



Annual Report 2018

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COVER IMAGE

«Baobab»
42 x 59 cm, drawing on paper, 2017
Komla Eza

Komla Eza is a young sculptor from Togo. His drawings (sketches or studies) reveal the access to plastic material, to bodies. In his work, Eza deals with the history and present of the former "slave coast" of West Africa.

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.

Making A Change

“Moving forward requires taking action.” — Klaus J. Jacobs

Three years into our Medium Term Plan 2016–2020, we are making good progress toward our goals.

Research funding has continued to be a main pillar of our mission to advance the *Science of Learning* (Goal 1). We are providing support for research fellows and institutions, and young researchers are serving as ambassadors, paving the way for the future of learning.

Projects on *Early Education* (Goal 2) and related policies are a success story in themselves. After the implementation of Primokiz and Primokiz² in Switzerland over the past six years, the program has now expanded into Germany and Romania (see page 16).

Our TRECC program focusing on improving *Rural Livelihoods* (Goal 3) in cocoa growing communities in Ivory Coast has moved to the next level. With the launch of the first pilot to scale projects—five in the field of early childhood development, four in the field of quality primary education and three in the field of youth entrepreneurship—in cooperation with 12 globally leading cocoa and chocolate companies, 20 civil society organizations and several national ministries of the Ivorian Government, the program has gained full traction. (see page 18).

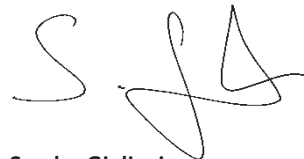
To raise awareness and promote dialogue, topics related to learning and development are being put forward for discussion through our content management strategy (Goal 5). On the occasion of the 10th anniversary of the Klaus J. Jacobs Awards on November 30, we awarded ten prizes to social innovators in the field of child and youth development from all over the world. The 300 international guests in attendance were invited to the premiere of the documentary *Making a Change*, which highlights ten exceptional ways of promoting social change around the globe (see page 21).

For the first time in its history, the Foundation managed to *Leverage Funding* (Goal 6) to such an extent that it more than doubled its core budget of CHF 45 million. The additional investments of CHF 76 million from strategic partners allowed the Foundation to boost the learning of children and youth to an unprecedented level.

We are determined to continue our support for effective projects and programs as we seek to fulfill our promise: to empower children and youth to achieve a better future!



Lavinia Jacobs
Chair of the Board of Trustees



Sandro Giuliani
Managing Director & Delegate of the Board

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.





ACTIVITIES

Milestones 2018

1ST QUARTER

NEW FRAMEWORK FOR CHILD PROTECTION

A study of children's rights in cocoa-growing communities of Ivory Coast financed by UNICEF and the Jacobs Foundation, played an important role in several high-level advocacy actions at key international events in Europe and Africa. It also prompted the inclusion of a children's rights pilot initiative in the international Cocoa Initiative Action Plan 2019–2020. Influenced by the study's recommendations, the 2018–2020 National Action Plan on child labor in Ivory Coast chose to take a more systemic approach and address the root causes—one of which is a lack of high-quality education, the main focus of the

Transforming Education in Cocoa Communities (TRECC) program.



JOINT FORCES FOR IVORY COAST

In cooperation with the World Bank, the Ivorian Government, Power of Nutrition, and the TRECC partners the Jacobs Foundation, the Bernard van Leer Foundation, and the UBS Optimus Foundation, the comprehensive *Multisectoral Nutrition and Child Development Program* (MNCDP) was approved by the Ivorian Government's Council of Ministers and ratified by the country's Supreme Court. This project, worth USD 60.4 million, will promote nutrition and parenting practices for integrated early childhood development in cocoa-growing communities and beyond. Operating in selected regions in which chronic child malnutrition is a serious problem, it is expected to benefit approximately 265,000 pregnant women and 1.1 million children under age five.



ACTIVITIES
THE EARLY YEARS ARE VITAL

Children's experiences from birth to age 5 are directly related to their ability to thrive in later life. From June 28 to July 1, 30 journalists from 18 countries attended the *Early Childhood Global Reporting Institute*, which was hosted by the Dart Center for Journalism and Trauma at



Columbia University's Journalism School in New York. The Institute is dedicated to helping media staff and news organizations improve their reporting on the early years of life and brain development. The Jacobs Foundation helped fund the Institute, in keeping with our thematic priority *Early Childhood*.

