



**MATERNITY FOUNDATION
ANNUAL REPORT 2016**

	<u>Page</u>
Reports	
Management's report	2
Independent auditor's reports	3 - 5
Management's review	
Association data	6
Management's review	7 - 8
Annual accounts 2016	
Accounting policies used	9 - 10
Profit and loss account	11
Balance sheet	12 - 13
Notes	14 - 15

The management has today presented the annual report of Maternity Foundation - Fondet for the financial year 1. january 2016 - 31. december 2016.

The annual report has been presented in accordance with the Danish Financial Statements Act.

I consider the accounting policies used appropriate, and in my opinion the annual accounts provide a true and fair view of the foundation's assets and liabilities and its financial position as on 31 December 2016 and of the foundation's results of its activities in the period from 1 January to 31 December 2016.

I am of the opinion that the management review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Copenhagen, 17. maj 2017

Management



Anna Cecilia Frellsen

Board



Henriette Svarre Nielsen, chairman



Peter Foss



Line Holten Reimer



Juliane Meulengracht Bang



Carina Høgsted



Illa Westrup Stephensen



Paula de Monthoux



Michael Halbye

To the board

Opinion

We have audited the annual accounts of Maternity Foundation for the financial year 1. January - 31. December 2016, which comprise profit and loss account, balance sheet, and notes, including a summary of accounting policies used. The annual accounts have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the assets and liabilities, and the financial position of the foundation at 31. December 2016, and of the results of the foundation operations for the financial year 1. January - 31. December 2016 in accordance with the Danish Financial Statements Act.

Basis of opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the foundation in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the the annual accounts, the management is responsible for evaluating the foundation's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the foundation or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the foundation's internal control.
- Evaluate the appropriateness of accounting policies used by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about the foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the annual accounts, including the disclosures in the notes, and whether the annual accounts reflect the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 17. maj 2017

BUUS JENSEN
State Authorised Public Accountants



Ulrik Nørskov
State Authorised Public Accountant

The association

Maternity Foundation - Fondet
Sortedam Dossering 81
2100 København Ø

E-mail: info@maternity.dk

CVR-no.: 34 64 00 92

Financial year: 1. january - 31. december

Management

Anna Cecilia Frellsen

Board

Henriette Svarre Nielsen, chairman
Line Holten Reimer
Paula de Monthoux
Carina Høgsted
Illa Westrup Stephensen
Peter Foss
Juliane Meulengracht Bang
Michael Halbye

Auditors

BUUS JENSEN
State Authorised Public Accountants
Lersø Parkallè 112
2100 København Ø

2016 has been a truly transformative year for Maternity Foundation. It's been a year of new partnerships, new programs, new countries and new colleagues. All of this will enable us to help ensure even more mothers and newborns a safe pregnancy and childbirth.

In Ethiopia, we launched our new Maternal and Newborn Health Program, which will reach nine new districts with a total population of 660,000 people. Our current 10-year program has shown strong results - 60% higher ante-natal care attendance and 30% higher skilled birth attendance in Maternity Foundation's target districts compared with neighboring districts. We hope to bring the same results to the 150,000 women of reproductive age targeted in the new districts. In this program, we are developing and refining our models and tools, some of which are being extracted for replication and scale in the rest of Ethiopia and beyond.

Our central HUB Office in Addis Ababa is responsible for ensuring replication and scale of Maternity Foundation's tools and models in Ethiopia. In 2016, the primary focus has been to develop the platform for national scale up of the Safe Delivery App. The Hub office is collaborating with Ethiopian Midwives' Association on integrating the Safe Delivery App into the national Continuous Professional Development program for midwives. In addition, we have established partnership dialogues around the replication and scale of our mobile message service for pregnant women (named LUCY), the infection prevention and hygiene transformation model and training packages on Female Genital Mutilation (FGM), safe de-infibulation and Basic Emergency Obstetric and Newborn Care (BEmONC).

In 2016, we travelled around the world to showcase our work, form new partnerships - and to learn! A highlight was the Women Deliver conference in May in Copenhagen where we hosted our own event focused on innovations in maternal health -in cooperation with MSD for Mothers, the UN, Philips and other large organizations with an opening statement by our patron, Her Royal Highness Crown Princess Mary. In addition, our Safe Delivery App was selected by Women Deliver as one of 10 apps to be showcased at the conference.

The Safe Delivery App, developed by University of Copenhagen, University of Southern Denmark and Maternity Foundation, now has more than 2,000 active users and received international acclaim in 2016, including mentions by Melinda Gates, Apple, Guardian, Mashable and the reception of Yoko Ono's Lennon Peace Grant through our ambassador Olafur Eliasson.

