Stichting Space Buzz Foundation
Amsterdam

Report on the
annual accounts 1 January 2019 until 31 December 2019

15 August 2020

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Management Board's report

Dear friend of SpaceBuzz,

Thank you for supporting SpaceBuzz to inspire children to be a positive force in the world through education and technology. With this financial statement, we want to provide you with more background information about our steps in reaching our mission.

Our mission: create ambassadors of planet Earth
The non-profit SpaceBuzz educational foundation is inspired by the 'overview effect', that - until recently - only astronauts in space were able to experience.

From space, they see a beautiful blue dot in the blackness of the universe. A colorful planet shared by all living humans, animals, trees and plants. National borders seem to dissolve and the fragility of the Earth is abundantly clear.

We want every child in the world to follow in the footsteps of astronauts and experience this for themselves. Thereby creating a young generation of ambassadors of planet Earth.

Ambition: inspiring millions of children worldwide
SpaceBuzz is a revolutionary global outreach and education program, putting children in the footsteps of astronauts. We inspire children through our experiential learning program by teaching them about space, planet Earth and technology. Just as with astronauts, 21st century skills like communication, problem solving, cooperation and creativity are important elements within the program. The education program includes a real-life space mission in the SpaceBuzz rocket.

From the start, this program has been built with a global ambition in mind. It is nationally adaptable in terms of astronauts, countries and content. The program itself is free for children, scalable and has an open access model, making it available for children all over the world.

Our ambition is to inspire millions of children across the globe to become ambassadors of planet Earth, using a fleet of VR space vehicles embedded in an educational program. With the help and support of individuals, teachers, corporations and governments all over the world, we aim to launch 100 million children to space.

SpaceBuzz and virtual reality: harnessing the power of immersive technologies
Virtual Reality allows us to develop new and effective ways of teaching children about Space, Earth and Technology (STEAM). By using immersed education children become more engaged in the learning content and tend to forget they are actually learning. VR also enables children to explore the virtual world at their own pace and based on their own interests, allowing for personalized and self-paced learning. When considering the opportunities virtual reality offer, the educational benefits are immense.

In order to validate and optimize our educational program, SpaceBuzz collaborates with leading scientists, a.o. Prof. Dr. Max Louwerse Tilburg University and kickstarted an international scientific research program on the effectiveness of VR-enabled learning and the role that virtual humans can play in personalizing learning.

Partnerships
At SpaceBuzz we believe in partnerships, local and global. Our success has not been possible without our partners including Bencis, Deloitte, Dutch Space Office, European Space Agency, Esero.nl, Florencius, IMC Weekendschool, MediaMonks, National Geographic, Nationale Postcode Loterij, NEMO Science Children's Museum in Amsterdam, Virtutis Opus, World Wildlife Fund and many family and private sponsors.

Milestones
Right from the start the ambition has been to create a first SpaceBuzz, inspired by a MVP-approach as we believe that: seeing is believing. The first step was made at the end of 2018 were it was tested and unveiled and received with great enthusiasm by children, teachers, media and sponsors. Fueled by these positive reactions, we focused on the next steps in 2019. First we focused in a further improvement of the program by testing it. Both scientifically as functionally with children and teachers in the Netherlands and abroad. The second step to be made was the introduction of the SpaceBuzz program to the world: nationally and worldwide.

Testing
During the first 6 months of 2019 the program was extensively tested by children and teachers, resulting in great insights how to further improve both the educational program as the immersive experience itself. This testing tour itself, with the SpaceBuzz rocket vehicle driving throughout the Netherlands also triggered a large application flow of schools, resulting in a waiting list for school classes until 2021.

Prof. Dr. Max Louwerse (Department Cognitive Psychology and Artificial Intelligence) and his team of Tilburg University kick started their scientific research program by running the first experiment with over 200 schoolchildren on the effectiveness of VR-enabled learning and the role that virtual humans can play in personalizing learning. The first results and reactions of children and teachers confirm our conviction that immersive technologies trigger deeper levels of engagement and inspiration, which in turn leads to effective learning.

Astronauts worldwide embrace SpaceBuzz
In October we presented the SpaceBuzz program to 125 astronauts and cosmonauts from all over the world at their 32nd Planetary Convention of the Association of Space Explorers (ASE). This year being held in Houston USA to celebrate the 50th anniversary of the Moon landing.

