TRIGGERISE STICHTING

Report on the financial statements for
the year ended 31 December 2018

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DIRECTORS' REPORT

DIRECTORS' REPORT

The Board of Directors is pleased to present the financial statements of Triggerise Stichting for the financial period ended 31 December 2018.

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 going to consultations, accessing medication, attending community sessions etc. These rewards can be traded in the local shops, pharmacies and last mile distributors.

We manage networks that, in addition to community members, include wholesalers, 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, HIV test) but can also be linked to successions of milestones, with the ability to manage timing, location, order etc. This allows us to address a behavioural 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.

In 2018 Triggerise was active in 11 markets, Kenya, Ethiopia, India, Malawi, Tanzania, South Africa, Mozambique, DRC, Cameroon, Burundi and Haiti, each at different levels of maturity.

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 Triggerise Stichting;
- Triggerise Labs Sociedade Unipessoal (single shareholder company), incorporated in Portugal, owned 100% by Triggerise BV 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 BV to support our activities in Kenya;
- Triggerise India Private Limited, incorporated in India, owned 100% by Triggerise BV to support our activities in India;
- Triggerise Stichting (Ethiopia), a branch organization in Ethiopia, set up to support our activities in Ethiopia;
- Triggerise Malawi, owned 100% by Triggerise BV to support our activities in Malawi (incorporated in January 2019);
- Tikosystem Tanzania Limited, owned 100% by Triggerise BV to support our activities in Tanzania.

Financial and operational performance

Triggerise's 2018 income was EUR 4.2 million (compared to 2017: EUR 2.4 million). The majority of that income comes from sub contracts on the Ignite Project funded by the Dutch Ministry of Foreign Affairs (MinBuZa), Population Services International (PSI) and CORDAID. Approximately 45% of the 2018 income is from direct contracts with Children's Investment Fund Foundation (CIFF), Embassy of the Kingdom of the Netherlands (EKN) in Ethiopia, and Rutgers.

Our unrestricted contracts in 2018 across South Africa, Ethiopia, and Burundi accounted for EUR 351 thousand in income compared to EUR 407 thousand in 2017.

With the consistent growth in different markets and new contracts Triggerise in 2018 was able to have a net surplus of EUR 139 thousand. This puts us in a much better financial situation from 2017 where we reported a net loss of EUR 125 thousand.

Financial position, financing and cash flows

In 2018 Triggerise covered its expenses through the income from donations and contract activities. Cash flows from operating activities show a cash inflow in 2018 of EUR 673 thousand compared to net cash outflow of EUR 4 thousand in 2017. The increase is mainly due to funds received in advance from sub contracts.

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. A risk committee is in place to monitor our risk management process, including identifying new risks, quantify impact and assess likelihood of events. We have a risk management plan in place that we actively monitor and manage.

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 constantly monitoring our liquidity position through successive liquidity budgets.

Operationally we focus on controlling the risks in the markets by limiting the amount of cash in the markets and having a centralized financial system in place. All bank payments are authorized in our head office in Amsterdam. We also implemented controls in the various markets to minimize the risks of actors in the market taking advantage of our network. Improved controls were issued to the markets during the year and currently being implemented.

A weaker dollar is a risk for Triggerise as a significant part of our income is in US Dollar while our expenses are a mixture of Euro, Kenya Shilling, US Dollar, South African Rand, Ethiopian Birr and Indian Rupees. The lower Dollar was the main reason for incurring a loss on foreign exchange transactions of EUR 55 thousand in 2017. In 2018 Triggerise has managed that risk by exchanging US Dollar income once received to Euro to cover that part of the expected Euro expenses based on a multi-currency cash flow forecast. The loss on foreign exchange transactions for 2018 increased to EUR 63 thousand mainly due to a strengthening of US Dollars against Euro in combination with a net (liability) position in US Dollar held by Triggerise.

Financial and non-financial performance indicators

Triggerise builds user centric motivation platforms that trigger positive behaviours while strengthening local economies.

