



Stichting Niños de Guatemala Nederland
Annual accounts 2015

Amsterdam, June 29th, 2016



Dear Stakeholders,

We present the annual accounts 2015 of Stichting Niños de Guatemala Nederland. Stichting Niños de Guatemala Nederland was founded in 2006 in order to build a better future for Guatemala and its children through education. Stichting Niños de Guatemala Nederland is a growing and effective organization which starts and runs educational projects in Guatemala of which a substantial part of income is generated in Guatemala. For this purpose Stichting Niños de Guatemala continuously invests in local management and leadership.

For the information of our Stakeholders and to provide information on our accountability, we enclosed the annual accounts of Niños de Guatemala in Guatemala, a related organization, and also enclosed a consolidation. For the consolidated annual accounts and the non-consolidated annual accounts of Niños de Guatemala in Guatemala we refer to annexes 1 and 2.

Consolidation:

The consolidated financial statements include the accounts, assets and operations of the following entities:

- Stichting Niños de Guatemala Nederland, registered at the Chamber of Commerce of Amsterdam, the Netherlands, number 34256705.
- NGO Niños de Guatemala, registered at the Chamber of Commerce of Antigua, Guatemala.

Compilation report:

The annual accounts of Stichting Niños de Guatemala Nederland have been compiled, in accordance with the regulations in the Netherlands (RJK, C1), by BDO Accountants and tax advisors.

Notes to the financial statements:

General:

- The financial statements have been prepared in accordance with the regulations in the Netherlands (RJK, C1).
- Foreign currencies:
 - o Guatemalan Quetzal are converted as follows:
 - Balance sheet: rate at balance date (2015: € 1 = Q 8,14, 2014: € 1 = Q 9,06, 2013: € 1 = Q 10,64)
 - Statement of income and expenses: average rate for the financial year (2015: € 1 = Q 8,31, 2014: € 1 = Q 10,10, 2013: € 1 = Q 10,25)

Accounting policies in respect of valuation of assets and liabilities:

The financial statements are prepared on historical cost basis, unless otherwise stated.



Tangible fixed assets

Acquisitions of fixed assets for the use of the Foundation, they are recorded at cost. It has a policy perform capitalizations of such goods, registering them as property, plant and equipment.

Fixed assets are initially recognized at their acquisition price or production cost and are subsequently reduced by related accumulated depreciation and impairment losses. If any, they will be valued by using the so-called "impairment test" which assesses the existence of impairment that reduces the recoverable value of the assets at below their book value.

Upkeep and maintenance of various components of fixed assets are recorded in the profit and loss statement in the year they are incurred. By contrast, the amounts invested in improvements contributing to increased capacity, efficiency or extending the useful life of these assets, are recorded at a greater cost.

Depreciation is computed by the straight line method, according with the estimated useful life of the assets, taking as a basis the percentages established as per Article 28 Decree 10-2012 of the Tax Updating Law are used for the estimation of accrued depreciations.

Receivables

Receivables are recorded at fair value and then valued at amortized cost, net of allowances for doubtful accounts, determined individually. On initial recognition the fair value and the amortized cost equal the fair value.

Cash and equivalent

Cash and equivalent are available for disposal by the foundation.

Short-term liabilities

Short-term liabilities are recorded at fair value.

Accounting principles for the determination of result:

General

The result for the year is the difference between net income and all related costs. The costs are determined according to the stated accounting policies.

Income and expenses are recognized as cash flows occur, except for the income from sponsor programs, which are recognized in the period the program is due.

Balancesheet NDG the Netherlands

All amounts in Euro's

<u>Assets:</u>	<u>31-12-2015</u>	<u>31-12-2014</u>
Investments in affiliated companies	<u>1</u>	<u>1</u>
<i>Total financial fixed assets:</i>	1	1
Quarterly application paid in advance	17.181	64.408
Income Charity Event receivable	-	46.611
Other receivables and prepayments	<u>3.004</u>	<u>5.384</u>
<i>Total current receivables:</i>	20.185	116.403
Bank	<u>77.062</u>	<u>57.905</u>
<i>Total cash:</i>	77.062	57.905
<u>Total assets:</u>	<u><u>97.248</u></u>	<u><u>174.309</u></u>
 <u>Liabilities and Equity:</u>		
Program income received in advance	25.970	49.333
Accounts payable Cambio Spanish school	5.302	8.282
Other payables	<u>5.110</u>	<u>850</u>
<i>Total short-term liabilities:</i>	36.382	58.465
Equity	115.844	61.908
Result for the year	<u>-54.978</u>	<u>53.936</u>
<i>Total Equity:</i>	60.866	115.844
<u>Total Liabilities and Equity:</u>	<u><u>97.248</u></u>	<u><u>174.309</u></u>

