



Happy Watoto

Tanzanian Homes & Schools

Annual Report 2020

1 April 2021



Table of contents

Letter of the Board	page 3
Our strategy	page 6
Our work	page 8
Corporate Governance	page 13
Financial report	page 18
Notes to the Financial Report	page 23
Report of the Audit Committee	page 28
General information	page 31





Letter of the Board



Letter of the Board

More than **355** children were helped by **Happy Watoto** in 2020.

2020 was a challenging year for everyone. The COVID-19 crisis caused the world to come to a partial standstill and also affected us as an organisation. Our schools were temporarily closed and the organisation took many COVID-19 measures to make sure that the children and staff stayed safe.

In addition, a number of sponsoring events were canceled, which means that we have put fundraising high on the agenda for the coming year. Due to the crisis, we have mainly focused on supporting the children and staff in these difficult times. Although 2020 was a very challenging year it has also provided some opportunities.

Let's first take a moment for a number of highlights from 2020:

- By putting all our efforts together, we managed **to help 155 children** directly through our homes and school, Kikatiti and Ngorika. Another **166 local village children** went to the Ngorika school. Moreover **86 children** went to secondary school or followed vocational education.
- We celebrated the **graduation of 40 of our children** at Ngorika school.
- Certificates were awarded to **18 of our staff members** who have been working at Happy Watoto for over 10 years.
- In 2020, we employed **69 local employees**.
- **Digitalisation** throughout the organisation was accelerated. We have received a sponsorship from **Google For Nonprofits**, which has resulted in free access to digital Workspaces for our staff. Several digital (board) meetings have been held with the team in Tanzania.
- Thanks to a special donation we could purchase **laptops** for the children.
- Our sponsors provided **additional donations to fund the COVID-19 measures** and we started to implement a **health monitoring system**.
- With the help of our sponsors we were able to provide **new school uniforms** and **sport outfits**.
- We established a partnership with **Pamoja Nguvu foundation** to provide the children who completed their **vocational education with a loan and support**, in order to set up their own business.

However, as proud as we are on the steps forward, we also realise that we still have a lot to do in an increasingly complex political and economic environment. In order to navigate successfully in this challenging world, our Dutch and Tanzanian boards have reviewed and strengthened our strategy for the coming years.

Our mission remains to support underprivileged Tanzanian children with the aim of enabling them to make a valuable contribution to the future of Tanzania. Our goal areas will be linked to the Sustainable Development Goals set by the United Nations and will serve as a guide to achieving a better and more sustainable future for all. In this report you can read more about our strategy.

We realise that all these challenges and developments demand more from our organisation and our stakeholders. We therefore highly appreciate the commitment and passion of our staff members, our Tanzanian board members, our German partner GoodHope for their dedication and contribution to our foundation.

A special word of thanks goes to our sponsors whom we are very grateful for their trust, even in these difficult times.

Asante sana, or thank you very much, on behalf of the entire board of the Happy Watoto Foundation ("Happy Watoto"),



Elise Lufting
Chair Happy Watoto Foundation

A handwritten signature in black ink, consisting of a stylized 'E' and 'L' followed by a long horizontal stroke.



Our Strategy





Strategy

Happy Watoto



Mission

To enable underprivileged Tanzanian children to **build an independent** life and make a **valuable contribution** to Tanzania's future



Goals



Safe & Healthy environment



High quality education



Life skills and employment prospects



Our vision

We believe **quality education and eradication of poverty** will enable Tanzania to become an African success story.



Principles



Enablers



Clear purpose



Local leadership



Accountability / governance



Partnerships



Long term financing



Our Work



Our Work

Kikatiti

Kikatiti is our kindergarten and home for children between 3 and 6 years old. The head of the school is Martha Jonathan.

As in previous years, this year we again enrolled 14 children at Kikatiti. In total there are now 55 children in Kikatiti. Due to new regulations, we increased the number of matrons and patrons by 2 last year to a staff of 13.

In the final year at Kikatiti, the children take the school bus to Ngorika, 10 kilometres away, before fully living there. The school bus with which this ride is made needs to be replaced. This is also clear from the investigation report of the education inspectorate. The Tanzanian board is currently looking at various options for purchasing a school bus. The impact of this investment on our budget is included in the financial chapter of this report.

With regard to the development of the children, we can say that in the past year, work was done on the development of a new measuring instrument that tests a child's cognitive and motor skills. This helps us to form a good picture of the level of the children. In this way, slow learners can be singled out and supported earlier and matrons and patrons can be helped in providing extra support to needy children. In the coming year, work will be done on the implementation of this instrument.