Triggerise gives aid providers and aid recipients the power to deliver and access aid efficiently whilst rewarding positive behaviours and adding value back into their local economies. Triggerise platforms convert intentions into action, in order to reach a dual health and wealth impact in the communities where they operate. The 2018 objectives were to focus on and expand the key markets (Kenya, Ethiopia, and India) to demonstrate the proof of concept, identify at least 2 new markets to expand to, and test an operator's model to demonstrate a more cost efficient model.

Financial performance indicators for 2018 were to increase funding revenue from EUR 2.8 million in 2017 to at least EUR 4 million. The Directors of Triggerise are grateful to the funders; The Embassy of the Kingdom of the Netherlands (EKN), The Government of the Netherlands through the Dutch Ministry of Foreign Affairs (MinBuZa), Children's Investment Fund Foundation (CIFF), Cordaid, and Population Services International (PSI).

Governance

Board of Directors

The Board of Directors, entrusted with the management of Triggerise, consists of Benoit Renard (Chief Executive Officer) and Daun Fest (Chief Operating Officer) Richard Matikanya (Platform Director). Daun Fest and Richard Matikanya were appointed in September 2018. Hans Goudkamp resigned from the Board in September 2018.

The Board of Directors is responsible for strategy, long term planning and managing the back office, 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, is responsible for fundraising and donations, and implements the strategic framework.

Supervisory Board

Triggerise has a Supervisory Board in place consisting of 5 volunteers (Lisa Simutami, Doug Call, Leslie Weber Pascaud, Leontine Gast, and Dennis Kromhout van der Meer). 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 behaviours 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 2018 amounted to 40 (compared to 2017: 29). We would like to express our gratitude to our employees for their dedication and commitment to the Stichting in 2018.

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. We focused on improving controls, developing the TIKO card to facilitate actors without a mobile phone to join the network and the integration of Movercado with the banking system in Kenya, India, and Ethiopia.

Product developments

In 2018 we further developed our 3 distinct brands, TIKO Miles, TIKO Pro and TIKO Explore.

TIKO Miles has remained one of our flagship product innovations. TIKO Miles are virtual rewards earned through positive behaviour and spent just like real money in the local market. This puts a real value on positive behaviour, making earning TIKO Miles motivating and desirable.

TIKO Pro provides an aspiring or existing entrepreneur easy access to products & services she can promote, propose and sell in her community at her convenience. The entrepreneur enjoys the flexibility to work on own time, build her own offering, acquire new skills and ultimately, increase her income.

TIKO Explore is a membership that provides opportunities to access lifestyle deals and build journeys that enhances our target audience's life. The offering is divided into 5 categories (each of them responding to a specific need) and available through a network of commercial and nonprofit partners.

Outlook

We are looking forward to 2019 as a year of continued growth, both for us as an organization as well as for our impact in our markets. It is therefore important to focus on delivering on our commitments to the donors, investigating and obtaining new and diversified funding opportunities and seek opportunities together with the donors to invest in new projects or regions. We need to keep focusing on strengthening our local operations, strengthening our global business services and improving our technology. In the first half of 2019, the directors and the board will develop a new strategic pathway that will outline the best way to meet the technical and digital innovations, what structure will most effectively meet the constant growth and how to more effectively manage the virtual teams.

In 2019 there will be a renewed focus on innovations. These include (but not exclusively):

- User Controlled Products & Direct delivery
- Increasing self-enrolment on smartphones, games, videos, questionnaires
- Online counselling and telemedicine
- Verification, biometrics and photo analysis

Amsterdam, 2 April 2019

The Board of Directors:

Benoit Renard | Daun Fest | Richard Matikanya

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2018

(Before result appropriation)

	Note	31 December 2018		31 December 2017	
		EUR	EUR	EUR	EUR
ASSETS					
Fixed assets					
Tangible fixed assets	(1)	65,793		22,353	
			65,793		22,353
Current assets					
Trade and other receivables	(2)	312,935		226,250	
Cash and cash equivalents	(3)	717,810		107,124	
			1,030,745		333,374
			1,096,538		355,727
LIABILITIES					
Reserves	(4)		35,684		(103,286)
Current liabilities	(5)		1,060,854		459,013
			1,096,538		355,727

