



Happy Watoto

Tanzanian Homes & Schools

Annual Report 2021

June 2022



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Letter of the Board



Letter of the Board

*More than
400 children
were helped
in 2021 by
Happy
Watoto.*

The past year of 2021 has shown that Happy Watoto has become a strong and resilient organization. The local management team, with the support of the local NGO Board, has shown that it is able to cope with a crisis and energetically pick up again after corona. The board management from the Netherlands has been pushed further into the background, although we, as financial supporters, do keep a close eye on things.

In October we paid a physical visit to our project for the first time in two years. It was extremely inspiring and an instructive immersion in African life and wisdom through fascinating conversations with young and old.

The political climate continues to fluctuate but confidence has increased due to the sudden change of power. President Samia seems to be a thoughtful and stable factor, after the turbulent period under the authoritarian President Magufuli.

With our sponsors and our partner Good Hope we have been able to provide the organization with the necessary resources for which we are extremely grateful to everyone.

The main events and developments can be summarized as follows:

- Nearly 400 children have been entrusted to our care, a quarter of whom are now attending secondary school;
- Our own primary school once again achieved excellent results, nevertheless, the local NGO board has chosen to recruit a new headmaster who is more in line with the ambitions of our organization. We welcome Mr. Temba.
- Happy Watoto has continued to pay the salaries of all its employees during the corona lockdowns. This is seen as an exceptional gesture that generated a lot of goodwill among the employees, but above all really helped our people make ends meet.



New headmaster Mr. Temba welcomes the children

- With the support of Good Hope in particular, we have been able to invest in a reliable, used Toyota Landcruiser;
- Thanks to the support of our sponsors, we have been able to make necessary investments, including in a second school bus;

- The importance of our own food supply is significant, producing healthy and affordable food. The possibilities for organic farming are being further explored. We expect this to build a modern farm that can provide training and employment opportunities;
- The appointment of Peter Claver as manager of Ngorika Home turns out to be a bull's eye. A strong manager who sharply directs the team of matrons and patrons, but above all shows an enormous love for our children. In a short time he has become one of the driving forces of the organization;
- The team has been further expanded with Anne Gilder. She has been appointed part-time to support Mathew in the business management of the organization and is also a member of the local board.

As proud as we are of the steps forward, we realize that we still have a lot of work to do in a challenging and economically complex environment.

A very concrete challenge is to set up a library that meets the requirements set by the Tanzanian government. This requires a substantial investment in a separate room and, above all, English reading books for children aged 6 to 12 years.

In 2022, a further tightening of the policy with regard to further education will also be discussed. When choosing the right education, the interests of the child are the starting point, but affordability is a point of attention.

Our mission remains to support underprivileged Tanzanian children, in order to make a valuable contribution to their future and that of their environment. An extremely important part of our work is to perpetuate the relationships our children have with their own families. This is of the utmost importance for the children who live with us for a large part of their time and increases their chances in life.

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



Elise Lufting
Chairperson, Happy Watoto Foundation

A stylized, handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the end.



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

As in previous years, we have again allowed the maximum number of children of 14 to enter this year. A total of 55 children now reside in Kikatiti. Last year the staff was expanded by 4 to a staff of 73 people. We hereby comply with government regulations regarding the number of supervisors per child.

In the final phase of Kikatiti, the children take the school bus to Ngorika, which is further away, before settling down here completely. The research report of the Education Inspectorate in 2020 showed that the school bus needed to be replaced. After thorough research, the board found a suitable bus, which was purchased. The impact this investment has had on our results is included in the financial section of this report.

The measuring instrument with which we can test the cognitive and motor skills of the children, was widely used last year. This helps us to form a good picture of the level of the children. In this way, slow learners can be picked out earlier and supported. Matrons and patrons can also be helped to provide extra support to needy children.

Another important development is increasing the involvement of parents and carers in the care of the children. At Happy Watoto, the carers receive educational help, so that the children can safely return to their carers during the holiday periods. Maintaining the ties with the carers is very important, in order to be able to give the children a home after the Happy Watoto period.

In addition to regular education, the children at Happy Watoto also learn necessary 'life skills'. Last year, extra attention was paid to hygiene.



Both body and clothes. Good hygiene is one of the most important prevention measures to prevent illness and is also passed on to the carers via the children.

Ngorika

Ngorika is our primary education and shelter for children between 7 and 12 years old. A total of 270 children are educated here.

We provide primary education at Ngorika, where we also have a shelter for 7-12 year olds. Peter Claver is the home manager here.

