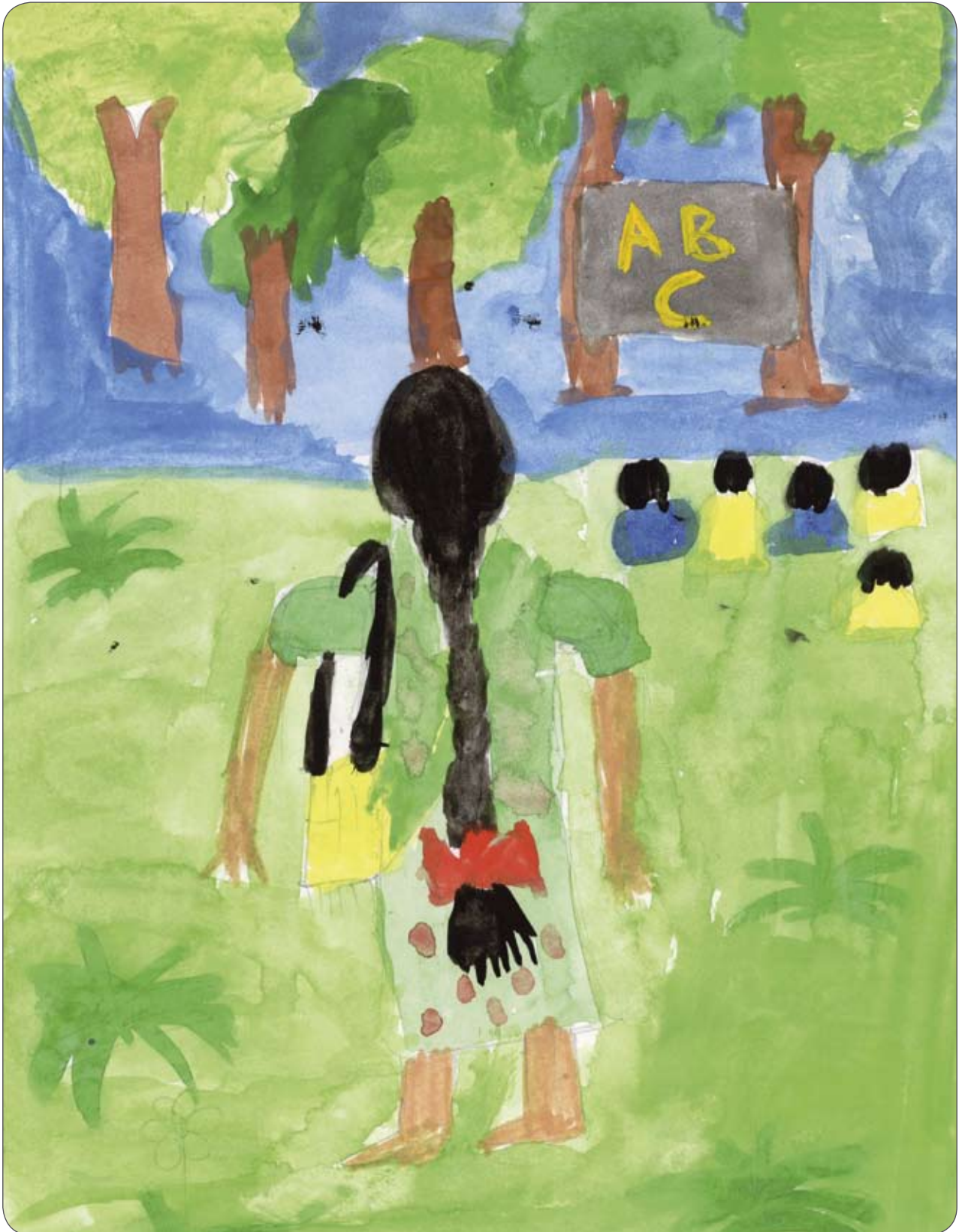




Annual Report 2008

PartnershipFoundation

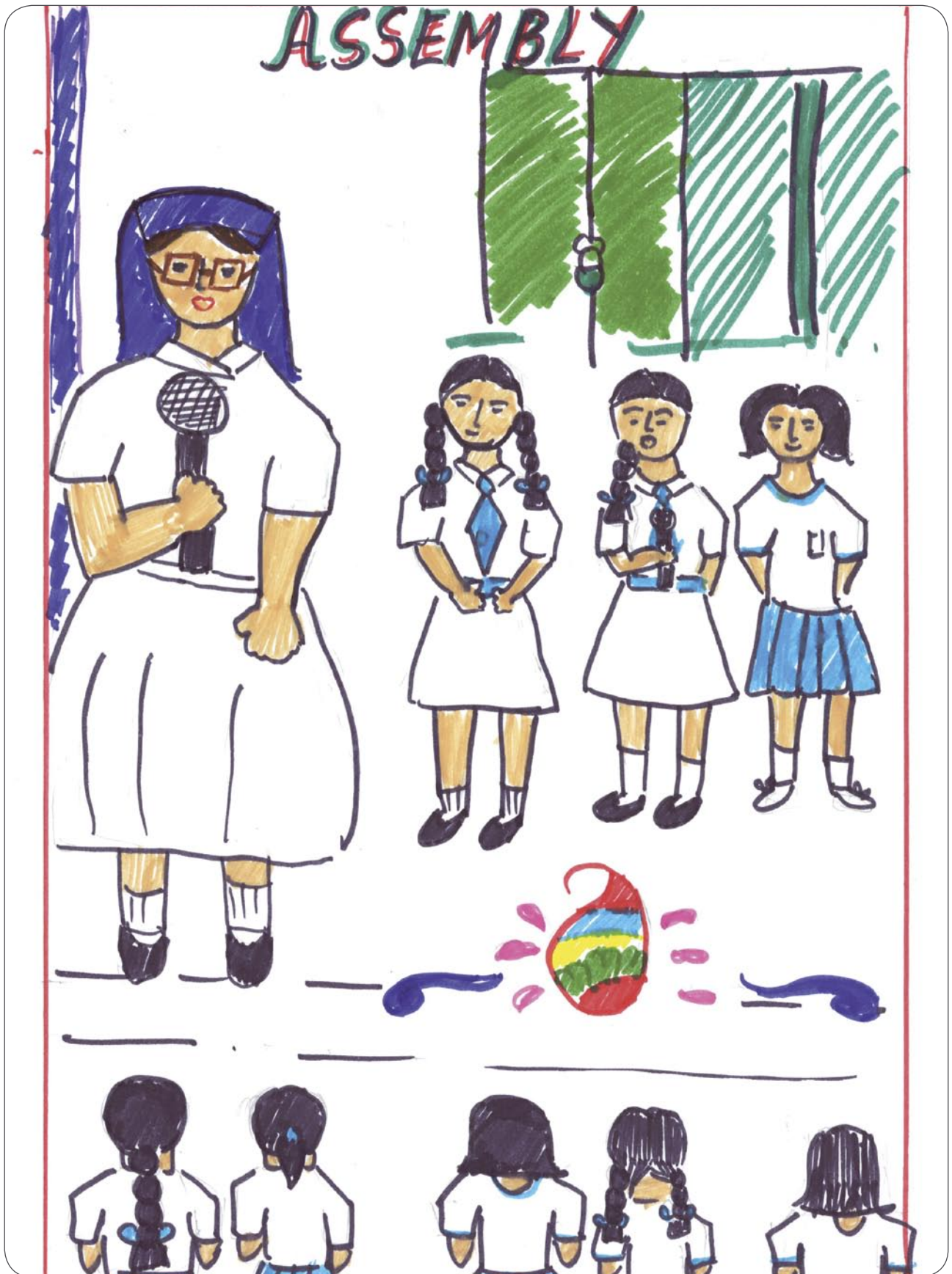


ENTREPRENEURSHIP FOR STREETCHILDREN

Partnership Foundation

Driebergen-Rijsenburg

Annual report and accounts for 2008



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Kakuzi Mondal

‘Safety and security don’t just happen, they are the result of collective consensus and public investment. We owe our children, the most vulnerable citizens in our society, a life free of violence and fear.’

Nelson Mandela

Partnership Foundation - Mission, objective and formula

- The **mission** of Partnership Foundation is to improve the quality of life and future prospects of street children in India.
- The **objective** is to develop a chain of 50 ‘Rainbow Homes’ by 2018 where 10,000 street children can be supported to adulthood.
- The **‘Rainbow Homes’ formula** consists of housing children in existing schools where a sleeping area, kitchen and sanitary and recreational facilities are put in place. This means that a place is created for the children which provides all the qualities associated with a good home, namely healthy food, clothing, medical care, education, recreation and support to become well-integrated members of society.

of public health at Radboud University in Nijmegen and member of the Scientific Council for Development Cooperation

- Ms Franci Wessels, board member, employee of Positioneringsgroep in Hilversum
- Ferd van Koolwijk, founder and chairman, management consultant at Van Koolwijk & Partners

Relative to 2007, Partnership Foundation’s organisation was reinforced in 2008 by the appointment of a management team consisting of:

- Michiel Steeman, head of international business at ING Wholesale Banking in Bunnik
- Maurice Unck, director of business and product development at Dutch Railways (NS)
- Harry Clemens, programme officer at Hivos in The Hague

Board, organisation and Recommendatory Committee

All of the board members have commercial and substantive knowledge and experience, and manage the foundation unsalaried in addition to their main occupations.

The composition of the board has remained the same since 2004 and is as follows:

- Theo Gerritsen, treasurer, partner at Deloitte Tax in Arnhem
- Hans van der Holst, secretary, director of Finles Capital Management in Utrecht
- Koos van der Velden, board member, professor

Michiel Steeman and Harry Clemens were already involved in Partnership Foundation’s work and are familiar with the project in India. In connection with the installation of the new management team, management and board regulations were drawn up and volunteer contracts signed. The previously contracted liability insurance for board members has been extended to the members of the management team.

Sacha de Boer, Gerlach Cerfontaine and Paul Rosenmöller form the Recommendatory Committee. They attended three board meetings and support Partnership Foundation’s work through the provision of assistance and advice.

A businesslike approach

In the opinion of the Partnership Foundation's board, a large-scale solution to the problem of street children requires a combination of compassion and a businesslike approach. We understand this latter element to mean the following:

