TRIGGERISE STICHTING

Report on the financial statements for
the year ended 31 December 2016

TABLE OF CONTENTS

DIRECTORS' REPORT

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The Board of Directors is pleased to present the financial statements of Triggerise Stichting for the financial period ended 31 December 2016.

General

Triggerise Stichting, a Public Benefit organization, serves the public interest and does not aim to make profit. Triggerise builds reward platforms for positive behaviour. Essentially, people in our networks earn reward points (TIKO) for vaccinating children, going to consultations, staying in school etc. These rewards can be traded in the local shops.

We manage networks that, in addition to community members, include local shops, service providers, health providers, informal entrepreneurs, etc. We also have a powerful distribution platform that plays an important role in connecting the communities to the services and products that facilitate impact.

Rewards work for once-off events (consultation, vaccination) but can also be linked to successions of milestones, with the ability to manage timing, location, order etc. This allows us to address a behavioral component, an economic one (cash injection in local economy & income opportunities), and a problem specific to the development/impact investment sectors: a platform that connects directly to communities and provides a funder/impact investor with real-time visibility and the ability to customize and manage investments in real time based on data.

Triggerise is currently active in 11 markets, each at different levels of maturity. They are grouped in three categories:

Scale-up markets
- more than 3,000 active reward recipients (Rafikis)/month;
- all Triggerise products are implemented (or will be in 2017).

Start-up markets
- initiated in 2016;
- several parts of the reward platform (TIKO eco-system) have been piloted in 2016.

Emerging markets
- activities planned to start in 2017;
- only a part of the eco-system will be piloted in 2017;
- additional business development is needed.

Structure of the Group

Triggerise Stichting, a public benefit foundation ('ANBI') incorporated in The Netherlands, is the parent company and sole holder of a group of networked, financially consolidated entities that include:
- Triggerise B.V., a limited company in the Netherlands, tasked with managing all operations on behalf of the Stichting;
- Triggerise Labs Sociedade Unipessoal (single shareholder company), incorporated in Portugal, owned 100% by Triggerise and tasked with the development of all technology on behalf of the group, globally;
- Triggerise SA, incorporated in South Africa, a global operational and supporting hub of the Group;
- Triggerise Kenya Limited, incorporated in Kenya, owned 100% by Triggerise to support our activities in Kenya; and
- Triggerise India Private Limited, incorporated in India, owned 100% by Triggerise to support our activities in India.

Financial and operational performance

Our major source of Income was the 3 donation contracts we signed with PSI and Cordaid in 2016. These donations are part of larger consortia, put forward by donors, including the Dutch Ministry of Foreign Affairs (MinBuZa) and The Bill and Melinda Gates Foundation (BMGF). The amount we received as part of these sub-awards amounts to EUR 997 thousand.

Our Partnership Business in 2016 across eight countries, accounting for EUR 347 thousand in income. Our global partners included PSI, MSI and Pharmaccess.

The net loss amounts to EUR 419 thousand (covered by reserves). PSI has contributed EUR 325 thousand to the reserves of Triggerise in the first 6 months of 2016. From mid 2016 Triggerise had the sub-award contracts in place and was able to fund our activities through the sub-awards and contract activities.

Financial position, financing and cash flows

The initial funding for Triggerise Stichting was put forward by PSI, a global non-profit charitable organization. This funding was a mix of cash and in-kind, which means that PSI has directly covered some of the Group's expenses, including staff and operational costs. In 2017 we obtained the sub awards and from mid 2016 we received no more funding from PSI.

Cash flows from operating activities show a cash outflow in 2016 of EUR 38 thousand, which is covered by contributions made by PSI of EUR 133 thousand.

Risks assessment

Triggerise is an innovator, courageous, risk-tolerant and committed to bold ideas. However we are fully committed to full compliance and risks management. In 2016 we set up a risk committee to identify, quantify impact and assess likelihood of events.

The primary risk currently is the level of funding required to achieve growth. Being in a growth phase, Triggerise requires significant resources to fund going to scale. Without sufficient funding Triggerise will not obtain our growth targets, impacting our long term feasibility. We manage this risk by seeking new donors and contract activities, managing our current donors and ridged cashflow management. We are also articulating innovative financing models.

Governance

Board of Directors

The Board of Directors, entrusted with the management of Triggerise, consists of Iulian Circo (Chief Executive Officer) and Benoit Renard (Managing Director).

The Board of Directors is responsible for strategy, long term plan and managing the backoffice, operations, data science and tech teams. Furthermore it is responsible for implementing and maintaining an adequate risk management and control system. The Board promotes Triggerise's interests, in the broadest sense of the word, and is organizing funding and donations.

