

## **H.O. Foundation: 2020 Annual Report (Activity Report and Financial Report 2020, Activity Plans and Planned Budget 2021)**

20 April 2021

### Activities in 2020:

After awarding the Harry Otten Prize for the fourth time in 2019, the year 2020 was mainly used for preparing the next round of the award to be finished in September 2021. The foundation executed a number of advertisement campaigns to attract applications for the Harry Otten Prize.

The Board installed two new Board members: per 1 January 2020 Dennis Schulze (Germany) and per 1 July 2020 Aurora Bell (Australia). The treasurer David Burrige resigned from the Board per 1 May 2020 and Dennis Schulze took over all financial responsibilities. Aurora Bell filled in the vacancy in the Board created by Tanja Cegnar who left the Board per 1 January 2020.

As Leo Kroon will finish his second term as Board member per 31 December 2020, a successor was selected in the person of Gert-Jan Steeneveld (Netherlands) who will join the Board per 1 January 2021. From that day on Pamela Emch will take over as Chairman of the Board.

On 1 June 2020, the European Meteorological Society (EMS) and the Harry Otten Foundation formalized their close cooperation. A *Memorandum of Understanding*, signed by both Robert Riddaway (President of the EMS) and Leo Kroon (Chairman of the Harry Otten Foundation), specifies the arrangements for the Harry Otten Prize that is awarded biennially at the EMS Annual Meeting. The agreement is based on their shared vision of advancing meteorology for the benefit of society within Europe and elsewhere and states the responsibilities of both parties as well as financial and legal arrangements.

The following formal meetings were held:

Telephone Conference: Teams video conference: Teams video conference Teams video conference:

June 23, 2020 September 8, 2020 November 4, 2020 December 9, 2020

The following persons acted as board members:

Leo Kroon (Chairman) David Burrige (Vice-Chairman and Treasurer, until 1 May 2020) Dennis Schulze (Treasurer from 1 May 2020) Pamela Emch Olivier Boucher Aurora Bell (from 1 July 2020)

All active board members participated in the conferences (Note that Leo Kroon did not participate in the November 4 meeting in which his successor was selected).

### Financial Situation:

The investment portfolio started with a value of 548'672,31 € at 1 January 2020 and the foundation had a cash amount of 7'275.74 € totalling to 555'948.05 €. Due to very few expenditures which the Foundation incurs during years when no prize is awarded and a very good performance of the assets, the overall capital of the foundation increased considerably. As only 977.42 € of cash were spent there was no need to sell any funds from the investment portfolio. Despite the Covid19 crisis, the overall performance of the investment portfolio was very good with a yield of 7.4% which was more than the 4% we anticipate in our long-term plan. On 31 December 2020, the foundation held assets worth 589'016,96 € and cash of 6'298.42 €, so in total 595'315.38 €. This is 119.1% of the initial capital of 500'000 € and 107.1% of the 555'948.05 € owned at the end of 2019.

In 2015 the Foundation changed the investment strategy and invested in mutual funds managed by Vanguard Group with the aim to hold 2/3 in Vanguard SRI Global Stock Fund and 1/3 in Vanguard Global Bond Index Fund. These funds don't pay dividends or interest but will generally appreciate in value over the long term (based on historical performance). As there were no assets converted into cash the Foundation also didn't take the opportunity to rebalance the investment portfolio to the target split between the Stock Fund and the Bond Index Fund.

On 31 December 2020, the Foundation held 1'997.249 of Vanguard SRI Global Stock Fund worth 424'966.65 € (71.4% of all assets) and 1'358 of Vanguard Global Bond Index Fund worth 163'050.31 € (27.4% of all assets). In addition to that the foundation still holds 20.000 SNS Bank 2009/PERP bonds with a current value of 1'000 €.

In 2020 the Foundation received no dividends and 0.10 € in interest. No donations nor any other income were received.

Money was mainly spent on bank fees with 616.92 € and on the maintenance of the website with 235.00 €. Other costs included administration costs for entering changes to the board members in the Kamer van Koophandel with 48.40 € and flowers as condolences for one of the board members worth 77.10 €.

There were no payments in 2019 relating to 2018. There are costs worth 629.90 € which were invoiced at the end of December 2020 and only paid in 2021 and therefore not considered in this year's annual report.

Table 1 gives a brief overview of income and expenses in 2020. More detailed information about the financial situation are provided on the next pages in Table 2 (asset overview as of 31 December 2020).

### Activity Plans for 2021:

In September 2020, the application submission for the next round of the Harry Otten Prize started and several applications have been received. The application deadline is on 10 March 2021. The prize will be awarded in September 2021 during the Annual Meeting of the European Meteorological Society which is planned to be held virtually.

A planned budget for 2021 is shown in Table 3 and the financial plan including the years thereafter in Table 4.

