

**STICHTING SIBUSISO**

**Annual report 2014**

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## 1 BOARD REPORT

### 1. Introduction

Stichting Sibusiso was established in 2000. Its registered office is at Oesterputten 2, Terneuzen, The Netherlands. Stichting Sibusiso is registered with the Dutch Chamber of Commerce for south-west Netherlands under number 22046082. Stichting Sibusiso is recognised as a charity by the Dutch Inland Revenue under number 808778961.

The law governing Dutch charities was amended on 1 January 2014. A number of new measures aimed at increasing public confidence in the not-for-profit sector were introduced. Stichting Sibusiso complies with these measures in order to maintain its charitable status.

The Board of the Stichting Sibusiso consists of:

Chairman:	A.J. Aalbers
Secretary:	A.I.M. Hammer-Roos
Treasurer:	L.T.M. Wortel
Other members:	A.G. Kuperus R. Pol-Vercoouteren T. Selhorst

No changes were made to the composition of the Board during 2014.

### 2. Aims

Stichting Sibusiso aims to improve the quality of life for mentally handicapped children in Tanzania. Our approach is twofold: on the one hand Stichting Sibusiso offers severely mentally handicapped children the opportunity to discover and develop their own capacities; on the other, we try to improve the acceptance and social integration of these children in their home society by actively involving their parents, carers and communities.

To these ends, the Stichting Sibusiso supports the Sibusiso Centre near Arusha, Tanzania. The Centre offers special education to mentally handicapped children and teaches their family members how to care for, and interact with, their handicapped child. Special aids such as individually designed chairs or wheelchairs are built and distributed, and the staff actively promote the rights of mentally handicapped children.

### 3. Developments

The following alterations and improvements were made in 2014:

#### ***New gatekeepers' lodge***

There is continual coming and going at the Sibusiso Centre. Staff arrive for work, mothers come for training, suppliers deliver goods, Sibusiso cars leave for outreach work or to take a sick child to hospital. All these movements are recorded by the gatekeepers. At the end of the year, the new gatekeepers' lodge was completed, which has greatly improved the gatekeepers' working conditions.

#### ***On-site hygiene***

On-site hygiene has been greatly improved by a new rubbish incinerator. There is no rubbish collection service in Tanzania, so our rubbish used to be burned in a deep pit. However, during the rainy season it

was often impossible to burn the rubbish properly in the open pit. The pit also attracted monkeys, felines and other wild animals. The new incinerator has made it much easier to keep the grounds of the Sibusiso Centre clean.

#### **Walkways**

In 2014 all the walkways between the buildings were made accessible for wheelchairs. Remaking the paths was essential for the children who have difficulty walking. Now the paths are more easily passable and children can get around independently.

#### **Solar panels**

The electricity supply in Tanzania is unreliable so Sibusiso uses an emergency generator when necessary. The price of fuel has increased dramatically in recent years, making it expensive (and not environmentally friendly) to run the generator. We have ordered solar panels to generate electricity and batteries to store it. These will be installed in 2015.

All these improvements have been made possible by donors to Stichting Sibusiso, notably de Wilde Ganzen (The Wild Geese) which covered 35% of the costs of all of the above projects.

### **4. Finance**

Stichting Sibusiso is financially healthy. Our income is based on gifts, donations and the yield from investments. Our financial policy demands that the Sibusiso Centre's running costs are covered by at least 200%. Stichting Sibusiso has a financial reserve which is conservatively invested. The Board is unable to access a portion of its capital (€ 930,670) because the donor specified that only the interest on this sum may be spent.

### **5. Investment Policy**

At the end of 2013 the Board decided to change its investment policy because much of the capital was invested in subordinated bonds which did not meet the standards required by the new law regulating Dutch charities. We asked both our own bank, the Rabobank, and Deutsche Bank to propose a new investment policy based on investment products that meet the standards laid down in the UN Principles for Responsible Investment. We are also obliged to respect standards for socially responsible investment. The long-term investment policy aims to conserve capital.

Both banks delivered their proposals in early 2014. The Board chose to reduce risk by splitting our investment capital between the two banks. The investments chosen reflect our investment principles, aims and risk profile. Our risk profile is described as Very Defensive by the Rabobank and as Low Risk by Deutsche Bank.

### **6. Capital management and expenditure**

The Annual Accounts of the Stichting Sibusiso are drawn up annually by the treasurer and audited by Langsig Accountants and Tax Advisors who provide an accountants' declaration.

Stichting Sibusiso produces an annual Board Report and Performance Report which is approved by the Board.