- The development and rollout of a tried and tested formula
- Working towards quality and low costs
- Transparent reporting
- Professional financial audits
- Working towards measurable results

The quality criteria for the Rainbow Home programme are set out in a 'Management & Organisation of the Rainbow Homes Manual', which also specifies requirements pertaining to administration and reporting on financial and other matters. New partners in India are required to subscribe to these criteria according to the principle of good governance, namely comply or explain.

Figures on children in India

The decision to work for street children in India was made in 2002 because the situation of children in that country is among the worst in the world:

1. Children constitute 42% of the Indian population. Only around 35% of births are registered.
2. One in 16 children dies in the first year of life and one in every 11 before reaching the age of five.
3. Approximately 35% of all underweight babies in the world are born in India.
4. Approximately 40% of all undernourished children in developing countries live in India.
5. The decline in the number of girls aged between zero and six is alarming. For every 1,000 boys, there are only 927 girls, in some places even less.
6. Out of every 100 children, 19 do not receive any kind of education whatsoever.

7. Out of every 100 children who attend school, 70 leave before completing secondary education.
8. Out of every 100 children who leave school prematurely, 66 are girls.
9. Approximately 65% of the girls in India are already married by the age of 18 and become mothers shortly thereafter.
10. India has the highest number of child labourers in the world.

The Rainbow Home programme in India

- Target group: only girls attempting to survive below 'slum level' without adequate assistance from adults and who cannot be rehabilitated within the context of their families or immediate environments are eligible for admission into the Rainbow Home programme.
- Shelter and upbringing: in addition to shelter and support in becoming adults, the street children receive healthy food, clothing and medical care. In addition, the programme includes computer lessons, sports (karate lessons, basketball) and games, singing, theatre activities and dancing.
- Education: all former street children attend school, usually after a brief period of remedial teaching to enable them to enter education at the level appropriate to their respective ages.
- Chain of care: following introduction into the programme, each child follows an individual developmental path until she is capable of leading a socially and economically independent life.
- Integration: integration with more privileged peers starts immediately because the former street children attend school with them. As all children wear school uniforms, differences in background are not apparent.
- Reintegration: the girls are prepared for an independent life and paid job mainly in the last

phase of their professionally oriented and other education.

- Freedom: children with different ethnic and cultural backgrounds are completely free to practice their own religion and culture.

