

VANDERES

foundation

Annual Report 2020



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Foreword and board report 2020

The year 2020 proved to be challenging at many different levels for humanity as a whole, but it was a rather quiet year for the Vanderes Foundation. As the Covid-19 pandemic raved through large parts of the world, ending lives, disrupting economies and challenging mental health for the young and old alike, we saw many Covid-related interventions pop-up. In line with the ideas of Effective Altruism however, we did not deviate from our strategy to respond to the emergency, as many other philanthropists and foundations have done. We continued to focus on underfinanced solutions, where we believe we can make the biggest impact.

Mid 2020 we successfully updated our organisation's bylaws which marked the official start of our new strategy. And at the end of the year, we made our annual donations. These donations reflected the philosophy behind our new strategy, although the returns that we could donate, came from our initial core capital (our founding capital), which is restricted to the educational sector. We split our donation between two charities: Teaching at the Right Level (TaRL) Africa and the Iodine Global Network (IGN).

[TaRL Africa](#) is the spin-off of a program called Teaching at the Right Level, which was developed by [Pratham](#) and MIT's [J-PAL](#) and our chosen beneficiary last year. The program focuses on lobbying governments to put children together based on their academic capabilities instead of age, which improves the learning outcomes tremendously. TaRL Africa is the "great marriage of Pratham's visionary approach and J-PAL's commitment to improving outcomes and cost-effectiveness of policy by scaling evidence-based programs" as Alison Fahey of J-PAL so beautifully said. We are very happy to support that effort to scale-up the intervention.

The second charity we supported this year is the [Iodine Global Network \(IGN\)](#), which 'supports and catalyses global and national iodine programs, working with key public, private, scientific and civic stakeholders.' To be honest, I was not even aware children need iodine in order to develop their frontal cortex nor that an iodine deficiency could lead to a reduction of 10–15 IQ points. And even though one could argue IGN is a charity operating in the health care sector, our board members agreed that supporting IGN made perfect sense. It's a proven, super effective charity, that allows children to reach their full physical learning potential.

IGN works with partners like UNICEF and USAID to provide iodine to iodine deficient populations. Their own work occurs on a higher level to accelerate the progress to eliminate iodine deficiency by doing research, lobbying at governments, etc. For both TaRL Africa as well as IGN it holds that they are not the people with the gripping stories of happy children receiving their support. These organisations basically pave the road for others to implement these interventions in the best possible way.

It can be difficult to feel a 'warm glow' when giving to organisations that lobby with local governments and carry out research. Very different from receiving a message from one of our initial partner's graduates, sharing her plans for the future.

But if you agree that the lives of all human beings are equal, then you have to think 'bigger picture'. We feel that it's our obligation to do the best we can. That means we support the most effective programs we can find and don't care what it is that they are doing, as long as they create the most Learning Adjusted Years of Study (LAYS) or Quality Adjusted Life Years (QALYs) as possible. So, we make use of experts, people who dedicate their time to finding and evaluating the most effective charities around the world and follow their advice.

We don't claim any credits for finding these two amazing charities and support their work. It's important to remember how biased human beings are; how bad we are in understanding scale and how much time it costs and knowledge you need, to find the best charities out there. By taking our ego's out of the decision-making process and trusting experts like [GiveWell](#), [Founders Pledge](#) and [J-PAL](#) we can do so much better.

Warm regards,
Mirte Gosker - Chair

About us

The Vanderes Foundation is a Dutch certified Public Benefit Organisation (PBO, better known as ANBI in the Netherlands). We are a capital fund, aiming to maximize returns in order to maximize our donations to the most impactful philanthropic interventions. We fiercely believe that philanthropy, if carried out based on evidence, has the power to transform the world for the better.

By default, we donate to the [Effective Altruism Funds](#). These funds are run by experts, who spend a lot of time researching the most effective philanthropic interventions in the following cause areas: [Global Health and Development](#), [The Long-Term Future](#), [Animal Welfare](#) and [Effective Altruism Meta](#). Where we feel we can have an outsized impact by supporting a specific intervention directly, our board can decide to do so on a case-by-case basis.

