

# **Stichting Administratie- en Trustkantoor Tectona**

Amsterdam, the Netherlands

**ANNUAL REPORT 2017**

# Stichting Administratie- en Trustkantoor Tectona

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# Stichting Administratie- en Trustkantoor Tectona

## Balance Sheet as at December 31, 2017 (In Euro, before appropriation of results)

	<u>Notes</u>	<u>2017</u>	<u>2016</u>
<b>Current Assets</b>			
Debtors	1	17.213	25.574
Other receivables	2	235.234	4.796
Cash and cash equivalents	3	82.528	79.109
		<u>334.975</u>	<u>109.479</u>
<b>Current Liabilities</b>			
Other payables	4	440.855	153.602
Accrued expenses	5	35.920	19.500
		<u>476.775</u>	<u>173.102</u>
<b>Working Capital</b>		<u>(141.800)</u>	<u>(63.623)</u>
<b>Total Assets less Current Liabilities</b>		<u>(141.800)</u>	<u>(63.623)</u>
		<u>(141.800)</u>	<u>(63.623)</u>
<b>Capital and Reserves</b>			
Other reserves	6	(63.623)	(70.430)
Result for the year		(78.177)	6.807
		<u>(141.800)</u>	<u>(63.623)</u>

# Stichting Administratie- en Trustkantoor Tectona

## Profit and Loss Account for the financial year ended December 31, 2017 (in Euro)

	<u>Notes</u>	<u>2017</u>	<u>2016</u>
<b>Net turnover</b>		130.470	93.730
Costs of thinning		(22.882)	--
		<u>107.588</u>	<u>93.730</u>
<b>General and Administrative Expenses</b>	7	<u>185.765</u>	<u>86.923</u>
<b>Operating result</b>		(78.177)	6.807
<b>Financial income and expense</b>		<u>--</u>	<u>--</u>
<b>Net result for the year</b>		<u>(78.177)</u>	<u>6.807</u>

# Stichting Administratie- en Trustkantoor Tectona

## Cash Flow Statement for 2017 (in Euro)

	<u>2017</u>	<u>2016</u>
<b>Cash flow from operational activities</b>		
Net result	(78.177)	6.807
	<u>(78.177)</u>	<u>6.807</u>
<i>Working capital</i>		
Movements in receivables	(222.077)	4.292
Movements in payables	303.673	(43.012)
	<u>81.596</u>	<u>(38.720)</u>
	<u>3.419</u>	<u>(31.913)</u>
<b>Cash flow from finance activities</b>		
Interest paid after corporate income tax	--	
	<u>--</u>	<u>--</u>
<b>Increase (decrease) in cash held</b>	<u>3.419</u>	<u>(31.913)</u>
Cash and cash equivalents, beginning of year	79.109	111.022
Cash and cash equivalents, end of year	<u>82.528</u>	<u>79.109</u>

# Stichting Administratie- en Trustkantoor Tectona

## Statement of Changes in Equity for the financial year ended December 31, 2017

<b>Balance as at January 1, 2017</b>		<b>(63.623)</b>
Results from operations		
Result current year	<b>(78.177)</b>	
Other movements	<u>    --</u>	
		<u><b>(78.177)</b></u>
<b>Balance as at December 31, 2017</b>		<u><u><b>(141.800)</b></u></u>

# Stichting Administratie- en Trustkantoor Tectona

## Notes to the Financial Statements as at December 31, 2017

(in Euro)

### General

#### **Activities**

The activities of the Stichting Administratie- en Trustkantoor Tectona, having its legal seat at Bussummergrindweg 1-H, 1406 NZ Amsterdam, are primarily to act as trustee for third parties who have acquired a financial interest in teakwood plantations that are planted and managed by Floresteca S.A. The plantations are located in the State of Mato Grosso, Brazil.

SATT holds legal title to the planted teak trees whereas the rights to the revenues of the teak trees have been transferred to third parties. SATT holds title to a total area of 18,548.58 hectares planted with teak trees as per December 31st 2017 (2016: 18,548.58).

