

ANNUAL REPORT and ANNUAL ACCOUNT 2008

Comprising the data of
NGO Niños de Guatemala (Guatemala) and
Stichting Niños de Guatemala Nederland (The Netherlands)

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MESSAGE FROM THE PRESIDENT OF NDG NL

2008 was a very important year for Niños de Guatemala (NDG). Two of the highlights: in the Netherlands we organized the very successful Charity Event 2008 and in Guatemala we finalized construction of the school called "Nuestro Futuro" in the town of Ciudad Vieja. In Guatemala as well as in the Netherlands, 2008 brought rapid growth, establishing the organization on a broader and stronger local base. However, the work of NDG has only just begun.

Guatemala

At the start of 2009, NGO Niños de Guatemala (the NGO) has eight Guatemalan employees on its payroll, who will be enrolled with the Ministry of Labor and as such have social benefits and insurance. These employees are at the core of the empowerment and development NDG is trying to achieve for Guatemalan youth. And although NDG's philosophy entails building up the organization with and around local people as much as possible, our staff is aided by numerous volunteers. The President of the NGO Carmen Paniagua, who has built up the NGO from its inception in 2006, was especially aided throughout 2008 by three Dutch people: Annemiek Dresen, Christel Brenninkmeijer and Sander Wirken. They support the NGO on a long-term-volunteer basis, not receiving a wage but instead a limited management-support fee.

In 2008, the NGO started teaching classes in the November through December summer school, hosted by the local municipality that NDG collaborates with. In 2009, some 80 pupils in the first three grades of elementary school will receive classes in the newly constructed school building of Nuestro Futuro. Also, a Community Center will be added to the school, strengthening the central position it already has for the poor people living in its vicinity.

In 2008, the NGO further continued its collaboration with Language School Cima del Mundo and the joint Antigua Volunteer Center is growing. The collaboration with other projects like From Houses To Homes, Los Ninos and Los Patojos remains fruitful. Our collaboration with the Educarte project was unfortunately ended, but mutual respect and support remain.

The Netherlands

In The Netherlands, the Dutch foundation NDG (NDG NL) organized a number of activities in order to support its goals of raising funds and awareness for the situation in Guatemala. The major activity was the Charity Event of 16 February, which with the support of Wilde Ganzen and NCDO, raised some € 150.000 and made national newspapers and tv.

Another major part of NDG NL's campaign was the launching of our new logo and our slogan "Everyone can do something!". And the slogan caught on. We are happy to witness a steadily growing support base for NDG NL throughout the Netherlands, with specifically strong support amongst youngsters (15 to 30 years of age).

Next to the activities and actions visible to the public, the intra-organizational focus in 2008 was on building up the structural aspect of the organization. With three of the initial founders of NDG NL working on long-term-volunteer basis in Guatemala, NDG NL needed new people at its core, and a strategy to make sure this core would remain being refreshed in the long run. Not wanting to change the principal that all work for NDG NL is done on voluntary bases, the board of NDG NL decided to enlarge the management of NDG NL from 3 to 6 functions and link NDG NL to the University of Amsterdam, thus offering students scholarships to participate in organizing NDG NL. Towards the end of 2008, 3 of these Amsterdam students had taken their management position within NDG NL, having a unique chance to develop themselves and Guatemala. Through this yearly fresh inflow of students on a scholarship, NDG NL secures structural continuity of its organizational base.

Looking forward

For 2009, we are looking forward to seeing the school in Ciudad Vieja flourish and be enlarged with a second floor which will also host a Community Center. We will grow our fundraising capabilities both in Guatemala and in the Netherlands, through continuously building a strong organization from the base up. A

vivid and thriving Antigua Volunteer Center will be an important part of that, as well as the continuous support of our volunteers, friends, Padrinos and supporters.

In January of 2009 I have passed the function of President of NDG NL on to Tim Crijns with great confidence in his ability to lead NDG NL to the next level. In Guatemala, we are also continuously on the lookout for new management talent to help sustain the success of the NGO and Nuestro Futuro. The organizations in both countries are strong. They both enjoy the broad support needed to make this transition from being led by the “first generation” to being led by the “second generation”. It is rewarding to see the strength and stability we have been able to set up in less than three years.

Many thanks to everybody who has supported and keeps on supporting NDG and may we continue to spread the enthusiasm with which we can make a difference!

Marten Dresen

President of NDG NL (September 2006 – January 2009) and co-founder of the NGO

Remark: in the above text, “NDG NL” and “the NGO” have clear separate meanings and are named as such, being the geographically distinctive entities together constituting NDG. Since the following Chapters each look at only one of the two countries’ entities, the report uses “NDG” a lot, but it should be clear from the context whether this concerns NDG as a whole, NDG NL or the NGO in Guatemala.

1 REPORT FROM GUATEMALA

1.1 Calendar of 2008

January

- Renovation building “Educarte”

February

- Opening of the office in Antigua

March

- Benefit in café No Sé with Willy Murphy
- Start collaboration Flights For Change

April

- Difficulties in collaboration with Educarte
- Purchase of land

May

- Start construction of the school
- First Visit Guate Volunteer

June

- Collaboration NUFED San Felipe

July

- Start qualification process Ministry of Education

August

- End of collaboration with Educarte

September

- Hiring Director and Social Worker

October

- Opening of the new office
- Hiring teaching staff
- Start of inscriptions of pupils

November

- Start Summer School “Nuestro Futuro”,
- Benefit Planeta en Ritmo in Concert with The Garífuna Collective and Aurelio Martínez
- Start collaboration Soluciones Comunitarias

December

- End Summer School, construction finished
- Participation in celebrations of most important day in Ciudad Vieja
- Application sent to Rotary International for a Matching Grant

1.2 Description of the NGO

The overall mission of the NGO Ninos de Guatemala is to help build a better future for Guatemala. The NGO aims to do this through providing Guatemalan youth with education and opportunities to develop themselves. Education creates opportunities for people to take matters into their own hands. The organization strives for its pupils to become independent individuals and for the school to become an independent self-sufficient institution. The prime focus of the NGO's work are those children who need a basic education and would otherwise not receive one, but at the same time the NGO aims to provide opportunities to older youth (at high schools and universities) to let them develop their own country while developing themselves.

1.2.1 Two business units

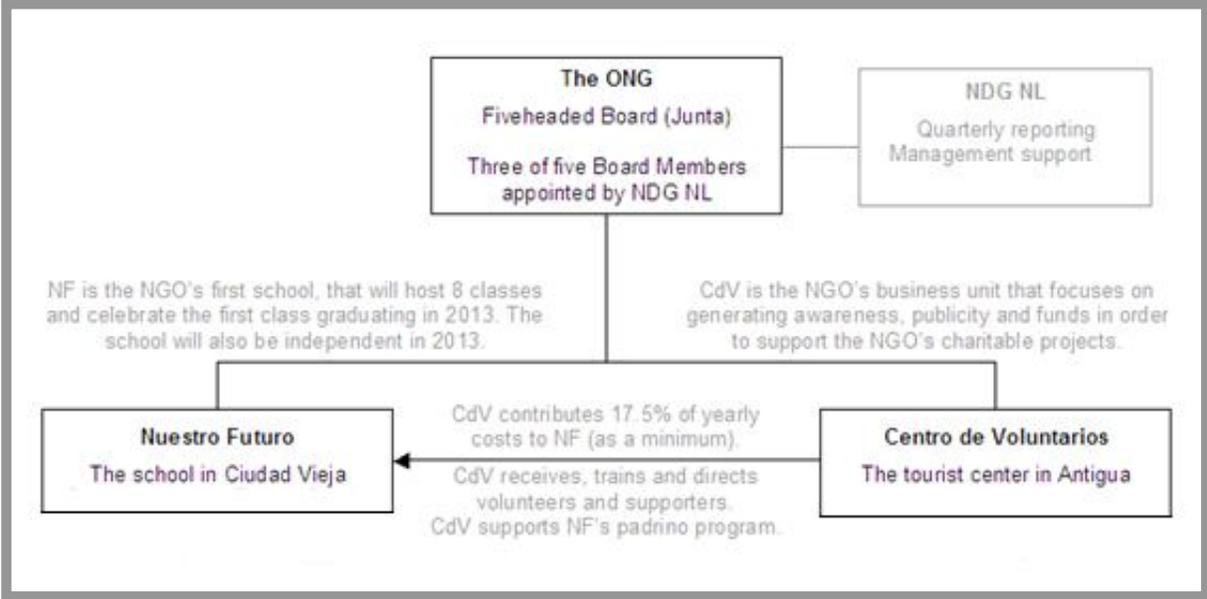
The NGO consists of two separate, independently functioning business units: the “Nuestro Futuro” School and the Volunteer Center in Antigua (the Center). Both business units are directed by, and report to the NGO, which is led by a five headed Board. Please find an organization chart in section 1.6.

Nuestro Futuro has a clear and uncompromised main goal: to provide quality education (in a broad sense – not just the standard lessons, but also attention for hygiene, nutrition, social and psychological development) to those children that would otherwise not be able to enjoy an education. Nuestro Futuro is located in Ciudad Vieja, a poor village some 20 minutes from Antigua where hardly any tourists or westerners come. The school is the major charitable project run by the NGO, next to some other educational projects that the NGO supports and collaborates with (please see the following sections to learn more about these collaborations).

Contrary to Ciudad Vieja, Antigua is the place that attracts most westerners and hence funds in all of Guatemala. Antigua hosts a lively and busy tourist scene. Right in the center of Antigua is where NDG's Volunteer Center is located. The Center also has a clear and uncompromised goal, which is actually twofold: promoting the value of and fun in charitable projects in general, and raising funds, publicity, awareness and enthusiasm for the charitable efforts and projects of NDG. The Center will in 2009 become a fully independent business unit, with its own philosophy and goals, its own director and a separate yearly budget. The Center currently operates out of the building of partner language school Cima del Mundo (CdM) in Antigua. The director will be held accountable by the Board of the NGO.

By making sure that the charitable project and activities of the NGO receive plenty of attention, promotion and financial support, the Center plays the role of an “amplifier” to the “sound” of the NGO's charitable projects. Given that the “sound” of the charitable projects is clear and pure, the only thing that the Center has to do is to amplify that sound. The Center functions as an amplifier by (1) directing volunteers towards the School (and other charitable projects) so that these can help with educating Guatemala's youth, (2) generating awareness and providing for promotion and (3) functioning as a platform for a diverse number of fundraising activities.