CONSOLIDATED STATEMENT OF INCOME AND EXPENDITURES FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	Actual 2018	Budget 2018	Actual 2017
		EUR	EUR	EUR
Income	(8)			
Income from donations		4,181,034	3,990,000	2,432,196
Income from rendering of services		350,825	298,000	406,781
Total income		4,531,859	4,288,000	2,838,977
Expenditures	(9)			
Program cost		(3,814,867)	(3,633,540)	(2,303,179)
New business development		(62,980)	(63,000)	(145,934)
Management & administration costs		(417,271)	(420,000)	(438,750)
Total expenditures		(4,295,118)	(4,116,540)	(2,887,863)
Net operating result		236,741	171,460	(48,886)
Financial result	(10)	(86,200)	(53,000)	(65,272)
Result before taxation		150,541	118,460	(114,158)
Taxation	(11)	(11,455)	(20,000)	(10,783)
Net result		139,086	98,460	(124,941)
Appropriation of result				
Added to/(deducted from) the reserves		139,086	98,460	(124,941)
Net result		139,086	98,460	(124,941)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	EUR	EUR
Operating result	236,741	(48,886)
Adjusted for:		
Depreciation	18,385	8,479
Foreign exchange result	(63,755)	(60,029)
Changes in working capital	504,658	124,693
Cash flow from operations	696,029	24,257
Interest received	32	74
Bank charges paid	(22,593)	(10,081)
Taxation paid	(957)	(9,938)
Cashflow from operating activities	672,511	4,312
Investments in tangible fixed assets	(61,825)	(9,441)
Cash flow from investing activities	(61,825)	(9,441)
Cash flow from financing activities	-	-
Net cash flow	610,686	(5,129)
Changes in cash and cash equivalents	610,686	(5,129)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GENERAL

Relationship with parent company and principal activities
Triggerise Stichting (“Triggerise or the Foundation”), domiciled in Amsterdam, Linneausstraat 2C, 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 behaviour. Essentially, people in our networks earn reward points (TIKO) for going to consultations, accessing medication, attending community sessions etc. These rewards can be traded in the local shops, pharmacies and last mile distributors.

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;
- Triggerise India Private Limited, New Delhi, India, to support the Group activities in India, and
- Tikosystem Tanzania Limited, owned 100% by Triggerise BV to support our activities in Tanzania.

Furthermore, the Group has a branch organization, Triggerise Ethiopia, to support the activities in Ethiopia.

Financial reporting period
These financial statements cover the year 2018, which ended 31 December 2018. The comparative figures present the financial year ended 31 December 2017.

Basis of preparation
The financial statements have been prepared in accordance with Dutch Accounting Standard for Fundraising Institutions (DAS 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

These financial statements are presented in euros (EUR), which is the Foundation's functional currency.

Going concern
These financial statements have been prepared on the basis of the going concern assumption. During 2018 the Foundation recognized positive operating results. Furthermore in 2019, new funds from donors will be obtained, which will give the Foundation sufficient cash to carry out its activities at least for the next 12 months.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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:

Recognition of income from donations (note 8)
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. When allocating cost to programs and activities, management judgement may be required to determine the (share of the) cost that is acceptable to be allocated to a donor contract. Management uses a reasonable 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 reserve.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Offsetting financial instruments
A financial asset and a financial liability are offset when the entity has a legally enforceable right to set off the financial asset and financial liability and the Company has the firm intention to settle the balance on a net basis, or to settle the asset and the liability simultaneously.

If there is a transfer of a financial asset that does not qualify for derecognition in the balance sheet, the transferred asset and the associated liability are not offset.

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 (restricted by a contract)
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 (unrestricted by a contract)
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 programs
Expenditures on Triggerise programs relate to those expenses that are directly or indirectly attributable to projects and programs, taking into consideration what has been contractually agreed upon with the donors.

TIKO expenditures
TIKO are virtual reward points earned by people (actors) in Triggerise' s networks through positive behavior and spent like real money in the local market. One TIKO rewards has a value equal to one local currency in the respective markets (countries) they have been rewarded. TIKO's are charged to the statement of income and expenditures at the moment these are rewarded. TIKO liabilities are the amounts payable to actors who have earned the TIKO but have not obtained a cash refund yet. TIKO liabilities are measured at nominal value.

