

Annual Accounts 2018

Dr. Denis Mukwege Foundation
at The Hague

date 4 July 2019
reference 19-536/SR

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Amsterdam, 4 JUL 2019

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Board Report

Mission and Vision

Armies, rebel groups and terrorist organisations worldwide use rape as a tactic of warfare. Large-scale sexual violence has devastating consequences for millions of individuals and their communities.

Together with world-renowned gynaecologist, human rights activist and Nobel Peace laureate Dr Denis Mukwege, we work side by side with survivors to end conflict-related sexual violence.

We envision a future where survivors worldwide receive the holistic care they need and obtain reparations; where they have the freedom to speak out and to organise globally to end wartime sexual violence.

Accountability

All powers and responsibilities of the Mukwege Foundation are vested in the Board, the decision-making body in the foundation. The Director is responsible for the day-to-day management of the organisation. Our governance principles are described in our statutes and internal procedures. These documents state, among other things, which decisions require the Board's approval and which responsibilities are delegated to the Director.

Monitoring progress

The Mukwege Foundation's activities are based on a multi-year strategic plan, which is further detailed in annual plans and budgets that are approved by the Board. The objectives of our organisation are divided into five programmes:

- 1) Advancing Justice and Accountability
- 2) Promoting Holistic Care for Survivors
- 3) Campaigning and Advocacy
- 4) Connecting Survivors
- 5) Supporting Panzi DRC

We seek to acquire funding to implement projects in each area. Monitoring progress towards realisation of our goals is done within these projects according to donor requirements.

The Board monitors organisational progress via quarterly meetings and quarterly financial income and expenditure reports.

Recruitment

Board members are recruited based on their network and knowledge in fields such as fundraising, financial management, and NGO management. In 2018, Marieke van Schaik joined the Board as chair.

Board composition 2018

Marieke van Schaik

Chair

Profession: Director of The Netherlands Red Cross

Additional functions: Board member of the Foundation Centre in New York, member of the Advisory Council of The Elders Foundation and the Roosevelt Foundation

Wim Jacobs

Treasurer

Profession: Advisor Stichting Doen

Additional functions: Member Board of Tendris; Start Green Sustainable Innovation Fund and Start Green Consumer Product Fund. Director Gray Ghost Doen Fund

Ron Thiemann

Secretary

Profession: Director Deltares

Additional functions: Board member Netherlands Water Partnership (NWP), Board member Stichting Zero Impact Plastics, member Board CE Delft

Julie Verhaar

Board member

Profession: Senior Director Fundraising & Engagement at Amnesty International

Additional functions: Chair of the Steering Group of the International Fundraising Leadership Forum (IFL Forum), Panel member of the International Fundraising Conference (IFC) with the Resource Alliance

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In 2019 the Board will further expand to reflect the diverse and international character of the work of the organisation.

Board activities in 2018

In 2018 the Board convened four times, and Board members devoted significant time to supporting the Director in planning and managing growth of the organisation, especially after the announcement that Dr. Mukwege had won the Nobel Peace Prize. The Board members and Director met and consulted many times with Dr Mukwege to jointly determine strategic direction.

Remuneration

Board members are not remunerated but may claim compensation for reasonable expenses. In 2018 this has not been the case.

Main achievements and the way forward

The Board is pleased with the organisational developments and achievements in 2018. This past year has brought forth several notable achievements of which we are immensely proud. This includes of course the award of the Nobel Peace Prize to Dr. Mukwege and Nadia Murad, a truly historic milestone in the fight against rape as a weapon of war worldwide.

Furthermore, the Board is pleased with the organisation’s progress in supporting and expanding the Global Survivor Network, which now includes 20 countries, and encouraged to see the progress in advocating for setting up an international reparations fund for survivors.

As we move forward in 2019 and beyond, we will continue to show determination in raising a unified voice, together with survivors, Dr Mukwege and Panzi staff, to draw a red line against rape as a weapon of war.

Interaction with stakeholders

Through our communications, we stimulate our stakeholders to “stand with survivors” as allies, to help raise awareness of the scope of the problem, and advocate for change.

This table provides a summary of our key stakeholders and how we interact with them.

Stakeholders	Interaction
Institutional donors, lotteries and foundations	Regular progress reports (both narrative and financial) as stipulated in contracts, evaluation meetings
Individual donors	Regular updates through our website, newsletter and social media channels
Governments	Advocacy meetings (often with survivors), convenings
General public	Campaigns, articles in various media
Survivors and their networks	Regular meetings, internal platforms
Employees, interns and volunteers	Annual retreat for strategic planning, regular staff meetings, development of individual work plans, progress evaluation meetings

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Financial Management

Income

2018 was a successful year for the Mukwege Foundation. Being a young organisation, it was difficult to predict growth, and we are pleased to see it went as estimated. The total income of €2,225,220 was in line with our projected income, and significantly higher than our income in 2017 (€1,075,659). In total, our annual income increased with €1,149,561 compared to last year.

