



**MATERNITY
FOUNDATION
ANNUAL REPORT 2017**

	<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 2017	
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 2017 - 31. december 2017.

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 2017 and of the foundation's results of its activities in the period from 1 January to 31 December 2017.

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, 22. maj 2018

Management



Anna Cecilia Frellsen

Board



Henriette Svarre Nielsen, chairman



Peter Foss

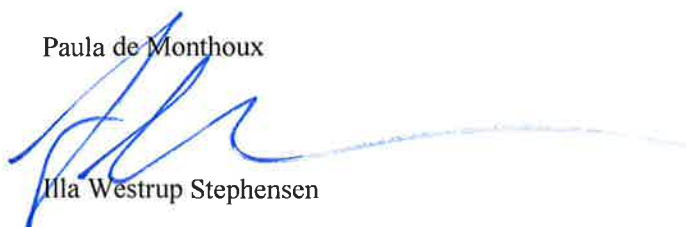


Line Holten Reimer

Paula de Monthoux



Carina Høgsted



Illa Westrup Stephensen



Michael Halbye

To the board

Opinion

We have audited the annual accounts of Maternity Foundation for the financial year 1. January - 31. December 2017, 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 2017, and of the results of the foundation operations for the financial year 1. January - 31. December 2017 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, 22. maj 2018

BUUS JENSEN
State Authorised Public Accountants



Ulrik Nørskov
State Authorised Public Accountant
MNE no. 29456

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

This year, 2017, has been an exciting and impactful year at Maternity Foundation, and we have expanded our scope to reach even more women and newborns.

Our Safe Delivery App is now used in more than 40 countries and an estimated 11.000 health workers are actively using the app across sub Saharan Africa and SE Asia. Thereby, we have contributed to a safer childbirth for more than 200.000 women. Our target is to have reached 100.000 health workers by the end of 2021 and the launch of national partnerships in India, Ghana, Ethiopia and Laos in 2017 have been an important start to achieve this important target.

As we continue scaling, we focus on supporting partners to implement the App in impactful and effective ways, while gathering results, lessons learned and best practices to share amongst our growing global community of partners. To this end our launch of the online knowledge platform safedelivery.org was an important milestone. From here we will share progress, guidelines and tools related to the Safe Delivery App.

In 2017, we broadened our scope as a digital maternal health organization with the roll-out of our jointly funded LUCY in Ethiopia. LUCY is a mobile message service that sends health information text messages and appointment reminders to pregnant and new mothers. In 2017, 1500 pregnant women were enrolled on the LUCY platform. Initial feedback from users indicates an increase in knowledge and empowerment of women to seek quality maternal care during their pregnancy.

In addition, we have continued to build and strengthen our presence in Ethiopia. A major milestone in 2017 was a new partnership with the Danish non-profit Børnefonden to train midwives in the Gambella refugee camps in Ethiopia under the coordination of UNHCR. Ethiopia is currently hosting more than 400,000 refugees from South Sudan – the vast majority of them are women and children. This is our first project in a humanitarian setting, which we hope to be able to replicate in other countries as well.

Cross-sector partnerships are fundamental for innovation and real impact. In November, we convened and co-hosted the hackathon event - “Hack4Girls” - together with the Ministry of Foreign Affairs of Denmark, Microsoft, Save the Children and other partners. Within 36 hours, more than 70 young tech professionals showcased an impressive number of innovative tech solutions to benefit the reproductive health and rights of refugee girls. We were proud to have our patron H.R.H. Crown Princess Mary and the Minister for Development Cooperation, Ulla Tørnæs, present as key note speakers at the finale event of Hack4Girls.

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, Hesse Ragle, Ida & J. Rindoms Fond, Kavli Trust, MSD for Mothers, Novo Nordisk Fondet, Obelske Family Trust, 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, Google, Egon Zehnder, House of Beaufort, IBM, McKinsey & Company, Microsoft, PA Consulting Group, Qlick, and Uption. 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>2017</u>	<u>2016</u>
1 Funds collected	13.268.365	9.757.259
Earmarked funding to cover administration	<u>-1.500.000</u>	<u>-1.500.000</u>
TOTAL COLLECTED FUNDS	11.768.365	8.257.259
Development and Adaptions of the Safe Delivery App	3.764.298	1.513.601
mHealth Competency Center: Rolling out the Safe Delivery App	2.596.468	1.875.368
Hub and roll out Ethiopia	1.259.167	1.303.967
On The Ground Maternal & Newborn Health Program	2.159.064	2.377.690
Administration and staff costs	2.253.909	2.124.596
Covered by donations from foundations	<u>-1.500.000</u>	<u>-1.500.000</u>
2 TOTAL PROJECT AND PROGRAM EXPENSES	<u>10.532.906</u>	<u>7.695.222</u>
RESULT BEFORE NET FINANCIALS	1.235.459	562.037
3 Other financial income	11.382	37
4 Other financial costs	<u>282</u>	<u>876</u>
RESULT FOR THE YEAR AFTER DESTRIUION	<u>1.246.559</u>	<u>561.198</u>
Result to be disposed		
Used provisions	754.143	194.228
Result brought forward, non-distributable capital	6.318	-
Result brought forward, distributable capital	<u>486.098</u>	<u>366.970</u>
Disposed	<u>1.246.559</u>	<u>561.198</u>

