

# Annual Accounts 2010

# Content

<b>1. Notes to the financial statement 2010.....</b>	<b>3</b>
MANAGEMENT REPORT .....	3
GENERAL .....	6
INFORMATION ABOUT ACTIVITIES .....	7
FINANCIAL REPORT .....	8
BUDGET 2011 .....	10
<b>2. Financial report 2010.....</b>	<b>11</b>
STATEMENT OF INCOME AND EXPENDITURE 2010.....	12
CASH FLOW STATEMENT 2010.....	13
NOTES TO THE FINANCIAL STATEMENTS.....	14
NOTES TO BALANCE SHEETS .....	16
NOTES TO INCOME STATEMENT .....	22
<b>3. Auditor’s Report.....</b>	<b>28</b>

# 1. Notes to the financial statement 2010

## MANAGEMENT REPORT

### *Developments in 2010*

Early in 2010 the Dutch WRR (Scientific Board for Government Policy) presented the report "Less pretention, more ambition". At the end of 2010, Dutch State Secretary Knapen announced the savings package for development aid in 2011. The proposed policy changes were mostly explained as "less" rather than "better". In the meantime, the Dutch government fell because of the issue regarding the continuation of the military mission in Uruzgan. Complicated coalition discussions took place, and at the proposal of two opposition parties, a new mission to Afghanistan was planned. In short, 2010 was an interesting year.

For HealthNet TPO the year was marked by growth. Due to the doubling of our turnover, achieved by rolling out a major malaria programme in Afghanistan, it was not only essential, but also possible, to start making organizational changes to ensure this growth was manageable. The key aim of these changes was to prepare HealthNet TPO for the future. This future is characterized by two different trends: governments' concern for "state security" and the loss of international cooperation's status as untouchable.

In recent years, the agenda of international organizations and governments has increasingly been determined by the concept of state security, which is based on the need to protect the western world against terrorist organizations. These organizations are located in fragile countries meaning that they deserve more attention. The traditional division between "poverty" and "emergency relief" is increasingly bridged by the concept of "reconstruction". Because many donor countries believe that reconstruction should be accompanied by safety measures, discussion has arisen about the mandate of several players in this field. This has led to confusion of agendas and budgets of the armed forces – under the flag of UN or NATO – and a host of parties striving for reconstruction. This includes both NGOs and businesses. Budgets for reconstruction are increasingly deposited in trust funds that are managed by supranational organizations. These funds are channelled through "requests for proposals" and "tenders" that have a more commercial character. To reduce costs, there is an increasing preference for large projects requiring partnership with subcontractors. All this has changed our working environment significantly.

This process is accompanied by the more commercial way in which international cooperation is assessed. The range of highly diverse activities coming under the heading "development cooperation" has been spared government cuts for decades. That time is now over, and as far as assessment is concerned, we welcome this businesslike approach. This approach could also be seen as applying the principle that it is the result that counts and not the intention. Reconstruction will also have to show that the way the money is spent is effective and transparent. Unfortunately, the critical focus on results is often guided by the intention to simply reduce the budget for international aid. The best argument to turn this tide is to at least show some results. Here a link is made between the trends and these annual accounts: we are not only transparent, but also demonstrate that we actually deliver based on effective use of resources.

Both trends call for an increase in accountability, and the figures for 2010 show where we have been successful in financial management and where we have been inadequate. We have been successful in spending grants. This sounds more self-evident than it is. Proper use of funds from institutional donors is not easy within the uncertain context of fragile countries: often there is underspending (e.g. due to dangerous situations) or overspending

(e.g. through lack of control). We have brought in less money than budgeted (€ 31.2 million was projected of which € 27.7 was realized), but it is still twice as much as in 2009, of which nearly 95% of the target was used.

From a commercial point of view the latter is a pity perhaps – we probably should have spent less on the objects and more on increasing reserves. We barely succeeded in this. It would also not have been possible with the 2010 income, because funds received are not meant to build up reserves. Reserves must be created from resources that organizations collect without an expenditure obligation in return. To ensure the organization's long-term future, reserves are desirable. But there are other recourses required: so-called "unrestricted funds". Revenues in this area failed to materialize in 2010 (see the financial statements). Mid-2010 a newly established department for Marketing, Communication & Fundraising started preparatory work for a coherent strategy, which will be rolled out in 2011.

To respond to needs in the countries where HealthNet TPO implements its projects, more money is always required than is actually available. The art of tight control is to resist this. However, in some countries expenses were incurred that supported objects but which could not be attributed to funding contracts. These "unfunded expenditures" amounted to no more than 2%. We are proud of this because such a percentage is rare compared to other organizations. In addition, HealthNet TPO implements 95% of projects itself since there are not many capable and transparent organizations in unstable regions. Where repression and violence have destroyed not only people but communities as well, one of the effects is simply lack of trust between people. This leads to an exodus of skilled people and an increase in corruption and incompetence. Together with local people we rebuild mutual trust, but in the full knowledge that social responsibility often has to be re-established.

Our responsibilities are to the care user and not the user of the donor funds, as is often the case with co-funding organizations. Funds received are often transferred to local partner organizations, which are in turn responsible for implementation. In this way, the aid organization functions as a co-funder, and implementation costs remain limited to administrative costs. As stated, HealthNet TPO often handles implementation itself out of necessity, using a locally recruited team. Given that we are responsible for the entire expenditure of funds, from receipt to implementation of activities, it should therefore be mentioned that implementation costs in 2010 were limited to 10.4% of the total amount spent in achieving objects. The reduction in implementation costs compared to 2009 (14.8%) was achieved in part by an increase in spending on objects of more than €13 million.

In order to improve the management process, investment in resources was inevitable in 2010. These investments were mainly software and the introduction of an ERP system. Currently, this system is used by the finance department and for CRM purposes. The costs will be amortized over several years.

#### *Future*

In 2010, HealthNet TPO – like other organizations eligible for Dutch government subsidies – spent a lot of time and money on understanding the Ministry of Development Cooperation's new MFSII rules. The Dutch Consortium for Rehabilitation has now been established, in which HealthNet TPO together with ZOA, Save the Children NL and Care NL have developed a five-year programme for Central Africa. In terms of effectiveness, the requirements of the Dutch government have not succeeded very well: while organizations were used to forging alliances with international and local partners in project countries, the funder has now

determined that the alliance must be based in the Netherlands. As a result, participating NGOs now meet the requirement of the Dutch funder.

