

MEANINGFUL MILES FOUNDATION



Extended annual report 2015 - 2016¹

¹ Following Meaningful Miles' articles of incorporation dd 13 March 2015, the first reporting bookyear ended on 31 December 2016.

Meaningful Miles, (extended) annual report 2015 – 2016

1. Key organizational data

Stichting Meaningful Miles

Tugelaweg 47C

1092 VH Amsterdam

The Netherlands

info@meaningful-miles.org

www.meaningful-miles.org

Chamber of commerce:

62872508

Tax ID:

8549.92.789

2. Management

Lodewijk Wesselink - Chairman

Maarten van den Berg - Secretary

Paul van Helden - Finance

Meaningful Miles' management and other people active for the foundation do not receive a salary nor any other form of remuneration.

3. Vision, Mission Strategy

Vision - *The world is a clean place where all humans and all animals live side by side in comfort and peace.*

Mission - *Contribution to achievement of the Vision through project support, education and example setting.*

Strategy - *Achieve the Mission through active lobbying and financial support for a selection of relevant charity projects, financed with Meaningful Miles' unique charity fundraising sponsorship program.*

4. Purpose, policy and activities

Meaningful Miles' statutory goal is: To fundraise for a selection of charities, as well as any and all activities supporting and related to that goal.

Meaningful Miles is a non-profit charity foundation that offers a unique sponsorship program to make the world a better place: We offer Business class air travelers the opportunity to swap their Business class seat for an Economy class seat. Via Meaningful Miles' donation program, the travelers who downgrade their seats for a better world can donate this amount to one or more project(s) of their personal choice out of a preselection of 9 charity projects in 3 different categories: Child education, Animal welfare & protection, and Environment.

All funds raised and any other funds under management by Meaningful Miles are held on a checking and savings account at Triodos Bank, a reputable Dutch bank that prides itself on

sustainable banking. We only spend money in pursuit of our statutory goal and *Vision - Mission - Strategy* statement. Meaningful Miles management does not receive a salary nor any other form of remuneration, and overhead expenses are kept to a minimum. For the sake of full transparency, any Meaningful Miles sponsor can have insight into our financial accounts at all times, including monthly bank statements of our two Triodos bank accounts.

Meaningful Miles' operational activities consist of:

- a) Identification of potential (corporate) sponsors/participants of the Meaningful Miles program.
- b) Approach the potential sponsor/participant.
- c) Further presentation/explanation to the potential sponsor/participant in order to convince them to register for the program.
- d) Once an organization registers: Inform their employees about the possibilities and functioning of the flight donation program.
- e) Selection of the beneficiary charity projects of the Meaningful Miles flight donation program: 9 charity projects in 3 different categories: Child education, Environment, and Animal welfare & protection.
- f) Contact with and monitoring of these 9 preselected beneficiary charity projects.
- g) Managing website and social media.
- h) 'Back office' activities: Administration, presentation, internal dialogue.

5. Beneficiary projects

As mentioned above, Meaningful Miles has selected 9 charity projects in 3 different categories as possible beneficiaries of the amounts to be donated.

The three categories are: Child education, Animal welfare & protection, and Environment. In line with our *Vision* as formulated above, these categories have in common that they are aimed at structurally increasing quality and sustainability of life on this planet, not only today but also into the long term future. If we offer poor children the right education, they have a carefree and playful life today, and they have better prospect for a good life when they grow up. If we protect threatened and/or abused animals, they have a better life today, and the world's biodiversity will continue to flourish into the future. If we protect the environment, we have a cleaner world today, and future generations will still have a nice place to live in.

Below is a resumee of the 3 categories and the 9 preselected beneficiary charity projects.

5.1 Child education

Each child deserves a good education, a carefree and joyful childhood, and a fair chance for self-development. That is a basic value which doesn't need explanation.

Besides youthful joy and self development, there is another important aspect of schooling: A well educated person is (should be) a more responsible person. Especially if global awareness and sustainability has been part of this education. Therefore we check that all

educational charities that receive Meaningful Miles' support, include sustainability awareness and responsibility in the learning program.

Find below three educational charities that do fantastic work to give poor children a real chance in life.