Work has also been done on setting up a health monitoring system, by enrolling a health passport for all children. With this passport we want to better monitor the development of the children and their health. In this way we build a medical file, with which adequate care can be provided if necessary.



Children walking to Kikatiti

Ngorika

We provide primary school education from Ngorika, where we also have a shelter for 7-12 year olds. Peter Claver started last year as a new home manager. With the arrival of Peter, we can welcome a driven and experienced new staff member to our organization. The number of children in Ngorika has remained roughly the same. In total, about 114 children from our organisation live and study there, besides about 166 local village children visit Ngorika School.

The school is headed by Jonas Michael and is performing well. This year 40 students took the national exams. In the school ranking among 77 schools in the Arumeru / Arusha district, Ngorika school came in 6th place, as it did in 2019. This result is partly due to the attention paid to exam technique training and the provision of extra guidance to students who have difficulty learning. We have delivered extra education on Saturdays and participated in joint practice exams with the best schools in the region, which has also contributed to the good results.



School children from Ngorika show off their new uniform

Given the high quality of education, fee-paying children from nearby villages to Ngorika are also attracted to the school. In total, this amounted to 166 children (as mentioned above) in 2020. This was again an important source of income for us during the year.

We are convinced that the quality of education largely depends on the quality of the teachers.

In order to guarantee the high quality of education at Ngorika in the future, we continue to invest in good teachers. We also work hard to develop the children's digital skills. With the help of a number of sponsors we have been able to purchase new computers during the year, with which our children have been improving these skills.

Ngorika is our primary school and home for children between 7 and 12 years old. The head of the school is Peter Claver.

In 2020 the Education Inspectorate conducted a control at Ngorika School. The report of the Education Inspectorate regarding the quality of our education was positive. The Education Inspectorate advised to perform a check on the diploma's of the teachers. This check has been performed and potential measures have been followed up. Besides, an investment is required from us on two points.

These are the aforementioned school bus and a library. With regard to the library, we decided to set up part of the current computer room as a library in the near future. Newly purchased books will be made available for the children here. When the board can travel to Tanzania again, the necessity of building a separate library will be discussed and examined further.

We intend to organize targeted sponsor campaigns in the coming years for the funding of this type of specific investments. For more information about our fundraising, please refer to the chapter "[fundraising](#)".

Secondary school

After Ngorika, we continue to support the "home children" by sending them to external secondary boarding schools. In 2020, 86 children went to a secondary school from Ngorika home. The children are divided over 6 different years (I to VI) and at a variety of schools, to suit each child.

Given the growth in the number of children going to secondary education and the increased school fees, we are confronted with significantly higher secondary school costs. At the beginning of 2020, we started an investigation into the possibility of setting up a secondary school ourselves and, if possible, saving costs. Unfortunately, we have been forced by COVID-19 to temporarily put this investigation "on hold". As soon as we can travel again, we plan to resume this research.

We are delighted to announce that our children will continue the excellent school performance of primary education into secondary education in 2020 as well. The result is a record number of 7 children that are allowed to attend university. An application for a government loan has been made for these children, however, this loan cannot be allocated to all children. The pupils have the chance to receive a loan from the foundation and eventual the organisation might look for individual sponsors for these children.

86 Children went to a secondary school from Ngorika home in 2020.

Supporting a transition to adult life

Happy Watoto has the mission to support the children build an independent life. An important next step towards independence is having a job or building their own business.

Support by starting a career can be a potential accelerator for their professional development. Especially because these children don't have a stable home to rely on. That's why we are currently looking at various options of support in this area. One of the options we are pursuing is to recruit a mentor to guide school-leavers in finding a job or setting up their own business.

The local board is investigating various ways of fulfilling this mentor role, such as recruiting an external employee, training a current employee for this position, or collaborating with agencies that specialize in this.

We are also looking to develop the children's life skills to better prepare them for an independent, adult life. Additionally, we have developed a close working relationship with our friends at Pamoja Nguvu, who support starting entrepreneurs via micro-loans.



*Graduation ceremony
Summer 2020*



Corporate Governance



Corporate Governance

People & Organization

*The total staff of Happy Watoto consists of **69** persons, plus **11** board members.*

Working with orphans and children from underprivileged families means working with an extremely vulnerable people. In our personnel policy, we therefore pay a lot of attention to open communication, procedures and protocols. This provides security and stability in dealing with children. All our employees are selected for their ability to deal with vulnerable children and stand behind our values. Our flat organizational structure promotes open and transparent communication.