The number of children in Ngorika has remained about the same. In total about 114 children of our organization live and study there. In addition 166 local village children attend the Ngorika school.

In 2021 Mr. Temba joined, who has taken over as headmaster from Mr. Jonas M. Michael. The school also performed well in 2021. This year class 7 took an exam. The entire class, consisting of 36 children, passed. Of these 38 children, 18 are Happy Watoto children.

Ngorika pays a lot of attention to the quality of the teachers. For example, Wim Smit went to Happy Watoto last year to give a workshop about working together and dealing with challenges in the field.



Wim Smit visits Happy Watoto for two-day workshop.

Under the leadership of a volunteer, we kicked off the 'effective education' program in 2021. The aim of this program is a transition to education

where understanding is central, instead of being able to repeat. Teaching material is offered by experiencing and imitating. The link between theory and practice is thereby made clear. In this way we work towards a pragmatic way of learning that is more memorable. The shift from rehearsal to understanding has also been made by the Tanzanian government. The national exams have been adjusted accordingly. Because our children are offered their teaching material in this way, they were very well prepared for the national exams. Results can be found in the next chapter..

Given the high quality of education, children from nearby villages like to come to Ngorika. In total, as stated above, this amounts to 166 children. School fees are paid for these children by the parents. This was again an important source of income for us in 2021 and is a source of income whose further potential we want to explore in the coming year.

118 children went to a secondary school from Ngorika-home in 2021.

In 2020, the Education Inspectorate carried out an inspection of the Ngorika school. The report of the Education Inspectorate regarding the quality of our education is positive. Points on which action had to be taken were: purchase of a school bus, investment in a library and regulations regarding teacher diplomas.

As already described, investments have been made in the purchase of a used second school bus. The checks on the diplomas have already been carried out at the end of 2020 and measures have been taken. After our visit to Happy Watoto in the spring of 2021, the need to build a library has been confirmed in consultation with the Tanzanian board.

As described in the introduction, setting up a library that meets the requirements set by the Tanzanian government is high on our wish list. This requires a substantial investment in a separate room and, above all, English reading books for children aged 6 to 12 years. To save costs, we try to collect books as much as possible through acquaintances. An investment like this, however, shows once again how much our donors are needed to be able to make this necessary investment like this.

We intend to organize targeted sponsorship campaigns in the coming years to fund this type of specific investment. For more information about our fundraising, please refer to the 'fundraising' section.

Secondary school

Even after Ngorika, we remain committed to the 'home children' by sending them to external secondary boarding schools. In 2021, 18 children went to a secondary school from Ngorika-home. The children are divided over 6 different levels (I to VI) and different schools.

Of these 18 children, 12 children went to 'Ordinary Secondary School', comparable to VMBO and 6 children to Vocation Training Colleges (VTC), comparable to practical education.

Affordable secondary education, with a clear perspective is a strategic point in 2022.

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. With the arrival of Anne Gilder, we have made a start on tightening up the policy with regard to further education. This issue will continue to be high on our strategic agenda in 2022. When choosing the right education, the interests of the child and future prospects are the starting point, but affordability is a point of attention.

Career guidance

Happy Watoto's mission is to help the children build an independent life. After obtaining a diploma, an important next step towards independence is getting a job or starting their own business.

Career launching support can be an important accelerator for our children. Especially because these children often do not have a stable home on whom they can fall back. Having a mentor and role model to help the children find a job or set up their own business, the last step towards independence, can be of great added value.

We are therefore pleased to announce that, in addition to his role as head of Ngorika home, Peter Claver has been fulfilling the role of mentor for our graduate children since 1 July 2021. In this role he is responsible for coaching and guiding the children in their final step towards independence.

The collaboration with partner organization Pamoja Nguvu, which supports starting entrepreneurs through micro-credits, is one that we want to further strengthen in the coming year.

An important element for the children to build up their lives successfully, independently is investing in the general skills of our children, or 'life skills'.

Finding a job, or even setting up your own business, taking out a loan with a repayment obligation, demands a lot from the children. They must learn to communicate on a business level, to make commitments and to make and follow a longer-term plan.

Investing in general skills is therefore essential and will receive even more attention in 2022 through mentoring.

*Peter Claver, head of
Ngorika home and
mentor.*





Corporate Governance



Corporate Governance

People & Organization

*The total staff of Happy Watoto consists of **73** people.*

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.

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. bestuur.