Supervisory Board

Triggerise has a Supervisory Board in place consisting of 5 volunteers. One of them is a representative of PSI. The Supervisory Board members act in accordance with the interests of Triggerise.

The Supervisory Board has the duty to oversee the policies of the Board and the general course of affairs in Triggerise. The board assists management by giving advice and high level guidance and monitors that the organization operates in accordance with vision and strategy.

The Board of Directors provide the Supervisory Board with the information necessary or requested for the performance of its oversight duties. The annual and multi-year plans, with the associated budget require the approval of the Supervisory Board.

Code of Conduct

All staff must read, sign and abide by the:
1. Anti-corruption Code;
2. Child Protection Policy;
3. Conflict of Interest Code; and
4. all other codes of conduct, codes of ethics and other working procedures as adopted and published by Triggerise as this forms part of their contract of employment. The code clearly outlines the standards of behaviors that are expected of all staff and defines ethical values and norms. The rules and guidelines contained in the code, together with the policies and procedures and the terms and conditions of employment provide a framework within which all Triggerise officials and employees need to conduct their business.

In accordance with the Code of Conduct, staff must declare any possible conflicts of interest and register all gifts in a gift register.

Personnel

The number of employees (FTE) for the Stichting and its Group companies at the end of the financial year 2016 amounted to 21 (2015: 8). We would like to express our gratitude to our employees for their dedication and commitment to the Stichting in 2016.

Research and development information

A fundamental part of our ethos at Triggerise is continuously exploring new ways to do things and innovate, both with our approach as well as with our products and offerings.

Technological developments
MOVERCADO; our flagship technology platform, has evolved significantly. To ensure better response and support, Triggerise hired a dedicated resource in charge of all technical support and set up an automated support platform, a cloud-based customer support software & helpdesk ticketing system that assists all project managers, internal and external, over email, phone and social media.

Furthermore, in line with the evolution of our markets, 2016 saw the development and implementation of several Android apps linked to the Movercado platform. All Triggerise apps have the ability to send information through a data connection as well as through SMS as a backup if a data connection is not available.

At the end of 2016 Triggerise had a three-member Data Science team tasked with building and managing a data environment to host all reporting data, conduct analysis, and provide customized data directly to users and partners. This environment acts as Triggerise's centralized data warehouse.

Product developments
TIKO has remained one of our flagship product innovations. It is a reward platform applied to behaviour. We ask donors (and partners) to underwrite reward points, which we pass to clients in real time, once the rewardable behaviour has been verified through a real-time validation workflow. TIKO rewards can then be redeemed in the local market for products and services. The value of TIKO in Triggerise eco-systems is very diverse: it is primarily a behavioural platform, but it is also an operational platform that allows real-time, virtual transactions. It unlocks growth opportunities for local markets, and it allows impact investors & funders to target and track their impact investment.

A significant innovation in 2016 was the establishment of Connect, an insight initiative built around quantitative and qualitative tracking and research techniques to unveil rich insights and turn them into action.

Outlook
We are looking forward to 2017 as a year of continued growth, both for us as an organization as well as for our impact in our markets. The successful application for funding by donors such as The Children's Investment Fund Foundation early 2017 together with existing consortiums funded donations from The Netherlands Ministry of Foreign Affairs and The Bill and Melinda Gates Foundation will provide the opportunity (and pressure) of growth. We need to focus on strengthening our local operations, strengthening our global business services and improving our technology.

Amsterdam, 2 June 2017

The Board of Directors:

Benoit Renard　　　　Iulian Circo

FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2016

(Before result appropriation)

	Note	31 December 2016		31 December 2015	
		EUR	EUR	EUR	EUR
ASSETS					
Fixed assets					
Tangible fixed assets	(1)	21,391		5,124	
			21,391		5,124
Current assets					
Trade and other receivables	(2)	143,144		148,686	
Cash and cash equivalents	(3)	112,253		44,315	
			255,397		193,001
			276,788		198,125
LIABILITIES					
Reserves	(4)		26,419		116,350
Current liabilities	(5)		250,369		81,775
			276,788		198,125