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

The allocation to these categories (programs and generating income) is 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 the Trade association of charities (VFI). 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, or based on what has been contractually agreed upon with the donors, to the programs and generation of income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Corporate income tax
Triggerise Stichting is not subject to Corporate income tax in the Netherlands. Subsidiaries of Triggerise Stichting, which has been established to support the group activities are liable to Corporate income tax in the country of residence.

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.

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.

Subsequent events
Events that provide further information on the actual situation at the balance sheet date and that appear before the financial statements are being prepared, are recognised in the financial statements.

Events that provide no information on the actual situation at the balance sheet date are not recognised in the financial statements. When those events are relevant for the economic decisions of users of the financial statements, the nature and the estimated financial effects of the events are disclosed in the financial statements.

NOTES TO THE CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2018

1. Tangible fixed assets

	Office renovation	Other fixed operating assets	Computer equipment	Total
	EUR	EUR	EUR	EUR
Book value as of 31 December 2017				
Purchase price	942	3,438	39,249	43,629
Accumulated depreciation	(942)	(1,033)	(19,301)	(21,276)
	-	2,405	19,948	22,353
Changes this period:				
Investments	-	33,200	28,625	61,825
Disposals	-	-	(4,643)	(4,643)
Depreciations disposals	-	-	4,643	4,643
Depreciation	-	(3,640)	(14,745)	(18,385)
	-	29,560	13,880	43,440
Book value as of 31 December 2018				
Purchase price	942	36,772	63,231	100,945
Accumulated depreciation	(942)	(4,807)	(29,403)	(35,152)
	-	31,965	33,828	65,793

Investments in other fixed operating assets mainly relate to a company car.

Depreciation rates

	Percentage
Office renovation	20.0%
Other fixed operating assets	20.0%
Computer equipment	33.0%

2. Trade and other receivables

	31-12-2018	31-12-2017
	EUR	EUR
Trade receivables	156,760	123,877
Taxes and premiums social insurance	15,790	32,222
Prepaid expenses	62,902	34,480
Other receivables	77,483	35,671
	312,935	226,250

NOTES TO THE CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2018

Taxes and premiums social insurance mainly relates to VAT receivables. Other receivables relate to deposits paid for office rent and credit card of EUR 25,807 (2017: EUR 20,364), advances paid to actors in ecosystems of EUR 13,759 (2017: EUR -) and various other receivables of EUR 37,917 (2017: EUR 15,307). 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 2018

4. Reserves

Please refer to note 17 to the Separate balance sheet on page 30 of this report for an explanation of the reserves.

5. Current liabilities

	31-12-2018	31-12-2017
	EUR	EUR
Accounts payable to suppliers and trade creditors	140,489	59,709
Taxes and premiums social insurance	69,284	42,780
Deferred revenue	535,326	194,247
Accruals and other liabilities	315,755	162,277
	1,060,854	459,013
Taxes and premiums social insurance		
Corporate income tax	11,343	845
Wage tax and premium social insurance	57,941	41,935
	69,284	42,780
Accruals and other liabilities		
Tiko liabilites	204,060	53,255
Reservation for holiday payments	48,650	27,295
Other liabilities	63,045	81,727
	315,755	162,277

Deferred revenue relates to income from donations, for services which have not yet been performed on balance sheet date. TIKO liabilities relate tot TIKO's rewarded during the year that have not been paid to actors per year end. All amounts have a remaining term of less than one year.

6. Financial instruments

General
The primary financial risks for Triggerise concerns liquidity risk, credit risk, and currency risk.
The Group is fully committed to full compliance and risks management. A risk committee is in place to monitor the risk management process, including identifying new risks, quantify impact and assess likelihood of events. A risk management plan is in place that is actively monitored and managed. Considering that there are no interest bearing loans, there are no interest rate risks.

