

**STICHTING INTERNATIONALE ORDE  
VAN HOSPITAALBROEDERS**

**seat at  
AMSTERDAM**

**Annual Report 2018**

**STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS  
seat at AMSTERDAM**

<b>CONTENTS</b>	<b>Page</b>
<b>Part A The Organisation</b>	
General information	3
Mission and vision	3
Strategy an approach worldwide	3
The CBF application for accreditation	4
Strategy in the Netherlands	4
Fundraising policy	4
Results and impact	5
Communication	10
Internal organisation	11
Segregation of functions	11
Future plans	12
<b>Part B Finance</b>	
Incoming resources	12
Expenditure and expenditure allocation	13
Resources expended on charitable activities	14
Scope of reserves and funds	15
Financial flows within the international organisation	15
Strategy, finance and risks	15
Annual accounts	16
<b>Report of the Board of Directors</b>	18
<b>Financial statements</b>	
Balance sheet as at 31 December 2018	21
Income and expenditure for the year 2018	23
Cash flow statement for the year ended 31 December 2018	24
Notes to the 2018 financial statements	25
Notes to the balance sheet as at 31 December 2018	27
Notes to the income and expenditure account for the year 2018	31
<b>Other information</b>	
Independent auditor's report	36
<b>Appendix</b>	
Trustees other information	38
Supported projects	39

# STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS seat at AMSTERDAM

## PART A OUR ORGANISATION

Stichting Internationale Orde van Hospitaalbroeders (SJOG-Hospitaalbroeders) was founded in 1994 and is part of an international Catholic organisation, of which the head office – the Generale Curia – is based in Rome, Italy. Internationally, the organisation runs 334 hospitals and clinics in a total of 54 countries worldwide.

The Dutch branch of SJOG-Hospitaalbroeders belongs to the West European Province. This means that there is a close partnership with St. John of God Ireland. Hospitaalbroeders exclusively raises funds for projects of the organisation's hospitals in Africa.

On 31 December 2018, the members of the Board of Directors were:

- W.M. Forkan;
- P. Hulshof;
- M. Gianotten;
- J. Gallagher;
- S. Kearns.

### 1. Mission and vision

Inspired by our Catholic background, the mission of Hospitaalbroeders is to provide care of the highest quality to the most vulnerable groups in Africa regardless of a person's ethnic background, gender or religion. We have been mental health care specialists for over 450 years and operate our own hospitals and clinics.

SJOG-Hospitaalbroeders' vision for the world is one where everybody is treated with care and attention and given fair opportunities. We give meaning to this under three different pillars: health, knowledge and independence.

The care we provide focuses on the acceptance of people with a mental or physical disability and their emancipation. We do this, not only, by providing care in our 18 hospitals and clinics in Africa, but also by training our own doctors and nurses.

Within the three pillars, we teach people to use their potential to the fullest.

Hospitality is the central value of our organisation manifesting itself in four core values: compassion, respect, excellence and justice, in the manner of St. John of God.

### 2. Strategy and approach worldwide

Traditionally, SJOG has been an organisation specialising in mental health care in the broadest sense of the word. From South America to China and Europe, the focus has been on specialised medical care for people from the most vulnerable groups. This ranges from mental health care to caring for people with mental disabilities and addiction treatment. In Africa, we provide health care in nine countries. The main emphasis is on general health care. However, in three of these countries – Malawi, Senegal and Mozambique – a total of five institutions provide mental health care.

The Dutch branch of SJOG-Hospitaalbroeders is the only branch that does not include active Brothers from the International Order. The Netherlands falls within the West European Province, which is directed by Ireland. HospitaalBroeders has ANBI status and applied for CBF accreditation in 2018. CBF granted Hospitaalbroeders 'held' status until March 2020, after which a new assessment will be performed.

In Africa, Hospitaalbroeders runs 24 hospitals and clinics. The majority of these clinics fall within the African Province: Kenya (1), Cameroon (3), Mozambique (1), Sierra Leone (2), Liberia (2), Zambia (1), Senegal (3) and Ghana (4). Malawi (2) falls within the West European Province.

## **STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS seat at AMSTERDAM**

The hospitals in Togo (2) and Benin (3) fall within a separate entity, the Province of Togo-Benin (St. Richard Pampurri). They are not supported by **HospitaalBroeders**.

Since Hospitaalbroeders began its operations in the Netherlands, all countries have received support. In the last few years, financial support has shifted to notably Malawi, which just like the Netherlands belongs to the West European Province.

### **3. The CBF application for accreditation**

In 2018, HospitaalBroeders applied for CBF accreditation.

Before the application could be officially submitted, the articles of association needed to be amended as much had changed since 1997.

The amendment of the articles of association mainly related to the change in composition of the Board of Directors. As a result, by 2019 the majority of the Board of Directors should consist of independent Dutch members. The application process started in 2018 and continued in 2019, with the CBF deciding to hold the application until March 2020. After a first assessment interview on 18 points of discussion and a second inspection after which nine agreements were made, four points remained for March 2020 on which the final decision on the accreditation will be taken.

### **4. Strategy in the Netherlands**

Fundraising in the Netherlands is intended to support African hospitals and the projects managed from these hospitals. The 2017-2020 Multi-Year Strategy provides a clear description of the strategic objectives.

#### **1. Extending and expanding successful programmes in the three different pillars (care, education, autonomy)**

- Care: expanding and improving services in our hospital and clinics.
- Care: expanding services via Outreach Programmes to extend the reach in peripheral regions.
- Education: expanding scholarship programmes in Malawi and Sierra Leone.
- Education: more attention to quality in our own training programmes.
- Autonomy: innovative water systems in clinics.
- Autonomy: developing income generating programmes.

#### **2. Building a strong supporter's network**

- Focussing on growth of financial income through active fundraising.
- Identifying and developing new partnerships.
- Expanding donor base.
- Developing a 'middle donor' programme including visits by donors to projects.
- Implementing a more campaign-based approach.

#### **3. Increasing name recognition in the Netherlands**

- Stronger branding of the name 'HospitaalBroeders'.
- Developing a PR and communication policy based on increased publicity for activities.

### **5. Fundraising policy**

The Dutch office is, unlike the offices in other countries, a separate entity. In contrast to all other country offices, there are no Brothers. The Dutch office, therefore, focuses exclusively on fundraising for the African hospitals and clinics.

## **STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS seat at AMSTERDAM**

Fundraising is the core business of the Dutch organisation and built on a number of 'sources', of which the most important consists of private donations. Private donations are received through direct mailings and in the form of bequests. Other sources include crowdfunding at events and institutional support. Structural support through pledges comes from D2D-acquisition. Hospitaalbroeders aims to apply the concept of cross-fertilisation in the use of these various channels. Many projects are financed by both private and institutional funds.

The essence of fundraising is the human factor. Projects aim to serve people and are supported by the Brothers and people of our organisation. By telling the stories of our workers and our patients, we try to convey the urgency of our work to donors in an intimate and personal way.

### **5. Results and impact**

Impact measurement has become increasingly important in the work of NGOs in the past years. For organisations in the health care sector, measuring impact can be a challenging task. After all, how do we define the 'outcome' of health care activities?

Some output, such as numbers of patients treated, and bed occupancy rates, can easily be established, but the final 'outcome' is harder to pin down. Hospital care is more than a series of actions performed under medical protocols. Giving care includes being attentive and expressing sympathy as part of a professional attitude as well as a caring attitude.

