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Our Seven Goals

IN 2020 WE WILL BE ABLE TO SAY THAT ...

WHAT WE WILL DO

GOAL

1

... within our thematic priority of **"Science of Learning"** we explore the frontiers of individualized learning and intervention. We do this by generating research insights and innovation related to the biological, technological, psychological and pedagogical dimensions of learning.

GOAL

2

... within our thematic priority **"Early Education"** we help to formulate comprehensive early education policies in Switzerland and other European countries. We do this by developing systematic programs designed to promote equal opportunity at the school-entry level and emphasizing the societal returns of education.

GOAL

3

... within our thematic priority **"Rural Livelihoods"** we work to improve the lives of the rural population of Ivory Coast both today and in the future. We do this by nurturing an ecosystem of private and public stakeholders dedicated to the common goal of enhancing educational quality.

HOW WE WILL DO IT

GOAL

4

... Jacobs Foundation has been transformed into a learning organization.

GOAL

5

... Jacobs Foundation has successfully focused its communication strategy on content marketing.

GOAL

6

... Jacobs Foundation has significantly leveraged its core funding.

GOAL

7

... Jacobs Foundation attracts, retains and develops talent within the network of the Foundation.

Improving Children's Development

The year 2017 was the second year of the Jacob Foundation's Medium Term Plan 2016–2020. Our foundation's primary mission is to support children's learning and development.

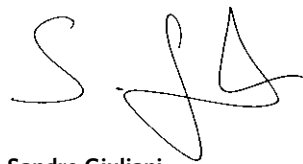
With the "Ready!" campaign, we sought to raise awareness throughout Switzerland of the critical importance of the formative early childhood years. Our international program "[TRECC](#)," an innovative public-private partnership that promotes change in the education system of Ivory Coast, is well underway. It strives to improve not only the educational opportunities of more than 200,000 of the country's children and young people, but also their families' living conditions. The "Science of Learning" reflects our commitment to research. Through our efforts to learn more about the biological, technological, psychological and pedagogical dimensions of learning and to promote innovation, we are investing in the development and learning of every child, and thus also in our future. We attach great importance to encouraging dialogue, and we were pleased to celebrate the first anniversary of BOLD, our [blog](#) on learning and development.

We will do our utmost to reach the ambitious goals we have set for 2020 and beyond. What we have achieved in 2017 is reflected in the key performance indicators (KPIs) shown in the following pages.

In 2017, our team and the Board of Trustees worked to identify and define the core values that guide all of our activities and help us advance our goals for the future. "Aspiration" expresses our determination always to strive for excellence as we incorporate our principles into every aspect of our work. "Accountability" means that we are transparent in our goals and in the promises we make to our beneficiaries, our partners and the public. "Partnerships" reflects our conviction that keeping "Our Promise to Youth" requires vital, nurturing partnerships that are rooted in respect and trust.



Lavinia Jacobs
Chair of the Board of Trustees



Sandro Giuliani
Managing Director & Delegate of the Board

Our Values

ACCOUNTABILITY

- We deeply believe in the potential of every human being.
- With entrepreneurial spirit, courage and curiosity, we seek out for creative solutions.
- We take risks, ownership, and question existing approaches.
- This makes us an inspirational driver in transforming the best scientific research into social change for children and youth.

PARTNERSHIP

- We carefully select partners who share our values and the passion that drives us.
- Together we develop solutions through a continuous dialogue.
- We live partnership rooted in respect and trust as the only way to live up to our promise to youth.
- This is how we drive sustainable systemic change in all our work.

ASPIRATION

- We set ambitious goals to fulfill our mission.
- Our decisions and impact driven programs are based on evidence, always demanding high quality from ourselves and others.
- We live up to our responsibility by delivering on our promise, measuring our performance and reflecting on our work.
- We demonstrate transparency by openly communicating our goals, successes and failures to our beneficiaries, partners and the public.





J

ACTIVITIES

ACTIVITIES

Milestones 2017

1ST QUARTER**NEW BOARD MEMBER**

Prof. Patrick Aebischer, MD, joined the Board of Trustees of the Jacobs Foundation on January 1, 2017. Prof. Aebischer is the former president of EPFL (École polytechnique fédérale de Lausanne/Swiss Federal Institute of Technology in Lausanne). He studied medicine and neurosciences at the Universities of Fribourg and Geneva. Patrick Aebischer brings with him a wealth of experience with both the Swiss and the West African educational systems. As a member of the board of several prominent Swiss companies, he also offers the Board a valuable business perspective. He will help to promote the programs of the Jacobs Foundation in Switzerland, Germany, Ivory Coast and beyond.

**STRENGTHENED PARTNERSHIP**

After signing a comprehensive MoU in November 2016, the Jacobs Foundation and the Ivorian government took their partnership to a new level in 2017. A joint steering committee was created to align national public policies and program objectives. Each quarter, the committee gathers technical and political representatives of the Ministry of Education and several other ministries together to make joint decisions and strengthen the public-private partnership.

EARLY YEARS MATTER

"Early Childhood Experience and the Developing Brain" was the topic of a four-day reporting institute for international journalists hosted from March 9 to 12 by the Dart Center for Journalism and Trauma at Columbia University's School of Journalism in New York. Forty-five journalists from 28 countries attended the institute, which the Jacobs Foundation helped to fund. The institute complemented the Foundation's activities related to our thematic priority "Early Education," which underscores our commitment to promoting the development of comprehensive early education policies in Europe.



ACTIVITIES



EDTECH COLLIDER – HOME OF THE FUTURE

École polytechnique fédérale de Lausanne (EPFL) and the Jacobs Foundation have joined forces to bring disruptive innovation in education to Switzerland. The EdTech Collider officially opened on April 27. Located in the EPFL Innovation Park just a few steps away from EPFL's Center for Digital Education, the building provides modern co-working space for some 30 start-ups involved in developing new

education technologies. The EdTech Collider seeks to become a leader in dealing with the challenges posed by an increasingly digital society throughout life, from early childhood to the school years and on to adult education and on-the-job training.

2ND QUARTER

EDUCATION IN TIMES OF INCREASING HETEROGENEITY

The 2017 Jacobs Foundation Conference, held from May 17 to 19, focused on one of the most pressing issues for an increasing number of countries, and one that is of great relevance for educational research: integration in increasingly diverse societies. Leading researchers discussed challenges and ways of integrating immigrant children. Educational achievement and attainment were identified as key to integration, as well as to success in the labor market and to participation in society more generally.



Frühe Kindheit ist entscheidend

READY! AMBASSADORS JOIN FORCES

Thirty ambassadors for the Swiss Ready! campaign met at the Jacobs House in Zurich on May 23. Their meeting focused on early childhood development in Switzerland, knowledge transfer, the latest results from neuroscientific research, and the state of funding from government and the private sector. The ambassadors, who represent the business community, the government, and local authorities, promote the Ready! campaign and raise awareness of the need for high-quality early childhood education and care in Switzerland to ensure that children from all socioeconomic backgrounds are able to develop to their full potential.

3RD QUARTER**NEW FELLOWSHIP PROGRAM**

The science of learning is continually generating new insights, but they often go unnoticed by policymakers and society at large. One of the reasons is a lack of communication among the scientific community, the media, the entertainment industry, and policymakers. In response, the Jacobs Foundation has partnered with the US-based think tank New America, and the International Congress on Infant Studies to create the Learning Sciences Exchange Fellowship (LSX) for 12 early to mid-career fellows from the different sectors. LSX is designed to bring relevant sectors together, encourage communication, and facilitate cooperation among them.

**Learning
Sciences
Exchange**
**COFFEE FROM HELVECIA**

The Johann Jacobs Museum introduces visitors to global trade routes – past and present – from an artistic and scientific perspective. On August 29, the exhibition “Coffee from Helvécia” opened its doors. Using the example of one of the 19th century’s largest coffee plantations in north-eastern Brazil, which was funded entirely by Swiss nationals, the exhibition focused on forms of community that emerge from migrant destinies, slavery, demand for goods, working conditions, and utopian idealism. Exhibits included historical documents from the Brazilian archives of the Museu Afro Brasil in São

Paulo and a contemporary video and textile piece by artist Denise Bertschi shed light on a key chapter in the history of Swiss colonialism and global interconnections.

**ENROLLMENT IN
JACOBS UNIVERSITY RISES**

In the fall 2017, 508 young people began their studies at Jacobs University compared to 470 in 2016. This was the fourth year in a row that saw an increase in enrollment. 300 of the new students were beginning a bachelor’s program and 89 a master’s program while others are pursuing preparatory courses. 58 students pursue a PhD at this unique residential English-language university. At present, 1,396 young people from 107 countries are studying at the international Jacobs University Bremen.



ACTIVITIES



TRANSITION AND EDUCATION

On November 6, more than 240 experts gathered in Bern for a national conference entitled “Educational Landscapes Switzerland,” hosted by the Jacobs Foundation. The day’s theme was managing transitions. A variety of workshops focused on children’s

environments from preschool to elementary school and from school to the labor market, as they acquire and develop the skills they need for successful learning and development. With its Educational Landscapes program, the Jacobs Foundation encourages innovative and systematic cooperation between school-based and extracurricular actors and families.

4TH QUARTER

NUTRITION AND CHILD DEVELOPMENT PROJECT

Proper nutrition and care early in life are essential if a child’s brain is to develop to its full potential. In November, TRECC entered into a public-private partnership to design and finance the multi-sectoral Nutrition and Child Development Project for Ivory Coast, which is intended to provide adequate nutrition and support for over 265,000 pregnant women and 1.1 million children under age five. With a budget of USD 60 million, this will be the largest-scale investment in child nutrition and child development in the history of the country.



2017 KLAUS J. JACOBS AWARDS

In memory of its founder, each year since 2009 the Jacobs Foundation has presented two awards honoring outstanding achievements in research and practice in the field of child and youth development. The 2017 Klaus J. Jacobs Research Prize, endowed with CHF 1 million, went to Prof. Paul Bloom of Yale University in recognition of his research into the origins, nature and development of children’s moral thought and behavior. The 2017 Klaus J. Jacobs Best Practice Prize, endowed with CHF 200,000, was awarded to War Child in the Netherlands for its global efforts to improve the lives of children exposed to war, by promoting psychosocial well-being and fostering emotional resilience. Attending the awards ceremony, held at the University of Zurich on December 2, were 300 distinguished international guests from the political, academic, business and cultural arenas.