This difference is largely the result of an increased number of grants received from other non-profit organisations, and the awarding of an extra project by the Dutch Postcode Lottery to strengthen the Global Survivor Network. In addition, the income raised from individual donors was also higher than in 2017 (an increase from €84,461 to €231,277 in 2018), with a significant spike in donations around the time of the announcement and awarding of the Nobel Peace Prize to Dr. Mukwege and Nadia Murad.

Expenditures

We are pleased to confirm that the increase in income meant we were able to spend more than double on our organisational objectives: from €899,132 in 2017 to €1,987,757 in 2018, an increase of €1,088,625.

In 2016 and 2017, our first two years of existence, we made some small operational losses while investing in the growth of the organisation. We are pleased to announce that this year we managed to make up for these losses, and at the same time managed to start building up a continuity reserve, deemed crucial for the financial sustainability in the years to come.

Risks and assumptions

Being still a new organisation, initial success in fundraising cannot be taken for granted. In the coming years, we will need to diversify and expand our donor base, achieving a sound mix of core-funding and project funding, as well as a good balance between short-term projects and multi-annual projects. The projections for 2019 are good, but of course it remains to be seen whether we can sustain (managed) growth, and until what level, over the next five to ten years. To achieve financial sustainability, we will continue to build up our continuity reserve, invest in long-term relationships with our donors, and extra staff capacity to keep up with the projected growth.

Though income from individual donors was not our primary target, we were pleased to see how much this amount increased over the past year. Of course, we cannot underestimate the "Nobel peace prize effect", but it clearly shows that our cause is getting increased attention, and we will be intensifying our fundraising efforts in this regard by launching online campaigns. As income from individual donors is core-funding and as such provides more flexibility in spending, it is highly desirable to grow this income stream further.

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Spending on fundraising costs, and management and administration costs

The amounts and percentages spent on fundraising costs were in line with the budget. However, it is relatively low, about 2% of total expenditure. The reason is the fact that we are a starting organisation. In 2018, we have only slightly increased our fundraising capacity. In future, we expect this percentage to rise.

Costs for management and administration amount to about 5% of expenditure, which is a reduction of around 2% compared to last year. In future, we expect to be able to keep these costs at a level of 5-8% of expenditure.

This means that about 93% was spent on realising our organisational objectives. This is high, and of course we will strive to keep this percentage as high as we possibly can in future as well – without compromising on fundraising efforts and further professionalisation of operations to ensure financial sustainability in the long-term.

Financial policies and reserves

The Mukwege Foundation is currently in a relatively strong position until 2020 when regarding income from donors. However, when looking further ahead five to ten years, we will need to consolidate and expand this position and diversify our (multi-annual) funding base.

Reserves

The Mukwege Foundation will not invest its reserves. In 2018 we have started building up a continuity reserve, which will in the coming years arrive at a maximum of 1.5 times the operational costs of the organisation, as per the "Guideline Financial Management of Charities (Richtlijn Financieel Beheer Goede Doelen)". Currently, our continuity reserve is €99,184.

Designated Funds

We distinguish two types of designated funds: funds awarded to Dr. Mukwege personally, and funds awarded to the Foundation for specific projects. In both cases, the spending of the funds is subject to conditions of third parties. The Dr. Mukwege Fund has not changed in comparison with last year, and consists of the Seoul Peace Prize, a contribution of the Sasakawa Peace Foundation, and a contribution of the ASN bank, totalling €206,181. Its spending will only be decided by Dr. Mukwege.

The Foundation's designated project funds are subject to various conditions set by its respective donors, and usually concern funds received in advance for multi-annual projects that will be spent according to planned project activities.

In general, the Foundation has not enough reserves yet, as shown by its modest continuity reserve, which is in fact a risk - though completely understandable in a start-up phase. However, the building up of the continuity reserve has now started and will be further built up the coming years.

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Fundraising

In 2018, fundraising efforts were quite successful: while in 2017 we contracted new projects for a total value of around 2 million EUR, in 2018 this increased to almost 2.4 million EUR. This means that we were successful in both acquiring funds to continue the international activities of the Mukwege Foundation, and in providing support to Panzi Hospital and Foundation in DRC, as shown in the table below:

Funding acquired in 2018 - total budgets	Total budget	for Panzi	for MF	for others	Subject
Nederlandse Postcode Loterij	500,000	54,930	445,070		Core-funding 2018
Nederlandse Postcode Loterij - extra project	965,000		752,475	212,525	Global Survivor Movement - 2018/2020
Fondation Pierre Fabre (France)	446,000	446,000			Rural one-stop centre in Bulenga (2018-2020)
PMU (Sweden)	9,560	9,560			Panzi hospital
RLAF (Switzerland)	30,000	30,000			Panzi hospital
Etat de Geneve - SSI (Switzerland)	51,652	32,368	19,284		Creation Survivor Network in DRC
Anonymous donor (Switzerland)	6,760	5,732	1,028		Feasibility study sustainable livelihoods Panzi
Dutch embassy in DRC (Netherlands)*	100,000	100,000			Panzi hospital
Contributions various donors to Global Surv. Mov.	30,922		30,922		Global Survivor Movement
Individual donations 2018	231,277	156,433	74,844		Core-funding 2018
Total core-funding	731,277	211,363	519,914		
Total contracted project funding	1,639,894	623,660	803,709	212,525	
GRAND TOTAL	2,371,171	835,023	1,323,623	212,525	
* Contracted directly with Panzi DRC					