The overwhelmingly positive response SpaceBuzz received from astronauts was humbling and further strengthens our mission to bring this experience to millions of children worldwide. The immersive VR experience was perceived as very realistic by the astronauts. In the words of British astronaut Helen Sherman: "This SpaceBuzz experience actually made me feel quite like I was back in space". Anousheh Ansari, American-Iranian commercial astronaut even suggested to bring the SpaceBuzz program to world leaders at the United Nations. An inspiring idea and ambitious plan which we will discuss and explore in the coming months.

Worldwide launch in Washington DC (USA)
From Houston, the SpaceBuzz vehicle was transported to Washington DC for its global launch at the International Astronautical Congress in Washington D.C. Almost 8.000 visitors saw SpaceBuzz and more than 2.000 people - amongst which 1.500 children – actually flew to space with us. Their enthusiasm fuels our dream to bring the SpaceBuzz experience to millions of children worldwide.

We are proud and honored that the International Astronautical Congress named SpaceBuzz as one of the highlights of the congress in Washington D.C. next to the Blue Lunar Moonlander developed by Blue Origin.

At the global launch in Washington DC, we made first steps towards a global rollout with interest shown from all over the world by stakeholders from countries like Brazil, Australia, Canada, USA, Monaco, Germany, France, Russia and Colombia.

SpaceBuzz program at ITU of the United Nations
Our Prof. Dr. Louwerse was invited to give a keynote at the ITU-Academia Partnership Meeting "Developing Skills for the Digital Era (SDG)" at Georgia Tech. ITU is a specialized agency of the United Nations, the oldest global international organization, responsible for information and communication technologies.

His keynote focused on the SDG 'improving quality of education', presenting the SpaceBuzz program as a best practice of new ways to teach and inspire children to learn about STEM, space and Earth with help of the latest virtual and augmented reality technology. You can find the full article at our website www.spacebuzz.earth.

SpaceBuzz 02 will be built in 2020
We are happy to announce that a second rocket will be built in 2020. With thousands of children wanting to join the program this is an important step forward. SpaceBuzz 02 is funded by a large private donation in December 2019.

Over 4000 children will join the SpaceBuzz program in Q1 2020
In January 2020, over 4000 children will be invited to join the SpaceBuzz education program, stepping in the footsteps of astronauts. We are very grateful and excited about the enthusiasm that schools show, with new schools are applying to our program almost every day. Additional funding will help us to keep the waiting list as short as possible. The first SpaceBuzz in the Netherlands is in full operation and fully booked until 2022. Fortunately, the 2nd SpaceBuzz is on it's way with hopefully more to follow in 2020.

Fundraising and partnerships
Several fundraise events were organized in 2019 based on a new formula: Friends of SpaceBuzz events. These exclusive afternoon events are on personal invitation only. Potential sponsors and partners are invited with their (grand) children to experience SpaceBuzz themselves based on our experience that seeing is believing. We also introduced SpaceBuzz in business to business settings like leadership programs, innovation workshops and customer experience days. Therefor creating a new opportunity for fundraising.

We are proud of the new donations received in 2019, bringing the total amount of funds raised, cash and inkind, since the start of the SpaceBuzz program at €2.603.500,-. This amount includes a donation of € 500.000,- (Regio envelop), received in close cooperation with Prof. Dr. Max Louwerse and his team from Tilburg University to further develop the intelligent tutoring system, including gamification and astronauts as virtual tutors.

We would like to express our special gratitude for the support and trust of all our sponsors. Our success wouldn't have been possible without their help.

