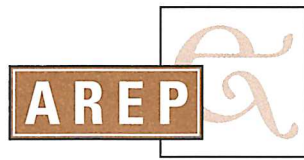




**STICHTING INTERNATIONALE ORDE
VAN HOSPITAALBROEDERS**

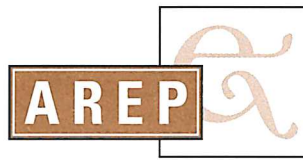
**seat at
AMSTERDAM**

Annual Report 2016



STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS
seat at AMSTERDAM

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PART A THE ORGANIZATION

General information

Stichting Internationale Orde van Hospitaalbroeders
Nieuwendammerdijk 530-A
1023 BJ Amsterdam
T: +31 20 636 0752
E: info@Hospitaalbroeders.nl
W: www.Hospitaalbroeders.nl

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.

The Dutch branch of SJOG-Hospitaalbroeders belongs to the West European Province.

Hospitaalbroeders is a development aid organisation working with the very poorest in Africa. We are mental health care specialists and experts in managing small-scale and result-oriented projects.

Hospitaalbroeders is part of an international organisation running 334 hospitals and clinics in a total of 53 countries. SJOG-Hospitaalbroeders supports clinics and projects in Africa only.

On 31 December 2016, the members of the Board of Directors were:

- M.J. Neild;
- W. Brennan-Whitmore;
- J.G. Pepper;
- W.M. Forkan;
- J.E. Lennon.

1. Mission and vision

Inspired by our Catholic background, the mission of SJOG-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 independence¹.

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.

¹ The full Dutch names of these pillars are: 'gezonder, slimmer, zelfstandiger'.



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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.

In Africa, SJOG-Hospitaalbroeders runs 21 hospitals and clinics. The majority of these clinics fall within the African Province: Kenya (1), Cameroon (3), Mozambique (1), Sierra Leone (2), Liberia (1), Zambia (1), Senegal (3) and Ghana (3).

The hospitals in Togo (2) and Benin (2) fall within a separate entity, the Vice-Province of Togo-Benin. Malawi (2) falls within the West European Province.

Since SJOG-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, as well as to the countries of the African Province.

3. 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 supporters 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.

Besides practical objectives there is a statutory goal which is primarily bent towards fundraising.

"The objective of the foundation is to organise and manage fundraising activities, to receive charitable gifts, to raise and manage entrusted funds and to acquire, manage and maintain moveable and immovable property and manage such investments, and, from time to time, to use and allocate all income, including any assets the foundation shall receive, to ensure that this is used in accordance with current legislation to benefit the Hospitaller Order of St. John of God in relation to its various charitable activities."



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Furthermore to provide information and education relating to the charitable projects of the Order's Mission worldwide.

It is the express intention that no part of net income or assets will go to private individuals."

4. 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. This is because the St. John of God Hospitaller Order has no members left in the Netherlands. The Dutch office raises funds for the African hospitals and clinics.

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. SJOG-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.

SJOG-Hospitaalbroeders continuously works to optimise the way funds are spent to ensure effective and efficient operations towards the realisation of our objectives. In the past years, our direct partners, the hospitals and clinics in Africa supported by us, have made steps to accommodate the growing Western demand to increase transparency and result and impact measurement.

A standardised application form for all projects including a question on the intended outcome of a project is intended to support this development.

Nevertheless, it remains difficult to get our African partners to meet the high reporting standards valued so much in the Netherlands. While we put a high premium on transparency and timeliness, the daily reality of a hospital in Liberia and Sierra Leone presents other challenges. The few available resources are often – and rightfully so – spent on the improvement of care, with too little left over to create well-organised operational processes. The poor quality of the digital networks does not help the situation either. Yet enormous steps are made in the African Province in the area of accountability. SJOG-Hospitaalbroeders will continue to keep focusing attention on what we in the Netherlands consider to be important.

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 a yearly basis, informal conversations are held with medical staff and patients, and Brothers are interviewed. 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.



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SJOG-Hospitaalbroeders aims to further embed result and impact measurement in the organisation culture. In 2017, the Vrije Universiteit Amsterdam will carry out an investigation into the digitalisation of work processes in the two Malawian mental health centres.

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 SJOG-Hospitaalbroeders will be used several times, as it is used for a loan to a hospital which will then be paid back to SJOG-Hospitaalbroeders. Secondly, the loan helps the hospital to start generating its own income. In 2017 a pilot project to produce goods for the Dutch market will take place in one of the Malawian facilities. This initiative has been enthusiastically embraced by the Malawian facility.

Output

A total of 80 African Brothers worked in the African Province¹ in 2016. The number of treatments in the clinics amounted to a total of 347.230.

The Brothers worked with a total of approximately 1,200 staff members.

The total number of patients in 2016 was 324,030.

We received 31,700 patients in our five mental institutions. A further 25,535 patients were seen in our six clinics and 266,797 patients received treatment in our seven – larger – general hospitals.

Besides the niche of mental health care in which HospitaalBroeders works in Africa, our Outreach activities also continue to expand. In 2016 a total of 23,198 patients were seen – and received treatment – outside of the hospitals:

- Asafo (Ghana): 11,479
- Amrahia (Ghana): 3,716
- Mzuzu & Lilongwe (Malawi): 2,599
- Batibo (Cameroon): 1,783
- Lunsar (Sierra Leone): 1,374
- Fatick (Senegal): 1,270
- Thies (Senegal): 977.

