



**Stichting “GLOBAL INITIATIVE ON
PSYCHIATRY”- an International
Foundation for the promotion of humane,
ethical, and effective mental health care
throughout the world**

Report for the year 2013

FOR IDENTIFICATION PURPOSES ONLY
BDO Audit & Assurance B.V.

date **23 APR 2014**

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Director's Report 2013

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General

Global Initiative on Psychiatry-Hilversum (GIP-H) is a Netherlands-based not-for profit organization that seeks to promote humane, ethical and effective mental health care throughout the world and to support a global network of individuals and organizations to develop, advocate for, and carry out the necessary reforms.

GIP-H is part of the Federation Global Initiative on Psychiatry, which was originally founded in 1980 in Paris as a confederation of several national committees and groups in Europe, with the name International Association on Political Use of Psychiatry. Its main focus was the fight against the political abuse of psychiatry in countries such as the USSR and Romania and in 1988 the association had established itself as a legal entity at the Chamber of Commerce in Amsterdam. In 1993 the organization was re-registered as a foundation with the name Geneva Initiative on Psychiatry. At the occasion of its 25th anniversary, on February 1, 2005 the name changed from Geneva initiative on Psychiatry to Global Initiative on Psychiatry.

Starting in 2000, a number of daughter organizations were set up that gradually took over part of the work from the Hilversum office. The ultimate goal was to establish independent legal entities, which was achieved in 2005. From that year onwards, GIP was comprised of a network of independent foundations located in The Netherlands (GIP-Hilversum), Bulgaria (GIP-Sofia), Georgia (GIP-Tbilisi), Lithuania (GIP-Vilnius) and the United States (GIP-USA). The foundations were independent, yet were linked together in a federative structure overseen by GIP's General Board. Each foundation generated its own annual financial report including an auditor's report.

Until the fall of 2011, GIP-Hilversum functioned as the headquarters of the organization and the board of GIP-Hilversum was identical to that of the Federation Council. In November 2011, the Federation Council decided to disconnect the Federation GIP from GIP-Hilversum. A new board for GIP-Hilversum was formed, the chairman of which became a member of the Federation Council (just like the chairpersons of the other federation members). By doing so, GIP-Hilversum was equalized with the other GIP offices and is now a member of the Federation Global Initiative on Psychiatry (since March 1, 2014, renamed as Human Rights in Mental Health-FGIP).

The year 2013

In the course of 2012 and 2013 the focus of GIP-H was broadened with the "new" perspective on mental health care development in The Netherlands itself. In 2013, the first projects in this field were developed and funding was sought from foundations that hitherto did not fund GIP work because of its focus on activities outside The Netherlands.

Also, the board of GIP-H was extended and now consists of six members: Drs. Jos A. Poelmann (Chairman), drs. Jan Schaart (treasurer), Prof. B.C. M. Raes (secretary) and as members Mr. Clemens Huitink, Mr. Rob Keukens and Drs. Lidy Zaat.

In 2013 the global economic crisis continued to affect the functioning of GIP. In the course of the year the size of the office was brought more in line with the size of its core funding, mainly consisting of a five-year grant from the Dutch Ministry of Development Aid (2011-2015) and a five-year project in Sierre Leone financed by the European Commission. Several additional smaller projects helped to keep the office sustainable.

Activities

The above-mentioned five-year project funded by the Dutch Ministry of Development Aid (MFS budget line), which is implemented in a consortium with WorldGranny and led by the Medical Committee Netherlands-Vietnam, was continued in all five countries concerned (Georgia, Laos, Sri Lanka, Tajikistan and Vietnam). The MFS project not only enhanced our presence and efficacy in these countries, but also allows us to implement projects that have a longer start-up period and need more time to result in sustainability, thanks to the five-year time-frame of the program. In other countries our work continued as well, in spite of the difficult financial situation. In addition we continued several projects on the African continent, in which especially the five-year EU project in Sierra Leone progresses well and, as mentioned before, worked on the activity package focusing on The Netherlands.

Future outlooks

In the year 2014, the global economic crisis will continue to be an impediment, yet at the same time we feel that the financial stability we achieved will help us to look for alternative funding sources and funding strategies, and prepare us for the period after the MFS and EU grant has come to an end. All in all, we remain optimistic and committed to the goals as worded in the mission and vision of our organization.