In this section you will find an overview of our organisational structure and the persons who fulfil management or board roles.

The Board

The Dutch board is responsible for fundraising, monitoring and drawing up the long-term strategy of the foundation. This is done in close collaboration with the local NGO board.

The board at the end of 2020::

Elise Lufting	Chair
Fred Arp	Treasurer
Sjoukje de Vries	Secretary
Paul Nielen	General member
Pete de Jager	General member
Richard Lines	General member

The board is not paid for its activities and does not receive compensation for costs incurred.

The Audit Committee

The auditing committee was reappointed last year and consists of Maarten Hagenaar and Daan Meyer. Maarten and Daan also receive no compensation for their expenses and no payment for their work.

Local NGO board

The local NGO board is the most important point of contact for the Dutch board. In collaboration with the Dutch board, the NGO board determines the long-term strategy of the foundation. They are also responsible for directing and supporting the Tanzanian management team.

Since 2020, the NGO board is formed exclusively by Tanzanians, in accordance with the new legal provisions. Happy Watoto considers local leadership to be of paramount importance. Strengthening local administration and management is in line with this.

The local NGO board at the end of 2020:

Lorna Shuma	Chair
Grace Chwezi	General member
Grace Geffi	General member
Joyce Sagala	General member

Management Team

Our organisation in Tanzania consists of 69 staff members, who are managed by the following [management team](#):

Mathew Massawe	Managing & finance director
Peter Claver mushi	Head of Ngorika home
Jonas Micael	Head of Ngorika school
Martha Jonathan	Head of Kikatiti home
Mary Kasale	Head of social work

*Management Team. f.l.t.r.:
Martha Jonathan, Mary
Kasale, Mathew Massawe,
Joyce Sagala, Paul Nielen,
Jonas Michael, Ndombellah
Sikwattah (currently not
working in the MT), Nolarip
Ngungat (currently not
working in the MT) and
Grace Geffi*



Advisors

Since 2015, the board has been working with a number of advisers, who are consulted on specific topics. The consultants work on a voluntary basis. There is a lot of work to be done, in which we can use their expert help. We are therefore very grateful for the voluntary contributions that our advisers make. For the year 2021, in collaboration with our advisers, we are looking at how the advisory role can be optimally organised.

Advisors:

Kees Bakker	Diet & health
Margreeth Brokking	Social pedagogical
Evelien Emondts	Communication
Wim Smit	Management development
Boudewijn van Velzen	Education
Walther de Nijs	General
Marion Hasselaar	General

The advisers do not receive payment or compensation for costs incurred.

Volunteers

Due to the travel restrictions associated with the COVID-19 outbreak, the number of volunteers working at Happy Watoto was lower last year. Even so, four volunteers worked throughout the year, one of whom is still present (as of March 2021).

Happy Watoto ensures that our volunteers make a valuable contribution to the foundation by selecting them on a number of conditions. Given the nature of the work, volunteers should be at least 21 years old, available for at least 3 months and have experience / affinity on a specific topic related to educational children.

The volunteers do not do work that could also be done by Tanzanians. In this way, we preserve jobs for the people who need it most.

The volunteers pay for their own travel and accompanying documentation. They also pay an appropriate contribution for room and board.