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

Developments in programme countries – Results per country

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

In 2016 project visits were conducted in Cameroon and Liberia.

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

Malawi (46%)

In Malawi, our focus was on the new centre for mental health care in Lilongwe, the country's capital. The expense on medical equipment, solar energy, a new ambulance, a water well and building an IT network accounted for Malawi's large share in the 2016 budget. Additionally, we gave support to the construction of a new physical therapy facility for children with disabilities while supporting students in the form of study grants.

Cameroon (21%)

The expansion of our Outreach programme has greatly benefited our work in Cameroon. A working visit revealed that the local population of four villages situated far away from the hospital in Batibo is very enthusiastic about the medical outposts in their villages. Medical staff from Batibo run these outposts on a permanent basis. With help from MIVA, we managed to buy a new vehicle for the clinic in Boko, a

¹The African Province includes: Ghana, Sierra Leone, Liberia, Cameroon, Senegal, Kenya, Mozambique, Zambia. Malawi falls within the West European Province.



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district in Douala. The new clinic in Yassa (Douala) received support with regard to an incinerator and an ultrasound machine.

The loan to set up a pig farm was new. The revenue from this project will make the Batibo hospital partly self-sufficient. The loan will be paid back in phases over an 18-month period.

Liberia (15%)

After the Ebola disaster, which put a heavy burden on the hospital in 2014 and 2015, great efforts led by Brother Peter Dawoh are being put in to rebuild the infrastructure of the hospital. Several renovations will be carried out in the next few years, such as an expansion of the maternity ward. Last year, new residential quarters for staff were built with the help of Dutch charity Wilde Ganzen. This helps with retaining valuable staff. After the Ebola epidemic especially, it emerged that it was hard to recruit personnel with managerial skills. By improving fringe benefits for staff, we managed to pull in people with higher qualifications and bind these crucial employees to us.

Ghana (9%)

For several years now we have been running a medical post, affiliated to the hospital in Asafo, in the rural village of Oseikojokrom, It is close to the border with Ivory Coast and very remote. A laboratory and a pharmacy are now being built in this village so health workers can run tests and prescribe medication themselves – an enormous advance for the local population. The entire cost of constructing these facilities is funded by the legacy of a donor who visited our hospital in Ghana years ago and who had expressed the wish that his estate be used for health care in the country he loved so much.

Sierra Leone (8%)

With 30 scholarships and our training programme newly certified, the Nursing School in Lunsar was our focal point in 2016.

In 2017, the hospital will celebrate its 50th anniversary with a lot of special activities. In that year, more than 400 students will have completed the nursery training since the start of this programme in 2009.

Kenya (1%)

In Tigania, we provided support to our hospital in the form of a new microscope.

6. Communication

In 2014, we began to implement the communication strategy. The strategy is designed to increase the name recognition of SJOG-Hospitaalbroeders. This helps to expand our warm community of grassroots supporters. To address the current low name recognition, we developed a communication style based on storytelling. The visual design has also become more recognisable. SJOG-Hospitaalbroeders considers it important to transcend the standard practice of Africa's negative representation. Our images are positive and optimistic, showing the strong and autonomous people with and for whom we work. With our stories, we want to show the resilience of these people.

The new website of SJOG-HospitaalBroeders was launched in the first quarter of 2016. The renewal of the website had become absolutely necessary for a variety of reasons. In 2015, 20% of our web visitors visited our website from their mobile phone or tablet. The old website, however, was not responsive. In 2016, the percentage had risen to 27%. Our expectation is that this figure will rise even further. Moreover, we felt a need for better functionalities in terms of combining online fundraising with communication (storytelling).

The website is a platform for various types of online messages. Our supporters, for instance, are informed by our digital newsletters and through messages on Facebook. The total sum of online donations has increased by 33% from 2015. Analysis reveals that this has resulted from an increase of the average individual online donation.



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In 2016, two fundraising campaigns targeted our online supporters. The objective of the first campaign, in May, was to increase the number of children attending school in Elvira; that of the second campaign, in December, was to raise funds for our hospital in Sierra Leone.

Storytelling was used to increase loyalty among existing donors and other interested parties. The stories zoomed in on the people in Africa and the people who make up SJOG-HospitaalBroeders and were told using video, text and photography. Good photography is key. An English photographer, who lives and works in Freetown, was found willing to take pictures of our hospital and its staff in Sierra Leone.

Dutch actor Waldemar Torenstra visited our centre in Mzuzu when he was on a private visit to Malawi. He was touched by what he saw. During his visit, he officially opened a new shelter for street children, which had been funded by Dutch donors. A story about this event was published in the Dutch newspaper *De Telegraaf* upon his return. To further increase name awareness, we developed a filler advertisement campaign at the end of 2016. This campaign, started in December 2016, will run until the end of 2017.

To underscore the importance of naming SJOG-HospitaalBroeders in the last will, we communicate with our supporters on bequests we receive and tell them to which activities these funds are devoted. In June a meetup with donors focused on this topic. In 2017, a campaign targeting the general public will be conducted.

