

## Annual Report 2010

### 1. **Medical summary of the children's hospitals Kantha Bopha in Cambodia in the reporting year**

Happily, 2010 allowed the continuation of work in the children's hospitals Kantha Bopha in Phnom Penh and Siem Reap / Angkor for sick and poor children in Cambodia under the seasoned management of Dr. med. Beat Richner, and even permitted some extension. Once again, this was made possible by the many and generous donations from the private sector, to whom the Foundation is particularly grateful. The Cambodian government and the Swiss Federation contributed 2 million dollars and 3 million francs, making around 14% of the donations (see 4).

Compared to the annual report of 2009 (which can be seen at [www.beatrichner.ch](http://www.beatrichner.ch)), the political situation in Cambodia has not greatly altered. As ever, aid for the benefit of the extremely poor is urgent and the problems with discriminating corruption are severe. The Cambodian people and especially the parents of the children being treated are deeply thankful for the life-saving services enabled by donors and particularly Switzerland.

The following services were provided in the Kantha Bopha I-V hospitals in 2010:

	<u>2010</u>	<u>2009</u>
Treatment of sick children in the polyclinics:	733'000	740'000
Hospitalisation of very ill children:	108'000	84'000
Surgical interventions:	15'265	16'100
Births in the maternity clinic:	14'171	15'000
Antenatal checks:	91'138	98'600

In Siem Reap / Angkor more than 30% more children were hospitalised compared to 2009, which is probably due to better access roads. For this reason, further building extensions were begun at Siem Reap in 2010 to include an intensive unit and 5 wards with 200 beds in all. This will be opened on July 1st 2011 in the presents of King Norodom Sihamoni.

The slight decrease in polyclinic consultations stems from the improved filtering process by medical staff at the entrances to the hospitals.

On average, about 300 seriously sick children are hospitalised daily, of whom 110 need to go through the intensive unit. The rate of mortality in the hospitals was only 0,5% in 2010. The most common illnesses and problems are still tuberculosis, Dengue fever, malaria and other infections.

Thanks to the MRI / MRS, tuberculosis in children can be diagnosed more gently and radiation exposure avoided in all organs. Together with Prof. David Nadal and Dr. Ianina Scheer from the Zurich children's hospital, Cambodian doctors (trained in the Kantha Bopha hospitals) have published a first scientific paper about diagnostic progress in tuberculosis in the European Journal of Pediatrics. Now an extensive study on encephalitis is being carried out together with the Institut Pasteur.

One particular challenge in the reporting year was the big cholera epidemic. The first case in Cambodia was diagnosed in November 2009 in the Kantha Bopha hospitals. The government and the WHO had apparently intended to keep the epidemic secret. Dr. Beat Richner, however, felt it necessary to go public about this, since around 2600 partly seriously ill young cholera patients needed to be hospitalised.

The mortality rate statistics were strongly affected by deaths due to congenital heart disease. For this reason, a cardiac catheter table was set up in 2010. Working together with the children's hospital Zurich (Dr. Oliver Kretschmar), it was then possible to carry out a correction on a child with congenital heart disease with a minimally invasive intervention in March 2011.

## **2. Operation and significance of the Kantha Bopha I-V hospitals**

In 2010, the number of Cambodian staff (from doctors to cleaners) employed was around 2300 people. This team is able to run the hospitals independently and faultlessly in all medical questions. Dr. Beat Richner is now the only foreign doctor who is constantly on the staff of the Kantha Bopha hospitals. His main tasks at present are mostly in raising money and applying those funds without corruption in Cambodia. For special tasks and in particularly intensive phases (courses, introduction of new techniques, epidemics), Dr. Beat Richner can rely on the practical assistance of the paediatrician and vice-president of the Foundation, Dr. med. Peter Studer, who is prepared to spend 2-3 months each year on rounds of duty in Cambodia.

The Kantha Bopha hospitals are Cambodian university hospitals. Here, 80 Cambodian medical students work and study, while 60 people are in training for care duties. 50 doctors are officially employed as professors and lecturers for the medical faculty of Phnom Penh.

In March 2010, the final evaluation took place for the Cambodian candidates for a specialist medical title in paediatrics together with the medical faculties of Zurich and Phnom Penh. Professor Felix Sennhauser, ordinarius for paediatrics and head doctor of the children's hospital in Zurich, both deans of the medical faculties of Phnom Penh and the paediatrician Dr. Peter Studer, vice-president of our Foundation, performed as examiners.

2010 brought another 22 lecturers from the children's hospital in Zurich to give regular courses in training the Cambodian doctors in-house. Thanks to these courses, the Cambodians achieved an extremely high level of specialist knowledge, absolutely on a par with the European niveau.