In 2011, HealthNet TPO will continue to form new alliances that make a genuinely new approach possible. By linking partnerships with companies and governments to building civil societies, we aim to overcome classic but unproductive contradictions, for example the often apparent contradiction between the public and private sectors. In 2011, we will continue to develop a special insurance scheme for the poorest people in Cambodia, where the experience of HealthNet TPO is linked to the specific knowledge of Achmea Zorg and Eureko (Dutch insurance companies). Partnerships with other organizations are being prepared, including Rabobank and Philips Healthcare.

#### *Risk management*

More than ever, Afghanistan has become the country representing the biggest turnover. Slowly but surely we are working to make HealthNet TPO Afghanistan a local organization with which we as a high-quality partner can work with further. The security situation in Afghanistan has deteriorated rather than improved, and the process of independence has adapted accordingly. The fact that Afghanistan represents a large part of our turnover is not only a risk, but also an opportunity. The liquidity of the entire organization has improved now we no longer exclusively need to pre-finance projects in Afghanistan.

The gradual transfer of responsibilities also creates opportunities in the future: by providing technical support to a local partner (the current team) we can keep contributing, in a safe, professional way, to rebuilding health care in Afghanistan. In late 2010, a number of new projects were launched in Sudan, and the team is working hard to expand programmes in Pakistan as well. The proportion of turnover will become more balanced across the various countries. Sudan and Pakistan are contrasting countries when it comes to methods of operation: while it is particularly difficult to find reliable partners in Sudan, in Pakistan civil society, medical professions and science are much further developed. In the future we will therefore have to apply different implementation methods. In Sudan, we will mainly do it ourselves, while in Pakistan we will operate as a partner or sub-contractor of existing organizations. This will involve lessons in management models and risk management.

## GENERAL

Stichting (foundation) HealthNet TPO was established on 26 October 1992. HealthNet TPO develops evidence-based interventions to achieve better health for all. Our mission is to enhance the ability of communities in fragile countries to better manage their own health. Together with local communities we work towards health systems that are accessible to all, by combining international expertise with local tradition. HealthNet TPO is registered at the Amsterdam Chamber of Commerce as a *stichting* (foundation) under number 41211943.

### *Board*

The board of HealthNet TPO is a hands-off administration. It monitors the organization's identity and mission, in terms of guiding the development of the organization and identifying and defining fields of activity. This honorary board's task is to supervise management policy and the day-to-day state of the organization. Board members are appointed for a period of four years (with possible renewal) and retire according to a schedule determined by the board. In 2010 the board met three times. As of 1 January 2010, the board consisted of:

Mr. A.M.F. Winkler - *Chairman*  
Mr. H.E. Sondorp - *Secretary*  
Mrs. E. Kalkhoven - *Treasurer*  
Mrs. A. Papineau Salm - *Member*  
Mrs. Y. Braams-Morris - *Member*

### *Director*

The director manages and represents the organization; externally as spokesperson and internally as an employer. He has overall management responsibility, is chairman of the management team and the board's main contact person. The director has the authority to decide and act within the framework set by the articles of association, the executive statutes, annual plans, budgets and authorities granted by the board. The director may grant proxy to the three (non-statutory) directors of *Research & Development*, *Resource & Organization* and *Operations*. As of 1 January 2010, Mr. W.A.C.M. van de Put is the director of HealthNet TPO.

### *Management team*

The management team of HealthNet TPO is a decision-making body with regard to organization-wide policy implementation and daily management of the organization. Any decision of "some importance" related to two or more departments' responsibilities needs the formal approval of the management team. A decision is of "some importance" when at least one member of the management team judges it as such. As of the 1 January 2010, the management team consisted of Mr. I. Komprou (Director Research & Development), Mr. A. Stevens (Director Resource & Organization) and Mr. H. Grootendorst (Director Operations). The management team met 30 times in 2010.

### *Changes to articles of association*

In 2010 the following changes were made to the articles of association:

- Article 5.7 was changed as follows: "5.7: Board members are appointed for a maximum period of four years."
- Article 5.8 was changed as follows: "5.8: Board members retire by a schedule determined by the board. A retiring (according to the schedule) board member can be immediately reappointed, but only for a maximum of two additional terms."

## INFORMATION ABOUT ACTIVITIES

HealthNet TPO works towards the development, implementation and execution of health systems in fragile countries. In these activities, the focus is on capacity development. In collaboration with PSO, HealthNet TPO has developed a strategy for capacity development in which there are three levels: Human Resource Development, Organizational Development and Institutional Development. Implementing this strategy ensures sustainability of activities.

The added value of HealthNet TPO includes the development and application of new intervention models. Project implementation is combined with monitoring impact and effectiveness. In this way, HealthNet TPO aims to develop new intervention models for the reconstruction of health services in fragile countries. The results are published in leading international journals so that they are available to other NGOs, governments and research centres.

### *Fundraising policy*

In 2010 the newly established department of Marketing, Communication & Fundraising did preparatory work as a basis for the development and implementation of an active fundraising strategy. In 2011, the focus will therefore be on raising (unrestricted) funds to cover indirect costs. In 2010, HealthNet TPO implemented its activities according to the guidelines for fundraising organizations, and reporting complies with the "650 guideline" of the CBF (Central Bureau of Fundraising).

### *Volunteer policy*

HealthNet TPO occasionally has the opportunity to assign volunteers to perform specific project tasks or supporting activities at its head office or in the field. Volunteers work with standard contracts and terms and conditions in which tasks, responsibilities, rights and obligations are defined. In order to monitor a volunteer's work, an employee at head office is designated as a supervisor. He or she has a duty to provide the volunteer with a workplace and an induction within the organization. The HR department has final responsibility for volunteer policy. In 2010 a voluntary gynaecologist went to Afghanistan to help with policies, duties and skills with regard to reproductive health services in the Jalalabad Public Hospital.

### *Communication policy*

HealthNet TPO aims to communicate with its stakeholders on a regular basis, about the efficiency and effectiveness of activities. HealthNet TPO periodically reports to its funding bodies, in accordance with contractual requirements. On an annual basis results are published in the Annual Report and Accounts in which the expenses of the past year are explained. These Annual Reports and Accounts can be downloaded from the website, or obtained from head office. The Annual Accounts are accompanied by a statement of approval from our accountants. By also publishing results of (research) projects, HealthNet TPO allows new insights to be shared and applied by others.