In October, 38 runners took part in the Amsterdam Marathon on behalf of SJOG-HospitaalBroeders and for the benefit of the Nursing School in Lunsar, Sierra Leone. The runners raised over 12,000 euros among their networks of friends. The runners had been recruited among clients of Clubkoffie and Respondenten.nl, two companies with which we had joined forces for this purpose. This formula turned out to be very successful.

7. Internal organization

In 2016 SJOG-Hospitaalbroeders had 4 people on the payroll (2.6 FTE).

Absence through sickness was low in 2016: at 0.4%, it was substantially lower than the national average of 3.7%.

Director and board

John Fleming was the Irish director of SJOG-Hospitaalbroeders. 15% of his salary was paid for by the Dutch organization. The salaries of the three staff members with a permanent contract are in accordance with the salary structures of other charitable organizations.

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

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

In 2016, the board of trustees for SJOG-Hospitaalbroeders was made up of five members, four of whom are Brothers. The members were: William Martin Forkan, Michael Neild, William Brennan-Whitmore, John Pepper and John Lennon. The board convened five times.



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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 every two months. The CEO presents the following information in these meetings:

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

Apart from scheduled board meetings, the CEO will consult with individual board members on areas and subjects of their particular expertise.

The Board of Directors reports to a Governing Authority known as Members 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 year plan for 2017 has been drafted in line with the strategic plan 2017-2020 and is building on the experiences and lessons learned over past years.

One important development is the integration of our communication in an overall strategy: communications and fundraising should reinforce each other.

The most important goals for 2017 are:

- Increase fundraising income to € 900,000 by a one-off additional investment in fundraising from Ireland
- Increase name awareness and recognition of the brand 'Hospitaalbroeders'
- Increase organisational impact by improving and professionalising business processes (in both the Netherlands and Africa).



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PART B FINANCE

In 2016, the financial accounts were recorded by accounting firm IAS. Donors' pledges and mutations in SJOG-Hospitaalbroeders' database were entered into eTapestry, a 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 2016 financial year has been included in full at the end of the annual report.

1. Incoming resources

The income in 2016 amounted to € 919,248, a rise of 1.1% from 2015, and slightly under the set objective of € 945,000.

Year	2016	2015	2014	2013
Target	€ 945,000	€ 895,224	€ 923,000	€ 1,058,000
Actual	€ 919,248	€ 909,108	€ 867,079	€ 832,203
% difference from target	-2.7%	+1.6%	- 6.1%	- 21.3%

The actual income fell short of the target income. The main reason for this was that income from structural donors (those who have agreed to a direct debit mandate) and income from incidental gifts fell some percentage points short of the projected amounts. The income from institutional funds remained € 6,000 below budget.

The expected increase of donors agreeing to a direct debit mandate did not occur in 2016.

When broken down into channels of fundraising, the sources of income are as follows: direct debit mandates (58%), direct mailings (13%), bequests (22%), events (1%) and other sources (1%). This means that direct debit income and income from direct mailings went down by 4% each compared to 2015.

Bequests went up with 15%, making up for the decline of the other channels. Institutional funds accounted for the remaining 5%.

These figures show that donors are SJOG-Hospitaalbroeders' lifeline and they also underscore that clear and transparent communication are key in guaranteeing donors' confidence. In 2017 an extra fundraising investment in this important channel of income will be made.

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 € 566,730 was spent on strategic targets (69%), € 168,127 on fundraising (20%), and € 89,531 on management and administration (11%). These percentages are almost identical to 2015.

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 2016 Financial Statements report by AREP.

In 2016, direct project expenditure amounted to € 315,052.

The expenditure on strategic objectives as a percentage of income was 61.7%.



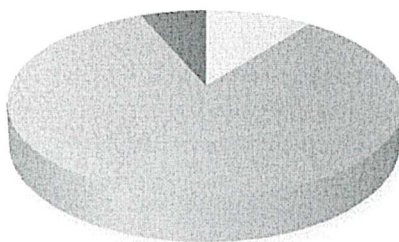
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The cost of fundraising in 2016 as a percentage of income derived from our own fundraising was 19.4%.

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.

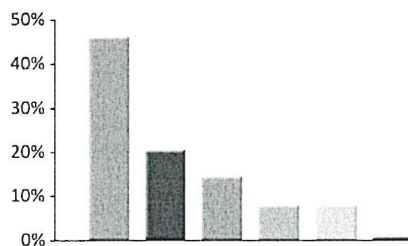
The resulting breakdown of the direct project expenditure is as follows:

Working area



Healthier: 83,1%
Smarter: 10,5%
More Autonomous: 6,4%

Allocation per country



Malawi: 46,7%
Cameroon: 21,2%
Liberia: 14,9%
Ghana: 8,6%
Sierra Leone: 8,3%
Kenya: 0,3%

Budget 2017

INCOME		EXPENSES	
Pledges	€ 564.000	Employee Costs	€ 200.000
Donations	€ 115.000	Accommodation	€ 30.000
Legacies	€ 123.000	Office Costs	€ 14.000
Institutional	€ 45.000	General Costs	€ 20.000
Events	€ 15.000	Donor Administration	€ 20.000
Other	€ 0	Banking Costs	€ 12.000
		Selling Expense (existing donors)	€ 51.340
		Selling Expense (prospective donors)	€ 149.340
		Selling Expense – prospects (DM)	€ 25.000
		Events & crowdfunding	€ 5.000
		Loyalty	€ 6.000
		Communication & PR	€ 22.000
		Telemarketing	€ 19.961
		Online Marketing/Development	€ 14.282
		Legacies & Major Donors	€ 2.500
		Expenses Projects	€ 300.000
TOTAL	€ 862.000		€ 891.423



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3. Resources expended on charitable activities

Direct project expenditure remained 7% below budget. This was a result of the fact that the income from structural donors remained below budget. 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.