If you add the project financing to the core support of the Mukwege Foundation to Panzi, it means that the total financial support we managed to acquire for, and provide to, Panzi DRC in 2018 was sustained at a high level. As shown in the following table, 2018 showed a decrease in acquired project funding, and an increase in the amount of core-support provided to Panzi. In 2019, we expect the amount of project funding to increase again, and the level of core-support to remain around the current level.

Development of financial support from MF to Panzi DRC			
	2016	2017	2018
	€	€	€
Acquired project financing *			
Stichting Vluchteling		250,000	
Fondation Pluralisme		424,136	
Ville de Geneve		38,087	
Anonymous donor USA		40,782	
Fondation Elle		15,000	
Rotary Club Hong Kong		8,416	
Wartrauma Foundation **		9,702	
Fondation Pro Victimis		22,726	
Rockefeller Foundation **		210,847	
Fondation Pierre Fabre			446,000
PMU			9,560
Rights Livelihoods Award Foundation			30,000
SSI Etat de Geneve			32,368
Anonymous donor Switzerland			5,732
Dutch embassy DRC (Netherlands) **			100,000
Subtotal	217,801	1,019,696	623,660
Contribution from MF core-funding			
Contribution NPL 2016	300,000		
Advocacy Dr. Mukwege		40,000	61,233
Support cabinet Dr. Mukwege		13,000	54,930
Subtotal	300,000	53,000	116,163
Donations from individuals			
Donations from individuals	10,387	77,374	156,433
Subtotal	10,387	77,374	156,433
Total	528,188	1,150,070	896,256

* Some projects are multi-annual. These are total budgets of projects for Panzi in the year they were acquired.

** MF did acquisition, but projects were contracted directly between the donor and Panzi DRC

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Conclusions

We are a young, but growing organisation. Our income increased in 2018 to just over 2.2 million EUR, and our fundraising efforts (both for Panzi in DRC and our international projects) paid off, as we managed to contract projects (both annual and multi-annual), and individual donations, for a total amount of just over 1.8 million EUR.

	2016	2017	2018
	€	€	€
Total income	749,859	1,075,659	2,225,220
Total value of contracted projects and donations	245,660	1,540,652	1,840,249
<i>of which for Panzi</i>	228,188	1,097,070	780,093
<i>of which for MF</i>	17,472	192,487	847,631
<i>of which for other partners</i>	0	251,095	212,525
Number of running projects	3	6	11
Number of staff	3	5	13

We expect this growth to continue at a slower but steady pace the coming years, now that we have built solid foundations as an organisation, and our cause is getting increased traction. The number of staff more than doubled to keep up with the growing amount of work, and is supported by a team of interns, trainees, and volunteers.

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Budget 2019

<u>Income</u>	€
Income from lotteries	800,660
Income from (international) organisations	439,668
Income from other non-profit organisations	1,096,375
Income from governmental organisations	171,004
Individual donations	<u>170,000</u>
 Total income	 <u>2,677,707</u>
 <u>Expenditure</u>	
Spent on organisation objectives	
- Programme 'Advancing Justice and Accountability'	165,487
- Programme 'Promoting Holistic Care for Survivors'	88,845
- Programme 'Campaigning and Advocacy'	73,390
- Programme 'Supporting Panzi DRC'	550,177
- Programme 'Connecting Survivors'	<u>1,149,999</u>
 Total spent on organisation objectives	 2,027,898
Fundraising costs	65,114
Costs management and administration	<u>125,028</u>
 Total expenditure	 <u>2,218,040</u>
 Operating result	 459,667
Financial income and expenditures	<u>5,000</u>
 Result	 <u>454,667</u>
 Destination result	
- Continuity reserve	14,999
- Designated funds	<u>439,668</u>
 Total	 <u>454,667</u>

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A. Balance sheet

<u>Ref.</u>	<u>31-12-2018</u>	<u>31-12-2017</u>	
	€	€	
ASSETS			
	Fixed assets		
1.	- Tangible fixed assets	1,498	1,952
	Total fixed assets	1,498	1,952
	Current assets		
2.	- Receivables	527,874	46,608
3.	- Cash and cash equivalents	766,425	765,469
	Total current assets	1,294,299	812,077
	Total assets	<u>1,295,797</u>	<u>814,029</u>
LIABILITIES			
4.	<u>Reserves</u>		
	- Continuity reserve	99,184	-54,580
	- Designated funds	228,337	297,986
	Total reserves	327,521	243,406
5.	Short-term debts	968,276	570,623
	Total liabilities	<u>1,295,797</u>	<u>814,029</u>