Robert van Voren,
Director
April 2014

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Balance sheet as at 31 December 2013

	<i>notes</i>	2013 €	2012 €
Fixed assets			
Tangible fixed assets	1	66.497	283.533
Current assets			
Accounts receivable	2	47.406	234.409
Cash at bank and in hand	3	111.290	62.867
Total current assets		158.696	297.276
TOTAL		<u>225.193</u>	<u>580.809</u>
Equity	4	28.217	117.037
Current liabilities	5	196.976	463.772
TOTAL		<u>225.193</u>	<u>580.809</u>

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Statement of revenue and expenditure 2013

	<i>notes</i>	2013 €	2012 €
Income	6	943.559	1.026.370
Project Costs	7	925.804	974.568
		17.755	51.802
Wages and Salaries	8	230.044	262.856
Depreciations	9	815	922
Other staff costs	10	11.562	15.384
Accommodation expenses	10	15.610	40.016
Operating expenses	10	1.370	989
Car expenses	10	686	11.131
Office expenses	10	35.952	45.013
General expenses	10	31.104	31.939
Impairment of fixed assets	1		22.500
Allocated project costs	10	203.489-	285.657-
Total operating costs		123.653	145.093
Operating result		105.898-	93.291-
Interest income and similar income	11	396	695
Interest charges and similar expense	12	1.158-	1.177-
Miscellaneous income	13	17.840	-
Financial result		17.078	482-
Net result		88.820-	93.773-

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Notes to the financial statements for the year 2013

General

Accounting principles

The financial statements are prepared in accordance with the guidelines for small companies, section C1 for not-for-profit organisations.

The use of estimates

The preparation of the financial statements requires the management to form opinions and to make estimates and assumptions that influence the application of principles and the reported values of assets and liabilities and of income and expenditure. The actual results may differ from these estimates. The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are recognised in the period in which the estimate is revised or in future periods for which the revision has consequences.

Principles for the valuation of assets and liabilities and the determination of the result

General

The principles applied in respect of the valuation of assets and liabilities and determination of the result are based on historical. Insofar as not stated otherwise, monetary assets and liabilities are shown at nominal value.

The income and expenditure are accounted for in the period to which they relate.

Difference in rate of exchange

Foreign currency balance sheet items are all translated at the exchange rate applicable on balance sheet date. Foreign currency profit and loss account items are translated at the exchange rate applicable on transaction date.

Tangible fixed assets

Tangible fixed assets are stated at acquisition costs less depreciation calculated on a straight-line basis over the estimated useful life.

Depreciation is calculated according to the straight-line method on the basis of useful life taken in account the residual value.

The rates of depreciation are:

Inventory 10% and 33%

Due to the fact that the residual value of the buildings is at least equal to the book value no depreciation has taken place.

Accounts receivable

Receivables are stated at nominal value less a provision for doubtful debts.

Provisions are set up on the basis of an individual assessment of whether the debt is bad or doubtful.

Employee Benefit

Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement as incurred.

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Balance sheet as at 31 December 2012

Fixed assets

1 Tangible fixed assets

	2013 EUR	2012 EUR
Buildings	64.976	282.551
Inventory	<u>1.521</u>	<u>982</u>
	<u>66.497</u>	<u>283.533</u>

Buildings

As at 31 December 2012 the buildings consist of:

Year of
acquisition

2006	GIP office Sofia (Bulgaria)	40.424 *)
2006	Guesthouse / office Blagoevgrad (Bulgaria)	<u>24.552 **)</u>
		<u>64.976</u>

*) This building is on sale to the office. It is agreed that the sales to GIP-H will be equal to the book value

**) This building is on sale, and is valued at the expected sales price

The development is presented as follows:

	Buildings EUR	Inventory EUR	Total EUR
Balance as at 1 January 2013			
Actual cost	282.551	69.863	352.414
Accumulated depreciation	-	-68.881	-68.881
Book value	<u>282.551</u>	<u>982</u>	<u>283.533</u>
Movements in book value	-217.575	1.354	-216.221
Depreciations	-	-815	-815
Balance	<u>-217.575</u>	<u>539</u>	<u>-217.036</u>
Balance as at 31 December 2013			
Actual cost	64.976	71.217	136.193
Accumulated depreciation	-	-69.696	-69.696
Book value	<u>64.976</u>	<u>1.521</u>	<u>66.497</u>

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Current assets

2 Accounts receivable

<i>Other accounts receivable and accrued income</i>	2013	2012
	EUR	EUR
Advances	10.520	5.000
Receivable employees	5.184	5.831
Current account GIP-Sofia	1.008	1.008
Prepayment other	6.257	1.705
Prepayment MFS II to partners	24.437	-
Subsidy other projects to be received	-	220.110
Tickets	-	755
	<u>47.406</u>	<u>234.409</u>

3 Cash at bank and in hand

	2013	2012
	EUR	EUR
ABN AMRO Bank N.V.	39.332	54.733
Postbank	7.775	1.183
Other banks	270	1.345
Deposits	62.480	4.085
Cash	1.433	1.521
	<u>111.290</u>	<u>62.867</u>

The liquid assets are available on demand.