## FINANCIAL REPORT

### Income

In 2010, total project subsidies doubled with respect to 2009 to €27.4 million. This increase of €14 million was – as previously stated - largely due to the malaria programme in Afghanistan, in which the expected purchase of mosquito nets was postponed until 2010. In addition, there was a major growth in project activities in South Sudan. As in previous years, local project income decreased, in 2010 the amount was €46,465. This can be explained by changes in regulations relating to this. Project income from the Netherlands increased by 50%. This was due to an extension of the MICRODIS research project, the second phase of the collaboration with the Central Agency of Asylum seekers (COA), and the project “On return from the Netherlands”.

#### *Fundraising income*

HealthNet TPO has a strong need for unrestricted funds to cover indirect costs. A pledge of €75,000 in 2008 to support the War Trauma Programme was withdrawn in 2010. The €75,000 contribution budgeted for 2010 was also not pursued, which meant that the results were below budget.

#### *Other income and expenses*

Income from other sources totalled €129,921 in 2009, and increased to €352,735 in 2010. In particular, the movements of the US Dollar exchange rate and local currencies linked to it, again provided a windfall this year. Nevertheless, there were few opportunities to hedge currency risks. By focusing sharply on cash at bank and in hand, €17,025 in interest income was received in 2010.

### Expenditure

In 2010, nearly 95% (2009: 92%) of total expenditure was spent on activities to achieve the organization's objects. This more than met the target of 90%. The expenditure to achieve objects was largely made up of the purchase of mosquito nets and medicines, and the salaries of local employees and related matters. This is a logical consequence of the fact that HealthNet TPO's core business is the transfer of knowledge and that we implement most projects ourselves. In 2010, HealthNet TPO had, as in previous years, a low percentage of implementation costs. This percentage decreased from 14.8% in 2009, to 10.4% in 2010. In absolute figures, implementation costs increased from €1,881,268 in 2009 to €2,698,844 in 2010. In 2010, actual costs were €192,020 higher than budgeted. The decrease in the percentage was the result of an increase in expenditure to achieve objects of €13 million. This is particularly noteworthy since HealthNet TPO is a direct implementing body.

To a large extent, implementation costs are covered by contributions from institutional funders towards organizational costs. In 2009 this was an average of 5.8% of total project turnover, this increased to 8.4% in 2010. This was mainly due to a round of mosquito net distribution carried out at the end of 2010, and related indirect of costs which were accounted for. Delivery of the nets took place at the beginning of 2011. In 2010 the contribution in absolute terms was nearly €1.4 million higher than the previous year, which was mainly due to a doubling in project turnover.

#### *Fundraising of disposable funds*

In 2010 direct and indirect costs for fundraising expenses totalled €86,432 (2009: €47,058). This increase was due to the two employees who are now partly assigned to fundraising activities and low costs in the previous year resulting from the departure of the Communication Manager in October 2009. HealthNet TPO adheres to the Central Bureau of

Fundraising (CBF) rule of 25% maximum for costs/revenues ratio. In 2010 a correction was made of -/-€75,000 to fundraising income stated in the 2009 annual accounts. Because of this correction, the costs/revenues ratio resulted in the strange percentage of -494% for 2010. When this correction is removed from the figures for 2009 and 2010, the percentage costs/revenues results in 150%. This can be explained by the lower fundraising income and higher office costs. The mean percentage over the period 2008-2010 is still 13.5%.

#### *Management and administration costs*

HealthNet TPO aims to manage available resources as efficiently as possible. Specific project support from the Amsterdam office is allocated to project contracts on a "recorded time" basis. However, experience shows that the majority of projects require more support than the funder can, or will, permit. In 2010 the actual time recorded was €1,695,000 of which €1,213,000 was allocated to contracted project expenses (72%). Again, this was an increase compared to the previous year, largely due to an increase in employees supporting projects with technical expertise. In 2010 the budget for project support was €1,161,227. Actual costs were 4% higher than budgeted, mainly due to the start of several new projects, the start-up costs of which were not completely covered by funding contracts. In 2010, management and administration costs were 4.8% of the total expenses to achieve objects, while 5.4% was budgeted (actual in 2009: 8.2%).

#### **Balance**

HealthNet TPO needs reserves to ensure continuity of projects. Significant disposable reserves are the easiest way to manage liquidity. In order to achieve this, strategy is geared towards increasing the organization's continuity reserves in the coming five years to €1.6 million. This is based on 50% of the expected office costs over the five-year period. This will allow HealthNet TPO to use its own resources to adhere to different funding regulations regarding payments. An important resource is the credit agreement of €2 million with the Rabobank Leiden which enables HealthNet TPO to guarantee the continuity of its projects.

Intangible fixed assets include development and implementation costs of an ERP system that has been in use in the finance departments at head office and Afghanistan since 1 January. In 2010 this system was further developed and tested and is now available for CRM purposes as well. In 2010, the value of "debtors" was again higher than the previous fiscal year. This was due to a number of projects completed in late 2010 for which financial settlement by the funder still needed to take place. Increasingly we see that funders do not finance the total contract value, and HealthNet TPO needs to pre-finance the last phase of a project. This leads to a larger claim on debtors at the end of a project. Prepaid expenses were €50,000 lower than the previous year because an investment in a new office in South Sudan was made in 2009.

At the end of the fiscal year 2010, HealthNet TPO added €346,001 to its reserves and funds, amounting to €459,078. Unrestricted disposable reserves increased by €312,228. In 2010, €33,773 was also added to the restricted reserves that consist of revenues in Afghanistan. These reserves will be used to cover costs related to the Afghan office.

