>	<u>6.895.881</u>	<u>6.976.809</u>

The cooperative association does not receive the subsidies directly from the ministry of Education Culture and Science. The educational subsidies are received via foundation LVO and foundation Mosalira.

16. School-, scholarship and registration fees

	<u>31/12/2019</u>	<u>Budget 2019</u>	<u>31/12/2018</u>
	€	€	€
School-, scholarship and registration fees of day students	5.272.007	5.239.742	4.965.232
School-, scholarship and registration fees of residential students paid by foundation United World College Maastricht	576.480	696.333	593.208
School-, scholarship and registration fees of residential students paid by parents, National Committee's and Shelby Davis	2.949.379	2.677.040	2.810.763
	<u>8.797.866</u>	<u>8.613.115</u>	<u>8.369.204</u>

17. Other revenue's

	<u>31/12/2019</u>	<u>Budget 2019</u>	<u>31/12/2018</u>
	€	€	€
Sponsoring child psychologist	100.000	100.000	100.000
Davis-Mahindra International Award	-	37.700	34.350
Donations raised by Cöop. UWCM	558.321	500.000	395.786
Community clubs	61.846	73.500	74.238
Other revenue's	26.045	6.000	10.288
	<u>746.211</u>	<u>717.200</u>	<u>614.663</u>

18. Personnel costs

	31/12/2019 €	Budget 2019 €	31/12/2018 €
Salary cost of the personnel which is employed by Coop. UWCM	4.457.971	4.282.263	4.134.935
Salary cost of the contracted personnel from LVO	4.882.190	5.022.290	4.599.596
Salary cost of the contracted personnel from Mosalira	1.395.847	1.484.844	1.485.593
Salary cost of the contracted personnel from third parties	24.633	4.800	7.989
Subtotal salary cost	<u>10.760.641</u>	<u>10.794.196</u>	<u>10.228.114</u>
Personal development	196.601	145.064	160.328
Recruitment costs	13.047	11.000	3.698
Relocation costs new personnel	85.301	42.000	26.860
Other personnel costs	118.957	258.114	160.663
	<u>11.174.547</u>	<u>11.250.374</u>	<u>10.579.663</u>
	31/12/2019 €	Budget 2019 €	31/12/2018 €
Wages and salaries	3.528.725	3.389.642	3.205.690
Social security costs	454.731	436.808	454.731
Pension costs	439.456	422.135	439.456
Other personnel costs	35.059	33.677	35.059
	<u>4.457.971</u>	<u>4.282.263</u>	<u>4.134.935</u>

Employees

In 2019 the Cooperation employed 93 persons with a yearly average FTE of 61,4 (in 2018: 77 employees with an average FTE of 59,2).

18.1 Remuneration Head of College, Board and Supervisory Board

	31/12/2019 €	31/12/2018 €
Current and former Heads of College	172.049	161.357
Current and former Board	-	-
Current and former Supervisory Board	-	-
	<u>172.049</u>	<u>161.357</u>

The remuneration includes periodically paid remuneration, such as salaries, holiday allowance and social premiums, remuneration to be paid after a certain term, such as pensions, allowances on termination of employment, bonus payments to the extent that these items were charged to Coöperatieve Vereniging United World College Maastricht U.A.

The legislation 'Normering bezoldiging topfunctionarissen publieke en semipublieke sector (WNT)' does not apply to Coöperatieve Vereniging United World College Maastricht U.A.

19. Depreciation

	31/12/2019	Budget 2019	31/12/2018
	€	€	€
Land and buildings	523.303	522.427	508.053
Release contribution third parties land and buildings	(428.642)	(428.642)	(419.477)
Inventory Furniture & ICT	260.346	318.333	294.195
	<u>355.006</u>	<u>412.118</u>	<u>382.771</u>
Inventory study books	30.145	27.293	41.259
	<u>385.151</u>	<u>439.412</u>	<u>424.031</u>

20. Housing costs

	31/12/2019	Budget 2019	31/12/2018
	€	€	€
Rental cost	604.206	600.207	588.612
Cleaning costs	242.317	249.700	222.487
Maintenance contract costs	185.203	175.590	205.198
Energy costs	167.143	139.500	145.773
Other housing costs	113.107	98.600	80.751
	<u>1.311.976</u>	<u>1.263.597</u>	<u>1.242.821</u>

