



**MATERNITY FOUNDATION**

**ANNUAL REPORT 2018**

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The management has today presented the annual report of Maternity Foundation - Fondet for the financial year 1. january 2018 - 31. december 2018.

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 2018 and of the foundation's results of its activities in the period from 1 January to 31 December 2018.

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 annual meeting.

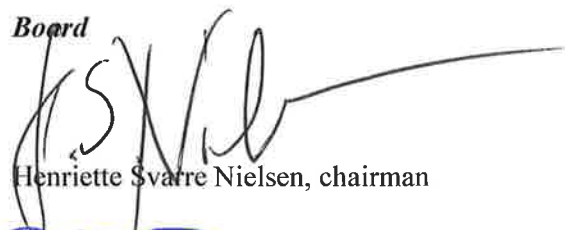
Copenhagen, 8. april 2019

**Management**



Anna Cecilia Frellsen

**Board**



Henriette Svarre Nielsen, chairman



Peter Foss



Paula de Monthoux



Illa Westrup Stephensen



Jimmy Maymann-Holler



Carina Høgsted



Michael Halbye

Anne Marie Worning

To the board

**Opinion**

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

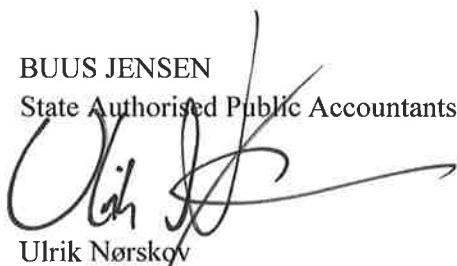
In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to 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, 8. april 2019

BUUS JENSEN  
State Authorised Public Accountants

A handwritten signature in black ink, appearing to read 'Ulrik Nørskov', written over the printed name and title.

Ulrik Nørskov  
State Authorised Public Accountant  
mne29456

**The association**

Maternity Foundation - Fondet  
Forbindelsesvej 3, 1.  
2100 København Ø

CVR-no.: 34 64 00 92  
Financial year: 1. january - 31. december

**Management**

Anna Cecilia Frellsen

**Board**

Henriette Svarre Nielsen, chairman  
Jimmy Maymann-Holler  
Paula de Monthoux  
Carina Høgsted  
Illa Westrup Stephensen  
Peter Foss  
Michael Halbye  
Anne Marie Worning

**Auditors**

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

2018 was yet another important year for Maternity Foundation, where we continued our efforts both on the ground in Ethiopia and through strong partnerships across sub-Saharan Africa and South Asia.

Today, our digital training tool, the Safe Delivery App, is used in over 40 countries and has been downloaded more than 60,000 times. We support implementing partners to reach as many health workers as possible - not only with the Safe Delivery App as a stand-alone tool, but also as an integrated part of national training programs, midwifery education, mentorship programs, and much more. Our elaborate monitoring and evaluation systems enable us to measure and compare results across settings and on global levels. On average, skilled birth attendants across program countries increase their knowledge by 22% and their confidence by 46% after using the App.

We work strategically with national level partners to support their quality improvement and training agenda in countries such as Ethiopia, India, Ghana, Myanmar and Laos. Furthermore, we established new important national level partnerships in Sierra Leone and Somalia in 2018.

### **Newborn Health**

In 2018, we made a strategic decision to increase our focus on newborn health. 7,000 newborns die every day despite a steady decrease in under-five mortality worldwide. Many of these deaths could be prevented by simple interventions before, during and immediately after birth. To address this challenge, we aligned the content of the newborn modules of the Safe Delivery App with essential guidelines for newborn health in humanitarian settings developed by UNICEF and Save the Children with support from WHO. As part of this process, we also added a new module in the Safe Delivery App on how to manage low birthweight babies.

### **Ethiopia**

For our country program in Ethiopia, 2018 was an impactful year. Despite national political and security challenges, including a governmental shift, states of emergency and insecurity in some regions, Maternity Foundation reached important milestones and results. These include integrating the App into the national curriculum for midwifery training and in midwifery schools, translating the App into several local Ethiopian languages, and expanding our activities in Ethiopia's humanitarian settings, including in the Somali region and in refugee camps in the Western region.