Students in their new sports kit

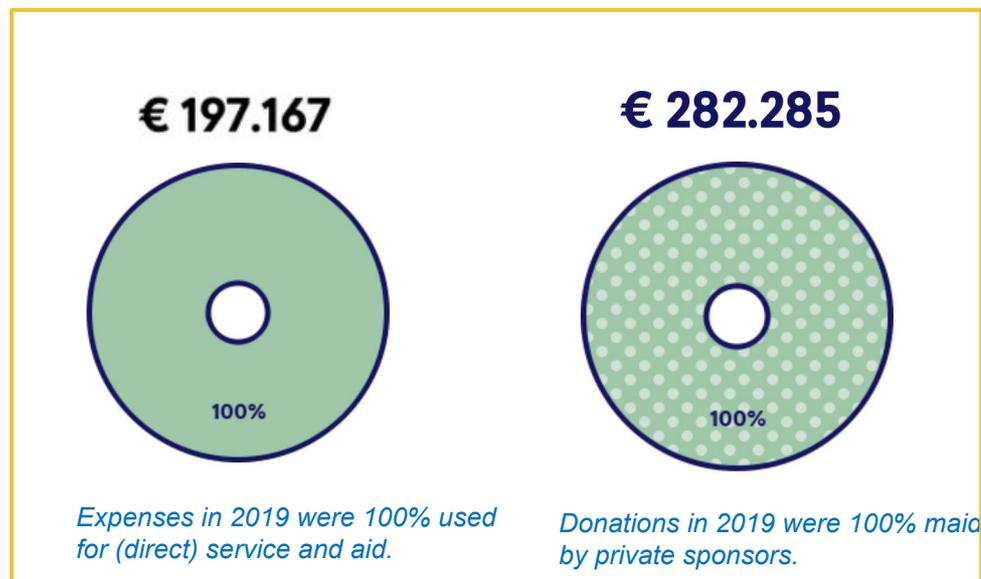
Accountability & Certification



Certification

The CBF assesses whether charities meet strict quality requirements. This way you can be sure that Happy Watoto actually contributes to a better world, handles every euro carefully, is accountable and is monitored. For more information about the CBF, click on the logo on the right.

Happy Watoto Foundation has been CBF registered since 2017. The annual report, which provides a detailed report of our financial situation and plans for the coming year, is shared with the CBF for review.



Financial details from CBF's recognition passport (2019)

Accountability

The board of Happy Watoto is accountable for the policy pursued and the realisation of the annual plans and goals in the annual report. The annual report is published within five months of the end of the year. We share the report via our website and via other methods. We also send a newsletter to our stakeholders three to four times a year in which updates are shared in the interim. The website contains the most important information about our foundation, its origins and our working method.



Financial Report



Profit and loss account 2020

<i>Amounts in Euro's</i>	<u>Actual 2019</u>	<u>Budget 2020</u>	<u>Actual 2020</u>
Income:			
Donations	282,285	190,000	258,911
Expenditures:			
Spend on objectives			
Kikatiti	92,955	93,640	85,336
Ngorika school	34,917	41,722	38,158
Lerai (purchase land)	14,015	-	-
Other Projects	53,141	94,130	86,665
	<u>195,028</u>	<u>229,492</u>	<u>210,159</u>
Settlement with Good Hope ex 2018	2,139	-	-
Costs of Management and Administration	3,880	4,500	6,237
Total Expenditure	<u>201,047</u>	<u>233,992</u>	<u>216,396</u>
Balance before income and expenditure	81,238	-43,992	42,515
Income and expenditure (incl. Fx differences)	-4,452	pn	-13,005
Total income and expenditure	<u>76,786</u>	<u>-43,992</u>	<u>29,510</u>
Allocation of income and expenditure			
Allocation special purpose reserve	<u>112,000</u>	-	<u>50,000</u>
Charged to other reserves	-35,214	-43,992	-20,490

Balance sheet at 31 december 2020

<i>Amount in Euro's</i>				
Assets		Dec. 31th 2020	Liabilities	Dec. 31th 2020
Intangible fixed assets:		P.M.	Equity:	
Short term receivables			Reserves and funds	
Curr. Acc. Pamoja Nguvu	€	1,500	Special Purpose reserves	€ 600,000
			Other reserves AoPo	€ 55,382
			Deficit 2020	<u>€ -20,490</u>
				€ 634,892
Cash and Bank:				
Nederland	€	586,343		
Tanzania	€	97,049		
		<u>€ 683,392</u>		
			Provisions:	
			Provision Meru Bank account	€ 50,000
		<u>€ 684,892</u>		<u>€ 684,892</u>