The board at the end of 2021:

Elise Lufiting	Chairperson
Fred Arp	Treasurer
Sjoukje de Vries	Secretary
Paul Nielen	General member
Richard Lines	General member

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



The Dutch Board (from left-right): Sjoukje, Fred, Elise, Paul & Richard.

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. Anne Gilder took over from Grace Chwezi last year. We thank Grace for her efforts and loyalty and warmly welcome Anne. Anne has gained experience at our partner organization Watoto and a background in change and financial management.

The local board at the end of 2021:

Lorna Shuma	Chairperson
Anne Gilder	General member
Grace Geffi	General member
Joyce Sagala	General member

Management Team

Our organisation in Tanzania consists of 73 staff members, who are managed by [the following management team](#):

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

Management Team. (from left to right): Mary Kasale, Anastacia (advisor), Martha Jonathan (foreground), Walther de Nijs (advisor - background), Peter Claver, Mathew Massawe



Volunteers

Due to the travel restrictions associated with the COVID-19 outbreak, only 1 volunteer worked at Happy Watoto last year. This volunteer has made a major contribution to the 'education effectiveness program' which is further described in the chapter 'Ngorika'.

Now that the travel restrictions have all but disappeared, we expect more applicants who want to work as a volunteer for a period of time. Happy Watoto ensures that our volunteers make a valuable contribution to the foundation by selecting them on a number of conditions. Due to the nature of the work, volunteers must be at least 21 years old, be available for at least 3 months and have experience / affinity in a specific topic related to our strategy.

In order to stimulate employment for the local population, we always work with volunteers with specific expertise that is insufficiently available in Tanzania. Think of (almost) graduated students in the field of social work and sports, people with a background in coaching, training or education. In this way, we keep jobs for the people who need them most.

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



Girls in uniform in Kikatiti

Accountability & Certification

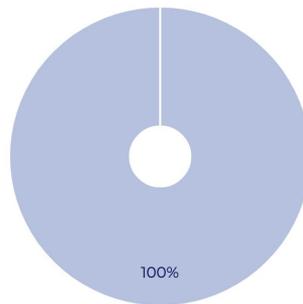


Certification

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.

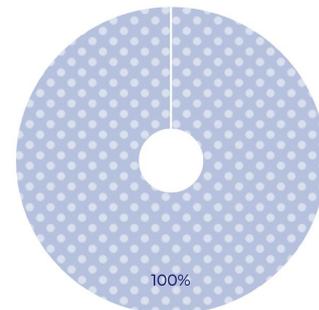
Happy Watoto has been CBF registered since 2017. The annual report, which provides a detailed report of our financial situation and plans for the coming year, is shared with the CBF for review.

€ 210.159



Expenditure in 2020 was 100% spent on (direct) services and assistance.

€ 258.911



Income in 2020 was 100% from private individuals.

Financial data from the **recognition passport** of the CBF for 2020. To be found on www.cbf.nl

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 2021

<i>Bedragen in Euro's</i>	Begroot 2021	Werkelijk 2021	Werkelijk 2020
Baten:			
Baten van particulieren	€ 65,000	€ 74,617	€ 97,058
Baten van bedrijven	€ 120,000	€ 130,600	€ 129,500
Baten van Loterijorganisaties	€ -	€ -	€ -
Baten van subsidies en overheden	€ -	€ -	€ -
Baten van verbonden (international) organisaties	€ -	€ -	€ -
Baten van andere organisaties zonder winststreven	€ 20,000	€ 32,500	€ 32,353
Som van de geworven baten	€ 205,000	€ 237,717	€ 258,911
Overige baten	€ -	€ 9,856	€ -
Som van de baten	€205,000	€247,573	€ 258,911
Lasten:			
Per saldo uitgegeven aan doelstellingen:			
Kikatiti	€ 100,396	€ 97,752	€ 85,336
Ngorika school	€ 45,515	€ 43,509	€ 38,158
Idem, aanschaf schoolbus	€ -	€ 30,120	€ -
Overige projecten	€ 137,641	€ 99,095	€ 86,665
	€ 283,552	€ 270,476	€ 210,159
Wervingskosten	€ -	€ -	€ -
Kosten beheer en administratie	€ 6,500	€ 9,276 *)	€ 5,664
Som van de lasten	€ 290,052	€279,752	€ 215,823
Saldo vóór financiële baten en lasten	€ -85,052	€ -32,179	€ 43,088
Saldo financiële baten en lasten	€ 500	€ 2,914	€ -13,578
Saldo van baten en lasten	€ -84,552	€ -29,265	€ 29,510
Bestemming saldo van baten en lasten:			
overige reserves	€ -84,552 v	€ -29,265	€ 29,510