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B. Statement of income and expenditure

<u>Ref.</u>	<u>Realisation 2018</u>	<u>Budget 2018</u>	<u>Realisation 2017</u>
	€	€	€
<u>Income</u>			
6.	1,122,686	1,098,714	500,000
7.	0	0	26,143
8.	809,605	854,497	404,171
9.	61,652	51,306	60,884
10.	231,277	219,918	84,461
	<u>2,225,220</u>	<u>2,224,435</u>	<u>1,075,659</u>
<u>Expenditure</u>			
Spent on organisation objectives			
- Programme 'Advancing Justice and Accountability'	24,163	24,210	48,578
- Programme 'Promoting Holistic Care for Survivors'	315,669	161,273	55,695
- Programme 'Campaigning and Advocacy'	42,231	43,229	47,682
- Programme 'Supporting Panzi DRC'	837,099	1,009,614	508,594
- Programme 'Connecting Survivors'	768,595	703,862	238,583
	<u>1,987,757</u>	<u>1,942,188</u>	<u>899,132</u>
Fundraising costs	49,362	49,310	24,436
Costs management and administration	112,446	115,323	76,149
	<u>2,149,565</u>	<u>2,106,821</u>	<u>999,717</u>
	75,655	117,614	75,942
11. Financial income and expenditures	<u>-8,460</u>	<u>942</u>	<u>8,299</u>
	<u>84,115</u>	<u>116,672</u>	<u>67,643</u>
Destination result			
- Continuity reserve	153,764	60,000	-24,162
- Designated funds	-69,649	56,672	91,805
	<u>84,115</u>	<u>116,672</u>	<u>67,643</u>
Total	<u>84,115</u>	<u>116,672</u>	<u>67,643</u>



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C. Cash flow statement

	2018		2017	
	€	€	€	€
<u>Cash flow from operating activities</u>				
Result	84,115		67,643	
Depreciations	454		345	
		84,569		67,988
Mutations in work capital:				
- Receivables	-481,266		-32,547	
- Short-term debts	397,653		382,345	
Total mutations in work capital		-83,613		349,798
Total cash flow from operating activities		956		417,786
<u>Cash flows used in investing activities</u>				
Purchases		0		-2,297
<u>Cash flows used in financing activities</u>				
Decrease in debt		0		0
Net increase in cash and cash equivalents		956		415,489
Cash and cash equivalents at year end		766,425		765,469
Cash and cash equivalents at beginning of year		765,469		349,980
Changes in cash and cash equivalents		956		415,489

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D. Accounting principles

General

The Dr. Denis Mukwege Foundation was established in Amsterdam on the 18th of June 2015 under the name "Panzi Foundation" and is registered at the Dutch Chamber of Commerce with reg.no. 63545861. The name was changed in January 2016 to "Dr. Denis Mukwege Foundation". The Foundation's mission is to ban rape as a weapon of war. The Foundation is not for profit and holds the ANBI status (Algemeen Nut Beogende Instelling/Public Benefit Organisation). The official mission (based on the statutes) is: The foundation aims to propagate the ideas of dr. Denis Mukwege.

Notes to the cash flow statement

The cash flow statement is prepared using the indirect method. The funds in the cash flow statement comprise cash and cash equivalents. Cash flows in foreign currencies are translated at an average rate. Exchange differences affecting cash items, interest paid and interest received are included in cash from operating activities.

Changes in accounting estimates

The dr. Denis Mukwege Foundation made no changes to its policies for accounting estimates compared to the previous year.

Estimates

In applying accounting policies and standards for preparing annual accounts, the Board is required to make estimates and judgments that might significantly influence the amounts disclosed in the annual accounts. If necessary for the purposes of providing the view required, the nature of these estimates and judgments, including the related assumptions, are disclosed in the notes to the relevant items.

Accounting principles for the balance sheet

General


These annual accounts have been prepared in compliance with the Dutch guideline RJ650 and generally accepted accounting principles. The annual accounts are in Euros. Assets and liabilities are at nominal value, unless specified otherwise.

The basis for the valuations has not changed in comparison with the previous year.

Foreign currencies

If assets and liabilities are expressed in foreign currencies, conversion takes place against the official exchange rate at the balance sheet date. The resulting exchange rate results are included in the income and expenditure statement.

Transactions in foreign currencies during this financial year have been processed against the currency exchange rate at the moment that the transaction took place.


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Tangible fixed assets in the course of business

The tangible fixed assets are valued at the purchase price minus the depreciation based on the estimated life span. The depreciation period is 5 years (20%).

Funding commitments

The account funding commitments is the balance position of contracts actually entered into with partner organisations (obligations) minus advance payments to these partner organisations.

Grants receivable/ Grants to be spent

Grants to be spent are grants received in advance related to projects that extend beyond a single calendar year. The difference between the advance awarded by the donor (the organisation issuing the grant) in a specific financial year and the project funds that are spent in that same year (realised grant income) is accounted for on the balance sheet as 'grants to be spent'. If the realised grant income amounts exceed the donor's advance, the difference is entered on the balance sheet as a receivable.