*Amsterdam, 30 May 2011*

#### **Board and directors**

A. Winkler, *Chairman*  
E. Kalkhoven, *Treasurer*  
H. Sondorp, *Secretary*  
A. Papineau Salm, *Member*  
Y. van Morris-Braams, *Member*  
W. van de Put, *General Director*

## BUDGET 2011

<i>(In euros)</i>	Budget 2011	2010 Actual
<b>INCOME</b>		
<b>INCOME FROM FUNDRAISING</b>	<b>400.000</b>	<b>(17.504)</b>
Donations and gifts	400.000	(66.032)
Sale of goods	-	2.063
Local project income	-	46.465
<b>NON-GOVERNMENT SUBSIDIES</b>	<b>3.779.643</b>	<b>1.859.392</b>
<b>GOVERNMENT SUBSIDIES</b>	<b>27.292.357</b>	<b>25.585.267</b>
<b>OTHER INCOME / (EXPENDITURE)</b>	<b>195.000</b>	<b>352.735</b>
Interest income/(expenditure)	45.000	17.025
Exchange rate gains/(losses)	-	325.109
Other income/(expenditure)	150.000	10.600
<b>TOTAL INCOME</b>	<b>31.667.000</b>	<b>27.779.890</b>
<b>EXPENDITURE</b>		
<b>EXPENDITURE ON OBJECTS</b>	<b>29.985.174</b>	<b>25.874.714</b>
Reconstruction and development	29.788.433	25.597.376
Awareness raising and public information	196.741	277.338
<b>INCOME GENERATION</b>	<b>754.242</b>	<b>310.302</b>
Costs of fundraising	238.505	86.432
Costs of acquiring government subsidies	515.737	223.871
<b>MANAGEMENT AND ADMINISTRATION</b>	<b>721.264</b>	<b>1.248.872</b>
<b>TOTAL EXPENDITURE</b>	<b>31.460.680</b>	<b>27.433.888</b>
<b>SURPLUS</b>	<b>206.320</b>	<b>346.001</b>

## 2. Financial report 2010

### BALANCE SHEET 31 December 2010

<i>(Following appropriation of surplus)</i>		31 December	31 December
<i>(In euros)</i>	<i>Note</i>	2010	2009
<b>ASSETS</b>			
INTANGIBLE FIXED ASSETS	1	381.980	94.630
TANGIBLE FIXED ASSETS	2	45.677	29.806
<b>CURRENT ASSETS</b>			
DEBTORS	3	725.963	546.432
CASH AT BANK AND IN HAND	4	2.027.421	11.249.420
<b>TOTAL ASSETS</b>		<b>3.181.041</b>	<b>11.920.288</b>
<b>LIABILITIES</b>			
<b>RESERVES AND FUNDS</b>			
RESERVES	5		
Continuity reserve		425.305	113.076
Restricted reserve		33.773	-
FUNDS	6		
Restricted funds		-	-
<b>CURRENT LIABILITIES</b>			
WORK IN PROGRESS	7	(2.720.984)	11.277.434
OTHER CURRENT LIABILITIES	8	5.442.948	529.778
<b>TOTAL LIABILITIES</b>		<b>3.181.041</b>	<b>11.920.288</b>

## STATEMENT OF INCOME AND EXPENDITURE 2010

<i>(In euros)</i>	<i>Note</i>	2010 Actual	Budget 2010	2009 Actual
<b>INCOME</b>				
<b>INCOME FROM FUNDRAISING</b>	10	(17.504)	130.000	518.818
Donations and gifts		(66.032)	130.000	437.047
Local project income		48.528	-	81.771
<b>NON-GOVERNMENT SUBSIDIES</b>	11	1.859.392	1.905.835	881.303
<b>GOVERNMENT SUBSIDIES</b>	12	25.585.267	29.254.987	12.113.353
<b>OTHER INCOME/(EXPENDITURE)</b>	13	352.735	65.000-	129.921
<b>TOTAL INCOME</b>		<b>27.779.890</b>	<b>31.225.822</b>	<b>13.643.395</b>
<b>EXPENDITURE</b>				
<b>EXPENDITURE IN FURTHERANCE OF OBJECTS</b>		<b>25.874.714</b>	<b>28.934.812</b>	<b>12.754.967</b>
Reconstruction and development	14	25.597.376	28.753.356	12.646.539
Awareness raising and public informatic	15	277.338	181.456	108.428
<b>INCOME GENERATION</b>		<b>310.302</b>	<b>501.598</b>	<b>310.438</b>
Costs of fundraising	16	86.432	104.117	47.058
Costs of acquiring government subsidie	17	223.871	397.481	263.380
<b>MANAGEMENT AND ADMINISTRATION</b>	17	1.248.872	1.570.486	1.047.532
<b>TOTAL EXPENDITURE</b>		<b>27.433.888</b>	<b>31.006.895</b>	<b>14.112.937</b>
<b>SURPLUS</b>		<b>346.001</b>	<b>218.927</b>	<b>(469.542)</b>
Continuity reserve		33.773	-	-
Continuity funds		-	-	(321.344)
<b>SURPLUS added to continuity reserve</b>		<b>312.228</b>	<b>218.927</b>	<b>(148.198)</b>

## CASH FLOW STATEMENT 2010

<i>(In euros)</i>	2010	2009
<b>SURPLUS FOR THE YEAR</b>	<b>346.001</b>	<b>(469.542)</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
plus: Depreciation	79.768	17.785
plus: Other debtors	(179.531)	(411.750)
less: Work in progress	(13.998.417)	10.462.919
less: Other current liabilities	4.913.170	(7.652)
	<u>(9.185.011)</u>	<u>10.061.302</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
less: Investments in fixed assets	(382.990)	(114.304)
plus: Disposals of fixed assets	-	2.582
	<u>(382.990)</u>	<u>(111.722)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term loan	-	-
	<u>-</u>	<u>-</u>
<b>INCREASE/(DECREASE) IN CASH AT BANK AND IN HAND</b>	<b><u>(9.221.999)</u></b>	<b><u>9.480.038</u></b>
<b>INCREASE/(DECREASE) IN CASH AT BANK AND IN HAND</b>		
Cash at bank and in hand at 1 January	11.249.420	1.769.382
Cash at bank and in hand at 31 December	2.027.421	11.249.420
	<u>(9.221.999)</u>	<u>9.480.038</u>

## NOTES TO THE FINANCIAL STATEMENTS

### Annual reporting guideline for fundraising institutions

The annual report has been set out in accordance with the "new Guideline 650 for Fundraising Institutions", as published by the Dutch Council for Annual Reporting. This guideline was published by the council in 1998 and revised in 2008. The purpose of this guideline is to provide information about the costs of the organization and the expenditure of funds to further the objects for which the funds were acquired. Application of this guideline is one of the conditions laid down by the Central Bureau of Fundraising for the award of the CBF seal of approval which HealthNet TPO was awarded in May 2004.

### Accounting policies

Unless stated otherwise, items in the balance sheet are shown at nominal value and income and expenditure are attributed to the relevant year. Expenses in the programme countries are recognized on a cash basis.