Whether research is reliable, relevant and suitable for collaboration depends on certain criteria, including the integrity of the researcher and the originality and methodological quality of the research.

ACTIVITIES

Optimally Interacting Minds

The ability to solve problems collaboratively is key to our well-being as human beings. They say that two heads are better than one. But is that really true? Do people perform better when they work with others, rather than alone? A few years ago, a team of researchers in London [addressed this question](#) using a collective perceptual decision-making task. Their experiment showed that two observers with similar visual skills achieved better results than one. But when the two differed in their level of visual sensitivity, they performed worse together than the one with superior visual skills alone.

Research results like these motivated us to choose a unique path in our research funding. Since teamwork is not an end in itself, and forced collaboration can fail miserably, we believe that the following are essential for finding and fostering “Optimally Interacting Minds”:

Finding and supporting the right people

Whether research is reliable, relevant and suitable for collaboration depends on certain criteria, including the integrity of the researcher and the originality and methodological quality of the research.

Every year, we encourage early- and mid-career researchers from all over the world to apply for the [Jacobs Foundation Fellowship Program](#). A limited number of applicants are invited to submit extended proposals, which undergo a rigorous scientific evaluation conducted by external reviewers, followed by interviews focusing on personal skills such as the ability to collaborate with other people, to communicate effectively and to engage beyond their own field of interest. We receive between 400 and 600 applications every year; only about 12 receive funding. This makes the program the most competitive of its kind.

Encouraging rather than enforcing collaboration

Many research funders enforce collaboration—by accepting only applications from teams. We do not take this approach, since such a policy is likely to lead to applications from existing collaborators. We encourage researchers to join forces who have not previously considered working together, including researchers from different continents, disciplines or schools of thought.

The Jacobs Young Scholar Program brings outstanding postdoctoral researchers to our annual conference at Marbach Castle and gives them the opportunity to apply for collaborative research grants. We select the most relevant, exceptional and innovative project ideas. Here are two examples:

- Clinical psychologist Stephen Schueller and human computer interaction researcher Svetlana Yarosh have teamed up to train young people to become “happiness inventors,” learning how ideas can be turned into technologies like mobile apps and devices. The participating children have come up with over 400 ideas for how technologies might lead to greater happiness.
- Public health researchers Alastair van Heerden and Brandon Kohrt have joined forces to develop technological solutions to promote early child development in Nepal and South Africa. When parents in low-resource settings gain insight into the world as seen through the eyes of their children, they will invest more in activities to support those children’s linguistic and cognitive development, and ultimately their educational achievement.

ACTIVITIES

Collaborators meet for free-wheeling communication

Since the inception of the Foundation, our conference center at Marbach Castle has been providing time and space for scientific exchange at the highest levels. Younger researchers, too, are invited to participate.

In addition to our annual fellowship meeting, retreats offer Research Fellows the opportunity to engage in uninterrupted, goal-oriented, collaborative work, and to generate new insights as they work on scientific/position papers, book projects or collaborative research proposals.

The first fellowship meeting held resulted in an international research group that is studying the development of curiosity in children (with Research Fellows Celeste Kidd, Elizabeth Bonawitz, Goren Gordon and Tobias Hauser), and in a partnership between TRECC impact finance portfolio company Eneza Education and two of our Research Fellows (Kaja Jasinska and Amy Ogan) to establish a program linking maternal phonological awareness with early-grade literacy in French.

The scholars supported by our programs are not only first-rate scientists, but also future leaders who have the qualities needed to shape their fields, both individually and together. They are indeed "Optimally Interacting Minds."

ACHIEVEMENT MEASURES

CONTRIBUTION

In 2020, 70% of the researchers supported by the Jacobs Foundation significantly contribute to our communication and intervention agenda and to our talent network activities.

GOAL 2017

38%

ACHIEVEMENT 2017

100%**CITATION ANALYSIS**

In 2020, Jacobs Foundation Research Fellows demonstrate 20% greater academic impact than applicants of their age and discipline who were not selected.

ACHIEVEMENT 2017

26*

h-index first cohort after two years (compared with 19 at the beginning)

**14***

h-index first cohort near admits after two years (compared with 11 at the beginning)

*Differential increase of h-index to be evaluated after 3-year fellowship period in 2019.



ACTIVITIES

Early Childhood Is Decisive

The foundation for an individual's cognitive, social and emotional skills is laid during the first four years of life. To fully develop those skills, children need to grow up in a stimulating environment that allows them to learn and develop to their full potential. International research has demonstrated the importance of early childhood for both individuals and society.

Switzerland, like other countries, indisputably faces challenges in this area. This is why the Jacobs Foundation has worked with researchers and practitioners for nearly 10 years to support early childhood projects in Switzerland. We have funded numerous research projects and practical initiatives in civil society and the public sector, as well as establishing academic institutions. We have also developed our own programs. However, evaluation of our many activities shows that, unfortunately, many projects are discontinued as soon as the Jacob Foundation's support and involvement come to an end. This is primarily because of a lack of the political framework needed for a comprehensive early childhood policy. To continue to fulfil our "Promise to Youth," we have consequently modified our strategy.

The foundation for an individual's cognitive, social and emotional skills is laid during the first four years of life. To fully develop those skills, children need to grow up in a stimulating environment that allows them to learn and develop to their full potential.

Comprehensive advocacy strategy

As a final chapter of our engagement in Switzerland in the area of early childhood, and as part of our Medium Term Plan 2016–2020, the Board of Trustees has approved a comprehensive advocacy strategy. Its objective is to contribute to a systematic transformation aimed at enhancing the well-being of all young children and their families. Concretely, our aim by 2020 is to persuade policymakers at every level that a comprehensive early childhood policy is a shared responsibility of the healthcare, social and educational sectors, and to double, relative to the beginning of 2016, the number of cantons and communities that have made a comprehensive strategy part of their legislative agenda.

Bringing together stakeholders and policymakers

We consider it essential to bring together everyone who is directly or indirectly involved in educating or caring for young children: families, child care providers, decision makers in the business and administrative spheres and policymakers. To that end, we have entered into new strategic partnerships at the national level with all relevant political actors—cities, umbrella organizations, conferences of cantons and federal ministries.

Research and knowledge transfer

For many years, we have been providing broad support for research in the field of early childhood, and we are eager to share the wealth of insights such research has generated. Our white paper on the costs and benefits of a comprehensive early childhood policy in Switzerland identifies the stakeholders that will find the return on such a policy investment worthwhile over the short or long term.

Paving the way to higher quality

There is a widespread lack of understanding of what high-quality services in early childhood entail. Our advocacy strategy therefore attaches particular importance to close cooperation among all concerned, across various sectors and institutions, as well as to high-quality programs and the professionalization of personnel and institutions. This is critically important for formulating comprehensive early education policies and programs in Switzerland and in other European countries.

ACTIVITIES

Raising awareness

Through the Swiss campaign “Ready! Early Childhood Makes the Difference,” a coalition of more than 50 members, including institutions and organizations active in the field of early childhood in Switzerland, but also representatives of the public and private sectors, is reaching out to the business community, policymakers and society at large in an effort to raise awareness of the current challenges in early childhood. The goal is to promote equality of opportunity and achieve a high return on education by investing more resources in this area. Sponsors of the campaign come from a variety of sectors. They are: Heinz Altorfer, member of the Swiss Commission for UNESCO; Christoph Eymann, member of the Swiss parliament and of the Council of the Canton of Basel-Stadt; Lavinia Jacobs, Chair of the Jacobs Foundation Board of Trustees; Milan Prenosil, Chair of the Board of Confiserie Sprüngli AG; and Ruedi Noser, entrepreneur and member of the Council of States representing the Canton of Zurich.

Our role

An important objective for us is to ensure that our involvement and engagement in early childhood are sustainable. In our role as facilitator and network builder, we offer several platforms to help with team building, encourage political debate and find ways to help children develop their skills to the fullest.

ACHIEVEMENT MEASURES

ADVOCACY

In 2020, the number of cantons and communities that have made a comprehensive ECEC strategy part of their legislative agenda has increased by 100%.

GOAL 2017

Activating the advisory group of Ready! ambassadors.



ACHIEVEMENT 2017

The ambassador group has been expanded and activated.*

* The group grew by more than 100% in 2017 (total 42); approx. 25% of the ambassadors have launched initiatives.

PRACTICE DEVELOPMENT

In 2020, policy and practice changes initiated by our national programs during our previous Medium Term Plan period (2011–2015) are sustained in 50% of our partner organizations and locations.

GOAL 2017

50%



ACHIEVEMENT 2017

84%*

*80% of certified day care centers have applied for recertification and 88% of partners from the first phase of the Educational Landscapes program have made the relevant policy changes.



ACTIVITIES

Social Transformation in Ivory Coast

Transforming Education in Cocoa Communities (TRECC) is a bold initiative that is striving to improve the living conditions of all children and youth in Ivory Coast by promoting high-quality education. In 2017, TRECC focused on three approaches:

- Partnering with the cocoa and chocolate industry to scale up high-quality educational initiatives at the intersection of business sustainability and community development.
- Joining forces with NGOs and social enterprises to develop and roll out effective educational models.
- Equipping decision makers with scientific evidence and research insights to reinforce public policy.

These approaches have strengthened the links between public policy, corporate strategies, civil society aspirations and scientific evidence.

Promoting quality in education

While the cocoa and chocolate industry has long been engaged in supporting access to education throughout the supply chain, its potential to invest in high-quality education has remained largely untapped. In 2017, eight leading cocoa and chocolate companies, including Barry Callebaut, Blommer, Caboz, Cargill, Cémoi, Hershey's, Mars and Mondélez, joined with TRECC in the industry's most comprehensive initiative to date to promote quality in education.

The companies will test local replications of 10 proven models from around the world, including ECD, literacy and numeracy interventions and TVET programs, which address children of all ages and their caregivers as well as youth starting their professional lives. Based on available evidence, TRECC, the companies and the Ivorian government have jointly selected and endorsed the models and implementers, and are seeking to align public policy priorities and corporate sustainability strategies.