4. Scope of reserves and funds

Continuity reserve

A continuity reserve is intended to cover short-term risks and to ensure that the fundraising organization will be able to meet its obligations not only now, but also in the future. The reserve has been set at € 20,000. At the end of the year, the reserve had grown to almost € 100,000. In our plan for 2017, we had intended to invest in donor recruitment early in the year as recruitment efforts had slowed down in 2016. In order to step up recruitment we needed investment funds early in the year to have sufficient resources to pay our suppliers. The increase of the reserve was necessary to have those funds available at the right time. The reserve will return to its normal level next year.

Special purpose reserve

Funds earmarked for educational purposes are set aside on a separate bank account. These funds result from different donor campaigns all designed to raise funds for scholarships for African students. These funds are generated at different moments during the year and are set aside until scholarship applications are received.

5. Financial flows within the international organization

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 Nederland focuses exclusively on the funding of projects in Africa. Funding of projects often takes place in close cooperation with the Irish mother organization. Consultation and agreement between the Dutch and Irish branches of the organization are intended to realize a maximum return on invested external and institutional funds. For instance, it helps when the Dutch organization underwrites 25% of the project expenditure when the Irish organization makes an application to institutional funds such as Mísean Cara.

There are two meetings per year with other European entities within the Order. These meetings, known as the Alliance, bring Portuguese, Spanish, French, Italian, Irish and Dutch fundraisers together to reconcile their project funding activities. These activities are coordinated by the Generale Curia in Rome. Their purpose is to achieve the highest possible return on project funding and to ensure that the largest possible spectrum of projects in terms of different need receive funding.

6. Strategy, finance and risks

The following is the central objective as set out in the articles of association:

“The objective of the foundation is to organize and manage fundraising activities, to receive charitable gifts, to raise and manage entrusted funds, and to acquire, manage and maintain moveable and immovable property, to invest in the same and to manage such investments and, from time to time, to use and allocate all income, including any assets the foundation shall receive, to ensure that this is used in accordance with current legislation to benefit the Hospitaller Order of St. John of God in relation to its various charitable activities. Furthermore to provide information and education relating to the charitable projects of the Order’s Mission worldwide.”



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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 organization 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.

Fundraising and spending policy

The board fulfills two roles in respect of fundraising. First of all, it monitors sound fundraising policy resulting in income in an effective and efficient way. Secondly, it has a responsibility with regard to risk management.

In the Dutch situation, the director and the fundraising manager are responsible for the fundraising policy together. Reports include issues such as the recoupment period of investments and analyses of the donating behavior of donors; these subsequently form the basis for the year plan. In these reports, concepts like Life Time Value and ROI may be used.

We try to keep the cost of fundraising within the CBF norm (maximum cost of fundraising 25% of income). In 2016, with the cost of fundraising at 18% of income, we stayed well below this norm.

Spending policy

SJOG-Hospitaalbroeders puts no projects out to tender; all projects in Africa are set up and implemented by the Brothers. Projects are monitored through project visits and through financial and project reports. There is scope for monitoring and evaluation contributing more to learning and improvement. Some progress has been made in this respect, notably in the way African brothers make applications for project funds to SJOG-Hospitaalbroeders. Prior to the submission of a project, they fill in a form which includes specific questions about the evaluation of the project.

Year plan and reporting

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

Mission: long-term strategic objectives

Strategy: the way the organization 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.

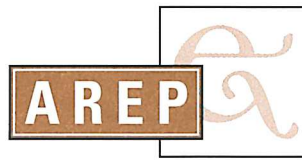
The year plan actually serves as a contract between the director and the board of trustees and is the board's most important benchmark for evaluating performance.

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.

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'. This concept remains difficult to grasp. In fact, impact refers to the part the organization 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. But how can this be quantified? These are questions that the organization is still grappling with and still seeking answers to.



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

Investment policy

The organization 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.