Core proposition for sponsoring: one's own Rainbow Home for street children

Sponsoring one's own Rainbow Home for street children is an attractive proposition particularly for companies and current and former entrepreneurs, whether or not such sponsoring is arranged through one's own foundation. Twice a year, the sponsor receives a newsletter from Partnership Foundation which details the course of affairs in the Rainbow Home being sponsored and provides information about the individual children, the financial audit and the multi-year budget, the last of which may at times be revised. If so desired, the foregoing information can be provided without deduction of the costs, minimum or otherwise, in the Netherlands. Many sponsors have already visited their Rainbow Homes in India.

Activities and results in India in 2008

1. **Number of children and Rainbow Homes.** In 2008, the number of Rainbow Homes increased from seven to ten, of which six are in Calcutta, two are in New Delhi and two are in Hyderabad. New additions in 2008 were the two Rainbow Homes in Hyderabad and the Loreto Elliot Road Rainbow Home in Calcutta. As at 31 December 2008, 1,000 girls were in the Rainbow Home programme for street children. Since a suitable location could not be found on time, the third Rainbow Home in New Delhi planned for 2008 could not yet be opened in the reporting year.

The experience of previous years has shown that housing children in existing schools is a practical and economically sound method but also that not every school principal is prepared to expand his or her school with a Rainbow Home.

Number of children per Rainbow Home as at 31 December 2008:

Calcutta

• Loreto Day School, Sealdah:	247
• Loreto Bowbazar	217
• Loreto House	180
• Loreto Dharamtala	49
• Loreto Elliot Road	24
• Providence Sisters Basdroni	54
	<hr/> 771

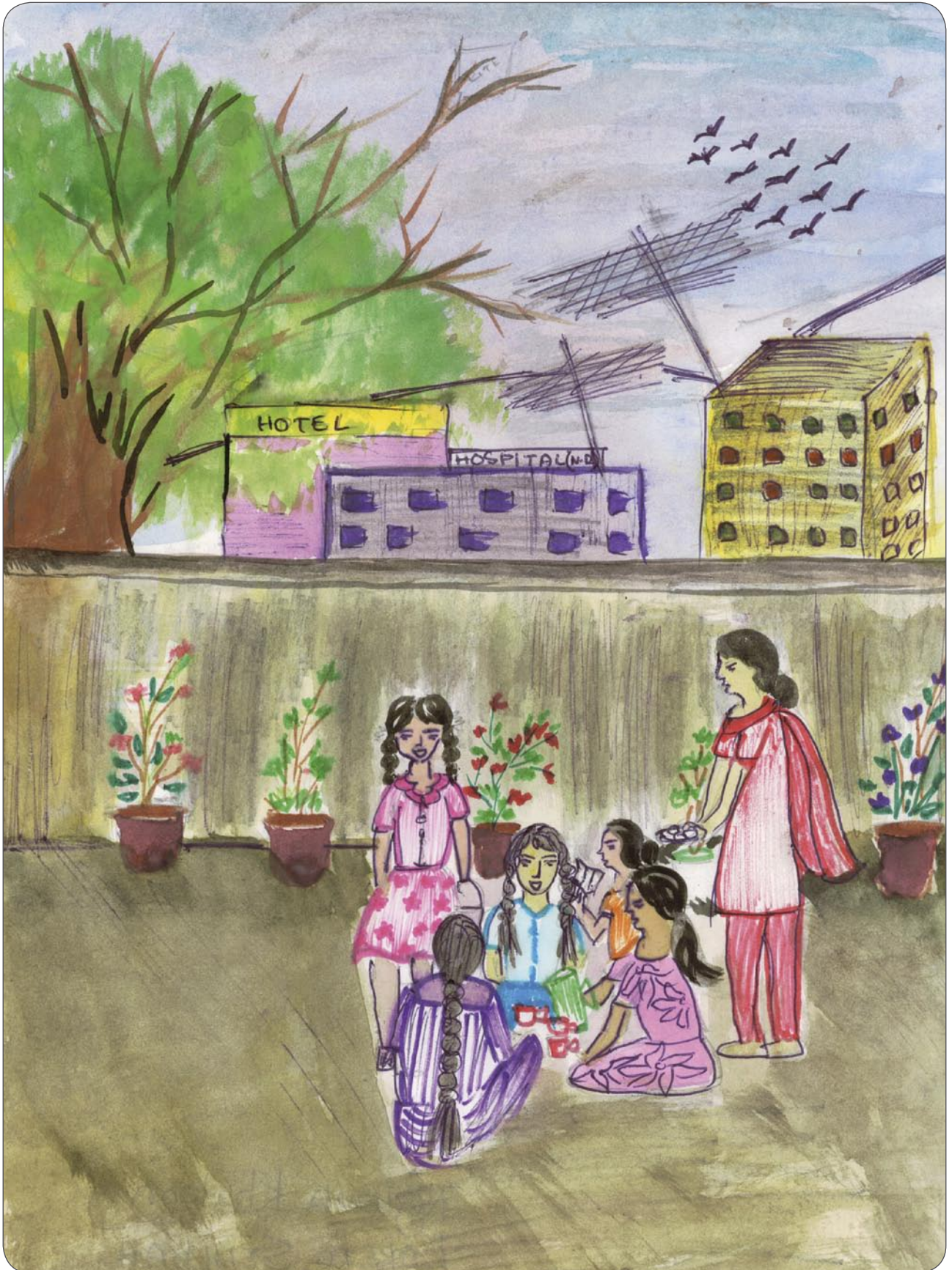
New Delhi

• Khushi Rainbow Home	44
• Kilkari Rainbow Home	65
	<hr/> 109

Hyderabad

• Musheerabad Rainbow Home	63
• Medi Bhavi Rainbow Home	57
	<hr/> 120

2. **Cooperation in India with partners and government.** The existing partners in India are Loreto in Calcutta and CES Centre for Equity Studies in New Delhi. In addition, in 2008 Partnership Foundation entered into a cooperative arrangement with Aman Vedika, an organisation affiliated with CES in Hyderabad. CES and Aman Vedika cooperate closely with the governments of the states of New Delhi and Andhra Pradesh. These governments provide 10,000 rupees per child per year to the Rainbow Homes as a contribution towards the costs of education. The government of Andhra Pradesh also makes a financial contribution to the conversion of



Nazimun Khatoon

schools into Rainbow Homes. Both the New Delhi and Andhra Pradesh governments make government schools available free of charge for the establishment of Rainbow Homes.