2ND QUARTER
WORK ON THE GROUND IN IVORY COAST

Over 30 organizations from civil society, the research and social business communities as well as the cocoa and chocolate industry are currently operating on the ground in the context of the TRECC program. They work with parents and caregivers to promote nutrition hygiene and skilful parenting; improve literacy and numeracy skills and overall learning outcomes; and promote young people's life skills, financial literacy, entrepreneurship and technical skills, as well as their prospects for decent employment and earnings. To learn more, go to treccprogram.org



3RD QUARTER**EARLI'S EMERGING FIELD GROUPS**

The future is a moving target—difficult to predict and prepare for. Yet the educational community is doing just that. To support exploratory, innovative and risk-taking approaches in research, the Jacobs Foundation partnered with the *European Association for Research on Learning and Instruction* (EARLI) to launch the Emerging Field Group (EFG) initiative on July 3 at the annual EARLI JURE conference in Antwerp. EFGs receive funding in the amount of EUR 25,000 each. During a short but intense period, the participants focus on experimental and new fields of research, with an emphasis on exploration and process rather than output and product.

**FROM MBA SUPPORT TO SUPPORTING SOCIAL ENTREPRENEURS**

With our [social entrepreneurship program](#), we offer a range of support opportunities for young people in the social impact sphere. New partnerships were formed in August: with the Yale School of Management on loan forgiveness for social entrepreneurs; with the University of Pennsylvania on seed grants for MBA students launching a social venture; with MIT on tuition for students pursuing a social business; and with the University of Oxford and UC Berkeley to support MBA students who have an entrepreneurial vision for achieving a social impact. The expertise fellows acquire benefits the young people themselves, while also playing an important role in the development and implementation of our programs in Europe and Africa.

INCREASING THE IMPACT OF SCIENCE

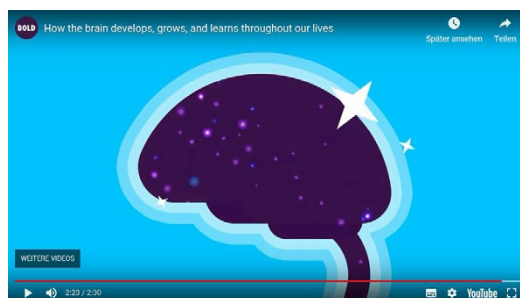
At their alumni meeting at Marbach Castle from August 27 to 31, five cohorts of Jacobs Young Scholars addressed the important issue of how to increase the impact of science through public outreach, dissemination and scaling. In several workshops, and with contributions from Sarah-Jayne Blakemore (University College London), Ron Dahl (University of California, Berkeley), Julie Kientz (University of Washington), Liz Gerber (Northwestern University) and Gregory Aarons (University of California, San Diego), the alumni focused on disseminating scientific findings and informing prevention, intervention, and policy while maintaining scientific integrity.



 ACTIVITIES

ANIMATED VIDEOS ENHANCE BOLD'S OUTREACH

The numbers speak for themselves: Our *Blog on Learning and Development* (BOLD) can now boast more than 300,000 readers and 150 authors. By its second birthday, in August 2018, BOLD had created a vibrant community of authors eager to share their expertise, and of readers eager to learn. The blog discusses new insights into how children in the 21st century develop, thrive and struggle, play and use ed-tech. But wait, there's more! We make a point of exploring state-of-the-art SciComm content, having created our first animated educational videos in close collaboration with researchers and a highly regarded design studio.



 3RD QUARTER

SWISS SOCIETY FOR EARLY CHILDHOOD RESEARCH

To promote research in Switzerland focusing on young children, Swiss researchers from various disciplines launched the *Swiss Society for Early Childhood Research* on September 24. Main objectives include closing existing research gaps, strengthening interdisciplinary collaboration, increasing visibility and knowledge transfer, cultivating the next generation of scientists, connecting to international research, and ensuring sustainable funding.



ACTIVITIES

4TH QUARTER**EDUCATION INNOVATION FELLOWSHIPS**

In October, the Jacobs Foundation partnered with the University of Geneva to offer five scholarships to practitioners in the field of early childhood education and care. These scholarships cover the tuition for a course of study leading to a certificate of advanced studies in the economics and pedagogy of early childhood education. The program provides participants with the tools they need to implement innovative educational approaches for creating student-centered schools and implementing project-based curricula. Jacobs Foundation scholarship recipients are agents of change, and will use what they have learned in their studies to improve early childhood education at their respective institutions and beyond.