4 Equity

	2013
	EUR
Balance as at 1 January	117.037
Result 2013	<u>-88.820</u>
	<u>28.217</u>

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5 Current liabilities	2013	2012
	EUR	EUR
Creditors	20.633	55.588
Project liabilities	-19.583	84.828
Taxes and social security premiums	6.517	7.639
Other current liabilities and deferred income	<u>189.409</u>	<u>315.717</u>
	<u><u>196.976</u></u>	<u><u>463.772</u></u>
<i>Project liabilities</i>	2013	2012
	EUR	EUR
MFS II project		
Balance as at 1 January	25.037	102.624
Subsidy	702.205	515.378
Direct project costs	-561.143	-437.158
Allocated project costs	<u>-126.141</u>	<u>-155.807</u>
	<u><u>39.958</u></u>	<u><u>25.037</u></u>
Other projects		
Balance as at 1 January	59.791	68.760
Subsidy	223.599	459.190
Direct project costs	-272.072	-314.937
Allocated project costs	-77.348	-129.850
Result on closed projects	<u>6.489</u>	<u>-23.372</u>
	<u><u>-59.541</u></u>	<u><u>59.791</u></u>
	<u><u>-19.583</u></u>	
<i>Taxes and social security premiums</i>	2013	2012
	EUR	EUR
Payroll tax	<u>6.517</u>	<u>7.639</u>
<i>Other current liabilities and deferred income</i>	2013	2012
	EUR	EUR
Temporary staff	-	18.300
Other	3.640	2.500
Project costs	50.780	229.688
Project costs MFS II	24.437	-
Short term loans to GIP	54	11.034
Accountant (annual and project reports)	6.000	7.500
Holiday allowances liability	7.889	10.048
Interest and bank charges	-	-
Current account GIP Vilnius	40.736	20.512
Current account GIP Tbilisi	<u>55.873</u>	<u>16.135</u>
	<u><u>189.409</u></u>	<u><u>315.717</u></u>

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Off-balance sheet assets and commitments

Memorandum obligations

Long - term unconditional obligations have been entered into in respect of rent and operating lease. The resulting obligations as at 31 December 2013 amounted to EUR 30.573. In respect of the rent a bank guarantee was issued at the end of 2013 Eur 3.918.

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Profit and loss account for the year 2013

6 Income	2013 EUR	2012 EUR
Subsidy MFS II	702.205	515.378
Subsidy other projects	223.599	459.190
Own Contribution	-22.594	-54.585
Gifts	53.516	78.091
Project results	-6.489	37.679
Result on sale Guesthouse Vilnius / miscell.	-6.678	-9.383
	<u>943.559</u>	<u>1.026.370</u>

Note: In the year 2013, hardly any new projects were granted. However, the MFS and EU projects continued, which resulted in the above. It is expected in 2014 that new projects will be found also in the Dutch implementation field.

7 Project costs	2013 EUR	2012 EUR
Direct project costs MFS II	687.284	592.965
Direct project costs other projects	349.420	444.787
Movement in project liabilities	-110.900	-63.184
	<u>925.804</u>	<u>974.568</u>

8 Wages and salaries	2013 EUR	2012 EUR
Wages and salaries	178.873	198.520
Social security charges	51.171	64.336
	<u>230.044</u>	<u>262.856</u>

<i>Wages and salaries</i>	2013 EUR	2012 EUR
Salaries	157.455	191.698
Holiday allowance	14.756	16.693
Mutation holiday allowance liability	-2.160	-2.767
Sickness benefits received	-178	-14.604
Temporary staff	9.000	7.500
	<u>178.873</u>	<u>198.520</u>

Salary chief executive

Salary of chief executive in 2013 was € 41,326 (fte equivalent is € 98,091)

Average number of employees

Average staff in fulltime equivalents for 2013 is 3.4 (2012: 4.4), of which project managers 2.2 (2012: 2.6) and other staff 1.1 (2012: 1.8).