CONSOLIDATED STATEMENT OF INCOME AND EXPENDITURES FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	Actual 2016	Budget 2016	Actual 2015
		EUR	EUR	EUR
Income				
Income from donations	(6)	996,837	1,432,649	-
Income from rendering of services	(6)	347,438	320,916	242,015
Total income		1,344,275	1,753,565	242,015
Expenditures	(7)			
Expenditures on Triggerise goals		(1,050,073)	(1,577,293)	(461,637)
Cost of generating income		(164,811)	(107,050)	(190,469)
Management & administration costs		(526,191)	(556,660)	(96,526)
Total expenditures		(1,741,075)	(2,241,003)	(748,632)
Net operating result		(396,800)	(487,438)	(506,617)
Financial result	(8)	(12,625)	-	(395)
Loss before taxation		(409,425)	(487,438)	(507,012)
Taxation	(9)	(9,731)	-	(1,861)
Net loss		(419,156)	(487,438)	(508,873)
Appropriation of result				
Deducted from the reserves		(419,156)	(487,438)	(508,873)
Net loss		(419,156)	(487,438)	(508,873)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2014/2015
	EUR	EUR
Operating result	(396,800)	(506,617)
Adjusted for:		
Operating expenses*	192,631	408,454
Depreciation	8,535	4,262
Foreign exchange result	(4,692)	-
Changes in working capital	165,623	(68,772)
Cash flow from operations	(34,703)	(162,673)
Interest received	82	-
Interest paid	(3,709)	(1,405)
Cashflow from operating activities	(38,330)	(164,078)
Investments in tangible fixed assets	(24,802)	(9,386)
Cash flow from investing activities	(24,802)	(9,386)
Cash contributions	132,589	216,769
Cash flow from financing activities	132,589	216,769
Net cash flow	69,457	43,305
Exchange rate and translation differences on cash and cash equivalents	(1,519)	1,010
Changes in cash and cash equivalents	67,938	44,315

* These relate to contributions in kind by reimbursements of operational costs funded by PSI (refer note 15).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GENERAL

Relationship with parent company and principal activities
Triggerise Stichting (“Triggerise or the Stichting”), domiciled in Amsterdam, Mauritskade 63, is a foundation. The Foundation was incorporated on 29 October 2014.

Triggerise Stichting, a Public Benefit organization ('ANBI'), serves the public interest and does not aim to make profit. The objective of the Group is to create, foster, invest and/or manage businesses and philanthropic solutions to underserved market segments worldwide.

Triggerise builds reward platforms for positive behavior. Essentially, people in our networks earn reward points for vaccinating children, going to consultations, staying in school etc. These rewards can be traded in the local shops.

Triggerise manages networks that, in addition to community members, include local shops, service providers, health providers, informal entrepreneurs, etc. It also has a powerful distribution platform that plays an important role in connecting the communities to the services and products that facilitate impact.

Group structure
The financial statements of Triggerise consolidate the financial information of Triggerise Stichting and that of the following subsidiaries, which are either directly or indirectly wholly-owned subsidiaries ("the Group"):
- Triggerise B.V., Amsterdam, The Netherlands, acting as management and service company to assist the Stichting;
- Triggerise Labs Sociedade Unipessoal Limitada, Porto, Portugal, tasked with the development of all technologies on behalf of the Group, globally;
- Triggerise South Africa, Cape Town, South Africa, a global operational and supporting hub for the Group.
- Triggerise Kenya Limited, Nairobi, Kenya, to support the Group activities in Kenya; and
- Triggerise India Private Limited, New Delhi, India, to support the Group activities in India.

Financial reporting period
These financial statements cover the year 2016, which ended 31 December 2016. The comparative figures present an extended financial period of 29 October 2014 up to and including 31 December 2015.

Basis of preparation
The financial statements have been prepared in accordance with Dutch Accounting Standard for Fundraising Institutions (RJ 650) published by the Dutch Accounting Standards Board. This guideline requires that costs be allocated not only to the cost of direct fundraising and the achievement of the organization's goals but also to generating income and management & administration.

The principles adopted for the valuation of assets and liabilities and the determination of the result are based on the historical cost convention.

Because the majority of the transactions within the Group are denominated in euros, amounts are expressed in euros (functional currency).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Going concern
These financial statements have been prepared on the basis of the going concern assumption.

Consolidation principles
The consolidated financial statements include the financial data of the Stichting and its group companies. Control exists when the Stichting has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Group companies are participating interests in which the Stichting has a direct and indirect controlling interest. In assessing whether a controlling interest exists, potential voting rights that are presently exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. In preparing the consolidated financial statements, intra-group balances, revenues and expenses arising from intra-group transactions are eliminated. The Group companies are consolidated in full.

ACCOUNTING POLICIES - GENERAL

If not stated otherwise, assets and liabilities are shown at nominal value.