In 2006, there was a change in accounting policies relating to the presentation of project receivables and project liabilities. Since 2006, a work-in-progress method has been used for the presentation of projects. The balance of the projects in progress consists of project subsidies realized as income until the balance sheet date based upon the progress of projects and project costs incurred, and advance payments received from donors until the balance sheet date. When calculating project subsidies realized, account is taken of losses resulting from budget overruns, non-subsidizable costs and uncovered co-funding liabilities. Depending upon the progress of the project and the extent to which the donor has made advance payments, there will be a receivable from, or an amount payable to, a donor. The individual position of each donor is explained in the notes.

### Presentation

Where necessary, the comparable figures have been restated in accordance with the new Guideline 650 for Fundraising Institutions.

### Foreign currencies

Transactions denominated in foreign currencies are translated into euros at the monthly exchange rate of the European Central Bank (ECB) prevailing on the transaction date. At the end of the financial year, all assets and liabilities in foreign currencies are translated into euros at the exchange rate of the ECB on the balance sheet date. The resulting exchange rate gains/losses are included in the statement of income and expenditure.

### Assets

The assets shown on the balance sheet are held for the purpose of the activities of the stichting (organization).

### Intangible fixed assets

The tangible fixed assets are stated at cost less depreciation. Depreciation is calculated at fixed percentages of the cost based upon the useful life. The following rates of depreciation are used:

ERP system	20.0% per annum
Computer software	33.3% per annum

### Tangible fixed assets

The tangible fixed assets are stated at cost less depreciation. Depreciation is calculated at fixed percentages of the cost based upon the useful life. The following rates of depreciation are used:

Office furniture	14.3% per annum
Office equipment	20.0% per annum
Computer hardware	33.3% per annum

### **Debtors**

Of the debtors, prepaid expenses are held because they are required to carry on the activities of the organization, and other debtors are held for direct use in furtherance of the objects. Debtors are shown at fair value. If necessary, a provision for bad and doubtful debts is deducted.

### **Reserves and funds**

The organization's reserves are used for its objects. The organization was set up to spend funds in accordance with their designated purpose. To ensure the continuity of the organization, it considers that the surplus achieved should be designated as the continuity reserve. The amount of this reserve is determined in accordance with the guideline of the VFI (Association of Fundraising Organizations) that permits a maximum reserve of 1.5 times the costs of the operating organization. On this basis, it has been decided that there should be a continuity reserve of €1.6m. This has been determined based on the average costs of the operating organization in 2007 and 2008.

### **Expenditure on objects**

The expenditure on the objects must be at least 90% of the total available for the objects. This percentage is based upon the average expenditure on the objects for 2007 and 2008.

### **Costs of fundraising**

The costs of fundraising must not exceed 25% of the total income from fundraising, based on the CBF requirement. As of 2010, subsidies from non-governments are classified in the Statement of Income and Expenditure, and not as part of income from own fundraising. The comparative figures for 2009 have been restated accordingly.

### **Administrative costs of the organization**

The administrative costs of fundraising, awareness raising and public information, and those of reconstruction and development are calculated based upon the allocatable number of full-time employees at the head office. The other, non-allocatable staff costs are apportioned in proportion to allocatable costs.

### **Management and administration costs**

This represents expenditure on managing the organization. In 2009 these costs were calculated based on the guidance of the RJ650, the comparative figures have been adjusted as well. The costs of the human resources department and general administration, and 95% of board costs are included here. The costs of the operational department are considered to be administrative expenses of 20%, and that rate is included in management and administration costs. Costs are calculated on the basis of assignable units by category. HealthNet TPO aims to have the management and administration costs for a period of three years averaged over 6% of the total costs spent on objects.

## NOTES TO BALANCE SHEETS

### 1 Intangible fixed assets

	Computer Software	ERP System	Total
<b>Cost</b>			
Balance 1 January	-	94.630	94.630
Investment	19.558	327.273	346.830
Divestment	-	-	-
	<hr/>	<hr/>	<hr/>
Balance 31 December	19.558	421.903	441.460
<b>Depreciation</b>			
Balance 1 January	-	-	-
Depreciation	3.260	56.221	59.480
Disposables	-	-	-
	<hr/>	<hr/>	<hr/>
Balance 31 December	3.260	56.221	59.480
<b>Net book value</b>			
Balance 31 December	<u>16.298</u>	<u>365.682</u>	<u>381.980</u>

In 2009, an investment was made for the implementation and development of a new financial system which was put into use on 1 January 2010. Investments in 2010 were primarily in consultants and software for customizing and further testing the system.

## 2 Tangible fixed assets

	Furniture	Equipment	Computers	Total
<b>Cost</b>				
Balance 1 January	51.910	81.368	39.495	172.773
Investments	9.472	2.223	24.464	36.159
Divestment	-	-	-	-
Balance 31 December	61.382	83.591	63.959	208.933
<b>Depreciation</b>				
Balance January 1st	49.770	70.315	22.882	142.968
Depreciation	1.892	7.733	10.663	20.287
Disposals	-	-	-	-
Balance December 31st	51.662	78.048	33.545	163.255
<b>Net Book Value</b>				
Balance December 31st	<b>9.720</b>	<b>5.543</b>	<b>30.414</b>	<b>45.677</b>

In 2010, investments were made for new office chairs for all employees at the Amsterdam office, copier, software licenses and the purchase of computers (both desktops and laptops). There were no disposals made from partially depreciated assets.

## 3 Debtors

	2010	2009
Prepaid Expenses	69,667	123,086
Other Debtors	<u>656,296</u>	<u>423,346</u>
Balance December 31st	<b><u>725,963</u></b>	<b><u>546,432</u></b>

Prepaid expenses include office rent in Amsterdam for the first quarter of 2011, social security premiums and personnel commuting costs for 2011.

Other receivables include advances paid to sub-contractors in Afghanistan and claims relating to pre-funded projects.

#### 4 Cash at bank and in hand

	2010	2009
Cash at bank and in hand in Amsterdam	420.628	1.813.815
Cash at bank and in hand in project countries	<u>1.606.793</u>	<u>9.435.605</u>
Balance 31 December	<u><b>2.027.421</b></u>	<u><b>11.249.420</b></u>

Of the cash at bank and in hand, the cash/bank in Amsterdam is held as it is required to carry on the activities of the organization, and cash/bank in project countries is held for direct application in furtherance of the objects.