Schematically, this looks as follows:



1.2.2 The Board of the NGO

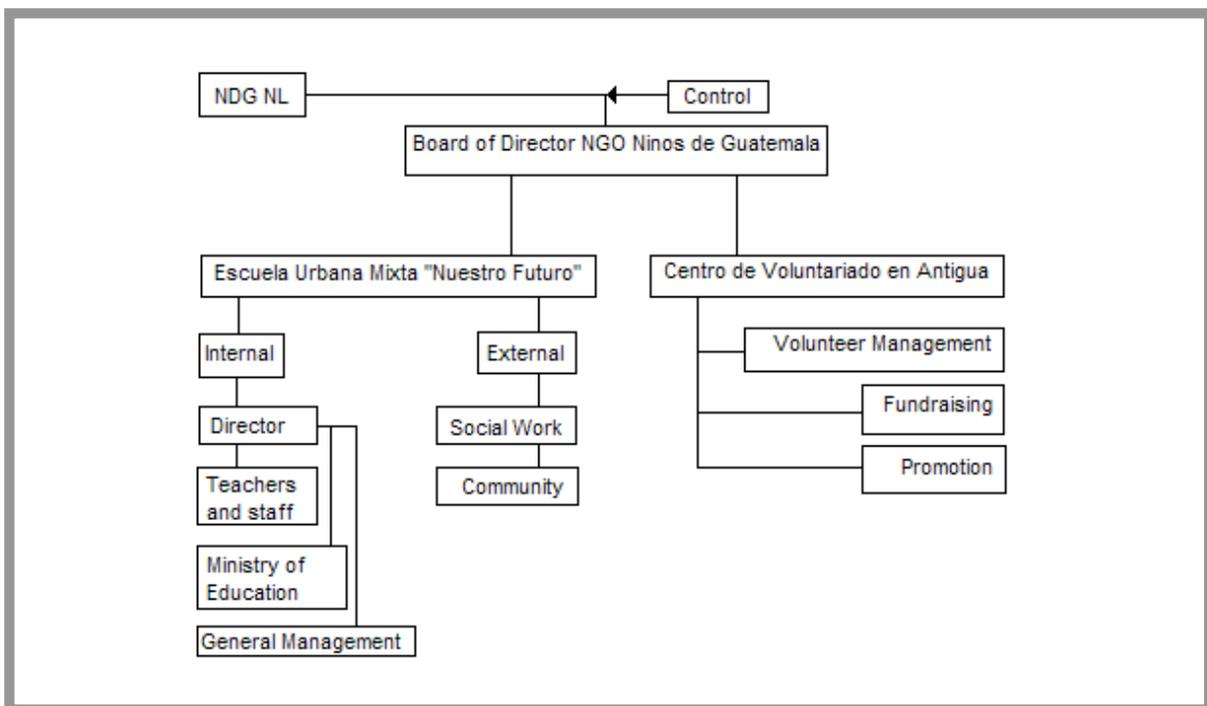
As said, the two business units report to the NGO, while the NGO is headed by a Junta Directiva, a Board of Directors. The school building and the underlying land are property of the NGO, of which the Junta Directiva is the primary representative. Moreover, the bank account is on the name of the NGO and managed by the Junta Directiva. Over the course of 2008 the majority of Junta members were appointed by NDG NL, a situation which will continue in 2009. The Junta reports tri-monthly to the Board of NDG NL. Under the supervision of the Board two Business Units have been gathering some independence in 2008: the school Nuestro Futuro and the Volunteer Center. The gradual increase of the two Units' operational independence from the Junta Directiva shall continue in 2009. Both Business Units have operational freedom while reporting tri-monthly to the Junta. They both have their own director, their own budget and their own staff.

The Board of the NGO has had a stable composition in 2008. All over the course of 2008, four members of the five-member Board of Directors have remained the same, being Carmen Paniagua in the function of President, Annemiek Dresen in the function of Vice-President, Jorge Rosales in the function of Secretary and Sander Wirken in the function of Treasurer. The fifth function, that of *Vocal* ('spokesperson') was held by Carlos García in January 2008, who due to a stay abroad for an indefinite period resigned. The function was taken over by Christel Brenninkmeijer in November 2008. The mentioned five board members shall continue their functions at least to the statutory end of the first term, being August 2009.

Three of the five board members, being the President, the Vice-President and the Treasurer, entered the payroll in 2008. The President works part-time per September 2008, responsible for legal representation and general policy. The Vice-President works full-time per October 2008, responsible for the course of the charitable project in Ciudad Vieja. The Treasurer works full-time per October 2008, responsible for the course of the Volunteer Center in Antigua and for financials. The President receives a salary and both the Vice-President and the Treasurer receive a compensation.

1.2.3 The organization

The following figure looks at the organization more in detail:



The school Nuestro Futuro is run by a director who is in charge of internal affairs, meaning teaching and cooking and cleaning staff, but also everything education related such as contact with the Ministry of Education and other schools in the area. The director also takes care of the school's internal administration and finances. Besides internal affairs the school Nuestro Futuro is very much concerned with the community of Ciudad Vieja. The department Social Work is in charge of these external affairs which have to do with the people affiliated to the school, and those around it.

The Volunteer Center has not yet developed as much as the school has, but will do so in 2009. The primary operational divisions under the lead of the Center's director are fundraising, promotion and volunteer management.

Within the framework of self-sufficiency with which the NGO and its Business Units work, everybody involved with the Board of Directors or with either one of the two Business Units operates within the lines of the Code of Conduct as adopted by the Board of Directors. Through tri-monthly reports and constant communication planning and control occur within the Business Units, and between them and the Board of NDG.

Besides these tri-monthly reports within the organization, the organizations actions and operation are checked by a control manager who is in direct contact with both the Board of Directors and NDG NL.

1.2.4 Legal

Introduction

The NGO has complied succinctly with its internal legal obligations with regard to the composition of the Board of Directors and the General Assembly. Acquiring the ownership of the piece of land required considerable legally obligatory acts. The NGO reported the full actual value of the land and paid all taxes due. The ownership of the land was successfully transferred to the NGO and registered in the public registry. For its legal matters the NGO receives advice of Guatemalan lawyer José Luis Gonzalez Gonzalez, who has been of great value in the process of acquiring the ownership of the land as well as in his general advice on all legal matters.

Tax law

The NGO is obliged to report its income and its expenses to the Guatemalan tax authorities and to pay income tax (ISR to its Spanish initials). The NGO can deduct the amount of value added tax (IVA to its Spanish initials) paid over all its purchases from the amount of income tax due. As a result of the high spending that came with the construction of the building, the amount of value added tax paid exceeded the amount of income tax due.

For tax matters, the NGO was initially advised by Boris Girón. He failed to make the required reports to the tax authorities, due to which the NGO was obliged to pay a number of penalties. In September 2008, the NGO replaced Girón for Amarildo Gómez Garavito. On 31 December 2008, all penalties due were paid and the NGO enters 2009 with a clean tax sheet.

Labor law

The NGO complies with all stipulations of Guatemalan labor law. All staff members gain the minimum salary or more and receive the bonuses that they are entitled to. All employees were offered one-year contracts, to decrease the NGO's responsibility in case of termination of the labor agreement initiated by the NGO. The process of inscription of the NGO's staff in the IGSS (Guatemalan Institute for Social Security), is planned for early 2009.

1.3 Progress of the NGO in 2008

During the year 2008 Niños de Guatemala experienced a growth in professionalism and staff and came much closer to reaching its goal of providing education for those children who need it most. NDG believes in education and development of the people of Guatemala and has therefore started an elementary school in Ciudad Vieja: "Nuestro Futuro". NDG also believes that there should be room for its employees to learn and develop themselves into confident human beings and workers. In 2008 NDG hired seven people to run the school in Ciudad Vieja and thus continuously works to create opportunities, not just for the children that attend the school, but also in creating jobs and opportunities for those who work with NDG. NDG works towards having a completely independent Guatemalan staff that runs the Guatemalan organization. In 2008 three foreigners were active in NDG: their function was to guide the Guatemalan staff and to communicate with the Dutch NDG NL, where most funds were raised.

1.3.1 Main events

The office of NDG opened in Antigua Guatemala in 2008, which created a meeting place and information provider for those involved or interested in NDG. In collaboration with the Spanish School Cima del Mundo the office was used to host tours to the construction site, to welcome visitors and to inform possible volunteers of the options available at NDG. NDG believes that using volunteers is profitable for the organization, the employees, and the volunteers through the exchange of experience, views, and ideas. In this manner volunteers have supported the construction staff, but also the office staff, and partner projects, in their daily affairs. Volunteers have never taken over jobs where Guatemalans could be hired.

Construction started in May 2008, after the land on which was to be built was purchased by the NGO. A collaboration of a Dutch architect and Guatemalan engineer created the building that was finished in December of 2008. Because the building was finished by the end of the year, a summer school was hosted

by NDG using the building of the municipal school in Ciudad Vieja, during the month of November. Selection of pupils for this summer school was executed by the social worker, who studied the area and families from around “Nuestro Futuro” elaborately.

The community of Ciudad Vieja is where the school has to live and breathe, and therefore this community is very important. The people that are involved with the school (i.e. affiliated families, neighbors, etc.) have cooperated in the construction of the building, but have also helped with activities of the summer school: they need to feel like the school can enhance their quality of life and take care of it as it is part of their community. The community, varying from mayor to neighbor can contribute to the success of the school and they must know that they can: everybody can do something!

Over the course of 2008, NDG hired 7 people as staff for the school “Nuestro Futuro”: the director, the social worker, four teachers (of which two started work in November at the Summer School, and two as of January 2009, the start of the new school year) and a cleaner /cook. These people have been carefully interviewed so as to have everybody use their qualities to the max in the place where they feel best.

1.3.2 Financial

The NGO has had considerable expenses over the course of 2008, most notably the purchase of the piece of land for an approximate €55.000 and the construction of the first floor for an approximate €100.000. Both major incidental expenses were covered by donations from NDG NL and Wilde Ganzen.

In 2008 the NGO also had rising regular expenses. Most notably the expenses for salaries have been raising as NGO board members started working on a paid basis and as the school team was formed and teachers, a social worker and a director were hired.

In the start-up phase with the purchase of the land and the construction, the NGO has not been able to save any considerable amounts of money to be added to reserves. On 31 December 2008, the NGO had a positive own capital of approximately €1.000. For a more detailed report on the financial course of the NGO over 2008, see the annual account in chapter 3.

In April 2008 Niños de Guatemala was accepted as a member of the American Fund for Charities (AFC). Donations made to NDG through the AFC are tax-deductible in the United States.

1.4 The charitable project in Ciudad Vieja

1.4.1 NDG and Educarte

In 2007, NDG started a collaboration with *Fundación Educarte*, a local project located in Zone 1 of Ciudad Vieja. The school NDG was about to build would be used by this project, which means that NDG would construct and be owner of the building, and Educarte would perform all operative affairs of the school. Educarte would rent the building for the symbolic amount of Q1.- a month, and continue and expand their activities in the new building. NDG would assist wherever needed in fundraising and in drafting and executing the medium- and long-term strategy. Part of NDG’s fundraising assistance would be detracted from the *Padrino Program*, a program where a donor is connected to one of the children at Educarte, contributing directly to this child’s education. The donation given by this donor is specifically used for the education of that child and a communication between the child and padrino is established.