Development of income and expenses

The result for 2016 amounts to € 94,860 positive compared to negative € 21,413 for 2015. The results for both years can be summarized as follows:

	2016		2015		Difference
	€	%	€	%	€
INCOME					
Income from own fundraising	865,797	94,2	796,646	87,6	61,699
Income / Grants by third parties	53,451	5,8	112,462	12,4	-51,559
Total income	919,248	100,0	909,108	100,0	10,140
EXPENDITURE					
Spent on Strategic Objectives	566,730	61,7	628,398	69,1	-61,668
Fundraising expenses	168,127	18,3	209,299	23,0	-41,172
Management and administration	89,531	9,7	92,824	10,2	-3,293
	<u>824,388</u>	<u>89,7</u>	<u>930,521</u>	<u>102,3</u>	<u>-106,133</u>
Result expenditure and income	94,860	10,3	-21,413	-2,3	116,273
Costs					
	2016		2015		Difference
	€	%	€	%	€
Project costs	315,052	38,2	367,102	39,5	-52,050
Personnel costs	198,533	24,1	195,009	21,0	3,524
Housing costs	29,553	3,6	29,294	3,1	259
Office costs	16,086	2,0	10,536	1,1	5,550
Selling expenses donors	208,888	25,3	272,167	29,2	-63,279
Donor administration	9,308	1,1	14,449	1,6	-5,141
General expenses	46,968	5,7	41,964	4,5	5,004
	<u>824,388</u>	<u>100,0</u>	<u>930,521</u>	<u>100,0</u>	<u>-106,133</u>



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 over 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 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 2016 results, we refer to the statement "Income and Expenditure" on page 20 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.



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

Principal risks and uncertainties

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

Subsequent events

There were no subsequent events for the disclosure.

On behalf of the board of directors

Amsterdam, 2017

Signed: W.M. Forkan
Voorzitter (Chairman)

Signed: J.E. Lennon
Penningmeester (Treasurer)



FINANCIAL STATEMENTS 2016



STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS
seat at AMSTERDAM

BALANCE SHEET AS AT 31 DECEMBER 2016

(After appropriation of result)

ASSETS		<u>31 December 2016</u>	<u>31 December 2015</u>
		€	€
Fixed assets			
Tangible fixed assets	(1)		
Inventory		2,556	4,770
Financial fixed assets	(2)		
Loan		5,769	–
Current assets			
Receivables	(3)		
Guarantee capital		5,922	5,922
Other receivables and prepayments		19,074	20,757
		<u>24,996</u>	<u>26,679</u>
Cash and cash equivalents	(4)	121,122	53,985
		<u><u>154,443</u></u>	<u><u>85,434</u></u>



STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS
seat at AMSTERDAM

EQUITY AND LIABILITIES

	<u>31 December 2016</u>	<u>31 December 2015</u>
	€	€
Reserves and funds	(5)	
Continuity reserve	97,980	-5,546
Restricted fund	<u>2,477</u>	<u>11,143</u>
	<u>100,457</u>	<u>5,597</u>
Current liabilities	(6)	
Trade creditors	16,645	17,418
Taxes and social securities	5,049	5,076
Accruals and deferred income	<u>32,292</u>	<u>57,343</u>
	<u>53,986</u>	<u>79,837</u>
	<u><u>154,443</u></u>	<u><u>85,434</u></u>



STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS
seat at AMSTERDAM

INCOME AND EXPENDITURE FOR THE YEAR 2016

		<u>2016</u>	<u>Budget</u>	<u>2015</u>
		€	€	€
INCOME				
Income from own fundraising	(7)	865,797	885,000	796,646
Income / Grants by third parties	(8)	53,451	60,000	112,462
Total income		<u>919,248</u>	<u>945,000</u>	<u>909,108</u>
EXPENSES				
Expenses made for Strategic Objectives (9)				
Direct aid		367,550	383,591	417,973
Coordination		61,035	53,956	58,951
Information and awareness raising		138,145	145,711	151,474
		<u>566,730</u>	<u>583,258</u>	<u>628,398</u>
Fundraising expenses (9)				
Existing donors		64,425	94,200	66,362
Prospective donors		103,702	173,206	142,937
		<u>168,127</u>	<u>267,406</u>	<u>209,299</u>
Management and administration (9)				
		89,531	94,336	92,824
Total expenses		<u>824,388</u>	<u>945,000</u>	<u>930,521</u>
Balance of Income and Expenses		<u>94,860</u>	-	<u>-21,413</u>
Appropriation of the result				
Addition to continuity reserve		103,526	-	-5,069
Addition to restricted funds		-8,666	-	-16,344
		<u>94,860</u>	-	<u>-21,413</u>

INDEX NUMBERS

	<u>2016</u>	<u>Budget</u>	<u>2015</u>
- Management and administration in % of Total expenses	10,9%	10,0%	10,0%
- Expenses made for Strategic Objectives in % of Total expenses	68,7%	61,7%	67,5%
- Expenses for Fundraising in % of income from own Fundraising	19,4%	30,2%	26,3%
- Expenses made for Strategic Objectives in % of Total income	61,7%	61,7%	69,1%



STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS
seat at AMSTERDAM

CASH FLOW STATEMENT FOR THE YEAR
ENDED 31 DECEMBER 2016
 (According to the indirect method)

	2016		2015	
	€	€		
Cash flow from operating activities				
Operating result	94,860		-21,413	
Adjustments for:				
- Depreciations	2,214		2,213	
		97,074		-19,200
Changes in working capital:				
Movements in accounts receivable	1,683		-10,220	
Movements in current liabilities	-25,851		24,957	
Cash flow from operating activities		-24,168		14,737
Cash flow from investment activities				
Loan financial fixed assets	-5,769		-	
Cash flow from investment activities		-5,769		-
Movement in cash position		67,137		-4,463
Compilation cash				
Cash and cash equivalents as at 1 January		53,985		58,448
Movements in cash and cash equivalents		67,137		-4,463
Cash and cash equivalents as at 31 December		121,122		53,985



STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS
seat at AMSTERDAM

NOTES TO THE 2016 FINANCIAL STATEMENTS

GENERAL

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 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

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 recognized on basis of individual assessment of recoverability of the receivables.