Statement of income and expenses NDG the Netherlands

All amounts in
Euro's

	<u>2015 actual</u>	<u>2014 actual</u>
<u>Income</u>		
Donations monetary	235.830	109.238
Friend program	11.722	14.339
Events	23.390	96.710
Interest received	<u>30</u>	<u>776</u>
<u>Total income:</u>	270.972	221.063
<u>Expenses</u>		
Overhead	<u>5.676</u>	<u>3.571</u>
<u>Total expenses:</u>	<u>5.676</u>	<u>3.571</u>
<u>Available for goal:</u>	265.296	217.492
<u>Contribution to NDG Guatemala</u>		
Structural support	113.028	43.795
Overhead (directly transferred to management advisors)	62.308	43.261
Additional support	<u>144.938</u>	<u>76.500</u>
<u>Total Contribution to NDG Guatemala:</u>	320.274	163.555
<u>Movement of reserves:</u>	<u><u>-54.978</u></u>	<u><u>53.937</u></u>



Notes to the non-consolidated balance sheet of NDG the Netherlands

Other Financial Investments:

During 2014 Stichting Ninos De Guatemala Nederland acquired a 16,67% interest in Good Property Guatemala C.V. The acquisition price was € 250.000, which was donated for this purpose only by Stichting Liberty to Stichting Ninos de Guatemala Nederland. The donation was deducted from the acquisition price. Good Property Guatemala C.V. is a financing company for property in Guatemala, in which, social businesses will be developed. The income from these social businesses will be for the benefit of NGO Niños de Guatemala.

Quarterly Application paid in advance:

This amount consists of a prepayment to Guatemala for Quarter 1, 2016, and includes regular and program support. This amount is a short-term liability for NDG Guatemala.

Income Charity Event receivable:

The Charity Event 2014 was held on November, 29th, 2014. A part of the income on this event is received in 2015. At the end of 2015 all event income 2015 was received.

Program income received in advance:

The program income received in advance mainly includes the Padrino program. The received amounts in the Netherlands are periodically transferred to Guatemala, where they are accounted for as income for that period.

Accounts payable Cambio Spanish School:

This amount consists of amounts received by NDG the Netherlands for the Cambio Spanish School in Guatemala, which will be paid to this organization in 2016.

Notes to the non-consolidated statement of income and expenses of NDG the Netherlands

Income:

Donations monetary:

During the year 2014 the majority of our received donations were from: Stichting Onderwijs Steunfonds, Stichting Cordaid, Companies affiliated to A. Pols, Marthe van Rijswijck Foundation, Stichting Devon, Hofstee Stichting and NDG France.

Friends program:

The friends program is an important source of structural income. These amounts are received on a monthly basis.

Events:

The income on events is the net income realized as specified below:

Events

All amounts in Euro's

2015	<i>Dam-tot-Damloop</i>	<i>Charity Events</i>	<i>Total:</i>
Income	32.403	3.202	35.606
Expenses	11.346	870	12.216
Net income:	21.058	2.332	23.390

2014	<i>Dam-tot-Damloop</i>	<i>Charity Events</i>	<i>Total:</i>
Income	23.335	108.155	131.490
Expenses	10.542	24.488	35.030
Net income:	12.793	83.667	96.460

Dam-tot-Damloop:

The income of the Dam-tot-Damloop includes fees from participants to buy a starting permit and raised sponsoring by the runners. The expenses include cost to acquire the starting permits, T-shirts and the use of the online system for sponsoring.

Charity Event:

The income of the Charity Event includes fees to participate at these event and if applicable income from auctions. The expenses include rent of the location, cost of food, cost of art objects and project management.

Expenses:

Overhead:

The overhead expenses for NDG NL are small and mainly consist of office costs, traveling costs, promotion costs and banking costs.

Contribution to NDG Guatemala:

Support according to budget:

These amounts have been transferred to Guatemala on a quarterly basis and are used to cover operational expenses in Guatemala (local salaries, educational materials, office costs, etc.). An elaboration on money received and spent in Guatemala can be found in the non-consolidated statements of NDG Guatemala. In 2014 due to some major donations received and provided for in Guatemala the support according to budget has been € 40.000 lower than budgeted for 2014. Corrected for this onetime adjustment the structural support was nominally raised due newly startup projects.