The balance of cash/bank project countries comprises advances paid by donors. Of the total amount, EUR 1.1 million is prepaid in Afghanistan.

The cash is disposable up to an amount of €23,677. This minimum balance is security for future rental commitments.

#### 5 Reserves

<b>Continuity reserve</b>	<b>2010</b>	<b>2009</b>
Balance 1 January	113.076	261.274
Appropriation of Surplus/Deficit	<u>312.228</u>	<u>(148.198)</u>
Balance 31 December	<u><b>425.305</b></u>	<u><b>113.076</b></u>

<b>Restricted reserves</b>	<b>2010</b>	<b>2009</b>
Balance 1 January	-	-
Appropriation of Surplus/Deficit	<u>33.773</u>	<u>-</u>
Balance 31 December	<u><b>33.773</b></u>	<u><b>-</b></u>

<b>Total reserves</b>	<b>2010</b>	<b>2009</b>
Balance 1 January	113.076	261.274
Appropriation of Surplus/Deficit	<u>346.001</u>	<u>(148.198)</u>
	<u><b>459.078</b></u>	<u><b>113.076</b></u>

An amount of €33,373 been added to the reserve. This includes the proceeds from the guesthouse in Afghanistan and a contribution received for clinics in Afghanistan for which a destination will be designated in 2011.

## 6 Funds

<b>Restricted funds</b>	<b>2010</b>	<b>2009</b>
Balance 1 January	-	321.344
Appropriation of Surplus/Deficit	<u>-</u>	<u>(321.344)</u>
Balance 31 December	<u>-</u>	<u>-</u>

## 7 Work in progress

	2010	2009
Balance 1 January	11.277.434	814.515
Project subsidies received from donors	13.782.173	22.202.727
Expended project subsidies	(27.687.530)	(12.113.353)
Repayable project subsidies	(93.061)	373.545
	<u>(2.720.984)</u>	<u>11.277.434</u>
Balance 31 December	<u>(2.720.984)</u>	<u>11.277.434</u>

Since 2006, the work-in-progress methods has been used, thereby providing a realistic picture of the projects in the course of completion and the corresponding subsidy that is receivable or repayable. The balance at 31 December 2010 is an amount receivable from donors which was fully received by the end of February 2011.

Analysis of work in progress by donor	2010	2009
Achmea	-	31.463
BSF	(373.345)	-
Caritas	-	(4.187)
COA	464.756	-
Cordaid	(79.908)	(31.402)
Dutch Ministry of Foreign Affairs	(649.186)	596.064
Dutch Ministry of Health	-	(987)
Dutch Ministry of Justice	(464.756)	(48.314)
European Commission	(2.674.601)	285.507
Gavi	4.008	21.128
Global Fund	954.668	9.698.136
ICCO	-	256.680
LSHTM	92.814	-
PLAN incl Pakistan	(75.705)	5.802
PSO	25.813	170.447
Save the Children	5.298	-
St. Dijkverzwareing/Liberty	-	9.366
United Nations organizations	54.424	-
USAID	(427.864)	(228.393)
War Child	(28.924)	60.000
World Bank	286.905	-
Zorg en Zekerheid	29.326	46.534
Other Donors	135.293	409.590
	<u>(2.720.984)</u>	<u>11.277.434</u>
Balance December 31st	<u>(2.720.984)</u>	<u>11.277.434</u>

Other donors include Care, CNLS, Cogis, LSHTM.

## 8 Other current liabilities

	2010	2009
Creditors	4.980.246	223.724
Provision for holiday allowance and holiday	180.092	140.115
Costs payable in project countries	208.950	-
Payable personnel costs	2.067	9.104
Payable payroll tax	46.263	41.481
Payable social security contributions	18.312	2.020
Other costs payable	7.019	113.334
	<u>5.442.948</u>	<u>529.778</u>
Balance 31 December		

Creditors are invoices payable to consultants, suppliers and others. This includes €4,356,000 for mosquito nets in Afghanistan, €321,000 for drug purchases for projects in Afghanistan and €75,000 for consultants at head office. This was not in the balance sheet at 31 December 2009.

With the increase in the number of employees at the Amsterdam office from 31 employees to 39 employees between 31 December 2009 and 31 December 2010, provisions for holiday and vacation days have increased.

Accrued expenses in project countries consist of outstanding payments due to termination of contracts and salary taxes. The item 'Other costs payable' includes insurance premiums and pensions.

## 9 Assets and liabilities not shown on Balance Sheet

The total lease commitment of the Amsterdam office is €142,061, of which €120,000 relates to rent and €22,061 to service charges. Of this, €94,708 is payable within one year. The lease expires on 30 June 2012 and will not be renewed. A bank guarantee of €23,677 has been issued with regard to this commitment.

A loan agreement has been signed with Rabobank Leiden for a maximum facility of €2,000,000. This is secured by a pledge over equipment and debtors. In 2010 HealthNet TPO made use of this credit facility once and it was repaid within one week.

The pension scheme of HealthNet TPO is actually a defined benefit pension scheme (average earnings scheme), which is administered by Centraal Beheer. It has been decided to take advantage of the exemption in the Annual Reporting Guidelines to account for this scheme as if it were a defined contribution scheme, which means that only the contribution payable is included in the profit and loss account. As a result, all of the positive or negative risks associated with this pension scheme are not stated in the balance sheet.

A number of EU projects are subject to an own-contribution or co-funding requirement. This is included in the figures at the end of 2010 either as a contribution from the local population, or as a post-project surplus/deficit. It is not known how these projects will progress in 2011 and beyond, and they may involve risks but also positive results if co-funding is found.

## NOTES TO INCOME STATEMENT

### 10 Income from fundraising

	2010	Budget 2010	2009
Donations and gifts	(66.032)	130.000	437.047
<i>Subtotal income from fundraising</i>	<i>(66.032)</i>	<i>130.000</i>	<i>437.047</i>
Sale of goods	2.063	-	6.597
Local project income	46.465	-	75.174
<i>Subtotal local income</i>	<i>48.528</i>	<i>-</i>	<i>81.771</i>
Total income from fundraising	<b><u>(17.504)</u></b>	<b><u>130.000</u></b>	<b><u>518.818</u></b>

A sum of €75,000 to support the War Trauma programme was agreed in 2008. This was withdrawn in 2010. The budgeted support of €75,000 in 2010 was also cancelled. The result is below budget due to the deteriorating financial climate that began in late 2008. The creation of a Marketing, Communications & Fundraising department in the second quarter of 2010, did not lead to new fundraising revenue in 2010.

