

**STICHTING INTERNATIONALE ORDE  
VAN HOSPITAALBROEDERS**

**at  
HAARLEM**

**Financial Statements 2010**

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**STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS**  
**statutory seat at HAARLEM**

01100179

## **REPORT OF THE AUDITORS**

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

Nieuwegein, March 15, 2011

Our references: 1789/md/ed/01100179

Dear board of Directors,

We hereby send you the annual report regarding the financial statements for the year 2010 of your foundation.

## **ENGAGEMENT**

In accordance with your instructions we have audited the 2010 financial statements of Stichting Internationale Orde van Hospitaalbroeders, Haarlem. These financial statements are the responsibility of the Board of Directors 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 Board of Directors report and the other information, in the 2010 annual accounts attached to this report.

For the audit opinion we refer to the chapter 'Other information' on page 23 of this report.

## **GENERAL**

### **Board of directors**

On 31 December 2010 the board of Directors is formed by:

- M.P. Kearns;
- G.P. Mc Crory;
- M.J. Neild;
- W. Brennan-Whitmore;
- R.M. Morgan;
- D.M.J. Offermans;
- H.J.C. de Vries.

### **Appropriation of the 2010 net result**

The net result over 2010 amounts to € 126,982 negative (The net result over 2009 amounted to € 131,929 positive). In 2010, amounts for services were paid which relate to previous periods. These obligations were not accounted for in these previous periods. For transparency reasons, the amount paid of € 87.690, is accounted for in 2010. The amount paid to Adfinitas relate to Selling expenses existing donors. The other costs, for an amount of € 13.098, relate to Selling expenses existing donors. The remaining part of the other costs, € 8.705, relate to donor administration.

The analysis of the net result is presented on page 5, the appropriation of the net result is reported under Other Information of the financial statements.

### **Recognition of the 2009 net result**

The profit amounting to € 131,929 has been carried forward as surplus.

## NET RESULT FOR THE PERIOD

### Development of income and expenses

The result for 2010 amounts to € 126,982 negative compared to positive € 131,929 for 2009. The results for both years can be summarized as follows:

	2010		2009		Difference
	€	%	€	%	€
<b>Donation revenue</b>	986,100	100,0	1,067,762	100,0	-81,662
Grants by third parties	15,250	1,5	–	–	15,250
List rental	9,492	1,0	30,944	2,9	-21,452
Legacy	13,087	1,3	265,239	24,8	-252,152
<b>Gross Margin</b>	<u>1,023,929</u>	<u>103,8</u>	<u>1,363,945</u>	<u>127,7</u>	<u>-340,016</u>
<b>Costs</b>					
Employee expenses	118,057	12,0	84,885	7,9	33,172
Other operating expenses	945,653	95,9	1.147,131	107,4	-201,478
Costs previous years	87,690	8,9	–	–	87,690
	<u>1,151,400</u>	<u>116,8</u>	<u>1.232,016</u>	<u>115,3</u>	<u>-80,616</u>
<b>Operating result</b>	-127,471	-13,0	131,929	12,4	-259,400
Financial income and expenses	489	0,1	–	–	489
<b>Net result</b>	<u><u>-126,982</u></u>	<u><u>-12,9</u></u>	<u><u>131,929</u></u>	<u><u>12,4</u></u>	<u><u>-258,911</u></u>

### Costs

The total costs (costs previous years not included) decreased by 13,7%.

	2010		2009		Difference
	€	%	€	%	€
Employee expenses	118,057	11,1	84,885	6,9	33,172
Expenses for projects	601,002	56,5	625,450	50,8	-24,448
Accommodation expenses	15,601	1,5	14,089	1,1	1,512
Office expenses	16,690	1,6	11,584	0,9	5,106
Selling expenses prospective donors	128,931	12,1	323,053	26,2	-194,122
Selling expenses existing donors	92,531	8,7	95,457	7,8	-2,926
Events	1,818	0,1	–	–	1,818
Donor administration	38,022	3,6	47,304	3,8	-9,282
General expenses	51,058	4,8	30,194	2,5	20,864
	<u><u>1,063,710</u></u>	<u><u>100,0</u></u>	<u><u>1,232,016</u></u>	<u><u>100,0</u></u>	<u><u>-168,306</u></u>

# **FINANCIAL REPORT**

## **REPORT OF THE BOARD OF 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, was founded 500 years ago and is active in 50 countries worldwide.

### **Statement of responsibility of the board of directors**

The board of directors 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 board of directors 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 board of directors 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 board of directors 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 12 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.

**STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS**  
**statutory seat at HAARLEM**

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**Principal risks and uncertainties**

The current recession is considered to be the principal risk.

**Subsequent events**

There were no subsequent events for the disclosure.

**On behalf of the board of directors**

Haarlem, ..... 2011

Signed: M.P. Kearns  
Voorzitter (Chairman)

Signed: G.P. Mc Crory  
Penningmeester (Treasurer)

## **FINANCIAL STATEMENTS 2010**

**STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS**  
**statutory seat at HAARLEM**

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**BALANCE SHEET AS AT 31 DECEMBER 2010**

(After appropriation of result)

	<u>31 December 2010</u>	<u>31 December 2009</u>
<b>ASSETS</b>	<b>€</b>	<b>€</b>
<b>Current assets</b>		
<b>Trade and other receivables</b>	<b>(1)</b>	
Prepayments and accrued income	3,456	66,877
<b>Cash and cash equivalents</b>	<b>(2)</b>	162,377
	<u><b>136,457</b></u>	<u><b>229,254</b></u>

**STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS**  
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**EQUITY AND LIABILITIES**

	<u>31 December 2010</u>	<u>31 December 2009</u>
	€	€
<b>Capital and reserves</b>	<b>(3)</b>	
Surplus	91,737	218,719
<b>Current liabilities</b>	<b>(4)</b>	
Trade creditors	26,166	–
Taxes and social securities	3,045	1,790
Accruals and deferred income	15,509	8,745
	<u>44,720</u>	<u>10,535</u>
	<u><u>136,457</u></u>	<u><u>229,254</u></u>

**INCOME AND EXPENDITURE FOR THE YEAR 2010**

		<u>2010</u>	<u>2009</u>
		€	€
<b>Donation revenue</b>	<b>(5,6)</b>	986,100	1,067,762
Grants by third parties		15,250	–
List rental		9,492	30,944
Legacy		13,087	265,239
<b>Gross Margin</b>		<u>1,023,929</u>	<u>1,363,945</u>
<b>Expenses</b>			
Employee expenses	<b>(7)</b>	118,057	84,885
Other operating expenses	<b>(8)</b>	945,653	1,147,131
Costs previous years	<b>(9)</b>	87,690	–
		<u>1,151,400</u>	<u>1,232,016</u>
<b>Operating result</b>		-127,471	131,929
Interest	<b>(10)</b>	489	–
<b>Result from ordinary activities</b>		<u>-126,982</u>	<u>131,929</u>
		<u>–</u>	<u>–</u>
<b>Result</b>		<u><u>-126,982</u></u>	<u><u>131,929</u></u>

**CASH FLOW STATEMENT FOR THE YEAR**  
**ENDED 31 DECEMBER 2010**  
 (According to the indirect method)

	<u>2010</u>	
	€	€
<b>Cash flow from operating activities</b>		
Operating result	-127,471	
Adjustments for:		
Changes in working capital:		
Movements in accounts receivable	63,421	
Movements in trade creditors	26,166	
Movements in taxation and social securities	1,255	
Movements in accruals and deferred income	6,764	
		<u>97,606</u>
Cash flow from business operations		<u>-29,865</u>
Interest paid		489
Cash flow from operating activities		<u><u>-29,376</u></u>
<b>Compilation cash</b>		<u>2010</u>
Cash and cash equivalents as at 1 January		162,377
Movements in cash and cash equivalents		<u>-29,376</u>
Cash and cash equivalents as at 31 December		<u><b>133,001</b></u>

## **NOTES TO THE 2010 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 are presented at nominal value.

Income and expenses are accounted for 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 recognized on basis of individual assessment of recoverability of the receivables.

#### **Cash and cash equivalents**

Cash and cash equivalents are valued at nominal value.

### **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 the current reporting period.

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

The cash flow statement has been prepared using the indirect method.

The finds in the cash flow statement consist of cash and cash equivalents. Cash equivalents can be considered as highly liquid investments.