An asset is disclosed in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be reliably measured. A liability is recognised in the balance sheet when it is expected to result in an outflow from the entity of resources embodying economic benefits and the amount of the obligation can be measured with sufficient reliability.

If a transaction results in a transfer of future economic benefits and or when all risks relating to assets or liabilities transfer to a third party, the asset or liability is no longer included in the balance sheet. Assets and liabilities are not included in the balance sheet if economic benefits are not probable or cannot be measured with sufficient reliability.

The income and expenses are allocated to the period to which they relate.

Use of estimates
The preparation of the financial statements requires the management to form opinions and to make estimates and assumptions that influence the application of principles and the reported values of assets and liabilities and of income and expenditure. The actual results may differ from these estimates. The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are recognised in the period in which the estimate is revised and in future periods for which the revision has consequences.

The following accounting policies are in the opinion of management the most critical for the purpose of presenting the financial position and require estimates and assumptions:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Recognition of income from donations
Income from donations is recognised, amongst others, to the extent that funds are used for the reasonable and allowable cost incurred for the activities as specified in the contracts with the donors. Management uses a reasonable and prudent method in allocating the cost to programs in accordance with terms and conditions of the agreement (also refer to principles of determination of the result).

Principles for the translation of foreign currencies

Transactions in foreign currencies
Transactions denominated in foreign currency are translated into the relevant functional currency of the Group companies at the exchange rate applying on the transaction date. Monetary assets and liabilities denominated in foreign currency are translated into the functional currency at the balance sheet date at the exchange rate applying on that date. Non-monetary assets and liabilities in foreign currency that are stated at historical cost are translated into euros at the applicable exchange rates on the transaction date. Translation gains and losses are taken to the profit and loss account.

Foreign operations
The assets and liabilities that are part of the net investment in a foreign operation are translated into euros at the exchange rate prevailing at the balance sheet date. The revenues and expenses of such a foreign operation are translated into euros at the exchange rate on the transaction date. Currency translation differences are recognised in the translation reserve within equity.

PRINCIPLES OF VALUATION OF ASSETS AND LIABILITIES

Financial instruments
Financial instruments include trade and other receivables, cash items, and trade and other payables.

Financial instruments are initially recognised at fair value. If instruments are not carried at fair value through profit and loss, then any directly attributable transaction costs are included in the initial measurement. After initial recognition, financial instruments are valued in the manner described in these accounting principles below.

Tangible fixed assets
Tangible fixed assets are stated at cost, which is it's acquisition price, less accumulated depreciation and impairment losses. The depreciation is based on the expected useful life and is calculated on the basis of a fixed percentage of the acquisition price, taking into account any residual value. Depreciation is applied as from the moment the asset is available for its intended use.

Financial fixed assets
Participating interests, where significant influence is exercised over the business and financial policy, are valued according to the equity method on the basis of the net asset value. This net asset value is based on the same accounting principles as applied by Triggerise Stichting. Participating interests with a negative net asset value are valued at nil. In a case where the Stichting fully or partly guarantees the debts of the respective participating interest, a provision is recognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Impairment
Tangible fixed assets are assessed at each reporting date whether there is any indication of an impairment. If any such indication exists, the recoverable amount of the asset is estimated. The recoverable amount is the higher of value in use and net realisable value.

When the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised for the difference between the carrying amount and the recoverable amount. Subsequently, at each reporting date, the Group assesses whether there is any indication that an impairment loss that was recorded in previous years has been decreased. If any such indication exists, then the recoverable amount of the asset is estimated.

Reversal of a previously recognised impairment loss only takes place when there is a change in the assessment used to determine the recoverable amount since the recognition of the last impairment loss. In such case, the carrying amount of the asset is increased to its recoverable amount, but not higher than the carrying amount that would have applied (net of depreciation) if no impairment loss had been recognised in previous years for the asset.

Trade and other receivables
Trade and other receivables are carried at amortised cost using the effective interest rate method, less impairment losses.

Cash and cash equivalents
Cash and cash equivalents are valued at nominal value. If cash and cash equivalents are not readily available, this fact is taken into account in the measurement.

Cash and cash equivalents denominated in foreign currencies are translated at the balance sheet date in the functional currency at the exchange rate ruling at that date. Reference is made to the accounting policies for foreign currencies.

Provisions
A provision is recognised if the following applies:
- the Group has a legal or constructive obligation, arising from a past event;
- the amount can be estimated reliably; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

If all or part of the payments that are necessary to settle a provision are likely to be fully or partially compensated by a third party upon settlement of the provision, then the compensation amount is presented separately as an asset. Provisions are stated at the nominal value of the expenditures that are expected to be required to settle the liabilities and losses.

