



Grant Thornton

Annual accounts

Stichting Internationale Orde van  
Hospitaalbroeders

in Haarlem

Financial statements 2008

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To the board of directors of  
Stichting Internationale Orde van Hospitaalbroeders  
Gasthuisvest 13 zwart  
2011 ET Haarlem

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Leiden, 1 April 2009

8313650/WES/OKL/MJH  
Subject: Annual report 2008

Dear Trustees

We hereby send you the annual report regarding the financial statements for the year 2008 of your Foundation.

#### **ENGAGEMENT**

In accordance with your instructions we have audited the 2008 financial statements of Stichting Internationale Orde van Hospitaalbroeders, Haarlem. These financial statements are the responsibility of the management of the Foundation. Our responsibility is to express an opinion on these financial statements based on our audit. These financial statements are included, together with the management board's report and the other information, in the 2008 annual accounts attached to this report.

For the audit opinion we refer to the chapter "Other information" on page 17 of this report.

**GENERAL****Board of directors**

On 31 December 2008 the board of directors is formed by:

- Michael Kearns;
- John Lennon;
- John Shannon;
- Bernard Larkin;
- Patrick McCrory.

**Appropriation of the 2008 net result**

The net result over 2008 amounts to € 18,023 (The net loss over 2007 amounted to € 77,165).

The analysis of the net result is presented on page 3. The appropriation of the net result is reported under Other Information of the financial statements.

**Recognition of the 2007 loss**

The loss amounting to € 77,165 has been carried forward as accumulated deficit.

**NET RESULT FOR THE PERIOD**
**Development of income and expenses**

The result for 2008 amounts to € 18,023 compared to negative €-77,165 for 2007. The results for both years can be summarized as follows:

	2008		2007		Difference
	€	%	€	%	€
<b>Donation revenue</b>	901,417	100,0	855,824	100,0	45,593
List rental	42,657	4,7	23,096	2,7	19,561
<b>Gross margin</b>	944,074	104,7	878,920	102,7	65,154
<b>Costs</b>					
Employee expenses	75,482	8,4	44,431	5,2	31,051
Other operating expenses	849,872	94,2	912,102	106,6	-62,230
	925,354	102,6	956,533	111,8	-31,179
<b>Operating result</b>	18,720	2,1	-77,613	-9,1	96,333
Financial income and expenses	-697	-0,1	448	0,1	-1,145
	-	-	-	-	-
<b>Net result</b>	18,023	2,0	-77,165	-9,0	95,188

**Costs**

The total costs decreased by 3.3%.

	2008		2007		Verschil
	€	%	€	%	€
Employee expenses	75,482	8,2	44,431	4,7	31,051
Expenses for projects	303,092	32,8	260,500	27,2	42,592
Accommodation expenses	13,604	1,5	13,086	1,4	518
Office expenses	19,084	2,1	13,423	1,4	5,661
Selling expenses prospective donors	303,893	32,8	448,801	46,9	-144,908
Selling expenses existing donors	112,247	12,1	90,225	9,4	22,022
Donor administration	61,950	6,7	67,513	7,1	-5,563
General expenses	36,002	3,8	18,554	1,9	17,448
	925,354	100,0	956,533	100,0	-31,179

**TAX POSITION****Tax**

Stichting Internationale Orde van Hospitaalbroeders has got an exemption for the VAT and corporation tax. This exemption is given by the Netherlands tax authorities because of the charity activities of Stichting Internationale Orde van Hospitaalbroeders.

If you have any questions, please do not hesitate to contact us.

Yours sincerely,  
Arenthals Grant Thornton Accountants en Adviseurs B.V.

W.A. van Es RA

**FINANCIAL REPORT 2008**

## REPORT OF THE MANAGING DIRECTORS

### Principal activities

Stichting Internationale Orde van Hospitaalbroeders (The Foundation), located at the Gasthuisvest 13 zwart, Haarlem, is a charity which raises funds primarily for health services in developing countries, especially in Africa. The foundation is part of the Hospitaller Order of Saint John of God, which has founded 500 years ago and is active in 50 countries worldwide.