Mission statement

Our aim is to reduce suffering as much as we can. And while doing this, we include all sentient beings and future generations in our moral circle.

Vision

We believe that we can maximize our impact by focusing on problems that are big, solvable and neglected.

PARTNERSHIPS

As part of our initial strategy (2017-2019) we are currently still heavily invested in five social enterprises that provide student financing solutions in Southeast Asia, Africa and South America.

Lumni is the first and largest organization in the world that got success with Income Share Agreements (ISAs). Lumni is active in Peru, Colombia, Chile and the USA (focusing on underprivileged students). The Vanderes Foundation invested in the second Colombian fund which will have a runtime of around 10 years. Lumni is in the process of transferring its trust. It is proving to be quite a challenge for a Dutch foundation to get all the paperwork in order for this transition. We are therefore looking at potential solutions, including selling our investment back to Lumni or another investor.

Incomes and loan repayments at **Zomia** were negatively impacted by Covid-19. Among the 60 students supported by the Vanderes Foundation (VDS), nine were in deferment at year-end compared to five at the end of 2019. Average incomes fell, although this primarily resulted from new graduates entering a tight job market (and not existing incomes actually decreasing). The updated income multiple among VDS graduates is now about 4.6 compared to Myanmar workers without a higher education degree; in prior years, we'd estimated this to be closer to 7x. One VDS-supported student withdrew from her program to marry and have a child. She did begin repayment, however, and is on track to repay her loan in full. Of the 40 VDS students no longer in school, she is the first to leave without earning a degree. We expect to have seven VDS-supported students still in school at the end of 2021, but all should finish programs in 2022. Despite challenges related to Covid-19, we saw record repayment counts and value in 2020, along with a record number of graduations. The Vanderes Foundation had collected over \$20,000 in student repayments by December 31st, and Zomia processed our first \$10,000 withdrawal in November (\$10,000 was recycled to support students in 2019 before VDS shifted focus and requested periodic withdrawals).

We gave a 12-month US\$100,000.- loan (9% interest) and an 18-month US\$100,000.- loan (12%) to **Erudifi**, in January and December respectively. We received interest and repayments from our 2018 loan and we agreed to sell the shares of our 2018 equity investment early 2021 for a 25% return.

DANAdidik made their first repayment of a little over €3,000.-. 31% of the loans have been paid back, most outstanding loans are due in two-three years from now. Due to Covid-19, many payments are affected. Half of the students had issues repaying and this might continue until mid-next year. 82% of the cohort the Vanderes Foundation supported, are the first in their families to follow a higher education and 18% are from single parents or orphans.

The current projected annualized ROI for the 2018-2019 cohort at **Brighter Investment** is 8.9% with a projected current value of US\$119,366.-. 80 Students are still studying, 43 are in their transition period, one is repaying and one is done with their repayments. Of the total 223 students who are currently studying with a Brighter Investment ISA, 32% are pursuing a science degree (mostly applied sciences), 40% are pursuing an engineering degree, 11% are pursuing IT related degrees, and 17% business-related degrees (accounting, finance, business, etc.). Brighter Investment increased its female intake from 10 to 17%. The percentage of our graduate students that were not working this summer has increased from 5% to 8% and will go up further when we include the next cohort finishing their national service. It will go down again when these students find jobs over the next few months. We associate the increase compared to last year at the same time with the general halt on economic activities we experienced around the world due to the COVID-19 pandemic. Although this is not where we want it to be, unemployment remains within the bandwidth used for our financial projections. With the lockdown over, and investments in mining, infrastructure, and IT increasing again, we're working hard with our mentors and unemployed students to get them back to work as soon as possible.