Sold goods represent inventory of projects in Afghanistan, Pakistan and Uganda. Local project income consists of contributions from beneficiaries for services supplied (medicines, consultations in Afghanistan) and mosquito nets in Afghanistan.

## 11 Non-government project income

Per donor	2010	Budget 2010	2009
BSF	369.249	-	-
Care	23.575	-	-
Caritas	-	-	32.719
Cordaid	263.100	256.147	-
LSHTM	4.306	-	-
Microdis	58.677	10.000	69.921
PLAN incl Pakistan	183.290	74.013	71.496
Save the Children	18.149	-	34.645
St. Dijkverzwareing/Liberty	-	-	258.641
War Child	124.352	90.044	11.296
World Bank	396.161	1.103.448	90.544
WTF	-	-	(22.661)
Zorg & Zekerheid	15.643	286.680	49.049
Other Donors	332.756	-	237.424
Subtotal non-government project income	<b>1.789.258</b>	<b>1.820.332</b>	<b>833.074</b>
Non-government coverage of indirect costs	70.134	85.503	48.229
Total non-government subsidies	<b>1.859.392</b>	<b>1.905.835</b>	<b>881.303</b>

Other donors include Cogis, ILO/IPEC and local donors in the project countries.

In 2010, two new projects were agreed with the BSF in southern Sudan which were not included in the 2010 budget.

## 12 Government subsidies

Per donor	2010	Budget 2010	2009
Afghan Ministry of Health	(986)	-	402.313
Dutch Ministry of Foreign Affairs	3.302.966	3.239.748	2.825.139
Dutch Ministry of Justice	193.190	1.233.184	380.732
European Commission	6.695.300	7.101.084	3.854.772
ECHO	-	-	87.263
Gavi	446.555	341.865	191.322
Global Fund	8.212.701	10.603.346	2.249.716
PSO	915.705	983.501	417.620
USAID	2.891.501	3.299.273	573.207
United Nations organizations	423.510	202.710	285.528
WHO	134.511	258.430	-
Other Governments	303.181	-	136.520
Subtotal of project income from government	<b>23.518.134</b>	<b>27.263.141</b>	<b>11.404.132</b>
Government coverage of indirect costs	2.067.134	1.991.846	709.221
Total government subsidies	<b>25.585.267</b>	<b>29.254.987</b>	<b>12.113.353</b>

Governments include the European Union, similar international institutions, government institutions or public bodies.

## 13 Other income/(expenditure)

	2010	Budget 2010	2009
Interest income/(expenditure)	17.025	(20.000)	(8.358)
Exchange rate gains/(losses)	325.109	(50.000)	125.533
Other income/(expenditure)	10.600	5.000	12.746
Total other income/(expenditure)	<b>352.735</b>	<b>(65.000)</b>	<b>129.921</b>

Other income/(expenditure) represents income and expenses that could not be allocated to the organization's normal activities.

## 14 Reconstruction and development

Per cost category	2010	Budget 2010	2009
International support	1.554.821	1.369.943	1.116.160
Local support	8.106.534	6.640.097	4.597.885
Project office costs	1.403.002	3.601.130	933.931
Transport	1.785.822	971.778	1.029.537
Training and education	1.369.651	2.201.387	823.243
Medical and other goods	10.439.384	11.382.168	3.077.538
Revaluations	198.067	-	148.528
Consultancies	321.510	396.290	304.006
Administrative costs of local NGOs	713.344	2.785.027	707.451
Post-project (income)/expenditure	24.698	293.478	176.330
<i>Total costs of activities in furtherance of object</i>	<i>25.916.833</i>	<i>29.641.298</i>	<i>12.914.609</i>
Allocated organizational costs (see note 17)	(319.457)	(887.942)	(268.070)
Total expenditure relating to reconstruction and development object	<b>25.597.376</b>	<b>28.753.356</b>	<b>12.646.539</b>

Per project country	2010	Budget 2010	2009
Afghanistan	19.144.793	23.506.466	7.948.486
Burundi	1.908.355	1.361.864	1.225.710
Cambodia	208.512	232.706	88.053
Democratic Republic of Congo	1.386.046	1.238.946	1.016.459
Eritrea	2.500	-	40.674
Indonesia	-	-	55
The Netherlands	955.203	1.619.958	607.468
Nepal	9.123	7.070	51.044
Pakistan	293.808	220.628	322.883
Romania	34.128	6.764	257.144
Rwanda	192.209	163.999	167.576
Somaliland	4.873	-	3.230
Sri Lanka	15.686	25.535	49.049
South Sudan	1.739.998	1.159.362	1.107.687
East Timor	-	-	10.235-
Other Countries	21.598	98.000	39.327
	<i>25.916.833</i>	<i>29.641.298</i>	<i>12.914.609</i>
Allocated organizational costs (see note 17)	(319.457)	(887.942)	(268.070)

Total costs of activities relating to the object **25.597.376** **28.753.356** **12.646.539**

There is again an increase of MoH staff in Afghanistan. Addition of implementation cost to projects provides greater insight into project costs. Local NGOs will be hired to implement activities. In 2010, fewer mosquito nets were ordered than budgeted.

New project activities in southern Sudan have led to an increase in spending in that country. Activities in the Netherlands were below budget due to the project for voluntary return to country of origin of immigrants. Far fewer immigrants have returned to their country of origin than was expected at the start of the project.

## 15 Awareness-raising and public information

	2010	Budget 2010	2009
Website	2.469	10.000	6.611
Seminar	-	5.000	4.413
Own activities	25.390	-	30.448
<i>Total costs of activities in furtherance of object</i>	<i>27.859</i>	<i>15.000</i>	<i>41.472</i>
Allocated organizational costs (see note 17)	249.480	166.456	66.956
Total expenditure in furtherance of awareness raising and public information object	<b>277.338</b>	<b>181.456</b>	<b>108.428</b>

Costs of carrying out activities relating to awareness-raising and public information.