### Statement of responsibilities of the trustees

The trustees require financial statements to be prepared for each year in accordance with the accounting policies of The Foundation. The financial statements are to give a true and fair view of the state of affairs of The Foundation and the result of the Foundation in that period.

Accordingly, the trustees must ensure that in the preparation of the financial statements;

- Suitable accounting policies are selected and then applied consistently
- Responsible and prudent judgements and estimates are made
- Material departures from applicable accounting standards are disclosed and explained; and
- Financial statements are prepared on the going concern basis unless it is inappropriate to presume that the foundation will continue

The trustees are responsible for keeping proper books of accounts which disclose with reasonable accuracy at any time the financial position of The Foundation. They are also responsible for safeguarding the assets of The Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Books of accounts

The measurements taken by the Trustees to secure compliance with its obligation to keep proper books of accounts are the use of appropriate systems and procedures and employment of competent persons. The books of account are kept at Stichting Internationale Orde van Hospitaalbroeders, located at the Gasthuisvest 13 zwart, Haarlem.

### Legal status

The Foundation is a foundation in accordance with article 24 sub 4 of the Successiewet 1956. Stichting Internationale Orde van Hospitaalbroeders are also registered at the Chamber of Commerce in Haarlem at number 41058935.

### Results

For the result for the year we refer to the chapter "Income and expenditure" on page 8 of this report.

### Future developments

The Foundation will continue to build up the number of pledge donors + actively start sponsor program, thereby reducing the fundraising cost.

### Principal risks and uncertainties

The current recession is considered to be the principal risk.

### Subsequent events

There were no subsequent events for disclosure.

**Auditors**

The auditors, Grant Thornton, will be re-appointed in accordance with the resolution of The Trustees.

**On behalf of the trustees**

Haarlem, 10 June 2009

Signed: Michael Kearns  
Voorzitter (Chairman)

Signed: John Lennon  
Penningmeester (Treasurer)



	31 December 2008		31 December 2007	
	€	€	€	€
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and reserves</b>				
Surplus		86,790		68,767
<b>Current liabilities</b>				
Trade creditors	51,768		78,376	
Taxes and social securities	3,910		-	
Accruals and deferred income	3,154		5,000	
		58,832		83,376

145,622

152,143

Haarlem, 10 June 2009

Signed: Michael Kearns  
Voorzitter (Chairman)

Date:

Signed: John Lennon  
Penningmeester (Treasurer)

Date:

**INCOME AND EXPENDITURE FOR THE YEAR 2008**

		2008		2007	
		€	€	€	€
<b>Donation revenue</b>	(5,6)		901,417		855,824
List rental			42,657		23,096
			944,074		878,920
<b>Gross margin</b>					
<b>Expenses</b>					
Employee expenses	(7)	75,482		44,431	
Other operating expenses	(8)	849,872		912,102	
			925,354		956,533
<b>Operating result</b>			18,720		-77,613
Interest	(9)		-697		448
<b>Result from ordinary activities</b>			18,023		-77,165
			-		-
<b>Result</b>			18,023		-77,165

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008**

(According to the indirect method)

	2008	
	€	€
<b>Cash flow from operating activities</b>		
Operating result	18,720	
Adjustments for:		
Changes in working capital:		18,720
Movements in accounts receivable	12,576	
Movements in trade creditors	-26,608	
Movements in taxation and social securities	3,910	
Movements in accruals and deferred income	-1,846	
		-11,968
Cash flow from business operations		6,752
Interest paid		-697
Cash flow from operating activities		6,055
 <b>Compilation cash</b>		
		2008
		€
Cash and cash equivalents as at 1 January		134,526
Movements in cash and cash equivalents		6,055
Cash and cash equivalents as at 31 December		140,581

## NOTES TO THE 2008 FINANCIAL STATEMENTS

### GENERAL

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 presented at nominal value.