Liabilities
Financial commitments, trade and other payables are carried at amortised cost using the effective interest rate method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

PRINCIPLES FOR THE DETERMINATION OF THE RESULT

Income from donations
Income from donations is recognised in the year to which the item of income relates and is recognised for the obligated amounts the donors have agreed upon under the contracts, to the extent that services have been provided and funds are used for the reasonable and allowable costs incurred for the activities as specified in the contract with the donors.

Income from rendering of services
Revenue from services rendered is accounted for in net turnover at the fair value of the consideration received or receivable.

Revenues from services rendered are recognised in the profit and loss account when the amount of the revenue can be determined reliably, collection of the related compensation to be received is probable, the extent to which the services have been performed on the balance sheet date can be determined reliably, and the costs already incurred and (possibly) yet to be incurred to complete the service can be determined reliably.

If the result from a specific service contract cannot be determined reliably, then revenues are recognised up to the amount of the service costs that are covered by the revenues.

Expenditures on Triggerise goals
Expenditures on Triggerise goals relate to those expenses that are directly or indirectly attributable to projects and programs.

Costs of generating income
The costs of generating income include the direct and indirect costs of recruiting and maintaining relationships.

The allocation to these categories (goals and generating income) is made with the consistency principle and on the basis of fixed, internally defined allocation keys.

Management and administration costs
The management and administration costs are calculated in accordance with the guideline published by VFI, the trade association of charities. They include the costs of the supervisory board, general secretariat, finance department and all costs indirectly allocated thereto, to the extent that these cannot be allocated directly to the goals and generation of income.

Corporate income tax
Corporate income tax comprises the current and deferred corporate income tax payable and deductible for the reporting period.

Current tax comprises the expected tax payable or recoverable on the taxable profit or loss for the financial year, calculated using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

If the carrying amount of assets and liabilities for financial reporting purposes differ from their values for tax purposes (tax base), this results in temporary differences. For taxable temporary differences, a provision for deferred tax liabilities is recognised. For deductible temporary differences, available tax losses and unused tax credits, a deferred tax asset is recognised, but only to the extent that it is probable that future taxable profits will be available for set-off or compensation. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The measurement of deferred tax liabilities and deferred tax assets is based on the tax consequences following from the manner in which the Group expects, at the balance sheet date, to realise or settle its assets, provisions, debts and accrued liabilities. Deferred tax assets and liabilities are measured at nominal value.

Related party transactions
For the purpose of these financial statements, parties are considered to be related to the Stichting if the Stichting has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Stichting and the party are subject to common control or common significant influence. Related parties comprise subsidiaries of the Stichting. A part of the Stichting's transactions is with related parties.

Cashflow statement
The cash flow statement is prepared using the indirect method. Cash flows in foreign currency are translated into euros using the weighted average exchange rates at the dates of the transactions.

NOTES TO THE CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2016

1. Tangible fixed assets

	Office renovation	Office equipment	Computer equipment	Total
	EUR	EUR	EUR	EUR
Book value as of 31 December 2015				
Purchase price	942	997	7,447	9,386
Accumulated depreciation	(305)	-	(3,957)	(4,262)
	637	997	3,490	5,124
Changes this period:				
Investments	-	2,022	22,780	24,802
Depreciation	(364)	(753)	(7,418)	(8,535)
	(364)	1,269	15,362	16,267
Book value as of 31 December 2016				
Purchase price	942	3,019	30,227	34,188
Accumulated depreciation	(669)	(753)	(11,375)	(12,797)
	273	2,266	18,852	21,391

Depreciation rates

	Percentage
Office renovation	20.0%
Computer equipment	33.0%
Office equipment	20.0%

2. Trade and other receivables

	31 December 2016	31 December 2015
	EUR	EUR
Trade receivables	85,688	134,976
Taxation	18,716	2,208
Prepaid expenses	18,452	-
Other receivables	20,288	11,502
	143,144	148,686

Taxation relates to VAT receivables. Other receivables relate to deposits paid for office rent and credit card of EUR 16,722 (2015: EUR 11,050) and various other receivables of EUR 3,566 (2015: EUR 452). Except for deposits paid, all trade receivable and other receivables are due in one year.

3. Cash and cash equivalents

Cash and cash equivalents are available on demand and at free disposal of the Group.

NOTES TO THE CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2016

4. Reserves

Please refer to note 15 to the Company balance sheet on page 27 of this report for an explanation of the reserves.