Reconciliation with 2021 profit & loss account

Bank/kas positie per 31 december 2021	Tzsh. x 1.000	Koers		
Nederland			€ 501,592	
Tanzania (excl Ng Home en excl PN Foundation)	274,842	2,832	€ 120,149	€ 621,741
Bank/kas per 1 januari 2021				
Nederland			€ 586,343	
Tanzania (excl Ng Home)	281,100	2,572	€ 97,049	€ 683,392
Per saldo uitgegeven in 2021				€ -61,651
Bij: tegoed van Good Hope				€ 9,856
Bij: Tegoed van PN per 31 december 2021			€ 24,030	
minus Tegoed van PN per 31 december 2021			€ 1,500	€ 22,530
Saldo van baten en lasten 2021				€ -29,265

Balance sheet at 31 December 2021 - assets

<i>Bedragen in Euro's</i>	31 december 2021		31 december 2020	
Activa				
Immateriële vaste activa	€ -		€ -	
Materiële vaste activa	PM		PM	
Financiële vaste activa	€ -	PM	€ -	PM
Vorraden	0		€ -	
Vorderingen en overlopende activa	€ 33,886		€ 1,500	
Effecten	€ -		€ -	
Liquide middelen	€ 621,741	€ 655,627	€ 683,392	€ 684,892
Totaal		€ 655,627		€ 684,892

Balance sheet at 31 December 2021 - liabilities

<i>Bedragen in Euro's</i>	31 december 2021		31 december 2020	
Passiva				
Reserves en fondsen:				
Reserves:				
Bestemmingsreserve	€ 600,000		€ 600,000	
Overige reserves	€ 5,627	€ 605,627	€ 34,892	€ 634,892
Fondsen:				
Bestemmingsfonds		€ -		€ -
		€ 605,627		€ 634,892
Voorzieningen		€ 50,000		€ 50,000
Langlopende schulden		€ -		€ -
Kortlopende schulden		€ -		€ -
Totaal		€ 655,627		€ 684,892

Cashflow statement 2021

Bedragen in Euro's				
Omrekenkoers Tzsh. per €	2,590	2,500	2,656	2,500
Financieel verslag 2021	Actueel	Budget	Actueel	Budget
	2020	2021	2021	2022
Bank/kas positie per 1 januari	€ 673,018	€ 683,393	€ 683,392	€ 683,393
Af: verrekend met PN in 2020 resp nog te verr in 2022	€ -19,136	€ -	€ -22,530	€ 24,030
	€ 653,882	€ 683,393	€ 660,862	€ 707,423
Inkomsten:				
Donaties	€ 258,911	€ 205,000	€ 237,717	€ 160,000
Doorbelasting aan Good Hope (expl. Ngorika huis en afrekening AoPo)	€ 196,551	€ 185,585	€ 173,420	€ 186,990
Doorbelasting aan Pamoja Nguvu	€ 22,759	€ 31,923	€ 28,724	€ 36,766
Overige verrekeningen Good Hope	€ -	€ -	€ -	€ 9,856
	€ 478,221	€ 422,508	€ 439,861	€ 393,612
Uitgaven:				
Kikatiti				
Salarissen	€ 32,982	€ 38,339	€ 35,501	€ 39,730
Maaltijden	€ 9,452	€ 11,600	€ 13,253	€ 14,585
Inventaris en onderhoud	€ 4,890	€ 3,312	€ 4,187	€ 3,112
Overig (medisch, kleding,energie,etc.)	€ 11,050	€ 13,618	€ 13,630	€ 14,645
Doorbelaste mangementkosten (incl. Lerai)	€ 20,707	€ 22,717	€ 22,675	€ 23,061
Schoolgeld Ngorika school	€ 6,255	€ 7,840	€ 7,380	€ 8,400
Groot onderhoud	€ -	€ 2,970	€ 1,126	€ -
	€ 85,336 v	€ 100,396 v	€ 97,752 v	€ 103,533
Ngorika school				
Salarissen	€ 61,602	€ 67,133	€ 64,029	€ 62,210
Maaltijden	€ 8,108	€ 8,400	€ 7,907	€ 9,589
Schoolkleding	€ 12,069 *)	€ 13,264	€ 12,368	€ 12,262
Boeken,examens,lesmateriaal etc.	€ 10,077	€ 14,628	€ 9,588	€ 10,616
Overig (medisch,inventaris,onderhoud,schoonmaak etc.)	€ 19,782	€ 20,291	€ 16,318	€ 17,819
Doorbelaste managementkosten (incl. Lerai)	€ 42,544	€ 43,021	€ 44,584	€ 46,128
Investeringen	€ 2,008	€ 7,200	€ 40,365	€ -
Inkomsten schoolgelden	€ -118,032	€ -128,602	€ -121,530	€ -130,045
	€ 38,158 v	€ 45,335 v	€ 73,629 v	€ 28,579
Ngorika huis				
Salarissen	€ 31,307	€ 28,392	€ 26,444	€ 29,085
Maaltijden	€ 23,771	€ 22,000	€ 21,747	€ 22,374
Inventaris ,reparaties en onderhoud	€ 5,281	€ -	€ 410	€ 600
Investeringen diversen	€ -	€ -	€ -	€ 3,200
Investering verbouwingen/renovatie	€ 3,020	€ 4,800	€ -	€ -
Overig (kleding,medisch,energie,etc)	€ 27,255	€ 27,456	€ 26,350	€ 29,177
Doorbelaste Managementkosten (inc. Lerai)	€ 47,500	€ 46,577	€ 45,419	€ 46,794
Idem nacalculatie voorgaande jaren	€ -	€ -	€ -	€ -
Patandi school and VTC	€ 1,980	€ -	€ -	€ -
Schoolkosten	€ 56,437	€ 56,360	€ 53,050	€ 55,760
	€ 196,551 v	€ 185,585 v	€ 173,420 v	€ 186,990 v
Transport naar volgende pagina	€ 812,058	€ 774,585	€ 755,922	€ 781,933