21. Other operating expenses

	31/12/2019	Budget 2019	31/12/2018
	€	€	€
Endowment financial fixed assets	-	-	1.025.023
Endowment provision bad debts	106.239	92.704	141.056
Administrative costs	805.593	810.498	731.093
Endowment maintenance provision	624.978	302.917	426.959
Overhead costs Mosalira	15.130	16.200	14.761
Overhead costs LVO	9.800	9.800	9.459
Catering costs	906.105	916.784	856.585
Curricular-, Co-curricular and service activities costs	669.992	652.110	573.125
	<u>3.137.837</u>	<u>2.801.013</u>	<u>3.778.061</u>

The endowment to the provision financial fixed assets 2018 € 1.025.023 includes the provision for the boarding results on the members account of Foundation UWCM (2018: € 369.772 and 2017 € 655.251).

Up and including 2018 the provision for large maintenance includes the maintenance work on the school buildings. As of 2019 the maintenance work on the residences is also incorporated in the provision for major maintenance of buildings. Of the endowment to the maintenance provision an amount of € 322.061,- relates to the residences and an amount of € 302.917,- relates to the school buildings.

22. Financial result

	<u>31/12/2019</u>	<u>Budget 2019</u>	<u>31/12/2018</u>
	€	€	€
Interest and similar income	(14.911)	(2.750)	(5.332)
Exchange differences expenses	1.499	-	409
	<u>(16.410)</u>	<u>(2.750)</u>	<u>(5.741)</u>

24. Specification result by section

	<u>31/12/2019</u>	<u>31/12/2018</u>
	€	€
Result Primary after result sharing and back office costs	246.707	(207.008)
Result Secondary after result sharing and back office costs	770.335	1.162.389
Result Boarding after result sharing and back office costs	<u>(275.273)</u>	<u>(1.025.023)</u>
	<u>741.769</u>	<u>(69.642)</u>

24.1 Specification result Primary

	<u>31/12/2019</u>	<u>31/12/2018</u>
	€	€
Result Primary before result sharing and back office costs	757.793	380.950
Result sharing and back office costs	<u>(511.086)</u>	<u>(587.958)</u>
Result Primary after result sharing and back office costs	<u>246.707</u>	<u>(207.008)</u>

24.2 Specification result Secondary

	<u>31/12/2019</u>	<u>31/12/2018</u>
	€	€
Result Secondary before result sharing and back office costs	2.265.541	2.390.658
Result sharing and back office costs	<u>(1.495.206)</u>	<u>(1.228.269)</u>
Result Secondary after result sharing and back office costs	<u>770.335</u>	<u>1.162.389</u>

24.3 Specification result Boarding

	<u>31/12/2019</u>	<u>31/12/2018</u>
	€	€
Result Boarding before result sharing and back office costs	(275.273)	(1.025.023)
Result sharing and back office costs	<u>-</u>	<u>-</u>
Result Boarding after result sharing and back office costs	<u>(275.273)</u>	<u>(1.025.023)</u>

25. Related parties

The cooperative association is related with its members foundation LVO, foundation Mosalira and foundation UWC Maastricht. They all have entered into a corporation agreement which acts as a participants agreement according to Title 3, Book 2 of the Dutch Civil Code.

With this agreement all parties have committed themselves by means of a long term cooperation to establish a United World College in Maastricht.

26. Other disclosures

Exemption from liability

The articles of association stipulate, in accordance with article 29 paragraph 1, that the members are not liable for a liquidation shortage.

The articles of association stipulate, in accordance with article 29 paragraph 2, that if the articles of association are changed regarding the liability and therefore the members are liable for the commitments of the cooperative association this liability can't be ended by ending the membership of the cooperative association.

Events after balance sheet date

There are no events after balance sheet date which should be mentioned.

Maastricht, 28/05/2020

Coöperatieve Vereniging United World College Maastricht U.A.
Board of directors

H. Schreuder

M.G. Heijltjes

M. van Roosmalen

G. H. Zwart

A.M. Paulussen

Other information

Articles of association governing profit appropriation

The articles of association stipulate, in accordance with article 19 paragraph 5, that the annual profit obtained is at the free disposal of the general members meeting. The annual profit which is not added to the other reserves will be added to the members accounts. The general members meeting can also decide to pay the profits to the members. The payment of the profits to the members needs to be in proportion of the balance of the member accounts.

The general members meeting can also decide to add the losses, which can not be added to the other reserves, to the members accounts. The addition of the losses to the members accounts needs to be in proportion of the balance of the members accounts.