

# 2010 Annual Report

## Gearing up for Growth



trash transformed  
lives changed

2010 was an exciting year for XSProject, as we have been transforming our business. We have formulated a new approach to our markets and our mission -- transformation reflected in the new logo and new website ([www.xstransformed.org](http://www.xstransformed.org)) that tell our story.

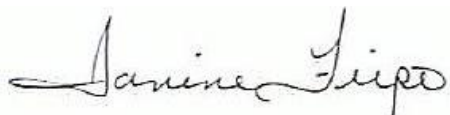
Our work is focused on environmental sustainability and poverty alleviation. To accomplish the latter, we work with trashpickers in Jakarta, Indonesia. XSProject adds value to trashpicker communities by purchasing waste, creating jobs, and providing scholarships. We are now supporting the education of 30 children within one trashpicking community. We also partnered with Peduli Anak, a non-profit based in Lombok, Indonesia. Peduli Anak provides shelter, education services, and health care to over 60 street children; many of whom came from trashpicker families or had turned to trash-picking themselves to survive. We are proud to say that the revenues we generated in 2010 allowed us to underwrite the care of four Peduli Anak children. As our sales grow, it is our goal to provide support – and hope – to even more children and their families.

In late 2009, XSProject began transitioning its operations from a traditional non-profit approach to that of a triple-bottom-line enterprise. This means that we are seeking not only environmental impact, but financial returns to support our operations and activities that create social impact. By applying a business mindset to our organization, we hope to achieve financial sustainability and growth through the sales of our products. The grant funds that we received in 2010 were essential in fostering this transition, as these monies provided the working capital that we needed to manage our cash flow in lean sales months and to invest in business development.

XSProject is now poised for growth. In 2011, our primary objective is to professionalize and expand our distribution channels so that we can build a more reliable and robust revenue base and share the success with more disadvantaged communities in Indonesia.

We appreciate your continued support as we are moving through this second year of our transition to a sustainable social enterprise.

Regards,

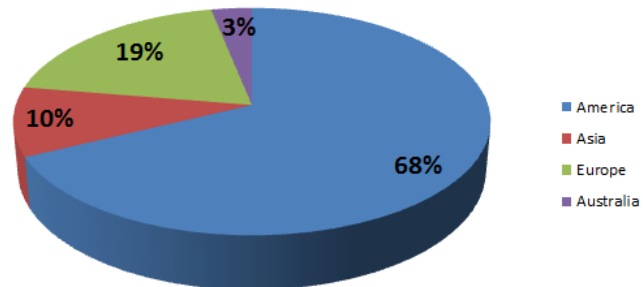
A handwritten signature in black ink that reads "Janine Firpo". The signature is fluid and cursive, with the first name "Janine" and last name "Firpo" clearly distinguishable.

Janine Firpo  
Executive Director

# Achievements

In 2010, XSProject achieved one of the highest grossing years in the organization's history. We extended our global reach, pursued the American market more aggressively, and gained recognition with some of the "green" conferences in the United States. All of these activities resulted in increased sales.

Total Sales by Region



Car Seat Line

Through a relationship with PT. Krama Yudha Tiga Berlian Motors (KTB), XSProject began receiving reject carseat material. This allowed us to design a new line of products that includes laptop sleeves, iPad covers, and automobile accessories. These products will be introduced to our markets in 2011. We are excited to see how they perform.

XSProject has been blessed with the support from major corporate partners such as Yahoo! Indonesia and Mitsubishi, as well as conference organizers for SoCap 2010 who have put our plastic messenger bags on the forefront as the primary merchandise.