In November 2010, the second international post-graduate course was carried out with great success and a good deal of demand. 80 participants were nominated by the Cambodian health ministry, 20 participants registered by the governments of other ASEAN states and a further 20 participants came of private initiative. The aim of these courses is to show how a hospital is built, equipped and run in order to achieve optimum cost efficiency / rates of recovery. Knowledge of infectology and immunology are vital for understanding. For this reason, Professors David Nadal and Reinhard Seger from Zurich led the corresponding seminars on these special areas. In addition, Cambodian doctors from the Kantha Bopha hospitals led courses and practical demonstrations of excellent quality.

### **3. Foundation Board and Management**

At two meetings on January 25<sup>th</sup> 2010 and May 11<sup>th</sup> 2010, the Foundation board dealt with statutory business. The continuing successful and blessed help for the sick children of Cambodia is great motivation for the members of the Board for their almost completely voluntary commitment. The Board considers the regular information and appeals initiated by Dr. Beat Richner with adverts in the daily press to be extremely valuable.

The auditing and remuneration committee met on March 15<sup>th</sup> 2010 and examined the remuneration of the management staff as well as expenses for accounting, administration of donations and PR work.

Once again, the Foundation Board thanks Intercontrol AG for its transparent book-keeping and the helpful monthly financial checks. We are also grateful for the professional procedures in managing legacies and bequests.

Auditing was once again carried out by PricewaterhouseCoopers AG, who also gave us valuable advice concerning controlling.

The Federal Foundation Oversight Committee has again confirmed the faultless activity of the Foundation.

In January and November 2010, the president and vice-president reported to the SDC (DEZA) in Bern on the current work being done in the Foundation and at the hospitals in Cambodia. The Foundation was especially pleased that representatives of the SDC had been able to view the Cambodian hospitals in person and were apparently both surprised and convinced of the great achievements on site.

In 2010, Dr. med. Beat Richner, together with the president, was then received both amicably and with great interest at visits with Federal Councillor Ms Calmy-Rey, Federal President Ms Leuthard and the President of the National Assembly, National Councillor Ms Bruderer. However, none of these federal representatives were able to confirm the award of larger sums from the Federal Treasury even though they showed great personal sympathy for the Cambodian hospitals. This would necessitate the will of the Federal Parliament. Unfortunately, the present rather fruitless battle of the parties is resulting in even excellent suggestions from opposing parties not being supported in party politics. In any case, not even the Foreign Political Committee of the National Assembly could be moved to increased support of the Kantha Bopha hospitals for party political reasons. As ever, our Foundation is convinced that the Kantha Bopha hospitals are an exceedingly efficient project in the best sense of traditional international humanitarian aid as originated in Switzerland which would deserve more support by "official" Switzerland, both materially and in future, also personnel resources.

However, the Foundation is extremely pleased that Federal Councillor Ms Calmy-Rey has nevertheless allotted, on her own authority, an increased annual sum of 4 million francs for 2011 (20 years of Kantha Bopha).

## 4. Financial Concerns – Donations – Public Relations

### 4.1 Annual Financial Statement

The annual financial statement for 2010, approved by the Foundation Board on May 10<sup>th</sup> 2011, closed with assets of CHF 19,405,508.07 and a surplus of CHF 2,010,938.35.

As in previous years, the annual financial statement was carried out according to the recommendations standard SWISS GAAP FER 21 and audited in the existing form by PricewaterhouseCoopers AG as confirmed in their auditing report of May 10<sup>th</sup> 2011.

Attention is to be drawn to two particularities in our rendering of accounts:

- Due to the unstable political situation, the lack of legal security and for general administrative caution, the investments are debited directly from the expenditure.
- Since in Cambodian law, the purchase of real estate by a Swiss Foundation is not permitted, three plots of land are held in trust by Dr. Denis Laurent, member of hospital management and French-Cambodian dual national. The corresponding papers are available.

Thanks to boundless acceptance of, and great trust in, Beat Richner's work, 2010's income was, for the first time, over CHF 35 million. Compared to the previous year, this is an increase of CHF 2 million, or 6%. This pleasing result is particularly connected to a distinct increase in income from bequests.

The contributions made by the Swiss government (CHF 3 million) and the Cambodian government (CHF 2 million) have remained the same. The subsidies of the two states cover 14% or CHF 5 million of the donations; that is, 86% of all income is financed by the private sector (especially from Switzerland).

A total of almost CHF 400 million in donations has been achieved since 1992 up to the end of 2010.