Continued on next page

Cashflow statement 2021

Omrekenkoers Tzsh. per €	2,590	2,500	2,656	2,500
Kasstroomoverzicht-vervolg				
	Actueel	Budget	Actueel	Budget
	2020	2021	2021	2022
Transport vorige blz	€ 812,058	€ 774,585	€ 755,922	€ 781,933
Management				
Salarissen staf	€ 46,670	€ 45,547	€ 43,448	€ 47,052
Transport	€ 24,948	€ 23,600	€ 25,450	€ 24,000
Water	€ 1,007	€ 1,400	€ 1,608	€ 1,400
Inventaris en onderhoud	€ 773	€ 1,120	€ 2,090	€ 1,120
Investerings en Groot onderhoud	€ -	€ -	€ -	€ -
Maatschappelijk werk	€ 11,974	€ 12,800	€ 6,837	€ 10,160
Overig (verzekeringen, permits, medisch, etc.)	€ 24,515	€ 16,426	€ 23,346	€ 20,643
Overig (eenmalige juridische kosten)	€ -	€ -	€ 6,691	€ -
Doorbelaste managementkosten	€ -109,887	€ -100,893	€ -109,470	€ -104,375
Totaal excl AWSG en sec. boardingfees	€ -	€ -	€ -	€ -
Lerai				
Exploitatie moestuin en sportveld	€ 10,164	€ 12,592	€ 9,456	€ 12,822
Investerings (aankoop grond)	€ -	€ -	€ 60	€ -
Doorbelasting (Ngorika school, huis en Kikatiti)	€ -10,164	€ -12,592	€ -9,516	€ -12,822
	€ -	€ -	€ -	€ -
Overige projecten				
Middelbare scholen	€ 76,903	€ 128,400	€ 92,005	€ 146,240
AWSG	€ 1,776	€ 1,800	€ 1,694	€ -
Overige projecten	€ 7,986	€ 7,441	€ 5,396	€ 9,307
	€ 86,665	€ 137,641	€ 99,095	€ 155,547
Pamoja Nguvu Foundation				
Salarissen	€ 11,857	€ 13,284	€ 13,241	€ 15,542
Telefoonkosten	€ 651	€ 664	€ 685	€ 1,947
Transportkosten e.d.	€ 947	€ 1,056	€ 1,132	€ 1,353
mutatie leningen u/g	€ 3,652	€ 8,416	€ 9,679	€ 10,300
Investerings	€ 618	€ -	€ -	€ -
Dotatie voorziening leningen u/g	€ 1,230	€ 3,080	€ -	€ 4,120
Overige kosten	€ 3,804	€ 5,423	€ 3,987	€ 3,504
	€ 22,759	€ 31,923	€ 28,724	€ 36,766
Kosten Nederland (bank, k.v.k., etc.)	€ 1,237	€ 2,000	€ 7,350	€ 1,615
Locale adviseurs	€ 5,000	€ 5,000	€ 2,988	€ 3,300
Koersverschillen (verlies resp -winst)	€ 13,005	€ -	€ -3,976	€ -
Bank/Kas positie per 31 december	€ 683,392	€ 598,021	€ 621,741	€ 584,705