The parties have committed to scaling the models that yield positive results in a pilot-to-scale approach. Innovations for Poverty Action (IPA) will evaluate pilot success and make recommendations. The scaling options for successful models include government adoption, commercial adoption by companies, sustained services and open source creation of public goods.

The Brookings Institution will provide support for the educational interventions in an effort to learn from the process, to support scaling efforts by providing feedback and practical recommendations, and to document the process. The initiative is expected to offer feedback on learning and inform global policy and practice.

Building capacity for social transformation

Social transformation is sustainable only if local civil society stakeholders have the capacity, resources and knowledge to drive such transformation at every level. Accordingly, TRECC has established a local Community of Practice in Ivory Coast, composed of representatives of civil society, industry and the third sector who meet to foster knowledge exchange and strengthen capacities related to ECD and quality in education.

TRECC has also formalized alliances with leading organizations in the sphere of child and youth development, in an effort to build local capacity in Ivory Coast in the design of educational programs. Participants include the International Cocoa Initiative, PATH and Save the Children.

The expected outcome of these capacity building initiatives is to equip key local organizations and individuals with the resources needed to design and pursue their own educational agendas.

Based on available evidence, TRECC, the companies and the Ivorian government have jointly selected and endorsed the models and implementers, and are seeking to align public policy priorities and corporate sustainability strategies.

ACTIVITIES

Putting Africa on the science map

There is an urgent need for a strong evidence base to inform education policy and practice in sub-Saharan Africa. There are positive signs that this evidence base is growing. However, such research is not always easy to locate; publications by African researchers and institutions are particularly lacking. To address this gap and increase the visibility and impact of African education research, TRECC has partnered with Education Sub-Saharan Africa (ESSA) and the REAL Centre at Cambridge University on a project to catalogue, review and synthesize policy-relevant education research from Africa. Project outputs will include an open-access database of education research from sub-Saharan Africa and a literature review synthesizing learning in priority areas.

Additionally, TRECC supports alliances between Jacobs Foundation Research Fellows and young Ivorian scientists, which are generating new evidence in the fields of neuroscience, linguistics, nutrition and brain development, and are identifying a link between educational quality and rural livelihoods. It is also supporting impact evaluation. We expect this scientific cooperation to result in the use of findings to inform child and youth development public policies, corporate practices and program design.

ACHIEVEMENT MEASURES

SKILLS IMPROVEMENT

By 2020, 80% of children in our programs for improving literacy and numeracy have, by their second year, acquired the skills expected at their school grade level.

GOAL 2017

Start of Grant Matching Mechanism II projects with the cocoa and chocolate industry.



ACHIEVEMENT 2017

8 partnerships with cocoa and chocolate industry companies launched.*

* Effects on literacy and numeracy cannot be measured until 2018 data are available.

PRACTICAL IMPROVEMENT

By 2020, more than 50% of projects addressing institutions (companies and CSOs) have changed the practices or policies in the target institutions.

GOAL 2017

50% of projects with industry partners lead to practice and policy changes.



ACHIEVEMENT 2017

75% of industry partners have made key changes in policy and practice relative to the baseline survey.

GOAL

4

LEARNING
ORGANIZATION

ACTIVITIES

Learning Keeps Us Busy

Our goal is to be a learning organization with an agile management culture, one that takes active steps to manage and expand its knowledge and is eager to experiment and learn from success, failures and feedback. We are keen to share with one another and the outside world. We seek to open up hidden silos of knowledge. This means making the best possible use—both internally and externally—of the information and data that we have available, as well as experimenting with new approaches designed to foster learning.

In 2017, we implemented the Jacobs Foundation Development System (JFDS). This proprietary knowledge management tool is used to map and monitor our intellectual capital and guides our activities in this sphere.

The strategic management of knowledge in support of our mission is part of our current Medium Term Plan 2016–2020. Two knowledge modules (on “Education and genetics” and “The business case for investing in quality education”) were produced in 2017. The purpose of these modules is to synthesize scientific evidence as well as to summarize our experiences and positions on relevant aspects of our work, and then to make this information available to our peers, stakeholders and policymakers. We are a committed organization that is determined to reach the next level. Accordingly, we have dedicated 10 percent of our staff time in 2017, across all departments, to capturing, expanding and sharing relevant knowledge.

ACHIEVEMENT MEASURES

TIME

We dedicate 10% of our annual work time to increasing the effectiveness of our strategic goals, based on individual learning plans.

GOAL 2017

10%

ACHIEVEMENT 2017

11%


USING KNOWLEDGE

In 2020, we have developed 12 knowledge modules for internal learning and external communication.

GOAL 2017

2

ACHIEVEMENT 2017

2*


* “Education and genetics” and “The business case for investing in quality education”

ACTIVITIES

We Promote Dialogue

We have changed the way we communicate. Our goal is to promote dialogue among peer groups, opinion formers and the public concerning key topics that relate to children's learning. To that end, we gather and share expertise from various sources about children's learning and development. Our role as a facilitator of these discussions requires professionalism and transparent, rapid and open communication.

BOLD, our blog on learning and development, celebrated its first anniversary in August. During our first year, we published more than 180 posts by some 50 authors, and the blog is now attracting more than 10,000 readers every month. Cutting-edge contributions from prominent scientists as well as up-and-coming researchers have sparked further discussion on the blog and on various social media platforms. We have also initiated and expanded collaboration with several professional associations. Video statements by researchers are a new feature of the blog, along with the other content formats.

At the same time, we have expanded our presence on Twitter, LinkedIn and Facebook in an effort to reach a broader audience that shares our interests and concerns. Yet we have not abandoned time-tested means of communication: Our newsletter, for example, has attracted a large number of new subscribers and now also appears more frequently—six times per year. In addition, we have updated the structure, look and feel of both our newsletter and our website.

GOAL

5

CONTENT
MARKETING

ACHIEVEMENT MEASURES

UNIQUE USERS

Unique users of our new blog will climb to 434,000 by the end of 2020.

GOAL 2017

64,000

ACHIEVEMENT 2017

138,657


READERS

The number of subscribers of our e-newsletter has climbed to 5,250 by the end of 2020.

GOAL 2017

3,000

ACHIEVEMENT 2017

3,540


GOAL

6

LEVERAGE
FUNDING

ACTIVITIES

Efficiency Keeps Us On Target

We want our financial resources to achieve the greatest possible impact. To reinforce that impact, we are capitalizing on our expertise, built over many years, in the field of child and youth development. Because we want to increase the outreach and impact of our work, one of our seven strategic goals is to leverage funding. This means joining forces with compatible strategic partners, making our funding go further and achieving a greater impact.

We engaged in several partnerships through co-funding in 2017. When we join forces with other actors, our funds go further and we are able to serve more children and young people. One example is a program in Ivory Coast called “The Power of Nutrition,” which is being implemented in cooperation with the Ivorian Government, the World Bank, the Bernard van Leer Foundation, the UBS Optimus Foundation and the Bill and Melinda Gates Foundation. In this case, our investment of CHF 1.75 million was able to leverage funding for the parenting component of this multi-sectoral partnership in Ivory Coast to a total of more than CHF 15 million. We are also striving to reduce our running costs by 15% compared to the average in the last five years. End-of-year financials show that our cost reduction efforts are slightly below target, at 10%.

ACHIEVEMENT MEASURES

EXTRA FUNDS

In 2020, co-investments in our programs have risen by CHF 70 million.

GOAL 2017

CHF 21 mio


ACHIEVEMENT 2017

CHF 29 mio

COST REDUCTION

In 2020, we have reduced our running costs by 15 percent compared to the average in the last five years.

GOAL 2017

13%


ACHIEVEMENT 2017

10%*

* Basis: CHF 1.8 mio. The running costs are part of administration and other expenses.

ACTIVITIES

The Jacobs Network

By providing targeted support to talented individuals in diverse fields, the Jacobs Foundation is building a network of experts to promote progress in its focus areas.

In May, the first three fellows in the field of social entrepreneurship completed their MBA degrees at the Haas School of Business at the University of California, Berkeley. They are now contributing their expertise to the Foundation—serving as consultants for impact investment in Ivory Coast, providing strategic advice as young entrepreneurs, or acting as ambassadors while gaining professional experience working for global companies.

To ensure that the benefits of their expertise are shared beyond the Foundation, the fellows are expected to network with one another. This is particularly important as the Foundation supports fellows from such diverse areas as science, social entrepreneurship, public administration, and the media. In early summer, the Foundation launched an online platform for structured communication among the members of this exclusive community. In this forum, participants share their ideas and expertise. In addition to facilitating a virtual, interdisciplinary exchange, the Foundation organizes a variety of events, such as a week-long introductory session in Switzerland, conferences, and workshops where fellows from a variety of disciplines can spend several days in intensive collaboration.

GOAL

7

DEVELOP
TALENT

ACHIEVEMENT MEASURES

BETTER SKILLS

The aggregated skill set level of our staff members is at least 90% of the annual target and will reach 57% in 2020.

GOAL 2017

41%

ACHIEVEMENT 2017

50%



NETWORK SUPPORT

In 2020, 10 former fellows of the Jacobs Talent network have become relevant decision makers and opinion leaders in relevant institutions and continue collaborating with us as their preferred partner.

GOAL 2017

1

ACHIEVEMENT 2017

2*



* Hashem Al-Ghaili has some 13 million facebook followers and is an opinion leader in science communication; JF Research Fellow Celeste Kidd has been elected as person of the year TIME 2017.



ACTIVITIES

Long Nights, Fairy Tales and Music

Part of the Jacobs Foundation, the Johann Jacobs Museum introduces children and adolescents from all social and economic backgrounds to the ambiguous history of globalization. From an artistic perspective, it depicts the complex history of global trade routes and their effects on society—with a particular emphasis on coffee and cocoa, but also including such related goods as oil, rubber, diamonds and cotton.

As one of the 46 museums featured in Zurich's "Long Night of Museums," the Johann Jacobs Museum opened its doors to the public on September 2. While listening to the music of Brazilian guitar player Raimundo Bida dos Santos, from Salvador da Bahia, and enjoying a typical Brazilian bean stew called "Feijoada," a record 1,000 visitors viewed the exhibition "Coffee from Helvécia," which focuses on Brazilian forms of community that emerged from the migrant experience as well as on slavery, the demand for goods, working conditions and utopian ideas.