Financial Report

Balance sheet

Balance sheet per 31 December 2020				
	31 Dec'2020		31 Dec'2019	
ASSETS				
Financial fixed assets				
Other long-term investments	176,742		183,176	
		176,742		183,176
Current assets				
Other current assets	4,884		-	
Investments	334,337		346,707	
		339,221		346,707
Liquid assets				
Liquid assets	233,938		280,292	
		233,938		280,292
		749,901		810,175
LIABILITIES				
Capital				
Core capital	756,908		756,908	
Cumulative operational result	(33,120)		34,738	
		723,788		791,646
Provisions				
Other provisions	26,113		18,529	
		26,113		18,529
Long-term liabilities				
Other long-term debt	-		-	
		-		-
Short-term liabilities				
Accounts payable	-		-	
Other short-term liabilities	-		-	
		-		-
		749,901		810,175

Statement of Income and Expenditure

Statement of Income and Expenditure			
	<u>31 Dec'2020</u>	<u>31 Dec'2019</u>	
Operational income	-	-	
Donations received	-	200	
Total income	-	200	200
Donations made	(34,786)	(3,175)	
Office cost	(124)	(129)	
Administrative cost	(1,647)	(1,320)	
Operational cost	(36,557)	(4,624)	(4,624)
Interest cost	-	-	
Interest income	24,076	35,355	
Foreign exchange	(47,793)	10,122	
Credit provision	(7,584)	(9,295)	
Financial income	(31,301)	36,182	36,182
Operational result	(67,858)	31,558	31,558
Result for the year	<u>(67,858)</u>	<u>31,758</u>	<u>31,758</u>

Explanatory notes to the financial accounts

Overall

Activities

The activities of the foundation are limited to investing our core capital and donating our returns to make the biggest impact we can. Any returns on the core capital which we received before our strategy change mid 2020, is to be donated within the cause area of education. Any donations we receive after the strategy change will be donated to the EA Funds by default, unless we feel we can create a bigger impact donating elsewhere.

Founding

The foundation was founded on 7 May 2017.

Considerations in drawing up the annual accounts

The annual accounts were prepared in accordance with the Title 9 Book 2 BW and the Guidelines for the preparation of annual accounts for small entities, published by the Council for annual accounts. The annual accounts were prepared in euros.

The valuation of assets and liabilities and the calculation of the result are done on the basis of historic cost. Unless stated otherwise the assets and liabilities are reported at nominal value. Income and cost are attributed to the year they apply to. Profits are account for in case they are realised by the balance date. Liabilities and possible losses, originating from before the end of the financial year, are taken into account in so far as they are known while drawing up the accounts.

Considerations in valuing assets and liabilities

Assets and liabilities

The assets and liabilities are, overall, valued at nominal value, unless otherwise indicated.

Liquid assets

The liquid assets are, as far as not otherwise indicated, freely available to the foundation and pertain to assets held in bank accounts.

Long-term liabilities

The long-term liabilities are liabilities, including loans, with a maturity of more than a year.

Fundraising

We do not fundraise externally. The Vanderes Foundation is a family foundation and therefore only accepts donations from family members.

Fund management

Our aim is to maintain our capital and thus grow our funds available for our mission and create an ever-increasing impact. We have currently not mandated an external fund manager yet.

Board Members

The Vanderes Foundation has an independent board consisting of three members:



Chair Mirte Gosker has a Master's in International Development Studies from Wageningen University and completed the INSEAD Social Entrepreneurship Programme in 2017. With a background in research on humanitarian logistics and entrepreneurship she now works as Acting MD for The Good Food Institute Asia Pacific. She is a member of the Effective Altruism movement in Singapore and is dedicated to making the foundation as effective as possible.



Secretary Inge van Dasselaar has a double degree Masters in Forest- and Nature Conservation and Leisure, Tourism and Environment both from Wageningen University. In her daily working career, she runs a business focused on forest and nature management. She wants to contribute to a better world.



Treasurer Nienke Budde is an international C-suite consultant and coach. She has an MBA from INSEAD and degrees from Harvard, Stanford and Oxford Business School. She has worked at various types and sizes of organisations, in the Netherlands as well as in Asia and Africa. Nienke has visited over 150 countries and is an amateur photographer. She has an online training and coaching platform that helps women reach their full potential.

None of the board members are remunerated for their work for the Vanderes Foundation.

The foundation has no full-time employees, nor any people or organisations, that receive any remuneration for their services or time, from the foundation.

Signage

Amsterdam, 16 July 2021,

Mirte Gosker – Chair

Nienke Budde – Treasurer

Inge van Dasselaar – Secretary