Banksaldi NL		€ 586,344		€ 501,592
Tanzania	Tzsh 281.100.000	2,832	€ 97,048	€ 120,149
			€ 683,392	€ 621,741
	Hiervan dubieus (Meru bank) Tzsh 191.144.000	2,832	€ -67,494	€ -72,900
			€ 615,898	€ 548,841
1) Hiervan nog € 1.494 verrekenen met GH				
2) Koerswinst Meru deposito € 5,406				

Notes to the 2021 financial report

General

The year 2021 presents a mixed picture: the year ended with a deficit of more than €29,000, but €55,000 better than the budgeted deficit of €85,000. The sponsor income was € 33,000 above budget, the costs spent on the objectives and the management costs remained about €11,000 under budget. In addition, an additional settlement of approximately € 10,000 was included in the income with our sister organization Good Hope and on balance there were favorable financial income of approximately € 3,000 (mainly exchange rate differences).

In total, more than € 280,000 was spent, of which more than € 140,000 was spent on the operation of both schools, € 30,000 on the (unbudgeted) replacement of a school bus, € 92,000 on secondary school education for our children, € 10,000 on management and administration costs and €8,000 in other projects as further specified in the attached cash flow statement. At the end of 2020, due to the sharply rising costs of secondary schools, it was decided to use the cheaper government schools as much as possible for those children who receive education at College Level and University level: the costs were therefore approximately €38,000 under budget. A total of more than €251,000 was received in sponsorship money; € 46,000 more than budgeted. Thanks to a lower exchange rate of the Tanzanian shilling at the end of the year, a favorable exchange rate difference of approximately € 4,000 remained. On balance, as stated above, this resulted in a deficit of more than € 25,000 compared to a budgeted deficit of more than € 85,000. Cost-cutting measures are and will become even more necessary due to sponsorship revenues expected to be under pressure from 2022 onwards.

In addition to the usual cash flow statement, a balance sheet and an income and expense account are included. This concerns accounting for the income and expenses of the organization in the Netherlands. The preparation of the Income and Expenses Account and the Balance Sheet has been slightly adjusted compared to previous years in order to meet the design requirements of the CBF (Central Bureau for Fundraising). The audit committee has checked and approved the income and expenditure of the activities in the Netherlands.



The 2021 audit will be completed in the course of 2022. The reporting for 2021 also includes the operation of the Pamoja Nguvu Foundation, as explained in more detail in the annual report. This exploitation is cost neutral for Happy Watoto.

Lesson at Ngorika school

Explanation of the 2021 income and expenditure account

The income from private individuals concerns donations based on 5-year contracts and one-off gifts. The costs of the Ngorika house belonging to the school complex are financed by our German partner Good Hope. For the years 2020 and 2021, another after settlement of € 9,856 will be received from Good Hope regarding subsequent costing management and Lerai.

Of the income, except for the management costs of € 10,338, everything 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, with which almost 100% of the resources are allocated to the goal. The management costs of 2021 include the costs of local advisors (€ 5,488) who have been deployed for our organization to support local management.

The objectives include costs related to the operation of the nursery school (Kikatiti), primary school (Ngorika school), management and Lerai (not directly attributable costs). These costs are explained in more detail in the cash flow statement.

Recruitment costs do not exist because no external commercial recruitment institutions are used and the board bears the costs. In addition to the costs of advisers already explained, the costs of management and administration concern the costs of the CBF, the direct debit costs, the one-off costs for building a website, the costs of the insurance for civil liability taken out in 2021 and costs of the Chamber of Commerce.

Bank charges, transfer commission and exchange rate differences are included under financial income and expenses.

The deficit for 2021 (€29,265) has been deducted from the other reserves.

Notes to the balance sheet as at December 31, 2021

Tangible fixed assets

This concerns the ownership of the school buildings and the land, the volunteer house and the other tangible fixed assets, which are all accounted for in the annual report of the Tanzanian NGO and therefore are not accountable here. The (last available) book value in Tanzania as at 31 December 2020 was approximately €340,000 compared to approximately €360,000 at the end of 2019.