However, as of 2018 we started focusing more on the 'input → output → outcome → impact' chain for our impact measurement for project reports. Project reports from the hospitals will also be performed in this way to increase transparency and impact measurement.

- Input: resources put in programme.
- Output: the direct and early results of an intervention's activities. Outputs refer to the most immediate sets of accomplishments necessary, to produce outcomes and impacts.
- Outcome: a change that has occurred due to the programme - quantifiable effects.
- Impact: long term effects of the programme.

Collecting and analysing data can be done in a number of ways. With respect to qualitative research, meetings and workshops to improve administrative processes are frequently conducted in Africa. From the Netherlands, the importance of storytelling is stressed, projects in hospitals are visited regularly, often on an annual basis, informal conversations are held with medical staff and patients, and Brothers are interviewed. Employees write an extensive report on the outcomes of each visit. With respect to quantitative data, reports are received, information is distilled from annual reports, and results are communicated to stakeholders and donors.

The Brothers send regular reports about the implementation of projects. These are shared with stakeholders such as the institutional donors.

An important new development is pushing clinics and hospitals towards organising more income generating activities. This helps a facility to build a financial buffer to meet growing expenditures. This new way of working has a double advantage. First, a euro collected by Hospitaalbroeders will be used several times, as it is used for a loan to a hospital which will then be paid back to Hospitaalbroeders. Secondly, the loan helps the hospital to start generating its own income. In 2018 we had two active loan projects in operation.

### **International and national impact**

One of CBF's important conditions for granting the 'recognised' status to HospitaalBroeders was to make a clear distinction between the impact as a result of Dutch donation support and the impact that the hospitals in Africa have in a more general sense.

## STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS seat at AMSTERDAM

In Europe, several sections of the St. John of God organisation support African hospitals. These fundraising departments from Italy, Spain, Portugal, France, Ireland and the Netherlands meet once a year during the Fundraising Alliance meeting, to examine the best way to work together.

A total of 76 African Brothers worked in the African Province in 2018.

The Brothers worked with a total of 1,792 staff members.

The total number of patients in 2018 was more than 340,000 in 16 facilities.

Our hospitals and clinics vary in size considerably, as demonstrated in the overview below of the number of beds and staff members.

Hospital	# Patients*	# Beds	# Staff	# Outreach**
Ghana-Koforidua	97,273	175	370	
Ghana-Asafo	72,934	170	313	11,419
Ghana-Amrahia	12,058	15	87	
Ghana-Oseikojokrom	10,232	3	11	
Sierra Leone-Lunsar	25,346	95	146	452
Sierra Leone-Lungi	3,045	20	17	
Liberia-Monrovia	27,251	120	162	
Liberia-New Kru Town	4,702			
Kenya-Tigania	21,667	100	103	
Cameroon-Yassa	6,129	23	21	
Cameroon-Boko	7,186	14	20	
Cameroon-Batibo	2,694	76	27	1,456
Senegal-Thies Dalal-Xel	2,687	55	43	1,560
Senegal-Fatick Dalal-Xel	<i>No figures</i>			
Senegal-Thies Hospital	31,571	125	163	
Malawi-Mzuzu	7,675	39	192	7,181
Malawi-Lilongwe	2,191	49	117	1,885
Zambia-Monze	<i>No figures</i>			
Mozambique-Nampula	<i>No figures</i>			
<b>TOTAL</b>	<b>324,409</b>	<b>1,079</b>	<b>1,792</b>	<b>22,497</b>

\* Number of patients is inpatients (staying overnight in the hospital) and outpatients (consultation only).

\*\* Outreach patients are patients who are being services outside of the regular hospital, on location.

Mental health and Outreach are two elements that set the work of HospitaalBroeders apart from that of other development organisations. Outreach visits villages that are located far away from the hospital with teams of doctors and nurses. A total of 22,497 patients received help outside of our regular hospitals during these Outreach visits.

HospitaalBroeders offers mental health care in three countries: Malawi, Senegal and Mozambique.

In Malawi, HospitaalBroeders runs two of the three mental health facilities present in the country, making it the main provider of this type of care.

The Outreach programmes in Senegal and Malawi are both focussed on mental health.

### Developments in programme countries – Results per country and impact with Dutch support

*(The figure behind the country shows the percentage of the Dutch budget spent in that country.)*

In 2018 two project visits were conducted to Cameroon and Malawi.

Each year we try to visit a number of our donor countries. Each visit is recorded in a detailed report.

## STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS seat at AMSTERDAM

Two Country Directors visited the Netherlands: Charles Masulani (Malawi) and Peter Dawoh (Liberia) in 2018.

### **Malawi (62%)**

Malawi has always been the main partner in Africa for HospitaalBroeders' projects. This is because Malawi has been part of the West-European Province and because of its specialisation: mental health. Three multi-annual projects were funded.

**1. Mental health Prison (€49,660)** - This is a continuation of a three-year program that commenced in 2017 and will expire in December 2019. This is a program in which we provide mental health treatment, care and counselling in Malawi's five prisons (two in Central Region and three in Northern region). Training is also provided to prisoner warders to facilitate identification, management and referral of people with prisoners experiencing mental health disorders.

#### \* Outcome

- The programme reached 5,561 inmates and warders;
- 258 received mental health treatment;
- 1,002 benefitted from counselling services;
- 300+ warders received training on mental health issues.

#### \* Impact

- Improved quality of life for inmates;
- Improved opportunities for post-prison life due to vocational skills training;
- Improved attitude warders towards prisoners due to better understanding of mental health issues of inmates.

This positive impact would not have been possible without the intervention.

**2. Community Mental Health (€40,000)** - This is new funding for the community outreach mental health program in Lilongwe which has a static/OPD clinic serving over 100 mentally ill people on a daily basis and a domiciliary (home) treatment program serving over 15 clients on a weekly basis and an outreach clinic network number of 17 clinics spread in and around Lilongwe district serving thousands of people with mental health disorders. In total both the OPD and outreach program has 2,563 clients on register. A team of psychiatric clinicians, nurses, counsellors, social workers and psychologists run these clinics on a day to day basis providing treatment, care, therapy and education to people with mental health disorders and their families.

#### \* Outcome

- 17 operational Outreach clinics and 1 OPD that serve 2,563 clients who suffer from mental illness;
- More than 1,200 traditional leaders have been involved;
- 10,640 youths trained;
- 5,000 employees of various companies trained;
- More than 2,000 guardians trained;
- 8 mental health employees trained;
- 4 primary health care employees trained;
- 5,000 brochures on mental health care distributed.

#### \* Impact

- Improved quality of life from people who suffer from mental health issues;
- Reduction of hospital admissions due to the programme;
- The Outreach programme reduced the congestion of our residential psychiatric unit;
- Reduced stigmatisation about mental health issues.

**3. Children with Special needs/disabilities (€40,000)** – This is a program being implemented in the Western part of Lilongwe district in which we provide portage (early intervention services for children with both intellectual and physical disabilities) postural management equipment for children with mobility

## STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS seat at AMSTERDAM

issues, nutrition support and also medication to conditions such as ADHD, epilepsy, adolescent psychiatry issues etc. and positive parenting and counselling to mothers and guardians. Our team of physiotherapists, social workers, psychiatric nurses and counsellors provide both home-based and centre-based care support to these children and their parents/guardians. At present we have 130 children benefiting from the program.