Income and expenses are accounted for in the period to which they relate. Surplus is only included when realized on the balance sheet date. Deficits originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

### PRINCIPLES OF VALUATION OF ASSETS AND LIABILITIES

#### Trade and other receivables

Trade and other receivables are stated at nominal value, less a provision for doubtful debts. Provisions are recognised on basis of individual assessment of recoverability of the receivables.

#### Cash and cash equivalents

Cash and cash equivalents are valued at nominal value.

#### Liabilities

Liabilities are valued at nominal value, unless disclosed differently.

### PRINCIPLES FOR THE DETERMINATION OF THE RESULT

#### General

The result is defined as the difference between the revenue from delivered performances and services on the one hand and on the other hand the costs and expenses and other charges for that year, valued at historical costs.

#### Financial result

Financial income and expenses comprise interest income and expenses on loans as accounted for in the current reporting period.

## **PRINCIPLES FOR PREPARATION OF THE CASH FLOW STATEMENT**

The cash flow statement has been prepared using the direct (or: 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 into euros at the average weighted exchange rates at the date of the transactions. 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.

NOTES TO THE BALANCE SHEET AS AT 31 DECEMBER 2008

**1. Trade and other receivables**

	31-12-2008	31-12-2007
	€	€
<b>Prepayments and accrued income</b>		
List rental to receive	5,041	14,071
Prepayments KPMG	-	3,546
	5,041	17,617

**2. Cash and cash equivalents**

ABN AMRO Bank N.V. 41.45.42.940	26,350	58,733
ABN AMRO Bank N.V. 41.45.42.169	65	304
ABN AMRO Bank N.V. 49.37.62.930	21,008	-
Rabobank 3844.21.733	93,158	75,489
	140,581	134,526

**3. Capital and reserves**

	2008	2007
	€	€
<b>Surplus</b>		
Balance as at 1 January	68,767	145,932
Appropriation of the result	18,023	-77,165
Balance as at 31 December	86,790	68,767

**4. Current liabilities**

	31-12-2008	31-12-2007
	€	€
<b>Trade creditors</b>		
Trade creditors	51,768	78,376
	51,768	78,376
<b>Taxes and social securities</b>		
Pay-roll tax	3,910	-
	3,910	-
<b>Accrued liabilities</b>		
Accruals and deferred income	2,547	5,000
Holiday pay	280	-
Interest and bank costs	327	-
	3,154	5,000

**Off-balance sheet commitments**

**Long-term financial obligations**

*Rental commitments buildings*

The Foundation has long-term rental commitments, which relate to the rent of the office. The commitments amount to approximately € 10,000 (on a yearly basis).

**NOTES TO THE INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR 2008**

**5. Donation revenue**

The donation revenue increased in 2008 compared to 2007 with 5.3%.

	2008	2007
	€	€
<b>6. Donation revenue</b>		
Donation revenue	901,417	855,824
<b>7. Employee expenses</b>		
Wages and salaries	68,342	38,533
Social security charges	10,430	5,353
Expenses for projects	2,022	545
	80,794	44,431
Adjustment prepaid salaries previous years	-5,312	-
	75,482	44,431
<b>Wages and salaries</b>		
Gross wages	63,346	35,679
Movement holiday allowance liability	4,996	2,854
	68,342	38,533
<b>Social security charges</b>		
Social securities	10,430	5,353
<b>Expenses for projects</b>		
Travelling expenses	1,525	-
Insurance	497	545
	2,022	545

**Staff**

During the 2008 financial year, the average number of parttime staff employed by The Foundation was 5, converted into full-time equivalents, amounted to 2 (2007: 1).