Since the very beginning, the Safe Delivery App has been based on the latest and strongest clinical evidence. In addition, documentation of results, learning and feedback has been essential to ensure continuous improvement of the tool and its implementation model. Based on learning and feedback from the first phase of the App we have begun the development of a version 2.0 of the Safe Delivery App . This new version will include a dash board to analyze user behavior across settings and an adaptive learning module to engage with each health worker in their individual learning process. The new version of the App will also be updated with the most up-to-date WHO guidelines and is expected to be launched in 2017.

In September 2016, we attended the UN's General Assembly. Here, we renewed our commitment with Every Women Every Child to reach 20,000 health workers with the Safe Delivery App before the end of 2018. If we accomplish this, we will help to ensure more than 2 million women a safer birth.

In order to reach as many health workers as possible and to implement the Safe Delivery App effectively, we are working with partners in more than 15 countries. Among the many great organizations we are partnering with are Amref, the Liverpool School of Tropical Medicine, Ethiopian Midwives Association, UNFPA, Red Cross, Børnefonden, the World Bank and various ministries of health. In addition, we presented the App at events for key stakeholders in Ethiopia, Kenya, Ghana, Laos and Myanmar in 2016.

We are very proud that The Bill & Melinda Gates Foundation will support the scale-up of the App for the next three years. Together with our partner MSD for Mothers they will enable us to reach more skilled birth attendants across sub-Saharan Africa and South East Asia.

In 2017, we look forward to launching the next version of the Safe Delivery App, introducing the App at national scale in a number of partner countries including India, Laos and Myanmar; introducing the SMS system for pregnant mothers, LUCY, in Ethiopia; and not least of all continuing our on-going efforts in Ethiopia to save mothers and newborns on the ground in our program in West Wollega.

We could not have reached the many important milestones above without our loyal partners and supporters. A special thank you to the 8. Marts Gruppen, Arnstedske Familiefond, Asta & Jul. P. Justestens Fond, Bill & Melinda Gates Foundation, Foss A/S, Ida & J. Rindoms Fond, Inner Wheel, Kavli Trust, Lauritzen Foundation, MSD for Mothers, Novo Nordisk Fondet, Obelske Family Foundation, Ole Kirks Foundation, Oticon Fondet, Queen Margrethe & Prince Henriks Foundation, and an additional number of non-disclosed partners for supporting our work.

Our financial model, where the majority of funding goes directly to development and research projects in SE Asia and Africa, is possible due to the support from The Obel Family Foundation, which covers the majority of the administrative costs at the headquarters in Denmark. Also paramount to our success is the many voluntary midwives and doctors and the pro bono partners providing professional services for free, including Bech Bruun, Buus Jensen, Carre, CR16, Egon Zehnder, Gynzone, IBM, McKinsey & Company, Microsoft, PA Consulting Group, Qlick, Savivo.com, Uption, and not least MSD Denmark, who has supported us from all levels of their organization throughout the year. A warm thank you to each and every one of you for your dedication, which makes it possible for us to continue our low cost, high impact approach.

Last but not least we would like to express our deep gratitude to our patron, Her Royal Highness Crown Princess Mary, for tirelessly fighting for women and girls and their right to access reproductive health services.

On behalf of Maternity Foundation



Anna Cecilia Frellsen
CEO

The annual report for Maternity Foundation - Fondet is presented in accordance with those regulations of the Danish Financial Statements Act.

The accounting policies used are unchanged compared to last year.

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the association is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the association is liable to loose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

The profit and loss account

Other external costs

Other external costs comprise costs for administration, wages and project costs.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Net financial

Net financials comprise interest income and interest costs, financial costs in connection with financial leasing, realised and unrealised capital profits and losses concerning securities, liabilities and transactions in foreign currency, amortising of fixed asset investments and liabilities, and additions and reimbursements of interest concerning tax payment. Net financials are recognised with the amounts concerning the financial year.

Tax

Tax on profit for the year is carried in the income statement.

The foundation does not make provisions for deferred tax.

The balance sheet**Accrued income and deferred expenses**

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Cash and cash equivalents comprise cash and short-term securities with a maturity less than 3 months that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

Provisions

Funds set aside for future project expenses.

Other assets

Other assets are recognised at nominal value.

Liabilities

Liabilities concerning debts to suppliers and other debts are measured at amortised cost which usually corresponds to the nominal value.

Tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

All amounts in DKK.

