RORC Rafiki Orthopaedic and Rehabilitation Centre

Mobilising Africa

Financial statements of Stichting Rafiki Orthopaedic Foundation for the year ended December 31, 2019.

April 27th, 2020

Table of contents

1. Company balance sheet as at 31 December 2019

(after proposed profit appropriation)

Assets

		2019		2018
Financial fixed assets				
Investment	€	*857.851*	€	*857.851*
Current assets				
Other current assets and accrued income	€	*4.930*	€	*4.930*
Cash and cashequivalents	€	*679*	€	*631*
Total assets	**€**	***863.460***	**€**	***863.412***

Liabilities and reserves

		2019		2018
Reserves				
Other reserves	€	*227.217*	€	*228.568*
Loan	€	*603.832*	€	*603.832*
Other current liabilities	€	*32.411*	€	*31.013*
Total liabilities	**€**	***863.460***	**€**	***863.413***

2. Profit and loss account for the year ended 31 December 2019

		2019		2018
Income				
Donations	€	-	€	-
Interest income	€	-	€	-
Result foreign exchange	€	-	€	-
Total income	**€**	**-**	**€**	**-**
Expenses				
Other expenses	€	*1.351*	€	*146*
Accountancy fees	€	-	€	-
Legal expenses	€	-	€	-
Total expenses	**€**	***1.351***	**€**	***146***
Total results		***(1351)***		***(146)***

3. Company and group activities

Stichting Rafiki Orthopaedic Foundation (ROF) was established on June 13th 2006 to extend orthopaedic services in the developing countries of Eastern Africa in general and Kenya in particular. The foundation's objectives are:

1. Providing first-rate orthopaedic medical care in Eastern Africa in general and Kenya in particular.
2. The promotion of the development of expertise in the area of orthopaedic medicine.
3. The performance of any and all further such acts as are related to the above or may be conductive thereto, in the broadest possible sense.

The foundation will achieve its goals in close cooperation with organisations, institutions and professionals in the USA, Ireland, Great Britain and The Netherlands. The realisation of the goals will be obtained with the consent and the support of the Health authorities. To this end the Non-Government Organisation RORC and Rafiki Limited have been established in Kenya.

ROF awaits the fulfilment of the change of user procedure for the land title for building Plot I.R. no. 5798/1 in Karen, Langata area, Nairobi, Kenya. Rafiki Limited will issue 4,998 of its shares (99,96%) in 2011 to ROF on completion of this procedure. A resolution that was signed on June 20th 2011 effectuates the 99,96% ownership of ROF in Rafiki Limited per date of the payment of the purchase price of the land.

4. Accounting policies used for the company financial statements

General

The financial statements have been prepared under the historical cost convention. Assets and liabilities are stated at their nominal value, unless indicated otherwise.

Foreign currency translation

Assets and liabilities denominated in foreign currencies, except for financial fixed assets, which are translated at the historical exchange rate, are translated into Euro (EUR) at the relevant rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated at the exchange rate in effect at the time of the transaction. The exchange and translation differences are taken to the income statement.

Fixed assets in use by the foundation

Fixed assets in use by the foundation are carried at the cost or production (less any investment grants) net of accumulated depreciation and accumulated impairment losses.
Depreciation is calculated on a straight-line basis over their expected useful economic lives, taking into account their residual value. Changes in the expected depreciation method, useful life and/or residual value over time are treated as changes in accounting estimates.

Investments

Participating interests over whose financial and operating policies the group exercises significant influence are valued the net asset value method.

Receivables
Receivables are carried at face value net of a provision for doubtful debts where necessary.

Cash at bank in hand
Cash at bank and in hand are carried at face value.

Current liabilities
Current liabilities are carried at face value.

Income and expense
Income and expense are recognized as they are earned or incurred, and are recorded in the financial statements of the period to which they relate. Donations are recorded in the financial statements of the period in which they are received.

Interest
Interest is allocated to successive financial reporting periods in proportion to the outstanding principal.

Workforce
Rafiki Orthopaedic Foundation has no staff employed.

5. Notes to the balance sheet

Other financial assets

Rafiki Limited acquired land in 2008 for an amount of EUR 857,851 including transaction cost. Stichting Rafiki Orthopeadic Centre has funded this transaction in 2008. In 2011 Stichting Rafiki Orthopeadic Centre transferred EUR 857,851 to Rafiki Limited as consideration for the purchase of 4,998 shares (99,96%) in the capital of Rafiki Limited.