Other assets and liabilities

Unless specified otherwise, assets and liabilities are at nominal value. If necessary, a provision will be deducted from the receivables.

Designated funds

Designated funds are assets that are available to fund projects of which the spending is decided by third parties.

Accounting principles for the statement of income and expenditure

Income and expenses are recognized in the statement of income and expenditure in the year to which they relate. The allocation is made consistently with previous years. The balance of funds is defined as the difference between income and expenses. Income is accounted for in the year it was realised and losses are accounted for as soon as they are identified.

Grant income

Grant income amounts are allocated on the basis of the realised direct and indirect spending on the organisation's objective within the guidelines established in the grant decision. The grant income is mainly attributed to the category 'income from other fundraising institutions' and 'income from governmental organisations.

Income from lotteries

Processing of earmarked income from national lotteries takes place in the year in which the amount is allocated. If on the balance sheet date this is a firm commitment and relates to the current financial year without explicit repayment obligations, it is stated as a receivable and as income.

Donations

Donations are accounted for in their year of receipt. Consequently, donations received in advance are not taken into account.

Allocation of costs

Management and administration costs, the costs of the organisation's fundraising activities and costs of various objectives have been calculated based on an apportionment formula in accordance with the Dutch Accounting Standards for Fundraising Organisations (Richtlijn RJ 650).

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E. Notes to the balance sheet

ASSETS

1. Tangible fixed assets

	<u>Computer equipment</u>
	€
Opening balance 1 January 2018	1,952
Investments	0
Minus: depreciation	-454
Depreciation desinvestments	0
Minus: desinvestments	<u>0</u>
Net book value per 31 December 2018	<u><u>1,498</u></u>
Accumulated investments	2,297
Minus: accumulated depreciations per 31 December 2018	<u>-799</u>
Net book value per 31 December 2018	<u><u>1,498</u></u>

Depreciation percentage is 20% per year.

	<u>31-12-2018</u>	<u>31-12-2017</u>
	€	€
2. <u>Receivables</u>		
Grants	467,032	25,000
Reimbursement travel costs	19,055	0
Donations	15,975	0
Deposits	10,000	10,000
Prepaid expenses	2,444	800
Other receivables	<u>13,368</u>	<u>10,808</u>
Total receivables	<u><u>527,874</u></u>	<u><u>46,608</u></u>

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	<u>31-12-2018</u>	<u>31-12-2017</u>
	€	€
- Grants		
Project Bulenga - Fondation Pierre Fabre	297,730	0
Project Guinee Conakry - Fondation Pro Victimis	169,302	0
Project CdIP I - Stichting Vluchteling	<u>0</u>	<u>25,000</u>
Total grants	<u><u>467,032</u></u>	<u><u>25,000</u></u>

3. Cash and cash equivalents

ABN AMRO Bank	520,970	238,482
UBS Switzerland AG	<u>245,455</u>	<u>526,987</u>
Total cash and cash equivalents	<u><u>766,425</u></u>	<u><u>765,469</u></u>

All liquid assets are immediately disposable.

LIABILITIES

4. Reserves

- Continuity reserve

Balance 1 January	-54,580	-30,418
Allocation net result	<u>153,764</u>	<u>-24,162</u>
Balance 31 December	<u><u>99,184</u></u>	<u><u>-54,580</u></u>

In the first two years of operations (2016 and 2017), relatively small operational losses were accepted to invest in building up the organisation. The amounts are in line with expectations and reflected as a negative reserve. In 2018 a positive result has been realised, which will be used for building up the continuity reserve. The Mukwege Foundation has the goal to increase the continuity reserve over the next 10 years, of maximum 1.5 times the operational costs of the organisation.

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- Designated funds

	<u>Dr. Mukwege Foundation</u>	<u>Project Funds</u>	<u>Total</u>
Balance 1 January	206,181	91,805	297,986
Allocation net result	<u>0</u>	<u>-69,649</u>	<u>-69,649</u>
Balance 31 December	<u>206,181</u>	<u>22,156</u>	<u>228,337</u>

We distinguish two types of designated funds: funds awarded to Dr. Mukwege personally, and funds awarded to the Foundation for specific projects. In both cases, the spending of the funds is subject to conditions of third parties. The Dr. Mukwege Fund consists of the Seoul Peace Prize, a contribution of the Sasakawa Peace Foundation, and a contribution of the ASN bank, and its spending can only be decided in close collaboration with Dr. Mukwege. Project Funds are subject to various conditions set by its respective donors.