NOTES TO THE CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2018

Liquidity risk
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 the growth targets, impacting long-term feasibility. Triggerise manages this risk by seeking new donors and contract activities, managing its current donors and constantly monitoring its liquidity position through successive liquidity budgets. In 2019 new funds from donors will be obtained, which will give the Triggerise sufficient cash to carry out its activities at least for the next 12 months.

Operationally Triggerise focusses on controlling the risks in the markets by limiting the amount of cash in the markets and having a centralized financial system in place. All bank payments are authorized in the head office in Amsterdam. Triggerise has also implemented controls in the various markets to minimize the risks of actors in the market taking advantage of our network. Improved controls were issued to the markets during the year and are currently being implemented.

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 (Kenya Shilling, US Dollar, South African Rand and Indian Rupees). The Group's internal organization and quality control policy ensures that the exposure in this area is kept to an acceptable level.

A weaker dollar is a risk for Triggerise as a significant part of the income is in US Dollar while our expenses are a mixture of Euro, Kenya Shilling, US Dollar, South African Rand, Ethiopian Birr and Indian Rupees. The lower Dollar was the main reason for incurring a loss on foreign exchange transactions of EUR 55 thousand in 2017. In 2018 Triggerise has managed that risk by exchanging US Dollar income once received to Euro to cover that part of the expected Euro expenses based on a multi-currency cash flow forecast. The loss on foreign exchange transactions for 2018 increased to Euro 63 thousand mainly due to a strengthening of US Dollars against Euro in combination with a net (liability) position in US Dollar held by Triggerise.

7. Off-balance sheet assets and liabilities

Rental commitments
Triggerise has a rent contracts for office buildings. Total rental commitments up to the end of the contracts (until October 2020) amounts to EUR 127,501.

NOTES TO THE CONSOLIDATED STATEMENT OF INCOME AND EXPENDITURES FOR THE YEAR ENDED 31 DECEMBER 2018

8. Income

Income consists of donations of EUR 4,181,034 (budget: EUR 3,990,000) and service income of EUR 350,825 (budget: EUR 298,000). The Group renders services by implementing projects in developing markets.

9. Expenditures

	2018	2018	2018	2018
	EUR	EUR	EUR	EUR
	Triggerise programs	New business development	Management & administration costs	Total
Cost of outsourced work and other external cost	696,022	62,980	-	759,002
Staff costs	1,230,435	-	300,763	1,531,198
Depreciation tangible fixed assets	14,774	-	3,611	18,385
Other operating expenses	1,873,636	-	112,897	1,986,533
	3,814,867	62,980	417,271	4,295,118
Budget 2018	3,633,540	63,000	420,000	4,116,540

	2017	2017	2017	2017
	EUR	EUR	EUR	EUR
	Triggerise programs	New business development	Management & administration costs	Total
Cost of outsourced work and other external cost	337,409	-	-	337,409
Staff costs	1,099,383	139,934	284,052	1,523,369
Depreciation tangible fixed assets	5,349	-	3,130	8,479
Other operating expenses	861,038	6,000	151,568	1,018,606
	2,303,179	145,934	438,750	2,887,863
Budget 2017	2,447,439	175,525	423,977	3,046,941

NOTES TO THE CONSOLIDATED STATEMENT OF INCOME AND EXPENDITURES FOR THE YEAR ENDED 31 DECEMBER 2018

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 759,002 (budget: EUR 765,000).

Staff costs

During the 2018 financial year, the number of employees (FTE) amounted to 40 (budget: 40, 2017: 29).

	Actual 2018	Budget 2018	Actual 2017
	EUR	EUR	EUR
Wages and Salaries	1,355,905	1,363,700	1,331,624
Social Security cost and pension cost	148,908	149,764	179,094
Other personell expenses	26,385	26,536	12,651
	1,531,198	1,540,000	1,523,369

During 2018 the number of employees (in FTE) in Kenya and India increased considerably (Kenya from 5 to 13 employees and India from 2 to 6 employees), while headcount in the Netherlands and South Africa slightly reduced. As a result of this 2018 staff cost were in line with 2017, despite the number of employees (in FTE) has increased.