Equity

Reconciled as follows:

Destination Reserves:

Balance on 31 December 2020:	€ 550.000
Grants 2021:	€ <u>0</u>
Balance on 31 December 2021	€ <u>600.000</u>

Other reserves

Balance on 31 December 2020:	€ 34.892
Less: 2020 operating deficit:	€ <u>29.265</u>
Balance on 31 December 2021	€ <u>5.627</u>

Total equity as at 31 december 2021

606.627

Explanation:

Receivables and accruals

Current account of Pamoja Nguvu	€ 24.030
To be settled by Good Hope	€ <u>9.856</u>
Total:	€ <u>33.886</u>

subsequent calculation costs general/Lerai '20/'21

Reconciliation of Destination Reserves

Provision for secondary school fees '22/'24:	€ 400.000
Continuity reserve:	€ <u>200.000</u>
Total:	€ <u>600.000</u>

The provision for school fees for secondary schools is based on the obligations for the years 2022 to 2024. At the end of 2022, the required size will be reviewed based on the expected structural effect of the austerity measures taken.

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

Services

As already reported in our 2017 annual report, the Meru bank, where we maintained a bank account for the deposit of 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 receivable of more than € 60,000.

A further settlement is expected to take place in the course of 2022. As a precaution, a provision of € 50,000 was formed in 2018. Regular contact is maintained with the trustees of the bank with a view to the settlement.

Notes to the 2021 cash flow statement

Explanation of expenditure.

General

The annual financial report is prepared in Euros, whereby our expenses in Tanzanian Shillings have been converted to Euros at an annual average exchange rate. For 2021 this rate was budgeted at Tzs. 2,500/€ ; the actual average rate was Tzs. 2.656/€. Valued for the balance sheet is at the year-end exchange rate: at the end of 2021 this amounted to Tzs. 2,622/€, versus Tzs. 2,832/€ at the end of 2020. The net favorable exchange rate difference of € 3,976 has been processed separately in the cash flow statement.

On the other hand, the average transfer rate of the payments made to our projects in 2021 could be settled at an average rate of 2,622 compared to a rate of 2,500 used in the budget, or an advantageous exchange rate difference of 4.9%. 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 this virus. Extra costs of hygiene, medicines, support for the family of the children (where necessary) resulted in higher costs than budgeted.

Kikatiti – actual versus budget 2021

In 2021 education was provided to 55 children compared to 56 budgeted. As a result, the costs, including lower personnel costs, were more than € 3,000 lower than budgeted.

Kikatiti – budget 2022 versus actual 2021

53 children have been budgeted for 2022 compared to 55 actually in 2021. Operating costs will nevertheless increase by approximately €6,000, mainly due to approximately €4,000 higher personnel costs (further expansion of patrons and matrons as a result of legal regulations and higher salary levels); and €1,000 higher food costs.

Ngorika school – actual versus budget 2021

Income from school fees was approximately €7,000 lower despite an equal occupation (270) due to collection problems again for a number of children. On the cost side, this was offset by the fall in the costs of books and teaching materials (€5,000) and approximately €1,000 lower maintenance costs. But an increase in expenditure on investments of €33,000 including the unbudgeted replacement of the school bus (greater capacity required due to government guidelines).

Ngorika school – budget 2022 versus actual 2021

Income from school fees is expected to increase by approximately €9,000 despite the expected equal staffing due to improved collection measures. As in 2021, the school fee rate has not been increased. On the other hand, the costs will mainly increase due to higher meal costs.

Ngorika home

These costs are fully borne by Good Hope, our German partner who report on them, themselves.

Management cost - actual versus budget 2021

Expenditure in 2021 was above budget due to one-off legal costs (€6,700) related to the settlement of the dismissal of the former head of the school and higher transport costs. On the other hand, the costs of social work decreased (€ 6,000)

Management cost - budget 2022 versus actual 2021

Tanzania: The costs of local management will decrease by approximately € 5,000 compared to 2021 due to lower legal costs

Lerai

The costs of operating the vegetable gardens and the sports field are settled (monthly) with the cost units. With the cultivation of our own vegetables, progress was also made in 2021, both in quality and size, so that the sharp price increase of vegetables could be somewhat offset.

Other costs

Secondary schools: every year there are now 10-14 secondary school students from Ngorika. The costs will therefore increase accordingly for at least another year (until the first (2014) group of children have completed their education) and a maximum of four years (if these children continue studying for another two years). In 2021 the number of students was 106 and will increase to 121 in the course of 2022.