Overhead (directly transferred to management advisors):

The overhead support that NDG NL contributes to NDG Guatemala is meant to cover the salaries of Western Operations Managers. These amounts are paid directly to the Operations Managers and do not flow through the accounts of NDG Guatemala (in the consolidated statement of income and expenses this amount is presented under “Salaries and benefits”).

Additional support:

The additional support was transferred to Guatemala for the construction costs of the “Basico School”. In 2014 this included the support to Guatemala for the acquisition of the land on which the Basico was built.

Amsterdam, June 29th, 2016

Was signed by the General Board,

M.C.A. Goos
President

I.G. Knoet
Vice President

A. Dresen
Secretary

R. Schipper
Finance & Control

D. Tomassen
International

Was Signed The Supervisory Board,

T. Crijns

S.J. Wirken

M. Dresen



Practitioner's Compilation report

To: the General Board of Stichting Niños de Guatemala Nederland

The financial statements of Stichting Niños de Guatemala Nederland have been compiled by us using the information provided by you. The financial statements comprise the balance sheet as at 31 December 2015 and the profit and loss account for the period from 1 January 2015 to 31 December 2015 with the accompanying explanatory notes. These notes include a summary of the accounting policies which have been applied.

This compilation engagement has been performed by us in accordance with Dutch law, including Standard 4410, "Compilation engagements", which is applicable to accountants. The standard requires us to assist you with the preparations and presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. To this end we have applied our professional expertise in the fields of accounting and financial reporting.

In a compilation engagement, you are responsible for ensuring that the information you give us is correct and that you provide us with all relevant information. Therefore, we have conducted our work in accordance with the applicable regulations and on the assumptions that you have fulfilled your responsibility. To conclude our work, we have read the financial statements as a whole and are satisfied that they present a picture in line with our broad understanding of Stichting Niños de Guatemala Nederland.

During this engagement we have complied with the relevant ethical requirements prescribed by the "Verordening Gedrags- en Beroepsregels Accountants" (VGBA). You and other users of these financial statements may therefore assume that we have conducted the engagement in a professional, competent and objective manner and with due care and integrity and that we will treat all information provided to us as confidential.

Breda, June 29th, 2016

Was signed for and on behalf of BDO Accountants,

W.N. Scheurwater RA

Annex 1: Consolidated annual accounts 2015 Niños de Guatemala



Consolidated balance sheet

All amounts in Euro's

<u>Assets:</u>	<u>31-12-2015</u>	<u>31-12-2014</u>
Land & Buildings	212.887	-
Furniture & Equipment	<u>27.943</u>	<u>-</u>
<i>Total fixed assets:</i>	240.830	-
Investments in affiliated companies	<u>1</u>	<u>1</u>
<i>Total Financial Fixed Assets:</i>	1	1
Other receivables & prepayments	<u>4.705</u>	<u>53.582</u>
<i>Total receivables:</i>	4.705	53.582
Bank	195.593	144.090
Cash	<u>1.780</u>	<u>1.545</u>
<i>Total Cash:</i>	197.373	145.635
<u>Total assets:</u>	<u>442.909</u>	<u>199.218</u>
 <u>Liabilities and Equity:</u>		
Income received in advance	54.518	49.601
Accounts payable Cambio Spanish	5.302	8.282
Other Payables	<u>18.273</u>	<u>1.744</u>
<i>Total short-term liabilities:</i>	78.093	59.627
Equity	140.715	96.566
Reserve for capitalization of fixed assets	230.488	-
Excangerate reserve	2.508	1.124
Result for the year	<u>-8.895</u>	<u>44.149</u>
<i>Total Equity:</i>	364.816	139.591
<u>Total Liabilities and Equity:</u>	<u>442.909</u>	<u>199.218</u>

Consolidated statement of income and expenses

All amounts in Euro's

	<i>2015 actual</i>	<i>2014 actual</i>
<u>Income</u>		
Sales	-	5.413
Direct income schools	11.452	8.716
Donations Monetary	465.381	209.676
Sponsor programs	129.117	131.377
Events	26.256	99.860
Other revenues	4.109	1.090
<u>Total income:</u>	636.315	456.132
<u>Expenses</u>		
Cost of sales	-	4.323
Promotion expenses	4.011	629
Salaries and benefits	319.091	191.470
Office expenses	49.065	49.229
Infrastructure expenses	6.421	6.695
Construction expenses	27	77.145
Transportation expenses	1.051	1.292
Training and development expenses	1.812	2.625
Food and health expenses	54.376	33.835
Educative material expenses	38.169	42.142
Sponsor program expenses	9.705	-
Impairment losses	158.939	-
Financial expenses	2.543	2.598
<u>Total expenses:</u>	645.210	411.983
<u>Movement of reserves:</u>	-8.895	44.149