Cashflow statement 2020

<i>Amounts in Euro's</i>				
Conversion rate Tzsh. per €	2,608	2,500	2,590	2,500
Financial report 2020	Actual 2019	Budget 2020	Actual 2020	Budget 2021
Bank/cash position per 1 January	585,208	673,018	673,018	683,393
Minus: settled with PN foundation in 2020	0	0	(19,136)	0
	585,208	673,018	653,882	683,393
Cash inflow:				
Donations	282,262	190,000	258,911	205,000
Exploitation cost charged to Good Hope	209,202	188,411	196,551	185,585
Exploitation cost charged to Pamoja Nguvu	16,633	27,744	22,759	31,923
Other settlements with Good Hope	0	0	0	0
	508,097	406,155	478,221	422,508
Cash outflow:				
Kikatiti				
Salaries	28,841	34,436	32,982	38,339
Meals	12,014	11,600	9,452	11,600
Inventory and maintenance	2,943	6,752	4,890	3,312
Other (medical, clothing, energy etc.)	9,593	13,263	11,050	13,618
Shared management costs (incl. Lerai)	20,395	20,309	20,707	22,717
School fees Ngorika school	6,442	7,280	6,255	7,840
Large maintenance	12,727	0	0	2,970
	92,955	93,640	85,336	100,396
Ngorika school				
Salaries	60,667	63,376	61,602	67,133
Meals	8,052	8,400	8,108	8,400
School uniforms	14,041	17,848	12,069	13,264
Books, exams, reading materials etc.	11,852	16,953	10,077	14,708
Other (medial, maintenance, cleaning etc.)	12,528	17,332	19,782	20,291
Shared management costs (incl. Lerai)	39,152	39,613	42,544	43,021
Investements	7,365	7,320	2,008	7,200
School fees	(118,740)	(129,120)	(118,032)	(128,502)
	34,917	41,722	38,158	45,515
Ngorika home				
Salaries	22,471	27,942	31,307	28,392
Meals	23,628	22,000	23,771	22,000
Inventory and maintenance	1,768	5,416	5,281	0
Investements miscellaneous	577	1,002	0	0
Investment Toyate Landcruiser	39,110	0	0	0
Investment renovations	13,198	10,646	3,020	4,800
Other (medial, maintenance, cleaning etc.)	18,162	19,888	27,255	27,456
Shared management costs (incl. Lerai)	34,595	42,117	47,500	46,577
Idem recalculations previous years	3,086	0	0	0
Patandi school and VTC	0	0	1,980	0
School fees	52,607	59,400	56,437	56,360
	209,202	188,411	196,551	185,585
Transport to blad 2	756,231	755,400	812,058	774,405

continued on next page

Cashflow statement 2020

Conversion rate Tzsh. per €	2,608	2,500	2,590	2,500
Cashflowstatement				
	Actual 2019	Budget 2020	Actual 2020	Budget 2021
Transport previous page	756,231	755,400	812,058	774,405
Management				
Salaries staff and local NGO board	37,180	47,872	46,670	45,547
Transport	26,933	24,400	24,948	23,600
Water	1,002	1,400	1,007	1,400
Inventory and maintenance	682	1,120	773	1,120
Investments and large maintenance	0	0	0	0
Social work	4,622	6,043	11,974	12,800
Other (insurance, permits, medical, etc.)	11,254	17,370	24,515	16,426
Other (one-off restructuring costs NGO's)	5,461	0	0	0
Shared management costs	-87,134	-98,205	-109,887	-100,893
Total excl AWSG and sec. sch. Boardingfees	0	0	0	0
Lerai				
Development vegetable garden and sport fields	8,030	11,600	10,164	12,592
Investment (purchase land)	14,015	0	0	0
Shared costs (Ngorika school, home and Kikatiti)	-8,030	-11,600	-10,164	-12,592
	14,015	0	0	0
Other projects				
Secondary school	50,554	85,200	76,903	128,400
AWSG	2,076	2,165	1,776	1,800
Other projects	511	6,765	7,986	7,441
	53,141	94,130	86,665	137,641
Pamoja Nguvu Foundation				
Salaries	6,761	11,023	11,857	13,284
Office costs	785	945	651	664
Transport costs e.g.	789	858	947	1,056
Net acquisitions loans u/g	5,418	9,553	3,652	8,416
Investments	280	320	618	0
Additional loan provision u/g	0	0	1,230	3,080
Other costs	2,600	5,045	3,804	5,423
	16,633	27,744	22,759	31,923
Costs Netherlands - (bank, chamber of commerce, etc.)	1,380	2,000	1,237	2,000
Local advisors	2,500	2,500	5,000	5,000
FX differences	4,456	0	-13,005	0
Bank/cash position as at 31 December	673,018	629,026	683,392	597,841

Reconciliation with 2020 Profit & Loss account

Bank/cash position as at 31 December 2020	<u>Tzsh. x 1.000</u>	<u>FX €</u>		
Netherlands			586,344	
Tanzania (excl .Ng Home and excl. PN Foundation)	274,842	2,832	<u>97,049</u>	<u>683,393</u>
Bank/cash as at 1 January 2021				
Netherlands			563,726	
Tanzania (excl Ng Home)	281,100	2,572	<u>109,292</u>	<u>673,018</u>
Total received 2020				10,374
Plus: credit PN as at 31 December 2020			1,500	
Plus: starting balance credit PN settled with PN			<u>17,636</u>	19,136
Total balance of income and expenditure 2020				<u><u>29,150</u></u>