5. Current liabilities

	31 December 2016	31 December 2015
	EUR	EUR
Accounts payable to suppliers and trade creditors	27,955	23,902
Social security contributions due	67,516	14,351
Income taxes payable	8,513	1,901
Deferred revenue	73,448	19,000
Accruals and other liabilities	72,937	22,621
	250,369	81,775

Deferred revenue relates to income from donations, for services which have not yet been performed on balance sheet date. Accruals and other payables relate to accrued credit card expenses of EUR 4,375 (2015: EUR 7,943), a reservation for holiday payments of EUR 20,202 (2015: EUR 1,400) and various other liabilities. Current liabilities are due within one year.

Financial risks

General
The primary financial risks for Triggerise concerns the credit risk, currency risk and liquidity risk. Considering that there are no interest bearing loans, there are no interest rate risks.

Credit risk
Credit risk is the risk of financial loss to Triggerise if donors or global partners fails to meet their contractual obligations, and arises principally from amounts receivable from these parties. Trade receivables are mainly concentrated with global partners. At the balance sheet date the maximum exposure to credit risk is represented by the carrying amount of each financial asset.

Currency risk
Triggerise is exposed to foreign currency risk on income and expenditures that are denominated in a currency other than the Euro (mainly US Dollar and South African Rand). The Group's internal organization and quality control policy ensures that the exposure in this area is kept to an acceptable level.

Liquidity risk
Triggerise's policy for managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The primary risk currently is the level of funding required to achieve growth. For this purpose management manages this risk by seeking new donors and contract activities, and monitors its cash position by using successive liquidity budgets.

NOTES TO THE CONSOLIDATED STATEMENT OF INCOME AND EXPENDITURES FOR THE YEAR ENDED 31 DECEMBER 2016

6. Income

Income consists of donations of EUR 996,837 (budget: EUR 1,432,649) and service income of EUR 347,438 (budget: EUR 320,916). The Group renders services by implementing projects in underdeveloped markets.

The lower income in 2016 compared to budget is mainly caused by delays in setting up the local organization and starting operations on site.

7. Expenditures

	2016 EUR Triggerise goals	2016 EUR Generating income	2016 EUR Management & administration costs	2016 EUR Total
Cost of outsourced work and other external cost	189,922	-	65,361	255,283
Staff costs	707,183	125,980	223,397	1,056,560
Depreciation tangible fixed assets	5,840	449	2,246	8,535
Other operating expenses	147,128	38,382	235,187	420,697
	1,050,073	164,811	526,191	1,741,075
Budget 2016	1,577,293	107,050	556,660	2,241,003

	2014/2015 EUR Triggerise goals	2014/2015 EUR Generating income	2014/2015 EUR Management & administration costs	2014/2015 EUR Total
Cost of outsourced work and other external cost	151,849	58,696	-	210,545
Staff costs	205,847	91,595	41,660	339,102
Depreciation tangible fixed assets	3,074	1,188	-	4,262
Other operating expenses	100,867	38,990	54,866	194,723
	461,637	190,469	96,526	748,632

NOTES TO THE CONSOLIDATED STATEMENT OF INCOME AND EXPENDITURES FOR THE YEAR ENDED 31 DECEMBER 2016

Cost of outsourced work and other external costs

Cost of outsourced work and other external costs mainly relate to supporting staff working on implementing projects on site and amounts to EUR 255,283 (budget: EUR 87,313). Local entities in Kenya and India were not timely incorporated. Consequently, people were hired on a consultancy basis, resulting in higher cost than budgetted.

Staff costs

During the 2016 financial year, the number of employees (FTE) amounted to 21 (2015: 8). The composition of staff costs is as follows:

	Actual 2016	Budget 2016	Actual 2015
	EUR	EUR	EUR
Wages and Salaries	733,599	935,001	84,436
Social Security cost and pension cost	135,565	222,778	55,218
Secondment staff	187,396	208,952	199,448
	1,056,560	1,366,731	339,102

Other operating expenses

	Actual 2016	Budget 2016	Actual 2015
	EUR	EUR	EUR
Legal and professional fees	120,314	151,995	57,861
Travel expenses	113,135	169,199	51,046
Office expenses	51,517	43,813	18,592
Promotion and advertising	32,188	285,000	21,499
Other personell expenses	25,716	14,169	6,459
Information technology cost	43,352	57,119	20,810
General expenses	34,475	57,164	18,456
	420,697	778,459	194,723

Legal and professional fees
These mainly relate to legal support (setting up the structure) and audit and accounting fees.

