

Stichting The Elba Charitable Foundation



**REPORT OF THE BOARD OF DIRECTORS
2021**

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Chair's foreword

We are very pleased to present the 2021 annual report of Stichting The Elba Charitable Foundation (hereafter, the "Foundation").

Following the year of 2020 which was felt by communities and countries across the globe as extremely challenging, 2021 was anticipated to be much brighter and it was hoped that the World would return to normal. Although the start of 2021 felt similar to 2020 with continuing lockdowns around the globe and the ongoing fear of the pandemic never ending, the Summer finally arrived in the Northern Hemisphere and life over the latter half of 2021 seemed to slowly return back to some normality as the Global vaccine programs were carried out.

Despite the ongoing pandemic in 2021, the Foundation, managed to continue providing Grants to fulfil its primary purpose which is providing means and measures to create cohesive, sustainable and beneficial conditions for people to achieve their full potential and for the societies in which they live to thrive.

We continued supporting a multitude of organisations, a number of which were multi-year projects. We helped expand the Oxplore programme, which is a free tool open to everyone and designed to engage 11 to 18 years with complex ideas. We sponsored the Reach the World organisation for its third year with the aim of helping them become self-funded for the future.

Once again, the Foundation is extremely privileged and proud to have been able to support many organizations, communities and individuals throughout 2021 and we look forward to helping to make a difference to many more in 2022 and beyond.

Yours sincerely

Melanie Smith
Chair of the Board

June 24, 2022

1. Report of the Board of Directors

1.1 Objectives of the Foundation

The primary objective as stipulated in the deed of incorporation of the Foundation is to advance for the benefit of the public the relief of poverty, the advance of education and the promotion of health and healthcare for communities in need throughout the world but in any case limited to those purposes which are charitable according to the laws of the Netherlands and which are also charitable according to the laws of England and Wales, by the making of grants or the provision of such other support that will assist this objective, and all other acts and things which may be conducive to the aforesaid objective.

The Foundation achieves its overall objectives by pro-actively identifying projects that fall within these objectives and its multi-year Policy Plan and to ensure that the project or donation is exclusively charitable for the public benefit and does not give rise to personal benefit. Same goes for any donation request. The donations shall in principle only be made to an organisation with a non-profit goal and the project plan or activities should provide sufficient insight into the content of the project and intended result.

The Foundation is registered with the Dutch tax authorities as a Public Benefit Organisation (“Algemeen Nut Beogende Instelling”)

1.2 Activities

Another year of COVID-19-challenges has not prevented the Foundation for achieving its objectives during 2021, although this second year of the pandemic did lead to less project funding than envisaged. The Foundation has ensured that existing - multi-year- projects were able to carry out their activities with flexibility to their grant conditions, as COVID-19 challenges such as the lockdowns have caused certain delays in the implementation of their activities.

The projects sponsored during 2021 all have one common aim to ensure they achieve maximum possible impact, reaching as many individuals as possible. The Foundation hereby views it as important to support projects that are still in their infancy stage, or to sponsor organisations on their way to financial independence.

The Foundation amongst others funded the following new and existing (multi-year) projects in the respective focus areas during 2021:

Advancement of Education

University College and the Queen's College – University of Oxford

The University of Oxford has been ranked as the world's top university for the past five years. Each year it attracts the world's best students, researchers and academics to its colleges and faculties. The subject of Philosophy, Politics and Economics (PPE) has been synonymous with this success for the past 100 years. The multi-year project attracts world-leading scholarship in philosophy, politics and economics to Oxford on an annual basis, and enhances PPE teaching by providing undergraduate and graduate students and the wider scholarly community with regular access to alternative academic perspectives, world class scholarship and international thought leadership.

Reach the World

The Foundation co-funded Reach the World's the "Building the Next-Generation ReachtheWorld.org" project, which aims to build a set of interrelated technology assets that will power the next decade of Reach the World's programs, including the Explorer Program, it allows the organisation to become self-funded by generating new revenues – in order to ensure that all communities can have access to positive, personal global experiences and that all youth can develop their capacity for curious, confident and compassionate global citizenship.

Absolute Return for Kids (Ark)

Ark schools have been working tirelessly to ensure that their students continue to thrive and succeed despite the impact of the Covid-19 pandemic. Ark implemented a comprehensive programme, the "Ark Schools Coronavirus Appeal" project, co-sponsored by the Foundation and focused on helping all their students tackle the challenges posed by the pandemic and ensuring to prevent longer-lasting damage to their future opportunities and development. Ark enabled digital access for all (remote learning), provided accelerated learning (helping students to catch up and achieve their full potential) and protecting the wellbeing of its students (by identifying and supporting their mental health needs). Via Ark the Foundation also contributed to Little Village, a London based charity that offers preloved kids' clothes, baby essentials and links to key services to families in challenging circumstances such as homelessness, unemployment, low wages or domestic abuse. And we campaign alongside parents to change the system that creates those challenges.