Cash and cash equivalents

Cash and cash equivalents are valued at nominal value.

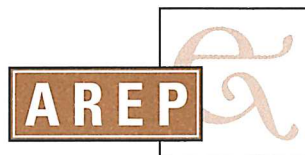
PRINCIPLES FOR THE DETERMINATION OF THE RESULT

General

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

Legacy

Legacies are recognized as profit when received.



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.



STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS
seat at AMSTERDAM

NOTES TO THE BALANCE SHEET AS AT 31 DECEMBER 2016

1. Tangible fixed assets

	<u>Inventory</u>
Balance as at 1 January:	
Acquisition costs	11,066
Accumulated depreciation	<u>-6,296</u>
Book-value	<u>4,770</u>
Movements during the year:	
Investments	-
Depreciation	<u>-2,214</u>
	<u>-2,214</u>
Balance as at 31 December:	
Acquisition costs	11,066
Accumulated depreciation	<u>-8,510</u>
Book-value	<u>2,556</u>

	<u>2016</u>	<u>2015</u>
	€	€
2. Financial fixed assets		
<i>Loan St. John of God Health Centre Batibo</i>		
Balance as at 1 January	-	-
Provides loan	<u>11,538</u>	<u>-</u>
	11,538	-
Recognized under receivables	<u>-5,769</u>	<u>-</u>
Balance as at 31 December	<u>5,769</u>	<u>-</u>

This is an interest-free loan destined for an pigs animal farm. The loan will be repaid in two consecutive instalments of € 5,769. The first instalment is due to paid on or before 1 August 2017 and the final instalment is due to be paid on or before 1 April 2018



STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS
seat at AMSTERDAM

	<u>31-12-2016</u>	<u>31-12-2015</u>
	€	€
3. Receivables		
<i>Guarantee capital</i>		
Guarantee Rentmeester Hollandia N.V.	<u>5,922</u>	<u>5,922</u>
<i>Other receivables and prepayments</i>		
Loan St. John of God Health Centre Batibo	5,769	–
Prepaid expenses	5,125	13,194
Others	8,180	7,563
	<u>19,074</u>	<u>20,757</u>
4. Cash and cash equivalents		
ABN AMRO Bank N.V. 41.45.42.940	32,685	8,068
ABN AMRO Bank N.V. 41.45.42.169	1,592	287
Rabobank 3844.21.733	62,374	34,463
Rabobank 1515.5720.21	24,447	11,143
Cash	24	24
	<u>121,122</u>	<u>53,985</u>



STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS
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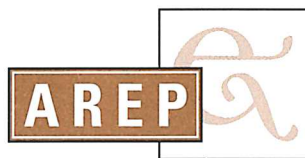
	<u>2016</u>	<u>2015</u>
	€	€
5. Reserves and funds		
Continuity reserve		
Balance as at 1 January	-5,546	-477
Appropriation of the result	<u>103,526</u>	<u>-5,069</u>
Balance as at 31 December	<u><u>97,780</u></u>	<u><u>-5,546</u></u>

The foundation wants to ensure sustainability of the organization. Therefore the foundation wants to create a continuity reserve to cover operational and program 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. A higher reserve will need clarification. It is our intention to build the continuity reserve to an amount of €20,000 and this will be reviewed during the current financial year. In our plan for 2017, we had intended to invest in donor recruitment early in the year as recruitment efforts had slowed down in 2016. In order to step up recruitment we needed investment funds early in the year to have sufficient resources to pay our suppliers. The increase of the reserve was necessary to have those funds available at the right time. The reserve will return to its normal level next year.

	<u>2016</u>	<u>2015</u>
	€	€
Restricted fund		
Balance as at 1 January	11,143	27,487
Appropriation of the result	<u>-8,666</u>	<u>-16,344</u>
Balance as at 31 December	<u><u>2,477</u></u>	<u><u>11,143</u></u>

A limited amount of funds is earmarked for future spending on the objectives of Stichting Internationale Orde van Hospitaalbroeders. The net income from various activities (marathon, third parties) was earmarked to support our scholarship programme in Sierra Leone. The money, generated from the 2016 the marathon project and other actions of donors, has been put into a separate bank account. In 2017, scholarships in Malawi and Sierra Leone will also be paid from this account.

	<u>31-12-2016</u>	<u>31-12-2015</u>
	€	€
6. Current liabilities		
Trade creditors		
Trade creditors	<u>16,645</u>	<u>17,418</u>
Taxes and social securities		
Pay-roll tax	<u>5,049</u>	<u>5,076</u>
Accrued liabilities		
St. John of God Development Company	-	20,559
Accruals and deferred income	25,715	30,363
Holiday pay	<u>6,577</u>	<u>6,421</u>
	<u><u>32,292</u></u>	<u><u>57,343</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 2016 result as follows:

Addition to continuity reserve	103,526
Addition to restricted funds	-8,666
	<hr/>
	94,860
	<hr/>

This proposition is already recognized in the financial statements.



STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS
seat at AMSTERDAM

NOTES TO THE INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR
2016

	<u>2016</u>	<u>Budget</u>	<u>2015</u>
7. Income from own fundraising			
Donations	641,054	672,000	730,661
Legacy	205,896	203,000	57,149
Events	12,395	10,000	8,836
England Fundraising Initiatives	4,170	–	–
Income from special projects	2,282	–	–
	<u>865,797</u>	<u>885,000</u>	<u>796,646</u>
8. Income / Grants from third parties			
MIVA	28,250	–	36,230
Haëlla Stichting	4,000	–	11,500
St. Elisabeth Ziekenhuis	–	–	20,000
Stichting Dioraphte	–	–	18,000
ASN Foundation	5,000	–	–
Wilde Ganzen	16,201	–	17,000
Others	–	–	9,732
	<u>53,451</u>	<u>60,000</u>	<u>112,462</u>

Commentary on actual versus budget 2016

- The difference between budgeted donation income and real income of € 30,946 was caused by the – on average – lower monthly pledge income. € 47,000 had been budgeted per month but the actual income was € 43,608. We had expected to recruit 1500 new donors. The actual number of new donors was 847. This resulted in a lower monthly pledge income.
- Income from grants by third parties was a little lower than budgeted.



STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS
seat at AMSTERDAM

9. Allocation of expenses to objectives

	<u>Strategic Objectives</u>			<u>Fundraising</u>		<u>M & A</u>	<i>Total 2016</i>	<i>Budget 2016</i>	<i>Total 2015</i>
	<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	315,052	—	—	—	—	—	315,052	338,000	367,102
Personnel costs	44,670	44,670	44,670	9,927	9,927	44,669	198,533	173,000	195,009
Housing costs	—	4,925	4,925	4,925	4,925	9,853	29,553	30,000	29,294
Office costs	—	2,681	2,681	2,681	2,681	5,362	16,086	10,000	10,536
Selling expenses donors	—	—	77,110	34,410	76,480	20,888	208,888	337,000	272,167
Donor administration	—	931	931	4,654	1,861	931	9,308	17,000	14,449
General costs	7,828	7,828	7,828	7,828	7,828	7,828	46,968	40,000	41,964
Total	367,550	61,035	138,145	64,425	103,702	89,531	824,388	945,000	930,521

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.

Commentary on actual versus budget 2016

- The difference between actual and budgeted personnel costs is the result of a non-budgeted share of 15% in the salary of the Irish director.
- The difference between actual (€ 208,888) and budgeted (€ 337,000) selling expenses donors is the result of the fact that the number of newly recruited pledge donors in 2016 remained below expectations.



STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS
seat at AMSTERDAM

	<u>2016</u>	<u>Budget</u>	<u>2015</u>
	€	€	€
Projects			
Malawi	152,425	–	128,380
Senegal	–	–	16,775
Sierra Leone	27,022	–	82,015
Ghana	28,363	–	22,472
Kenya	1,000	–	5,000
Cameroon	57,640	–	56,860
Togo	–	–	20,600
Liberia	48,602	–	35,000
	<u>315,052</u>	<u>338,000</u>	<u>367,102</u>

Personnel costs

During the 2016 financial year, the average number of (part-time) staff employed by The Foundation was 3, converted into full-time equivalents, amounted to 2.6 (2015 : 2.6).

	<u>2016</u>	<u>Budget</u>	<u>2015</u>
	€	€	€
Wages and salaries	142,520	–	139,639
Social security charges	24,027	–	22,206
Sickness insurance	4,638	–	4,766
Management costs	21,287	–	20,559
Other Personnel costs	6,061	–	7,839
	<u>198,533</u>	<u>173,000</u>	<u>195,009</u>

No members of the Board of Directors received any remuneration for the year ended December 31, 2016.

	<u>2016</u>	<u>Budget</u>	<u>2015</u>
	€	€	€
Housing costs			
Rent	25,269	–	25,010
Repair and maintenance	3,265	–	3,207
Other	1,019	–	1,077
	<u>29,553</u>	<u>30,000</u>	<u>29,294</u>

Office costs

Office supplies	5,049	–	2,245
Telephone, internet and postage	4,746	–	5,643
Website	6,291	–	2,648
	<u>16,086</u>	<u>10,000</u>	<u>10,536</u>



STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS
seat at AMSTERDAM

	<u>2016</u>	<u>Budget</u>	<u>2015</u>
	€	€	€
Selling expenses donors			
<i>Existing donors</i>			
Mailing expenses	63,210	–	66,955
Loyalty	32,374	–	32,375
	<u>95,584</u>	<u>118,000</u>	<u>99,330</u>
<i>Prospective donors</i>			
Canvassing	58,841	–	108,034
Loyalty	3,859	–	4,954
Telemarketing	26,793	–	19,537
Affiliate marketing	20,221	–	24,768
Symposium	–	–	12,868
Events	3,590	–	2,676
	<u>113,304</u>	<u>219,000</u>	<u>172,837</u>
Total selling expenses donors	<u>208,888</u>	<u>337,000</u>	<u>272,167</u>
Donor administration			
Consultancy costs	<u>9,308</u>	<u>17,000</u>	<u>14,449</u>
General costs			
Auditor's fee	10,695	–	8,730
Consultancy fee	6,463	–	–
Administration fee	5,737	–	6,367
Bank charges	9,864	–	10,618
Depreciation	2,214	–	2,213
Other general expenses	11,995	–	14,036
	<u>46,968</u>	<u>40,000</u>	<u>41,964</u>