Travel expenses
Lower expenditures compared to budget is caused by less employees that are travelling.

Office expenses
Office expenses include office rent of EUR 33,880 (2015: EUR 3,067), telephone and internet expenses of EUR 6,566 (2015: EUR 3,567) and other office expenses of EUR 11,071 (2015: EUR 11,958).

NOTES TO THE CONSOLIDATED STATEMENT OF INCOME AND EXPENDITURES FOR THE YEAR ENDED 31 DECEMBER 2016

Promotion and advertising

Due to delay in setting up the local organizations in Kenya and India these expenditures were still limited in 2016.

General expenses

	Actual 2016	Budget 2016	Actual 2015
	EUR	EUR (not allocated by nature)	EUR
Sponsorship fees	6,093		-
Insurance	4,597		816
Recruitment	16,092		-
Other general expenses	7,693		17,640
	34,475	57,164	18,456

8. Financial results

	Actual 2016	Budget 2016	Actual 2015
	EUR	EUR	EUR
Interest income and similar income	82		-
Interest expenses and similar expenses	(3,709)		(1,405)
Foreign exchange results	(8,998)		1,010
	(12,625)	-	(395)

9. Taxation

The tax charge for the year of EUR 9,731 relates to corporate taxation on profits recognized for activities in Portugal. For losses incurred by other subsidiaries in the Group no tax benefit has been recorded.

COMPANY FINANCIAL STATEMENTS

COMPANY BALANCE SHEET AS AT 31 DECEMBER 2016

(Before result appropriation)

	Note	31 December 2016		31 December 2015	
		EUR	EUR	EUR	EUR
ASSETS					
Fixed assets					
Financial fixed assets	(12)	4,359		115,242	
			4,359		115,242
Current assets					
Trade and other receivables	(13)	99,094		-	
Cash and cash equivalents	(14)	18,313		6,781	
			117,407		6,781
			121,766		122,023
LIABILITIES					
Reserves	(15)		26,419		116,350
Current liabilities	(16)		95,347		5,673
			121,766		122,023

COMPANY STATEMENT OF INCOME AND EXPENDITURES FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016	2014/2015
		EUR	EUR
Income	(17)	996,837	-
Expenditures			
Operating expenses	(18)	(983,035)	(14,556)
Net operating result		13,802	(14,556)
Financial result	(19)	168	(1,713)
Result before taxation		13,970	(16,269)
Taxation		-	-
Result participating interest	(12)	(433,126)	(492,604)
Net loss		(419,156)	(508,873)
Appropriation of result			
Deducted from reserves		(419,156)	(508,873)
Net loss		(419,156)	(508,873)

NOTES TO THE COMPANY FINANCIAL STATEMENTS

GENERAL

If there is no further explanation provided to the items in the Company's balance sheet and the Company's statement of income and expenditures, please refer to the notes in the consolidated balance sheet and statement of income and expenditures.

ACCOUNTING POLICIES - GENERAL

The principles for the valuation of assets and liabilities and the determination of the result are the same as those applied to the consolidated statement of income and expenditures, with the exception of the following:

Result from participating interests
The share in the result of participating interests consists of the share of Triggerise Stichting in the result of these participating interests. Results on transactions, involving the transfer of assets and liabilities between the Stichting and its participating interests and between participating interests, are not recorded insofar these are unrealised.

NOTES TO THE COMPANY BALANCE SHEET AS AT 31 DECEMBER 2016

12. Financial fixed assets

Financial fixed assets relate to investments in Triggerise B.V.

	2016	2015
	EUR	EUR
Balance as at 1 January	115,242	-
Incorporation	-	1
Share premium contribution	325,220	607,845
Result participating interest	(433,126)	(492,604)
Translation result	(2,977)	-
Balance as at 31 December	4,359	115,242

During the year the Triggerise Stichting made a contribution of EUR 325,220 (2015: EUR 607,845) by reimbursing certain operational cost incurred by Triggerise B.V. The contribution, which was partly in cash and partly in kind, was treated as a share premium contribution.

13. Trade and other receivables

	2016	2015
	EUR	EUR
Amounts due from affiliated companies	98,058	-
Prepaid expenses	1,036	-
	99,094	-

Trade and other receivables are due within one year.

14. Cash and cash equivalents

Cash and cash equivalents are available on demand and at free disposal of the Stichting.

NOTES TO THE COMPANY BALANCE SHEET AS AT 31 DECEMBER 2016

15. Reserves

The movement of reserves during the financial period is specified below.