At the start of 2008 NDG invested in some improvements of the building Educarte was using at the time in order to use that space to its full capacity until the project could move into its new location a year later. A roof was placed on the terrace, so as to create another classroom and several separation walls were placed in order to be able to work with more, but smaller groups of children. Also, a number of Padrinos were recruited in The Netherlands, which covered a substantial part of Educarte’s expenses.

With the collaboration between NDG and Educarte intensifying, a difference of opinion on reporting and responsibility came to the surface. NDG celebrates transparent accountability and the need to administrate one’s actions well and believes that only through complete openness collaboration can succeed. The staff of Educarte held other ideas about the relevance of reporting and refused to adopt NDG’s transparency standards: the agreement made between NDG and Educarte in 2007 to report in an elaborate and transparent way to one another was difficult to live up to for Educarte. After several meetings between NDG

and Educarte the difference of opinion seemed unsurpassable and NDG found itself forced to abort the plan of building a school to be operated by Educarte,

After making this very difficult decision, collaboration between Educarte and NDG still existed through the padrino program: communication with and donations from Padrinos for Educarte were still managed by NDG. In July 2008 Educarte informed NDG that they wanted to take the management of the padrinos into their own hands, after which NDG informed the Padrinos and the collaboration between NDG and Educarte came to an end.

When it was decided that the NDG School would not be built for Educarte, NDG took matters into its own hands: having seen the necessities in Ciudad Vieja, and the lack of possibilities and education in the town NDG still wanted to build the school in this town. NDG had been scouting for land in Ciudad Vieja before the organization ended collaboration with Educarte and had found a good location for a newly to be built school. The location that was chosen lies a little ways up the slopes of Volcán de Agua and at the center of the communities NDG wished to work with. This land was purchased with the idea that the community of Ciudad Vieja could very well use NDG's school and in collaboration with the municipality NDG started its activities in Ciudad Vieja on its own.

1.4.2 Construction of the school in Ciudad Vieja

On April 30th 2008 the land on which the Niños de Guatemala school "Nuestro Futuro" now stands, was purchased by the organization. After the legal obligations were met construction started with the collaboration of the municipality of Ciudad Vieja, the town in which the school is located. The municipality collaborated through lending NDG a machine to level the ground on which was to be built and by giving NDG a construction permit without fee.

The school was designed by RDH Architects, aided by Dockwise Engineering, both from Breda the Netherlands. After they made the designs, the construction was executed by local architect and engineer, Jorge Medina, who adapted the design where needed to local soil and customs. The school was designed using the space available to the utmost utility: because the land is set on the slopes of the volcano Agua, an amphitheatre was constructed in the patio, around which the bathrooms, classrooms, kitchen, teachers' lounge, and carpentry classroom were built. The communal area was constructed as an open space which overlooks the valley. In 2008 the first floor of the building was constructed in such a way that a second floor can be built on top to give room to more classrooms, a library and computer area, so as to create room for more students and courses.

Jorge Medina and his team started construction after leveling of the ground in the beginning of June and delivered a completed school building in December. Throughout construction the municipality of Ciudad Vieja was always open to collaborating with NDG and did so in the following manners: extending the sewer system up to NDG's property, installing water supply at the construction site, relieving NDG of paying real estate tax (IUSI: Impuesto Unico Sobre Inmobiliara), lending NDG the machine for leveling again when constructing the two patios of the school, and rerouting collection of garbage so that it passes the NDG school.

In December of 2008 construction was finished, and as of January 2009 classes started in the building of Niños de Guatemala.

1.4.3 Summer School "Nuestro Futuro"

Because NDG had decided to continue its work for the children of Ciudad Vieja without Educarte, a team had to be established to run the operational affairs of the NDG School. This team would consist of a director, a social worker and teachers, of which the director and social worker were hired in October and two teachers in November of 2008. This staff of the NDG School was selected by NDG through a series of interviews with suitable people who had applied for the respective jobs. After elaborate interviews those people who appeared most suited for the jobs available were elected by NDG to work in the new school. Two more teachers were hired in December to start their work with NDG in January of 2009.

During the month of October the social worker worked on a study of the area in which the school was being built and the selection of the children that would attend the NDG School. In the same month inscriptions opened, and many people in Ciudad Vieja visited the temporal office at the municipality to inscribe their

children. From all the information gathered at this temporal office the social worker made a study and created criteria in line with the mission of NDG so as to which children would attend the NDG school.

From November 3rd until December 5th the Summer School of “Nuestro Futuro” took place. This month had as its main goal to prepare the students to start their classes in first grade the next year. 30 children were selected to participate in the summer program, which was managed by the director of “Nuestro Futuro”. During the course of the summer program the social worker continued her studies of the area and families that wanted to affiliate themselves with the school; selections for younger children that would participate as of January 2009 took place as well. The Summer School was successfully visited by these children, who at the end of the program participated in the festivities of the *día de la virgen de concepción*: the day of the patron saint of Ciudad Vieja.

1.4.4 Collaboration with the municipality of Ciudad Vieja

In 2008 Niños de Guatemala has received support from the municipality of Ciudad Vieja in many of its activities. During construction of the school building the municipality proved to help with many technicalities such as the connection of water and sewerage, leveling of the ground, a construction license without pay, and exemption of paying real estate tax. Besides that the municipality offered room in their building for the temporal office of the summer school and inscription of children, after which it made two classrooms available in the municipal school for the summer school of “Nuestro Futuro” to take place.

The municipality also collaborated with radio announcements, contact to the community and with the parochial office and garbage collection. Besides that the mayor has offered to keep assisting Niños de Guatemala and the “Nuestro Futuro” school in following years.

For NDG the collaboration of the municipality means a lot for it shows that the local community supports NDG and its goals and that with the people of Ciudad Vieja Education possibilities can be created and illiteracy combated.

1.5 The Volunteer Center in Antigua

1.5.1 Collaboration with Cima del Mundo Spanish School

As of 2007 Niños de Guatemala has worked together with Cima del Mundo Spanish school, where NDG has its office free of charge and where NDG sends its students from the Visit Guatemala program to study Spanish. For every student NDG provides to the Spanish School, NDG receives US\$ 5.- a week, and from the office inside Cima del Mundo the Volunteer Center operates. Students from Cima del Mundo can do volunteer work with NDG, which they have done in 2008 in the form of construction work, and at partner projects. Over the course of 2008 the collaboration has been to great mutual satisfaction. At the end of September 2008 Cima del Mundo moved to a new building, being even more central than the former location, and NDG naturally moved with it.

This collaboration will continue in 2009 as more students will study Spanish through the Visit Guatemala program and more volunteers are needed now that the “Nuestro Futuro” school is open.

1.5.2 Collaboration with other projects

FHTH

As of the birth of Niños de Guatemala, the organization had worked with From Houses To Homes (FHTH), an organization which builds houses for the poor of the villages around Antigua. This collaboration continued through 2008. The original plan at the start of 2008 was to have FHTH as the executive constructor. Due to the work load with FHTH and the complexity of the design of the NDG School, FHTH was not able to fulfill this role. Therefore NDG contracted Jorge Media and his team, and continued with FHTH a supportive relationship, where experience and resources are being exchanged.

NUFED San Felipe

Through Cima del Mundo Spanish School, with which NDG continues a fruitful collaboration, the organization came into contact with the NUFED project in San Felipe, an aldea of Antigua. NUFED (Núcleos Familiares y Educativos para el Desarrollo) are general Básico (Middle School) projects, which provide teenagers with education. The NUFED Project in San Felipe expressed the desire to have the help of volunteers and NDG provided the project with some of the people who studied Spanish at the Cima del Mundo school through the Visit Guatemala program.

Los Patojos

The project Los Patojos (The Little Ones) is located in Jocotenango, just North of Antigua. NDG has maintained a good relationship with this project since its birth and in 2008 that resulted in the exchange of volunteers between the two organizations.

Los Niños

This organization is based in the Netherlands and NDG has had a very good relationship with Los Niños since the very beginning. Los Niños supports several projects in Guatemala, of which the biggest one is in San Juan Alotenango, a town close to Ciudad Vieja. Collaboration between NDG and this organization exists through exchange of experience and resources, but also through the exchange of volunteers.

1.5.3 Volunteers

Niños de Guatemala opened its Visit Guatemala program in 2008 and from that moment on started working with the use of volunteers. The first person to come to Guatemala through the Visit Guatemala program arrived in May of 2008, studied Spanish in Cima del Mundo and volunteered at the construction site. Also he worked at the project of Los Niños. Many volunteers followed who either worked in construction or in one of the partner projects of NDG, often after having studied at Cima del Mundo.

Volunteers were always used as an extra hand and never put to work where a Guatemalan could be hired. The exchange of experience has been very fruitful for volunteers, employees of NDG and other people involved and NDG aims to continue working with volunteers in the "Nuestro Futuro" school as of 2009. Besides experience, knowledge and help, volunteers have been contributing substantial financial donations as well. NDG has seen all of its volunteers go to their home country with memories of a beautiful experience and expects volunteers to continue aiding NDG, through publicity, fundraising or participation in the Padrino Program, when in their respective home countries.

1.5.4 Events

In 2008, several fundraiser and awareness events were organized in Guatemala. The two major ones were:

- 1) On March 10th a benefit given at Café No Sé, in Antigua Guatemala, for Niños de Guatemala: Blues singer and guitarist Willy Murphy gave a living room concert which attracted many Antigua residents, both native and expats. NDG sold merchandise, received donations, and gave information. Besides the funds raised, this event provided considerable exposure for the organization in the Antigua area.
- 2) On November 22nd a benefit for NDG given at La Antigua Hacienda, just outside Antigua, by Planeta en Ritmo, a producer born in Austin, Texas. The Garífuna Collective, the Umalali women, and Aurelio Martínez gave a night-long concert in the open air as a benefit for Niños de Guatemala which attracted approximately 500 people. In the context of the concert, a local organization in which bars and restaurants of Antigua are united, ASADE, gave a large donation to NDG. Besides

the monetary gains, the concert offered NDG exposure to a diverse and large group of people present, and through the media used to advertise the concert the name gained much recognition.

1.5.5 Fundraising

The Volunteer Center has been able to raise considerable funds over the course of 2008. The donation made by Antigua's bars and restaurants association ASADE on the day of the Planeta en Ritmo benefit concert and a donation made by an American company together formed the majority of the Center's fundraising result. Other sources of income were small incidental donations, the selling of merchandise and the contribution of partner Spanish language school Cima del Mundo. Plans have been made to extend the cooperation with ASADE, plans that are currently being fine-tuned among the ASADE membership and are due to materialize in 2009.