Notes to the 2020 financial report

General

Fortunately, our foundation is still financially healthy: over the past year we received more than € 257,000 in donations, of which approximately € 123,000 was spent on our Kikatiti and Ngorika schools, approximately € 77,000 for secondary education, and approximately € 16,000 to other projects and costs of the organisation, as explained further in this report. After deduction of an exchange loss of approximately € 13,000 as a result of the significantly higher value of the euro compared to the Tanzanian Shilling (year-end exchange rate 2,832 compared to 2,572 as at 31 December 2019), a surplus of approximately € 28,000 remained.

As a result of an addition to the designated reserves of € 50,000, the year 2020 was nevertheless closed with a deficit of € 21,990. This allocation is mainly related to the increasing tuition fees for secondary schools in which more and more children participate. In 2015, the first children of 13 years old went to secondary school, which involved approximately € 11,000. In 2020, more than € 77,000 was already spent on this. In 2021, this amount will amount to approximately € 128,000, including transport and accommodation costs for the children.

In addition to the usual cash flow statement, a balance sheet and an income and expenditure account have been included. This concerns the accountability of the income and expenses of the organisation in the Netherlands. The auditing committee has checked and approved the income and expenditure of the activities in the Netherlands ([see page 28](#)).

The reporting of the activities in Tanzania is audited. At the time of publishing this report, the figures in Tanzania up to and including the 2019 financial year have been checked and approved. The audit for 2020 will be completed during the course of 2021.

The 2020 reporting also includes the activities of the Pamoja Nguvu Foundation, as further explained in the annual report. These activities are cost neutral for Happy Watoto.

Explanation of the 2020 income and expenditure account

The income of private individuals relates to donations based on 5-year contracts and one-off gifts. The costs of Ngorika house belonging to the school complex are financed by our German partner Good Hope.

Except the management costs of € 6,237, all income is spent on the objectives of our foundation or added to the designated or other reserve. The board bears all costs associated with the board functions, for its own account, meaning that almost 100% of the resources are allocated to the cause. The management costs for 2020 include the costs of local advisers (€ 5,000) who have been deployed for our organization to support local management.

The objectives include the costs associated with the operation of the kindergarten (Kikatiti), the primary school (Ngorika school), management and Lerai (costs that are not directly attributable). These costs are further explained in the cash flow statement.

Recruitment fees do not apply as no use is made of external commercial recruitment agencies.

The costs of management and administration include, in addition to the costs of consultants already explained, CBF costs, bank charges, and costs of the Chamber of Commerce.

Financial income and expenses include bank charges, transfer commission and exchange rate differences

The deficit for 2020 (€ 20,490) has been deducted from the other reserves.

Notes to the balance sheet as at December 31, 2020.

Tangible fixed assets

This concerns the ownership of the school buildings and the land, the volunteer house and the other tangible fixed assets, all of which are accounted for in the annual report of the Tanzanian NGO and are therefore not included here. The book value in Tanzania was approximately € 360,000 as at December 31, 2019, compared to approximately € 340,000 at the end of 2018.

Equity

Reconciled as follows:

Destination Reserves:

Balance on 31 December 2019:	€ 550.000
Grants 2020	€ <u>50.000</u>
Balance on 31 December 2020:	€ <u>600.000</u>

Other reserves:

Balance on 31 December 2019:	€ 55.382
Less: 2020 operating deficit:	€ <u>21.990</u>
Balance on 31 December 202 :	€ <u>33.392</u>
Total equity as at 31 st December 2020:	€ 633.392

Reconciliation of Destination Reserves:

Provision for secondary school fees 2021-2023:	€ 400.000
Continuity reserve:	€ <u>200.000</u>
Total:	€ <u>600.000</u>

The continuity reserve amounts to approximately 1.5 times the average cost of the annual costs of the projects in Tanzania, excluding the costs of the secondary schools that have already been reserved under the designated reserves. This reserve has been formed because we consider it necessary to have a positive bank balance at the end of each financial year that covers operating costs for at least 1 to 1½ years, so that we can also cover unforeseen (financial) circumstances and guarantee the continuity of our project.