University of Oxford

Oxplore is an engaging digital resource from the University of Oxford. As the ‘Home of Big Questions’, it aims to challenge those from 11 to 18 years with debates and ideas that go beyond what is covered in the classroom. After previously already contributed to the further development of Oxplore, the Foundation now support the multi-year the “Expanding Oxplore” project which aims to expand this successful innovative online learning portal to more hard-to-reach audiences across the UK as the demand for online learning resources grows.

The Promotion of Health and Healthcare

HMS Oardacious

HMS Oardacious is an enduring medium for positive change in the lives of submariners, their families and communities, STEM, mental health, wellbeing, charity, diversity, sustainability and commercial partnerships. They have collaborated with fantastic organisations that add value to their unique defence community; inspired the next generation through STEM education; championed the importance of mental health and resilience.

The Relief of Poverty

Gered Gereedschap

The Foundation funded Gered Gereeds “The EQUIP Jinja” project on the verge of 2021, which aims to strengthen vocational education and entrepreneurship in the Jinja region in Uganda so disadvantaged young people become self-reliant and lift themselves out of poverty. This multi-year project tackles poverty in a sustainable way that works by providing an education, new skills and more importantly the resources required to develop these skills (the right tools and machines) and professional on the job training, This allows these scholars to eventually become skilled in a trade and in turn provides them with the opportunity to build up an independent existence as, for example, a carpenter, mechanic or tailor.

We have seen the organisations we are engaged with all working hard and passionately to achieve their own goals during the pandemic. With every crisis there also arises possibilities, and this has created an extra demand on the creativity of organisations, who are now having to provide a different construction to their planned physical activities. This has led to surprisingly positive results. We are very proud of all our Grantees and their tireless efforts to make a difference in our society.

2. Future outlook

2.1 Focus

The overall mission of the Foundation going forward will not change and remains to provide means and measures to create cohesive, sustainable and beneficial conditions for people to achieve their full potential and for the societies in which they live to thrive.

The Foundation's strategic approach will be to continue making grants and providing other relevant support to organizations or persons whose activities will further its' primary purpose.

The Foundation expects to receive additional significant sums by way of investment returns. These will be allocated to the various envisaged activities that fall within the objectives of the Foundation and which serve the public interest in accordance with its purpose and focus areas the relief of poverty, the advance of education and the promotion of health and healthcare.

2.2 Activities

With the greatest challenges of the COVID-19 pandemic behind us, there is another crisis, which not only has a direct disastrous effect on the people of the Ukraine, but also potentially extends further into an energy and hunger crisis.

It is impossible to foresee the outcome of the Ukraine war and its consequences, but we do not envisage any great impact on the Foundation's overall grant giving. The Foundation intends to increase its funding in 2022 and beyond due to unexpected but exceptional financial results achieved over the past year, it will be imperative to do this very carefully and thoughtfully so the Foundation can achieve the lasting impact it envisions.

Projects

During 2022, the Foundation will amongst others support the following either committed or envisaged projects:

Advancement of Education

EdCity

The Foundation continues to support the development of an educational hub in White City (London) called EdCity, by providing a substantial philanthropic loan in 2022. Construction work has finally started, and the project is making great progress despite the challenges it has faced during COVID-19 pandemic. The educational hub is designed to bring social, educational and economic benefits to the local community through upgrading facilities.

University of Oxford Development Trust

Another project initiated by the University of Oxford will be eligible for the Foundation's support which sees to fully endow DPhil graduate scholarships in Chemistry, to work within the wider Oxford Energy Network and with a focus in sustainable energy research. The opportunity of scholarship funding encourages students to consider study at Oxford and enables offer holders to take up their place free from financial concern. Scholarship funding enables the University to act quickly to make offers to exceptional students from all backgrounds and ensure continued research excellence.

The Foundation shall also continue its support to University College and the Queen's College to enhance PPE teaching and the University of Oxford's "Expanding Oxplore" project. A newly related project has been presented by the University of Oxford enabling to target hard-to-reach schools and students in under-represented areas by going to them and allowing to bring bright young students into the Oxford outreach journey at a younger stage, The supporting content that is created will also contribute to the wider strategic aims of Oxplore, which commit to the continued development of innovative digital resources.

Relief of Poverty

Tearfund

The people of Ukraine are under siege. Tearfund therefore made an Ukraine Humanitarian Appeal to support the supplying emergency food and non-food items to affected communities in Ukraine, and

accommodation and other forms of refugee settlement support to Ukrainian refugees in Slovakia and Poland to which the Foundation contributes in 2022.