Investments, which as mentioned are not activated, but debited directly to expenses, reached around CHF 4.1 million in 2010 (previous year CHF 2.2 million). A cardiac catheter for the precise diagnosis of congenital heart disease was purchased in 2010. In addition, another ward was begun in Siem Reap. This will be opened on July 1<sup>st</sup> 2011.

The position “infrastructure expenses Switzerland” consists of administrative expenses such as advertisements, IT, administration of donations, thank you letters, bookkeeping and auditing costs and has only cost, on average, 8.33% in the last three years.

This important benchmark is audited annually by PricewaterhouseCoopers AG and confirmed in a special report.

## 4.2 Public Relations

In order to finance the operation of hospitals for children in Cambodia, we are constantly busy acquiring donations. Without additional donations, our net assets of CHF 18.7 million would only finance operations for about 6 months.

Therefore, we restarted our successful “Zwänzgerötli” appeal in March 2010. In June 2010, September 2010 and November 2010 three more mailings were sent out. Thanks to the four mailings, we generated around 50,000 donations and a total of about CHF 8.5 million.

The Schweizer Illustrierte launched its traditional Christmas appeal in November 2010. Within the framework of a large report from the hospitals, this particular magazine issue appealed for donations.

In November and December 2010, we had banner ads on the home pages of Bluewin and the NZZonline as well as in the New York Times and the Economist. Thanks to the banner appeal, the recognition of the Foundation is increased both with new and mostly younger members of the public.

With his permanent worries concerning the missing means, Beat Richner put on the following performances in Switzerland in 2010:

28. March	2010	Zurich	Grossmünster
8. May	2010	Lausanne	Kathedrale
9. May	2010	Einsiedeln	Klosterkirche
10. May	2010	Bern	Berner Münster
29. August	2010	Zurich	Grossmünster
31. August	2010	Chur	Martinskirche

In Siem Reap, Beat Richner continued with his weekly information events, accompanying this with his cello playing. Every Saturday evening, Beat Richner informs an international audience in the Kantha Bopha III auditorium about the latest medical, political and financial aspects of his work there.

Thanks to the geographical proximity of the hospital in Siem Reap to the world famous grave site at Angkor, Dr. Beat Richner's work is becoming better known internationally.

However, the most important connection made by Beat Richner to the public is still the regular advertisements we publish in the most important daily newspapers. In 2010, more than 440 text ads were placed in the Swiss daily papers. They inform the public about current goings-on in Cambodia. They report on affliction and desperation, on epidemics, corruption but also on medical successes.

Apart from the text ads mentioned, 2010 also saw around 180 smaller ads places, highlighting Beat Richner's concerts.

Beat Richners untiring commitment on the acquisition front, as well as all the mentioned provisions (in addition to his work as the manager of 5 hospitals with 2300 staff!) and the loyalty of our donators has meant that in 2010 we have again generated donations and sums of supporting monies of over CHF 35 million (previous year CHF 33 million)!

## **5. Thanks and Forecast**

We wish to give heartfelt thanks in the name of the Foundation Board, but particularly in the name of the poor, sick children for all the private, heartfelt donations, large and small. We thank the governments of Cambodia and the Swiss Federation for their substantial contributions and consider these to be the recognition for the outstanding service provided by Dr. Beat Richner and as a sign of trust in our Foundation.

We thank the media for their reports on our work in the children's hospitals of Kantha Bopha. Dr. Beat Richner is always happy to show journalists around, despite his intensive hours of work. We would especially like to thank the Schweizer Illustrierte for their many years of sympathy and support for Dr. Beat Richner's work.

Circus Knie has for many years shown itself a loyal host of the Knie Gala every May in Zurich. Here, hundreds of friends of Beat Richner meet in a rather familiar atmosphere which is open for many more friends – hopefully for many a year to come.

The Foundation wishes to carry on Dr. Beat Richner's work for as long as possible. Since the Foundation has no financial investments, but uses the money collected directly for the treatment of the sick children in Cambodia, a so-called destruction of financial assets cannot take place. The money is used directly, without corruption and with efficiency, to save children's lives. It is in the nature of things that sometime, the day will come when the country of Cambodia will itself have to take over the whole financial responsibility for the hospitals. Of course, this is the scenario which is also important to the Foundation.

Finally, we would like to mention a report from the biggest Vietnamese daily paper "Tuoi Tre" about the Kantha Bopha hospitals. Over a period of 5 days, impressive reports from the intensive work of the care and medical staff were shown, working day and night, without corruption. In particular, it was mentioned that all treatment is free. In this way, Kantha Bopha avoids economic ruin and protects the smallest existences. The costs in the private sector and the so-called public hospitals are enormous. For these costs alone, families have to sell their last commodities. The report finishes with a demand to start a Kantha Bopha in Vietnam, too...!

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