**RADICAL IDEAS IN HIGHER EDUCATION**

In November, Jacobs University's symposium *B³—Bildung Beyond Boundaries* devised an international challenge aimed at identifying innovative and even radical ideas for the future of higher education. The challenge was launched one month later. Researchers as well as experts from EdTech startups were invited to submit projects, which were then evaluated in terms of the likelihood that they will achieve sustainable change, their appropriateness for the target group, and their transferability to other sites. The Jacobs Foundation will provide funding totaling up to EUR 650,000 for the selected projects, which will take place on the campus of Jacobs University Bremen.



ACTIVITIES
**WORK-FAMILY BALANCE
IN SWITZERLAND**

A symposium across party lines, organized by the Swiss Employers' Association and the Jacobs Foundation, was held on November 13. It focused on the social and economic importance of a work-family balance, along with a comprehensive early childhood policy. The participants favored increased investment in affordable, high-quality early childhood education and care, which will provide children with equitable opportunities to develop to their full potential while also enabling their mothers to return to the workplace. The participants agreed to continue to work together and identify concrete next steps.



4TH QUARTER
TEN AWARDS FOR SOCIAL ENGAGEMENT

On November 30, the Jacobs Foundation gave 10 awards to 10 social innovators and change makers in the field of child and youth development. Each award came with CHF 100,000. More details are on [page 21](#).





From the very beginning, we have maintained a global focus on rigorous evidence and excellence.

ACTIVITIES

Continuity And Change

Research funding at the Jacobs Foundation has evolved over the last 30 years. The question of whether human development is characterized by continuity or by change has kept researchers busy for decades: How early in life can we identify the traits that set individuals apart? At what point in life is personality fully developed? What are the mechanisms that promote change?

A widely accepted position has now emerged: There is modest continuity from childhood to adulthood. With time and age, people become more adept at interacting with their environments, and as a result their personalities become more consistent over time. But traits do not become fixed at a certain age; rather, they retain the capacity to change across the entire course of life.

Research funding at the Jacobs Foundation has undergone a similar developmental process since the Foundation's inception in 1989: Elements that were developed early on and are still in place today have experienced significant change—leading to a consistent portfolio of research funding activities as we approach the Jacobs Foundation's 4th decade.

From the very beginning, we have maintained a global focus on rigorous evidence and excellence. This is evident at the Jacobs Foundation Conference at Marbach Castle, where every year we bring together leading international experts on key topics of child and youth development. The term "institutional DNA" has been overused in the management literature, but it is an accurate description of the role of research at the Jacobs Foundation. Ever since our founding, it has been at the heart of what we do.

Since these early days we have also experienced significant change in response to and in anticipation of new opportunities: The annual Jacobs Young Scholar Program has become a cornerstone of our work. We have increasingly engaged in partnerships with scholarly societies around the world, such as [EARLI](#) and [SRCD](#), to gain from their input and promote innovation. Challenging situations provide opportunities for growth: When our founder Klaus J. Jacobs passed away in 2008, we decided to honor him with the [Klaus J. Jacobs Research Prize](#), which is designed to enhance the visibility of research on child and youth development. Finally, facing an ever more complex and costly research environment, we have had to sharpen our focus from a broad view of human development to a more focused interest in learning and individual differences in development.

Now, thirty years after the birth of the Foundation, we have achieved consistency in how we fund research. We have asked ourselves the following key questions:

- If we believe that young people can change the world, why should that not apply to young researchers? Our answer is the [Jacobs Foundation Research Fellowship Program](#), which focuses on finding and supporting the most talented and innovative early- and mid-career researchers around the globe. They study the most relevant and fundamental questions about human development and learning.
- If we believe that bridging the divide between research and practice is a challenge in education, why don't we bridge this divide in our own work? In response to that question, we have moved closer to other program areas at the Foundation—for example, by transferring our well-tested approach of an [international mentored doctoral fellowship program in cooperation](#) with ISSBD into the Foundation's work in West Africa.
- If we believe that research needs to be communicated to a wider audience to have more impact, why do we wait for others to solve this problem? We have taken the initiative by introducing the Foundation's [Blog on Learning and Development](#).

ACTIVITIES

Does this mean that the development of our research funding portfolio ends here? Not at all. Development requires adaptation. Throughout life, humans encounter changing environments that require them to learn and adapt. Although our brains continue to be malleable to some degree, neuroplasticity declines rapidly with age. But there is something we can do to keep ourselves and our brains agile. Evidence shows that physical activity enhances the brain's natural capacity for plasticity and can positively influence cognitive and emotional function in later life. In other words: You snooze, you lose.