The Johann Jacobs Museum's 2017 programs for children and youth concentrated on fairy tales and music. At three afternoon events in November and December, storyteller Eva Maria Backes told fairy tales about beauty and what it means to be beautiful, and about animals, and communities from all over the world. The young visitors also had the opportunity to view items from the museum's collection that might well have come from a fairy tale. Sounds and melodies can break rules, generate new kinds of freedom and create utopias, and the museum's "Sampling Utopia" music workshops explored these possibilities. Children were able to conduct their own musical experiments using audio software. The workshops were led by singer Tracy September and electronic sound designer Ernesto Coba.



ACTIVITIES

Programs and Projects newly approved in 2017

NAME	OVERALL OBJECTIVE	PARTNER	TERM	GRANT AMOUNT (CHF)*
RESEARCH				
Fellowships				
Jacobs Research Fellowship Program 2017—annual grant	<p>Identification and support of the most talented and innovative young researchers in child and youth development.</p> <p>New Cohort Starting in 2018: Daniel Ansari, The University of Western Ontario Willem Frankenhuis, Radboud University Nijmegen Catherine Hartley, New York University Tobias Hauser, University College London Kathryn Humphreys, Stanford University Iolanda Leite, KTH Royal Institute for Technology Stockholm Jelena Obradovi, Stanford University Yee Lee Shing, Goethe University Frankfurt Elliot Tucker-Drob, University of Texas at Austin Wouter van den Bos, Max Planck Institute for Human Development Sharon Wolf, University of Pennsylvania</p>	Jacobs Foundation	2017–2020	3,000,000
Young Scholars				
Young Scholars Research Grant Program 2017—annual program	Call for proposals from young scholars who participated in the annual Jacobs Foundation Conference.	Jacobs Foundation	2017–2019	420,000
Partnership with EARLI	Building a partnership with the European Association for Research on Learning and Instruction by supporting Emerging Field Groups and funding mentoring and travel grants.	European Association for Research on Learning and Instruction (EARLI)	2017–2019	117,040
2017 CESifo Economics of Education	Enabling young academics to participate in the annual CESifo conference on the Economics of Education.	CESifo Group Munich	2017–2021	51,998
Young Scholars Travel Grant 2017—annual grant	To enable young scholars to participate in international conferences.	Jacobs Foundation	2017	50,000
ICIS International Young Scholar Travel Awards	Enabling young scholars to participate in the 2018 International Congress of Infant Studies in Philadelphia.	International Congress of Infant Studies (ICIS)	2017–2018	25,000
Conferences				
JF Conference 2017/Preparation for JF Conference 2018—annual event	Research conference with distinguished international researchers and talented young scholars.	Jacobs Foundation	2017–2018	180,000
Science of Learning Pilot Intervention				
Phonological literacy training via technology	Creating a syllabus to link maternal phonological awareness with early-grade literacy in French.	Carnegie Mellon University/University of Delaware	2017–2019	247,291

* Amounts in CHF rounded, based on periodic annual exchange rates.

ACTIVITIES

NAME	OVERALL OBJECTIVE	PARTNER	TERM	GRANT AMOUNT (CHF)*
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INSTITUTIONAL FUNDING

Jacobs Entrepreneurship Career Program	Support for excellent MBA students at Haas School of Business at UC Berkeley.	Jacobs Foundation	2017–2019	610,320
Jacobs Talent Network	The Jacobs Talent Network supports promising future opinion leaders and decision makers in the area of child and youth development through a variety of activities.	Jacobs Foundation	2017	400,000
acatech	Advice for policymakers and the broader public on issues of technology and technology policy.	National Academy of Science and Engineering acatech	2017	70,224
Lindau Nobel Laureate Meeting 2017	Support for a unique platform to facilitate dialogue between Nobel Laureates in chemistry, physics and medicine and outstanding young scientists from around the world.	Foundation Lindau Nobel Laureate Meetings	2017	68,502
HR-Kreis 2017	HR-Kreis (HR Circle) brings together HR directors in Germany to discuss the skills necessary to ensure the future competitiveness of the German economy.	National Academy of Science and Engineering acatech	2017	54,165
Summer Camp of the Association of German Engineers (VDI) at Jacobs University	Support to allow pupils interested in technology to participate in the summer camp of the Association of German Engineers at Jacobs University.	The Association of German Engineers (VDI)	2017	21,756

ACTIVITIES

NAME	OVERALL OBJECTIVE	PARTNER	TERM	GRANT AMOUNT (CHF)*
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INTERVENTION

Early Education

Early Childhood Research Agenda	The research agenda provides a conceptual foundation for the early education advocacy strategy.	Jacobs Foundation	2017–2020	1,320,000
Quality and impact of social and educational support for families	Support for the coordination of various research projects and funding of a study of the benefits of social and educational support for families.	Fachverband Schweiz Sozialpädagogische Familienbegleitung (SPF)	2017–2019	200,000
Transition: Planning grant	Organization of two expert workshops and commissioning of at least one needs assessment.	Jacobs Foundation	2017–2019	200,000
KIDS-WIN Follow-Up	Randomized control study of the impacts of intervention programs that focus on self-regulation and working memory training.	University of Zurich	2017–2020	105,080
Development and implementation of a funding strategy and campaign for the Marie Maierhofer Institut für das Kind	On the occasion of its 60th anniversary, MMI is planning a funding campaign intended to have a long-term positive impact on the institute. The strategic and operational foundations of that campaign will also benefit MMI. The Jacobs Foundation is providing financial and conceptual support for the development of the funding model as well as for the planning and implementation of the funding campaign.	Marie Meierhofer Institut für das Kind	2017	85,000
Support for early childhood policies and practice in Romania	The Jacobs Foundation is supporting its partners, the International Step by Step Association (ISSA) and the Center for Education and Professional Development (CEPD), in preparing a multi-year plan aimed at producing a paradigm shift in Romania's early childhood policies and practice, targeting children from birth to age six.	International Step by Step Association (ISSA)	2017	55,000
Strategy for education policy on ECEC	The Swiss Commission for UNESCO (SCU) seeks recognition of ECEC as an integral component of Switzerland's education policy. SCU has therefore commissioned Infras to formulate a "strategy for education policy on ECEC"; JF is covering 50 percent of the related costs.	Swiss Commission for UNESCO	2017–2018	50,000
Facts and figures on the objectives of the Ready! Campaign as listed in the charter	The charter for a comprehensive early childhood policy in Switzerland lists the seven objectives of the Ready! Campaign, focusing on the following five topics: equality of opportunity, funding, work-family balance, a comprehensive early childhood policy and the quality of ECEC programs. Brief, readily understandable background information will be provided, giving partners of the Ready! campaign access to more in-depth, evidence-based arguments concerning early childhood, as well as relevant facts and figures.	Jacobs Foundation	2017	45,000
Dissemination of information on the current state of early childhood research in Switzerland	Findings showing the current state of research on early childhood in Switzerland will be presented to researchers and stakeholders.	Jacobs Foundation	2017	40,000
Workshop on early childhood research in Switzerland	Support for research on early childhood in Switzerland, aimed at developing a joint research project.	Jacobs Foundation	2017–2018	20,000
Coalition "Supporting young children and families in times of crisis"	The coalition "Supporting young children and families in times of crisis" is dedicated to delivering lasting change in the coverage, quality and financing of support for young children and families affected by the crises in Syria and beyond.	Bernard van Leer Foundation	2017–2018	19,714

Livelihoods

Transforming Education in Cocoa Growing Communities (TRECC)	TRECC is a comprehensive program that aims to improve the quality of life of all children and youth in Ivory Coast, while focusing on delivering quality education in cocoa-growing communities. The allocated funds are being distributed among various projects of the TRECC program.	Jacobs Foundation	2017–2020	12,228,565
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ACTIVITIES

NAME	OVERALL OBJECTIVE	PARTNER	TERM	GRANT AMOUNT (CHF)*
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DIALOGUE

Awards

Klaus J. Jacobs Awards: Research Prize and Best Practice Prize 2017—Annual Grant	Honoring groundbreaking scientific achievements, as well as exceptional commitment of institutions or individuals who put into practice innovative solutions in child and youth development.	Awarded by Jacobs Foundation	2017	1,800,000
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Content Marketing


Content Marketing 2017	Fostering content-focused communication on social media and on a content-driven platform for dialogue (BOLD Blog); content-driven events for partners and media representatives.	Jacobs Foundation	2017	800,000
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CHARITY

Cartoneros y sus Chicos	Providing educational support for children of the cartoneros in Buenos Aires.	Jacobs Foundation	2017	400,306
Scholarship	Support for an outstanding female student pursuing a degree in engineering at Lycée Français Blaise Pascal.	Lycée Français Blaise Pascal	2017–2020	27,266
After School Matters	Support for After School Matters, an organization that offers cultural activities for young people in Chicago.	After School Matters	2017	20,000

MUSEUM

Johann Jacobs Museum	Exhibitions to history and present of global trade routes	Johann Jacobs Museum	2017	273,339
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**DAS JACOBS
HAUS**



Jacobs Foundation
Johann Jacobs Museum



Jacobs Holding AG



INSTITUTION

INSTITUTION

Our Board

The Board of Trustees is the Foundation's supreme decision-making body. New members are chosen by vote of the current members, and the Board elects its chairperson in consultation with the Jacobs family council. The Board is composed of distinguished international experts who have a wide range of expertise and connections across the areas in which the Foundation is engaged.

The Board of Trustees has two committees:

1. Audit Committee with Olaf von Maydell (Chairman) and Lavinia Jacobs.
2. Nomination and Compensation Committee with Ulman Lindenberger (Chairman), Lavinia Jacobs and Marta Tienda.

In 2017, there were changes in the Board of Trustees. Patrick Aebischer joined the Board on January 1, 2017. Laura Tyson left the Board on March 29, 2017.

On behalf of the Board of Trustees, Sandro Giuliani (Managing Director & Delegate of the Board) manages the Foundation's ongoing activities, supported by Senior Management, Program Management, Communication and Operations.



Lavinia Jacobs

Chair

Lavinia Jacobs has been a member of the Board of Trustees since April 2007, and has held the position of Chair since April 2015. She completed a degree in law at the University of Basel in 2005.



