

Stichting The Elba Charitable Foundation



**REPORT OF THE BOARD OF DIRECTORS
2018**

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Chairman's foreword

With great pleasure we herewith present the 2018 annual report of Stichting The Elba Charitable Foundation (hereafter, the "Foundation").

During the past year the Foundation's primary spend was on the UK education charity Absolute Return for Kids (hereafter "Ark"). This amazing organisation brought exiting opportunities to support some really meaningful projects and to follow up on the main aim of Ark to make sure that all children, regardless of their background, have access to a great education and real choices in life.

One of Ark's current outstanding projects to which the Foundation was delighted to contribute by way of making a donation - and granting a substantial philanthropic loan in the beginning of 2019 - is EdCity: a multi-million non-profit project to create an education and charity hub in White City, England – bringing social and educational benefits to the local community. When the development of this fantastic educational hub is complete, it will provide for shared office space for mission-aligned charities, as well as a high quality primary school, a nursery, new youth facilities, an adult education center and new affordable homes.

Apart from some significant outcomes from the Foundation's endowment to Ark, the Foundation also has committed itself to donate to various projects initiated by Oxford University such as OXPLORE, an innovative digital outreach portal initiated by Oxford University for young people as part of its commitment to reaching the best students from every kind of background. Moreover the Foundation also made a donation to a wonderful UK based charity named Inn Churches, which provides shelter in religious houses that are empty as well as practical support – e.g. life skills - to people who are homeless or vulnerably housed. The Foundation supported the Storehouse Project which included upgrading their café and offering training for homeless people to develop their cooking skills and build up resilience, to ultimately facilitate working their way out of poverty.

We proudly look back at the past year and profoundly belief that the projects that are funded will help further the Foundation's objectives to relief poverty, to advance education and to promote health and healthcare for communities in need throughout the world.

Wouter Beezemer

Chairman

June 28, 2019

Report of the Board of Directors

1.1 Objectives of the Foundation

The objectives as stipulated in the deed of incorporation of the Foundation are:

- i) The Foundation's objective 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 objects;
- ii) The Foundation intends to be an ANBI and to be classified as such by the Dutch tax authorities;
- iii) The Foundation is a non-profit organization.
- iv) The Foundation is not allowed to repay any donations it has received.

The Foundation achieves these 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 Charitable Stichting (“Algemeen Nut Beogende Instelling”)

1.2 Activities

The Foundation improved its approach to assessing grants by formalising the approach to Governance by holding two board meetings each calendar year. A formal process of evaluating the investment portfolio on an annual basis has been introduced as well.

The Foundation supported Ark’s EdCity, a major non-profit project to create an education and charity hub in White City, a district of London– bringing social and educational benefits to the local community. It also supported the Ark William Parker Academy and the charity Inn Churches.

The Foundation donated GBP 2,155 million during 2018

2. Future outlook

2.1 Focus

The overall mission of the Foundation is 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.

2.2 Activities

Ark’s EdCity will be the long–term home for Ark, Ark Schools and Ark Ventures. During the first quarter of 2019 the Foundation shall provide a significant philanthropic loan to Ark for the EdCity project and shall closely follow the development of the educational and charitable hub as the project further evolves until its expected finalisation in 2023.

The Foundation is looking forward to make donations to Oxford’s OXPLORE project and to the Rothermere American Institute (“RAI”) in the first quarter of 2019. Through the OXPLORE project, a platform is being created for two major ambitious programs – “Opportunity Oxford” and “Foundation Oxford”– aiming to increase significantly the number of most

promising students from groups who are currently under-represented in Oxford. Opportunity Oxford is aimed at students from more disadvantaged socio-economic backgrounds.

In addition The Foundation committed itself to donate to RAI that was created in 2001 as a department of the University of Oxford to promote within and beyond Oxford 'greater public and academic understanding of the history, culture and politics of the United States'. The RAI seeks to create scholarship fund for graduate students commencing a Doctor of Philosophy course in the area of American history or American politics at the University who demonstrate exceptional academic merit and/or potential

The Foundation will continue to look for new projects to fund which will enable us to meet the missions set in 2018. Given the focus on education broadly and specifically schools serving lower socio-economic groups the Foundation intends to intensify the funding of those projects either initiated by Ark or any other nonprofit organisation which share the same focus.

3. Organisation

3.1 Foundation details

The Foundation is registered with the Dutch tax authorities as a Charitable Stichting (“Algemeen Nut Beogende Instelling”) under RSIN: 857437434 and is also granted the status of Charity by the HMRC (United Kingdom) and is an IRC Section 501(c) organisation under US law.

Please be informed regarding the contact details of the Foundation:

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

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.

During 2018 Tijn van Hooven resigned as chairman of the board and Wouter Beezemer was appointed as his replacement. The Board now consists of:

Chairman: Wouter Beezemer

Secretary and Treasurer: Melanie Smith

Member: Oliver Plunkett

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

4. Source, management and destination of Funds

The Foundation relies on donations and investment returns to generate funds from which to pursue its public interest objectives. As such it does not pursue a policy of active public fundraising.

It is very difficult to forecast with certainty the amounts of contributions that the Foundation will receive. In 2017 and 2018, the Foundation received substantial gifts. In the following years the Foundation expects to receive further significant sums by way of donation and investment returns. It anticipates generating up to EUR 2 million per annum in investment income and gain.

The Foundation expects to use between 25% and 75% of its annual income and gains in pursuit of its objectives each year. The Foundation Board anticipate the level of giving will increase in future years as suitable projects are identified. All administrative costs are kept on a reasonable level in order to grant as much money as possible to the cause. Less than 5% of the Foundation's income is spent on administration.

5. Budget

The Foundation is expected to receive further donations and investment returns during 2019. With the available funds the Foundation shall make its donations to the various charitable projects and will grant a significant philanthropic loan to Ark’s EdCity project in the amount of GBP 8 million. It is agreed to hold two board meetings each calendar year in which it will be decided which non-profit organisations are eligible for a donation by the Foundation. For this purpose a total yearly budget in the amount of GBP 4 million will be made available.

During 2019 the Foundation will reallocate its investment portfolio in order to get more liquidity, more income generation and diversification..

Finally, the administrative expenses of the Foundation are expected to be less than 5% of the annual income and gains

6. Statement of income & expenditure

		2018		2017	
		€	€	€	€
Incoming donations	[1]	47.799.815		29.538.848	
Result securities	[2]	<u>(698.811)</u>		1.011.796	
Income			47.101.004		<u>30.550.644</u>
Outgoing donations	[3]	2.455.416		-	
General expenses	[4]	<u>129.074</u>		<u>12.019</u>	
Expenditures			2.584.490		12.019
Result			<u>44.516.514</u>		<u>30.538.625</u>

Notes to the statement of income & expenditure

	2018	2017
	€	€
Incoming donations [1]		
Securities	<u>47.799.815</u>	<u>29.538.848</u>
Result securities [2]		
Financial instruments	<u>(698.811)</u>	<u>1.011.796</u>
Outgoing donations [3]		
ARK (EdCity office), United Kingdom	2.279.720	-
ARK (Ark William Park Academy), United Kingdom	113.103	-
Inn Churches, United Kingdom	<u>62.593</u>	-
	<u>2.455.416</u>	<u>-</u>
General expenses [4]		
Administrative expenses	63.234	12.019
Bank charges	33.859	-
Legal expenses	31.170	-
Exchange difference bank accounts	763	-
Other general expenses	<u>48</u>	-
	<u>129.074</u>	<u>12.019</u>