	<u>31-12-2018</u>	<u>31-12-2017</u>
	€	€
5. <u>Short-term debts</u>		
Funding commitments	541,678	527,401
Grants to be spent	355,866	0
Other payables grants	5,019	0
Creditors	58,691	33,149
Accruals	<u>7,022</u>	<u>10,073</u>
Total short-term debts	<u>968,276</u>	<u>570,623</u>

- Funding commitments

Panzi (DRC) - individual donations	57,862	72,765
Project CdIP II - Panzi (DRC)	0	424,136
Project CdIP I - Panzi (DRC)	0	30,500
Project Global Survivor Movement - Panzi (DRC) and other partners	31,645	0
Project Guinee Conakry - Panzi (DRC) and other partners	154,441	0
Project Bulenga - Panzi (DRC)	<u>297,730</u>	<u>0</u>
Total funding commitments	<u>541,678</u>	<u>527,401</u>

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	<u>31-12-2018</u>	<u>31-12-2017</u>
	€	€
- Grants to be spent		
Project Global Survivor Movement - Nationale Postcode Loterij N.V.	342,314	0
Project Guinee Conakry - Fondation Pro Victimis	<u>13,552</u>	<u>0</u>
Total grants to be spent	<u><u>355,866</u></u>	<u><u>0</u></u>

RIGHTS AND OBLIGATIONS NOT INCLUDED IN THE BALANCE SHEET

A rental agreement was concluded with the municipality of The Hague, to rent two office rooms in the Bertha von Suttner building in The Hague, 46.4 square meters in total. The agreement was entered into on 01-03-2017, and is for an indefinite period of time. Notice should be given 3 months in advance. As from March 2019, the Mukwege Foundation signed an additional agreement with the Municipality of The Hague for a third room (amount for one year € 6,080). The total rental price for 2019 amounts to € 16,691.

Furthermore a rental agreement was concluded with RLAF, to rent 21 square meters in Geneva. The annual rent is CHF 12,000 (€ 10,649) for 1 September 2018 to 30 April 2019 and CHF 18,000 (€ 15,973) from 1 May 2019 to 30 April 2020.

F. Notes to the statement of income and expenditure

In 2018 our income was in line with the budget, and increased considerably with respect to 2017. We expect this growth to steadily continue the coming years. As a consequence, our expenditure on organisation objectives also increased, and more than doubled with respect to 2017.

	<u>Realisation 2018</u>	<u>Budget 2018</u>	<u>Realisation 2017</u>
	€	€	€
INCOME			
6. <u>Income from lotteries</u>			
Nationale Postcode Loterij N.V. *	500,000	500,000	500,000
Nationale Postcode Loterij N.V. **	<u>622,686</u>	<u>598,714</u>	<u>0</u>
Total income from Lotteries	<u><u>1,122,686</u></u>	<u><u>1,098,714</u></u>	<u><u>500,000</u></u>

* Recurring annual contribution as beneficiary of the Nationale Postcode Loterij N.V. - core funding.

** Extra contribution for the project Global Survivor Movement.

7. Income from (international) organisations

Rotary Club Hong Kong *	0		8,416
Lombard Odier Bank **	<u>0</u>		<u>17,727</u>
Total Income from (international) organisations	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>26,143</u></u>

* Project funding.

** One-off donation - core funding.

	Realisation 2018	Budget 2018	Realisation 2017
	€.	€	€
8. <u>Income from other non-profit organisations *</u>			
Fondation Pro Victimis	303,058		0
Fondation Pierre Fabre	446,065		0
RLAF	30,000		0
PMU	9,560		0
Their World	2,556		0
Korean Council	14,998		0
IFC	3,368		0
Stichting Vluchteling	0		250,000
Fondation Pluralisme	0		83,389
Anonymous donor USA	0		40,782
Foundation Elle	0		15,000
Fondation du Grand-Duc et de la Grande-Duchesse	0		15,000
Total income from other non-profit organisations	<u>809,605</u>	<u>854,497</u>	<u>404,171</u>
* Project funding.			
9. <u>Income from governmental organisations *</u>			
Ville de Geneve	0		38,087
Service de la Solidarité Internationale (SSI)	51,652		22,797
Other governmental organisations	10,000		0
Total income from governmental organisations	<u>61,652</u>	<u>51,306</u>	<u>60,884</u>
* Project funding.			
10. <u>Individual donations</u>	<u>231,277</u>	<u>219,918</u>	<u>84,461</u>

Individual donations include both donations for Panzi (€ 156,433) and the Mukwege Foundation (€ 74,844).

EXPENDITURE

The specification expenditure starts on page 20 with the specification and allocation of expenditures to destination.

