

Annual Report 2022

Stichting WaterStarters NL



Address of Foundation:	Doornhoek 4205 5465 TG Veghel, the Netherlands
RSIN number:	860033715
CoC number:	74807536
Board members:	Annemarie de Jong (Chairman) Pascal van den Tillaart (Treasurer) Danny Dubbeldeman (Secretary)
Website:	www.waterstarters.org
Date Approval Annual Report:	10 th of July 2023

Table of Content

Annual Report 2022

Board Members Report	3
The WaterStarters Foundation.....	3
MegaGroup	3
Amref Ventures	3
The challenges	3
Our ambition	3
The partnership	4
Ways of raising funds	4
Achievements	4
Looking ahead to 2023	5
Balance Sheet	7
Income Statement	8
Accounting policies.....	9
Accounting policies for the balance sheet	9
Accounting principles for the income statement.....	9
Notes to the balance sheet	10
Notes to the income statement	10
Control audit committee	11
Result appropriation.....	11
Events after balance date.....	11

Board Members Report

The WaterStarters Foundation



WaterStarters is registered in the Netherlands as a foundation that is established with the intention to provide clean and safe drinking water to people in developing countries. The foundation aims to raise money through investors, donations, crowdfunding, loyalty programs and more to ensure that the commitment to bring clean drinking water to people is achieved through the implementation of water projects and other social developments in communities. The WaterStarters' vision and mission in the Netherlands is *'Better health in Kenya by setting up a renewed method for sustainable water solutions in combination with health and education for the rural and peri-urban communities'*. WaterStarters considers the social-cultural aspects of the people, the environment, and the economic requirements as core values.

MegaGroup

MegaGroup is a Dutch technical wholesale company that believes in making water solutions accessible to improve the lives of people. With a mission to enabling sustainable growth to different stakeholders like customers, employees and shareholders by making water solutions available in a smart, convenient, and efficient manner. The goal is to become the number one partner and the best alternative in the market. MegaGroup is committed to contributing towards major water threats globally through irrigation, livestock and industrial applications.



Amref Ventures

Amref Ventures, which is part of Amref Flying Doctors in the Netherlands, is responsible for leading the path in co-creating scalable business models for improving healthcare permanently by partnering with private sector and governments. Amref Ventures' mission is to develop bankable health solutions that contribute to Amref Flying Doctor's mission of Lasting Health Change in Africa. To be able achieve this, the funding gap needs to be reduced by applying innovative and entrepreneurial approaches.



The challenges

To date, two out of five people in Kenya do not have access to safe water sources. In rural areas, more than half of the population obtains water from unsafe surface sources such as lakes, rivers and ponds. This leads to enormous negative long-term effects on economic development. Especially for people living in rural and peri-urban communities, where the situation is worse.

Our ambition

Our belief is that every human being should have access to safe and affordable drinking- and household water and that no one should suffer from waterborne diseases. We want to radically improve this situation for 1.5 million Kenyans in water-stressed areas in the coming seven years with a total investment budget of € 30 million.

The partnership

The partnership between MegaGroup and Amref was initiated to address water related issues facing people in communities in Kenya. MegaGroup's expertise in water solutions and Amref's community-led health promotion resulted to the introduction of WaterStarters; a franchise that will manage the renovation and/or building of 600 water supply schemes to positively impact the economic and health situation in rural and peri-urban communities in Kenya.

This collaboration offers an opportunity and a platform for different stakeholders such as impact investors, donors, and commercial corporate organisations to strategically raise funds for developments in water and sustainable finance. It is intended to supply and distribute water according to local needs like provision of clean water for drinking in households, water for livestock or water for domestic use. Hence the water infrastructure is designed according to the identified community needs and considering the special need groups like those who are physically disabled/challenged.

Ways of raising funds

MegaGroup and Amref have specific network options to raise funds for WaterStarters based on the capabilities and expertise of each party. There are several ways for raising funds:

- Amref Flying Doctors has a large base of private donors, family foundations, corporate partners, as well as prospect partners to attract donations and investments.
- Through MegaGroup's loyalty program named Waterpoints, the WaterStarters Foundation can count on a yearly contribution.
- MegaGroup has pledged to donate 1% of their recurring EBITDA to the Foundation on annual basis.
- MegaGroup will engage their customers and suppliers to donate or contribute water supply resources to WaterStarters, increasing the pool of resources.
- WaterStarters has developed a website where projects will be uploaded with detailed project-specific reports. Transparency on investments and real-time performance through a monitoring dashboard will allow for the public and impact investors to directly invest in water and health.
- We will further investigate the option of results-based financing. This is an approach involving a funder that is willing to make payments to a broker that has presumed to achieve pre-defined results. Hence the funding is only earned after the achievement of the results. The logic behind this approach is to channel financing more directly with outputs and outcomes. This method aims to increase accountability and create incentives to improve the programme's effectiveness. This method can be approached in two ways; through commercial funding and donations.