Prior to the financial year 2012 the only cash transactions SATT was engaged in where the receiving and distribution of (the net result of) thinnings. All activities were outsourced to GoodWood Investments B.V. which bore all the operating costs. As soon SATT had finished its re-organising (including the financing of its administrative activities), the Board ordered a financial audit.

#### **Continuance of operations**

In February 2013 Stichting Amazon Teak Foundation (ATF) informed Stichting Administratie- en Trustkantoor Tectona (SATT) about the intention to transfer the legal rights and accompanying administration to a separate fund, BAUM Management S.a.r.l. (BAUM). The conditions for the transaction were agreed in a Heads of Agreement (HOA). In 2016 the HOA was unilaterally cancelled by BAUM. The legal rights remain with SATT. In 2017 ATF went bankrupt. SATT has taken over certain tasks from ATF ever since.

#### **General accounting principles for the preparation of the financial statements**

The financial statements are prepared according to own valuation principles. Valuation of assets and liabilities and determination of the result takes place under the historical cost convention. Unless presented otherwise at the relevant principle for the specific balance sheet item, assets and liabilities are valued according to the cost model.

Income and expenses are accounted for on accrual basis. Profit is only included when realized on the balance sheet date. Losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

#### **Changes in accounting policies**

Accounting policies have remained unchanged.

# Stichting Administratie- en Trustkantoor Tectona

## Notes to the Financial Statements as at December 31, 2017

(in Euro)

### **Translation of foreign currency**

Receivables, liabilities and obligations denominated in foreign currency are translated at the exchange rates prevailing at balance sheet date. Transactions in foreign currency during the financial year are recognised in the financial statements at the exchange rates prevailing at transaction date. The exchange differences resulting from the translation as of balance sheet date, taking into account possible hedge transactions, are recorded in the profit and loss account.

### **Principles of valuation of assets and liabilities**

#### **Receivables**

Upon initial recognition the receivables are included at fair value and then valued at amortised cost. The fair value and amortized cost equal the face value. Any provision for doubtful accounts deemed necessary is deducted. These provisions are determined by individual assessment of the receivables.

#### **Fellings**

The net proceeds of the sold fellings are recorded on cash receipts basis within the financial year.

#### **Cash**

The cash is measured at face value. If cash equivalents are not freely disposable, then this has been taken into account upon measurement.

### **Principles for the determination of the result**

#### **Net turnover**

Net turnover represents amounts invoiced for services rendered during the financial year reported on, net of discounts and value added taxes.

Revenues from services are recognized in proportion to the services rendered, based on the cost incurred in respect of the services performed up to balance sheet date, in proportion to the estimated costs of the aggregate services to be performed. The cost price of these services is allocated to the same period.

#### **Taxation**

The foundation takes the position that its activities are not taxable with corporate income tax.



# Stichting Administratie- en Trustkantoor Tectona

Notes to the Financial Statements as at December 31, 2017

(in Euro)

## **Extraordinary income and expense**

Extraordinary income and expense arise from events or transactions that are clearly distinguishable from the ordinary operating activities and have a highly incidental character and are therefore not expected to recur frequently or regularly.

## **Principles for preparation of the cash flow statement**

The cash flow statement is prepared according to the indirect method. The funds in the cash flow statement consist of cash and cash equivalents. Cash equivalents can be considered as highly liquid investments.

Cash flows in foreign currencies are translated at an estimated average rate. Exchange rate differences concerning finances are shown separately in the cash flow statement.

Corporate income taxes, issuance of share capital, interest received and dividends received are presented under the cash flow from operating activities. Interest paid and dividends paid are presented under the cash flow from financing activities.

The cost of group companies acquired is presented under the cash flow from investment activities, as far as payment has been made with cash and cash equivalents. The cash and cash equivalents of the group companies acquired are deducted from the purchase cost.