3. **Finances.** Deloitte, Haskins & Sells (Calcutta) carried out the annual financial audit in Calcutta and issued a report on the matter. The multi-year budget was revised and a number of administrative improvements were introduced on the basis of this report. Depending on a Rainbow Home's stage of development, the total costs per child per year amount on average to approximately 400 euros. In 2008, a total amount of 307,019 euros was transferred to the project in Calcutta. BMR, a wholly owned subsidiary of KPMG in New Delhi, carried out the financial audit of the Rainbow Homes in New Delhi. Delivery of the findings of this audit to Partnership Foundation was delayed in 2008 for a number of reasons. In the opinion of Partnership Foundation, the contents of the audit and management letter, the first in New Delhi, were satisfactory in terms of administrative quality and budget control.

In 2008, a total amount of 80,000 euros was transferred to the project in New Delhi. We expect the first financial audit in Hyderabad to take place in the middle of 2009. An amount of 55,000 euros was transferred to the Rainbow Home project in Hyderabad in 2008. Arrangements have been made with the partners in New Delhi and Hyderabad for the findings of the audit covering the Indian financial year, which ends on 31 March 2009, to be delivered in July 2009. In addition, a start has been made on local fundraising for things that cannot be financed by the contributions of Dutch sponsors. It has been agreed with the partners in New Delhi and Hyderabad that local fundraising activities will be expanded in 2009 and beyond.

4. **Care and support of the children.** Supporting a large number of street children to adulthood in a responsible way requires constant attention to the ups and downs of each individual child. Relative to the standard family in India, the number of children per house mother in a Rainbow Home is necessarily larger. To compensate for this fact, a system of subgroups consisting of around ten children each and each having a captain and vice-captain is used in Rainbow Homes.

These functions are fulfilled by older girls who, as is common in India, share the burden of care with respect to younger children. They organise, for example, the morning showers and help the younger girls get dressed, supervise attendance and meals, and report to the house mother and nurse when children are ill. A pilot project will be launched in 2009 to look for Foster Homes for the youngest of the children. For this purpose, use will be made of the insights of the Better Care Network and special attention will be paid to the quality of monitoring and the wellbeing of the children.

5. **Healthcare.** Considerable attention is paid in Rainbow Homes to the health of the children, for which a nurse is available. Following the initial medical examination, particularly the children's eyesight and teeth are regularly checked. If children have to undergo an operation, they are assisted by both the medical staff and older girls during the period that they must remain in hospital. Efforts are directed towards teaching the children to take good care of themselves. In this regard, a lot of attention is in particular paid to personal hygiene and a healthy diet. In New Delhi, each child has her own, comprehensive medical file which specifies, among other things, particulars regarding medication, vaccinations and so on. This type of file will also be introduced in Hyderabad in 2009.

6. **Computer Education Centre.** Through Net4kids Aid Foundation in Amstelveen, Cap Gemini stepped in as a sponsor to cover the costs of a Computer Education Centre (CEC) for a period of five years, thus providing computer education for 300 girls from the Calcutta Rainbow Homes. CEC is open every day from 08.00 to 20.00 and two full-time teachers have been appointed. Financed by local sponsors, the Rainbow Homes in New Delhi have also started preparations for standard computer education for the children of both homes. The introduction of computer education in Hyderabad is scheduled to take place in 2009.

7. **Reporting and quality control.** Sections of reports were further improved in 2008 in terms of content and structure. Two newsletters and two management letters were received from every Rainbow Home in 2008. Case studies were drawn up for every child. Once a year, Partnership

Foundation receives a progress report on every child that has been in the programme for longer than six months. This report contains information about school results, personal development and particulars about the child's health. Each month, Partnership Foundation receives an overview of the exact number of children per Rainbow Home and of the bank balances. Three working visits were made to Calcutta, New Delhi and Hyderabad, during which the quality, progress and planning of the project were reviewed in detail and the revised budgets adopted. Ms Lyda Res of Wilde Ganzen, an organisation that supports private initiatives in development cooperation, visited the project in Calcutta and New Delhi for an independent monitoring visit in 2008.

8. **Management and organisation in India.**

Cooperation with the Loreto organisation in Calcutta since 2002 has resulted in what is now



Anita Panja



Tumpa Das

a smoothly operating set of procedures with timely reporting and satisfactory administration and reports. In the first full financial year in New Delhi, the focus was mainly on screening and introducing children into the Rainbow Homes. Considerable attention was subsequently devoted to entry into education as well as to the provision of social and psychological support and the introduction of an attractive day programme and healthy daily rhythm. In the opinion of Partnership Foundation, informed by newsletters and several working visits, the team in New Delhi amply succeeded in achieving their objectives.

Activities and results in the Netherlands

1. **Revenue, costs and reserves.** Total revenue increased from 1,292,343 euros in 2007 to 1,407,639 euros in 2008. Total costs amounted 35,540 euros, which is 2.5 % of the revenue (the corresponding figure for 2007 was 1.8%). Partnership Foundation was not affected by the banking crisis, since it has always been the foundation's policy to place financial resources exclusively in an interest-bearing savings account. The policy with respect to reserves requires some explanation. Given the nature of the project – that is, supporting former street children throughout their youth until they can function independently in society – the decision was made to work towards a financial reserve of three years. For the most part, this reserve consists of written promises of sponsors for periods of several



Srelata Day



Soma Das

years. The full amounts of such promises are recognised in the financial statements in order to provide an accurate impression of the actual financial situation. However, these reserves are not entirely available to Partnership Foundation in the form of liquid assets. Please see the financial statements for further particulars. For the second time since its formation in 2002, Partnership Foundation reimbursed part of the costs incurred by the chairman in 2008 in the course of performing duties for Partnership Foundation. This reimbursement concerned travel costs and a portion of the telephone costs incurred.