### \* Outcome

- A total of 198 children registered in program;
- 149 achieved various levels of development (head control, sitting, standing etc.);
- 17 attained functional abilities (toileting, eating);
- 7 attained speech ability;
- 13 mainstreamed in the regular school system.

### \* Impact

- Improved quality of life of the children with intellectual and physical disabilities;
- Fostering of child's social and cognitive development through the positive parenting program.

**4. Unrestricted (€20,340)** - This funding is for general support of the operations including contribution towards purchasing of antipsychotic and anti-epileptic medication, maintenance and running of ambulances, procurement of other hospital supplies including client's foodstuffs, general office supplies and stationery for running the clinics and overheads.

### \* Outcome

- Valuable resources made available to make the internal organisation more efficient: more effective execution of activities.

### \* Impact

- Major improvement in the service delivery across the two program.

## **Ghana (18%)**

In Ghana, HospitaalBroeders runs hospitals and clinics in four different cities.

In 2017 and 2018 we helped the clinic in Amrahia to improve their maternity department. And an ambulance was purchased for the hospital in Koforidua.

**1. Ambulance (€30,000)** - A new ambulance for the hospital of Koforidua was financed. The hospital used to work with local taxi drivers because the old ambulance was no longer usable. This ambulance was financed in cooperation with MIVA.

As had only been taken into use from November on, there is not much to report about outcome and impact.

**2. Theatre equipment (€8,598)** - The management of the St. John of God Clinic observed that antenatal care attendance at the clinic is higher than the number of deliveries. They noted that the pregnant women prefer to seek antenatal services at the clinic but when the time comes to deliver, they prefer giving birth at other health facilities because they fear losing their lives and that of the unborn baby if the need for surgical intervention arose. There was a need for an operating theatre, prompting the clinic to create an operating theatre to take care of surgical health needs in case of emergencies. HospitaalBroeders helped to equip this theatre.

### \* Outcome

- Purchase of hysterectomy sets, baby warmers, a diathermy machine, oxygen cylinders, anaesthetic gauge.

### \* Impact

- Women in the Amrahia district know now that they can safely deliver in the clinic. The fact that the clinic has a new theatre that is also adequately equipped ensures the hospital that the percentage of women that come for antenatal help but don't deliver in the end in our clinic will decrease in 2019.



## STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS seat at AMSTERDAM

**3. Medical equipment (€4,641)** - A relation of HospitaalBroeders arranged shipping for a number of monitors from the VU hospital in Amsterdam to the hospital in Asafo.

### **Cameroon (12%)**

The two projects that were supported in Cameroon were dominated by the war situation that started in 2016 in the North-West Region of Cameroon, the English-speaking part, and unfortunately developed into a full-blown conflict in 2018.

**New Elum Clinic (€15,237)** - The hospital in Batibo asked us to finance a small clinic located in one of the five areas where the hospital made Outreach visits. In the mountain village of Elum, an hour's drive from the hospital, a nurse had been working for some time, providing the most necessary medical assistance to the residents in an emergency building. Building a small clinic in which our hospital staff would be able to provide medical assistance on a daily basis seemed, therefore, like a good idea. The Hofsteestichting assisted with a contribution and the money was transferred. Unfortunately, the situation worsened around that time: many people left to avoid the violence between the rebels seeking independence for Ambazonia and the army. For our staff, the trip through the mountains became too dangerous after a number of incidents: on two occasions, staff were temporarily held hostage. The construction plans for the Elum clinic were postponed, and in 2019 it was decided to create a modest emergency clinic in the region's capital city, Bamenda, with part of the money.

**Emergency help (€15,557)** - The other project contribution was intended to alleviate the need in the hospital in Batibo. As a rule, HospitaalBroeders never gives emergency aid, only structural aid. The problem with our hospital here was that there was hardly any income to help the people. Staff fled and the remaining staff could not be paid. Some of the staff came to live in the hospital at the time because the home situation was too dangerous. The violence came from both the rebels and the army. The contribution from the Netherlands was a coordinated campaign with the other members of the Fundraising Alliance: the Italian and Spanish branches of HospitaalBroeders also provided emergency aid to keep the hospital running.

#### \* Outcome

- Thanks to the contribution of HospitaalBroeders the hospital was able to continue to function;
- The salary of 30 staff members continued to be paid;
- 217 outpatient consultations;
- 66 inpatients;
- 381 vaccinations for children;
- 32 deliveries;
- 487 laboratory cases.

#### \* Impact

- The fact that the hospital was able to remain open despite the violence and threats to the staff, was a beacon of hope in Batibo. Our hospital was the only functioning hospital left.

### **Sierra Leone (7%)**

**Scholarships (€11,835)** - In 2018, 37 scholarships were granted to students of the Nursing School. In total, HospitaalBroeders has granted more than 100 scholarships in recent years, out of 900 graduate nurses. These scholarships are always for a period of three years to enable students to complete their nursing studies. After a selection procedure, the hospital management decides who is eligible for a scholarship.

#### \* Outcome

- 37 students received a scholarship, two quit, six lost their right to scholarship due to poor results.

#### \* Impact

- A contribution to improving health care in Sierra Leone, a country with a shortage of trained nurses.

## STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS seat at AMSTERDAM

**Loan for a van (€6,335)** - A loan was also granted to buy a small van to sell the water produced on hospital grounds in Lunsar, in the area. The underlying idea was to earn money: additional income for the hospital. This idea did not work out: the water in plastic sachets wasn't bought in large enough quantities. However, the loan was repaid in full in 2018.

### **Liberia (1%)**

The hospital in Liberia asked for a contribution to purchase essential medicines. This is important because the sale of medicines is a source of income to keep the hospital going.

#### \* Outcome

- 123 children were treated in the paediatric ward with the medicines: 23 for malaria, 18 for sepsis, 20 for anaemia, 21 for cough, 30 for typhoid;
- 80 women were treated on the maternity ward for pregnancy-related complications;
- The hospital made a profit selling the medicines: \$2,640;

The sale of medicine is sometimes frowned upon but this is not entirely reasonable as the profits pay for a programme for people who cannot afford medicine at all. The under listed category of patients were treated under the charity program of the hospital. With the support from the social worker, the support for those who could not pay for the drugs were categories as follows:

Category of Clients	Number
Complicated Pregnancies with C/S support Delivery	5
Children with Anaemia and Malaria	10
Obstetric care for women under 20 on their first birth	8

#### \* Impact

- Making the hospital to be seen relevant in the society at a time when hospitals and other clinics are closing down. And also maintaining the staff in active service as the current economic crisis is making institutions to down size their work force.

There was no project help in 2018 for Mozambique, Zambia and Kenya

## **6. Communication**

Storytelling was key in HospitaalBroeders' communication, to give a face to the aid.

The 2018 communication strategy used the see-think-do-care model. The idea behind this approach is that a potential donor first has to meet the charity somewhere (See) and take an interest in their work. In the Think phase, a microconversion takes place, such as subscription to the digital newsletter or a like on Facebook. In the Do phase, there is a conversion, such as a donation. After that, the preservation process starts (Care).