**Stichting Internationale Orde van Hospitaalbroeders  
in Haarlem**

	2008	2007
	€	€
<b>8. Other operating expenses</b>		
Expenses for projects	303,092	260,500
Accommodation expenses	13,604	13,086
Office expenses	19,084	13,423
Selling expenses prospective donors	303,893	448,801
Selling expenses existing donors	112,247	90,225
Donor administration	61,950	67,513
General expenses	36,002	18,554
	849,872	912,102
 <b>Accommodation expenses</b>		
Rent	10,373	10,156
Energy and water costs	1,639	1,195
Repair and maintenance buildings	1,225	1,336
Tax and business expenses	283	242
Insurance	84	157
	13,604	13,086
 <b>Office expenses</b>		
Office supplies	13,915	4,516
Telephone	2,415	4,580
Porti	1,794	480
Other office supplies	960	3,847
	19,084	13,423
 <b>Selling expenses prospective donors</b>		
Canvassing	203,051	351,055
Prospect mailing expenses	100,842	97,746
	303,893	448,801
 <b>Selling expenses existing donors</b>		
Mailing expenses	69,607	50,185
Renewal	16,125	16,021
Newsletter I	13,298	11,246
Newsletter II	13,217	12,773
	112,247	90,225

**Stichting Internationale Orde van Hospitaalbroeders  
in Haarlem**

	2008	2007
	€	€
<b>Donor administration</b>		
Database software costs	31,061	43,118
Consultancy costs	28,560	24,395
Other donor costs	2,329	-
	61,950	67,513
 <b>General expenses</b>		
Auditor's fee	8,925	5,000
Administration fee	5,665	476
Notarial charges	1,474	-
Bank charges	11,985	10,690
Other general expenses	7,953	2,388
	36,002	18,554
 <b>Financial income and expenses</b>		
<b>9. Interest</b>		
Interest cash and bank accounts	-697	448

**On behalf of the trustees**

Haarlem, 10 June 2009

Signed: Michael Kearns  
Voorzitter (Chairman)

Signed: John Lennon  
Penningmeester (Treasurer)

## **OTHER INFORMATION**

### **Appropriation of the result**

The board of directors proposes to add the 2008 result to the surplus for an amount of € 18,023. This proposition is already recognised in the financial statements.

To the board of directors of: Stichting Internationale Orde van  
Hospitaalbroeders

## AUDITOR'S REPORT

We have audited the accompanying financial statements 2008 which are part of the financial statements of Stichting Internationale Orde van Hospitaalbroeders, Haarlem, which comprise the balance sheet as at 31 December 2008, the income and expenditure account for the year then ended and the notes.

### *Management's responsibility*

The Board of Directors of Stichting Internationale Orde van Hospitaalbroeders, Haarlem, is responsible for the preparation and fair presentation of the financial statements and for the preparation of the report of the Board of Directors, both in accordance with auditing standards generally accepted in The Netherlands.

This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### *Auditor's responsibility*

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

### *Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of Stichting Internationale Orde van Hospitaalbroeders as at 31 December 2008, and of its result for the year then ended in accordance with accounting principles generally accepted in The Netherlands.

Leiden, 1 April 2009

Arenthals Grant Thornton Accountants en Adviseurs B.V.

W.A. van Es RA

## TRUSTEES OTHER INFORMATION

### Trustees

Michael Kearns  
Patrick McCrory  
Bernard Larkin  
John Shannon  
John Lennon

### Banks

ABN-AMRO  
Houtplein  
Postbus 5  
2500 MB Haarlem

Rabobank  
Dreef 40  
2012 HS Haarlem

### Auditors

Grant Thornton  
Postbus 2154  
2301 CD Leiden

**SUPPORTED PROJECTS**

<b>Project</b>	<b>Country</b>	<b>Centre</b>	<b>Total €</b>
Support for Malawi Clinic	Malawi	Mzuzu	120,000
Support for Ghana Care to Move Vehicle	Sierra Leone	Lungi	38,000
	Ghana	Asafo	26,500
	Ghana	-	25,000
Support for Zambia Agri Project	Senegal	Fatick	23,000
Co-fundry x-ray machine Vehicle	Zambia	Monze	20,000
Support for Cameroon	Sierra Leone	Lunsar	14,631
Support for Mozambique	India	-	12,000
	Mozambique	Nampula	10,684
	Cameroon	Nguti	8,277
	Mozambique	Nampula	5,000
<b>Total</b>			<u><u>303,092</u></u>