2. **Expansion of the sponsor network.** The number of sponsors increased in 2008. Due in part to the exceptionally low costs of Partnership Foundation, it is an attractive proposition for sponsors to finance an entire Rainbow Home for several years. They receive content-related and financial reports and can visit their own project whenever they please. In this way they make the de facto difference: without their financing the children would not be able to be included in the programme. The agreement with sponsor Net4kids Aid Foundation (started in 2003) could again be extended for a year, therefore covering a total period of three years, for the financing of three Rainbow Homes in Calcutta. After a visit to the project in Calcutta, Kidsrights Foundation proved willing to finance three Rainbow Homes in New Delhi for a period of three years plus 50% of the budget of the Loreto Sealdah Rainbow Home in Calcutta. Turing Foundation will finance the remaining 50% of the budget for the last-named Rainbow Home for a period of three years. Two former entrepreneurs are financing both Rainbow Homes in Hyderabad for a period of five years. Investor Marcel Boekhoorn again donated a generous amount. Texx International in Apeldoorn translated the financial statements, news reports

and newsletters on a pro bono basis, and Ogilvy Group Amsterdam designed the brochure and Annual Report 2007 for free. Hotel Figi in Zeist again covered the costs of renting a room for meetings of the board and Recommendatory Committee. The University Medical Centre in Utrecht allowed its employees to choose whether to give their Christmas gifts in full or in part to Partnership Foundation to support its work.

3. **PR activities.** For a volunteer organisation of Partnership Foundation's size, there is not much time left over for structural PR activities. Nevertheless, Partnership Foundation was nominated for the millennium objectives award by the Municipality of Utrecht and COS, Centre for Development Assistance in Utrecht, in cooperation with RTV Utrecht, the last of which broadcasted a film about the street children project in India a number of times. Among other things, the jury report about Partnership Foundation states: 'the jury applauds the decision to use existing premises rather than construct new accommodation. This way of working makes the project innovative. Furthermore, the project is well thought out and clearly based on long-term planning. The strongly commercial approach is exceptional. A sound plan has been drawn up for the sponsors to commit themselves to the project for several years.' A comprehensive article about the Rainbow Home project was published on Friday, 2 August 2008 in The Hindu newspaper in Hyderabad bearing the title 'Destitute girls start life afresh here'. An agreement was concluded with Schiphol Group in which it was agreed that all proceeds of the donation pillars at the airport would go to Partnership Foundation in 2009. These pillars now feature the Partnership Foundation logo. Upon his departure as President and CEO of Schiphol Group, Prof. Gerlach Cerfontaine requested a financial contribution for Partnership Foundation

instead of gifts. During his farewell reception, the chairman of the supervisory board presented him with a cheque for 50,000 euros, an amount that far exceeded expectations. Also at Schiphol, a closed meeting for interested parties and potential sponsors took place on 9 September in the presence of Sister Cyril Mooney from Calcutta (at the time on leave in Ireland), Gerlach Cerfontaine, Paul Rosenmöller, Maurice Unck and Ferd van Koolwijk. Due to a lack of time, the updating of the website was delayed in 2008. The current plan is for this project to be completed in the second half of 2009.

begun. This manual specifies criteria concerning the quality of the programme and the reports and is used for the expansion of the model to other cities in India. Liability insurance has been taken out in connection with the growth of the organisation. Partnership Foundation has been granted public benefit organisation (ANBI) status by the Dutch Tax and Customs Administration. With the installation of the management team, management and board regulations were drawn up and confirmed by the board in 2008. Volunteer agreements were also concluded between the board and the volunteers.

4. Financial reporting and reports. Preparation of the financial statements for 2007 was again done pro bono by Deloitte Accountants in Arnhem. Since one of the partners of Deloitte is the Partnership Foundation treasurer, Deloitte does not itself issue the unqualified audit opinion. This opinion is issued by Avivos Accountants in Velp after an additional audit. The Annual Report 2007 was published on the website www.partnershipfoundation.nl in Dutch and English. In addition, Partnership Foundation received the newsletters, findings of the financial audit and reports on all children in the programme from its Indian partners as agreed.

In conclusion to this summary of the key developments in India and the Netherlands in 2008, the board and management team are satisfied about the project's progress in the year under review and hereby express their sincere thanks to everyone who contributed to making it a successful year.

5. Management and organisation. The board and Recommendatory Committee met three times in the course of the financial year. The board held five meetings. Melissa Visser, management secretary at Finles Capital Management in Utrecht kept the minutes of the meetings. Kasper Tideman, consultant in Pune, India, supervised the start of the Rainbow Home project in Hyderabad. Partnership Foundation does not have any paid employees and none of its board members receive remuneration. A review of the 'Management & Organisation of the Rainbow Homes Manual' has



Sheela Mahato

The Real Slum Heroes

By Harsh Mander

Tens of thousands of children in every city in India are forced to make the streets their home. They often escape abusive and violent guardians, alcoholic fathers, cruel step-mothers, incest, starvation, and sometimes horrendous massacres. Some are abandoned, orphaned or lost. A small film that affectionately celebrates their spirit as they brave the mean city streets - Slumdog Millionaire - has unexpectedly caught the imagination of the entire world.

More than two hundred of these children have become an important part of my own life, and those of my young colleagues. We met them over many months on the streets - on pavements, under bridges, in market and temple courtyards, at traffic signals - and over time they agreed to leave the streets behind them, and begin a new life with us, in four homes we run for them in Delhi. It was in the company some of these children that I wanted to see the film Slumdog Millionaire, to watch it from their eyes.

With thirty of these former street boys, I went one evening to a cinema in West Delhi. The children were scrubbed, wore their best clothes, and were very excited. Before the film started, we gathered in the yard outside the cinema and I explained to them why we were there. A foreigner had made a film about their lives; therefore we thought they would enjoy seeing it. As it unfolded on the screen, they watched the film rapt, between popcorn and samosas. We had a couple of rows to ourselves, and others in the audience were curious as one child would run across, and lean his head against my shoulder and then another. Some children became pensive, saddened by memories, but most seemed infected by the film's mood of celebrating their resilience and hope in the hardest of times.

Later when we spoke together of the film, what most said they liked best was the portrayal in the film of the younger street children, their cheeky attitude and the ways the film affirmed that they could never be crushed by the grimmest of trials. A favourite moment for many was the one in which one child suspends another from the roof of a running train with a rope, to steal food through the train window. For another, it was the defiant retort of the children even when they were thrown out of the speeding train: 'What do they think? Is this train their fathers' property?' Another enjoyed how the children give the police a run when they chase them as they play cricket. Yet another recalled with laughter how even when trapped by the sinister beggars' mafia, the boy refuses to sing unless the dangerous mafia leader gives him fifty rupees.

The train sequence reminded me of a conversation with a group of street boys in Hanuman Mandir in Delhi. They had decided to take a vacation to Hardwar, and said they had travelled by train, without buying a ticket, dodging the ticket checker throughout the journey. One said he had a poem to describe their situation. It went: Aana free! Jana free! Pakde gaye to khana free! (We go free of charge! We return free of charge! If we get caught, we then get food free of charge!)