This is true not only for individuals, but also for foundations—all the more, in fact, since foundations, unlike humans, are built for perpetuity. This might sound scary to some. For us, it is a motivating factor as well as a reminder of our obligation: to ensure that both continuity and change will characterize the research funding activities of the Jacobs Foundation in the years to come.

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 2018

50%

ACHIEVEMENT 2018

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.

GOAL 2018

Higher differential increase of first cohort (2015)

ACHIEVEMENT 2018

12.5% higher differential increase of first cohort (2015)





ACTIVITIES

Primokiz—Successful Expansion Across Europe

Early childhood is the period when important groundwork is laid for the development of cognitive as well as social and emotional skills. To develop those skills to the fullest, children need a stimulating environment that includes opportunities to learn through play. Comprehensive early childhood programs are one way to create such an environment, as they can reduce gaps between children from disadvantaged socioeconomic and educational backgrounds and their more fortunate peers, leading to better social, emotional and cognitive skills, higher levels of education and more positive and successful life courses overall.

In the belief that all children should be allowed to reach their full potential, we have spent many years promoting high-quality *Early Childhood Education and Care* (ECEC).

In the belief that all children should be allowed to reach their full potential, we have spent many years promoting high-quality Early Childhood Education and Care (ECEC).

In 2012, we launched our Primokiz program with the participation of 18 small and medium-sized Swiss cities and 3 cantons. Early childhood experts worked with these cities and cantons to conduct a situation analysis and, based on the results, formulated a comprehensive strategy aimed at linking projected or existing early childhood education and care programs in a way that would achieve the greatest possible impact. Two things are unique about this approach: It connects administrative entities with the political sphere and private actors in the field of early education; and it conveys the message that early childhood is a transversal issue for which the education, social services and health sectors are jointly responsible.

In response to the success of Primokiz and high demand for the program, the Jacobs Foundation decided in 2016 to introduce an expanded program called Primokiz², for which it partnered with the Roger Federer Foundation and the RADIX Swiss Health Foundation as the implementing partner. Primokiz² is being implemented at up to 80 sites in Switzerland and assists in the development of comprehensive early childhood strategies aimed at putting appropriate structural conditions in place.

Transfer of the Primokiz approach to Germany

In 2015, the Primokiz approach was successfully introduced in Switzerland's neighboring country of Germany in the form of the nationwide program *Quality at the Local Level* (*Qualität vor Ort*). Supported by the German Federal Ministry for Family Affairs, Senior Citizens, Women and Youth as well as the Jacobs Foundation, the program is implemented by the German Children and Youth Foundation (DKJS). Quality at the Local Level supports the efforts of communities and daycare centers to boost quality. It also organizes *Dialogues on Early Childhood Education* to identify quality requirements and find ways to meet them. Additionally, facilitators are assisting 20 German municipalities in developing comprehensive early childhood strategies based on the Primokiz approach.

ACTIVITIES

ISSA to introduce Primokiz in other European countries

To disseminate and transfer Primokiz successfully into other countries, the Jacobs Foundation has authorized its partner, the International Step by Step Association (ISSA), to introduce this approach throughout Europe. ISSA is an umbrella organization, with more than 70 members in 40 countries, that is highly regarded for its expertise in the field of early childhood. In a first step, pilots are to be implemented in up to three countries, Romania being the first.

Primokiz goes to Romania

Romania has set itself the ambitious goals of closing the educational gap, achieving a paradigm shift and pushing the agenda forward in early childhood policies and practice. Starting in 2019, the Primokiz approach will be introduced in a pilot program called *Romania Grows with You* in a total of 21 communities located in a district in Bucharest and in two counties. The pilot communities will develop comprehensive strategies to design new services or adapt existing ones to meet the community needs identified in the situation analysis. A pre-intervention baseline study will examine and document the existing situation. Learning from the Romania project, ISSA will be able to take the Primokiz approach into other regions in Europe as well.

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 2018

National coalition of Ready! is activated

**ACHIEVEMENT 2018**

The national coalition with more than 60 members supports the four demands of Ready!*

* Coordination/Evidence Base/
National Dialogue/National Strategy

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 2018

50%

of Primokiz communities have implemented their strategies

**ACHIEVEMENT 2018**

60%

of Primokiz communities have implemented their strategies



The partners and co-investors have jointly committed USD 85 million to pilot and scale evidence-based parenting, early childhood development (ECD), literacy, numeracy and youth education programs.