Each phase involves different means of communication. In 2018, the following resources were deployed:

- See (name recognition): Social Media ads, SEA, SEO, Free Publicity and print fillers.
- Think (microconversion): Social Media ads.
- Do (macroconversion): digital newsletter, website, prospect mailing, telemarketing and social fundraising (half marathon).
- Care (preservation): social media, thank-you processes after donations, birthday cards, digital newsletters and donor meetings.

The focus was on good content from the projects in Africa. A professional photographer visited the projects in Malawi. We use these photos in all our marketing efforts to give a face to our work. The same applies vice versa: it is also important that HospitaalBroeders' employees have a face with donors. At our well-attended donors' meeting, we engaged in conversation with donors. This is not only an excellent way to give donors feedback about their support and to inform them about our work in Africa, but also to map out the donors' wishes, so that we can serve them even better in future communications.

## **STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS seat at AMSTERDAM**

### **7. Internal organisation**

2018 was a year of significant changes: the assessment by the Central Bureau for Fundraising (CBF) made it clear that as a small organisation, HospitaalBroeders would have to implement certain far-reaching changes in a number of areas. The articles of association, dating from 1997, were substantially extended in order to meet the requirements for CBF accreditation, among other things. Two new Dutch directors joined the Board of Directors, replacing two Irish brothers. The ultimate goal was to have a majority of Dutch-speaking board members by 2019.

Three people were on the payroll at the HospitaalBroeders' office (2.4fte).

Another change that actually took place from January 2019 and was instigated by the wish to work according to the CBF-requirements was the suspension of the payment of 15% of the salary of the Irish director John Fleming. The salaries of the three staff members with a permanent contract are in line with the salary structures of other charitable organisations.

Most of the employees work part-time. In addition to their salary, staff receive 8% holiday pay. Additional employment benefits are modest and include a pension scheme and ample training and development opportunities. SJOG-Hospitaalbroeders does not pay annual bonuses or any other type of bonuses.

### **Volunteers policy**

Hospitaalbroeders has put a policy for volunteers in writing.

Volunteers sometimes help with events, like the Marathon of Amsterdam.

The volunteer roles and responsibilities have been put down in an agreement, signed by both parties.

The organisation has a volunteer policy, which can be retrieved from the secretariat.

### **8. Segregation of functions: supervisory tasks, executive powers and operational activities**

In 2018, the board of trustees for SJOG-Hospitaalbroeders was made up of five members. At the end of 2018 the members were: William Martin Forkan, Paul Hulshof, Merel Gianotten, Sharon Kearns and Finnian Gallagher. The board convened five times. In 2019 will have three Dutch Board members and an independent Chairman.

The CEO (John Fleming) reports to a Board of Directors.

The board is responsible for governance including:

- a. Setting the strategic direction of the company
- b. Ensuring the financial viability of the company
- c. Reviewing and agreeing operational plans and budgets with the CEO
- d. Reviewing operational updates from the CEO
- e. Appointing the CEO
- f. Reviewing the CEO's performance
- g. Receiving and recommending the Annual Report to the Irish Governing Authority (Members).

The CEO is responsible for:

- a. Managing the operational and financial management of the company
- b. Assisting the Board in defining the strategic direction of the company
- c. Assisting and advising the board on compliance with relevant company and charity law.

The CEO is not a member of the board. Meetings are held five to six times a year. The CEO presents the following information in these meetings:

- a. Financial Update
- b. Operational Update
- c. Strategic Plan development
- d. Compliance Updates.

## STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS seat at AMSTERDAM

Apart from scheduled board meetings, the CEO will consult with individual board members on areas and subjects of their particular expertise. In 2018, an additional strategy meeting was held with the Dutch board members and organisation staff in preparation for a meeting with stakeholders in 2019.

The Board of Directors reports to a Governing Authority known as Provincial Definitior who usually meet every year at the AGM. They receive the Annual Report and approve it for publication. Board members do not receive any remuneration. Expenses are allowed for travel to and from board meetings. Directors are appointed every three years by the Governing Authority (Members). There are no other key functions.

### 9. Future plans

Our annual plan for 2018 was drafted in line with the 2017-2020 strategic plan, and builds on the experiences and lessons learned over past years.

The most important change in our fundraising strategy is the integration of corporate funding in the marketing mix. In 2018, an entrepreneur came along to Malawi to visit projects and subsequently assisted the HospitaalBroeders in finding and encouraging companies to finance a clinic in Cameroon that the HospitaalBroeders want to build there. He also introduced HospitaalBroeders to his network and is working on better medicine procurement terms for hospitals in Malawi through pharmaceutical company Pfizer. Although this path of corporate funding is relatively new to HospitaalBroeders, it is necessary to become less dependent on individual donations.

In 2019, more attention will be paid to measuring the impact of project funds from the Netherlands. KPMG employees are also working on writing an integrity plan.

## PART B FINANCE

In 2018, the financial accounts were recorded by accounting firm IAS. Donors' pledges and mutations in SJOG-Hospitaalbroeders' database was entered into Engage, a new CRM database. IAS prepared monthly financial accounts that were sent to the board of trustees. In preparation of each board meeting, the office drew up an explanatory report on the financial accounts.

IAS played a role in additional controls on the payroll. The office sends a calculation to the office in Ireland, which then has money transferred to IAS, which then pays the salaries and the corresponding social security charges.

The audit was carried out by Arep Accountants from Nieuwegein, the Netherlands. The audit report for the 2018 financial year has been included in full at the end of the annual report.

### 1. Incoming resources

The income in 2018 amounted to € 879,323, a raise of 4,9% compared to 2017, and a little above the set objective of € 819,000.

Year	2018	2017	2016	2015
Target	€ 819,000	€ 862,000	€ 945,000	€ 895,224
Actual	€ 865,427	€ 837,708	€ 919,248	€ 909,108
% difference from target	+5,7%	-2,8%	-2,7%	+1,6%

Actual income in 2018 was higher as targeted. This had to do with the increased income from institutional funding.

Pledge income (standing orders) was budgeted at € 47,000 per month. On average this was € 44,333 per month. Acquisition fell back from 47K in January to 42K at the end of the year. This had to do with the

## **STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS seat at AMSTERDAM**

fact that we've stopped working with one of the two D2D-agencies from April onwards because of their bankruptcy. The remaining agency could not increase their capacity therefore the calculated numbers of new D2D-donors stayed behind.

When broken down into channels of fundraising, the sources of income are as follows:

- direct debit mandates (61% vs 64% in 2017)
- direct mailings (13% vs 13%)
- bequests (9% vs 15%)
- events (1% vs 1%)
- institutional funding (14% vs 1%)
- and other sources (2% vs 6%).

Legacy income fell back compared to 2017. This was compensated through the four institutional gifts that we've received from third parties (among which MIVA/Liliane fonds, Hofsteestichting and St. Dioraphte).

### **2. Expenditure and expenditure allocation**

In the statement of expenditure, direct and indirect expenses have been allocated to strategic targets, fundraising and management and administration.

A total of € 525,593 was spent on strategic targets (63%), € 206,410 on fundraising (25%), and € 99,919 on management and administration (12%).

Direct expenses entail a demonstrable relationship between the actual expense and the results achieved. In the case of indirect expenses such a demonstrable relationship is not present. In consultation with the accountant, an expense allocation key was defined on the basis of actual figures from previous years. This expense allocation key can be found on page 28 of the 2018 Financial Statements report by AREP.

In 2018, direct project expenditure amounted to € 243,158.

The expenditure on strategic objectives as a percentage of income was 60,7%.