Promotion of Health and Healthcare

Tess Unlimited

Tess Unlimited operates in the Republic of Guatemala treating patients with cleft lip and palate. Guatemala is a third world country and therefore the available healthcare is very limited as cleft lips and palates are not being treated in public hospitals. Tess Unlimited commits itself to helping these children, providing them with the opportunity to lead a happy and meaningful life. Cleft lip and palate have several specific characteristics, causes and consequences. Tess Unlimited has a different 'project' for each phase. In this way they can provide efficient and holistic solutions and create the possibility to let everyone enter at any desired stage.

The Foundation actively encourages its current Grantees to expand their activities wherever possible and to think broader, which already led to newly submitted and approved projects. The Foundation will continue its endeavours to seek new projects that fall within its objectives.

Further information about projects and the Foundation will be published on the Foundation's website (www.elbafoundation.org) which will be updated to reflect the development of the Foundation's strategy.

3. Organisation

3.1 Foundation details

The Foundation is registered with the Dutch tax authorities as a Public Benefit Organisation ("Algemeen Nut Beogende Instelling") under RSIN: 857437434 and is also granted the status of Charity by the HMRC (United Kingdom).

Please be informed regarding the contact details of the Foundation:

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3032 AC Rotterdam

The Netherlands

Tel: +31 (0)108001765

e-mail: contact@elbafoundation.org

The Foundation is registered with the Dutch Chamber of Commerce under number 68429576.

Employees

The Foundation has two employees. The employees receive a contractual remuneration for the tasks assigned to them. The remuneration policy for employees is aimed at rewarding its employees according to standards that are socially acceptable and responsible for persons who perform comparable work. The remuneration policy should enable the Foundation to attract and retain qualified personnel.

3.2 Board of Directors

The Board is charged with the management of the Foundation, and more in particular with the management and administration of the Foundation's means, the adoption of the budget of income, including distributions and funds to be made available in view of the realization of the Foundation's objectives. The Board is entitled to accept (and refuse) donations on behalf of the Foundation. No donations shall be accepted which are made under conditions contrary to the objectives of the Foundation or its Policy Plan.

The Board consists of:

Chair: Melanie Smith

Secretary: Tamar Matalon

Treasurer: Oliver Plunkett

Member: Mirjam van der Zanden

Members of the Board do not receive any remuneration in return for performing their duties as member of the Board.

4. Source, management and destination of funds

The Foundation relies on donated financial instruments from which it pursues its public interest objectives. As such it does not pursue a policy of active public fundraising.

The Foundation does not currently expect to receive any further significant sums by way of donation but will rely for the time being on generating funds through investment returns, discussed further below.

The Foundation, while seeking the limits of its organisational capacity, strives to use all of its realised annual income and gains in pursuit of its objectives each year and on maintaining the Foundation. In case the annual income and gains realised are not fully spent, the Foundation is committed to spend this within a maximum of three years over its primary focus areas healthcare, education and poverty according to a predetermined allocation key on the basis of which these primary focus areas are proportionally funded.

5. 2021 Financial information

5.1 Investment Portfolio

Over the past few years, the Foundation has reallocated its passive investment portfolio to further diversify its investments and to mitigate the investment risk. The Foundation seeks to generate a stable income with its passive investment portfolio that can and will be spend on the pursuit of its objectives and maintaining the Foundation. Therefore, in the reallocation process it was of importance that (part of) the investments can be monetised in the short term.

Results

The Foundation securities and interest are revaluated to the year-end market value and exchange rates as per 31 December 2021: the interest in the passive investment entity is considered at net asset value as per year-end. The securities comprise of (donated) fund units and are considered at market value at year-end for accounting purposes. Furthermore, the interest in its passive investment entity is denominated in USD and the fund units are denominated in GBP and have been converted into EUR.

In 2021, the Foundation's passive investment portfolio has achieved an unexpected and extraordinary unrealised result. The Foundation wants to ensure, however, that its aims of capital preservation and

income generation and liquidity are continued to be met and will therefore monitor the performance of its assets during the coming period to see if an upward trend continues, and if and to what extent this would affect its spend and the composition of its investment portfolio.

With the available funds, the Foundation makes donations to the various charitable projects that are being identified. In 2021, The Foundation achieved a net realised result of EUR 6,591,617 on its investments.

Although not actively promoting open applications, the members of the board of the Foundation will consider these requests during the Foundation's two-yearly funding rounds, if deemed fit.