Services

As already reported in our 2017 annual report, the Meru bank, where we held a bank account for depositing school fees and a deposit account, was closed at the end of 2017 by order of the government due to solvency problems. At the end of 2018, a first small repayment was received on the outstanding claim of over € 60,000. Settlement may take a long time, so that we do not have access to this money for the time being. As a precaution, a provision of € 50,000 was formed for this in 2018. Regular contact is maintained with the bankruptcy trustees with a view to settlement.

Notes to the 2020 cash flow statement

Explanation of expenditure.:

General

The annual financial report has been prepared in Euros, with our expenditure in Tanzanian Shillings converted to Euros at an annual average exchange rate. For 2020 this was budgeted at Tzs. 2,500 / €; the actual average exchange rate was Tzs. 2.590 / €. The balance sheet was valued at the year-end exchange rate: at the end of 2020 this amounted to Tzs. 2,832 / €, against Tzs. 2,572 / € at the end of 2019. The net negative exchange rate difference of € 13,005, mainly as a result of the frozen balance in Tzs. at Meru bank, is included separately in the cash flow statement. On the other hand, the average transfer rate of the payments made to our projects in 2020 was translated at an average rate of 2,590 compared to a rate of 2,500 used in the budget, leading to a favourable exchange rate difference of 3.6%. As a result of COVID-19, extra measures have also been taken at our schools to protect our children and their staff as much as possible against the virus. Extra costs of hygiene, medicines, family support of the children (where necessary) resulted in higher costs than budgeted.

Kikatiti – actual versus budget 2020

In 2020, education was provided to 55 children compared to 56 budgeted. As a result, the costs turned out to be lower than budgeted. In addition, budgeted maintenance costs had already been spent in December 2019.

Kikatiti – budget 2021 versus actual 2020

For 2021, 55 children are budgeted, equal to the actual number in 2020. The operating costs are expected to increase by approximately € 15,000, mainly due to approximately € 5,000 higher personnel costs (further expansion of patrons and matrons as a result of legal regulations and higher salary levels); € 3,000 major maintenance, € 5,000 higher food and clothing costs and € 2,000 for other costs.

Ngorika school – actual versus budget 2020

The income from school fees turned out lower despite a higher occupancy (266 compared to 256 budgeted) due to collection problems with a number of children. On the cost side, the increase in clothing costs was offset by a decrease in training costs due to COVID-19. In addition, the budgeted maintenance costs had already been spent in December 2019.

Ngorika school – budget 2021 versus actual 2020

Income from school fees is expected to increase by approximately € 10,000 despite the lower occupancy (256 compared to 266 in 2020) due to fewer non-payments. The school fee rate has not been increased. On the other hand, costs will increase due to higher costs of clothing, books, training and replacement of school desks.

Ngorika home

These costs are fully borne by Good Hope, our German partner who reports on this itself.

Management cost - actual versus budget 2020

Expenditure in 2020 was above budget due to higher costs of social work to prevent Covid 19, higher (one-off) costs of permits for some staff members.

Management cost - budget 2021 versus actual 2020

The costs of local management will decrease compared to 2020 due to lower costs of social work.

Lerai

The costs of operating the vegetable gardens and the sports field are settled (monthly) with the cost units. Growing our own vegetables also made progress in 2020, both in quality and in size.

Other costs

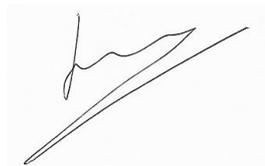
Secondary schools: 10-14 secondary schoolgoers from Ngorika now join each year. As a result, the costs will increase correspondingly for at least another year (until the first (2014) group of children have completed their education) and at most four years (if these children continue to study for another two years). In 2020 the number of students was 86 and will increase to 108 students in the course of 2021.

Investments 2021

The 2021 budget does not yet take into account the replacement of a school bus (expected expenditure approximately € 45,000 for a second-hand bus) and the establishment of a library (costs still unknown).

Fred Arp, Treasurer.