Achievements

1. A first agreement between MegaGroup and Amref Flying Doctors was signed in 2019, which was amended into a teaming agreement in 2020. In 2021, a Consortium Agreement was drafted and signed between the Stichting WaterStarters, MegaGroup, Amref Flying Doctors and Amref Health Kenia. The goal of this agreement is to pilot the WaterStarters model to provide secure, more sustainable and affordable water and health services in peri-urban and rural areas in Kenya, by improving the management of existing and new boreholes, in combination with a health education and promotion program.
2. The pilot phase of the project has been budgeted at € 395,000 for a duration of 18 months. MegaGroup and Amref believe that each partner should be equally invested and risks need to be shared. Therefore, they have committed € 150,000 seed funding.

3. WaterStarters Foundation was successful in applying for financing to cover for the remaining pilot budget:

a. Invest International (formerly known as FMO) acts as the financial co-developer of the program and contributes € 162,500, of which 25% only needs to be refunded upon a successful pilot project.

InvestInternational

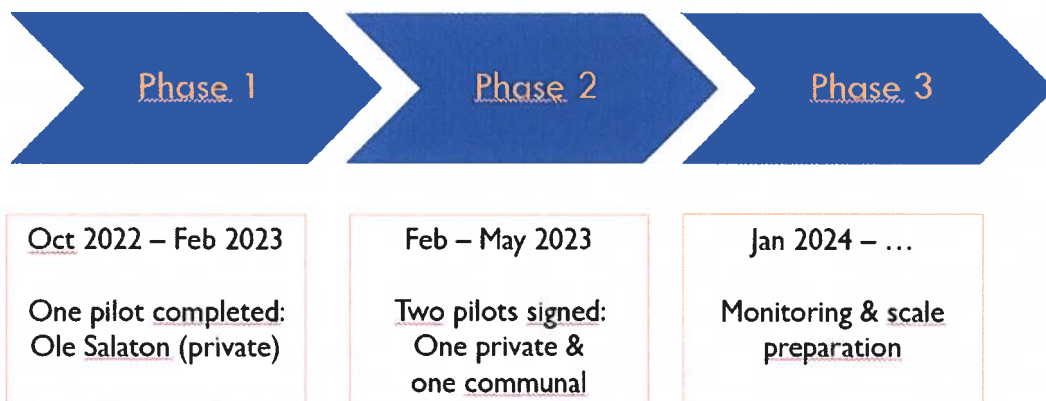
b. Aqua for All acts as a co-developer of the program and contributes € 75,000.



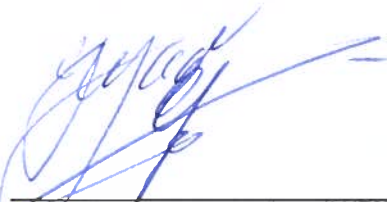
4. A standardized m-learning curriculum has been developed by Amref's Institute of Capacity Development (ICD) and uploaded into Amref's m-Learning tool named Leap. The curriculum has been approved by the Kenyan Ministry of Health and will be used to train local healthcare workers enrolled into the health program to create demand for water and to promote hygiene measures. The topic was translated to Kiswahili – the national language of communication. This was followed by pedagogical review of the m-Learning content in English and Swahili after which Interactive Voice Recordings were done. The voice recordings were loaded into Leap, pre-tested and revised accordingly. Following satisfactory reviews by ICD and project team, the health content is now ready to train local healthcare workers for the WaterStarters program.

Looking ahead to 2023

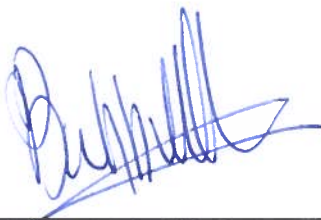
Financing has been secured to pilot the WaterStarters model in three communities in Kenya. End of 2022, the term for this pilot has been extended to 31-12-2023. Therefore, the main focus for Phase 2 will be properly implementing, testing and evaluating our model in the coming year. Also, the WaterStarters Foundation will start preparing on coordinating the organisation and fundraising for Phase 3.



