

Update POLICY PLAN 2019

Hippo Mundo Charity Foundation

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1. General information

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Mr. Jan-Hein Staal - Chairman

Mrs. Julia Muller - Secretary

Mr. Frank J. Weggeman - Treasurer

2. Mission and goal, general description of activities

The goal and activities of Hippo Mundo Charity Foundation (the "Foundation") are described in Article 2. of the Articles of Association as follows:

1. *The foundation has as its ideal basis the Bible, understood as the Word of God.*
2. *From this basis, the foundation has as its goal:*
 - a. *The provision of support services in the areas of property law, finance, administration and organization for humanitarian and charitable activities in the broadest sense of the word;*
 - b. *To support and finance humanitarian or charitable causes.*
3. *The objective referred to in point 2. shall be achieved, inter alia, by:*
 - a. *Providing financial support to Christian and humanitarian causes, which are related to the purpose of the foundation, worldwide in the form of donations, subsidies, donations, and so on;*
 - b. *Providing loans to legal entities with a Christian and/or humanitarian objective worldwide;*
 - c. *Participating in legal entities, in particular legal entities with a Christian and/or humanitarian objective.*

3. Means of achieving the objective

The Christian work of the Foundation consists of making sure that Christians come together and that they can hear the Christian message.

The Foundation's humanitarian work consists of helping people "to help themselves" so that they can be self-sufficient. To a large extent, this is carried out in the form of development programs for young people.

3.1 Target expenditures in the past

In recent years, the Foundation has worked on the construction of meeting rooms and regional churches (also known as conference centers) for Christian congregations in Cameroon, Romania, New Zealand, Argentina, Ukraine, India and China, including in countries with limited religious freedom.

In large projects, the Foundation has worked with other non-profit organizations that also supported the construction of regional churches for Christian communities in a similar way.

3.2 Coming up: church building in Poland and Christian and humanitarian work in Africa and others

In the past few years there have been projects in the orientation and preparatory phase. It goes without saying that less money was spent in this phase. This is inherent to building processes. And there are also applications for support from the foundation that the foundation has rejected because they do not fit in well with the vision of the Foundation. All this time there were several applications 'in the pipeline of the Foundation'.

After many years of planning, a church in Poland now has concrete plans to build a church for the religious community. In addition to the members of the congregation in the local faith community, this church must also accommodate the other members of the congregation in Poland and other parts of Eastern Europe, so that this church has a local as well as a regional function. The planning and design phase have now been completed and the shell construction phase started in the early spring of 2019. The foundation has received a substantiated application for support and has also promised support of up to a maximum amount of 1.6 million euros.

In addition to supporting church building in Poland, projects in Africa have been set in motion that the foundation wishes to support in cooperation with Stichting Wereldwijd Evangeliewerk and a religious community in South Africa. These projects provide for:

- 1) support for travel and accommodation expenses incurred in attending Christian regional church services to fellow believers who cannot afford to pay for travel and accommodation;
- 2) aid towards the costs associated with:
 - a) Church TV via a Christian channel that, among other things, broadcasts church services and creed live,
 - b) "video conference church services" between different locations where the creeds take place;
- 3) housing of Christian congregations in Africa for their church activities;
- 4) a sub-project to train particularly vulnerable people from poor and disadvantaged areas in Africa for the labour market.
 - a) as a part of this programme, the participants in this programme have the choice to participate in a Christian programme of Bible teaching.

The above activities in the continent of Africa will be organized in cooperation with BCC South-Africa and carried out in the following countries:

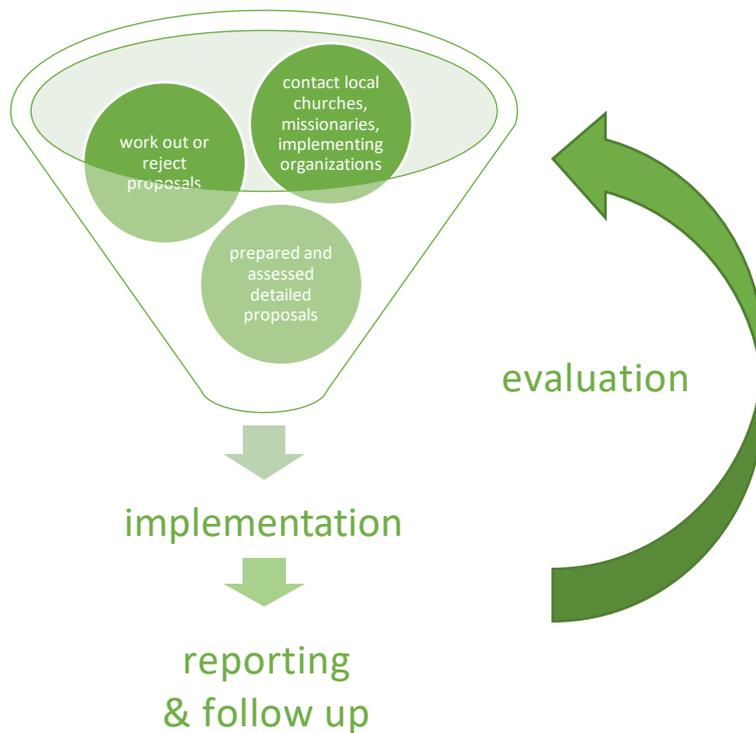
- South Africa
- Cameroon
- Kenya
- Malawi
- DR Congo
- Uganda
- Ethiopia

These projects ensure that Christians come together and that they can hear the Christian message. The sub-project on support for vulnerable people provides for "helping people to help themselves" so that they can be self-sufficient.

The board has also already made an estimate of the possible support for other projects in mission areas in the coming years. These include Brazil, Ukraine, India and Argentina.

Together with its partners Stichting Wereldwijd Evangeliewerk and Stichting Zending Wereldwijd, the Foundation draws up a joint budget for the coming years.

The assessment process of the projects that present themselves is shown in the figure below.



The start-up period from the first contacts to the construction of a church can take many years. This means that the support and conducting of missionary activities is a matter of a long-term vision and a lengthy process.

4. Origin of funds

The income of the Foundation mainly consists of initial fund formation from participations and some large donations from other charities, as well as income from active asset management. The foundation has not received any donations from private individuals. The Foundation is non-profit-making.

5. Management and use of assets

The assets of the Foundation are intended to spend the returns on projects to achieve the objective. The available funds (surplus funds) will be placed in such a way - where possible in institutions where the investment will promote the Foundation's objectives - that they provide a reasonable return until these funds are used for the general useful purpose of the Foundation. The assets can be invested in fixed-interest securities, such as loans and savings accounts.

The foundation is in the process of making its assets available. As the capacity becomes available, it will be used for the projects in Poland and Africa mentioned above.

Collaboration with Stichting Wereldwijd Evangeliewerk

In recent years there has been cooperation in various projects with Stichting Wereldwijd Evangeliewerk (WEW), which is an organization that is related to the objectives of the Foundation. Proposed donations to this foundation are not yet being made because WEW's application for ANBI - which was the subject of consultation - was unexpectedly broken off by the tax authorities.

6. Governance and compliance

The members of the board are not remunerated for their management duties. They shall, however, be entitled to reimbursement of expenses incurred by them in the performance of their duties. Remuneration may be granted for executive tasks, where applicable in accordance with the Foundation's remuneration policy, as laid down in the Remuneration Regulations.

The Foundation keeps records and draws up an annual report, consisting of a management and activity report and annual accounts. The board wants this to be approved by an auditor from 2018 onwards.

Financial policy and management are at an adequate level. The administration is set up in such a way that there is clear access to, among other things: the nature and extent of donations received, the available capital, the way in which funds are spent and the (cost) compensation of board members or supervisors. Transactions in the context of purpose spending are only carried out after detailed project applications have been assessed by the board and on the basis of a written agreement. The Foundation requires adequate accountability from organizations supported by it.

7.3 ANBI investigation

The Foundation has a dispute with the Tax Authorities about its ANBI status. The Tax Authorities have imposed several assessments of gift tax with which the Foundation disagrees and with which the Foundation has appealed.

The background to the gift tax assessments is that the Tax Authorities withdrew the Foundation's ANBI status in January 2017. The Foundation has sought the advice of a tax advisor for the guidance of this. The Foundation disagrees with the Tax Authorities conclusions on the basis of factual and legal grounds and therefore contests them. The practical implementation of this requires extra time and effort on the part of both the tax adviser and the board members.

7. Finally

In the coming months, concrete agreements will be made about the donation for church building in Poland. In the context of the proposed donations, contact is also sought with the Tax Authorities in order to obtain an ANBI-status in view of the new facts and circumstances.

This policy plan will be re-evaluated at the end of 2019 and, if necessary, adjusted by the board. The annual budget for 2020 will then also be drawn up.