Yahoo! Meeting with XS staff and trashpicker community

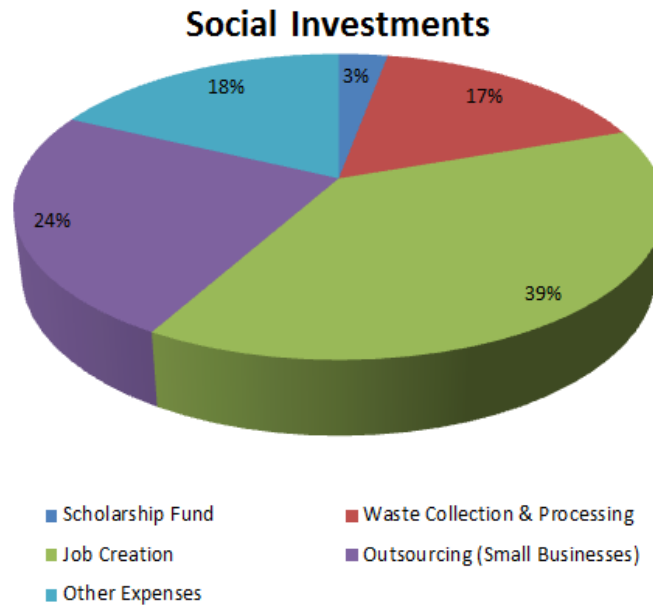


Mitsubishi Auto Show

# Social Impact

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**34**  
sponsored  
children

**120**  
trashpickers

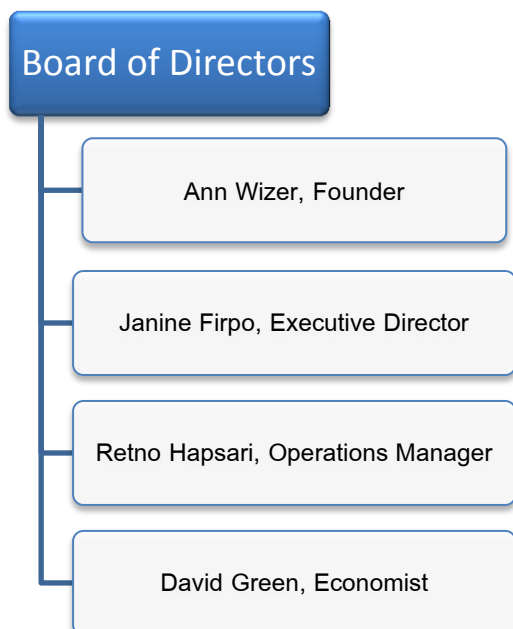
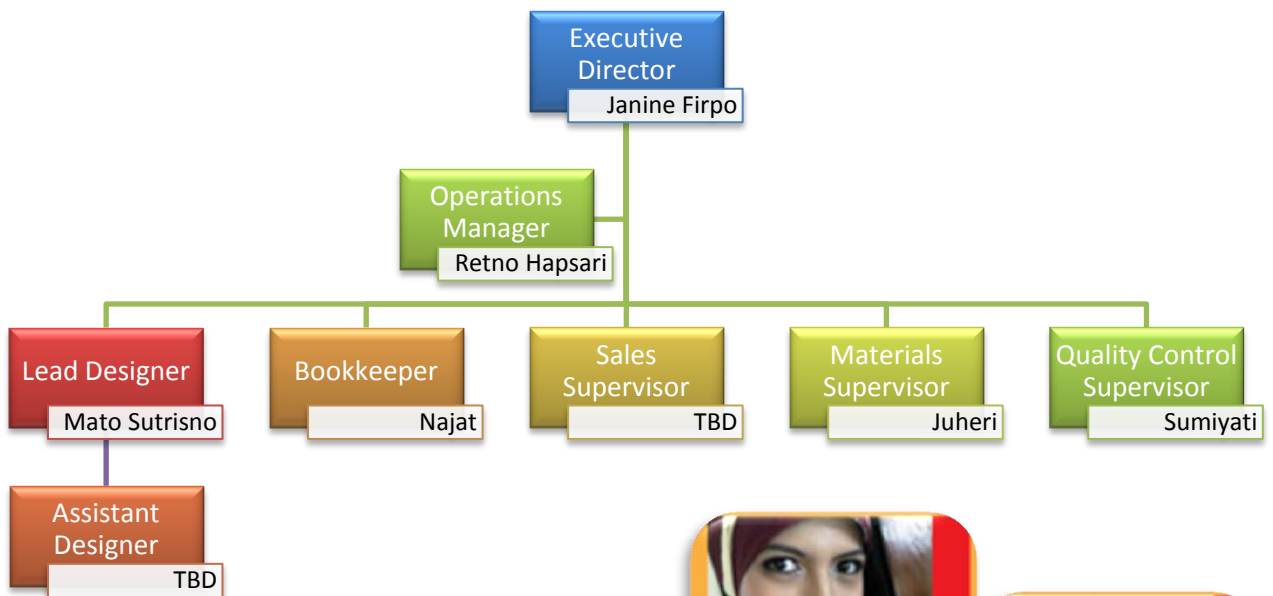
**15**  
outsourced  
sewing  
businesses