Board Members Stichting WaterStarters NL



Mrs. Annemarie de Jong
Chairman



Mrs. Danny Dubbeldeman
Secretary



Mr. Pascal van den Tillaart
Treasurer

Balance Sheet

	31-12-2022	31-12-2021
ASSETS	<u>€</u>	<u>€</u>
Current Assets:		
- Accounts receivables	-	-
- Other receivables (1)	99.406	143.368
- Cash/Banks	<u>180.756</u>	<u>75.364</u>
	280.161	218.732
Total Assets	<u>280.161</u>	<u>218.732</u>
	31-12-2022	31-12-2021
EQUITY & LIABILITIES	<u>€</u>	<u>€</u>
Equity		
- General Reserves	218.732	100.800
- Result current year	<u>61.429</u>	<u>117.932</u>
	280.161	218.732
Liabilities		
- Accounts payables	-	-
- Other liabilities	<u>-</u>	<u>-</u>
	-	-
Total Liabilities	<u>280.161</u>	<u>218.732</u>

Income Statement

		2022 €	2021 €
Revenues			
- Donations Income	2)	105.586	234.008
- Others		<u>-</u>	<u>-</u>
Total Revenues		105.586	234.008
Expenses			
- Donations Expense	3)	39.000	100.000
- Branding Expenses		1.921	6.280
- Promotional expenses		378	-
- Advisory Expenses		-	4.944
- Expenses Website		80	855
- Insurance Premiums		1.077	1.404
- Clothing		1.151	-
- Food & Beverages		150	546
- Contributions		279	273
- Bank Charges		121	127
- Voluntary Fee Remuneration		<u>-</u>	<u>1.648</u>
Total Expenses		44.158	116.076
Total Result		<u>61.429</u>	<u>117.932</u>

Profit appropriation

Addition to retained earnings

61.429

Accounting policies

General

The financial statements have been prepared in accordance with the guideline for fundraising institutions as issued by the Dutch Accounting Standard Board (guideline 650).

In the balance sheet and income statement references are included. These references refer to the notes.

Going concern

The present accounting policies of valuation and determination of result used are based on the assumption of going concern of the Foundation.

Changes in accounting policies/Estimates

During the year no changes in accounting policies or estimates occurred.

Accounting policies for the balance sheet

General

In general assets and liabilities are stated at the amount at which they were acquired or incurred. If not specifically stated otherwise, they are recognised at the amounts at which they were acquired or incurred. The balance sheet and income statement include references to the notes.

Cash and cash equivalents

Cash and cash equivalents are stated at face value.

Reserves

The amount of reserves is showing the difference between the assets and the liabilities. This amount is at free disposal of the Board, but must be used to achieve the objectives of the Foundation.

Accounting principles for the income statement

General

Profit or loss is determined as the difference between the revenues and the expenses for the year. Revenues and expenses are recognised in the year in which they are realised. This calculation follows a consistent course of action. This means that the expenses take into account the amounts attributable to a period that have been paid in another period.

Revenues

All revenues are recognised at their gross amount in the revenues.

Expenses

Expenses are determined on a historical base and allocated to the reporting year to which they related.

Notes to the balance sheet

1) Other receivables

The other receivables consists of the annual donation by MegaGroup netted against prepaid expenses.

Notes to the income statement

2) Overview Donations Revenue

Invest International ('FMO')	-
Aqua4All	-
Megagroup Trade Holding BV	104.586
E&Y Belastingadviseurs	<u>1.000</u>
Total	<u>105.586</u>

3) Overview Donations Expense

Amref Kenya	37.500
Amref NightFlight	<u>1.500</u>
Total	<u>39.000</u>

The Foundation has no personnel employed. The board members don't received any remuneration for their activities. Reimbursement will be made for costs incurred. These costs are often not declared or donated as a gift.

Control audit committee

The control of the financial statements by the audit committee has been executed by Mr. M. van Baarle Msc RA and Mrs F. Schrijvers. The report with the approval was drawn up by the audit committee on the 6th of July 2023 and provided to the board.

Result appropriation

The result is distributed in accordance with the appropriation of the result that is included in the income statement. No profit appropriation is specified in the articles of association. The board approves the appropriation of the result by adopting the financial statements.

Events after balance date

There were no events after the balance date that should be reported here.



Location

Stichting WaterStarters NL
Doornhoek 4205
5465 TG Veghel



Contact

Phone: 0413-747300
Email: info@waterstarters.org



Bank account number

IBAN: NL50 RABO0360808115
BIC: RABONL2U