Transactions that do not result in exchange of cash and cash equivalents, such as financial lease, are not presented in the cash flow statement. The payment of lease terms on account of the financial lease contract is considered as an expenditure of financing activities as far as it concerns redemptions and as an expenditure of operational activities as far as it concerns interest.

# Stichting Administratie- en Trustkantoor Tectona

## Notes to the Financial Statements as at December 31, 2017 (in Euro)

### CURRENT ASSETS

#### (1) Debtors

This amount can be specified as follows:

	<u>2017</u>	<u>2016</u>
Debtors	17.213	111.585
Provision for bad debts Stichting Amazon Teak Foundation	--	(86.011)
	<u>17.213</u>	<u>25.574</u>

#### (2) Other receivables

	<u>2017</u>	<u>2016</u>
Taxes receivable (VAT)	27.523	2.996
Rental deposit	1.800	1.800
Other receivables	205.911	--
	<u>235.234</u>	<u>4.796</u>

#### (3) Cash and cash equivalents

	<u>Currency</u>	<u>2017</u>	<u>2016</u>
ABN AMRO Bank, c/a	EUR	82.528	79.109
		<u>82.528</u>	<u>79.109</u>

The funds in cash and cash equivalents are freely available to the Company.

# Stichting Administratie- en Trustkantoor Tectona

## Notes to the Financial Statements as at December 31, 2017

(in Euro)

### CURRENT LIABILITIES

#### (4) Other payables

This amount can be specified as follows:

	<u>2017</u>	<u>2016</u>
Thinnings payable	143.972	141.659
Current account GoodWood Investments B.V.	9.112	9.112
Creditors	34.533	2.831
Floresteca/LATC	253.238	--
	<u>440.855</u>	<u>153.602</u>

At balance sheet date, "Thinnings payable" relates to the net results payable to investors excluding Floresteca B.V.

#### (5) Accrued expenses

This amount can be specified as follows:

	<u>2017</u>	<u>2016</u>
Fee AFM	10.920	5.000
Management and administrative fees	5.000	4.500
Audit fees	20.000	10.000
	<u>35.920</u>	<u>19.500</u>

# Stichting Administratie- en Trustkantoor Tectona

## Notes to the Financial Statements as at December 31, 2017

(in Euro)

### 6. CAPITAL AND RESERVES

	<u>2017</u>	<u>2016</u>
Balance January 1 ,	(63.623)	(70.430)
Result for the year	(78.177)	6.807
Balance December 31 ,	<u>(141.800)</u>	<u>(63.623)</u>

### 7. GENERAL AND ADMINISTRATIVE EXPENSES

This amount can be specified as follows:

	<u>2017</u>	<u>2016</u>
Management and administrative fees	122.163	39.201
Audit fee	10.000	10.000
Fee AFM	8.800	8.815
Legal fees	6.031	4.028
Other office expenses	39.628	24.723
Bank charges and interest	391	156
Provision doubtful debtors	(1.248)	
	<u>185.765</u>	<u>86.923</u>

# Stichting Administratie- en Trustkantoor Tectona

Notes to the Financial Statements as at December 31, 2017  
(in Euro)

## NUMBER OF EMPLOYEES AND EMPLOYMENT COSTS

Neither during the year under review nor in the previous year did the Company have any employees other than its directors. Hence, it did not pay any wages and related social security contributions.

## DIRECTORS

During the year under review, the Company had three directors, who received a total remuneration of EUR 82,500 (2016: EUR 39.000).

### The Board of Directors.

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Mr. A.A. van Rossem

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Mr. R. Feitsma

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Mr. P. Cox

# Stichting Administratie- en Trustkantoor Tectona

## Other information

### **Profit/loss appropriation according to the Articles of Association**

According to article 1 of the Articles of Association the Foundation is a Non-Profit organization.

### **Proposed appropriation of loss**

The Board of Directors proposes to add the loss for the year, amounting to EUR 78,177 to the reserve.

### **Audit**

Reference is made to the auditor's report as included hereafter.

### **Post Balance Sheet events**

No matters or circumstances of importance have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the Company, the results of those operations or the affairs of the Company.