Annex 2: Annual accounts Niños de Guatemala 2015, Guatemala



Non Consolidated balancesheet NDG Guatemala

All amounts in Euro's

<u>Assets:</u>	<u>31-12-2015</u>	<u>31-12-2014</u>
Land & Buildings	212.887	-
Furniture & Equipment	<u>27.943</u>	<u>-</u>
<i>Total fixed assets:</i>	240.830	-
Loans to employees	123	483
Other Receivables	<u>1.578</u>	<u>1.104</u>
<i>Total receivables:</i>	1.701	1.587
Bank	118.531	86.185
Cash	<u>1.780</u>	<u>1.545</u>
<i>Total cash:</i>	120.311	87.730
<u>Total assets:</u>	<u><u>362.842</u></u>	<u><u>89.317</u></u>
 <u>Liabilities and Equity:</u>		
Taxes payable	1.030	894
Income received in advance	45.729	64.676
Other payables	<u>12.133</u>	<u>-</u>
<i>Total short-term liabilities:</i>	58.892	65.570
Equity	24.871	34.658
Reserve for capitalization of fixed assets	230.488	-
Excangerate reserve	2.508	-1.124
Result for the year	<u>46.083</u>	<u>-9.787</u>
<i>Total Equity:</i>	303.950	23.747
<u>Total Liabilities and Equity:</u>	<u><u>362.842</u></u>	<u><u>89.317</u></u>

Non-consolidated statement of income and expenses NDG Guatemala, Guatemala

All amounts in Euro's

	<i>2015 actual</i>	<i>2014 actual</i>
<u>Income</u>		
Sales	-	5.413
Direct income schools	11.452	8.716
Donations Monetary	487.517	220.733
Sponsor programs	117.395	117.038
Events	2.866	3.150
Other revenues	4.079	314
<u>Total income:</u>	623.309	355.364
<u>Expenses</u>		
Cost of sales	-	4.323
Promotion expenses	4.011	629
Salaries and benefits	256.783	148.209
Office expenses	43.389	45.658
Infrastructure expenses	6.421	6.695
Construction expenses	27	77.145
Transportation expenses	1.051	1.292
Training and development expenses	1.812	2.625
Food and health expenses	54.376	33.835
Educative material expenses	38.169	42.142
Sponsor program expenses	9.705	-
Impairment losses	158.939	-
Financial expenses	2.543	2.598
<u>Total expenses:</u>	577.226	365.151
<u>Movement of reserves:</u>	46.083	-9.787

Notes to the non-consolidated balance sheet of NDG Guatemala



Changes in accounting principles

The 2015 annual report has been prepared based on the accrual basis, i.e., income and expenses are recognized and recorded when they are earned. The most significant impacts at the end of 2015 are as follows:

1. € 8.535 was debited in “Wages and salaries - other benefits” and credited in “Accrued income” corresponding to the deferral of Aguinaldo and Bono 14.
2. € 2.873 was debited in “Other operating expenses” and credited in “Short-term provision” corresponding to general expenses.
3. € 719 was debited in “Accounts receivable - prepaid expenses” corresponding to the annual payment of the insurance policies of the three buildings and the car

Correction of errors

During the review of the financial statements for 2014, dated April 30 2015, the auditor issued a qualified opinion based on the following caveats:

1. Equity in the amount of € 25.890 are not integrated, consequently we do not know its origin.
2. The total fixed assets available for the use of the Association are not integrated, not are recorded in the financial statement.

During 2015, the ONG corrected these two situations with the following impact on the balance sheet and profit and loss statement for the year 2015:

1. Fixed assets in the amount of € 240.830 was capitalized and a “Reserve for capitalization of fixed assets” in the amount of € 230.488 has been recorded corresponding to previous years’ purchases of property, plant and equipment, as well as construction costs.
2. During 2015, the ONG completed the construction of the Basico School and the construction cost amounted to € 158.939. The foundation impaired 100% of the construction costs so that the fair value of the buildings at the end of the year amount to zero Euro.