ACTIVITIES

Improving Life And Livelihoods In Cocoa Communities

Three years after TRECC (Transforming Education in Cocoa Communities) was launched in cooperation with Bernhard van Leer Foundation and UBS Optimus Foundation, the Ivorian Government as well as the World Bank, 12 cocoa/chocolate companies, 20 civil society organizations and several academic partners joined the partnership in an effort to improve the living conditions of children in Ivory Coast. The partners and co-investors have jointly committed USD 85 million to pilot and scale evidence-based programs. The funding goes to parenting, early childhood development (ECD), literacy, numeracy, and youth education projects with a focus on rural areas, seeking to achieve major system transformations in both education policy and the sustainability approach of the cocoa and chocolate industry.

Involving parents and caregivers in improving nutrition and education

Essential information and training related to play, hygiene and nutrition will be provided for caregivers working with children from birth to age 6. Several programs and initiatives will be launched in partnership with the Ivorian Ministry of Health, Helen Keller International, ICS-SP, Care and the International Rescue Committee, and co-funded by Barry Callebaut, Blommer, The Hershey Company, Mars, Mondelēz International and Touton.

Care for Child Development (C4CD) and *Essential Nutrition Actions/Essential Hygiene Actions (ENA/EHA)*, which focus on basic parenting skills at the household level, will be combined for the first time, while *Skillful Parenting (SP)* integrates parenting training into the economic activities of farmers, for example in the context of *Village Savings and Loan Associations (VSLA)* and farmer field schools. *Family Makes a Difference (FMD)*, coupled with self-financing community learning and child care centers, seeks to improve the quality of caregiver-child interactions.

Building strong literacy and numeracy skills

In partnership with the Ivorian Ministry of Education, J-PAL Europe, Pratham and TIDE, and co-funded by Cargill, Cémoi, Nestlé and Tony's Chocolonely, TRECC has adopted two models from India that are designed to improve literacy and numeracy outcomes. In *Teaching at the Right Level (TaRL)*, students are grouped by competence rather than grade level for a few hours per day so that teachers can provide dynamic, engaging instruction in keeping with students' skill levels. *Multi-grade, Multi-level Pedagogy* is based on the PALEC model by TIDE, an innovative pedagogical approach that emphasizes play- and activity-based elements and takes into account each student's learning level. Out-of-school children are reached by establishing bridging classes in collaboration with Ecole pour tous, Save the Children and Barry Callebaut.

Giving youth a chance

With the key objective of helping young people to find well-paying jobs in rural cocoa growing areas, young men and women are trained in agricultural, entrepreneurial and life skills. Co-funding comes from Bachmann, CABOZ, Carma, CNFA, GIZ, The Hershey Company and Olam International. The youth training projects are being implemented by Aflatoun International, CABOZ Action, Cultivating New Frontiers in Agriculture, GIZ, the Hanns R. Neumann Foundation, IECD and INADES Formation.

ACTIVITIES

In *Youth Farmer Field Schools*, young people learn how to earn money by working in agriculture, save money in village saving groups and make joint decisions on spending money, through training in gender equity in the household.

The widely tested Aflatoun International curriculum provides youth with a program for acquiring *Financial Literacy and Entrepreneurship Skills*. This training in lifelong skills is designed to improve young people's prospects for a career in the cocoa industry, either as entrepreneurs or as employees.

Youth Service Provision Units are intended to provide young people with high-quality technical training as well as sustainable and diversified income sources and opportunities in cocoa growing areas. The project will bring youth together to form self-sustaining mini-enterprises in the cocoa sector and in related services.

The *Training Institute for Rural Entrepreneurship* offers practical and theoretical vocational training for young people in the agricultural sector and provides them with a second chance to receive an appropriate education, fostering entrepreneurship and boosting the local economy by enhancing the value of agricultural jobs.

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 2018

Ratio of evaluation above

80%



ACHIEVEMENT 2018

Ratio of evaluation was

89%*

* Currently there is only one project relevant for this indicator; from 2019 all projects will have data on this indicator.

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 2018

50%



ACHIEVEMENT 2018

92%*

* 11 (out of twelve) cocoa and chocolate companies have joined the second partnership round with corporate integration commitments.