Weeshuis Sri Lanka

Weeshuis Sri Lanka -also known as *Somawathi Holland House of Hope*- provides shelter, education and care to underprivileged children in the town of Habaraduwa, Southern Sri Lanka. Besides a children's orphanage, the Somawathi House is also a community center. Actually, Somawathi can also be described as a Village of Hope, because since foundation in 2004, the project has grown to a small settlement on 40,000 m² of land, with school buildings, a medical post, a sports field, living facilities, utilities et cetera. Even children who don't live inside Somawathi get access to free education, and the medical post is also accessible for people from around the area. The children stay until the age of 18, which gives them an upbringing with hope for a bright future, and respect for local values, culture and nature. Dutch Ms Marja van Leeuwen was inspired to start Somawathi after she first visited the area only to bring medicine, right after the devastating tsunami of December 2004. www.weeshuisrilanka.nl

Estrela da Favela

Estrela da Favela provides education and sports facilities for underprivileged children in the violent slums -the so called 'favelas'- of Rio de Janeiro. These areas have been neglected by the authorities (including the police) since the 1980's and as a result, organized crime is fully in charge. Due to this lawless situation, basic public services such as hospitals and schools are not in place, or very poorly organized. Children don't have the possibility to learn and have fun, and without any hope for a better life, they themselves end up in organized crime and prostitution when they grow up. Estrela da Favela breaks this vicious cycle, by organizing education and sports activities for the children of the favelas. The NGO is incorporated in 2012 and based in the Netherlands, and it is run by a combination of Brazilian and Dutch people. www.estreladafavela.com

Cambodia Organization for Social Development

Cambodia is among the poorest countries in Asia, where education is far from a given fact. Especially outside of the cities, going to school is a privilege rather than a right. Children at young age are put to work, to contribute to the household income. Best case scenario, they at least remain with their families. However it is common practice that ignorant parents trust the fate of their children to others, on the premise that they will be taken care of and sent to school. However these 'caretakers' don't always have best intentions. All too often, the youngsters are forced to work long hours in stores or small factories, or worst case; are sold to the sex industry. The Cambodia Organization for Social Development (COSD) fights for the chances of these vulnerable children. COSD develops locally run health and education programs in rural Cambodia, in order to give the children a real chance on a better future, and make a definite end to the poverty cycle that leads to child abuse. www.cosdcambodia.org

5.2 Animal welfare & protection

The world is an ingenious biological equilibrium of species, of which animal species form an important and fascinating part. Thanks to our brainpower, we humans are the most dominant

species of all. Besides a comfortable position in the biological chain, this dominance lays huge responsibility upon us. The responsibility to treat animals and environment with dignity, and to make sure they will survive. This for our sake at least as much as for theirs. We will not survive without our fellow inhabitants of this world. They are the source of most of our food, and an important part of the ecosystem that we live in. We must respect them and treat them with dignity.

The harsh reality is that we don't take enough responsibility. Too many animals are under human imposed pressure of maltreatment, or extinction, or both. The following charities fight for the fate of these animals, and we hope to give them big support.

Animals Asia Foundation

This Hong Kong based NGO fights to stop captivity of and cruel acts against animals in Asia. The horrific practice of bear bile farming is most eye catching. Endangered species Asian black bears (also known as Moon bears) are held in captivity in tiny cages, while their belly is permanently penetrated with a steel tube, to extract bile from their gallbladder on a regular basis. The bile is used for production of traditional Chinese medicine, for which there are perfect synthetic substitutes available. The cages are so small and the animals are so sick and hurt, that they can hardly move. This is their life long horrific fate, sometimes for decades. Animals Asia fights this unacceptable cruelty against a beautiful, yet endangered animal species. www.animalsasia.org

International Anti Poaching Foundation (IAPF)

African rhinos and elephants are under serious threat of extinction. Every 15 minutes, an elephant or rhino is killed for the ivory of its tusk or horn. The International Anti Poaching Foundation fights for protection and conservation of these precious animals, through direct and indirect anti-poaching activities, such as anti-poaching ranger training & field operations, conservation planning, wildlife crime information systems, local community engagement and education. The IAPF is mainly active in the Southeastern part of Africa. Ever since incorporation in 2009, the organization is led by its committed founder, Australian Damien Mander. www.iapf.org