All amounts in DKK.

<u>Note</u>	<u>31/12 2017</u>	<u>31/12 2016</u>
ASSETS		
Non-distributable assets		
Other securities and equity investments	256.292	-
Available funds	<u>26</u>	<u>250.000</u>
	<u>256.318</u>	<u>250.000</u>
Financial fixed assets		
Deposits	<u>50.000</u>	<u>50.000</u>
FIXED ASSETS IN TOTAL	<u>306.318</u>	<u>300.000</u>
Current assets		
<u>Debtors</u>		
5 Other debtors	<u>1.651.921</u>	<u>258.407</u>
Available funds	<u>13.434.401</u>	<u>12.062.608</u>
CURRENT ASSETS IN TOTAL	<u>15.086.322</u>	<u>12.621.015</u>
ASSETS IN TOTAL	<u>15.392.640</u>	<u>12.621.015</u>

All amounts in DKK.

<u>Note</u>	<u>31/12 2017</u>	<u>31/12 2016</u>
LIABILITIES		
Equity		
6 Non-distributable capital	256.318	250.000
Distributable capital	<u>3.227.059</u>	<u>2.740.961</u>
EQUITY IN TOTAL	<u>3.483.377</u>	<u>2.990.961</u>
 Provisions		
Provisions for charitable distributions	<u>3.292.949</u>	<u>2.538.782</u>
 Short-term liabilities		
7 Other liabilities	833.453	677.471
Deferred donations	<u>7.782.861</u>	<u>6.413.801</u>
SHORT-TERM LIABILITIES IN TOTAL	<u>8.616.314</u>	<u>7.091.272</u>
 LIABILITIES IN TOTAL	 <u>15.392.640</u>	 <u>12.621.015</u>

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

All amounts in DKK.

	<u>2017</u>	<u>2016</u>
Note 1 - Funds collected		
Private donations	34.386	148.719
Donations from foundations	13.177.666	9.525.164
Other income	<u>56.313</u>	<u>83.376</u>
	<u>13.268.365</u>	<u>9.757.259</u>
Earmarked funding to cover administration	<u>1.500.000</u>	<u>1.500.000</u>
Note 2 - Project and program expenses		
Development and Adaptions of the Safe Delivery App	3.764.298	1.513.601
mHealth Competency Center: Rolling out the Safe Delivery App	2.596.468	1.875.368
Hub and roll out Ethiopia (costs incurred in Ethiopia)	1.259.167	1.303.967
On The Ground Maternal & Newborn Health Program	2.159.064	2.377.690
Administration and staff costs	2.253.909	2.124.596
Covered by donations from foundations	<u>-1.500.000</u>	<u>-1.500.000</u>
	<u>10.532.906</u>	<u>7.695.222</u>
Note 3 - Other financial income		
Financial income	<u>11.382</u>	<u>37</u>
	<u>11.382</u>	<u>37</u>
Note 4 - Other financial costs		
Financial expenses	<u>282</u>	<u>876</u>
	<u>282</u>	<u>876</u>

All amounts in DKK.

	<u>2017</u>	<u>2016</u>
Note 5 - Other debtors		
Prepaid expenses	-	49.757
Receivable, foundations	-	208.650
	<u>-</u>	<u>258.407</u>
Note 6 - Equity		
<u>Non-distributable capital</u>		
Capital	250.000	250.000
Profit or loss for the year brought forward	6.318	-
	<u>256.318</u>	<u>250.000</u>
<u>Distributable capital</u>		
Results brought forward, beginning of period	2.740.961	2.373.991
Profit or loss for the year brought forward	486.098	366.970
	<u>3.227.059</u>	<u>2.740.961</u>
Note 7 - Other liabilities		
Payables	282.458	290.886
Holiday pay obligation	436.472	291.470
Payable income tax etc.	114.523	95.115
	<u>833.453</u>	<u>677.471</u>

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

In 2017 the foundation has recieved 240 tax deductible donations, in total DKK 48.000.