The Gambella Refugee Camps in Ethiopia is one of the humanitarian settings in which the Safe Delivery is used as a training tool and job-aid for midwives. Nicola Zewge is a midwife in Nguennyiel Refugee Camp in Gambella, and he told us how he uses the App every day in his work:

*“Our work is risky – we have the lives of mothers and their babies in our hands every day. The Safe Delivery App makes it easier for us to manage. I think all midwives should use it.”*

### **Humanitarian Focus**

In 2018, we expanded our activities in humanitarian and fragile areas affected by conflict. The need for improved maternal and newborn health in humanitarian settings is an enormous global challenge, and we are collaborating with strong partners on the ground to contribute with our knowledge, experience and digital tools. Specifically, we are working with Save The Children to roll out the App in Somalia, we have partnered with Doctors Without Borders (MSF) to translate the App into Arabic and thus make it available in some of today's biggest humanitarian crisis areas, and we are using the App to train and mentor midwives in Ethiopia's Gambella Refugee Camps for South Sudanese refugees.



**Data Dashboard**

To better measure the impact of the Safe Delivery App across countries and settings, we recently finalized our data dashboard. Based on anonymous user data, the dashboard gives a graphic overview of App usage at global, national and regional levels and tracks the health workers' progression in MyLearning, the Safe Delivery App's e-learning and certification component. Not only is the dashboard a useful tool to monitor and measure usage and results of existing projects, it also equips us to make data-driven decisions when improving and adapting our efforts going forward.

**Result for the year**

The results from ordinary activities are 237.373 DKK. -318.168 DKK is transferred to provisions, -6.318 is transferred to non-distributable capital and 561.859 DKK is transferred to distributable capital.

**Thank you**

The backbone of everything we do continues to be our strong partnerships. It is through our partners and supporters that we scale our programs, measure impact, and improve our implementation models.

We would have never reached our many important milestones in 2018 without the loyal support from our donors, including: Asta og Jul P. Justesens Fond, Dansk Sygeplejeråds Solidaritetsfond, det Arnstedtske Familiefond, DERE, Dronning Margrethes og Prins Henriks Fond, Foss A/S, Hesse Ragle Fonden, Ida og J. Rindoms Fond, Kavli Trust, MD Jesper Sylvest, MSD for Mothers, Novo Nordisk Foundation, NTI Fonden, Ole Kirk's Foundation, Oticon Foundation, Otto og Birthe Bangsdals Fond, Pierre Fabré Foundation, the Bill & Melinda Gates Foundation, the Obel Family Foundation, Zonta Denmark and a number of non-disclosed donors.

Also paramount to our results are the many voluntary midwives and doctors supporting our work and our pro bono partners providing professional services for free, including Bech Bruun, Buus Jensen, Carre, Google, Egon Zehnder, Microsoft, PA Consulting Group, Qlik, Inspari and Capax. Thank you for your strong 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, no matter where they live.

Because of the support and collaboration from all our supporters, donors and partners, we can continue to work to fulfil our mission: It should never cost life to give life.

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**

#### **Funds collected**

The funds collected is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received.

#### **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>2018</u>	<u>2017</u>
1 Funds collected	14.417.266	13.268.365
Earmarked funding to cover administration	<u>-1.500.000</u>	<u>-1.500.000</u>
<b>TOTAL COLLECTED FUNDS</b>	<b>12.917.266</b>	<b>11.768.365</b>
Safe Delivery Program	6.803.935	6.360.766
Ethiopia Country Program	4.773.207	3.418.231
India Country Program	63.605	-
Administration and staff costs	2.527.940	2.253.909
Covered by donations from foundations	<u>-1.500.000</u>	<u>-1.500.000</u>
<b>2 TOTAL PROJECT AND PROGRAM EXPENSES</b>	<b><u>12.668.687</u></b>	<b><u>10.532.906</u></b>
<b>RESULT BEFORE NET FINANCIALS</b>	<b>248.579</b>	<b>1.235.459</b>
3 Other financial income	10.542	11.382
4 Other financial costs	<u>21.748</u>	<u>282</u>
<b>RESULT FOR THE YEAR AFTER DESTRIUION</b>	<b><u>237.373</u></b>	<b><u>1.246.559</u></b>
<b>Result to be disposed</b>		
Used provisions	-318.168	754.143
Result brought forward, non-distributable capital	-6.318	6.318
Result brought forward, distributable capital	<u>561.859</u>	<u>486.098</u>
Disposed	<u>237.373</u>	<u>1.246.559</u>