<u>Note</u>	<u>2016</u>	<u>2015</u>
1 Funds collected	9.757.259	6.398.982
Earmarked funding to cover administration	<u>-1.500.000</u>	<u>-1.500.000</u>
TOTAL COLLECTED FUNDS	8.257.259	4.898.982
Continues Development and Adaptions of the Safe Delivery App	1.513.601	796.462
mHealth Competency Center: Rolling out the Safe Delivery App	1.464.688	1.023.913
Hub and roll out Ethiopia (costs incurred in Ethiopia)	843.191	1.146.809
Program Management	460.776	465.881
On The Ground Maternal & Newborn Health Program	2.377.690	1.831.101
Co-financing for on the ground implementations	410.680	-
Administration and staff costs	2.124.596	1.666.776
Covered by donations from foundations	<u>-1.500.000</u>	<u>-1.500.000</u>
2 TOTAL PROJECT AND PROGRAM EXPENSES	<u>7.695.222</u>	<u>5.430.942</u>
RESULT BEFORE NET FINANCIALS	562.037	-531.960
3 Other financial income	37	604
4 Other financial costs	<u>876</u>	<u>198</u>
RESULT FOR THE YEAR AFTER DESTRIUION	<u>561.198</u>	<u>-531.554</u>
Result to be disposed		
Used provisions	194.228	-2.264.696
Result brought forward	<u>366.970</u>	<u>1.733.142</u>
Disposed	<u>561.198</u>	<u>-531.554</u>

All amounts in DKK.

<u>Note</u>	<u>31/12 2016</u>	<u>31/12 2015</u>
ASSETS		
Non-distributable assets		
Bank deposits	<u>250.000</u>	<u>250.000</u>
Financial fixed assets		
Deposits	<u>50.000</u>	<u>50.000</u>
FIXED ASSETS IN TOTAL	<u>300.000</u>	<u>300.000</u>
Current assets		
<u>Debtors</u>		
5 Other debtors	<u>258.407</u>	<u>34.226</u>
Cash funds	<u>12.062.608</u>	<u>9.474.898</u>
CURRENT ASSETS IN TOTAL	<u>12.321.015</u>	<u>9.809.124</u>
ASSETS IN TOTAL	<u>12.621.015</u>	<u>9.809.124</u>

All amounts in DKK.

<u>Note</u>	<u>31/12 2016</u>	<u>31/12 2015</u>
LIABILITIES		
Equity		
6 Non-distributable capital	250.000	250.000
Distributable capital	<u>2.740.961</u>	<u>2.373.991</u>
EQUITY IN TOTAL	<u>2.990.961</u>	<u>2.623.991</u>
Provisions		
Provisions for charitable distributions	<u>2.538.782</u>	<u>2.344.554</u>
Short-term liabilities		
7 Other liabilities	677.471	381.289
Deferred donations	<u>6.413.801</u>	<u>4.459.290</u>
SHORT-TERM LIABILITIES IN TOTAL	<u>7.091.272</u>	<u>4.840.579</u>
LIABILITIES IN TOTAL	<u>12.621.015</u>	<u>9.809.124</u>
-		
8 Information regarding tax deductible donations (Tax Assessment Act § 8 A)		

All amounts in DKK.

	<u>2016</u>	<u>2015</u>
Note 1 - Funds collected		
Private donations	148.719	74.525
Donations from foundations	9.525.164	6.161.480
Other income	<u>83.376</u>	<u>162.977</u>
	<u>9.757.259</u>	<u>6.398.982</u>
Earmarked funding to cover administration	<u>1.500.000</u>	<u>1.500.000</u>
Note 2 - Project and program expenses		
Continues Development and Adaptions of the Safe Delivery App	1.513.601	796.462
mHealth Competency Center: Rolling out the Safe Delivery App	1.464.688	1.023.913
Hub and roll out Ethiopia (costs incurred in Ethiopia)	843.191	1.146.809
Program Management	460.776	465.881
On The Ground Maternal & Newborn Health Program	2.377.690	1.831.101
Co-financing for on the ground implementations	410.680	-
Administration and staff costs	2.124.596	1.666.776
Covered by donations from foundations	<u>-1.500.000</u>	<u>-1.500.000</u>
	<u>7.695.222</u>	<u>5.430.942</u>
Note 3 - Other financial income		
Interest income	<u>37</u>	<u>604</u>
	<u>37</u>	<u>604</u>
Note 4 - Other financial costs		
Interest expenses	<u>876</u>	<u>198</u>
	<u>876</u>	<u>198</u>

All amounts in DKK.

	<u>2016</u>	<u>2015</u>
Note 5 - Other debtors		
Prepaid expenses	49.757	34.226
Receivable, foundations	<u>208.650</u>	<u>-</u>
	<u>258.407</u>	<u>34.226</u>
Note 6 - Equity		
<u>Non-distributable capital</u>		
Capital	<u>250.000</u>	<u>250.000</u>
<u>Distributable capital</u>		
Results brought forward, beginning of period	2.373.991	640.849
Profit or loss for the year brought forward	<u>366.970</u>	<u>1.733.142</u>
	<u>2.740.961</u>	<u>2.373.991</u>
Note 7 - Other liabilities		
Payables	290.886	1.424
Holiday pay obligation	291.470	291.470
Payable income tax etc.	<u>95.115</u>	<u>88.395</u>
	<u>677.471</u>	<u>381.289</u>

Note 8 - Information regarding tax deductible donations (Tax Assessment Act § 8 A)

In 2016 the foundation has received 240 tax deductible donations, in total DKK 48.000.