1.6 Prospects for 2009

As 2008 was a year in which the charitable project in Ciudad Vieja, with the purchase of land, the construction of the school and the composition of the school's team, was central, 2009 shall be a year in which the self-sustainability both organizationally and financially is central.

As for the school, a five-year plan leading towards financial independence has been approved upon between the Board of Directors of the NGO and the school's director. The school's income shall consist primarily of the Padrino Program (sponsors sponsoring an individual child), the Maestro Program (sponsors sponsoring an individual teacher), contribution from the Volunteer Center and the school's independent fundraising with local government and local businesses. The school's team is functioning well; on every visit to the school, the NGO's board members and every other visitor see smiling teachers and smiling children, which combined with the considerable progress the kids made during Nuestro Futuro's Summer School makes us confident that the children will progress well intellectually and socially within the safe environment that NDG has envisioned from the start.

As for the Volunteer Center, much effort has been diverted to the drafting of the plan to create a well functioning, profitable center. Given the fruitful collaborations with Cima del Mundo Spanish School and with projects that strive for the same ideals as NDG does, we are confident that the Volunteer Center shall succeed in its mission for 2009 of attracting volunteers to invest their time in the well-being of Guatemalan children and of raising funds to finance its own activities and in part those of the charitable project in Ciudad Vieja.

As for the NGO's internal organization, the members of the Board of Directors have found their work highly rewarding and have enjoyed great mutual support. All five members are determined to stay in function until at least August 2009, thereby contributing to the continuity of the organization. The NGO's central management shall have the continuous support of NDG NL, in the form of advice from NDG NL's members and of the placement of an NDG NL supported management supporter in Antigua, which further contributes to our confidence in reaching our goals for 2009.

1.7 Conclusion

The year 2008 has been a year characterized by start and by growth. The ownership of a piece of land has been acquired and a magnificent school building has been constructed upon it. The members of the Board of Directors have started working on a paid basis for the NGO and a school team consisting of a director, a social worker and four teachers has been assembled. The first volunteer placements and the first fundraising activities have started, both to great success. The support we have found with everybody involved, ranging from the mayor of Ciudad Vieja to Antigua bar owners, has strengthened us in our conviction that our mission can be achieved by involving as many people as possible and by showing to everybody that small contributions can have great effects.

2 REPORT FROM THE NETHERLANDS

2.1 Calendar of 2008

January

- Several lectures are held at service clubs, amongst other things to promote the Charity Event
- Taxi company Taxiline supports NDG NL by decorating their cabs with NDG-stickers and raising funds

February

- The NDG Charity Event 2008
- Both Wilde Ganzen and NCDO agree to support NDG's Charity Event financially

March

- High School "de Breul" in Zeist organizes a "dance 4 child" party and donates to NDG
- NDG attends the TeamLeiden kick-off, a sailing team supporting NDG

April

- NDG NL moves into its office in the University of Amsterdam StuC-building

May

- NDG organizes the 100-Friends party in Amsterdam to honor the fact that it now has more than hundred Friends
- At the party, the new logo and the new NDG-slogan "everyone can do something" are launched by Remko Verhaagen of Blooey

June

- LANX again organizes "Ter LANX, te zee en in de lucht" supporting NDG
- An auction is held in Amsterdam cafe "De Magere Brug"

July

- The organizational structure of NDG NL is remodeled, the management now counting six positions, leading three committees
- Three people walk the Nijmegen "4-daagse" for NDG

August

- The Amsterdam ASVA and HvA organize the KersVers party with revenues dedicated to NDG

October

- People run different distances (7.5 km, 21 km, 42 km) in the Amsterdam Marathon for NDG

November

- NDG is nominated for "best project of 2008" by Wilde Ganzen and NCDO. At the yearly "Wilde Ganzen-NCDO day", NDG becomes runner-up for this price
- NDG and Rotary Club Oosterhout organize the Guatemala Week

December

- NDG NL sells handmade Guatemala "Christmas trees" to raise funds for Nuestro Futuro of which some 800 have been sold.

2.2 Description of NDG NL

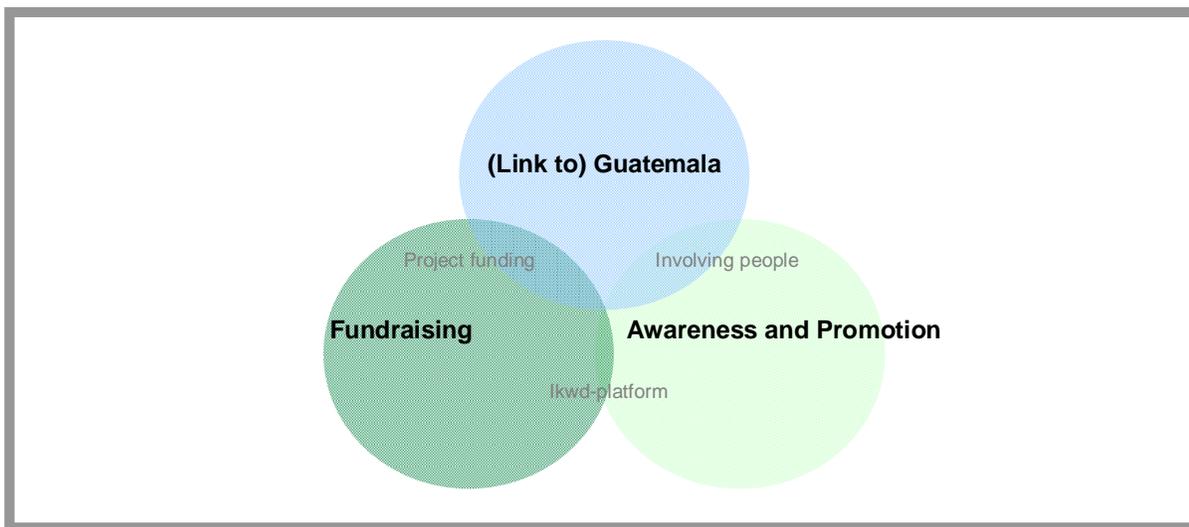
Niños de Guatemala The Netherlands (NDG NL) is a Dutch not-for-profit organization. NDG NL is registered as a foundation with the Dutch Chamber of Commerce in Amsterdam (nr. 34256705), and is also registered as an institution for general benefit with the Dutch tax agency. NDG NL does not have any paid staff but is entirely run by volunteers.

2.2.1 Description of NDG NL's activities

NDG NL primarily supports the activities of NDG Guatemala. Additionally, its goal is to raise awareness with the Dutch public for development-related topics. To that end, NDG NL undertakes activities in the Netherlands under its motto "Everyone can do something!".

NDG NL's activities can be divided in three categories. NDG NL aims to support ONG NDG:

- Financially: Fundraising
- By spreading the word: Awareness and Promotion
- Professionally/Organizationally: Link to Guatemala



Fundraising

NDG gathers funds and other resources in the Netherlands, aimed for the charity of NDG Guatemala. It has constant fundraising capacity to support ONG NDG and the school Nuestro Futuro. NDG NL organizes various fundraising events and manages a number of major stakeholders that are crucial to the growth of NDG NL. Aside from the big sponsors, NDG NL brings the charity to the attention of (potential) private donors which generates many gifts. If ONG NDG has specific project funding requests, NDG NL strives to accommodate them.

In order for NDG to have a steady base of income, NDG offers some more structural donation programs. The Friends Program is geared towards structural involvement and periodic donations. The Padrino Program makes it possible for a donor to financially support a specific child or teacher.

Awareness and Promotion

NDG NL's secondary aim, after the primary aim of helping Guatemala, is to show people how easy and how much fun it really is to make a difference and to do something. In that sense, NDG's message and enthusiasm spread like an oil spill: slowly and steadily, contagious and unstoppable. Our motto is "Everyone can do something!" for a reason, and together, we can do a lot.

NDG NL is a place where everybody who wants to do something is encouraged to help with his or her specific talents. Having a central position in the Amsterdam student society, with growing presences in other Dutch student locations, NDG NL has an exemplary function: showing how easy and enjoyable it really is to be in development work. NDG NL offers a lot of fun (drinks, parties, promotion activities, events) for everyone to join; it organizes a lot of awareness activities (schools program, lectures, publications, newsletters, documentaries etc) and it shows a great (informative, good-looking, up-to-date) website.

Aside from this, NDG NL offers an educational program for schools in The Netherlands through which it hopes to stimulate knowledge and awareness of the situation in Guatemala. Finally, the Visit Guatemala program makes it possible for people to contribute themselves to the development of the educational projects, concretely by traveling to Guatemala and helping on location.

The link to Guatemala

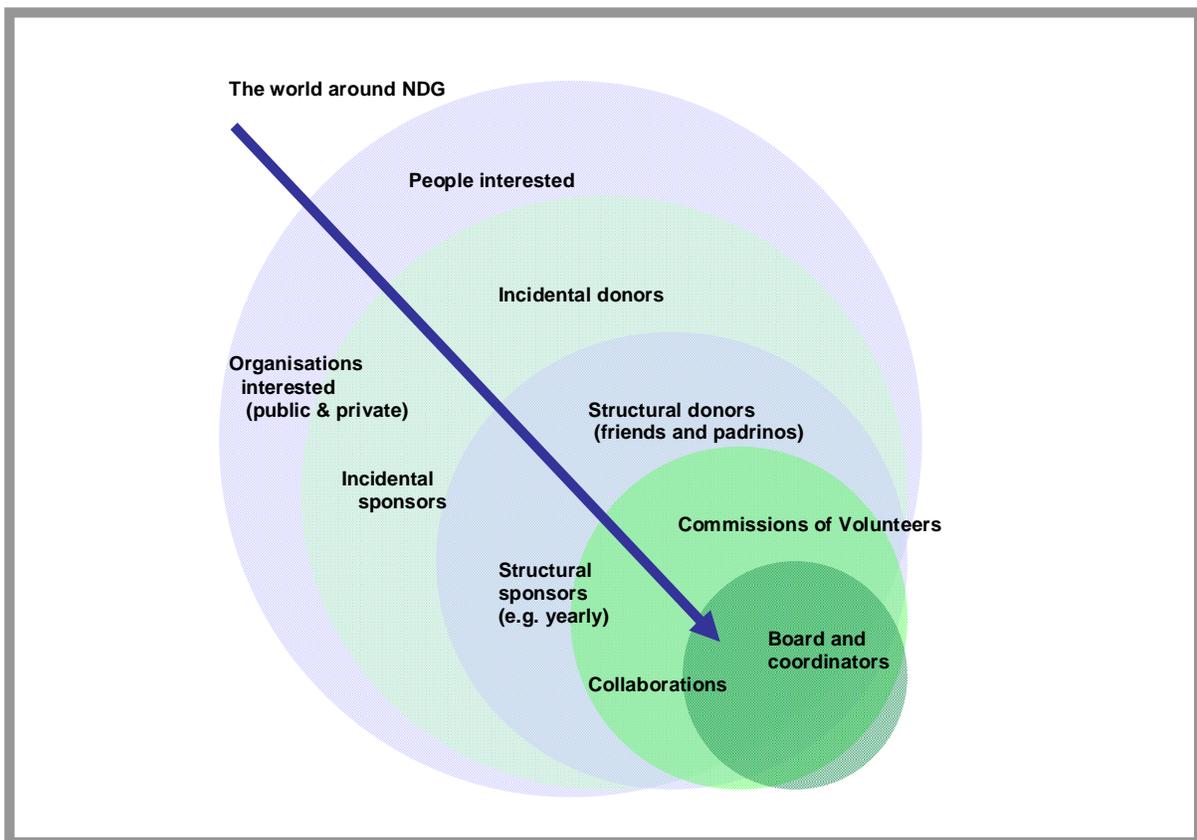
NDG NL runs the Visit Guatemala program with an ever increasing amount of participants, promoting it fiercely. The purpose of the Visit Guatemala program is to lower the threshold for anyone who wants to travel to (a country like) Guatemala. NDG NL help and advise the experienced backpackers, but also the ones to whom the thought of visiting a country like Guatemala “some day” is considered practically impossible. Once someone shows interest in visiting and volunteering in Guatemala, he or she enrolls in the process whereby NDG NL (1) recruits, (2) prepares, (3) sends out, (4) guides, (5) welcomes back and (6) keeps involved Dutch people who volunteer(ed) in Guatemala, accommodating their experience and enthusiasm.