For me as well, what worked best in the film - with which I did have a number of other problems - was its ability to capture this never-say-die spirit of these children. It is this unique mettle of children on the streets that makes them so attractive when you come to know them: their capacity to draw laughter and fun from their darkest moments, their refusal to be crushed by the most oppressive circumstances, their cheeky resistance to those who are immeasurably more powerful than them, their courage, resilience, and their impatience with self-pity. These are children who typically choose to resolutely walk away from violence and injustice at home, sometimes at as

young age an age as six or eight years, and instead fend for themselves on the streets, whatever it takes. They survive the most brutal violence and want of the streets, mainly with the weapons of their laughter, comradeship and nimble feet. The film may not ring true in many of its literal portrayals, and even less in its political and social analysis, but it is completely truthful in its recreation of the spirit of the children who makes the streets their home.

Many of the former street children who I watched the film with also saw in it also a morality play relevant to their own lives. They applauded that the main protagonist Jamaal won the game by never cheating once. He won also because he did not let the arrogant game host bully him or crush his confidence. They remembered with appreciation little moments of kindness that may have escaped others in the audience: the American couple who rescues the street child from the driver who was beating him; and that the boy gave away the 'American rupee note' that the foreign couple had given him, to his blinded comrade whom he found begging in the subway. Many defended the older brother despite his lapse into crime. They identified closely with him, because many of them had themselves traversed paths in the dark side of the law. They said that he may have become a criminal, but when his brother needed him, he risked and ultimately gave up his life for the sake of his brother. There was therefore goodness also within him - a boy who adopted crime - and not just in Jamaal who steadily walked the straight path.

None identified with the stereotypical sequences of the beggars' mafia, which thrive much more in the middle class imagination than in real life. Only one in ten street children beg for a living, and of those who beg not more than one in several hundred are part of organised begging mafias. We find among many of the street girls and boys who used to live by begging - and who have now come into our care - that it is

mainly smaller children who beg, either because they have no parents, or because their parents are destitute or abuse alcohol or drugs, and therefore do not feed their children. The children are let out onto the streets each morning to find their own food. Others are sent out to beg by homeless mothers or disabled parents, who are themselves desperate and defeated by destitution. Children typically hate the humiliation of begging, and as they grow even a little older, they prefer to earn their food by picking rags and recycling waste, by foraging day-long in trash dumps with large plastic sacks slung over their little shoulders; recycling plastic bottles in trains; selling odds and ends at traffic lights; carrying lights in wedding processions; or serving in roadside eateries.

As they grow older, many are drawn into petty crime, but this is far more gritty and unglamorous than the glittering depiction in the film. It is the petty slitting of pockets, lifting of baggage on railway platforms, house-breaking, casual and ugly street-based sex work by both boys and girls, brandishing knives - and surviving sexual abuse by older men, blades that slash their faces, regular onslaughts of police batons, and thrashing in police stations. Many of the children spend many years of their lives trapped and escaping - and being caught again - in state detention centres or adult jails. Unprotected, they typically stumble into drugs, which destroy their young bodies, already at risk because of poor nutrition. There is hardly a glimpse of this in the film. My complaint about the film is not that it portrays the poverty of the slums and streets of India - which are a pervasive reality and whose stories deserve to be told and retold - but that it enquires too little into the lived experience of surviving the streets, and what it is that ejects children and older people into such desperate lives of want.

The most beautiful observation that the children made while assessing the film made about their lives, was that Jamaal was able to overcome his circumstances

not because of the chance of his winning a game show. This does not happen in real life. It happened, they said, because he found love. In the film, it happened to be the love of a girl that Jamaal encountered. But in life, it could be the love of an elder, a mentor, a friend: anyone who really cares about the child's future. It is love alone that can provide the anchor that steadies children tossed in the streets. It is love that can alone save them from drugs and crime and help them walk a life of kindness, honesty and goodness, to which they aspire. There is no one else I have met who took away this particular lesson from the film Slumdog Millionaire. But because it spoke of this to my children, I am happy the film - flaws and all - was made. And that it caught the imagination of the world.



Papiya Khalun

Balance sheet per 31 December 2008

(after profit allocation)		31.12.2008	31.12.2007
		€	€
Assets			
Current assets			
Receivables and accrued income	^{1]}	2.098.484	1.371.214
Cash and cash equivalents	^{2]}	<u>447.555</u>	<u>244.746</u>
		<u>2.546.039</u>	<u>1.615.960</u>
Liabilities			
Capital			
Allocation reserve	^{3]}	554.932	325.022
Allocation of Funds	^{4]}	<u>1.990.357</u>	<u>1.290.188</u>
		2.545.289	1.615.210
Current liabilities	^{5]}	<u>750</u>	<u>750</u>
		<u>2.546.039</u>	<u>1.615.960</u>

*] refers to the corresponding number in the Notes.

Income statement 2008

		2008	2007
		€	€
Revenue			
Contributions from campaigns with third parties	^{6]}	88.041	952.763
Fundraising	^{7]}	1.311.566	338.505
Income from investments		0	0
Other revenues	^{8]}	8.032	1.075
Total revenue		1.407.639	1.292.343
Costs			
* Total spent on objective			
Donations Rainbow Homes India	^{9]}	442.020	282.120
Operational costs	^{10]}	15.542	13.173
		457.562	295.293
* Cost of fundraising			
Costs of campaigns and fundraising	^{11]}	11.873	1.729
Costs to obtain government subsidies		0	0
Costs of investment		0	0
		11.873	1.729
* Management and administrative fees			
Costs of campaigns and fundraising	^{12]}	7.806	7.749
Interest costs and similar costs	^{13]}	319	86
		8.125	7.835
Total costs		477.560	304.857
Result		930.079	987.486

*] refers to the corresponding number in the Notes.

Profit allocation 2008

Result 2008		930.079
Release of allocation funds due to continued payment of committed contributions from third parties to Homes in 2008	+/+	1.170.455
Transferred to allocation funds due to committed contribution by Kidsright Foundation	-/-	363.968
Transferred to allocation funds due to committed contribution by Net4kids Aid Foundation	-/-	496.900
Transferred to allocation funds due to committed contribution	-/-	1.009.756
2008 result to be allocated		229.910

Anticipating the final approval of the 2008 annual financial statements, the 2008 result to be allocated has been transferred to the allocation reserve.