GOAL

4

LEARNING
ORGANIZATION

ACTIVITIES

We Are Striving To Learn

Knowledge management is an important part of our strategy. We are a learning organization that puts its knowledge to active use, boldly explores new pathways and learns from experience.

Over the past few years, we have gained valuable experience and made substantial progress. Based on that experience, we restructured our learning agenda in the course of the second half of 2018.

Our learning landscape is made up of three parts: *Basic Learning* includes topics that every employee should be familiar with—such as the history of our group and the fundamentals of child development. This knowledge is acquired through independent study, then tested and consolidated with the help of a play-based tool.

The purpose of *Deep Programmatic Learning* is to expand and improve the Foundation's programmatic work. Deep Programmatic Learning takes place in the context of the JF Academies (the Foundation's "learning days"); it conveys in-depth, systematic information and provides a foundation for our next Medium-Term Plan.

Deep Thematic Learning offers in-depth information on topics that are important for the work of specific employees, such as the use of certain financing instruments. Employees may select topics to suit their needs and interests, and they have the opportunity during the noon hour to take part in interactive sessions designed to expand their knowledge.

Because we want to remain a learning organization, all employees will continue to spend 10 percent of their working hours each year acquiring 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 2018

10%

ACHIEVEMENT 2018

10%


USING KNOWLEDGE

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

GOAL 2018

3 developed

ACHIEVEMENT 2018

4 in elaboration*


* Jacobs Foundation's learning system has been redefined and the function of the knowledge modules has been adapted.

ACTIVITIES

Making A Change

GOAL
5
CONTENT
MARKETING

10 awards for 10 social innovators! To mark the 10th anniversary of the Klaus J. Jacobs Awards, the Foundation honored 10 outstanding people with a prize created in memory of Klaus J. Jacobs. Some 300 international guests from the political sphere, business, science, culture and social affairs attended the extraordinary awards ceremony and film premiere on November 30 at the *Kraftwerk Innovation Space* in Zurich.

The 10 award recipients are working tirelessly to achieve social change. They have found affordable and sustainable ways to promote positive child development that can be easily implemented. They are beyond talking—they act!

The following 10 social innovators were honored: Boris Bulayev (Uganda), Rana Dajani (Jordan), Luke Dowdney (Brazil), Noreen Huni (South Africa), Lucia Kossarova (Slovakia), Nathalia Mesa (Colombia), Selcuk Sirin (Turkey), Judy Stuart (South Africa), Agatha Thapa (Nepal) and James Urdang (South Africa).

To showcase the outstanding work of the 10 recipients the Jacobs Foundation produced the 56-minute documentary *Making a Change*, which will be shown at a variety of film festivals in 2019.

The 2018 awards ceremony was accompanied by an extensive social media campaign, ten short videos and a special feature in our e-newsletter, as well as articles by and interviews with the awardees on our BOLD blog. Read more [here](#).

Our communications team was also able to expand the Foundation's social media presence, to reach an even broader audience with our BOLD blog and to attract new subscribers to our e-newsletter. We too were making a change!

ACHIEVEMENT MEASURES

UNIQUE USERS

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

GOAL 2018

120,000

ACHIEVEMENT 2018

160,390



READERS

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

GOAL 2018

3,750

ACHIEVEMENT 2018

3,954



GOAL

6

LEVERAGE
FUNDING

ACTIVITIES

Our Funding Goes Further

We want our financial resources to achieve the greatest possible impact. We are capitalizing on our expertise in the field of child and youth development, which we have built over many years, by joining forces with compatible strategic partners. This makes our funding go further and achieves a greater impact by serving more children and young people.

In 2018, we engaged in several partnerships through co-funding. This allowed us to leverage a total of CHF 76 million in additional funding from our strategic partners to boost the learning of children and youth. To that end, we used several instruments, ranging from loan forgiveness and impact finance to grant-matching mechanisms and research funding partnerships. With the help of co-funding from the years 2016 and 2017, the Foundation managed to leverage CHF 128 million during the first three years of its MTP 2020, which is equal to 95% of our core budget of CHF 135 million for the same period.

We sought to reduce our running costs by 15% in 2018 compared with the average in the last five years. Our end-of-year financials show that we achieved a cost reduction of 37%.