Team SpaceBuzz

Financial statements

Balance sheet as at 31 December 2019

(After distribution of result)

		31-12-2019		31-12-2018	
		€	€	€	€
Assets					
Fixed assets					
Intangible fixed assets	*1*		732.476		747.093
Tangible fixed assets	*2*		318.044		358.257
Current assets					
Receivables			15.000		-
Cash and cash equivalents			367.508		266.874
			1.433.028		1.372.224
Liabilities					
Foundation reserves	*3*		860.594		751.100
Long-term liabilities	*4*		485.660		385.660
Current liabilities, accruals and deferred income	*5*		86.774		235.464
			1.433.028		1.372.224

Statement of activities for the period 01-01-19 until 31-12-19

		01-01-19 / 31-12-19		01-11-17 / 31-12-2018	
		€	€	€	€
Benefits	*6*		898.500		1.220.000
Expenses					
Amortisation of intangible fixed assets	*7*	79.350		-	
Depreciation of tangible fixed assets	*8*	78.438		-	
Other operating expenses	*9*	631.218		468.900	
Total of sum of expenses			789.006		468.900
Total of net result			109.494		751.100

Notes to the financial statements

Entity information

Registered address and registration number trade register

The registered and actual address of Stichting Space Buzz Foundation is Frans van Mierisstraat 121hs, 1071 RR in Amsterdam The Netherlands. Stichting Space Buzz Foundation is registered at the Chamber of Commerce under number 69974268.

General notes

The most important activities of the entity

The mission of the foundation is to educate primary school pupils about the fragility of the earth through a unique VR experience. This is called the overview effect. A special teaching program involves the non-commercial exploitation of one or more space bus (s).

General accounting principles

The accounting standards used to prepare the financial statements

The financial statement is drawn up in accordance with the relevant provisions of Title 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost.

The foundation was founded on 1 November 2017. The first financial year of the company runs from 1 November 2017 up to and including 31 December 2018. Therefore, the comparative figures in the statement of activities represents the period 1 November 2017 up to and including 31 December 2018.

Financial instruments

Financial instruments are both primary financial instruments (such as receivables and debts), and derivative financial instruments (derivatives).

Primary financial instruments:
For the principles of primary financial instruments, reference is made to the recognition per balance sheet item of the 'Principles'.

Derivative financial instruments (derivatives):
The company does not use interest rate swaps to hedge its interest rate risks.

Accounting principles

Intangible assets

Intangible fixed assets are stated at historical cost less amortisation. Impairments are taken into consideration; this is relevant in the event that the carrying amount of the asset is higher than its realisable value.

Property, plant and equipment

Tangible fixed assets are valued at acquisition costs or production costs plus additional costs less straight-line depreciation based on the expected life, unless stated otherwise. Impairments expected on the balance sheet date are taken into account.

Subsidies on investments will be deducted from the historical cost price or production cost of the assets to which the subsidies relate.

Receivables

Upon initial recognition the receivables are valued at fair value and then valued at amortised cost. Provisions deemed necessary for possible bad debt losses are deducted. These provisions are determined by individual assessment of the receivable.

Cash and cash equivalents

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash at banks and in hand is valued at nominal value.

Non-current liabilities

On initial recognition long-term debts are recognised at fair value. Transaction costs which can be directly attributed to the acquisition of the long-term debts are included in the initial recognition. After initial recognition long-term debts are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. If there is no premium / discount or if there are no transaction costs, the amortised cost price is the same as the nominal value of the debt.

The difference between stated book value and the mature redemption value is accounted for as interest cost in the statement of activities on the basis of the effective interest rate during the estimated term of the long-term debts.

Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. This is usually the nominal value.

Notes to the balance sheet

Assets

1 Intangible fixed assets

	Virtual reality film development	Educational program development	Product development and testing	Total
	€	€	€	€
Balance as at 1 January 2019				
Cost or manufacturing price	589.151	97.442	60.500	747.093
Book value as at 1 January 2019	589.151	97.442	60.500	747.093
Movements				
Additions	19.960	44.773	-	64.733
Amortisations	(60.762)	(12.540)	(6.048)	(79.350)
Balance movements	(40.802)	32.233	(6.048)	(14.617)
Balance as at 31 December 2019				
Cost or manufacturing price	609.111	142.215	60.500	811.826
Accumulated amortization	(60.762)	(12.540)	(6.048)	(79.350)
Book value as at 31 December 2019	548.349	129.675	54.452	732.476
Amortisation percentages	10%	10%	10%	

In-kind donations through discounts on investments in intangible fixed assets in 2019 amounts to € 500.000 (2018: € 136.230) and are valued at € 0 in the balance sheet.