Notes to the balance sheet, income statement and cash flow statement

Activities

Partnership Foundation was established by business people in 2002 with the mission of structural improvement in living conditions and outlook of street children in India. The objective is to set up a chain of 50 Rainbow Homes for 200 street children each by 2018 in major cities in India.

General principles for the preparation of the annual accounts

The valuation of assets and liabilities and the determination of the result take place based on historical costs. Assets and liabilities are stated at their nominal value, unless different valuation principles are specified in the relevant balance header. Revenue and costs are charged to the financial year to which they relate. in accordance with VFI's guideline 'Reserves of Charities', the equity capital is divided into reserves, allocation reserves and allocation funds. The reserve is the capital to be allocated at the Foundation's discretion. Allocation reserves are resources that the Partnership Foundation has earmarked for allocation to specific objectives. Allocation funds are donations received from third parties subject to the condition of being spent on a specific objective. VFI is the sector board of certified charities. The stipulations of the VFI guideline 'Reserves of Charities' are in accordance with the relevant stipulations as included in the Guidelines for Annual Reporting 650 "Fundraising organisations'.

Accounting principles for valuation of assets and liabilities and result determination

Revenue

The revenue of the foundation shall result from subsidies and donations, gifts and testamentary succession (which shall be accepted only under the privilege of inventory) and legacies, as well as all other acquisitions and revenues, including contributions from those in target focus of the foundation and revenue from the foundation's activities.

Costs

The costs consist of various costs regarding the management of the foundation incurred in the relevant financial year.

Tax

Pursuant to Article 24 of the Succession Act and the Exemption Decree Income Tax, the foundation is not subject to succession and donation duties respectively income tax and value added tax.

Notes to the various items on the balance sheet

1. Receivables and accrued income

Other receivables and accrued income:	31.12.2008	31.12.2007
	€	€
Receivable interest	1.000	2.039
To be received from shared campaigns 2006	278.639	278.639
To be received from shared campaigns 2007	156.000	1.090.536
To be received from shared campaigns 2008	696.368	0
To be received from own fundraising	966.477	
	<u>2.098.484</u>	<u>1.371.214</u>

2. Cash and cash equivalents

	31.12.2008	31.12.2007
	€	€
Fortis Bank, current account	5.506	8.745
ING Bank, current account	155.940	135.127
ING Bank, savings account	286.109	100.874
	<u>447.555</u>	<u>244.746</u>

Equity capital

The Foundation's objective is promoting the interests of deprived children (in particular street children) in India.

The Foundation seeks to achieve its objective by acquiring and managing funds, making these available to local organisations, projects and programmes in India with the objective of offering shelter to, caring for, educating (also regarding modern technology) and reintegrating deprived children.

The balance of the income statement is added to the equity capital at the end of each year.



Monjuara Khatoon

3. Allocation reserve

The allocation reserve is the portion of the equity capital that is not subject to third party conditions regarding allocation to specific objectives. The Board, in accordance with the Foundation's Articles of Association, decided to allocate this part of its equity capital to the Foundation's specific objective.

The movement of this item is as follows:

	2008	2007
	€	€
Opening balance	325.022	142.422
Transferred to/charged to result in accordance with profit allocation reporting year	229.910	182.600
Closing balance	<u>554.932</u>	<u>325.022</u>

4. Allocation funds

The allocation fund is the portion of the balance of the income statements 2007-2006 that is subject to a specific spending objective imposed by third parties.

The movement of this item is as follows:

	2008	2007
	€	€
Opening balance	1.290.188	485.302
Transferred to/charged to result in accordance with profit allocation reporting year	700.169	804.886
Closing balance	<u>1.990.357</u>	<u>1.290.188</u>

5. Current liabilities

Other liabilities:

	31.12.2008	31.12.2007
	€	€
Costs auditors	<u>750</u>	<u>750</u>

Notes to the various items of the income statement

The nature of the Rainbow Homes project for street children in India requires the responsibility for long-term financing of the costs of shelter and education for the children. For this reason, Partnership Foundation concluded long-term agreements with its key sponsors in writing. The above-mentioned revenue concerns these long-term commitments, where the sponsor has committed to the total amounts in writing and actual payments are distributed over the contract years. From the start of the project, we chose to book the total of the long-term commitment during the year in which these were received. A commitment in writing not actually paid up yet is recorded in the balance sheet as a receivable.

6. Revenue from campaigns:

Contributions, donations, sponsorships and legacies	2008 €	2007 €
Net4kids Aid Foundation	29.914	532.236
Kidsright Foundation	54.109	411.950
Wilde Ganzen Foundation	2.018	8.577
Other	2.000	0
	<u>88.041</u>	<u>952.763</u>

7. Fundraising:

	2008 €	2007 €
Turing Foundation	0	162.500
Iona Stichting	0	100.000
Commercial organisations	36.299	73.230
Donations by individuals	1.130.690	2.775
Other:		
• Schiphol	50.000	0
• Stebo	16.809	0
• Corus	62.768	0
• Mobile Library	15.000	0
	<u>1.311.566</u>	<u>1.291.268</u>

8. Other revenue:

	2008 €	2007 €
Interest revenue	<u>8.032</u>	<u>1.075</u>

9. Donations to Rainbow Homes India

	2008	2007
	€	€
Donations Loreto Day School Rainbow Homes Calcutta	307.019	118.677
Donations Computer Education Center, Calcutta	0	33.800
Donations CES Rainbow Homes, New Delhi	80.000	46.780
Donations AV Rainbow Homes Hyderabad	55.000	0
Direct payment by sponsors	0	82.863
	<u>442.020</u>	<u>282.120</u>

10. Operational costs

	2008	2007
	€	€
Flights for work visit	2.922	5.246
Lodging expenses	2.834	1.858
Cancellation and travel insurance	320	320
Other travel and lodging costs	9.465	5.749
	<u>15.543</u>	<u>13.173</u>

11. Costs of campaigns and fundraising

	2008	2007
	€	€
Website	60	982
Video Rainbow Project	8.750	121
Other promotion costs	1.105	626
	<u>11.873</u>	<u>1.729</u>

12. Administrative costs and similar costs

	2008	2007
	€	€
Telephone costs	770	2.196
Costs auditors	750	750
Costs of meetings and promotion meeting	1.303	609
Other general costs	4.983	4.194
	<u>7.056</u>	<u>7.749</u>

13. Interest costs and similar costs

	2008	2007
	€	€
Interest revenue	<u>319</u>	<u>86</u>



Outlook 2009

For 2009, the opening of 4 new Rainbow Homes is planned. With these, the total number of Rainbow Homes at the end of 2009 is 14, and the number of children in the program will most likely reach 1500.