**20**  
uniforms donated in  
December 2010



# Our Team

In the past, XSProject was run through a primarily volunteer staff. In mid-2009, we began transitioning to an organizational structure with full-time, paid staff (see below). This change culminated in 2010, providing XSProject with the bandwidth to engage in tradeshow and marketing events that increased awareness of our products and mission.



# Acknowledgements

We would like to thank our staff, volunteers, and partners for the contribution they have made to help XSProject move toward sustainability and increased social impact. Their hard work, talent, and resources are crucial to the continuing growth of XSProject.

Special thanks to these following organizations and clients for their generous contributions.



# Financials 2010

## Balance Sheet as of Dec 31, 2010

		IDR	USD*
<b>Assets</b>			
	Total Current Assets	Rp 610.138.373,39	\$ 70,946.32
	Total Fixed Assets	Rp 253.579,49	\$ 2,948.60
<b>Total Assets</b>		Rp 635.496.322,39	\$ 73,894.92
<b>Liabilities</b>			
	Total Current Liabilities	Rp 7.500.800,00	\$ 872.19
<b>Total Liabilities</b>		Rp 7.500.800,00	\$ 872.19
<b>Equity</b>			
	Capital Investment	Rp 255.173.295,88	\$ 29,671.31
	Retained Earning	Rp 44.829.929.00	\$ 5,212.78
	Current Earning	Rp 325.516.260,24	\$ 37,850.73
<b>Total Equity</b>		Rp 625.519.485,12	\$ 72,734.82
<b>Total Liabilities &amp; Equity</b>		Rp 633.020.285,12	\$ 73,607.01

\* USD 1.00 = IDR 8.600,00

## Profit & Loss Statement as of Dec 31, 2010

		IDR	USD*
<b>Income</b>			
	Total Sales	Rp 848.359.048,00	\$ 98,646.40
	Grants	Rp 295.845.377,00	\$ 34,516.90
	Other Income	Rp 11.137.339,00	\$ 1,295.04
<b>Total Income</b>		Rp 1.156.341.764,00	\$ 134,458.34
<b>Expenses</b>			
	Cost of Goods Sold	Rp 415.321.700,00	\$ 48,293.22
	Fixed Expenses	Rp 32.623.456,00	\$ 3,793.43
	Variable Expenses	Rp 49.757.595,00	\$ 5,785.77
	Marketing Expenses	Rp 28.487.475,00	\$ 3,312.50
	Salaries and Bonuses	Rp 265.872.550,00	\$ 30,915.41
	Misc Expenses	Rp 38.762.711,00	\$ 4,507.29
<b>Total Expenses</b>		Rp 830.825.487,00	\$ 96,607.61
<b>Net Income</b>		Rp 325.516.277,00	\$ 37,850.73

\* USD 1.00 = IDR 8.600,00

# Future Outlook

Now that XSProject has stabilized its in-house operations in our Jakarta office, we are looking towards growth in 2011. We are seeking strong, professional distribution partners who can help us introduce our products to a range of retail and online channels and help us increase our sales by 15-20%.

To ensure that our products are pulled off the shelves once they make it into a broader distribution network, we are planning to set an even higher bar for design innovation. This will be achieved by partnering leading design schools in developed countries with our local staff. Through collaborative efforts, we hope to introduce our local designers to leading-edge international design concepts and enable students at our partner design schools with an opportunity to think about unexpected materials and real-world challenges. Only through continued innovation will XSProject be able to take optimal advantage of the new distribution channels we create.

By creating more demand for XS products, we transform more trash into high-quality products, provide more jobs in the local community, and give more underprivileged children access to education in order to break the cycle of poverty – away from the trash heaps.





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[www.XSTransformed.org](http://www.XSTransformed.org)