

Stichting The Flotilla Charitable Foundation



**REPORT OF THE BOARD OF DIRECTORS
2018**

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Chairman's foreword

It is our great pleasure to present the annual report of Stichting The Flotilla Charitable Foundation (hereafter, the "Foundation").

The Foundation's primary spend for 2018, was on the scientific expedition to Antarctica (Weddell Sea), the total spend was \$ 3,8 million. The expedition was organised by an external project manager and a team of experts across the Polar Community.

As the Foundation is a great supporter of seabed and oceanic scientific research, our aim is to ensure the knowledge we gain from the expedition, is shared with the public to illustrate the effect that global warming is having on our planet and marine eco systems.

The Foundation intends to share this information with schools across the globe to ensure that the younger generation are benefiting from this knowledge and are learning what effect it could have on the whole world.

The Foundation reviewed it's focus on how we can conserve, protect and improve the environment specifically in the oceans and seas of the world and agreed that single use plastics was a major problem affecting our oceans and this would be a one of the primary focuses in the future.

Wouter Beezemer
Chairman of the Board

June 28, 2019



1. 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) To promote for the benefit of the public the conservation, protection and improvement of the physical and natural environment and in particular of the oceans and seas 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 a Charitable Stichting (“Algemeen Nut Beogende Instelling”) 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 engaging a consultant to research projects which match it's objectives. It was also agreed to formalise the approach

to Governance by holding two meetings each calendar year. A formal process of evaluating the investment portfolio on an annual basis has been introduced.

The Foundation supported the Weddell Sea Expedition which was an unprecedented opportunity to investigate and explore the most remote, and least studied place on the earth. The Foundation donated \$ 3,8 million during 2018.

2. Future outlook

2.1 Focus

The overall mission of the Foundation is to enhance mankind's relationship with the marine environment, to create a long term sustainable future for the planet. The two objectives for the Foundation in order to achieve this mission is to end plastic pollution and promote the protection of marine habitats, either by collaborations with potential partners or by direct donations.

The Foundation's strategic approach will be to fund innovative and solution-orientated projects, to invest in research and exploration as well as in education campaigns to create more public engagement. The Foundation will use the following principles when reviewing projects; impact, sustainability, feasibility and innovation.

The Foundation is expected to receive additional sums by way of private donations and investment returns.

2.2 Activities

The Weddell Sea Expedition will be undertaken in the first quarter of 2019. The scientists will all be tasked with ensuring their results are analysed and scientific papers are produced. These papers will be made publicly available and provided to policy makers to ensure the information gained on the

expedition is utilised to its full potential; with the ultimate goal of obtaining a marine protected status for the Weddell Sea.

The Foundation will continue to support the outreach program of the expedition within schools to increase public engagement, one of the Foundations objectives.

The Foundation will look for new projects to fund which will enable us to meet the missions set in 2018.

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: 857437719 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 68430183.

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 2019 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 a substantial gifts. In the following years the Foundation expects to receive further significant sums by way of donation and investment returns.

The Foundation expects to use at least 75% of its annual income and gains in pursuit of its objectives each year. All administrative costs are kept on a reasonable level in order to grant as much money as possible to the cause. The Foundations aim is to spend less than 5% of its income on administration.

5. Budget

The Foundation is expected to receive further donations and investment returns during 2019. With the available sums the Foundation shall amongst others further fund the Weddell Sea Expedition and its outreach program. The expedition will take place in the first quarter of 2019. The related budget amounts to approximately USD 4,5 million.

As per 2018 it was agreed to implement a two yearly funding cycle 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 USD 1,5 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. In this respect, the Foundation has also identified a low risk US fund with attractive returns in which it is intended for the Foundation to indirectly participate for an amount of USD 4,7 million.

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]	5.762.202		29.538.848	
Result securities	[2]	<u>(1.039.669)</u>		1.011.796	
Income			4.722.533		<u>30.550.644</u>
Outgoing donations	[3]	3.607.397		-	
General expenses	[4]	<u>241.155</u>		<u>12.112</u>	
Expenditures			3.848.552		12.112
Result			<u>873.981</u>		<u>30.538.532</u>

Notes to the statement of income & expenditure

	<u>2018</u>	<u>2017</u>
	€	€
Incoming donations [1]		
Securities	<u>5.762.202</u>	<u>29.538.848</u>
Result securities [2]		
Financial instruments	<u>(1.039.669)</u>	<u>1.011.796</u>
Outgoing donations [3]		
Maritime Archaeological Consultants, Switzerland	2.947.190	-
Scott Polar Research Institute, United Kingdom	398.237	-
Royal Geographical Society, United Kingdom	89.981	-
The Explores Club, United States of America	69.778	-
NEKTON Foundation, United Kingdom	64.111	-
National Research Foundation, South Africa	38.100	-
	<u>3.607.397</u>	<u>-</u>
General expenses [4]		
Administrative expenses	101.243	12.112
Legal expenses	73.835	-
Bank charges	38.043	-
Consultancy fees	15.677	-
Exchange result bank accounts	11.609	-
Other general expenses	748	-
	<u>241.155</u>	<u>12.112</u>