Prof. Patrick Aebischer

Board Member

Patrick Aebischer joined the Jacobs Foundation Board of Trustees in January 2017. Prof. Aebischer studied medicine and neurosciences and was President of EPFL (École polytechnique fédérale de Lausanne).



Nathalie Albin-Jacobs

Board Member

Nathalie Jacobs has been a member of the Board of Trustees since July 2012. She graduated from the University of Zurich with a degree in sociology.



Hans Ambühl

Board Member

Hans Ambühl has been a member of the Board of Trustees since October 2013. He has been General Secretary of the Swiss Conference of Cantonal Ministers of Education in Bern until 2017.



William Egbe

Board Member

William Egbe joined the Jacobs Foundation Board of Trustees in April 2015. An engineer who holds an MBA degree, he was Group Director Strategic Planning and Sustainability for the Coca-Cola Eurasia & Africa Group.



Sandro Giuliani

Delegate of the Board
Sandro Giuliani, Managing Director of the Jacobs Foundation, joined the Board of Trustees in April 2015.



Dr. Joh. Christian Jacobs

Honorary Chairman

Dr. Joh. Christian Jacobs joined the Board in 1995 and was appointed Chairman in 2004. Today Joh. Christian Jacobs is active as an entrepreneurial investor. Since April 2015, he has held the position of Honorary Chairman.



Prof. Dr.

Ulman Lindenberger

Board Member

Prof. Ulman Lindenberger joined the Jacobs Foundation Board of Trustees in January 2012. The German psychologist is Director of the Center for Lifespan Psychology at the Max Planck Institute for Human Development in Berlin.



Prof. Marta Tienda, Ph.D.

Board Member

Prof. Marta Tienda joined the Jacobs Foundation Board of Trustees in October 1999. She is Maurice P. Daring '22 Professor of Demographic Studies and Professor of Sociology and Public Affairs at Princeton University.



Dr. Olaf von Maydell

Board Member

Dr. Olaf von Maydell has been a member of the Board of Trustees since May 2013. A tax consultant who holds a PhD in agricultural economics, Dr. von Maydell is a partner in the Schomerus & Partner tax consulting firm in Berlin.

INSTITUTION

The Management



Sandro Giuliani
Managing Director



Dr. Urs V. Arnold
Head of Operations



Alexandra Güntzer
Head of Communication



Muriel Langenberger
Head of Programs
Europe



Fabio Segura
Head of International
Programs



Simon Sommer
Head of Research



Zoe Bozzolan-Kenworthy
Assistant Operations &
International Programs



Antonella Di Iorio
Personal Assistant to the
Managing Director



Gelgia Fetz Fernandes
Program Manager



Chris Goodman
Junior Professional Officer



Sabine Gysi
Communication Manager



Irina Hotz
Project Manager
International Programs



Roland Hügli
Finance Manager



Cathrin Jerie
Project Manager Talent
Network/Communication



Sylvana Klang
Project Manager
Communication



Constanze Lullies
Program Manager



Nora Marketos
Program Manager



Patricia Müller
Assistant Operations



Rita Schweizer
Project Manager



Doriano Simonato
Logistic



Sabina Viganì
Directrice Pays Côte
d'Ivoire



Julia Wyss
Program Assistant/
Research Fellowship
Coordinator



Philine X. Zimmerli Ischer
Program Manager



Roger Bürgel
Director
Johann Jacobs Museum



Camilla Franz
Education
Johann Jacobs Museum



Sophia Prinz
Researcher
Johann Jacobs Museum



Bettina Schuler
Assistant
Johann Jacobs Museum



Patrizia Tarone
Business Director
Johann Jacobs Museum





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FACTS & FIGURES

The Jacobs Foundation in Figures

CUMULATIVE GRANTS

CHF 602.952 MILLION

FOUNDATION ASSETS AS OF 31 DECEMBER 2017

CHF 7.1 BILLION

GRANTS APPROVED IN 2017

CHF 23.006 MILLION

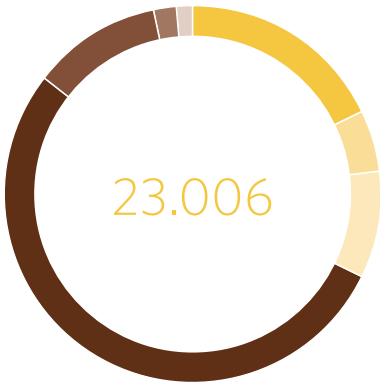
PAYMENTS FOR GRANTS IN 2017

CHF 41.940 MILLION

excluding Co-Funding received from Partner Organizations of CHF 2.275 million

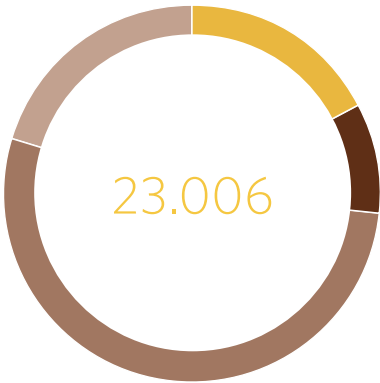
BREAKDOWN OF GRANTS APPROVED IN 2017

BY ACTIVITY AREA



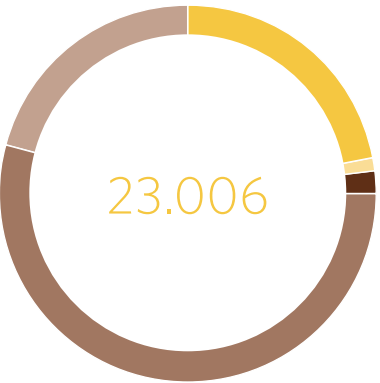
- 4.091 RESEARCH
- 1.225 INSTITUTIONAL FUNDING
- 2.140 INTERVENTION EUROPE
- 12.229 INTERVENTION INTERNATIONAL
- 2.600 DIALOGUE
- 448 CHARITABLE ACTIVITIES
- 273 JOHANN JACOBS MUSEUM

BY THEMES



- 4.011 SCIENCE OF LEARNING
- 2.140 EARLY EDUCATION
- 12.229 RURAL LIVELIHOODS
- 4.626 OTHERS

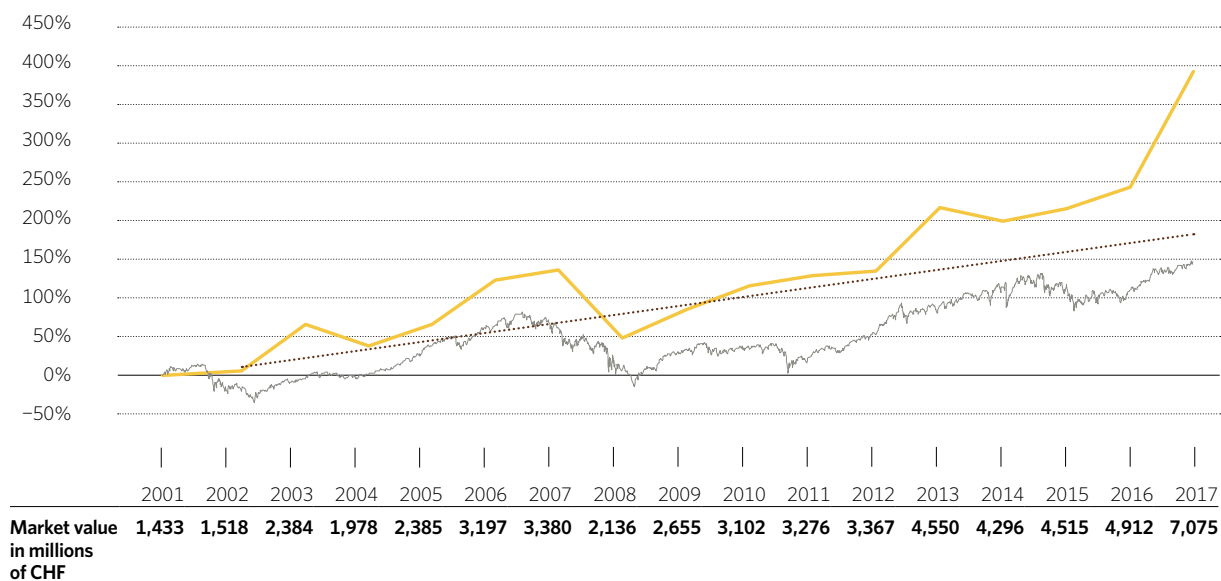
BY REGION



- 5.066 SWITZERLAND
- 290 EU COUNTRIES
- 400 LATIN AMERICA
- 12.503 AFRICA
- 4.747 TRANSNATIONAL

FACTS & FIGURES

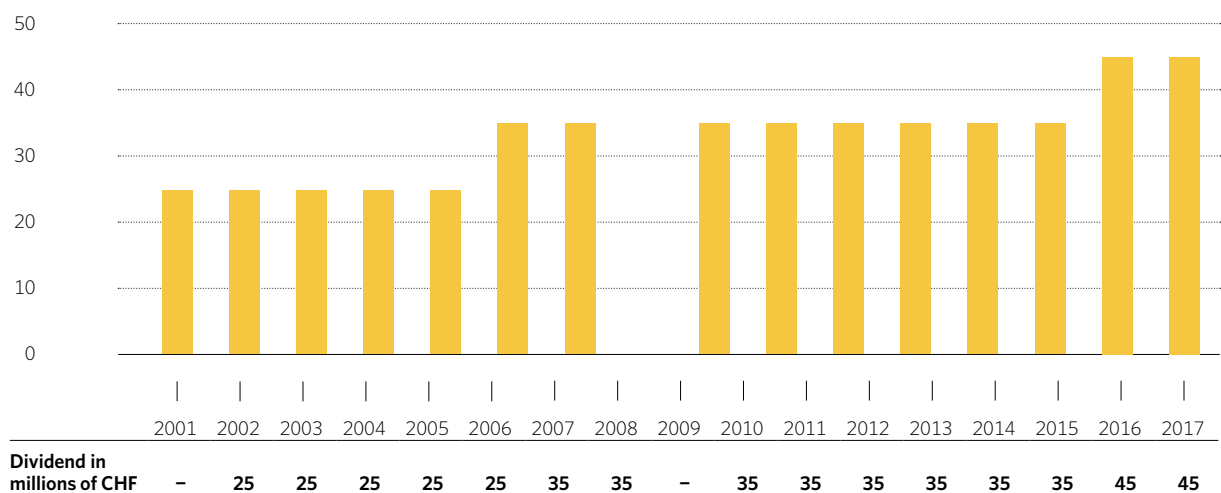
DEVELOPMENT OF FOUNDATION ASSETS



The foundation assets at market value were CHF 1,432,728k at donation in October 2001. The quoted investments of Jacobs Holding AG are at market value as of 31 December in each case, other assets are at book value. The target performance of Jacobs Holding AG is determined by the formula "Risk Free Rate in CHF +5%" (until September 30, 2013 +6%).