## 16 Fundraising costs

	2010	Budget 2010	2009
Advertisements	2.719	12.000	2.664
Other fundraising costs	1.097	-	7.726
<i>Total costs of activities relating to fundraising</i>	<i>3.816</i>	<i>12.000</i>	<i>10.390</i>
Allocated organizational costs (see note 17)	82.616	92.117	36.668
Total costs of fundraising	<b>86.432</b>	<b>104.117</b>	<b>47.058</b>
<i>Costs of fundraising as a percentage of fundraising income</i>	<i>-493.8%</i>	<i>80.1%</i>	<i>9.1%</i>

As of 2010, grants from non-governments are classified as such and not as part of income from own fundraising. This means that fundraising costs as a percentage of income is -494% in 2010. This is because the benefits are negative. The comparative 2009 figures are also adjusted.

It is expected that the work of the Marketing, Communications & Fundraising department in 2011 will result in increasing un-earmarked revenue for indirect costs.

## 17 Analysis of administrative costs by purpose

OBJECT									
COSTS	Reconstruction and development	Awareness raising and public information	Total in furtherance of object	Fund-raising	Acquisition of government subsidies	Management and administration	Actual 2010	Budget 2010	Actual 2009
Average no. of FTEs	116	18	13.4	0.9	2.5	14.0	30.9	34.6	27.9
Subsidies and costs of activities	25,916,833	27,859	25,944,691	3,816	-	-	25,948,507	29,661,298	12,966,471
Salaries, pension costs, and social security contributions	715,895	211,634	927,529	65,558	176,210	970,888	2,140,185	2,152,148	1,517,702
Other staff costs	49,933	14,519	64,452	6,349	17,065	119,398	207,264	92,064	77,179
Premises costs	45,827	7,130	52,957	3,743	10,061	55,432	122,193	112,206	108,888
Office costs	47,170	7,610	54,781	3,872	10,407	57,341	126,401	58,421	62,387
Other general expenses	35,180	8,587	43,767	3,093	10,129	45,813	102,801	91,985	115,112
<b>Subtotal of administrative costs</b>	<b>894,005</b>	<b>249,480</b>	<b>1,143,485</b>	<b>82,616</b>	<b>223,871</b>	<b>1,248,872</b>	<b>2,698,844</b>	<b>2,506,824</b>	<b>1,881,268</b>
Recovered staff costs	(1213,462)		(1213,462)				(1213,462)	(1,161,227)	(734,802)
Total allocated organizational costs	(319,457)	249,480	(69,978)	82,616	223,871	1,248,872	1,485,381	1,345,597	1,146,466
<b>Total</b>	<b>25,597,376</b>	<b>277,338</b>	<b>25,874,714</b>	<b>86,432</b>	<b>223,871</b>	<b>1,248,872</b>	<b>27,433,888</b>	<b>31,006,895</b>	<b>14,112,938</b>
<i>As % of total spent on furtherance of object</i>				0.3%	0.9%	4.8%			
<b>Note: Coverage of indirect costs</b>							<b>2,137,268</b>	<b>2,077,349</b>	<b>757,450</b>
<i>As a % of total administrative costs</i>							144%	154%	66%

In 2010, the organization proved to be capable of allocating more than the total administrative costs relating to reconstruction and development, to projects. The allocated budget for management and administration are calculated in accordance with the RJ650 guidelines. Please refer to the 'Notes to the Financial Statement' for more details. Coverage of indirect costs is the payment received by HealthNet TPO to cover overhead costs. In 2010 this coverage was 8.4% of the total project income.

## OTHER INFORMATION

	2010	2009
<b>Expenditure in furtherance of object by region</b>		
Asia	76%	65%
Africa	20%	28%
Europe	4%	7%

<b>Personnel</b>		
Number of FTEs at head office at 31 December	34.0	28.9
Number of volunteers during the year	-	3
Number of interns during the year	-	2
Labour costs per FTE at head office	70.706	55.186
Equipment costs per FTE at head office	10.584	9.910

In 2010, there were no volunteers working at head office.

<b>Recovered staff costs</b>		
The costs of head office personnel deployed to support projects is charged at a fixed daily rate.		
Senior staff	875	875
Middle Management	520	520
Junior staff	340	340

**Board**  
Board members are not employed by the organization. They and former board members received no remuneration during the financial year. Since 2010, they are only reimbursed travel expenses incurred to attend board meetings. No loans or advances were made and no guarantees were issued to board members.

<b>Director's office</b>		
Salary incl. holiday allowance	90,392	85,794
Social security	7,104	6,828
Pension costs	9,101	9,101

The comparative figures for 2009 have been restated because the employer portion of social security was not included.

The director's office is formed by the executive director and is a full-time position. His full-time contract is for an indefinite period based on a 40-hour working week. HealthNet TPO does not operate the practice of offering bonuses, end-of-year bonuses or gratuities. Costs are refunded on an expense-claim basis. The annual income of management remains within the limit set by the VFI of €140,046.

<b>Key ratios</b>		
Solvency	14.4%	0.9%
Liquidity	1.0	1.0
Return on equity	75.4%	-415.2%

### INDEPENDENT AUDITOR'S REPORT

To: the Board of HealthNet TPO, Amsterdam.

We have audited the accompanying financial statements of HealthNet TPO, Amsterdam, which comprise the balance sheet as at 31 December 2010, the profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

#### *Management's responsibility*

Management is responsible for the preparation and fair presentation of these financial statements and for the preparation of the management board report, both in accordance with the Guidelines for annual reporting of the Dutch Accounting Standards Board, especially Guideline 650 "Fundraising Institutions". Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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#### VENNOTEN

drs. A.P. Buteijn  
drs. J.J.M. Huijbregts  
M. Karman  
C. Offerman  
J.J.H.G. Stenjs  
drs. G. Visser

#### MEDEWERKERS-REGISTERACCOUNTANT

M. Belkadi  
drs. P.A.J.M. Bonants  
drs. R.W.J. Bruinooge  
drs. J.P. Walter

SENIOR ORGANISATIEADVISEUR  
drs. P.W.A. Kasteleyn, RC

# dubois & co

REGISTERACCOUNTANTS

*Opinion with respect to the financial statements*

In our opinion, the financial statements give a true and fair view of the financial position of HealthNet TPO, Amsterdam as at 31 December 2010 and of its result for the year then ended in accordance with the Guidelines for annual reporting of the Dutch Accounting Standards Board, especially Guideline 650 "Fundraising Institutions".

Amsterdam, 30 May 2011

Dubois & Co. Registeraccountants

Signed on original:  
M. Karman