*All amounts in DKK.*

<u>Note</u>	<u>31/12 2018</u>	<u>31/12 2017</u>
<b>ASSETS</b>		
<b>Non-distributable assets</b>		
Other securities and equity investments	240.268	256.292
Available funds	26	26
Transferred from current assets	<u>9.706</u>	<u>-</u>
	<u>250.000</u>	<u>256.318</u>
<b>Financial fixed assets</b>		
Deposits	<u>50.000</u>	<u>50.000</u>
<b>FIXED ASSETS IN TOTAL</b>	<u>300.000</u>	<u>306.318</u>
<b>Current assets</b>		
<u>Debtors</u>		
5 Other debtors	<u>54.228</u>	<u>1.651.921</u>
Available funds	<u>14.547.225</u>	<u>13.434.401</u>
Transferred to non-distributable assets	<u>-9.706</u>	<u>-</u>
<b>CURRENT ASSETS IN TOTAL</b>	<u>14.591.747</u>	<u>15.086.322</u>
<b>ASSETS IN TOTAL</b>	<u>14.891.747</u>	<u>15.392.640</u>

*All amounts in DKK.*

<u>Note</u>	<u>31/12 2018</u>	<u>31/12 2017</u>
<b>LIABILITIES</b>		
<b>Equity</b>		
6 Non-distributable capital	250.000	256.318
Distributable capital	<u>3.788.918</u>	<u>3.227.059</u>
<b>EQUITY IN TOTAL</b>	<u>4.038.918</u>	<u>3.483.377</u>
<b>Provisions</b>		
Provisions for charitable distributions	<u>2.974.781</u>	<u>3.292.949</u>
<b>Short-term liabilities</b>		
7 Other liabilities	805.196	833.453
Deferred donations	<u>7.072.852</u>	<u>7.782.861</u>
<b>SHORT-TERM LIABILITIES IN TOTAL</b>	<u>7.878.048</u>	<u>8.616.314</u>
<b>LIABILITIES IN TOTAL</b>	<u>14.891.747</u>	<u>15.392.640</u>

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

9 Contingencies

*All amounts in DKK.*

	<u>2018</u>	<u>2017</u>
<b>Note 1 - Funds collected</b>		
Private donations	34.043	34.386
Donations from foundations	14.353.727	13.177.666
Other income	29.496	56.313
	<u>14.417.266</u>	<u>13.268.365</u>
Earmarked funding to cover administration	<u>1.500.000</u>	<u>1.500.000</u>
<b>Note 2 - Project and program expenses</b>		
Safe Delivery Program	6.803.935	6.360.766
Ethiopia Country Program	4.773.207	3.418.231
India Country Program	63.605	-
Administration and staff costs	2.527.940	2.253.909
Covered by donations from foundations	<u>-1.500.000</u>	<u>-1.500.000</u>
	<u>12.668.687</u>	<u>10.532.906</u>
<b>Note 3 - Other financial income</b>		
Financial income	<u>10.542</u>	<u>11.382</u>
	<u>10.542</u>	<u>11.382</u>
<b>Note 4 - Other financial costs</b>		
Financial expenses	<u>21.748</u>	<u>282</u>
	<u>21.748</u>	<u>282</u>

*All amounts in DKK.*

	<u>2018</u>	<u>2017</u>
<b>Note 5 - Other debtors</b>		
Prepaid expenses	4.045	1.495.292
Receivable, donations	<u>50.183</u>	<u>156.629</u>
	<u>54.228</u>	<u>1.651.921</u>
<b>Note 6 - Equity</b>		
<u>Non-distributable capital</u>		
Capital	256.318	250.000
Profit or loss for the year brought forward	<u>-6.318</u>	<u>6.318</u>
	<u>250.000</u>	<u>256.318</u>
<u>Distributable capital</u>		
Results brought forward, beginning of period	3.227.059	2.740.961
Profit or loss for the year brought forward	<u>561.859</u>	<u>486.098</u>
	<u>3.788.918</u>	<u>3.227.059</u>
<b>Note 7 - Other liabilities</b>		
Payables	81.384	282.458
Holiday pay obligation	538.471	436.472
Payable income tax etc.	<u>185.341</u>	<u>114.523</u>
	<u>805.196</u>	<u>833.453</u>

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

In 2018 the foundation has received 170 tax deductible donations, in total DKK 34.000.

**Note 9 - Contingencies**

**Contingent liabilities**

	DKK in thousands
Rent liabilities	<u>30</u>
Contingent liabilities	<u>30</u>