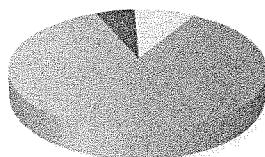
The cost of fundraising in 2018 as a percentage of income derived from our own fundraising was 23,9%.

SJOG-Hospitaalbroeders uses a classification based on three distinct pillars: 'health, knowledge, autonomy'. 'Health' refers to expenditure on health care; 'knowledge' refers to expenditure on scholarships and training programmes; 'autonomy' refers to expenditure on ways to help communities and people to build their own lives or improve the quality of their lives by, for example, building water points or granaries.

The resulting breakdown of the direct project expenditure is as follows:

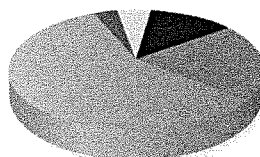
## STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS seat at AMSTERDAM

Working area



Healthier: 86%  
Smarter: 9%  
More Autonomous: 5%

Expenses on strategic objectives per country



Malawi: 62%  
Ghana: 18%  
Cameroon: 12%  
Sierra Leone: 5%  
Liberia: 3%

	Euro	%
<b>Expenses on strategic objectives</b>		
Malawi	324,150	62%
Ghana	94,520	18%
Cameroon	66,109	12%
Sierra Leone	25,573	5%
Liberia	15,111	3%
	525,463	100%

### Budget 2019

#### Income

Pledges	€564,000
Corporates	€150,000
Legacies	€104,000
Donations	€ 74,000
Institutional	€ 25,000
Other	€ 10,000
Events	€ 5,000

#### Expenses

##### *-Organisational Costs-*

Employee Costs	€175,000
Accommodation	€ 29,000
Office Costs	€ 12,000
General Costs	€ 18,000
Donor Administration	€ 16,000
Banking Costs	€ 15,000

##### *-Fundraising Costs-*

Selling Exp. Prosp. Donors	€150,000
Selling Exp. Existing Donors	€ 42,000
Telemarketing	€ 20,000

##### *-Project contribution*

€400,000

### 3. Resources expended on charitable activities

Direct project expenditure was 4% above budget.

For 2019, a significant step forward is planned towards direct project expenditure of €400,000. At the beginning of each year, the project applications from Africa are systematically reviewed by the management team and presented to the board of trustees. The board selects the projects that qualify for funding. The relatively high share of private donations in total income enables us to finance a large part of the projects from our own resources. Funds from institutional donors are always earmarked and must be used for designated projects.

## STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS seat at AMSTERDAM

### 4. Scope of reserves and funds

#### Continuity reserve

A continuity reserve is intended to cover short-term risks and to ensure that the fundraising organisation will be able to meet its obligations not only now, but also in the future. At the end of the year, the reserve was € 52,027. In 2019, this will be reviewed and increased.

#### Special purpose reserve

Funds earmarked for educational purposes are set aside on a separate bank account. These funds result

### 5. Financial flows within the international organisation

SJOG-Hospitaalbroeders Nederland belongs to the West European Province of the St. John of God Hospitaller Order. The Dutch manager reports to the Irish director. The director reports to the Irish/Dutch board.

SJOG-HospitaalBroeders focuses exclusively on the funding of projects in Africa.

Once a year, we meet with other European entities from within the Order. These meetings, known as the Fundraising Alliance, bring Portuguese, Spanish, French, Italian, Irish and Dutch fundraisers together to align their project funding activities. The General Curia in Rome coordinates these activities with a view to achieving the highest possible return on project funding and ensuring that the broadest possible spectrum of projects in terms of different needs receive funding. In 2018, the meeting was held in Rome.

### 6. Strategy, finance and risks

The central objective as set out in the articles of association and primarily inclined towards fundraising is as follows:

*“The object of the Foundation is to: organise and manage funding activities, receive charitable donations, to acquire and to manage money in its charge and to acquire, preserve and maintain real estate and movable property and to invest in this and to manage this and from time to time to use and distribute all income, including the assets the Foundation will receive, in accordance with the existing legislation to benefit the Hospitaller Order of St. John of God in connection with its diverse charitable activities in Africa. As well as to provide information and education related to projects and charitable projects of the Mission of Order worldwide, and to carry out everything that may be related or conducive to the foregoing. These objects do not include making payments to the Founder or to those who form part of the Foundation's bodies.”*

Raising funds is the essence of this objective. SJOG-Hospitaalbroeders Netherlands is a charity that raises funds, but other activities have been added in the course of the years. The organisation initiates projects in cooperation with the partners in Africa. Projects are evaluated and, when found successful, rolled out elsewhere. Examples are outreach programmes, food security programmes that were launched, schools that were built, and various sustainable projects that were initiated. Projects that prove successful are copied or modified and improved.

In 2018 new articles of association will replace this version.

#### Fundraising and spending policy

The Board fulfils two roles with respect to fundraising.

First of all, it monitors a sound fundraising policy with a view to generating income and spending cautiously in an effective and efficient way.

Secondly, the Board is responsible for risk management.

In the Dutch situation, the director and the fundraising manager are jointly responsible for the fundraising policy. Reports include issues such as the recoupment period of investments and analyses of the donating

## **STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS seat at AMSTERDAM**

behaviour of donors; these subsequently form the basis for the annual plan. These reports use concepts such as Life Time Value and ROI.

The Board of Directors monitors keeping the cost of fundraising within the CBF norm of a maximum cost of fundraising of 25% of income. In 2018, it was 27,8%.

### **Spending policy**

SJOG-Hospitaalbroeders puts no projects out to tender; all projects in Africa are set up and implemented by the Brothers that are liaised to the organisation. Projects are monitored through project visits and through financial and project reports.

### **Year plan and reporting**

A planning and control cycle help to create and maintain a transparent and effective management of the organisation. This cycle includes at least the following four elements:

Mission: long-term strategic objectives

Strategy: the way the organisation achieves its objectives

Year plan: objectives for the current financial year and how these are to be achieved

Budget: the estimation of income, expenses and investments that is associated with the year plan.

The year plan actually serves as a contract between the Director and the board of trustees and is the board's most important benchmark for evaluating performance.

The year plan and the budget are also the cornerstones of good governance and are instrumental in evaluating policy, objectives and quality of reporting.

Reporting is a part of project visits to the hospitals where we speak with stakeholders and project managers.

### **Impact**

In the last years there has been increased attention for impact measurement. The African Brothers have become more aware that the result of an investment can of course be expressed in monetary terms, but also, in quantitative terms about 'output' and 'outcome'. In fact, impact refers to the part the organisation or hospital has played in the change that has occurred with respect to the target group. This is the change as observed minus the change that 'would have occurred anyway'. In a hospital, such changes cannot always be easily measured.

It is obvious that the use of a new X-ray machine will result in more X-ray photos of a better quality. The impact can then be defined as: improved health care quality.

### **Investment policy**

The organisation does not invest funds in any type of financial product.

## **7. Annual accounts**

The annual accounts are prepared by AREP Accountants, based in Nieuwegein, the Netherlands.



**STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS**  
**seat at AMSTERDAM**

**Development of income and expenses**

The result for 2018 amounts to € 33,515 compared to positive € 18,055 for 2017. The results for both years can be summarised as follows:

	2018		2017		Difference
	€	%	€	%	€
<b>INCOME</b>					
Income from own fundraising	743,427	85,9	776,358	92,7	-12,035
Income / Grants by third parties	122,000	14,1	11,350	1,4	3,650
Grants from related parties	0	0	50,000	5,9	50,000
<b>Total income</b>	<b>865,427</b>	<b>100,0</b>	<b>837,708</b>	<b>100,0</b>	<b>+41,615</b>
<b>EXPENDITURE</b>					
Spent on Strategic Objectives	525,583	60,7	498,473	59,5	27,110
Fundraising expenses	206,410	23,9	226,687	27,1	-20,277
Management and administration	99,919	11,5	94,493	11,3	5,426
<b>Total expenditure</b>	<b>831,912</b>	<b>96,1</b>	<b>819,653</b>	<b>97,9</b>	<b>12,259</b>
<b>Result expenditure and income</b>	<b>33,515</b>	<b>3,9</b>	<b>18,055</b>	<b>2,1</b>	<b>29,356</b>

**Costs**

	2018		2017		Difference
	€	%	€	%	€
Project costs	243,158	29,2	238,605	29,1	4,553
Personnel costs	201,994	24,3	195,989	23,9	6,005
Housing costs	28,650	3,4	27,960	3,4	690
Office costs	13,029	1,6	10,670	1,3	2,359
Selling expenses donors	260,952	31,4	291,194	35,5	-30,242
Donor administration	13,827	1,7	12,215	1,5	1,613
General expenses	70,302	8,5	43,020	5,3	27,281
	<b>831,912</b>	<b>100,0</b>	<b>819,653</b>	<b>100,0</b>	<b>12,259</b>

# **STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS**

## **seat at AMSTERDAM**

### **REPORT FROM THE BOARD OF DIRECTORS**

#### **Principal activities**

Stichting Internationale Orde van Hospitaalbroeders (The Foundation), located at the Nieuwendammerdijk 530A, Amsterdam, 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 54 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 generally accepted accounting policies. 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 for 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 account 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 account**

The measurements taken by the board of directors to secure compliance with its obligation to keep proper books of account 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 Nieuwendammerdijk 530A, Amsterdam.

#### **Legal status**

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

#### **Results**

For the 2018 results, we refer to the statement "Income and Expenditure" on page 23 of this report.

#### **Future developments**

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

#### **Principal risks and uncertainties**

Continued sustainability of donation income is considered to be the highest risk.

**STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS  
seat at AMSTERDAM**

**Subsequent events**

There were no subsequent events for the disclosure.

**On behalf of the board of directors**

Amsterdam, ..... 2019

Signed: W.M. Forkan  
Voorzitter (Chairman)

Signed: P. Hulshof  
Penningmeester (Treasurer)

**FINANCIAL STATEMENTS 2018**

2E CONCEPT

**STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS**  
**seat at AMSTERDAM**

**BALANCE SHEET AS AT 31 DECEMBER 2018**

(After appropriation of result)

<b>ASSETS</b>		<u>31 December 2018</u>	<u>31 December 2017</u>
		€	€
<b>Fixed assets</b>			
<b>Tangible fixed assets</b>	(1)		
Inventory		19,197	1,774
<b>Financial fixed assets</b>	(2)		
Loan		0	2,420
<b>Current assets</b>			
<b>Receivables</b>	(3)		
Guarantee capital		5,922	5,922
Other receivables and prepayments		179,277	108,312
		<u>185,199</u>	<u>114,234</u>
<b>Cash and cash equivalents</b>	(4)	71,373	71,614
		<u><u>275,769</u></u>	<u><u>190,042</u></u>

**STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS**  
**seat at AMSTERDAM**

**EQUITY AND LIABILITIES**

	<u>31 December 2018</u>	<u>31 December 2017</u>
	€	€
<b>Reserves and funds</b>	<b>(5)</b>	
Continuity reserve	52,027	110,029
Restricted fund	<u>100,000</u>	<u>8,483</u>
	<u>152,027</u>	<u>118,512</u>
<b>Current liabilities</b>	<b>(6)</b>	
Trade creditors	22,332	23,635
Taxes and social securities	5,140	5,032
Accruals and deferred income	<u>96,271</u>	<u>42,863</u>
	<u>123,743</u>	<u>71,530</u>

2E CONCEPT

<u>275,769</u>	<u>190,042</u>
----------------	----------------

STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS  
seat at AMSTERDAM

INCOME AND EXPENDITURE FOR THE YEAR 2018

		<u>2018</u>	<u>Budget</u>	<u>2017</u>
		€	€	€
<b>INCOME</b>				
Income from own fundraising	(7)	743,427	794,000	776,358
Income / Grants by third parties	(8)	122,000	25,000	11,350
Grants from related parties	(9)	0		50,000
<b>Total income</b>		<u>865,427</u>	<u>819,000</u>	<u>837,708</u>
<b>EXPENSES</b>				
<b>Expenses made for Strategic Objectives</b>	<b>(10)</b>			
Direct aid		300,324	283.608	289,873
Coordination		65,495	58.542	58,926
Information and awareness raising		159,764	142.242	149,674
		<u>525,583</u>	<u>484.392</u>	<u>498,473</u>
<b>Fundraising expenses</b>	<b>(10)</b>			
Existing donors		76,311	51.917	58,345
Prospective donors		130,099	187.817	168,342
		<u>206,410</u>	<u>205,000</u>	<u>226,687</u>
<b>Management and administration</b>	<b>(10)</b>	99,919	94.875	94,493
<b>Total expenses</b>		<u>831,912</u>	<u>819,000</u>	<u>819,653</u>
<b>Balance of Income and Expenses</b>		<u>33,515</u>	<u>-</u>	<u>18,055</u>
<b>Appropriation of the result</b>				
Addition to continuity reserve		-58,002	-	12,049
Addition to restricted funds		91,517	-	6,006
		<u>33,515</u>	<u>-</u>	<u>18,055</u>

INDEX NUMBERS

	<u>2018</u>	<u>Budget</u>	<u>2017</u>
- <i>Management and administration in % of Total expenses</i>	12,0%	11,6%	11,5%
- <i>Expenses made for Strategic Objectives in % of Total expenses</i>	63,2%	59,1%	60,8%
- <i>Expenses for Fundraising in % of income from own Fundraising</i>	27,8%	30,2%	29,2%
- <i>Expenses made for Strategic Objectives in % of Total income</i>	60,7%	59,1%	59,5%

**STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS**  
**seat at AMSTERDAM**

**CASH FLOW STATEMENT FOR THE YEAR**  
**ENDED 31 DECEMBER 2018**

(According to the indirect method)

	2018		2017	
	€	€		
<b>Cash flow from operating activities</b>				
Operating result	33,515		18,055	
Adjustments for:				
- Depreciations	<u>3,836</u>		<u>1,838</u>	
		37,351		19,893
Changes in working capital:				
Movements in accounts receivable	-70,965		-89,238	
Movements in current liabilities	<u>52,212</u>		<u>17,544</u>	
Cash flow from operating activities		-18,753		-71,694
<b>Cash flow from investment activities</b>				
Investment tangible fixed assets	-21,259		-1,056	
Provides loan financial fixed assets	-		-2,420	
Repayment loan financial fixed assets	<u>2,420</u>		<u>5,769</u>	
Cash flow from investment activities		-18,839		2,293
<b>Movement in cash position</b>		<u>-241</u>		<u>-49,508</u>
<b>Compilation cash</b>				
Cash and cash equivalents as at 1 January		71,614		121,122
Movements in cash and cash equivalents		<u>-241</u>		<u>-49,508</u>
Cash and cash equivalents as at 31 December		<u>71,373</u>		<u>71,614</u>



**STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS**  
**seat at AMSTERDAM**

**NOTES TO THE 2018 FINANCIAL STATEMENTS**

**GENERAL**

These are the annual accounts of Stichting Internationale Orde van Hospitaalbroeders, registered in The Netherlands and recognised as an AMBI (Algemeen Nut Beogende Instelling) by the Dutch tax authorities.