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Specification and allocation of expenditures to destination - realisation 2018

Expenditure	Destination										Realisation 2017
	Spent on organisation objectives										
	Advancing Justice and Accountability	Promoting Holistic Care for Survivors	Campaigning and Advocacy	Supporting Panzi DRC	Connecting Survivors	Fundraising	Management and administration	Total realisation 2018	Budget 2018	Realisation 2017	
€	€	€	€	€	€	€	€	€	€	€	
<u>Direct costs</u>											
Grants	0	270,659	0	446,065	286,035	0	0	1,002,759			265,000
Outsourcing	0	0	0	54,930	0	0	0	54,930			22,398
Communication costs	0	0	16,576	0	0	0	0	16,576			4,407
Other direct costs	2,304	23,289	0	268,722	253,360	0	0	547,675			295,124
Total direct costs	2,304	293,948	16,576	769,717	539,395	0	0	1,621,940	1,571,529		586,929
<u>Indirect costs</u>											
Personnel costs	18,650	18,512	16,617	55,556	202,187	47,588	65,464	424,574	427,942		361,692
Housing costs	1,158	1,158	2,316	4,631	10,421	0	3,474	23,158	15,726		17,216
Office and general costs	2,028	2,028	6,677	7,104	16,388	1,774	43,440	79,439	89,797		33,535
Depreciation	23	23	45	91	204	0	68	454	1,827		345
Total indirect costs	21,859	21,721	25,655	67,382	229,200	49,362	112,446	527,625	535,292		412,788
Total	24,163	315,669	42,231	837,099	768,595	49,362	112,446	2,149,565	2,106,821		999,717

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Costs are allocated on the basis of the following principles:
 directly attributable expenses are directly allocated;
 non-directly attributable costs are allocated through an allocation key. For salary costs, the allocation key is a division in percentages based on assumptions made by the Director.

	Realisation 2018	Budget 2018	Realisation 2017
	€	€	€
DIRECT COSTS			
<u>Programme Advancing Justice and Accountability</u>			
- Other direct costs			
Project Justice and Accountability	0		8,882
Project Kuvuma Trial	<u>2,304</u>		<u>0</u>
Total other direct costs	<u><u>2,304</u></u>	<u><u>2,304</u></u>	<u><u>8,882</u></u>
<u>Programme Promoting Holistic Care for Survivors</u>			
- Grants			
Project Guinee Conakry - grants Panzi and other partners	<u>270,659</u>		
Total grants	<u><u>270,659</u></u>		
- Other direct costs			
Project Guinee Conakry	<u>23,289</u>		
Total Programme Promoting Holistic Care for Survivors	<u><u>293,948</u></u>	<u><u>139,508</u></u>	<u><u>0</u></u>
<u>Programme Campaigning and Advocacy</u>			
- Communication costs			
Website Mukwege Foundation	12,499		0
Other communication costs	<u>4,077</u>		<u>4,407</u>
Total communication costs	<u><u>16,576</u></u>	<u><u>16,534</u></u>	<u><u>4,407</u></u>

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	Realisation 2018	Budget 2018	Realisation 2017
	€	€	€
<u>Programme Supporting Panzi DRC</u>			
- Grants			
Project CdIP I - Stichting Vluchteling	0		250,000
Grant Fondation Elle	0		15,000
Project Bulenga - grant Panzi	446,065		0
Total grants	<u>446,065</u>		<u>265,000</u>
- Outsourcing			
Support secretariat Dr. Mukwege DRC	54,930		22,398
Total outsourcing	<u>54,930</u>		<u>22,398</u>
- Other direct costs			
Project Panzi Hospital	35,880		55,778
Project Common Threads	0		36,011
Project CdIP II	61,233		0
Donations for Panzi	156,433		62,378
Project Rotary Hong Kong	8,416		0
Project Sustainable livelihoods	6,760		0
Total other direct costs	<u>268,722</u>		<u>154,167</u>
Total Programme Supporting Panzi DRC	<u><u>769,717</u></u>	<u><u>941,323</u></u>	<u><u>441,565</u></u>

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	<u>Realisation 2018</u>	<u>Budget 2018</u>	<u>Realisation 2017</u>
	€	€	€
<u>Programme Connecting Survivors</u>			
- Grants			
Project Global Survivor Movement - grants Panzi and other partners	<u>286,035</u>		
Total grants	<u>286,035</u>		<u>0</u>
- Other direct costs			
Project Global Survivor Movement	208,788		132,075
Project Survivor network strategy	<u>44,572</u>		<u>0</u>
Total other direct costs	<u>253,360</u>		<u>132,075</u>
Total Programme Connecting Survivors	<u><u>539,395</u></u>	<u><u>471,860</u></u>	<u><u>132,075</u></u>
INDIRECT COSTS			
<u>Personel costs</u>			
Salary costs	420,412	423,780	342,899
Stipends interns	4,162	4,162	17,657
Other personnel costs	<u>0</u>	<u>0</u>	<u>1,136</u>
Total personel costs	<u><u>424,574</u></u>	<u><u>427,942</u></u>	<u><u>361,692</u></u>

In 2018 staff was working for the organisation through a payroll system. The Mukwege Foundation is not the formal employer. The salary costs of the director are € 96,000 (1 fte).

Board members are not remunerated but are eligible to claim compensation for reasonable expenses.

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	Realisation 2018	Budget 2018	Realisation 2017
	€	€	€
<u>Housing costs</u>			
Housing costs The Hague	11,346	11,346	9,017
Housing costs Geneva	11,812	4,380	8,199
Total housing costs	<u>23,158</u>	<u>15,726</u>	<u>17,216</u>

The housing costs Geneva increased in 2018 compared to the budget because the Mukwege Foundation started a new contract as from 1 September 2018. This contract, as opposed to the previous contract, has not been financed by an external party.