Australian Marine Conservation Society

The oceans around Australia are among the richest, most diverse marine wildlife areas in the world. These unique waters and their vulnerable wildlife face many threats, such as whaling, shark fining and animal by catch from unsustainable fishing practices. Since 1965, the Australian Marine Conservation Society is Australia's leading non-profit marine wildlife protection organization. Among other achievements, they have played a significant role in the creation of important marine wildlife sanctuaries along Australia's pristine coasts. www.marineconservation.org.au

5.3 Environment

The environment is everything around us. It is the house that we live in, and we need it to breath, eat and drink. Without a clean environment we will not be comfortable and we will not survive. Therefore, we have to protect it and keep it clean.

Although this awareness is definitely on the rise, there is still a lot to improve. Air pollution, deforestation and huge quantities of plastic waste in seas and forests are just three examples of environmental threats that we are facing nowadays.

The following charities are fighting to protect our environment, for which they certainly deserve all possible support.

Plant for the Planet

Plant for the Planet is an educational organization for and by children from all over the world, aimed at increasing environmental awareness and responsible citizenship. It is famous for its numerous tree planting sessions, which are of symbolic as well as practical value in the fight to protect our environment. The movement started in Germany in 2007, when a 9 year old boy Felix Finkbeiner held a presentation for his classmates about the issue of climate change, and proposed that the children of the world should plant 1 million trees in every country on earth. This idea soon developed into the Plant for the Planet foundation that it is today. The organization is growing quickly: Over 14 billion trees have been planted already and more than 34,000 children worldwide are active as Climate Justice Ambassadors. www.plant-for-the-planet.org

The Ocean Cleanup

Our oceans are polluted with huge amounts of floating plastic waste. Due to converging ocean currents, much of this waste concentrates in so called gyres -also infamously known as 'plastic soups'-, of which every ocean has at least one. The Ocean Cleanup is a Netherlands based NGO, incorporated in 2013 as a spinoff from the Technical University of Delft, the Netherlands. The Ocean Cleanup has designed a unique system to collect millions tons of the plastic waste in the oceans. Pilot projects are currently underway, and within a couple of years the largest ocean cleanup campaign in history should be in full swing. www.theoceancleanup.com

World Land Trust

It is widely known that rainforests around the globe are under constant threat of loggers, miners or ranchers. UK based World Land Trust protects these pristine forests, through land purchases for habitat protection in the rainforests of Latin America, Africa and South East Asia. Co-operation with local communities and organizations ensures that the land purchases are legally valid and have local support. The purchased lands are managed and protected by local communities, also creating employment. As a result of its great work, World Land Trust has already saved half a million football fields of rainforests since its incorporation in 1989. World famous biologist and nature documentary maker Sir David Attenborough is World Land Trust's patron. www.worldlandtrust.org

6. Activities during (extended) bookyear 2015 - 2016

The extended bookyear 2015-2016 is the first reporting year for Meaningful Miles, since we were incorporated in March 2015. Until December 31 2016, we fundraised a total amount of €6330, coming from 4 different sponsors, all of them within the personal atmosphere of the founder. Total expenses amount to €4125, of which €3600 donations to our beneficiary charity projects, €191 overhead and €334 legal expense (to be clarified below). A donation of €2000 was received on October 28 2016, and not yet distributed among the projects by year end. This distribution of funds has taken place in Q1 and Q2 2017 .

All in all, this is not a bad start, however it is less than we hoped for and significantly below a fundraise income of €198.000 until end 2016, as was initially forecasted. Main reason for the disappointing fundraise income is a regrettable disagreement with the Dutch tax authority, which has severely frustrated our organization's fundraising capability and efforts. The issue at hand is as follows.

6.1 Disagreement with Dutch tax authority

Meaningful Miles was incorporated on 13 March 2015. On 29 May 2015, an application for so called 'ANBI status' was filed with the Dutch tax authority. 'ANBI' -short for *Algemeen Nut Beogende Instelling*- is a fiscal status that Dutch charity NGO's need to have, in order for their donation income to be tax exempt. Also, donators to ANBI foundations are allowed to deduct their donations from pretax income. Most developed countries have a similar provision for charity organizations in their legal/fiscal framework. For example, the USA has *501(c)(3) for charitable non-profit organizations*, Belgium has *Stichting van Openbaar Nut (SON)*, the UK has the *Charities Act 2011*. And Germany has the *Non-Profit-Organisationen* fiscal regulation.