**ACCOUNTING PRINCIPLES**

The financial statements have been prepared in accordance with the Dutch Accounting Standard for Fundraising Institutions (RJ 650) published by the Dutch Accounting Standards Board.

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 realised 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**

**Tangible fixed assets**

Tangible fixed assets are valued at cost less straight-line depreciation based on the estimated useful lifetime.

**Financial fixed assets**

Upon initial recognition the loans are valued at fair value and then valued at amortised cost, which equal the face value, after deduction of any provisions.

**Receivables**

Upon initial recognition the receivables valued at fair value and then valued at amortised cost, which equal the face value. Any provision for doubtful accounts deemed necessary is deducted. 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.

**PRINCIPLES FOR THE DETERMINATION OF THE RESULT**

**General**

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

**Legacy**

Legacies are accounted for as soon as the amount of income can be reliably estimated.

**STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS**  
**seat at AMSTERDAM**

**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.

2E CONCEPT

**STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS**  
**seat at AMSTERDAM**

**NOTES TO THE BALANCE SHEET AS AT 31 DECEMBER 2018**

**1. Tangible fixed assets**

	<u>Inventory</u>
Balance as at 1 January:	
Acquisition costs	12,122
Accumulated depreciation	<u>-10,348</u>
Book-value	<u>1,774</u>
Movements during the year:	
Investments	20,071
Depreciation	<u>-2,648</u>
	<u>17,423</u>
Balance as at 31 December:	
Acquisition costs	28,053
Accumulated depreciation	<u>8,856</u>
Book-value	<u>19,197</u>
	2018
	2017
	€
	€

**2. Financial fixed assets**

Balance as at 1 January	8,189	11,538
Repayment	-8,189	-5,769
Provides loan	—	2,420
	<u>0</u>	<u>8,189</u>
Recognised under receivables	0	-5,769
Balance as at 31 December	<u>0</u>	<u>2,420</u>

The repayment (of two) for a loan (original amount of € 11,538) for a pig's farm in Cameroon was done in 2018.

	<u>31-12-2018</u>	<u>31-12-2017</u>
	€	€
<b>3. Receivables</b>		
<i>Guarantee capital</i>		
Guarantee Rentmeester Hollandia N.V.	<u>5,992</u>	<u>5,922</u>

**STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS  
seat at AMSTERDAM**

*Other receivables and prepayments*

Loan St. John of God Health Centre Amrahia	1,200	5,769
Loan Sierra Leone	3,218	–
Legacies to be received	170,104	84,000
Prepaid expenses	–	12,465
Others	4,755	6,078
	<u>179,277</u>	<u>108,312</u>

**4. Cash and cash equivalents**

ABN AMRO Bank N.V. 41.45.42.940	10,616	6,032
ABN AMRO Bank N.V. 41.45.42.169	175	120
Rabobank 3844.21.733	59,675	56,955
Rabobank 1515.5720.21- Rabobank Spaar 3823.172.840	467	8,483
Cash	24	24
	<u>71,373</u>	<u>71,614</u>

2E CONCEPT

**STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS**  
**seat at AMSTERDAM**

	<u>2018</u>	<u>2017</u>
	€	€
<b>5. Reserves and funds</b>		
<b>Continuity reserve</b>		
Balance as at 1 January	110,029	97,980
Appropriation of the result	<u>-58,002</u>	<u>12,049</u>
Balance as at 31 December	<u><u>52,027</u></u>	<u><u>110,029</u></u>

The foundation wants to ensure sustainability of the organisation. Therefore, the foundation wants to create a continuity reserve to cover operational costs. This reserve is based on a prudent assessment of the time required to source additional funding. According to “The Wijffels code” this reserve should not exceed 1.5 times the operational costs.

Based on the current operational costs the reserve should be € 375,000. It was necessary in 2018 to access some of the reserve for fundraising investment which has delayed plans to build the continuity reserve to an amount of €250,000 (1 time the operational costs). A higher reserve will need clarification.

	<u>2018</u>	<u>2017</u>
	€	€
<b>Restricted fund</b>		
Balance as at 1 January	8,483	2,477
Release restricted fund	-8,483	
Appropriation of the result	<u>91,517</u>	<u>6,006</u>
Balance as at 31 December	<u><u>100,000</u></u>	<u><u>8,483</u></u>

In 2018 €100,000 was earmarked spending for three Malawian projects. A limited amount of funds is earmarked for future spending on the objectives of Stichting Internationale Orde van Hospitaalbroeders. In 2017 the net income (€ 8.483) from various activities (marathon, third parties) was earmarked to support our scholarship programme in Sierra Leone. In 2018 this project was done.

	<u>31-12-2018</u>	<u>31-12-2017</u>
	€	€
<b>6. Current liabilities</b>		
<b>Trade creditors</b>		
Trade creditors	<u>22,332</u>	<u>23,635</u>
<b>Taxes and social securities</b>		
Pay-roll tax	<u>5,140</u>	<u>5,032</u>
<b>Accrued liabilities</b>		
Project contributions		15,309
Funding Ireland	48,178	
Accruals and deferred income	41,436	21,154
Holiday pay	<u>6,657</u>	<u>6,400</u>
	<u><u>96,271</u></u>	<u><u>42,863</u></u>

**STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS**  
**seat at AMSTERDAM**

**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 € 25,270 (on a yearly basis).

**Appropriation of the result**

The board of Directors proposes to appropriate the 2018 result as follows:

Addition to continuity reserve	-58,002
Addition to restricted funds	91,517
	<u>33,515</u>

This proposition is already recognised in the financial statements.

2E CONCEPT

**STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS**  
**seat at AMSTERDAM**

**NOTES TO THE INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR 2018**

	<u>2018</u>	<u>Budget</u>	<u>2017</u>
<b>7. Income from own fundraising</b>			
Donations	654,240	664,000	642,970
Legacy	67,357	120,000	122,692
Events	3,211	5,000	6,104
England Fundraising Initiatives	-	-	-
Income from special projects	18,619	5,000	4,592
	<u>743,427</u>	<u>794,000</u>	<u>776,358</u>
<b>8. Income / Grants from third parties</b>			
Liliane Fonds	15,000	-	-
MIVA	-	-	11,350
Stichting. Dioraphte	2,000	-	-
Hofsteestichting	5,000	-	-
Other	100,000	-	-
	<u>122,000</u>	<u>25,000</u>	<u>11,350</u>
<b>9. Grants from related parties</b>			
Fundraising Initiatives (Ireland)	-	-	50,000

***Commentary on actual versus budget 2018***

The total income in 2018 was € 46,000 above budget. Income from own fundraising was almost on budget, except for a lower income from legacies. This was neutralized by the higher income from granting parties, especially a gift of €100,000.

**STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS  
seat at AMSTERDAM**

**10. Allocation of expenses to objectives**

	<u>Strategic Objectives</u>			<u>Fundraising</u>		<u>M &amp; A</u>	<b>Total 2018</b>	<b>Budget 2018</b>	<b>Total 2017</b>
	<i>Direct aid</i>	<i>Coordination</i>	<i>Information and awareness</i>	<i>Existing donors</i>	<i>Prospective donors</i>	<i>Management and administration</i>			
Project contributions	243,158	–	–	–	–	–	243,158	233,986	238,605
Personnel costs	45,449	45,449	45,449	10,100	10,100	45,449	201,994	198,704	195,989
Housing costs	–	4,775	4,775	4,775	4,775	9,550	28,650	29,310	27,960
Office costs	–	2,172	2,172	2,172	2,172	4,343	13,828	12,000	10,670
Selling expenses donors	–	–	94,270	40,635	99,953	26,095	260,952	295,000	291,194
Donor administration	–	1,383	1,383	6,914	1,383	2,765	13,828	21,000	12,215
General costs	11,717	11,717	11,717	11,717	11,717	11,717	70,301	29,000	43,020
<b>Total</b>	<b>300,324</b>	<b>65,495</b>	<b>159,764</b>	<b>76,311</b>	<b>130,099</b>	<b>99,919</b>	<b>831,912</b>	<b>819,000</b>	<b>819,653</b>

In the overview above all costs are incorporated. The allocation of costs over the various activities is divided in three main groups: Strategic Objectives (SO), Fundraising (FR) and Management and Administration (MA).

This allocation is primarily based on actual direct costs incurred, and the subdivision of a couple of posts and allocation of shared costs are decided on in cooperation with our accountant to ensure as accurate a basis as feasible is achieved.

Personnel Costs are divided according the following percentages: SO (67,5%), FR (10%) and MA (22,5%).

Housing Costs/office costs are divided according the following percentages: SO, *coordination and information and awareness* (33,3%), FR (33,3%) and MA (33,3%).

Selling expenses (both of prospective and existing donors): MA (10%). For prospective donors we've made the subdivision in Information and Awareness (25%) and Fundraising (75%). For existing donors:

Information and Awareness (60%) and Fundraising (40%).

Donor Administration: Coordination (10%), Information and Awareness (10%), existing donors (50%), prospective donors (20%) and Management and Administration (10%).

General costs are equally divided between direct aid, coordination, information and awareness, prospective donors, existing donors and management and administration.



**STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS  
seat at AMSTERDAM**

*Commentary on actual versus budget 2018*

- The actual costs and budgeted costs were pretty much the same.

	2018	Budget	2017
	€	€	€
<b>Projects</b>			
Malawi	150,000	–	119,249
Sierra Leone	18,170	–	76,328
Ghana	43,239	–	11,910
Kenya	–	–	–
Cameroon	30,794	–	4,615
Liberia	955	–	26,500
	<u>243,158</u>	<u>234,000</u>	<u>238,602</u>

**Personnel costs**

During the 2018 financial year, the average number of (part-time) staff employed by The Foundation was 3, converted into full-time equivalents, amounted to 2,4 (2017 : 2,4).

	2018	Budget	2017
	€	€	€
Wages and salaries	138,903	–	138,497
Social security charges	24,844	–	23,214
Sickness insurance	4,800	–	4,574
Management costs	23,011	–	22,926
Other Personnel costs	10,435	–	6,778
	<u>201,994</u>	<u>199,000</u>	<u>195,989</u>

No members of the Board of Directors received any remuneration for the year ended December 31, 2018.

	2018	Budget	2017
	€	€	€
<b>Housing costs</b>			
Rent	24,498	–	24,109
Repair and maintenance	3,105	–	3,014
Other	1,047	–	837
	<u>28,650</u>	<u>29,000</u>	<u>27,960</u>

**Office costs**

Office supplies	2,540	–	2,128
Telephone, internet and postage	4,978	–	5,822
Website and office-automating cost	5,514	–	2,720
	<u>13,029</u>	<u>12,000</u>	<u>10,670</u>

**STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS**  
**seat at AMSTERDAM**

	<u>2018</u>	<u>Budget</u>	<u>2017</u>
	€	€	€
<b>Selling expenses donors</b>			
<i>Existing donors</i>			
Mailing expenses	50,066	–	48,330
Loyalty	62,808	–	31,762
	<u>112,874</u>	<u>55,000</u>	<u>80,092</u>
<i>Prospective donors</i>			
Canvassing	86,188	–	127,214
Loyalty	4,017	–	8,677
Telemarketing	39,455	–	61,869
Affiliate marketing	5,921	–	11,715
Institutional funding	11,858	–	
Events	639	–	1,627
	<u>148,078</u>	<u>240,000</u>	<u>211,102</u>
Total selling expenses donors	<u>260,952</u>	<u>295,000</u>	<u>291,194</u>
<b>Donor administration</b>			
Consultancy costs	<u>13,828</u>	<u>21,000</u>	<u>12,215</u>
<b>General costs</b>			
Auditor's fee	15,809	–	9,922
Consultancy fee	10,021	–	4,085
Administration fee	8,422	–	7,590
Bank charges	13,374	–	10,090
Depreciation	3,836	–	1,838
Other general expenses	18,841	–	9,495
	<u>70,301</u>	<u>29,000</u>	<u>43,020</u>

**On behalf of the board of directors**

Amsterdam, .....2019

Signed: W.M. Forkan  
 Voorzitter (Chairman)

Signed: P. Hulshof  
 Penningmeester (Treasurer)

**STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS**  
seat at AMSTERDAM

## **OTHER INFORMATION**

2E CONCEPT

**STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS**  
**seat at AMSTERDAM**

Independent auditors report

2E CONCEPT

**STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS**  
seat at **AMSTERDAM**

## **APPENDIX**

# 2E CONCEPT

**STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS  
seat at AMSTERDAM**

**TRUSTEES OTHER INFORMATION**

Board of Directors

W.M. Forkan;  
J. Gallagher;  
S. Kearns;  
P. Hulshof;  
M. Gianotten;

Banks

ABN-AMRO  
Postbus 283  
1000 EA AMSTERDAM

Rabobank  
Dreef 40  
2012 HS AMSTERDAM

Auditor

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

2025 CONCEPT

**STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS**  
**seat at AMSTERDAM**

**OVERVIEW OF SUPPORTED PROJECTS**

<b>Project</b>	<b>Country</b>	<b>Centre</b>	<b>Total €</b>
Mental health prison	Malawi	Lilongwe	49,660
Community mental health care	Malawi	Lilongwe	40,000
Children special need & disability	Malawi	Mzuzu and Lilongwe	40,000
Unrestricted	Malawi	Mzuzu and Lilongwe	20,340
Construction clinic	Cameroon	Yassa	15,577
Emergency equipment hospital	Cameroon	Yassa	15,237
Drugs hospital	Liberia	Monrovia	955
Theatre equipment	Ghana	Amrahia	8,598
Medical equipment	Ghana	Amrahia	4,641
Ambulance	Ghana	Amrahia	30,000
Scholarships year 2	Sierra Leone	Lunsar	11,834
Van	Sierra Leone	Lunsar	6,335
<b>Total</b>			<b><u>243,158</u></b>

2E CONCEPT