On behalf of the board of directors

Amsterdam,2017

Signed: W.M. Forkan
 Voorzitter (Chairman)

Signed: J.E. Lennon
 Penningmeester (Treasurer)



STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS
seat at AMSTERDAM

OTHER INFORMATION



STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS
seat at AMSTERDAM

INDEPENDENT AUDITOR'S REPORT

To: the Managing Director and Supervisory board of Stichting Internationale Orde van Hospitaalbroeders

Report on the financial statements 2016

We have audited the financial statement 2016 of Stichting Internationale Orde van Hospitaalbroeders, Amsterdam ('the foundation').

In our opinion the accompanying financial statements give a true and fair view of the financial position of Stichting Internationale Orde van Hospitaalbroeders as at 31 December 2016, and of its result for the year then ended in accordance with the 'Richtlijn voor de Jaarverslaggeving 650'.

The financial statements comprise:

- the balance sheet as at 31 December 2016;
- the statement of income and expenditure for the year then ended;
- the notes, comprising a summary of the accounting policies and other explanatory information. The financial reporting framework that has been applied in the preparation of the financial statements is the 'Richtlijn voor de Jaarverslaggeving 650'.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the section 'Our responsibilities for the audit of the financial statements' of our report.

Independence

We are independent of Stichting Internationale Orde van Hospitaalbroeders in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO) and other relevant independence requirements in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA).

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

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- the directors' report;
- the other information pursuant to the 'Richtlijn voor de Jaarverslaggeving 650'.

We have read the other information. Based on our knowledge and understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirement of the 'Richtlijn voor de Jaarverslaggeving 650'. The scope of such procedures were substantially less than the scope of those performed in our audit of the financial statements.

The managing director is responsible for the preparation of the other information, including the directors' report and the other information pursuant to Part 9 Book 2 of the Dutch Civil Code.



STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS
seat at AMSTERDAM

Responsibilities for the financial statements and the audit

Responsibilities of the managing director and the supervisory board for the financial statements

The managing director is responsible for:

- the preparation and fair representation of the financial statements in accordance with the Richtlijn voor de Jaarverslaggeving 650²; and for
- such internal control as the managing director determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the managing director is responsible for assessing the foundation's ability to continue as a going concern. Based on the financial reporting framework mentioned, the managing director should prepare the financial statements using the going-concern basis of accounting unless the managing director either intends to liquidate the foundation or to cease operations, or has no realistic alternative but to do so.

The managing director should disclose events and circumstances that may cast significant doubt on the foundation's ability to continue as a going concern in the financial statements. The supervisory board is responsible for overseeing the foundation's financial reporting process.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our audit opinion aims to provide reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high but not absolute level of assurance which makes it possible that we may not detect all misstatements. Misstatements may arise due to fraud or error. They are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion. We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit 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 foundation's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the managing director.
- Concluding on the appropriateness of the managing director's use of the going concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.



STICHTING INTERNATIONALE ORDE VAN HOSPITAALBROEDERS
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- Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the foundation to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Nieuwegein, May 9, 2017

AREP Accountants en Belastingadviseurs B.V.

A handwritten signature in blue ink, appearing to read 'G.J. Jordaan', is written over the printed name below.

Drs. G.-J. Jordaan RA



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

APPENDIX



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

TRUSTEES OTHER INFORMATION

Board of Directors

M.J. Neild;
W. Brennan-Whitmore;
J.G. Pepper;
W.M. Forkan;
J.E. Lennon.

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



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

OVERVIEW OF SUPPORTED PROJECTS

Project	Country	Centre	Total €
Scholarships (internally)	Malawi	Mzuzu	3,151
Scholarships students	Malawi	Mzuzu	11,500
Medical Equipment	Malawi	Lilongwe	25,800
Solar Power	Malawi	Lilongwe	9,200
Physio Room	Malawi	Mzuzu	25,123
Ambulance	Malawi	Lilongwe	26,850
Information System	Malawi	Lilongwe	30,000
Water drill hole	Malawi	Lilongwe	9,200
Office Equipment	Malawi	Lilongwe	11,600
Vehicle	Cameroon	Boko	39,000
Echography Machine	Cameroon	Yassa	8,552
Incinerator	Cameroon	Yassa	8,000
Renovation	Cameroon	Batibo	2,088
Construction staff housing	Liberia	Monrovia	48,603
Construction Lab (1)	Ghana	Oseikojokrom	20,000
Construction Lab (2)	Ghana	Oseikojokrom	8,363
SRN Certification Nursing School	Sierra Leone	Lunsar	9,000
Patient ward + Hospital Kitchen	Sierra Leone	Lunsar	4,584
Ebola	Sierra Leone	Lunsar	300
Scholarships	Sierra Leone	Lunsar	10,470
X-ray transport	Sierra Leone	Lunsar	2,668
Microscope	Kenya	Tigania	1,000
Total			315,052