Not having an ANBI status is a disadvantage for a Dutch charity, because it takes a tax cut out of the donated amounts available for charity work, as well as it takes away the fiscal deduction incentive for potential donators, resulting in less donations in the first place. Also, apart from the fiscal deduction incentive aspect, donators will be less likely to donate to a non-ANBI organization, because they know that part of their donated amounts will go to the tax authority instead of the charity project(s) they actually want to support. Finally, the ANBI status has a marketing effect: Donators consider ANBI status as a quality certificate of a charity organization.

For all these reasons, having an ANBI status is -in our opinion- imperative for a Dutch charity NGO.

After filing of the ANBI status application in May 2015 and a round of questions, the Dutch tax authority informed Meaningful Miles in August 2015 that it was not qualifying to receive the ANBI status. After this, we started an objection procedure with lengthy correspondence, ultimately resulting in a court case at the court of Haarlem, the Netherlands, scheduled for June 12th 2017.

The core of the disagreement is that the tax authority is of the opinion that Meaningful Miles can't qualify, because in their perception Meaningful Miles does nothing more than passing on money from a donator to a charity project of choice of the donator. This is not enough to qualify as an ANBI organization.

Our counter argument is firstly that it takes much more effort than just passing on money to actually get the money to our beneficiary projects' bank accounts. We design the program, facilitate the donation platform, create awareness through active marketing and approach, and as such try to convince organizations and people to join the program, in order to reallocate money from a business class seat to a charity project instead. Secondly, although the traveler has a selection of 9 charities to choose from, he/she is limited to just that selection. The donator can't randomly choose which organization/person/party will receive

his/her donation. Without getting into legal technical detail, this is (in our opinion) an important aspect in the disagreement with the tax authority.

This issue is taking a big toll on our organization. Various potential (corporate) sponsors of our program have indicated that indeed they insist on a charity to have the ANBI status before they even consider to sponsor, for reasons explained above. Moreover, a lot of our time and energy is being spent on the lengthy correspondence with the tax authority, which obviously is not what we intend to spend our time and energy on. Finally, there are costs involved with the procedure. Luckily we are blessed with a pro-bono law firm willing to support us in this case, however the cost to initiate the court case was €334, an amount that we would have loved to send to either one of our beneficiary projects.

We sincerely hope that the judges will rule in our favor, so that Meaningful Miles can finally fully dedicate to what it was incorporated for: Fundraise for tangible charity projects around the world.

Financial statement extended bookyear
13 March 2015 - 31 Dec 2016

Income & Expenses

INCOME

Sponsorship donations	€	6.330,00
Interest savings account	€	1,30
		<hr/>
	€	6.331,30

EXPENSES

Donations to Weeshuis Sri Lanka	€	400,00
Donations to Estrela da Favela	€	400,00
Donations to Cambodia Organization Social Dev.	€	400,00
Donations to Animals Asia Foundation	€	400,00
Donations to International Anti Poaching Foundation	€	400,00
Donations to Australian Marine Conservation Society	€	400,00
Donations to Plant for the Planet	€	400,00
Donations to Ocean Cleanup	€	400,00
Donations to World Land Trust	€	400,00
Overhead	€	11,95
Bank charges	€	178,68
Court case tax authority	€	334,00
		<hr/>
	€	4.124,63

RESULT

€ 2.206,67

Balance sheet

Dec 31, 2016

ASSETS

Checking acc. NL52 TRIO 0390 9489 69	€	155,37
Saving acc. NL65 TRIO 2024 7995 66	€	2.051,30
		<hr/>
	€	2.206,67

LIABILITIES

Debt	€	-
Equity	€	2.206,67
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	€	2.206,67

Budget 2017 - 2018

Due to the unfortunate disagreement with the Dutch tax authority (see paragraph 6.1 above), we are not able to make a forecast until after finalization of the issue.