— Foundation assets at market value
 Target Performance
 — Swiss Market Dividend Adj. Index (SMIC)

DEVELOPMENT OF DIVIDEND PAYMENTS



The annual dividend income of the Jacobs Foundation is derived from the Foundation's shares in Jacobs Holding AG.



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To the Board of Trustees
Jacobs Foundation, Zurich

Zurich, 16 March 2018

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the financial statements of Jacobs Foundation, Zurich, which comprise balance sheet, the statement of operations, cash flow statement, statement of changes in capital and notes (pages 38 to 54), for the year ended 31 December 2017.



Board of Trustees' responsibility

The Board of Trustees is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law, Swiss GAAP FER 21 and the deed of foundation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Trustees is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.



Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements 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 system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements for the year ended 31 December 2017 comply with Swiss law, Swiss GAAP FER 21 and the deed of foundation.



Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO) and that there are no circumstances incompatible with our independence.

In accordance with article 83b paragraph 3 CC in relation to article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Trustees.

We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

Rico Fehr
Licensed audit expert
(Auditor in charge)

Marc Hegetschweiler
Licensed audit expert

Jacobs Foundation—Financial Statements

Balance Sheet

IN THOUSANDS OF CHF	NOTE	31.12.17	31.12.16
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3.0	75,879	90,928
Receivables	3.1	34,042	28,301
Prepayments and accrued income	3.2	83	156
Total current assets		110,004	119,385
NON-CURRENT ASSETS			
Financial assets	3.3	10,000	702
Participations	3.4	1,432,763	1,432,763
Real estate and other fixed assets	3.5	42,845	47,972
Intangible assets	3.5	13	36
Total non-current assets		1,485,622	1,481,473
TOTAL ASSETS		1,595,626	1,600,858
LIABILITIES, FUNDS AND CAPITAL OF THE ORGANIZATION			
SHORT-TERM LIABILITIES			
Current liabilities		1,783	2,833
Accrued liabilities and provisions	3.6	3,483	503
Total liabilities		5,266	3,336
FUNDS (restricted)			
Grants approved	3.7	64,535	83,089
Total funds (restricted)		64,535	83,089
CAPITAL OF THE ORGANIZATION			
Paid-in capital		1,472,729	1,472,729
Voluntary retained earnings		53,097	41,704
Net income for the year		–	–
Total capital of the organization		1,525,826	1,514,433
TOTAL LIABILITIES, FUNDS AND CAPITAL OF THE ORGANIZATION		1,595,626	1,600,858

Remark for all statements: As the calculations are carried out with greater precision, there might be slight differences due to rounding.

Statement of Operations

IN THOUSANDS OF CHF	NOTE	2017	2016
INCOME			
Dividend income from Jacobs Holding AG		45,000	45,000
Contribution from third parties		370	365
Income from the Johann Jacobs Museum	4.0	81	200
Total income		45,451	45,565
ADMINISTRATIVE EXPENSES			
Personnel expenses	4.1	-5,882	-5,624
Administration and other expenses	4.2	-1,630	-1,465
Depreciation	3.5	-138	-140
Total administrative expenses		-7,649	-7,230
SUBTOTAL I		37,802	38,335
FINANCIAL INCOME			
Other interest income		39	55
Exchange rate effect		1,052	-231
Bank fees and transaction costs		-4	-5
Total financial income		1,087	-181
REAL ESTATE INCOME			
Income from real estate	4.3	2,011	2,011
Expenses from real estate	4.3	-1,016	-467
Depreciation	3.5	-1,314	-1,326
Taxes	4.3/5.0	-127	-169
Total real estate income		-447	49
EXTRA ORDINARY ITEMS			
Other Provision	3.6	-2,700	-
Result of auction of works of art	3.1	-1,342	-
Total extra ordinary items		-4,042	-
SUBTOTAL II		34,398	38,204
RESTRICTED FUNDS			
Grants approved		-23,006	-33,821
Grants dissolved		-	-
Restricted funds		-23,006	-33,821
NET INCOME FOR THE YEAR I		11,393	4,382
ALLOCATIONS			
Allocation to voluntary retained earnings		-11,393	-4,382
NET INCOME FOR THE YEAR II		-	-

Cash Flow Statement

IN THOUSANDS OF CHF	NOTE	2017	2016
CASH FLOW FROM OPERATING ACTIVITIES			
Subtotal II		34,398	38,204
Depreciation of other fixed assets		115	118
Depreciation of intangible assets		22	22
Depreciation of real estate		1,314	1,326
Decrease/(increase) in receivables		-5,741	-15,816
Decrease/(increase) in prepayments and accrued income		73	-57
Increase/(decrease) in current liabilities		-1,050	2,422
Increase/(decrease) in accrued liabilities and deferred income		2,980	-229
Result of auction of works of art		1,342	-
Utilization of funds		-41,940	-36,821
Exchange rate effect on funds		380	2
Total cash flow from operating activities		-8,105	-10,831
CASH FLOW FROM INVESTING ACTIVITIES			
Disposal of/(investment in) tangible moveable assets	3.5	-25	-18
Disposal of/(investment in) tangible assets	3.5	-	-39
Disposal of/(investment in) works of art	3.5	2,379	-10
Disposal of/(investment in) real estate	3.5	-	-
Disposal of/(investment in) financial assets	3.3	-9,298	18,309
Total cash flow from investing activities		-6,944	18,242
TOTAL CASH FLOW		-15,049	7,410
CHANGE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at the beginning of the period	3.0	90,928	83,517
Cash and cash equivalents at the end of the period	3.0	75,879	90,928
TOTAL CHANGE IN CASH AND CASH EQUIVALENTS		-15,049	7,410

Statement of Changes in Capital

IN THOUSANDS OF CHF

2017

FUNDS AND CAPITAL OF THE ORGANIZATION	NOTE	AS OF 01.01.17	GRANTS APPROVED	PAYMENTS	GRANTS DISSOLVED	FUND TRANSFER	EXCHANGE RATE EFFECT	AS OF 31.12.17
Research		29,738	4,091	-7,061	-	-80	90	26,779
Institutional Funding		20,841	1,225	-20,900	-	80	-26	1,220
Intervention		28,484	14,368	-11,505	-	-	315	31,661
Dialogue		3,141	2,600	-1,783	-	-	3	3,961
Charitable activities		845	448	-405	-	-	-1	887
Johann Jacobs Museum		40	273	-287	-	-	-	27
Total funds		83,089	23,006	-41,940	-	-	380	64,535
Paid-in capital		1,472,729	-	-	-	-	-	1,472,729
Voluntary retained earnings		41,704	-	-	-	11,393	-	53,097
Net income for the year		-	11,393	-	-	-11,393	-	-
Total capital of the organization		1,514,433	11,393	-	-	-	-	1,525,826
TOTAL FUNDS AND CAPITAL OF THE ORGANIZATION		1,597,521	34,398	-41,940	-	-	380	1,590,360

2016

FUNDS AND CAPITAL OF THE ORGANIZATION	NOTE	AS OF 01.01.16	GRANTS APPROVED	PAYMENTS	GRANTS DISSOLVED	FUND TRANSFER	EXCHANGE RATE EFFECT	AS OF 31.12.16
Research		29,325	6,891	-6,442	-	-	-35	29,738
Institutional Funding		37,853	1,730	-18,835	-	-	93	20,841
Intervention		15,556	21,118	-8,217	-	-	26	28,484
Dialogue		2,747	2,666	-2,191	-	-	-81	3,141
Charitable activities		606	776	-537	-	-	-0	845
Johann Jacobs Museum		-	640	-600	-	-	-	40
Total funds		86,087	33,821	-36,821	-	-	2	83,089
Paid-in capital	3.8	1,472,729	-	-	-	-	-	1,472,729
Voluntary retained earnings	3.8	37,322	-	-	-	4,382	-	41,704
Net income for the year		-	4,382	-	-	-4,382	-	-
Total capital of the organization		1,510,050	4,382	-	-	-	-	1,514,433
TOTAL FUNDS AND CAPITAL OF THE ORGANIZATION		1,596,137	38,204	-36,821	-	-	2	1,597,521

Purpose and Activities of the Foundation

1.0 Name and Registered Offices

The Foundation was established by Klaus J. Jacobs in 1989 and is entered in the commercial register as Jacobs Stiftung. Because of its international approach, the Foundation refers to itself as Jacobs Foundation in its public relations activities. The Foundation's registered offices are at Seefeldquai 17, 8008 Zurich.

1.1 Purpose and Activities of the Foundation

The purpose of the Jacobs Foundation is to create conditions conducive to positive human development in a world characterized by social change. The Foundation supports this aim primarily by investigating and combating at an early stage negative influences that threaten the productive development of young people.

The Jacobs Foundation supports high-quality research and intervention projects that deliver key insights and fundamental improvements for children and young people. Another important aspect is promoting public dialogue and providing platforms for discussion by bringing together representatives from the world of science, politics, society and business with the goal of securing sustainable social innovation.

The Jacobs Foundation also runs the Johann Jacobs Museum, which houses a collection of works of art (paintings, silver, porcelain, books, prints, etc.).

1.2 Assets

To fulfill its mission and the associated obligations, the Jacobs Foundation possesses the following assets:

INTEREST IN JACOBS HOLDING AG

Klaus J. Jacobs donated his shares in Jacobs Holding AG to the Jacobs Foundation in October 2001.

The Jacobs Foundation holds all economic rights of the entire share capital and 10.1% of the voting rights in Jacobs Holding AG. Jacobs Holding AG has its registered offices at Seefeldquai 17, Zurich, and is a professional investment company that acquires, holds, manages and finances investments of all types.