ACHIEVEMENT MEASURES

EXTRA FUNDS

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

GOAL 2018

CHF 21 mio


ACHIEVEMENT 2018

CHF 76 mio

COST REDUCTION

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

GOAL 2018

15%


ACHIEVEMENT 2018

37%

ACTIVITIES

The Jacobs Network

GOAL

7

DEVELOP
TALENT

By providing targeted support to outstanding individuals in diverse sectors, the Jacobs Foundation is building a network of experts and fellows to promote progress in its focus areas and to foster a vibrant community of learning and inspiration.

An online platform allows for structured communication among the members of this exclusive community, facilitating the sharing of ideas and expertise. During the winter, a campaign highlighted the expertise of several research fellows as they sought advice from the community. Everyone benefited from “crowd intelligence”: Research fellows received advice from journalists on how to disseminate their work beyond the academic community, science writers were given recommendations by researchers on which journals they should read, and social entrepreneurs received input on how to pitch a project to potential funders.

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 can spend several days in intensive collaboration.

In July, the *Learning Sciences Exchange program* was officially launched during the presidential address at the *International Congress of Infant Studies (ICIS)* in Philadelphia. Over a period of two years, three journalists, three entertainers, three policymakers and three scientists are collaborating on a project designed to ensure that results from the learning sciences reach schools, families, and the social support system and lead to change. In November, fellows gathered for a second meeting at the Foundation. They explored ways of putting ideas in the learning sciences into practice and communicating them so that they will achieve the greatest impact.

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 2018

46%



ACHIEVEMENT 2018

46%*

* This steering indicator has been changed by the Board of Trustees in November 2018; from 2019 it will no longer be monitored.

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 2018

2



ACHIEVEMENT 2018

2*

* Melissa Hogenboom is a Senior Science Multimedia Journalist at BBC Global News; Haleinta Traoré is UNICEF's Education Specialist Early Learning and Regional Advisor for West and Central Africa.



ACTIVITIES

Kids At The Museum

Part of the Jacobs Foundation, the Johann Jacobs Museum is dedicated to showing the global interdependencies in our world. As it seeks to convey a broader understanding of yesterday's and today's trade relationships, it is also familiarizing children and adolescents with the eventful history of globalization.

Art and history as a hands-on experience

In March, the Johann Jacobs Museum invited young people aged 11 to 15 years to a Japanese candy workshop within the framework of the exhibition *A Painting for the Emperor*, which examined the role of Japan in the Asia-Pacific region and of Japanese laborers on Hawaiian sugar plantations during the late 19th century.

While it is uncommon to serve dessert in Japan, *Wagashi* candies have a special place in Japanese tradition. These are colorful, artfully shaped confections that are served during traditional tea ceremonies or given as gifts at family celebrations or among samurai. Using sugar brought from Japan especially for this occasion, confectioner Tomoyo Jäger demonstrated three techniques for preparing *Wagashi*.

In September, sixth graders from the *Waidhalde School (Schulhaus Waidhalde)* explored the world of beads at the Johann Jacobs Museum in connection with the *L'Afrique des Colliers: Marie-José Crespín* exhibition. The children chose objects that particularly appealed to them, drew pictures of them and sought to answer the question: What stories and associations are hidden within materials and shapes? The project also included a parents' evening at the museum. The children guided groups of parents and other relatives through the exhibition and presented the highlights they had chosen. In the weeks that followed, the participating children designed their own necklaces, which were subsequently displayed in a public exhibition at the Waidhalde School.

The Johann Jacobs Museum's educational program

With an attractive offer for school classes, the Johann Jacobs Museum aims to fulfil a deeper educational mission in the future. A project team consisting of internal staff and external specialists will develop a sustainable program for secondary schools in German-speaking Switzerland.

ACTIVITIES

Programs And Projects Newly Approved In 2018

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

Fellowships

Jacobs Research Fellowship Program 2018—annual grant	Identification and support of the most talented and innovative young researchers in child and youth development. New Cohort Starting in 2019: Drew Bailey, University of California, Irvine Teodora Boneva, University of Oxford Garvin Brod, Leibniz Institute for Research and Information in Education (DIPF) Moiria Dillon, New York University Katherine Ehrlich, University of Georgia Dylan Gee, Yale University Sarah Hofer, Technical University of Munich Dietsje Jolles, Leiden University Julia Moeller, Universität Leipzig Claire Stevenson, University of Amsterdam Eva Telzer, University of North Carolina, Chapel Hill Martina Viarengo, The Graduate Institute, Geneva Jason Yeatman, University of Washington	Jacobs Foundation	2018–2021	3,000,000
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Young Scholars