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<i>Social security charges</i>	2013 EUR	2012 EUR
Social security	28.495	35.458
Pension insurance	<u>22.676</u>	<u>28.878</u>
	<u>51.171</u>	<u>64.336</u>

9 Depreciations

<i>Depreciation of tangible fixed assets</i>	2013 EUR	2012 EUR
Inventory	<u>815</u>	<u>922</u>

10 Other costs

<i>Other costs</i>	2013 EUR	2012 EUR
Compensation travel expenses	4.947	2.840
Travel and accommodation expenses	930	561
Board expenses	964	5.773
Occupational disability insurance	4.030	5.083
Other staff costs	<u>691</u>	<u>1.127</u>
	<u>11.562</u>	<u>15.384</u>

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Accommodation expenses

	2013 EUR	2012 EUR
Rent	10.302	18.335
Energy costs	3.919	3.618
Other accommodation costs	9	7.640
Cleaning	60	75
Taxation	725	903
Security	595	585
Costs for sale Ogynskio and moving out of GIP- ¹	-	8.860
	<u>15.610</u>	<u>40.016</u>

Operating expenses

	2013 EUR	2012 EUR
Public relations / promotion	<u>1.370</u>	<u>989</u>

Car expenses *)

*) Note: the second and last lease car stopped in 2013.

	2013 EUR	2012 EUR
Lease	1.319	9.250
Fuel	-	5.279
Other car expenses	-	798
Charged on car expenses	-633	-4.196
	<u>686</u>	<u>11.131</u>

Office expenses

	2013 EUR	2012 EUR
Telephone	17.220	21.539
Maintenance computers	13.572	17.344
Printing	3.847	4.249
Publications and subscriptions	131	607
Postage	707	1.069
Office supplies	475	205
	<u>35.952</u>	<u>45.013</u>

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<i>General expenses</i>	2013 EUR	2012 EUR
Accountancy	6.365	4.045
Salary records	926	976
Other advice	314	1.466
Insurance	909	1.154
Other general expenses	1.018	210
Contribution GIP-Federation*)	21.572	24088
	<u>31.104</u>	<u>31.939</u>

*) Note: GIP-Federation costs which the Federation cannot cover, will be covered by GIP-H until 2015 (as agreed by the Board)

<i>Allocated project costs</i>	2013 EUR	2012 EUR
MFS II project		
Costs of staff	-126.141	-155.807
Other costs	-	-
Other projects		
Costs of staff	-60.673	-107.878
Other costs	-16.675	-21.972
	<u>-203.489</u>	<u>-285.657</u>

The allocated project costs relates to organisational costs which are direct related to projects and included in the direct project costs.

11 Interest income and similar income	2013 EUR	2012 EUR
Interest	399	608
Exchange differences	-3	87
	<u>396</u>	<u>695</u>
12 Interest charges and similar expenses	2013 EUR	2012 EUR
Bank charges	<u>1.158-</u>	<u>1.177-</u>
13 Miscellaneous income	2013 EUR	2012 EUR
Miscellaneous income	<u>17.840</u>	<u>-</u>

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Hilversum, 23 April 2014

Stichting "GLOBAL INITIATIVE ON PSYCHIATRY" - an International Foundation for the promotion of humane, ethical, and effective mental health care throughout the world

Chief Executive,

R. van Voren

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Independent auditor's report

To: the director and supervisory board of Stichting Global Initiative on Psychiatry

Report on the financial statements

We have audited the accompanying financial statements 2013 Stichting Global Initiative on Psychiatry, Hilversum, which comprise the balance sheet as at December 31, 2013, 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 generally accepted accounting policies in the Netherlands including Guideline for annual reporting for small entities, section C "non-for-profit organizations". 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.

Opinion with respect to the financial statements

In our opinion, the financial statements give a true and fair view of the financial position of Stichting Global Initiative on Psychiatry as at December 31, 2013 and of its result for the year then ended in accordance with generally accepted accounting policies in the Netherlands including Guideline for annual reporting for small entities, section C "non-for-profit organizations".



Report on other legal and regulatory requirements

Further we report that the management board report, to the extent we can assess, is consistent with the financial statements.

Wognum, 23 April 2014

BDO Audit & Assurance B.V.
on its behalf,

A handwritten signature in blue ink, consisting of several overlapping horizontal strokes and a vertical stroke at the end.

H.C.J. Bot RA