16 March 2021.



Audit Committee Report

Happy Watoto Foundation audit 2020

Date, place audit: 22 March 2021 in Zoeterwoude

Audit Commission members:

- Maarten Hagenaar
- Daan Meyer

In the presence of: Fred Arp, Treasurer of Happy Watoto

Scope: The cash flows and positions of the Happy Watoto Foundation in the Netherlands were examined. The activities in Tanzania are audited there by an auditor

Period: Accounting year 2020, 1/1-31/12

Structure: The total of the cash flows in the Netherlands runs through 3 bank accounts, namely :

- Board account NL95ABNA0592137678 Balance 31/12: € 286.344,12
- Deposit account NL34ABNA0529432544 Balance 31/12: € 300.000,-
- Board savings account NL32ABNA0618748628 Balance 31/12: € 0.-

The findings per account below :

Board account:

- Randomly large entries in / out compared to bank statements
- Opening / Closing balances reconcile with bank statements
- All audited payments were to Tanzania with the exception of:
 - Bank-internet cost and KvK € 133,38
 - Cost CBF recognition € 530
 - Payment Ms. Hasselaar total € 5.000, --
- The bank statements are linked to the transactions in / out
- In 2020, this account was also used to facilitate payment transactions for the Pamoja Nguvu Foundation, for the purpose of providing microcredit. From July 2020, these payments will be made through a separate account opened for that purpose. This activity has therefore been placed entirely outside the Happy Watoto Foundation.

Deposit account:

No transactions

Board savings account:

No transactions

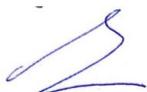
Conclusion:

The administration of the cash flows shown provides a balanced and correct account of the management of the funds of the Foundation in the Netherlands. Thus confirmed with signature by the audit committee.

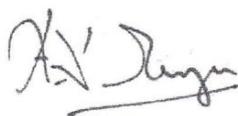
Aanbevelingen:

- The unbundling of payments from Happy Watoto and Pamoja Nguvu took place in 2020. At the end of 2020, a claim of € 1,500 remained on Pamoja Nguvu; this claim will be settled in 2021. It is expected that donations for Pamoja Nguvu will still be made in 2021. The audit committee endorses the procedure proposed by the Treasurer: "amounts received for Pamoja Nguvu will be transferred immediately and the relevant donors are requested in writing to transfer the donations directly to Pamoja Ngwu from now on."
- The audit committee has met today for the fifth time in the same composition. In principle, the members are prepared to do this again next year. However, the board is advised to consider a partly new composition of the 2021 auditing committee. It is not usual for an audit committee to operate in the same composition for several years. The audit committee recommends switching to a composition based on a 'roof tile construction' in which one of the members is replaced every year. The audit committee is prepared to comply with this before 2021.

Aerdenhout 23 March 2021
Maarten Hagenaar



Amsterdam 23 March 2021
Daan Meyer



Fundraising

Our foundation is supported by a wide group of donors. A number of them have committed themselves to us for a five-year term. We are pleased to note that even after this term, people are happy to continue to support our important work, especially since our involvement with individual children continues for 15 (!) years.

We are also happy with events organised by sponsors. For example, in 2020 we received a nice donation from the Skyline Charitable Foundation and from the Montlobre wine campaign.

Our German partner Good Hope unfortunately had to cancel their annual golf tournament and gala evening in 2020. Despite this, they have been able to increase their total contribution to our joint activities. We consider ourselves fortunate to have such a great partner.

MEET THE TEAM
Mary Kasale, staff member Happy Watoto

HOW DO YOU KNOW HAPPY WATOTO?
"I know Happy Watoto as a non governmental organization who support children and orphans with providing education, shelter, food, security and medical."

WHAT MAKES YOU HAPPY ABOUT WORKING FOR HAPPY WATOTO?
"It makes me happy to see children succeed meeting their goals. For example when the child pass his/her examination and enter another education level."

WHAT IS YOUR WISH FOR HAPPY WATOTO FOR 2021?
"Create more awareness for children through individual talks and group discussions on social skills, academic issues."

happywatototanzania

Happy Watoto on [Instagram](#)

We have not been able to organise any meetings in 2020 and it does not look good for this year either. In the future, we would like to become more active in this area and thus further broaden the group of donors. At the same time, we also strive to rejuvenate our fans.

To achieve this, work is being done on a more active online presence, among other things. For example, last year, as a pilot, we started an online fundraising campaign via the WhyDonate website. You can still donate through this site. We are also working towards a new website, which will go live before the summer of 2021.



General Information



Contact details:

Stichting Happy Watoto, Tanzanian homes & schools
Zonnegaarde 77, 2381 LK Zoeterwoude
info@happywatoto.nl
www.happywatoto.nl

Bank details:

Account name:	Stichting Happy Watoto
IBAN	NL95ABNA0592137678
BIC	ABNANL2A

Other details:

Date of incorporation	26 December 2000
ANBI registration	18840
KVK	4149507
RSIN	810107247