Expenditure relates to running costs, building maintenance and projects of the Sibusiso Centre in Tanzania. In the future, financial resources will continue to be used for investment and running costs of the Sibusiso Centre in Tanzania.

The Hague, 5 October 2015

Signed  
Arie Aalbers  
Chairman

Signed  
Leo Wortel  
Treasurer

Signed  
Atty Hammer -Roos  
Secretary

## 2 BALANCE SHEET AS AT 31 DECEMBER 2014

	Note	31 December 2014	31 December 2013
		€	€
<b>Current assets</b>			
<b>Receivables</b>			
Prepayments and accrued income	1	2,501	23,615
<b>Securities</b>			
	2	1,355,524	546,488
<b>Cash and cash equivalents</b>			
	3	<u>216,885</u>	<u>919,839</u>
Total current assets		1,574,910	1,489,942
<b>Total assets</b>		<b><u>1,574,910</u></b>	<b><u>1,489,942</u></b>
 <b>Liabilities</b>			
<b>Reserves and funds</b>			
Reserves	4	640,495	553,567
Funds		<u>930,670</u>	<u>930,670</u>
Total reserves and funds		1,571,165	1,484,237
<b>Current liabilities</b>			
Accruals and deferred income	5	<u>3,745</u>	<u>5,705</u>
Total current liabilities		3,745	5,705
<b>Total liabilities</b>		<b><u>1,574,910</u></b>	<b><u>1,489,942</u></b>

### 3 STATEMENT OF INCOME AND EXPENDITURE 2014

	Note	Actual 2014 €	Actual 2013 €
<b>Income</b>	6		
Income from donations		184,128	232,171
Interest on bonds		7,953	28,409
Dividend on securities		8,523	0
Interest income		2,501	7,337
Total income		<u>203,105</u>	<u>267,917</u>
<b>Expenditure</b>	7		
<i>Expenditure on goals</i>			
Costs in Tanzania		118,301	90,436
Investments in Tanzania		47,297	0
Wages and salaries		<u>56,311</u>	<u>55,698</u>
Total expenditure on goals		<u>221,909</u>	<u>146,134</u>
<i>Management and administrative costs</i>			
Costs in the Netherlands		8,341	5,714
Price gains or losses on bonds / securities		<u>-114,073</u>	<u>45,434</u>
Total expenditure on management and administrative costs		-105,732	51,148
Total expenditure		<u>116,177</u>	<u>197,282</u>
<b>Balance of income and expenditure</b>		<u>86,928</u>	<u>70,635</u>
Balance has been added to:			
Freely utilisable reserves		<u>86,928</u>	<u>70,635</u>

## 4 ACCOUNTING POLICIES FOR THE VALUATION OF ASSETS AND LIABILITIES AND FOR THE DETERMINATION OF RESULTS

### General

The annual accounts have been prepared in accordance with the provisions of Title 9 Book 2 of the Dutch Civil Code and the authoritative statements of Dutch Accounting Standards, issued by the Dutch Accounting Standards Board, including the most recent Standard 650 Fundraising Institutions (revised in 2011). The accounting policies are unchanged from those for the preceding financial year.

The accounting policies applied for the valuation of assets and liabilities and for the determination of results are based on historical costs.

### Accounting policies for the valuation of assets and liabilities

An asset is recognised in the balance sheet when it is probable that the future economic benefits will flow to the organisation and the asset has a value that can be measured reliably. A liability is recognised in the balance sheet when it is probable that an outflow of resources embodying economic benefits will result from its settlement and the amount thereof can be measured reliably.

Receivables, cash and cash equivalents and current liabilities are carried at nominal value. A provision is formed if receivables are considered to be potentially uncollectible. Securities are valued at fair value.

### Accounting policies for the determination of results

Income and expenses are attributed to the period to which they relate.

### Income

Donations, gifts and endowments of periodic payments are recorded in this report when they are received by Stichting Sibusiso.

Interest income represents the interest revenue attributable to the financial year.

### Expenses

Expenditure on international activities is recognised as an expense in the statement of income and expenditure in the year to which the expenditure relates.

### Management and administrative costs

Management and administrative costs include the organisation's own costs.



## 5 STATEMENT OF CASH FLOWS

The inclusion of a statement of cash flows is strongly recommended pursuant to Dutch Accounting Standard 650.

The statement of cash flows has been prepared on the basis of the indirect method.