	2016	2015
	EUR	EUR
Reserves		
Balance as at 1 January	116,350	-
Contributions (in cash and in kind)	325,220	625,223
Net result	(419,156)	(508,873)
Translation result	4,005	-
Balance as at 31 December	26,419	116,350

The contributions relate to contributions in cash and in kind by reimbursements of operational costs funded by the Global non-profit charitable organization, Population Service International (PSI). Triggerise and PSI are working together in expending the technology to make markets work for underserved populations.

16. Current liabilities

	31 December 2016	31 December 2015
	EUR	EUR
Amounts due to affiliated companies	-	1,437
Deferred revenue	73,447	-
Accrued liabilities	21,900	4,236
	95,347	5,673

Deferred revenue relates to income from donations, for services which have not yet been performed on balance sheet date. Current liabilities are due within one year.

NOTES TO THE COMPANY STATEMENT OF INCOME AND EXPENDITURES FOR THE YEAR ENDED 31 DECEMBER 2016

17. Income

Income consists of donations. The Stichting is obtaining these donations to fund the projects and programs of its subsidiaries.

18. Operating expenses

Operating expenses of EUR 955,045 (2014/2015: EUR -) relate to service fees paid to Triggerise B.V. regarding cost incurred on projects and programs, audit and accounting fees of EUR 22,112 (2014/2015: EUR 4,236) and various other operating expenses of EUR 5,878 (2014/2015: 10,320).

19. Financial result

	2016	2014/2015
	EUR	EUR
Interest expenses and similar expenses	168	(239)
Foreign exchange result	-	(1,474)
	168	(1,713)

Amsterdam, 2 June 2017

The Board of Directors:

Benoit Renard

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OTHER INFORMATION

OTHER INFORMATION

Independent auditor's report
The independent auditor’s report is set forth on the next page.

Post balance sheet events
Early 2017 a sub-award agreement was concluded with the Children's Investment Fund Foundation.

INDEPENDENT AUDITOR'S REPORT

To: The Board of directors of Triggerise Stichting

A. Report on the audit of the financial statements 2016 included in the report on the financial statements

Our opinion
We have audited the financial statements 2016 of Triggerise Stichting, Amsterdam.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Triggerise Stichting as at 31 December 2016, and of its result for the year then ended in accordance with the Guideline for annual reporting 650 “Fundraising Organizations” of the Dutch Accounting Standards Board.

The financial statements comprise:
1. the consolidated and company balance sheet as at 31 December 2016;
2. the consolidated and company statement of income and expenditures for 2016; and
3. the notes comprising a summary of the accounting policies and other explanatory information

Basis for our opinion
We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the ‘Auditor's responsibility’ section of our report.

We are independent of Triggerise Stichting in accordance with the “Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten” (ViO, code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the “Verordening gedrags- en beroepsregels accountants” (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Unaudited corresponding figures
We have not audited the financial statements 2014/2015. Consequently, we have not audited the corresponding figures included in the statement of income and expenditure.

B. Report on other information included in the report on the financial statements
In addition to the financial statements and our auditor’s report thereon, the report on the financial statements contains other information that consists of:
- The management board’s report;
- Other information as required by the Guideline for annual reporting 650 “Fundraising Organizations” of the Dutch Accounting Standards Board.

Based on the following procedures performed, we conclude that the other information:
- Is consistent with the financial statements and does not contain material misstatements;
- Contains the information as required by the Guideline for annual reporting 650 “Fundraising Organizations” of the Dutch Accounting Standards Board.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of the Guideline for annual reporting 650 “Fundraising Organizations” of the Dutch Accounting Standards Board and the Dutch Standard 720. The scope of the procedures performed on the other information is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the management board’s report in accordance with the Guideline for annual reporting 650 “Fundraising Organizations” of the Dutch Accounting Standards Board and other information as required by the Guideline for annual reporting 650 “Fundraising Organizations” of the Dutch Accounting Standards Board.

C. Description of responsibilities regarding the financial statements

Responsibilities of management for the financial statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Guideline for annual reporting 650 “Fundraising Organizations” of the Dutch Accounting Standards Board. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the entity’s ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the entity’s ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements
Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtaining an understanding of 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 entity’s internal control;
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Concluding on the appropriateness of management’s use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity’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 financial statements 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 a entity to cease to continue as a going concern;
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures;
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.
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 findings in internal control that we identify during our audit.

Werkhoven, 2 June 2017

NielenVanDeLaar accountants B.V.

C.J.G. Nielen RA