Besides the delivery of volunteers, NDG NL supports (financially) one or more management support positions at the NGO and recruits Dutch people to fill this (or these) position(s). Lastly, NDG NL promotes and administers the Padrino Program in The Netherlands for the Guatemalan school Nuestro Futuro.

2.2.2 Everyone can do something

In the Netherlands, Niños de Guatemala consists of a group of young, ardent people who feel compelled to offer children an youth in Guatemala the chance at development these children would otherwise not have. In order for the NDG NL oil spill to keep spreading, everyone is invited to participate in the vibe of NDG NL, a continuously growing group of young and enthusiastic, but also very professional people. Key to NDG NL being a group of talented and young people is to keep together and to lead this steadily expanding group of students and young professionals, some of them to be mentioned particularly in this report: Hanna, Lisa, Marije, Caspar, Jorrit, Jochem, Sjaak, Joey, Bart, Maarten, Stephan, Ozgur, Remko, Elko, Carolien, Selma, Brechtje, Koen, Inge, Lisette, Thessa, Judith. NDG NL thanks you all!

The way that NDG sees this combination of professional organization and opened-up enthusiasm is embodied in the following graphic of a strong and contagious force of “pull” in NDG NL’s “pool” (the world of NDG NL):



2.2.3 The organization and HR

NDG NL is headed by a Board, which is advised by an Advisory Board and broadly supported by three commissions.

The Board of NDG NL

At the start of 2008, the board consisted of the following board members:

| | |
|-----------|---------------|
| President | Marten Dresen |
| Treasurer | Tim Crijns |
| Secretary | Sander Wirken |

In the summer of 2008, NDG NL remodeled and enlarged the board. There were a number of reasons for this, one of them being the growing of the organization and its activities. A clearer task division was necessary to keep the organization efficient and effective. Apart from that, it was necessary to “unpersonalize” the foundation, i.e. make the organization less dependent from some key persons.

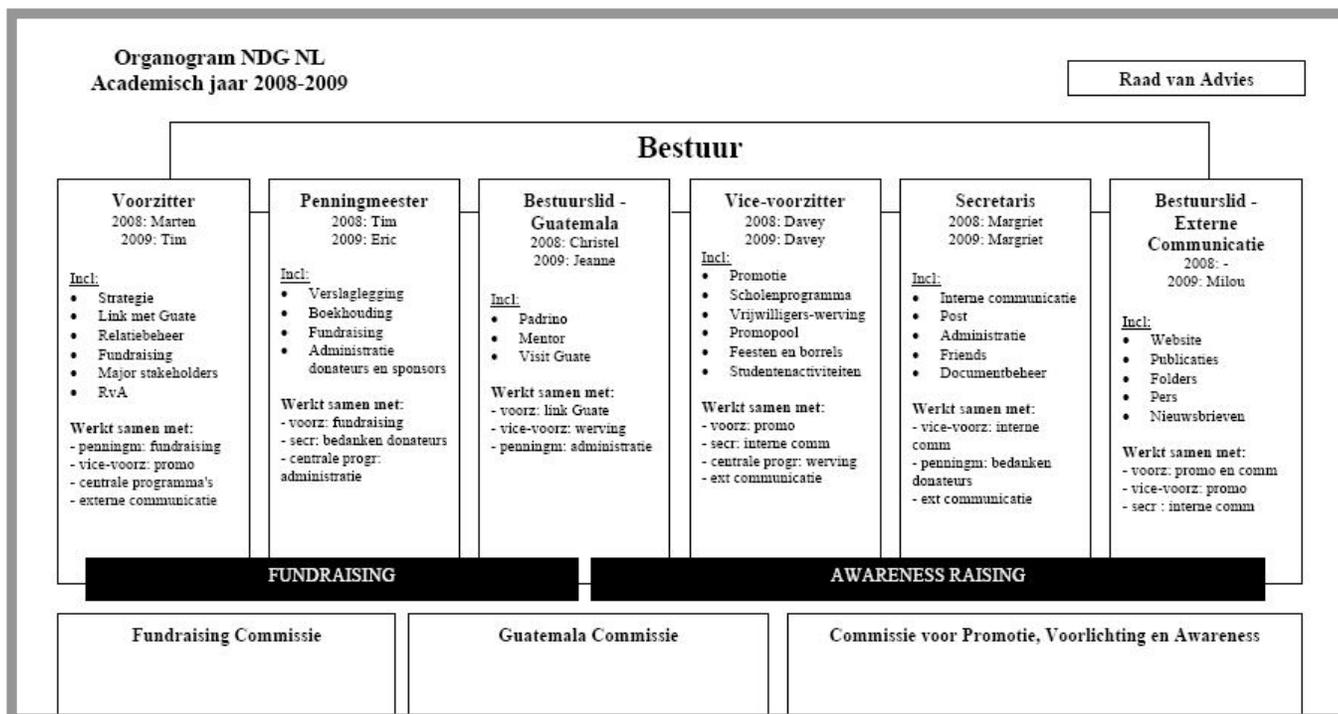
| | |
|-------------------------------|-------------------------|
| President | Marten Dresen |
| Vice-President | Davey Meelker |
| Treasurer | Tim Crijns |
| Corporate secretary | Margriet Crijns |
| Board member Guatemala | Christel Brenninkmeijer |
| Board member Public Relations | Margriet Crijns |

The Advisory Board

The Advisory Board consists of two persons at the end of 2008, NDG NL is looking out to broaden the Board. The two members per end 2008 are: Professor Lucas Meijs (Volunteer Management) and Taco Tuinhof (architect and partner of RDH). The Advisory Board met with the Board of NDG three times in 2008.

Organization chart

Below is an organization chart of NDG NL per the end of 2008 (in Dutch):



In these several committees, the following volunteers have been particularly active during 2008: Hanna, Lisa, Marije, Jeanne, Caspar, Jorrit, Jochem, Sjaak, Joey, Maarten, Stephan, Ozgur, Remko, Elko, Carolien, Selma, Brechtje, Koen, Inge, Lisette, Thessa, Judith.

We thank them for their efforts!

2.3 Progress of NDG NL in 2008

2.3.1 Some results

In these respective fields, NDG NL has over the course of 2008 made the following progress:

Management support to the Guatemalan NGO

Over the course of 2008, 3 Dutch NDGers have provided management support to the NGO on a long-term basis. From July of 2008, they received compensation for this. Into 2009 and further, NDG NL is looking to structurally and professionally continue this management support towards the NGO. Structural funds will be made available for this, since this is a crucial aspect on the way to long-term (self) sustainability in Guatemala.

Visit Guatemala Program

Throughout 2008, a process for recruiting and sending out Dutch volunteers was launched. This system includes promotion, introductory information provision, counseling, volunteer contract signing and after-return-to-Holland-service. NDG NL sent out a growing number of volunteers to Guatemala throughout 2008. The Visit Guatemala Program is administered by the Board Member Guatemala and the Guatemala Committee.

Padrino Program

The Padrino Program was successfully started up in 2008. A pilot was run with Educarte during the first half of 2008. Unfortunately, as the collaboration with Educarte ended (see the annual report of ONG NDG), the Padrino Program for Educarte came to an end too. However, this Padrino Program has been a learning experience for starting up the Padrino Program for the school Nuestro Futuro. At the end of 2008, the Padrino Program for the school has set up and enrolled from the start of the school in 2009.

Friends Program

2008 saw a steadily growing amount of friends, the number of them standing at 141 at the end of the year. When reaching the milestone of one hundred Friends in May 2008, all Friends were invited to a party in the Amsterdam club Studio K. Friends received 3 newsletters (March, June, October) and will continue to receive special newsletters 3 to 4 times per year. They also received a summer postcard and Christmas greetings.

Awareness and Promotion

2008 saw the launch of a fully automated e-newsletter (in cooperation with Rene Schotanus and e-letters.nl). This newsletter is sent at regular intervals to all people interested in NDG. In May of 2008 NDG NL launched the new logo and slogan: "Everyone can do something!" In 2008, NDG also launched its high school program. There were also several lectures, presentations and receptions / parties again. The fully renewed and updated version of the website was launched in August.

2.3.2 Financial results

Financially, the year 2008 was a year of strong financial growth for NDG NL. The promising first 15 months since September 2006 were highly surpassed in 2008. The increase in income was mostly realized by the

organization of the successful Charity Event in February 2008. The earnings of that event enabled the NGO to purchase the plot of land and to start constructions of the school already in April 2008.

NDG determines three sources of income: fundraising projects, structural donations (mainly friends) and other donations. Fundraising projects are events organized by NDG for the aim to raise funds and awareness (excluding fundraising events organized for the benefit of but not by NDG itself, such events being determined as other donations) (for more information on fundraising projects, see under 'Major projects' below). Second, NDG witnesses steadily growing structural donations, the major examples being Friends and Padrinos. Friends are NDG's structural donors who form a steady and stable source of income and cash cow through the year, as well as NDG's moral and personal support. The third financial pillar are other donations, a broad range of donations varying from contributions from individuals to funds from professional organizations (public and private) for which NDG had to submit extensive applications. Thanks to the growing attention for NDG, donations from private donors rose highly during the year.