Pamela Emch, Chairman

Dennis Schulze, Treasurer

Gert-Jan Steeneveld, Board Member

Olivier Boucher, Board Member

<b>Income</b>	
Dividends	- €
Interest	0,10 €
Donations	- €
Other	- €
<b>Sum</b>	<b>0,10 €</b>
<b>Expenses</b>	
Bank fees	616,92 €
Administration	48,40 €
Promotion	- €
Website	235,00 €
EMS Meeting	
Promotion and ceremony costs	- €
Travel costs	- €
Conference Dinner	- €
Sponsoring	- €
Prizes	- €
Unforeseen	77,10 €
Other travel costs	- €
<b>Sum</b>	<b>977,42 €</b>
<b>Balance</b>	<b>-977,32 €</b>
<b>Transactions</b>	
Sold investments	- €
Bought investments	- €
<b>Sum</b>	<b>- €</b>
<b>Cash Balance</b>	<b>-977,32 €</b>

Table 1: Income and expenses from 1 Jan – 31 Dec 2020

<b>Category</b>	<b>Description</b>	<b>Amount</b>	<b>Price on 31 Dec</b>	<b>Value on 31 Dec</b>
Shares	Vanguard SRI Global Stock Fund	1'997.249	212.78 €	424'966.65 €
Bonds	SNS Bank 2009/PERP	20'000	5.00%	1'000.00 €
Bonds	Vanguard Global Bond Index Fund	1'358	120.07 €	163'050.31 €
Cash	NL96 RABO 0304 0795 53			2'151.02 €
Cash	NL96 RABO 0305 5019 25			4'147.40 €
<b>Subtotal investments</b>				<b>589'016.96 €</b>
<b>Subtotal cash</b>				<b>7'275.74 €</b>
<b>Total</b>				<b>595'315.38 €</b>

*Table 2: Asset overview as of 31 December 2020.*

	<b>Realized 2019</b>	<b>Plan 2020</b>	<b>Realized 2020</b>	<b>Plan 2021</b>
<b>Income</b>				
Dividends	- €	- €	- €	- €
Interest	0,12 €	- €	0,10 €	- €
Donations	- €	- €	- €	- €
Other	- €	- €	- €	- €
<i>Sum</i>	<b>0,12 €</b>	<b>- €</b>	<b>0,10 €</b>	<b>- €</b>
<b>Expenses</b>				
Bank fees	600,91 €	600,00 €	616,92 €	620,00 €
Administration	2.832,87 €	2.500,00 €	48,40 €	3.500,00 €
Promotion	544,50 €	500,00 €	- €	500,00 €
Website	235,00 €	250,00 €	235,00 €	250,00 €
<i>EMS Meeting</i>				
Promotion and ceremony costs	181,62 €	- €	- €	200,00 €
Travel costs	8.300,76 €	500,00 €	- €	- €
Conference Dinner	589,05 €	- €	- €	- €
Sponsoring	1.200,00 €	1.200,00 €	- €	1.200,00 €
Prizes	30.000,00 €	- €	- €	30.000,00 €
Unforeseen	- €	1.000,00 €	77,10 €	2.000,00 €
Other Travel costs	- €	- €	- €	500,00 €
<i>Sum</i>	<b>44.484,71 €</b>	<b>6.550,00 €</b>	<b>977,42 €</b>	<b>38.770,00 €</b>
<b>Balance</b>	<b>-44.484,59 €</b>	<b>-6.550,00 €</b>	<b>-977,32 €</b>	<b>-38.770,00 €</b>
<b>Transactions</b>				
Sold investments	49'977.54 €	6'500.00 €	- €	40.000,00 €
Bought investments	- €	- €	- €	- €
<i>Sum</i>	<b>49'977.54 €</b>	<b>6'500.00 €</b>	<b>- €</b>	<b>40.000,00 €</b>
<b>Cash Balance</b>	<b>-816.80 €</b>	<b>280.00 €</b>	<b>-977,32 €</b>	<b>1.230,00 €</b>

Table 3: Budget for 2021 in comparison to 2019 and 2020

	Realized 2020	Plan 2021	Outlook 2022	Outlook 2023	Outlook 2024	Outlook 2025	Outlook 2026	Outlook 2027
Capital as of January 1st	555.948,05 €	595.315,38 €	580.358,00 €	586.139,92 €	560.890,46 €	575.968,13 €	550.285,75 €	564.912,65 €
Asset performance (4% from 2021 onwards)	40.344,65 €	23.812,62 €	23.214,32 €	23.445,60 €	22.435,62 €	23.038,73 €	22.011,43 €	22.596,51 €
<i>Income</i>	0,10 €	- €	- €	- €	- €	- €	- €	- €
<i>Expenses</i>	977,42 €	38.770,00 €	17.432,40 €	48.695,05 €	7.357,95 €	48.721,11 €	7.384,53 €	48.748,22 €
<b>Profit/Loss (excl' Asset performance &amp; transactions)</b>	<b>-977,32 €</b>	<b>-38.770,00 €</b>	<b>-17.432,40 €</b>	<b>-48.695,05 €</b>	<b>-7.357,95 €</b>	<b>-48.721,11 €</b>	<b>-7.384,53 €</b>	<b>-48.748,22 €</b>
<i>Transactions</i>	- €	40.000,00 €	20.000,00 €	50.000,00 €	8.000,00 €	50.000,00 €	8.500,00 €	50.000,00 €
<b>Cashflow</b>	<b>-977,32 €</b>	<b>1.230,00 €</b>	<b>2.567,60 €</b>	<b>1.304,95 €</b>	<b>642,05 €</b>	<b>1.278,89 €</b>	<b>1.115,47 €</b>	<b>1.251,78 €</b>

Table 4: Financial plan until 2027.