	<u>Actual 2014</u>	<u>Actual 2013</u>
Movements in working capital:		
Balance of income and expenditure	86,928	70,635
Prepayments and accrued income	21,114	14,427
Investments in securities	-694,963	353,180
Current liabilities	<u>-1,960</u>	<u>1,968</u>
	-588,881	440,210
Price gains or losses on securities	<u>-114,073</u>	<u>45,434</u>
Cash flow from operating activities	<u>702,954</u>	<u>485,644</u>
Cash and cash equivalents as at 1 January	919,839	434,195
Cash and cash equivalents as at 31 December	<u>216,885</u>	<u>919,839</u>
Movement in cash and cash equivalents	<u>-702,954</u>	<u>485,644</u>

## 6 RATIOS

Dutch Accounting Standard 650 and the CBF Central Bureau on Fundraising document mandate the disclosure of a number of ratios, which are discussed below.

	<i>Norm</i>	Actual 2014	Actual 2013	Actual 2012	<i>Average 2012-2014</i>
Expenditure of income on goals	>90%	109.3%	54.5%	38.6	67.5%
Costs of own organisation	<25%	3.8%	3.9%	6.2%	4.6%
Management and organisation costs	<6%	7.2%	2.9%	5.8%	4.1%
Fundraising costs	<25%	0%	0%	0%	0%

### **Expenditure of income on goals**

This norm reflects the percentage of total income that has been expended on the goals.

### **Costs of own organisation**

This norm concerns the total costs of the own organisation in relation to the expenditure on its goals.

### **Management and organisation costs**

This norm reflects the management and administrative costs as a percentage of total expenses.

### **Fundraising costs**

This reflects the ratio of the costs of own fundraising versus the income realised from it. The CBF caps this percentage at 25, calculated on the basis of an average of the past three years.

## 7 NOTES TO THE BALANCE SHEET

### Current assets

	31 December 2014	31 December 2013
<b>1 Receivables</b>		
<u>Prepayments and accrued income</u>		
Interest on savings accounts	<u>2,501</u>	<u>23,615</u>
<b>2 Securities</b>		
Rabobank bonds	520,267	546,488
Deutsche Bank bonds	835,257	0
	<u>1,355,524</u>	<u>546,488</u>
<b>3 Cash and cash equivalents</b>		
Rabobank 3858.35.442	5,677	607,918
Rabobank 3858.12.167	63,071	17,440
Rabobank 3554.81.049	471	891
USD account	27,666	293,590
Rabobank 3293.453.414	<u>120,000</u>	<u>0</u>
	<u>216,885</u>	<u>919,839</u>
<b>4 Reserves and funds</b>		
<u>Reserves</u>		
Balance as at 1 January	553,567	482,932
Balance of income and expenditure	<u>86,928</u>	<u>70,635</u>
Balance as at 31 December	<u>640,495</u>	<u>553,567</u>
<u>Funds</u>		
Balance as at 1 January	930,670	930,670
Balance of income and expenditure	<u>0</u>	<u>0</u>
Balance as at 31 December	<u>930,670</u>	<u>930,670</u>
<p>The donor has stated that the donation is not intended to be expended, but to be managed and the returns generated from it are to be expended on the goals.</p>		
<u>Accruals and deferred income</u>		
Accruals and deferred income	<u>3,745</u>	<u>5,706</u>

## NOTE TO THE STATEMENT OF INCOME AND EXPENDITURE

### 6 Income

#### Income

	<u>Actual 2014</u>	<u>Actual 2013</u>
Donations	184,128	232,171
Interest on bonds	7,953	28,409
Dividend on securities	8,523	0
Price gains on bonds / securities	114,073	0
Interest income	<u>2,501</u>	<u>7,337</u>
	317,178	267,917

The donations to Stichting Sibusiso comprised only donations and gifts in 2014 and 2013.

#### Interest income

Interest on savings	<u>2,501</u>	<u>7,337</u>
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This is the interest revenue on the savings accounts held by Stichting Sibusiso.

### 7 Expenditure

Costs in Tanzania	<u>118,301</u>	<u>90,436</u>
Investments in Tanzania	<u>47,297</u>	<u>0</u>
Wages and salaries	<u>56,311</u>	<u>55,698</u>

This relates to the costs for the management in Tanzania, which can be broken down as follows:

Wages and salaries	41,472	41,272
Social security contributions	10,822	10,923
Insurances	746	746
Travel expenses	<u>3,271</u>	<u>2,557</u>
	56,311	55,698

#### Management and administrative costs

Costs in the Netherlands	<u>7,442</u>	<u>5,515</u>
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The main costs in the Netherlands relate to printing for publishing the newsletters.

### Signatures of board members

Nootdorp, 5 October 2015

Arie Aalbers  
Chairman

Leo Wortel  
Treasurer

Atty Hammers-Roos  
Secretary

## **REVIEW REPORT**