Fred Arp, Treasurer, 16 maart 2022



Audit Committee Report

Happy Watoto Foundation audit 2021

Date, place audit: 14 March 2022 in Zoeterwoude

Audit Commission members:

- Maarten Hagenaar
- Frans Bosch

In the presence of: Fred Arp, Treasurer of the foundation

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 2021, 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: € 51.656,93
- Board Saving Account NL32ABNA0618748628 | Saldo 31/12: € 150.000,00

In addition, to reduce 'penalty interest' payments, 3 new accounts have been opened, namely:

- ING bank X 73-30852 | Balance 31/12: € 100.000,00
 - ING NL95INGB0006461323 | Balance 31/12: € 99.943,19*
 - Triodos bank NL90TRIO2300114992 | Balance 31/12: €99.992,00*
- *bank charges deducted from balances.

The findings per account below :

Board account:

- Randomly large entries in / out compared to bank statements
- Opening / Closing balances reconcile with bank statements
- All verified payments were to Tanzania with the exception of:
 - Bank-internet costs; incl webdesign
 - KvK costs and liability insurance
 - Cost CBF recognition
 - (last) Payment mevr. Hasselaar total
 - (shared) Advice costs A. Bolsafi
- These payments outside Tanzania amounted to a total of more than €9,000 in 2021, of which part of the consultancy costs (€1,500) will still be settled with Good Hope in 2022.
- The bank statements are in line with the in/out transactions.

Board savings account:

In 2021, a total of €150,000 was debited from this account through transfers to the new savings accounts. No further mutations.

Deposit account:

This account was terminated in 2021 in connection with 'penalty interest' to be paid, which have been replaced by:

- ING NL95INGB0006461323 | Balance 31/12: € 99.943,19*
- ING bank X 73-30852 | Balance 31/12: € 100.000,00
- Triodos bank NL90TRIO2300114992 | Balance 31/12: €99.992,00*

**bank charges deducted from balances.

Conclusion:

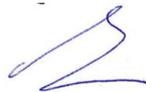
The administration of the cash flows shown provides a balanced and correct account of the management of the funds of the Foundation in the Netherlands. Thus confirmed with signature by the audit committee.

Recommendations:

By opening a separate Rabo account in 2020, facilitating payment transactions for the Pamoja Nguvu Foundation is (almost) no longer part of Happy Watoto's cash flows in the Netherlands. In 2021, three donations were transferred directly to Rabo (€8,120). For the time being, it appears not possible to separate direct debit batches for PN from Happy Watoto direct debit batches (€ 3,500). In time, this situation will resolve itself. Transfers for PN to Tanzania are still made via Watoto to the Lerai account of Happy Watoto in Tanzania. Of course, we cannot tell from the statements whether these are 'non-Happy Watoto' transfers, but they are checked by the local accountant in Tanzania. The treasury committee recommends opening an additional account in Tanzania that is exclusively used for transfers on behalf of PN. In 201 a total of three transfers were made to Happy Watoto for the benefit of PN (€ 26,000)

Aerdenhout 16 March 2022

Maarten Hagenaar



Amsterdam 16 March 2022

Frans Bosch



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 see that people are happy to continue to support our important work after this term, especially because our involvement with the individual children lasts for 15 (!) years.

We are also happy with events organized by sponsors. For example, in 2021 we were again allowed to add a nice gift from the Skyline Charitable Foundation and from the Montlobre wine campaign.

**THANKS FOR
YOUR PURCHASE!**

With your purchase we can help children in Tanzania to build an independent future!

#Montlobre

SCAN THIS CODE TO MAKE A DONATION

Want to make your impact even bigger?
Make a donation via

whydonate.nl/fundraising/happywatoto/nl

@happywatoto

HAPPY WATOTO
Tanzanian homes & schools

for more info visit
www.happywatoto.nl

We were unable to organize meetings in 2021. For next year we want to organize another golf tournament in the Netherlands. Earlier we were able to collect a substantial extra contribution through this event. At the same time, we also strive to rejuvenate our supporters.

To achieve this, work is being done on a more active online presence, among other things. We have renewed our [website](#), our Instagram page is live and we have a '[Why-Donate](#)' account. Through Why-Donate, you can easily donate online. Even small amounts can easily be transferred via this platform. We hope in this way to make donating a step more accessible.

Happy Watoto x Montlobre wineaction



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