**NOTES TO THE BALANCE SHEET AS AT 31 DECEMBER 2010**

**1. Trade and other receivables**

	<u>31-12-2010</u>	<u>31-12-2009</u>
	€	€
<b>Prepayments and accrued income</b>		
List rental to receive	2,913	4,139
Legacy to receive	–	62,738
Prepaid expenses	461	–
Others	82	–
	<u>3,456</u>	<u>66,877</u>

**2. Cash and cash equivalents**

ABN AMRO Bank N.V. 41.45.42.940	23,361	29,889
ABN AMRO Bank N.V. 41.45.42.169	456	450
ABN AMRO Bank N.V. 45.92.13.083	–	46
Rabobank 3844.21.733	108,992	131,992
Cash	192	–
	<u>133,001</u>	<u>162,377</u>

**3. Capital and reserves**

	<u>2010</u>	<u>2009</u>
	€	€
<b>Surplus</b>		
Balance as at 1 January	218,719	86,790
Appropriation of the result	<u>-126,982</u>	<u>131,929</u>
Balance as at 31 December	<u>91,737</u>	<u>218,719</u>

**4. Current liabilities**

	<u>31-12-2010</u>	<u>31-12-2009</u>
	€	€
<b>Trade creditors</b>		
Trade creditors	<u>26,166</u>	<u>–</u>
<b>Taxes and social securities</b>		
Pay-roll tax	<u>3,045</u>	<u>1,790</u>
<b>Accrued liabilities</b>		
Accruals and deffered income	9,141	5,452
Holiday pay	6,368	3,293
	<u>15,509</u>	<u>8,745</u>

**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  
2010**

**5. Donation revenue**

The donation revenue decreased in 2010 compared to 2009 with 7,6%.

	<u>2010</u>	<u>2009</u>
<b>6. Donation revenue</b>		
Donation revenue	<u>986,100</u>	<u>1,067,762</u>

**7. Employee expenses**

Wages and salaries	96,389	71,503
Social security charges	14,244	9,569
Expenses for projects	3,964	3,813
Others	3,460	—
	<u>118,057</u>	<u>84,885</u>

**Wages and salaries**

Gross wages	93,314	64,258
Movement holiday allowance liability	3,075	7,245
	<u>96,389</u>	<u>71,503</u>

**Social security charges**

Social securities	<u>14,244</u>	<u>9,569</u>
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**Expenses for projects**

Travelling expenses	3,664	3,334
Insurance	300	479
	<u>3,964</u>	<u>3,813</u>

**Staff**

During the 2010 financial year, the average number of parttime staff employed by The Foundation was 5, converted into full-time equivalents, amounted to 2,6

	<u>2010</u>	<u>2009</u>
<b>8. Other operating expenses</b>		
Expenses for projects	601,002	625,450
Accommodation expenses	15,601	14,089
Office expenses	16,690	11,584
Selling expenses prospective donors	128,931	323,053
Selling expenses existing donors	92,531	95,457
Events	1,818	–
Donor administration	38,022	47,304
General expenses	51,058	30,194
	<u>945,653</u>	<u>1,147,131</u>
<b>Accommodation expenses</b>		
Rent	10,788	10,371
Energy and water costs	2,887	1,818
Repair and maintenance buildings	1,308	1,437
Tax and business expenses	460	305
Insurance	158	158
	<u>15,601</u>	<u>14,089</u>
<b>Office expenses</b>		
Office supplies	4,435	3,085
Telephone and internet	4,844	7,008
Postage	2,748	1,846
Website	3,398	–
Other office supplies	1,265	-355
	<u>16,690</u>	<u>11,584</u>
<b>Selling expenses prospective donors</b>		
Canvassing	52,687	255,823
Prospect	57,482	49,798
Loyalty	13,225	17,432
Telemarketing	5,537	–
	<u>128,931</u>	<u>323,053</u>
<b>Selling expenses existing donors</b>		
Mailing expenses	51,581	58,008
Renewal	21,552	23,889
Newsletter I	11,803	322
Newsletter II	7,595	13,238
	<u>92,531</u>	<u>95,457</u>

**STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS**  
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	<u>2010</u>	<u>2009</u>
<b>Events</b>		
Marathon Amsterdam	<u>1,818</u>	<u>—</u>
<b>Donor administration</b>		
Database software costs	25,788	24,683
Database conversion	7,675	—
Consultancy costs	<u>4,559</u>	<u>22,621</u>
	<u>38,022</u>	<u>47,304</u>
<b>General expenses</b>		
Auditor's fee	9,425	8,146
Administration fee	6,383	3,309
Notarial charges	493	1,148
Bank charges	19,449	11,497
Other general expenses	<u>15,308</u>	<u>6,094</u>
	<u>51,058</u>	<u>30,194</u>
<b>9. Costs previous year</b>		
Adfinitas	65,887	—
Other	<u>21,803</u>	<u>—</u>
	<u>87,690</u>	<u>—</u>
<p>In 2010, amounts for services were paid which relate to previous periods. These obligations were not accounted for in these previous periods. For transparency reasons, the amount paid of € 87.690, is accounted for in 2010. The amount paid to Adfinitas relate to Selling expenses existing donors. The other costs, for an amount of € 13.098, relate to Selling expenses existing donors. The remaining part of the other costs, € 8.705, relate to donor administration.</p>		
<b>Financial income and expenses</b>		
<b>10. Interest</b>		
Interest cash and bank accounts	<u>-489</u>	<u>—</u>

**STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS**  
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**On behalf of the board of directors**

Haarlem, .....2011

Signed: M.P. Kearns  
Voorzitter (Chairman)

Signed: G.P. Mc Crory  
Penningmeester (Treasurer)

## **OTHER INFORMATION**

**OTHER INFORMATION**

**Appropriation of the result**

The board of directors proposes to withdraw the 2010 result of the surplus for an amount of € 126,982  
This proposition is already recognized in the financial statements.

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of: Stichting Internationale Orde van Hospitaalbroeders

### **Report on the financial statements**

We have audited the accompanying financial statements 2010 which are part of the financial statements of Stichting Internationale Orde van Hospitaalbroeders, Haarlem, which comprise the balance sheet as at 31 December 2010, the income and expenditure account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

#### *Management's responsibility*

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

Furthermore the Board of Directors is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 with respect to the financial statements*

In our opinion, the financial statements give a true and fair view of the financial position of Stichting Internationale Orde van Hospitaalbroeders as at December 31, 2010 and of its result for the year then ended in accordance with accounting principles generally accepted in The Netherlands.

**STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS**  
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Nieuwegein, March 24, 2011

AREP Accountants en Belastingadviseurs B.V.

Drs. G-J. Jordaan RA

E. de Kemp AA

## **APPENDIX**

**OTHER INFORMATION**

**Board of directors**

M.P. Kearns  
G.P. Mc Crory  
M.J. Neild  
W. Brennan-Whitmore  
R.M. Morgan  
D.M.J. Offermans  
H.J.C. de Vries

**Banks**

ABN-AMRO  
Houtplein  
Postbus 5  
2500 MB Haarlem

Rabobank  
Dreef 40  
2012 HS Haarlem

**Auditor**

AREP Accountants en Belastingadviseurs B.V.  
Weverstede 15  
3431 JS Nieuwegein

**SUPPORTED PROJECTS**

<b>Project</b>	<b>Country</b>	<b>Centre</b>	<b>Total</b>
			<b>€</b>
Support for Malawi	Malawi	Mzuzu	244,700
Support for Zambia	Zambia	Monze	41,000
Ghana	Ghana	Koforidua	83,375
Ghana	Ghana	Asafo	57,224
Sierra Leone	Sierra Leone	Lunsar	92,203
Sierra Leone	Sierra Leone	Lungi	10,000
Mozambique	Mozambique	Nampula	12,000
India	India	Trichy	22,500
India	India	Khandwa	20,000
Vietnam	Vietnam		18,000
<b>Total</b>			<b>601,002</b>

**DIVISION OF COMPLETION COSTS TO DESTINATION**

	<b>2010</b>				<b>2009</b>	
	<b>Total</b> €	<b>Fundraising</b> €	<b>Informing</b> €	<b>Projects</b> €	<b>Total</b> €	
<u>Completion costs</u>						
Employee expenses	118,057	39,352 33%	39,352 33%	39,353 33%	84,885	
Accommodation expenses	15,601	5,200 33%	5,200 33%	5,201 33%	14,089	
Office expenses	16,690	5,563 33%	5,563 33%	5,564 33%	11,584	
Selling expenses prospective donors	128,931	96,698 75%	32,233 25%	– –	323,053	
Selling expenses existing donors	92,531	55,519 60%	37,012 40%	– –	95,457	
Events	1,818	909 50%	909 50%	– –		
Donor administration	38,022	12,674 33%	12,674 33%	12,674 33%	47,304	
General expenses	51,058	17,019 33%	17,019 33%	17,020 33%	30,194	
Total completion costs	<u>462,708</u>	<u>232,934</u>	<u>149,962</u>	<u>79,812</u>	<u>606,566</u>	
<u>Direct Project costs</u>						
Expenses for projects	<u>601,002</u>	–	–	<u>601,002</u>	<u>625,450</u>	
	<b>1,063,710</b>	<b>232,934</b>	<b>149,962</b>	<b>680,814</b>	<b>1,232,016</b>	