Significant funds (more than € 1,000) have been received from (amongst others) Wilde Ganzen, NCDO, Stichting Kootje, Stichting Liberty, Dockwise, Simmons & Simmons, Kersvers (ASVA), Rotary, Stichting LeerplanOntwikkeling and LANX Amsterdam. NDG NL worked together with a number of sponsors it has worked with before: TeamLeiden, LANX. Some of these sponsors are now turning into prospects for structural collaboration. NDG NL is for example putting a lot of effort into the relationships with Stichting Kootje, Wilde Ganzen and NCDO. 2008 saw the start-up of organized fundraising aimed at for-profit organizations, in 2008 leading to donation by amongst others: Dockwise and Simmons & Simmons.

2.3.3 Major projects

As said, a large part of NDG's income in 2008 was realized by the organization of the very successful Charity Event at golf course Princenbosch in Oosterhout, February 2008. This event, which included a golf clinic, dinner and auction with art from local artists, raised a lot of financial support and moral enthusiasm. Contributions of the foundations Wilde Ganzen and NDCO increased the revenues of the Charity Event even more.

The Charity Event 2008

Saturday 16 February of 2008 was a nice day in the area around Breda, with a crisp clear sky and a winter sun shining. At golf course Princenbosch, a group of some 30 volunteers was ready to host the first NDG Charity Event and luckily, the weather was helping. The day started with a 4 hours golf tournament where 36 participants showed off their golfing skills. The prize giving was thrilling and the results of the winner and the runner up were close. The winner, Roeland Janus, received a winner's cup.

After the cocktail drinks, and with the sunset over the course, the soirée started with 120 guests (maximum capacity, the dinner was sold out completely) enjoying a delicious high-quality dinner (by Arjan van Dijk Group) and excellent wines (by De Gouden Ton). NDG presented its new promotional movie and the Guatemalan Ambassador spoke about her country to the public, explaining the many opportunities and the investment options in her country.

After dinner, the most exciting part of the event took place: the auction of 26 art pieces and several unique events, organized by a special auction committee. Under the leadership of auctioneer was Harry Karts, the host of the night Helmi

Huijbregts (mayor of Oosterhout and VVD-senator) moved through the room encouraging everyone to bid for the modern paintings, jewelleries and ceramics made by established artists. A unique event that was sold was a ride in the Nuna4, the solar car from students from the Technical University of Delft that won the World Solar Challenge in Australia. The soiree continued with a party and the appearance of the live act The Embers.

Some great news – next to the fact that the Event was extremely well received by its guests – was of course that Stichting Wilde Ganzen and NCDO rewarded the organizations by offering a additional donations on top of the Event's turnover. The national Dutch media (including the largest Dutch newspaper De Telegraaf, tv channel Omroep Brabant and several glossies) also paid plenty of attention to the Event.

All in all, that 16 February was a very successful and rewarding day for NDG and its people. Another milestone towards achieving our goals of developing Guatemala and inspiring young people in the western world to also get involved!

Other important projects included the "Fiesta Escolar" party in May in Club Studio K in Amsterdam, to celebrate 100 friends and disclose the new logo of NDG NL and a Guatemala Week organized by Rotary Oosterhout in November, which included lectures, presentations and the sale of Guatemalan made Christmas trees. All revenues were increased by the Rotary Club International. In October 2008, several people linked to NDG NL ran various distances of the Amsterdam Marathon (7.5 km, 21 km, 42 km) sponsored by relatives and a law firm.

2.4 Collaborations

An important part of the success of NDG is its ability to successfully collaborate with other organizations. This section looks at a number of the collaborations enacted in 2008.

2.4.1 Collaboration with University of Amsterdam (UvA)

NDG aims to promote development work among students and to participate in NDG's efforts. In pursuit of this objective, NDG collaborates with the University of Amsterdam (UvA). The choice for the UvA is an obvious result of many of NDG's board members and volunteers being students from the UvA.

In the first half of 2008, the collaboration has had a very practical and visual result. Since then, NDG holds office in the StuC, a building of the UvA. The NDG office at the UvA became a central place for NDG, within the university and around. Many of the activities are organized by students from the office. The board meets here weekly, it serves as a filing department, potential volunteers walk in for information on possible volunteer work, committees gather in the office and interested students pass easily by. By promotion, personal approach and activities that NDG organizes from the office awareness of the work of NDG among students in Amsterdam is growing.

A big accomplishment during 2008 has been the allowance by the UvA of a grant for board members of NDG who are studying at the UvA. This way, UvA students will be compensated financially for the work they do for NDG, which has practical impact for them. In the first place, student board members have more time to work for NDG instead of doing another job besides their studies. Secondly, for students it now became also financially attractive to join the board.

2.4.2 Collaboration with Amsterdam student organizations

NDG also collaborates with other (student) organizations from the UvA that support us not only financially, but materially as well. At the start of the academic year 2008-2009, the Student Union (ASVA) from the UvA organized a big party to welcome new students. The party was dedicated to NDG and raised € 2480. Also the ASVA supports NDG materially, e.g. in 2008, they donated computers to NDG.

NDG has good contacts with a student organization called Students for Children. This organization stimulates students to contribute to research projects for children in developing countries, and aims to support NDG financially in 2009. Furthermore the student association L.A.N.X. again organized an event for the benefit of NDG.

All in all, 2008 was the point of departure for a broader collaboration with and collaborations within the University of Amsterdam and its students and organizations. In the next years these collaborations will be further developed and intensified.

2.4.3 Collaboration with Hogeschool InHolland

2008 was the starting point for other collaborations as well. NDG cooperated with the Hogeschool InHolland in different ways. As a part of a subject during the second half of 2008, students Leisure Management organized a big party to celebrate the inauguration of the school in Guatemala. More thoroughly, NDG and InHolland investigated ways to collaborate more structurally, e.g. intensifying the alliance with the minor Spanish Business Studies and by setting up cooperation between the InHolland traineeship office ("leerwerkbedrijf") and the Visit Guate Program of NDG. In the first half of 2009, students from the Hogeschool InHolland dedicate their final research to three opportunities for collaboration and how to proceed.

2.4.4 Other collaborations

Studio DUS

In 2008, NDG continued its collaboration with Studio DUS. Joey Boink of DUS spent a considerable amount of time in Guatemala filming for the NDG-documentary that will be broadcasted on national Dutch television by LLINK in the summer of 2009. The joint elementary-school-program of NDG and Studio DUS is still in its conceptual phase, but the development of and experience with the high-school-program by NDG would make it possible to add the elementary-school-program at a time in the near future.

RDH and Dockwise

For the architectural design of the school "Nuestro Futuro", NDG worked together with architects' firm Rothuizen van Doorn t Hoofd (RDH) and the engineering department of Dockwise, both located in Breda. Especially mr. Jelmer Tuinhof of RDH and mr. Hans Cuijpers of Dockwise provided valuable work, which was aligned with the Guatemalan architect mr. Jorge Medina. For construction-related matters, NDG will continue to work with RDH and Dockwise. Both Dockwise and RDH also sponsored the Charity Event.

TeamLeiden

For the second year in a row, TeamLeiden sponsored NDG. This sailing team of student society Minerva from Leiden again raised quite some awareness and funds for several charities, amongst them NDG.

2.5 Prospects for 2009

Main objectives of NDG NL will remain the same in 2009: to support ONG NDG professionally and organizationally (link to Guatemala), by spreading the word (awareness and promotion), and financially (fundraising).

For the coming year, the link with Guatemala includes an increasing number of participants of the Visit Guatemala program (also by setting up collaborations with organizations as Joho, INHolland and the University of Amsterdam) and the (financial) support by NDG NL of one or more management support positions at the NGO. NDG NL guides the NGO professionally to achieve its goals as jointly set for 2009: the organization of the school 'Nuestro Futuro' must act independently (not yet in a financial way) and the Volunteer Center must be up and running and generating a stable and steadily growing flow of income, all in line with or exceeding the 5 year plan. Furthermore, NDG NL promotes and administers in The Netherlands the Padrino Program for the school Nuestro Futuro, assuming that NDG NL recruits at least 40 Padrinos on average for the whole year.

Secondly, in 2009 NDG NL has to expand its position in the Amsterdam student society, with growing presences in other Dutch student locations. NDG NL should form a steadily expanding group of students or younger professionals who show how easy and enjoyable it really is to be in development work. The office at the heart of the University of Amsterdam has to become a place where everybody who wants to do something is encouraged to help with his or her specific talents. To acquire such position, NDG NL will organize lots of 'fun' activities (receptions, parties, events, etcetera) as well as awareness activities (schools program, lectures, publications, newsletters, documentaries, and etcetera) and keep up to date and lively its website. Goal for 2009 is to recruit at least 60 new Friends (structural donors) during the year.

For 2009, no event like the Charity Event has been planned; the second Charity Event is likely to take place in 2010. Without such an event, it will be tough to match 2008's revenues; however NDG NL intends to at least cover (1) the construction of the second floor of Nuestro Futuro, (2) the setting up of the Volunteer Center, and (3) a monthly contribution to the NGO of € 2,000. Several events and applications to funds have been added to the year planning, and for the first half year we expect to raise at least € 75,000. The same goal has been set for the second half year of 2009.

Starting as from January 2009, a structural contribution is being paid by NDG NL to the NGO. Every quarter, the NGO has to submit to NDG NL a budget for the coming quarter together with a report and accounts of the last quarter. Partially the contribution will be spent directly at the school Nuestro Futuro (salaries of teachers, school items), partly it will be spent to salaries of local direction members in Guatemala and to start the Volunteer Center in Antigua (Centro de Voluntarios). Together, the NGO and NDG NL drafted a 5-year financial planning that describes a decrease of the structural contribution from NDG NL to the NGO until the school is financially independent.

2.6 Conclusion

NDG NL continues steadily on the path that has been set out since its inception in 2006, building on the strength of the projects in Guatemala and the contagious enthusiasm that it keeps generating amongst Dutch youth. Stability and continuity are the concepts that form the basis for the foundation to work on and where possible, the organization will want to grow and add activities and fundraising capacity to its portfolio. One of the most important determinants of the pace of our growth is our capacity to accommodate new and talented people. We would therefore like to welcome each and everyone of the readers of this report to participate and share with us the fun and fulfillment of building a school, an organization and a future for Guatemala. Everyone can do something and together with NDG, your contribution can make a difference!