The Government of Andra Pradesh has indicated its intention to create, based on the Rainbow Home model, tens of comparable accommodations in Hyderabad. Where needed Partnership Foundation will participate in financing a number of these, with the help of sponsors.

In view of the economic crisis, fundraising will be given additional attention. A benefit concert is planned for the 13th of June 2009 in Nijmegen. In addition, the option to sponsor a complete Rainbow Home will be brought to the attention of potentially interested parties.

The goal for 2018 – fifty Rainbow Homes for a total of 10,000 street children – remains unchanged. Through these, a happy and dignified life and a chance for a bright future will be created for as many destitute children. In order to reach this goal, new partnerships with companies and entrepreneurs are needed who can identify themselves with the goals and method of Partnership Foundation.

Signatures confirming the annual accounts

Driebergen, 1st of March 2009

The Board of Partnership Foundation:



Mr. Theo Gerritsen, Treasurer



Drs. Hans van der Holst, Secretary



Eerd van Koolwijk, Chairman



Prof. dr. Koos van der Velden



Franci Wessels

Stichting Partnership Foundation
Van Westrenenlaan 1a,
3971 AE DRIEBERGEN-RIJSENBURG

Referentie:
099509/MVB/79603
Datum:
25 maart 2009

Accountantsverklaring

Wij hebben de jaarrekening 2008 van Stichting Partnership Foundation te Driebergen-Rijsenburg bestaande uit de balans per 31 december 2008 en de winst-en-verliesrekening over 2008 met de toelichting gecontroleerd.

Verantwoordelijkheid van het bestuur

Het bestuur van de entiteit is verantwoordelijk voor het opmaken van de jaarrekening die het vermogen en het resultaat getrouw dient weer te geven, alsmede voor het opstellen van het jaarverslag, beide in overeenstemming met de Richtlijn voor de jaarverslaggeving 650 "Fondsenwervende instellingen". Deze verantwoordelijkheid omvat onder meer: het ontwerpen, invoeren en in stand houden van een intern beheersingssysteem relevant voor het opmaken van en getrouw weergeven in de jaarrekening van vermogen en resultaat, zodanig dat deze geen afwijkingen van materieel belang als gevolg van fraude of fouten bevat, het kiezen en toepassen van aanvaardbare grondslagen voor financiële verslaggeving en het maken van schattingen die onder de gegeven omstandigheden redelijk zijn.

Verantwoordelijkheid van de accountant

Onze verantwoordelijkheid is het geven van een oordeel over de jaarrekening op basis van onze controle. Wij hebben onze controle verricht in overeenstemming met Nederlands recht. Dienovereenkomstig zijn wij verplicht te voldoen aan de voor ons geldende gedragsnormen en zijn wij gehouden onze controle zodanig te plannen en uit te voeren dat een redelijke mate van zekerheid wordt verkregen dat de jaarrekening geen afwijkingen van materieel belang bevat. Een controle omvat het uitvoeren van werkzaamheden ter verkrijging van controle-informatie over de bedragen en de toelichtingen in de jaarrekening. De keuze van de uit te voeren werkzaamheden is afhankelijk van de professionele oordeelsvorming van de accountant, waaronder begrepen zijn beoordeling van de risico's van afwijkingen van materieel belang als gevolg van fraude of fouten.

AVIVOS CV, ACCOUNTANTS & BELASTINGADVISEURS

Bezoekadres: Velpenweg 79 6824 HH Arnhem Telefoon (026) 351 23 77 Fax (026) 351 06 77 Postadres: postbus 5053 6802 EB Arnhem
Bankrelatie ABN-AMRO 55.15.86.095 KvK-nummer 09108552 E-mail info@avivos.nl Internet www.avivos.nl

Op al onze diensten zijn onze algemene leverings- en betalingsvoorwaarden van toepassing, gedeponeerd bij de Rechtbank in Arnhem.

Avivos

Referentie:
099509/MVB/79603
Pagina:
2

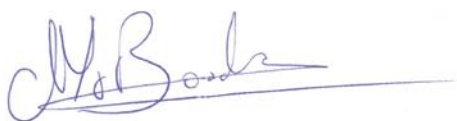
In die beoordeling neemt de accountant in aanmerking het voor het opmaken van en getrouw weergeven in de jaarrekening van vermogen en resultaat relevante interne beheersingssysteem, teneinde een verantwoorde keuze te kunnen maken van de controlewerkzaamheden die onder de gegeven omstandigheden adequaat zijn maar die niet tot doel hebben een oordeel te geven over de effectiviteit van het interne beheersingssysteem van de entiteit. Tevens omvat een controle onder meer een evaluatie van de aanvaardbaarheid van de toegepaste grondslagen voor financiële verslaggeving en van de redelijkheid van schattingen die het bestuur van de entiteit heeft gemaakt, alsmede een evaluatie van het algehele beeld van de jaarrekening. Wij zijn van mening dat de door ons verkregen controle-informatie voldoende en geschikt is als basis voor ons oordeel.

Oordeel

Naar ons oordeel geeft de jaarrekening een getrouw beeld van de grootte en de samenstelling van het vermogen van Stichting Partnership Foundation per 31 december 2008 en van het resultaat over 2008 in overeenstemming met de Richtlijn voor de jaarverslaggeving 650 "Fondsenwervende instellingen".

Arnhem, 25 maart 2009

AviVos CV



M.A.W. van den Bosch RA RV



Priyanka Panja

Partnership Foundation

Ferd van Koolwijk
Van Westrenenlaan 1a
NL - 3971 AE Driebergen
www.partnershipfoundation.nl

T 0343 53 88 11 (office hours)
M 06 51 31 56 43
info@partnershipfoundation.nl
Bank 65 72 61 947

Recommendatory Committee:

Sacha de Boer
Gerlach Cerfontaine
Paul Rosenmöller

We particularly wish to thank:

Cap Gemini
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De Bergse Bossen, Driebergen
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Iona Stichting
Kerckebosch grafische communicatie, Zeist
Kidsrights Foundation
M. Boekhoorn
Net4Kids Aid Foundation
Ogilvy
TEXX International
Turing Foundation
Wilde Ganzen

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