Its major holding as of December 31, 2017, is a share of 50.1% in Barry Callebaut AG.

Jacobs Holding AG has set its mid- to long-term target annual growth at the risk-free rate in CHF plus 5% (until September 30, 2013, plus 6%). During the period from September 30, 2001, to September 30, 2017, the average risk-free rate in CHF plus 5% was 7.0%. The effective performance CAGR (Compound Annual Growth Rate) for that period was 8.8%, i.e., the company exceeded its own performance target by 1.8%.

CASH, SECURITIES AND FINANCIAL ASSETS

The Jacobs Foundation holds cash, securities and financial assets that are used in order to fulfill the Foundation's mission.

REAL ESTATE

The Jacobs Foundation owns the properties Seefeldquai 17 and Mainaustrasse 2, Zurich, as well as Marbach Castle, Oehningen, Germany.

Significant Accounting Policies

2.0 Basis of Presentation

From the beginning of 2014, the financial statements are prepared in accordance with the applicable guidelines of the Swiss Accounting and Reporting Recommendations (Swiss GAAP FER 21).

These financial statements were approved on March 16, 2018.

The main accounting policies are laid out below:

2.1 Currency Translation

The following exchange rates were used for currency translation:

	31.12.17	31.12.16
EUR	1.1704	1.0728
USD	0.9736	1.0172
GBP	1.3167	1.2557

2.2 Cash and Cash Equivalents

These items include cash on hand, bank account balances and time deposits with a maturity of less than twelve months held at Credit Suisse, Deutsche Bank (Schweiz) AG, UBS AG and Zürcher Kantonalbank. All items are recorded at nominal value.

2.3 Securities

Securities classified as current assets are recorded at market value at the balance sheet date.

2.4 Receivables, Prepayments and Accrued Income

Receivables, prepayments and accrued income are recorded at nominal value less any necessary adjustments.

2.5 Financial Assets

These items include shares held for long-term investment purposes and time deposits with a maturity of more than twelve months at Credit Suisse, Deutsche Bank (Schweiz) AG, UBS AG and Zürcher Kantonalbank. All items are recorded at historical costs or at their market value at the time of endowment.

2.6 Participations

The interest in Jacobs Holding AG is measured at market value on the donation date October 26, 2001. All other participations are recorded at nominal value.

2.7 Real Estate and Other Tangible Fixed Assets

Tangible fixed assets are reported at acquisition cost less depreciation and any necessary impairment. The threshold for capitalization of moveable goods is CHF 1,000. Costs related to restoration, improvement and conversion of real estate are capitalized if they result in an increase in value or additional possibilities for use. However, only costs of over CHF 10,000 are capitalized. Acquisition costs are reduced by depreciation/amortization on a straight-line basis over the estimated useful lives of the assets. Real estate and works of art are not depreciated.

The estimated useful lives of the various assets are as follows:

ASSET/DESCRIPTION	STRAIGHT-LINE DEPRECIATION IN %	USEFUL LIFE IN YEARS
Hardware	33.3%	3
Software	33.3%	3
Office equipment	20.0%	5
Plant and equipment	20.0%	5
Office furniture and fixtures	15.0%	6.66
Fittings	6.66%	15
Equipment/facilities	4.0%	25
Buildings	2.0%	50
Real estate/land	0.0%	-
Works of art	0.0%	-

2.8 Liabilities, Accrued Liabilities and Deferred Income

Liabilities, accrued liabilities and deferred income are recorded at nominal value.

2.9 Grants approved

Grants are allocated to the "Grants approved Fund" upon approval. Payments made are recorded against the fund.

Notes to the Balance Sheet and to the Statement of Operations

IN THOUSANDS OF CHF	31.12.17	31.12.16
3.0 Cash and Cash Equivalents		
Bank accounts	23,587	22,146
Time deposits - CHF	42,000	65,000
Time deposits - EUR	8,837	1,609
Time deposits - USD	1,456	1,745
Time deposits - GBP	–	427
TOTAL CASH AND CASH EQUIVALENTS	75,879	90,928
3.1 Receivables		
Withholding taxes	31,525	28,096
Other receivables	2,517	205
TOTAL RECEIVABLES	34,042	28,301
On November 16, 2017 Kunsthaus Lempertz KG in Cologne auctioned selected items of to works of art collection. The receivable of EUR 2,050 k is recorded under this heading. The auction resulted in a book loss of CHF 1,342 k.		
3.2 Prepayments and Accrued Income		
Accrued interest	29	24
Various prepayments and accrued income	54	132
TOTAL PREPAYMENTS AND ACCRUED INCOME	83	156
3.3 Financial Assets		
Time deposits - CHF	10,000	702
TOTAL FINANCIAL ASSETS	10,000	702

JACOBS FOUNDATION—NOTES

IN THOUSANDS OF CHF	NOTE	31.12.17	31.12.16
3.4 Participations			
Interest in Jacobs Holding AG	3.4.1	1,432,729	1,432,729
Other participations	3.4.2	35	35
TOTAL PARTICIPATIONS		1,432,763	1,432,763

3.4.1 Interest in Jacobs Holding AG

Klaus J. Jacobs' donation to the Jacobs Foundation is recorded at market value on the donation date October 26, 2001. The market value at the balance sheet date was CHF 7,075,000 k (2016: CHF 4,912,000 k). The Jacobs Foundation holds all economic rights of the entire share capital in Jacobs Holding AG.

Measured at nominal value, the interest breaks down as follows:

NUMBER	TYPE OF SECURITY	NOMINAL VALUE PER UNIT		
9,000	Voting shares (10.1%)	10,000	90,000	90,000
330,000	Participation certificates	1,000	330,000	330,000
TOTAL INTEREST IN JACOBS HOLDING AG			420,000	420,000

3.4.2 Other Participations

As part of its activities, the Jacobs Foundation holds participations in the following charitable organizations:

- Jacobs University Bremen gGmbH
- TRECC Sarl
- German Children and Youth Foundation (GCYF)

IN THOUSANDS OF CHF

2017**3.5 Statement of Changes in Tangible Fixed Assets****Works of art**

ACQUISITION COSTS	01.01.17	ADDITIONS	DISPOSALS	IMPAIRMENT	31.12.17
Works of art, Zurich Museum	9,686	–	–3,722	–	5,964
Total acquisition costs	9,686	–	–3,722	–	5,964
ACCUMULATED DEPRECIATION	01.01.17	DEPRECIATION IN THE CURRENT FY	DEPRECIATION OF DISPOSALS	IMPAIRMENT	31.12.17
Works of art, Zurich Museum	–	–	–	–	–
Total accumulated depreciation	–	–	–	–	–
NET CARRYING AMOUNTS	9,686	–	–	–	5,964

Real estate

ACQUISITION COSTS	01.01.17	ADDITIONS	DISPOSALS	IMPAIRMENT	31.12.17
Zurich property, Seefeldquai 17	4,998	–	–	–	4,998
Equipment and facilities, Seefeldquai 17	4,040	–	–	–	4,040
Fittings, Seefeldquai 17	2,263	–	–	–	2,263
Zurich property, Mainaustrasse 2	3,377	–	–	–	3,377
Equipment and facilities, Mainaustrasse 2	2,581	–	–	–	2,581
Fittings, Mainaustrasse 2	1,209	–	–	–	1,209
Properties, Marbach Castle, Oehningen, Germany	37,397	–	–	–	37,397
Fittings, Marbach Castle, Oehningen, Germany	708	–	–	–	708
Total acquisition costs	56,574	–	–	–	56,574
ACCUMULATED DEPRECIATION	01.01.17	DEPRECIATION IN THE CURRENT FY	DEPRECIATION OF DISPOSALS	IMPAIRMENT	31.12.17
Zurich property, Seefeldquai 17	–1,146	–100	–	–	–1,246
Equipment and facilities, Seefeldquai 17	–566	–162	–	–	–727
Fittings, Seefeldquai 17	–520	–150	–	–	–669
Zurich property, Mainaustrasse 2	–909	–68	–	–	–976
Equipment and facilities, Mainaustrasse 2	–361	–103	–	–	–465
Fittings, Mainaustrasse 2	–276	–80	–	–	–356
Properties, Marbach Castle, Oehningen, Germany	–14,133	–652	–	–	–14,785
Fittings, Marbach Castle, Oehningen, Germany	–708	–0	–	–	–708
Total accumulated depreciation	–18,618	–1,314	–	–	–19,932
NET CARRYING AMOUNTS	37,956	–1,314	–	–	36,642

JACOBS FOUNDATION—NOTES

IN THOUSANDS OF CHF

2017**Tangible moveable assets**

ACQUISITION COSTS	01.01.17	ADDITIONS	DISPOSALS	IMPAIRMENT	31.12.17
IT hardware	181	24		–	205
Tangible moveable assets, Foundation	251	1	–	–	252
Tangible moveable assets, Museum	116	–	–	–	116
Tangible moveable assets, Zurich properties	457	–	–	–	457
Total acquisition costs	1,005	25	–	–	1,030
ACCUMULATED DEPRECIATION	01.01.17	DEPRECIATION IN THE CURRENT FY	DEPRECIATION OF DISPOSALS	IMPAIRMENT	31.12.17
IT hardware	–171	–14	–	–	–185
Tangible moveable assets, Foundation	–182	–21	–	–	–203
Tangible moveable assets, Museum	–82	–12	–	–	–94
Tangible moveable assets, Zurich properties	–240	–69	–	–	–308
Total accumulated depreciation	–675	–115	–	–	–791
NET CARRYING AMOUNTS	329	–90	–	–	239

Intangible assets

ACQUISITION COSTS	01.01.17	ADDITIONS	DISPOSALS	IMPAIRMENT	31.12.17
Software	157	–	–	–	157
Total acquisition costs	157	–		–	157
ACCUMULATED AMORTIZATION	01.01.17	AMORTIZATION IN THE CURRENT FY	AMORTIZATION OF DISPOSALS	IMPAIRMENT	31.12.17
Software	–122	–22	–	–	–144
Total accumulated amortization	–122	–22	–	–	–144
NET CARRYING AMOUNTS	36	–22	–	–	13
TOTAL NET CARRYING AMOUNTS	48,007	–1,427	–	–	42,858

The insurance value of all real estate amounts to CHF 45,739 k (2016: CHF 44,703 k). The insurance value of the other tangible fixed assets including works of art amounts to CHF 14,576 k (2016: CHF 13,270 k).