3 ANNUAL ACCOUNT GUATEMALA

3.1 Balance sheet per 31 December 2008

| BALANCE ONG NDG per 31 December 2008 | | | | | |
|--|-----------------|------------------|--------------------|-----------------|------------------|
| <i>All amounts in Guatemalan Quetzal (GTQ)</i> | | | | | |
| ASSETS | 1-Jan-08 | 31-Dec-08 | LIABILITIES | 1-Jan-08 | 31-Dec-08 |
| Bank account in quetzals | - | 78,186 | Capital | - | 5,429 |
| Bank account in dollars * | - | 743 | Creditors | - | 78,275 |
| Cash | - | 404 | | | |
| Debtors | - | 1,300 | | | |
| Goods in stock | - | 2,891 | | | |
| TOTAL | | 83,524 | TOTAL | | 83,524 |

* USD 93.44, equivalent in GTQ on 31 December 2008

3.2 Profit & Loss Account of 2008

| ANNUAL ACCOUNT ONG NDG over 2008 | | | |
|--|---------------|--------------|-------------------|
| <i>All amounts in Guatemalan Quetzal (GTQ)</i> | | | |
| INCOME | Credit | Debit | Net |
| FROM STICHTING NDG NL | | | 1,610,498 |
| Wilde Ganzen | 1,450,070 | - | 1,450,070 * |
| Direct transfer | 191,027 | - | 191,027 ** |
| Advance payments Guatemala Week | - | 30,600 | - 30,600 |
| OTHER INCOME | | | 63,537 |
| Donations | 4,623 | - | 4,623 |
| Cash donation | 2,843 | - | 2,843 |
| Cima del Mundo | 2,373 | - | 2,373 |
| ASADE donation | 18,000 | - | 18,000 |
| Compass Languages donation | 34,327 | - | 34,327 |
| COSTS | Credit | Debit | Net |
| PURCHASE OF PROPERTY | | | -542,913 |
| Purchase price | - | 475,000 | -475,000 |
| Taxes | - | 57,000 | -57,000 |
| Legal costs | - | 10,408 | -10,408 |
| Miscellaneous | - | 505 | -505 |
| CONSTRUCTION | | | -1,038,298 |
| Materials | - | 544,304 | -544,304 |
| Labor | - | 490,730 | -490,730 |
| Miscellaneous | - | 3,264 | -3,264 |
| NGO | | | -41,193 |
| Donations to Educarte | - | 2,400 | -2,400 |
| Legal tax obligations | - | 6,408 | -6,408 |
| Office | - | 3,458 | -3,458 |

| | | | |
|-----------------------|---|--------|--------------------|
| Promotion | - | 8,626 | -8,626 |
| Salaries | - | 18,700 | -18,700 |
| Miscellaneous | - | 1,601 | -1,601 |
| NUESTRO FUTURO | | | -44,933 |
| Salaries | - | 33,000 | -33,000 |
| Materials | - | 11,933 | -11,933 |
| * €127.612,81 | | | |
| ** € 20.000 | | | |
| SUMMARIZED | | | |
| FROM STICHTING NDG NL | | | 1,610,498 |
| OTHER INCOME | | | 63,537 |
| TOTAL INCOME | | | 1,674,035 |
| PURCHASE PROPERTY | | | - 542,913 |
| CONSTRUCTION | | | - 1,038,298 |
| NGO | | | - 41,193 |
| NUESTRO FUTURO | | | - 44,933 |
| TOTAL COSTS | | | - 1,667,337 |
| TOTAL (PROFIT) | | | 6,698 |

3.3 Notes to the annual account

3.3.1 Balance Sheet

Assets

The majority of the NGO's assets are held on the account in quetzals with Banco Industrial, one of Guatemala's major banks. For the great majority of its transactions the NGO uses the account in quetzals with Banco Industrial. To make the receiving of donations from the United States easier, the NGO also has an account in US dollars with Banco Industrial. The dollar account is used only for receiving international donations and only a small amount is kept on it. For safety reasons, the NGO always keeps the amount held in cash as small as possible. In general, the NGO did not have many debtors over the course of 2008. The only debtor on 31 December is NDG NL, a debt due for the purchase of t-shirts in Guatemala on NDG NL's behalf. Goods in stock include merchandise articles such as t-shirts, polo shirts and coffee mugs, goods that the NGO expects to sell during 2009.

Liabilities

NDG planned to finish construction on 31 December 2008. However, during January some payments were still to be made in order to completely finish the construction. In order to at least financially finish construction in 2008, all expenses made in January 2009 were retrospectively booked under creditors for the year 2008 which explains the high amount under creditors on 31 December 2008.

3.3.2 Profit & Loss Account

From Stichting NDG NL

The majority of income of the NGO over 2008 has been coming from Stichting NDG NL. Parts of it were met with an addition of 70% by the Dutch foundation Wilde Ganzen. When donations were met with the Wilde Ganzen contribution, Wilde Ganzen took responsibility for the transaction. In the context of the NDG NL organized 'Guatemala week' in the Netherlands, aimed at fundraising, the NGO made payments on

behalf of NDG NL. The Stichting NDG NL contribution was destined for the purchase of the land and the expenses of construction.

Other income

The sources of income the NGO enjoyed over 2008 except for the Stichting NDG NL contribution are grouped under 'other income' and consist primarily of two major individual donations, one of Antigua's bars and restaurants association ASADE and one of the American company Compass Languages. Small incidental donations, the selling of merchandise and the cooperation with Cima del Mundo also generated income. The growth and diversification under 'other income' is a central goal of the NGO for 2009.

Purchase of property

The purchase of the property cost the NGO an approximate €55.000. The price is market-conform as evidenced by advice from independent real estate agencies and by the prices of other properties that NDG looked into. The amount of taxes paid for the transaction was the amount due for the complete purchase amount. Although it is a widespread practice in Guatemala to report a value to the tax authorities below the actual purchase amount, the NGO did not deem it responsible to follow that practice and decided to report the full amount. Although it resulted in a considerable expense, being a starting NGO avoiding any risks was considered worth the expense.

Construction

The construction cost the NGO slightly over €100.000. With the design of Dutch architect firm RDH in hand, the NGO had to find an engineer capable of executing the design for a good price and within a tight time schedule, as the property was acquired in April 2008 and classes were due to start in January 2009. In the person of Jorge Medina, resident of nearby Santa Ana and experienced in the construction of school buildings in Guatemala, the NGO found a great engineer, combining cost efficiency with quality and speed of construction. Any changes in the amount spent on labor budgeted for in April 2008 were for the account of Jorge Medina. However, the construction of the patio and of the staircase was unintentionally left out of the budget, which was for the account of the NGO and amounted to an increase of an approximate €4.000, a deviation from the budget for labor of slightly over 8%. The budget for materials was exceeded with an approximate €10.000, a deviation from the budget for material of an approximate 18%. In part the deviation was caused by the rapidly rising prices of materials worldwide during May to September 2008, which for some materials amounted to a difference of up to 50% when comparing the prices paid in September 2008 with those paid in May. The biggest part of the deviation however resulted from the fact that many necessary materials were not included in the budget as drafted in April 2008. Among the most important things not counted for initially are the patios, the staircase, the doors in the bathrooms, the paint and the illumination inside the classrooms. Moreover, for security reasons the decision was made to have iron doors to lock all classrooms, which was not accounted for initially either.

Overall, the deviation from the construction budget was an approximate 14%. The rise of prices worldwide that occurred from May to September 2008 could not have been foreseen and accounted for an approximate 4% of the deviation. That leaves a 10% deviation from the budget caused by the fact that neither the engineer Jorge Medina nor the NGO have diverted sufficient time in the drafting of the budget to include everything needed. The NGO should have detected the lacking in the budget of crucial things as the patios, the staircase, the paint and the illumination, which would have avoided great part of the deviation. Fortunately, NDG NL was capable and willing to cover the deviation from the budget.

NGO

All expenses not directly linked to either the purchase of property, the construction of the building or the operations of Nuestro Futuro are grouped under 'NGO'. A donation made by the NGO to Educarte is included, as are all expenses related to the office such as telephone costs and the purchase of a desk. Promotion costs include most notably the production of flyers and of a banner, as well as t-shirts for volunteers. The costs made in order to abide by legal tax obligations include the certification of certain books and the payments to the tax advisor as well as all penalties given to the NGO. Salaries under the NGO comprise the salaries of the President and the Treasurer. The Vice-President's salary, her operating being more within Nuestro Futuro than within the NGO, is considered a salary expense of Nuestro Futuro.

Nuestro Futuro

The NDG school in Ciudad Vieja called Nuestro Futuro has run a Summer School project in 2008. Moreover its accreditation with Guatemala's Ministry of Education as well as inscription of pupils was initiated in 2008. The Summer School has brought about expenses for materials, many of which are of great use over the course of 2009 as well. Moreover, materials bought in 2009 include the purchase of a large quantity of second-hand school equipment ranging from chairs and tables to blackboards. Per October 2008, the school's director, the social worker, the Vice-President and two teachers were hired, to execute the Summer School project and to make sure that both accreditation and inscription would be finished by the start of the new school year in 2009. The salaries paid to the school's staff members are comparable with the salaries paid by Guatemala's public schools.

4 ANNUAL ACCOUNT THE NETHERLANDS

4.1 Balance sheet per 31 December 2008

| BALANCE SHEET NDG NL per 31-12-2008 | | | |
|--|---------------|-----------------------|---------------|
| <i>All amounts in Euros (€)</i> | | | |
| ASSETS | | LIABILITIES | |
| Bank account | 5,833 | Capital 1-1-2008 | 29,893 |
| Savings account | 38,500 | Capital added in 2008 | 32,940 |
| Cash | 0 | | |
| Debtors | 18,500 | | |
| Goods in stock | 0 | | |
| TOTAL | 62,833 | TOTAL | 62,833 |