Other operating expenses

	Actual 2018	Budget 2018	Actual 2017
	EUR	EUR	EUR
Professional fees and legal cost	165,819	180,100	103,877
Travel expenses	281,805	321,134	164,654
Office expenses	150,112	160,000	101,168
Promotion and advertising	1,110,338	828,402	358,702
Connectivity and support	171,479	180,000	204,633
IT subscriptions	53,305	64,000	52,281
General expenses	53,675	56,900	33,291
	1,986,533	1,790,536	1,018,606

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

Travel expenses
Travel expenses of EUR 281,805 are below the budget 2018 (EUR 321,134) due to an over estimation of both international and local travel needs to meet the supervision requirements.

NOTES TO THE CONSOLIDATED STATEMENT OF INCOME AND EXPENDITURES FOR THE YEAR ENDED 31 DECEMBER 2018

Office expenses

Office expenses mainly consist of office rent of EUR 94,500 (Budget: EUR 100,000). Furthermore it includes internet expenses and other office expenses.

Promotion and advertising

This includes TIKO's rewarded to actors in the networks during the year of EUR 932,161 (budget: EUR 628,402) and other marketing and promotional expenses EUR 178,177 (budget: EUR 200,000). The actual expenditure on the TIKO Rewards versus the 2018 budget was due to the CIFF funded project in Kenya adding reimbursement of contraceptive services called subsidies. In the execution of the subsidies there was an overall much higher uptake of services and many of those services were the more expensive long term contraceptive methods. This resulted in overspending the CIFF budget line items, which CIFF approved due to the increase and exceeding the desired outcome targets.

Connectivity and support

This category relates to aggregation cost and call center expenses. Total cost of EUR 171,479 are in line with the budget 2018 (EUR 180,000).

General expenses

	Actual 2018	Budget 2018	Actual 2017
	EUR	EUR	EUR
Insurance	21,225	21,900	16,429
Recruitment	32,119	35,000	7,458
Other general expenses	331	-	9,404
	53,675	56,900	33,291

10. Financial results

	Actual 2018	Budget 2018	Actual 2017
	EUR	EUR	EUR
Interest income and similar income	32	-	74
Bank charges	(22,593)	(23,000)	(10,081)
Foreign exchange results	(63,639)	(30,000)	(55,265)
	(86,200)	(53,000)	(65,272)

NOTES TO THE CONSOLIDATED STATEMENT OF INCOME AND EXPENDITURES FOR THE YEAR ENDED 31 DECEMBER 2018

11. Taxation

Triggerise Stichting is a Public Benefit Organisation (‘ANBI’) governed by the laws of the Kingdom of the Netherlands. Triggerise Stichting serves the public interest and does not aim to make profit. Consequently, Triggerise Stichting is not subject to Corporate income tax in the Netherlands. Subsidiaries of Triggerise Stichting, which have been established to support the group activities are liable to Corporate income tax in the country of residence.

Subsidiaries of Triggererise Stichting could be liable to Corporate income tax in countries where a permanent establishment is located.

12. Transactions with related parties

Transactions with related parties are assumed when a relationship exists between Triggerise and a natural person or entity that is affiliated with the entity. This includes, amongst others, the relationship between Triggerise and its subsidiaries, directors and key management personnel. Transactions are transfers of resources, services or obligations, regardless whether anything has been charged.

There have been no transactions with related parties that were not on a commercial basis.

13. Subsequent events

In January 2019 Triggerise Malawi was incorporated to support the activities in Malawi. Shares in Triggerise Malawi are held by Triggerise B.V.

Except for the above, there are no subsequent events.

SEPARATE FINANCIAL STATEMENTS

SEPARATE BALANCE SHEET AS AT 31 DECEMBER 2018

(Before result appropriation)

	Note	31 December 2018		31 December 2017	
		EUR	EUR	EUR	EUR
ASSETS					
Fixed assets					
Financial fixed assets	(14)	-		-	
			-		-
Current assets					
Trade and other receivables	(15)	395,741		259,340	
Cash and cash equivalents	(16)	380,764		67,392	
			776,505		326,732
			776,505		326,732
LIABILITIES					
Reserves	(17)		35,684		(103,286)
Provisons	(18)		135,205		220,176
Current liabilities	(19)		605,616		209,842
			776,505		326,732