IN THOUSANDS OF CHF

2016**3.5 Statement of Changes in Tangible Fixed Assets****Works of art**

ACQUISITION COSTS	01.01.16	ADDITIONS	DISPOSALS	IMPAIRMENT	31.12.16
Works of art, Zurich Museum	9,676	10	–	–	9,686
Total acquisition costs	9,676	10		–	9,686
ACCUMULATED DEPRECIATION	01.01.16	DEPRECI- ATION IN THE CURRENT FY	DEPRECI- ATION OF DISPOSALS	IMPAIRMENT	31.12.16
Works of art, Zurich Museum	–	–	–	–	–
Total accumulated depreciation	–	–	–	–	–
NET CARRYING AMOUNTS	9,676	10	–	–	9,686

Real estate

ACQUISITION COSTS	01.01.16	ADDITIONS	DISPOSALS	IMPAIRMENT	31.12.16
Zurich property, Seefeldquai 17	4,998	–	–	–	4,998
Equipment and facilities, Seefeldquai 17	4,040	–	–	–	4,040
Fittings, Seefeldquai 17	2,263	–	–	–	2,263
Zurich property, Mainaustrasse 2	3,377	–	–	–	3,377
Equipment and facilities, Mainaustrasse 2	2,581	–	–	–	2,581
Fittings, Mainaustrasse 2	1,209	–	–	–	1,209
Properties, Marbach Castle, Oehningen, Germany	37,397	–	–	–	37,397
Fittings, Marbach Castle, Oehningen, Germany	708	–	–	–	708
Total acquisition costs	56,574	–	–	–	56,574
ACCUMULATED DEPRECIATION	01.01.16	DEPRECI- ATION IN THE CURRENT FY	DEPRECI- ATION OF DISPOSALS	IMPAIRMENT	31.12.16
Zurich property, Seefeldquai 17	–1,046	–100	–	–	–1,146
Equipment and facilities, Seefeldquai 17	–404	–162	–	–	–566
Fittings, Seefeldquai 17	–370	–150	–	–	–520
Zurich property, Mainaustrasse 2	–841	–68	–	–	–909
Equipment and facilities, Mainaustrasse 2	–258	–103	–	–	–361
Fittings, Mainaustrasse 2	–195	–80	–	–	–276
Properties, Marbach Castle, Oehningen, Germany	–13,481	–652	–	–	–14,133
Fittings, Marbach Castle, Oehningen, Germany	–697	–11	–	–	–708
Total accumulated depreciation	–17,292	–1,326	–	–	–18,618
NET CARRYING AMOUNTS	39,282	–1,326	–	–	37,956

JACOBS FOUNDATION—NOTES

IN THOUSANDS OF CHF

2016**Tangible moveable assets**

ACQUISITION COSTS	01.01.16	ADDITIONS	DISPOSALS	IMPAIRMENT	31.12.16
IT hardware	169	12	–	–	181
Tangible moveable assets, Foundation	245	6	–	–	251
Tangible moveable assets, Museum	116	–	–	–	116
Tangible moveable assets, Zurich properties	457	–	–	–	457
Total acquisition costs	987	18	–	–	1,005
ACCUMULATED DEPRECIATION	01.01.16	DEPRECIATION IN THE CURRENT FY	DEPRECIATION OF DISPOSALS	IMPAIRMENT	31.12.16
IT hardware	–155	–17	–	–	–171
Tangible moveable assets, Foundation	–161	–21	–	–	–182
Tangible moveable assets, Museum	–71	–12	–	–	–82
Tangible moveable assets, Zurich properties	–171	–69	–	–	–240
Total accumulated depreciation	–558	–118	–	–	–675
NET CARRYING AMOUNTS	429	–100	–	–	329

Intangible assets

ACQUISITION COSTS	01.01.16	ADDITIONS	DISPOSALS	IMPAIRMENT	31.12.16
Software	118	39	–	–	157
Total acquisition costs	118	39	–	–	157
ACCUMULATED AMORTIZATION	01.01.16	AMORTIZATION IN THE CURRENT FY	AMORTIZATION OF DISPOSALS	IMPAIRMENT	31.12.16
Software	–99	–22	–	–	–122
Total accumulated amortization	–99	–22	–	–	–122
NET CARRYING AMOUNTS	19	17	–	–	36
TOTAL NET CARRYING AMOUNTS	49,406	–1,398	–	–	48,007

IN THOUSANDS OF CHF	31.12.17	31.12.16
3.6 Accrued Liabilities and Provisions		
Liabilities for social-security contributions/source taxes	7	16
Liabilities for taxes	–	–
Other provision	2,700	–
Auditing	34	32
Annual report	60	30
Miscellaneous accrued liabilities and deferred income	683	425
TOTAL ACCRUED LIABILITIES AND DEFERRED INCOME	3,483	503

In 2017 a provision was recognized related to an ongoing compliance case, which might lead to a cash outflow in the future.

3.7 Grants approved

The “Grants approved fund” amounts to CHF 64,535 k as of December 31, 2017 (2016: CHF 83,089 k). In the financial year 2017, grants, totalling CHF 23,006 k (2016: CHF 33,821 k), were approved. Payments of CHF 41,940 k (2016: CHF 36,821 k) were made for programs and projects in the reporting year.

The endowment of EUR 75,000 k (CHF 120,668 k) awarded to the Jacobs University Bremen in the financial year 2006 was due for payment in equal instalments between 2007 and 2011. The contractual arrangements from 2006 provided for additional payments to the Jacobs University Bremen of up to EUR 125,000 k. This endowment of EUR 125,000 k (CHF 186,413 k) was recorded as of December 31, 2008. In the year under report last payments of EUR 11,200 k were made for the contractual agreement of 2006.

Furthermore, in March 2015 an agreement was concluded with the Jacobs University Bremen for annual payments of up to CHF 10,000 k for the period from 2018 up to and including 2027. The claim to payment is subject to several conditions being met. Under the agreed terms, the agreement can be terminated with one year's notice if the conditions are not met.

Forward contracts of EUR 7,400 k as of December 31, 2017 have been agreed. The associated theoretical replacement value amounts to CHF 162 k.

JACOBS FOUNDATION—NOTES

IN THOUSANDS OF CHF

	2017	2016
4.0 Johann Jacobs Museum		
Income and contribution from third parties	81	225
Expenses for planning costs/exhibitions	-273	-669
Personnel expenses	-730	-633
Administration and other expenses	-290	-179
TOTAL JOHANN JACOBS MUSEUM	-1,213	-1,257
4.1 Personnel Expenses		
Compensation for Board of Trustees	945	930
Employees	4,937	4,694
TOTAL COMPENSATION/PERSONNEL EXPENSES	5,882	5,624

Explanatory Notes on Compensation for the Board of Trustees

The total compensation consists of compensation received by the Chairwoman and members of the Board of Trustees for their Board activities. The Board of Trustees does not receive contractually agreed lump-sum expense compensation. The members and the Chairwoman of the Board of Trustees only receive compensation for the actual expenses incurred in connection with their activities for the Foundation. The compensation disclosed includes social-security contributions. The Board of Trustees (including Honorary Chairman) comprises 10 members as of December 31, 2017 (2016: 10 members).

Explanatory Notes on Personnel Expenses

The Jacobs Foundation had 27 employees as of December 31, 2017 (2016: 26) or 22.8 full-time equivalents (2016: 20.3). Personnel expenses for management and employees of the Foundation include salaries, social-security contributions, training and recruitment expenses.

For its employees' pension plans, Jacobs Foundation is a member of a collective pension fund which has a permanent funded status of at least 100% due to its comprehensive insurance coverage. The pension benefit expense came to CHF 364 k in the financial year 2017 (2016: CHF 353 k).

4.2 Administration and Other Expenses

Consultancy and auditing expenses	518	469
Travel and representation expenses	359	409
Public relations	284	240
Other administrative expenses	469	348
TOTAL ADMINISTRATION AND OTHER EXPENSES	1,630	1,465

JACOBS FOUNDATION—NOTES

IN THOUSANDS OF CHF	2017 INCOME	2017 EXPENSES	2017 BALANCE	2016 BALANCE
4.3 Real Estate Income				
<i>Marbach Castle, Oehningen, Germany</i>				
Lease income, Marbach Castle	1,650		1,650	1,650
Other real estate expenses, Marbach Castle		-872	-872	-268
Depreciation, Marbach Castle		-652	-652	-663
Taxes, Marbach Castle		-127	-127	-169
Total income from Marbach Castle	1,650	-1,651	-2	550
<i>Properties at Mainaustrasse 2 and Seefeldquai 17, Zurich, Switzerland</i>				
Rental income, Zurich	361		361	361
Other real estate expenses, Zurich		-144	-144	-199
Depreciation, Zurich		-662	-662	-662
Total income from the Zurich properties	361	-807	-446	-501
Real estate income, Marbach and Zurich	2,011		2,011	2,011
Other real estate expenses, Marbach and Zurich		-1,016	-1,016	-467
Depreciation, Marbach and Zurich		-1,314	-1,314	-1,326
Taxes, Marbach Castle		-127	-127	-169
TOTAL REAL ESTATE INCOME	2,011	-2,458	-447	49
4.4 Reversals				
Grants dissolved			-	-
TOTAL REVERSALS			-	-

Grants are dissolved if not all pledged funds are used or the project could not be realized. The Board of Trustees takes decisions on such reversals.

5.0 Taxes

The Jacobs Foundation is domiciled in Switzerland and exempt from direct taxation by the Swiss federal government, the canton of Zurich and the city of Zurich owing to its exclusively charitable purpose. As owner and lessor of Marbach Castle, the Jacobs Foundation is a taxable entity in Germany and liable for German corporation tax and turnover tax. The Jacobs Foundation is engaged in litigation against the German tax authorities to ensure equal treatment relative to German foundations with a similar mission.

6.0 Risk Management

The Jacobs Foundation has implemented a risk management system. The Board of Trustees reviews strategic, financial and operational risks on a regular basis and initiates appropriate steps to minimize risks.

The Annual Report is also available in German.

Published by

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