4.2 Profit and Loss Account of 2008

| ANNUAL ACCOUNT NDG NL over 2008 | | | |
|--|---------------|--------------|-----------------|
| <i>All amounts in euros (€)</i> | | | |
| INCOME | Credit | Debit | Net |
| PROJECTS BY NDG NL | | | 160,314 |
| Income Charity Event | 115,845 | 25,879 | 89,966 |
| Donation by Wilde Ganzen (CE) | 45,122 | - | 45,122* |
| Account receivable NCDO | 2,500 | - | 2,500 |
| Fiesta Escolar | 1,000 | - | 1,000 |
| Marathon Amsterdam | 5,727 | - | 5,727 |
| Rotary Guatemala Week | 16,000 | - | 16,000 |
| FRIENDS OF NDG NL | | | 9,920 |
| Monthly Friends | 9,949 | 325 | 9,624 |
| Quarterly Friends | 120 | - | 120 |
| Yearly Friends | 355 | - | 355 |
| Costs Friends | - | 178 | -178 |
| DONATIONS TO NDG NL | | | 11,625 |
| Free donations | 11.625 | - | 11.625 |
| COSTS | Credit | Debit | Net |
| GENERAL COSTS NL | | | - 1,055 |
| Office costs | - | 200 | - 200 |
| Clothing | 36 | 26 | 10 |
| Banking costs | - | 186 | - 186 |
| Internet | - | 95 | - 95 |
| Representation | - | 152 | - 152 |
| Other costs | - | 432 | - 432 |
| CONTRIBUTIONS TO THE NGO | | | -147.612 |
| Paid directly to NGO | - | 20.000 | -20.000 |
| Paid to Wilde Ganzen | - | 82.491 | -82.491 |

| | | | |
|--|-------|---------|------------------|
| Donation by Wilde Ganzen (CE) | - | 45.122* | -45.122* |
| OTHER CONTRIBUTIONS TO GUATEMALA (not to NGO) | | | - 252 |
| Padrinos (Educarte) | 1.345 | 1.278 | 68 |
| Family Support Program | 840 | 763 | 78 |
| Director NGO Guatemala | 20 | 417 | - 397 |
| Travel expenses | 1.500 | 1.500 | - |
| * The amount of €45,122 donated by Wilde Ganzen to the NGO was never on NDG NL's bank account, but was paid directly by Wilde Ganzen to the NGO's bank account | | | |
| SUMMARIZED | | | |
| PROJECTS BY NDG NL | | | 160,314 |
| FRIENDS OF NDG NL | | | 9,920 |
| DONATIONS TO NDG NL | | | 11,625 |
| TOTAL INCOME | | | 183,748 |
| GENERAL COSTS NL | | | - 1,055 |
| CONTRIBUTIONS TO NGO | | | - 147,612 |
| OTHER CONTRIBUTIONS TO GUATEMALA (NOT TO NGO) | | | - 252 |
| TOTAL COSTS | | | - 150,807 |
| TOTAL (PROFIT) | | | 32,940 |

4.3 Notes to the annual account

4.3.1 Balance sheet

Assets

NDG NL's assets are liquidities, held on its ING bank accounts and two receivable accounts, as well as receivables. These receivables include the final 10% of the NCDO-donation, which is expected to be paid out somewhere in April, and the proceeds from the Rotary Guatemala Week, which will also be paid out in the first half of 2009. The Rotary donation (valued at € 16.000) will very likely be paid out directly to Guatemala.

Liabilities

NDG NL's capital grew by € 32.940 over 2008, to the total of € 62.833. NDG NL owes € 16,000 to the NGO in relation to the Rotary Guatemala Week.

4.3.2 Profit & Loss Account

General costs NL

At the university an office room is rented by the foundation (€ 120 a year). This office space allows us to have weekly meeting and keeps us in close contact with other (student) organizations, some of which are also in development. Other office costs (€ 80) were made for printing. Several garments are for sale with the logo of NDG (polo shirt, sweat shirt, jersey). This year only moderate costs were made for clothing (€ 26) and two items sold (€ 36). We intend to develop new articles of clothing in the coming year. Banking costs are made for foreign transactions to Guatemala and for the account costs in the Netherland (€ 186). The webpage is a frequently visited webpage with all the latest information regarding the foundation (www.ninosdeguatemala.org). There are yearly costs for hosting a webpage (€ 95). The costs made by the committee of NDG to visit other projects and seminars are being paid for by the foundation (*representation costs*, € 152).

Contributions to the NGO

The revenues of the Charity Event amounted up to € 115,845, which includes a received allowance by NCDO of € 22,500. From this amount, € 82.490,51 was sent to Wilde Ganzen to be considered for an allowance. Wilde Ganzen calculated their allowance as follows:

Allowance = Net profit (€ 82.490 - 9% = € 75,066) x 70 % = € 52.546 (for this, Wilde Ganzen assumes net profit equals total revenues minus 9%).

Subsequently, Wilde Ganzen transferred directly to the NGO in Guatemala the following:

€ 82.490 the amount initially sent to Wilde Ganzen by NDG NL
€ 45.122 net allowance by Wilde Ganzen (€ 52.546 - € 7.424)
€ 127.613

In the second half of 2008, NDG NL transferred another € 22,097 to the NGO.

Contributions to Guatemala other than to the NGO

Some smaller funds have been dedicated to small charity in Guatemala however not through the NGO. With some personal gifts two local people (Family Support Program) and the director of NGO are being supported in their daily living and work in Guatemala, the latter paid partially by NDG NL (€ 417). In collaboration with Fundación Educarte (a local education project) the Padrino Program was started; a program whereby a donor sponsors one of the project children. This led to income almost all spent directly to Educarte. The partnership with Educarte came to an end during 2008.

Projects of NDG NL

A large part the income of the foundation in 2008 was being realized by organizing fundraising projects. The largest and most successful event last year was the organization of the Charity Event at the golf course of Oosterhout in February 2008. This day, with a golf tournament, dinner and auction with art from local artists, raised a lot of enthusiasm for the foundation and her goal to build a school in Guatemala. The golf clinic, dinner and auction raised a sum of in total € 93.345. Because of cooperation with the foundations Wilde Ganzen and NDCO this amount was augmented with € 45.112 and € 25.000 respectively. The costs for the organization and production costs for the artists were € 25.879. Furthermore, this year a party called Fiesta Escolar was held in the club Studio K, Amsterdam, to celebrate the milestone of having more than hundred Friends and to disclose the newly developed logo of NDG (*net result € 1.000*). A sporting event was also organized, several people linked to NDG took place in different distances of the Amsterdam Marathon (7.5k, 21k, 42k) with sponsoring by relatives and one law firm (€ 5727). In December 2008, the Rotary Club of Oosterhout organized a Guatemala Week where they sold Christmas trees for the benefit of NDG. Revenues were generously augmented by local Rotary clubs and Rotary International (€ 16.000).

Friends of NDG NL

The Friends of the Foundation are the first and most important way of income for NDG. Persons who feel connected to NDG, her goal and Guatemala can support NDG by a small monthly paying. For students this is € 5,- a month, for other people € 10,-. The income from Friends is a stable source and important because it comes from people who are very much involved (*this year in total € 9.920*). Friends are being regularly updated by activities of NDG and the progress of building the school in Guatemala. We are always striving to look for new friends at the University and in our circle of friends and family.

Donations to NDG NL

In 2008, gifts were received that were not directly linked to a specific project (€ 13.513). This includes both gifts from private individuals and funds from professional organizations (public and private).

5 OTHER DATA

Overview of the Dutch organization (in Dutch)

| | |
|-------------------------------------|--|
| Naam | Stichting Niños de Guatemala Nederland (Stichting NDG NL) |
| Zetel | Amsterdam |
| Oprichtingsdatum | 22 september 2006 |
| Adres | Entrepotdok 199 1018 AD Amsterdam |
| KvK registratie nummer | 34256705 |
| Fiscaal nummer (ANBI geregistreerd) | 817009012 |
| Bank | ING |
| Rekening nummer | 5131813 |
| Website | www.ninosdeguatemala.org |
| Email | info@ninosdeguatemala.org |

Statutair doel

(Statuten Stichting Niños de Guatemala Nederland, Artikel 2 - Doel)

“De stichting heeft ten doel: bijdragen aan een betere toekomst voor Guatemala en zijn inwoners.

De stichting beoogt niet het maken van winst.

De stichting tracht dit doel onder meer te bereiken door:

- o het organiseren van activiteiten gericht op awareness-raising met betrekking tot de situatie in Guatemala
- o financiële ondersteuning bieden aan onderwijsprojecten in Guatemala.”

Samenstelling bestuur 2008 (eerste half jaar)

| | | |
|-----------------|---------------|-----------------------------|
| Voorzitter | Marten Dresen | Marten@ninosdeguatemala.org |
| Penningmeester | Sander Wirken | Sander@ninosdeguatemala.org |
| Vice-Voorzitter | Tim Crijns | Tim@ninosdeguatemala.org |

Samenstelling bestuur 2008 (tweede half jaar)

| | | |
|-----------------------|-------------------------|-------------------------------|
| Voorzitter | Marten Dresen | Marten@ninosdeguatemala.org |
| Vice-Voorzitter | Davey Meelker | Davey@ninosdeguatemala.org |
| Penningmeester | Tim Crijns | Tim@ninosdeguatemala.org |
| Secretaris | Margriet Crijns | Margriet@ninosdeguatemala.org |
| Bestuurslid Guatemala | Christel Brenninkmeijer | Christel@ninosdeguatemala.org |
| Bestuurslid PR | Margriet Crijns | Margriet@ninosdeguatemala.org |

Overview of the Guatemalan organization (in Spanish)

| | |
|-----------------------|--|
| Nombre legal | Organización No Gubernamental Niños de Guatemala |
| Sede | La Antigua Guatemala, Sacatepéquez, Guatemala |
| Fecha de constitución | 7 de Noviembre del 2007 |
| Dirección | 6ª Avenida Norte #45 La Antigua Guatemala, Sacatepéquez |
| SIRPEJU No | 03071019184 |
| Banco | Banco Industrial |
| Número de Cuenta | Quetzales: 016-003233-4 US Dollars: 016-003241-7 |
| Sitio de web | www.ninosdeguatemala.org |
| Correo electrónico | antigua_office@ninosdeguatemala.org |

Objeto como establecido por los estatutos de la ONG Niños de Guatemala, Artículo cuatro – Objetivo

La asociación tiene como objeto promover y desarrollar acciones a favor de las niñas, niños, y jóvenes de escasos recursos, para mejorar su calidad de vida, satisfaciendo, dentro de posible, las necesidades básicas de educación, alimentación, salud y medio ambiente. En ese sentido, la entidad tiene la convicción de que la única forma de alcanzar su objeto es facilitándoles a la niñez y juventud guatemalteca los conocimientos, las técnicas y los principios básicos para que por sí mismos alcancen su realización plena, pues la educación es, en su opinión, la base para el desarrollo integral.

Junta Directiva de la ONG Niños de Guatemala en 2008

| | | |
|-------------------------|-------------------------------------|-------------------------------|
| Presidente | María del Carmen Paniagua de García | Carmen@ninosdeguatemala.org |
| Vice-Presidente | Annemiek Dresen | Annemiek@ninosdeguatemala.org |
| Secretario | Jorge Alberto Rosales Diéguez | Jorge@ninosdeguatemala.org |
| Tesorero | Sander Wirken | Sander@ninosdeguatemala.org |
| Vocal (hasta octubre) | Carlos Rodolfo García Vásquez | Carlos@ninosdeguatemala.org |
| Vocal (desde noviembre) | Christel Brenninkmeijer | Christel@ninosdeguatemala.org |

Asamblea General de la ONG Niños de Guatemala en 2008

La Asamblea General consiste de la Junta Directiva, además las siguientes personas:

Oscar Orlando García Vásquez
Francisca Hernández Martínez
Silvia Alejandra Hernández López (hasta octubre)