SEPARATE STATEMENT OF INCOME AND EXPENDITURES FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018	2017
		EUR	EUR
Income	(20)	4,231,453	2,427,032
Expenditures			
Operating expenses	(21)	(4,168,579)	(2,310,459)
Net operating result		62,874	116,573
Financial result	(22)	(14,220)	(39,895)
Result before taxation		48,654	76,678
Taxation		-	-
Result participating interest	(14)	90,432	(201,619)
Net result		139,086	(124,941)

Appropriation of result		
Added / (deducted from) the reserves	139,086	(124,941)
Net result	139,086	(124,941)

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

GENERAL

The Separate financial statements are part of the 2018 statutory financial statements of the Triggerise. The financial information of the Foundation is included in the Consolidated financial statements.

If there is no further explanation provided to the items in the Separate balance sheet and the Separate 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:

Financial instruments
In the Separate financial statements, financial instruments are presented on the basis of their legal form.

Participating interests in group companies
Participating interests in group companies are accounted for in the Separate financial statements according to the equity accounting method on the basis of net asset value. For details we refer to the accounting policy for financial fixed assets in the consolidated financial statements.

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 Foundation and its participating interests and between participating interests, are not recorded insofar these are unrealised.

NOTES TO THE SEPARATE BALANCE SHEET AS AT 31 DECEMBER 2018

14. Financial fixed assets

Financial fixed assets consist of the following wholly owned subsidiary:
- Triggerise B.V., Amsterdam, The Nederlands

15. Trade and other receivables

	31-12-2018	31-12-2017
	EUR	EUR
Trade receivables	94,356	23,535
Amounts due from affiliated companies	299,642	220,390
Prepaid expenses and other receivables	1,743	15,415
	395,741	259,340

Trade and other receivables are due within one year. No interest is charged on these amounts.

16. Cash and cash equivalents

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

17. Reserves

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

	2018	2017
	EUR	EUR
Reserves		
Balance as at 1 January	(103,286)	26,419
Net result	139,086	(124,941)
Translation result	(116)	(4,764)
Balance as at 31 December	35,684	(103,286)

Appropriation of result
The Board of Directors proposes, with consent of the Supervisory Board, to add the result for the year 2017 to the other reserves.

18. Provisions

Provisions relate to the negative value of Triggerise B.V. amounting to EUR 135,205 (2017: EUR 220,176). This company is a wholly owned subsidiary of Triggerise Stichting.

NOTES TO THE SEPARATE BALANCE SHEET AS AT 31 DECEMBER 2018

19. Current liabilities

	31-12-2018	31-12-2017
	EUR	EUR
Accounts payable to suppliers and trade creditors	83,172	15,595
Deferred revenue	517,910	194,247
	605,616	209,842

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 SEPARATE STATEMENT OF INCOME AND EXPENDITURES FOR THE YEAR ENDED 31 DECEMBER 2018

20. Income

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

21. Operating expenses

Operating expenses relate to service fees paid to Triggerise B.V. regarding cost incurred on projects and programs, of EUR 4,144,612 (2017: EUR 2,294,651) and various other operating expenses of EUR 23,967 (2017: EUR 15,808).

22. Financial result

	2018	2017
	EUR	EUR
Bank charges	(465)	(679)
Foreign exchange result	(13,755)	(39,216)
	(14,220)	(39,895)

23. Subsequent events

There are no subsequent events.

Amsterdam, 2 April 2019

The Board of Directors:

Benoit Renard
(Chief Executive Officer)

Daun Fest
(Chief Operating Officer)

OTHER INFORMATION

OTHER INFORMATION

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

accountants
NielenVanDeLaar

INDEPENDENT AUDITOR'S REPORT

To: The Board of directors of Triggerise Stichting

A. Report on the audit of the financial statements 2018 included in the report on the financial statements

Our opinion
We have audited the financial statements 2018 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 2018, 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 2018;
2. the consolidated and company statement of income and expenditures for 2018; 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.

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 April 2019

NielenVanDeLaar accountants B.V.

C.J.G. Nielen RA