2 Tangible fixed assets

	Space Buzz €
Balance as at 1 January 2019	
Cost or manufacturing price	358.257
Book value as at 1 January 2019	358.257
Movements	
Additions	38.225
Depreciation	(78.438)
Balance movements	(40.213)
Balance as at 31 December 2019	
Cost or manufacturing price	396.482
Accumulated depreciation	(78.438)
Book value as at 31 December 2019	318.044
Depreciation percentages	20%

Investments in developing, constructing, equipping and testing of the first Space Buzz concept vehicle.

Liabilities

3 Foundation reserves

	31-12-2019	31-12-2018
	€	€
Equalization account	860.594	751.100

Equalization account

	2019	2018
	€	€
Balance as at 1 January	751.100	-
Addition	109.494	751.100
Balance as at 31 December	860.594	751.100

4 Long-term liabilities

	31-12-2019	31-12-2018
	€	€
Long-term related party loan	250.000	150.000
Long-term supplier credit	235.660	235.660
	485.660	385.660

Long-term loan provided by a related party in December 2017 to finance the start-up of the foundation and initial working capital. The loan will possibly be donated in full subsequent to the foundation reaching financial and operational maturity and is not charged with periodical interest or principal repayments.

Outstanding long-term supplier credit relates to the VR film development commitment made under the initial fee quote from MediaMonks. It has been agreed that payment shall take place after the Foundation reaching financial maturity and having a steady flow of income. Up until then MediaMonks shall bear the project risk subsequent of SpaceBuzz committing 60% of the budget. As per 31 December 2019 and 31 December 2018, 61.4% of the initial fee quote has been paid.

5 Current liabilities, accruals and deferred income

	31-12-2019	31-12-2018
	€	€
Trade payables	86.774	235.464

Notes to the statement of activities

6 Benefits

	01-01-19 / 31-12-19	01-11-17 / 31-12-2018
	€	€
Donations and benefits from fundraising	898.500	1.220.000

Donations and benefits from fundraising

	01-01-19 / 31-12-19	01-11-17 / 31-12-2018
	€	€
Donations and benefits from private individuals	468.000	655.000
Donations and benefits from lottery organizers	-	305.000
Donations and benefits from charities	350.000	260.000
Donations and benefits from partnerships	80.500	-
	898.500	1.220.000

Large donations are, among others, received from De Nederlandse Postcode Loterij and Eligius. Benefits and donations exclude external in-kind donations from partners valued at € 500.000 (2018: € 136.230). These in-kind donations received through discounts on investments and expenses have been valued at € 0 in the balance sheet and statement of activities.

In addition to in-kind donations, the foundation is also supported in its organisation through unquantified related party donations from:
- The Deloitte Impact Foundation, consisting of periodical administration support, and
- Other related parties supporting the organisation in its day-to-day activities (i.e. fundraising and project management)

7 Amortisation of intangible fixed assets

	01-01-19 / 31-12-19	01-11-17 / 31-12-2018
	€	€
Virtual realty film development	60.762	-
Educational program development	12.540	-
Product development and testing	6.048	-
	79.350	-

8 Depreciation of tangible fixed assets

	01-01-19 / 31-12-19	01-11-17 / 31-12-2018
	€	€
Space Buzz	78.438	-

9 Other operating expenses

	01-01-19 / 31-12-19	01-11-17 / 31-12-2018
	€	€
Other expenses of employee benefits	82.455	38.574
Operating and machine expenses	32.466	-
Fundraising expenses	164.129	393.510
General expenses	32.928	36.816
Global outreach & launch costs	319.240	-
	631.218	468.900

Global outreach & launch costs including TNW, WEF and launch USA (Planetary Congress of the Association of Space Explorers in Houston and the International Astronautical Congress in Washington D.C).

Fundraising expenses

	01-01-19 / 31-12-19	01-11-17 / 31-12-2018
	€	€
Private fundraising expenses	85.044	152.056
Dutch launch expenses	19.914	71.421
General fundraising expenses	59.171	170.033
	164.129	393.510

Fundraising costs during 2018 and 2019 included one-off events (Dutch launch / pre-launch event) and events sponsored by private donors (private events). Future fundraise expenses are estimated at € 150.000 per annum.

Stichting Space Buzz Foundation
Amsterdam

Amsterdam,

Z.J. van Gessel	O. Snijders	P.A. van Kranenburg
Chairman	Treasurer	Director