Cash and cash equivalents

		2019		2018
ABN AMRO account EUR	€	*-10*	€	*-59*
ABN AMRO account USD	€	*464*	€	*464*
ABN AMRO longterm deposit EUR	€	*225*	€	*225*
Total	**€**	***679***	**€**	***630***

Other reserves

		2019		2018
Balance as at january 1st	€	*229.978*	€	*228.714*
Result for the year	€	*-1.351*	€	*-146*
Balance as at December 31st	**€**	***228.627***	**€**	***228.568***

Loan

		2019		2018
Balance as at January 1st	€	603.832	€	603.832
Provided loan	€	-	€	-
Repayment	€	-	€	-
Balance as at December 31st	**€**	**603.832**	**€**	**603.832**

Loan

The loan was granted to Stichting Rafiki Orthopaedic Foundation on 18 December 2007 for a period of 5 years. With effect from 2007, annually an amount of € 200,000 will be donated to Stichting Rafiki Orthopaedic Foundation. The first two terms in 2007 and 2008 amounts to € 400,000 are definitely a donation. An amount of € 600,000 will be a conditional gift. This amount would be considered a gift conditional to the fact that the hospital actually will be build. In case of cancellation of the project the amount should be considered a non interest bearing loan with retrospective effect. In 2009 and 2010 respectively the third and fourth release (out of five) of each € 200,000 re the € 1,000,000 loan from the late Cornelis van Ginneken are not stated in the financial year 2009 and 2010; because further releases will not be done until actual construction of Rafiki Orthopaedic Rehabilitation Centre has started.

During the fiscal year 2016 a loan of € 3.832 was provided by Mr. Kluft. It is a loan for a period of 5 years.

Other current liabilities

		2019		2018
Architect expenses	€	*6.735*	€	*6.735*
Auditor fee	€	*725*	€	*725*
Legal expenses	€	*1.399*	€	*-*
Website support	€	*-*	€	*-*
Management support	€	*23.552*	€	*23.553*
Total	**€**	***32.411***	**€**	***31.013***

Arrangements not shown in the balance sheet

A payment of USD 25,000 to the Quantity Surveyor in Kenya is a fixed fee, agreed upon with the Quantity Surveyor and all other Rafiki participants in a meeting of October 2010 in Nairobi. It was also decided and agreed upon that further payments will not be done until actual construction of Rafiki Orthopaedic Rehabilitation Centre has started. Further payments should be subject to Kenya Law and the articles in the contract with the architect (Lexicon Designs Limited) and in full agreement with all the parties involved (Lexicon Designs Limited, Quantity Surveyor, Rafiki Limited and Stichting Rafiki Orthopaedic Foundation), before the implementation of further services. Please note Stichting Rafiki Orthopaedic Foundation Board interpreted the Quantity Surveyor's fees fall under the responsibility of Lexicon Designs Limited according the contract with the architect.

There are no contractual obligations with other third parties until building process starts.

6. Notes to the profit and loss account

Donations

No donations were received during the financial year.

Interest income

The interest income is related to ABN AMRO accounts in Euro and US Dollar.

Result foreign exchange

Transactions in foreign currencies are translated at the exchange rate in effect at the time of the transaction. The exchange and translation differences 2015 are taken to the income statement.

Other expenses

This relates in particular to office expenses en website support.

Going concern

The liquidity of the foundation has been a matter of concern, including the need for working capital. Before the end of 2015, ROF aims to have found enough partnerships to start the wished-for activities. From the second quarter 2011 onwards, both the Board and the team in Kenya have intensified discussions with several potential grant givers and investors. The Board has built close relationships with a number of high-level advisers that will be of great support. Although this has not resulted in definite financial commitments, the potential grant givers and investors have a positive attitude towards the plans and the Board is confident that this will result in partnerships soon. Consequently the financial statements have been prepared under the going concern assumption. A more detailed description is given in the directors' report in this financial statement for the status of fundraising, partnerships, project management en the future outlook.

7. Other information

No requirement to issue an auditors' report

Under Section 396 (7) Book 2 of the Netherlands Civil Code, the company is exempt from the obligation to have the financial statements audited by an auditor. Consequently, no audit has been requested and therefore no auditors' report has been issued.

Articles of Association provisions governing profit appropriation

The Articles of Association do not govern profit appropriation, therefore profit is appropriated in accordance with Article 13 which states that the Board decides on all matters that are not governed by the Articles of Association. The Board of Management has decided for the profit to be added to reserves.

Events after the balance sheet date

No significant events have occurred since balance sheet date other than explained in the Directors' report 2019.