5.2 Budget

Spend 2021

The budget for 2021 was set at EUR 4 million intended for outgoing donations and the funds for maintaining the Foundation. The total amount of outgoing donations was EUR 3,321,065 and the maintenance costs were EUR 211,665. The 2021 budget and therefore also the net realised result on its investments has not been fully spent: this second year of the pandemic led to less project funding by the Foundation than envisaged. As mentioned earlier, the Foundation will spend this within a maximum of three years over its primary focus areas healthcare, education and poverty according to a predetermined allocation key on the basis of which these primary focus areas are proportionally funded.

Budget 2022

The Foundation acknowledges that the exceptional unrealised result and the higher net realised result on its investments could have certain consequences for its spending policy in the short term, also considering the capacity of the Foundation. Therefore, the Foundation will increase its total yearly budget to EUR 6 million for 2022, albeit the Foundation may at its discretion spend more or less than the available amount depending on the appropriateness and relevance of project proposals it has the opportunity to consider. The Foundation aims to allocate the budget for 2022 to the primary focus areas as follows, taking into consideration existing commitments as well:

The Promotion of Health and Healthcare: EUR 1,500,000

The Advancement of Education: EUR 4,000,000

The Relief of Poverty: EUR 500,000

Continuity and committed multi-year donations

In order to cover short-term financial risks with the aim of guaranteeing that the Foundation will continue its activities in the future and is able to meet its future commitments (multi-year funded projects), the Foundation reserves an amount of EUR 4,471,925.85.

6. Statement of income & expenditure

		2021		2020	
		€	€	€	€
Incoming donations	[1]	-		-	
Result securities	[2]	<u>38.546.218</u>		<u>10.044.082</u>	
Income			38.546.218		10.044.082
Outgoing donations	[3]	(3.321.065)		(2.466.472)	
Personnel expenses	[4]	(90.687)		(17.929)	
Housing expenses	[5]	(1.691)		(1.396)	
General expenses	[6]	<u>(119.287)</u>		<u>(257.027)</u>	
Expenditures			(3.532.730)		(2.742.824)
			<u>35.013.488</u>		<u>7.301.258</u>
Operating result					
Exchange differences	[7]	(6.641.895)		(4.146.306)	
Interest expenses	[8]	<u>-</u>		<u>-</u>	
Total financial income and expenses			(6.641.895)		(4.146.306)
Share in result of passive investment company	[9]		9.043.440		5.265.133
Result			<u><u>37.415.033</u></u>		<u><u>8.420.085</u></u>

Notes to the Statement of Income & Expenditure

	2021	2020
	€	€
Incoming donations [1]		
Securities	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Result securities [2]		
Financial instruments	38.546.218	10.044.082
	<u>38.546.218</u>	<u>10.044.082</u>
	<u>38.546.218</u>	<u>10.044.082</u>
Outgoing donations [3]		
The advance of education	(2.631.674)	(1.942.247)
The promotion of health and healthcare	(689.391)	(382.298)
The relief of poverty	-	(141.928)
	<u>(3.321.065)</u>	<u>(2.466.472)</u>
	<u>(3.321.065)</u>	<u>(2.466.472)</u>
Personnel expenses [4]		
Wages and salaries	(71.226)	(13.088)
Social security expenses	(13.454)	(2.246)
Pension expenses	(5.160)	(1.140)
Other personnel expenses	(847)	(1.455)
	<u>(90.687)</u>	<u>(17.929)</u>
	<u>(90.687)</u>	<u>(17.929)</u>
Housing expenses [5]		
Cost of hiring office space	(1.691)	(1.396)
	<u>(1.691)</u>	<u>(1.396)</u>
	<u>(1.691)</u>	<u>(1.396)</u>
General expenses [6]		
Administrative expenses	(13.772)	(141.108)
Legal expenses	(29.961)	(47.837)
Bank charges	(75.297)	(45.596)
Consultancy fees	-	(17.206)
Tax advisory expenses	-	(5.101)
Other general expenses	(257)	(179)
	<u>(119.287)</u>	<u>(257.027)</u>
	<u>(119.287)</u>	<u>(257.027)</u>
Exchange differences [7]		
Passive investment entity	3.659.372	(3.466.531)
Loan to EdCity	-	(471.068)
Bank and other third parties	(10.301.267)	(208.707)
	<u>(6.641.895)</u>	<u>(4.146.306)</u>
	<u>(6.641.895)</u>	<u>(4.146.306)</u>

Interest expenses [8]

JP Morgan Bank

-	-
<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>

Share in the result of passive investment entity [9]

Passive investment entity

9.043.440	5.265.133
<u>9.043.440</u>	<u>5.265.133</u>
<u>9.043.440</u>	<u>5.265.133</u>