Office and general costs

Travel costs Europe	17,735	17,244	7,504
Travel costs outside Europe	13,283	15,557	11,998
Office costs	8,759	14,732	4,201
Administration/Auditor costs	15,854	16,329	9,127
Insurances	2,664	2,468	0
Other office and general costs	21,144	23,467	705
Total office and general costs	<u>79,439</u>	<u>89,797</u>	<u>33,535</u>

Depreciation

Depreciation computer equipment	<u>454</u>	<u>1,827</u>	<u>345</u>
Total expenditure	<u>2,149,565</u>	<u>2,106,821</u>	<u>999,717</u>

11. Financial income and expenditures

Bank costs/interest	918	942	1,127
Exchange rate difference	-9,378	0	7,172
Total financial income and expenditures	<u>-8,460</u>	<u>942</u>	<u>8,299</u>

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G. Ratio's

	<u>Realisation 2018</u>	<u>Budget 2018</u>	<u>Realisation 2017</u>
1. Fundraising costs divided to total income	<u>2.2%</u>	<u>2.2%</u>	<u>2.3%</u>
2. Division total expenditure			
- spent on organisation objectives	92.5%	92.2%	90.0%
- fundraising costs	2.3%	2.3%	2.4%
- costs management and administration	<u>5.2%</u>	<u>5.5%</u>	<u>7.6%</u>
Total	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

Other information

Independent auditor's report

The independent auditor's report is included at the next page of the annual accounts.

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INDEPENDENT AUDITOR'S REPORT

To: the Management Board of Dr. Denis Mukwege Foundation in The Hague,
The Netherlands.

A. Report on the audit of the financial statements 2018 included in the annual accounts

Our opinion

We have audited the financial statements 2018 of Dr. Denis Mukwege Foundation based in The Hague, The Netherlands.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Dr. Denis Mukwege Foundation as at 31 December 2018 and of its result for 2018 in accordance with the Guidelines for annual reporting 650 "Fundraising Organisations" of the Dutch Accounting Standards Board.

The financial statements comprise:

1. the balance sheet as at 31 December 2018;
2. the statement of income and expenditure for 2018; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

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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 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent Dr. Denis Mukwege Foundation in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

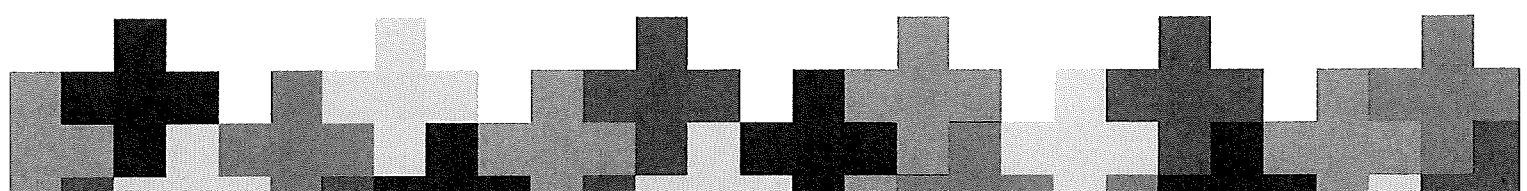
We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

B. Report on the other information included in the annual accounts

In addition to the financial statements and our auditor's report thereon, the annual accounts contain other information that consists of the Board report.

Based on the following procedures performed, we conclude that the other information is consistent with the financial statements and does not contain material misstatements.

Dubois & Co. Registeraccountants is een maatschap van praktijkvennootschappen. Op alle opdrachten die aan ons kantoor worden verstrekt zijn onze algemene voorwaarden van toepassing. Deze voorwaarden, waarvan de tekst is opgenomen op de website www.dubois.nl, bevatten een aansprakelijkheidsbeperking.



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

By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements. The Board is responsible for the preparation of the other information, including the Board report, in accordance with the Guidelines for annual reporting 650 "Fundraising Organisations" of the Dutch Accounting Standards Board.

C. Description of responsibilities regarding the financial statements

Responsibilities of the Board for the financial statements

The Board is responsible for the preparation and fair presentation of the financial statements, in accordance with the Guidelines for annual reporting 650 "Fundraising Organisations" of the Dutch Accounting Standards Board. Furthermore, the Board is responsible for such internal control as the Board 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 Board is responsible for assessing the foundation's ability to continue as a going concern. Based on the financial reporting framework mentioned, the Board should prepare the financial statements using the going concern basis of accounting unless management either intends to dissolve the foundation or to cease operations, or has no realistic alternative but to do so.

The board 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.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The 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 audit included e.g.:

- 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 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 Board;
- concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events 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. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Amsterdam, 4 July 2019

Dubois & Co. Registeraccountants

Signed on original by:
A.P. Buteijn RA