Young Scholars Research Grant Program 2018—annual program	Call for proposals from young scholars who participated in the annual Jacobs Foundation Conference.	Jacobs Foundation	2018–2020	400,000
Young Scholars Travel Grant 2018—annual grant	To enable young scholars to participate in international conferences.	Jacobs Foundation	2018	50,000

Conferences

JF Conference 2018/Preparation for JF Conference 2019—annual event	Research conference with distinguished international researchers and talented young scholars.	Jacobs Foundation	2018–2019	200,000
Local Research Capacity Building in Côte d'Ivoire: a Jacobs Foundation/ISSBD partnership	Research capacity building in Côte d'Ivoire, West Africa—and potentially other parts of the world—through targeted research training, mentoring and regional workshops.	ISSBD	2018–2021	100,000
2018 Forum On Educational Policy "Early Education"***	Discussion of current challenges in the educational system.	German Institute for Economic Research	2018–2020	6,000
Symposium celebrating the 15th anniversary of the z-proso project**	Symposium celebrating the 15 th anniversary of the z-proso project.	Jacobs Foundation	2018	1,870

Science of Learning Pilot Intervention

Differential Susceptibility to Early Education: Development and Validation of Sensitivity Measures for the School Context (ESToSCHOOL)	The project seeks to develop and validate an environmental sensitivity measure to be used by teachers and other educational professionals in actual school settings in the Swiss canton of Ticino, allowing teachers to reliably assess their students and adjust their teaching style and the school environment to the needs of highly sensitive children.	Queen Mary University of London	2018–2020	350,330
Harnessing differences to optimize learning: Building on a text-message support intervention to assess individual-level characteristics	The project contributes to the TRECC text message-based communication intervention in primary schools in Côte d'Ivoire: When and for whom are audio- vs. visual text-messages best/most effective?	University of Zurich	2018–2019	338,118
Improving STEM Engagement of CH Students	To implement a low-cost intervention that boosts the math achievement of children in Switzerland and to identify which individuals and subgroups of children benefit most from this intervention.	ETH Zürich	2018–2021	294,270

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

** Funded through remaining project balances from previous years.

ACTIVITIES

NAME	OVERALL OBJECTIVE	PARTNER	TERM	GRANT AMOUNT (CHF)*
Science of Learning Pilot Intervention				
How can self-regulated learning be supported in a digital learning environment for primary students?	Development and testing of a software-based scaffold for metacognitive support for individualized learning in the school context.	The Schwyz University of Teacher Education	2018–2021	294,270
Capturing Close Contact with Caregivers Using Proximity Measurement**	To develop a small wearable device that can measure the proximity between two or more individuals (e.g., baby and caregiver; all family members) and pilot test the device during early childhood.	Vanderbilt University	2018–2020	179,193
Integrating African Labs into ManyBabies Project**	To create a roadmap for integrating African labs into the “ManyBabies” project, the largest-ever experimental study of infant development.	Stanford University	2018–2020	148,733
Global Science of Learning Workshop	Creating a global network of stakeholders interested in the science of learning.	Alliance for Excellent Education	2018	60,000
Radical Innovations in Higher Education Challenge—Project Management and Communication	Implementing and testing innovative approaches to teaching and learning in higher education at Jacobs University.	Jacobs Foundation	2018–2020	50,000
WriteReader feasibility study	Testing a novel tablet-based approach to learning to write and read.	Kickstart Accelerator	2018–2019	9,000

INSTITUTIONAL FUNDING

Jacobs University Bremen	Sustainable and long-term cooperation with Jacobs University to foster innovation in European higher education.	Jacobs Foundation	2018–2020	50,000,000
Jacobs Network Fellowship Program	Support for social entrepreneurs in partnership with various business schools across the US, in the UK and in Switzerland as well as opportunities for professional career development for pre-K teachers in Switzerland and journalists in Europe.	UC Berkeley, UPenn, MIT, Yale, University of Oxford, University of St.Gallen, University of Geneva, European Journalism Center	2018	895,000
Jacobs Talent Network	The Jacobs Talent Network supports promising decision makers and opinion leaders in the field of child and youth development.	Jacobs Foundation	2018	200,000
Lindau Nobel Laureate Meeting 2018	Support for a unique platform of interaction and dialogue between Nobel laureates in the fields of chemistry, physics and medicine and outstanding young scientists from all over the world.	Foundation Lindau Nobel Laureate Meetings	2018	70,224
acatech	Advice for policymakers and the broader public on issues of technology and technology policy.	National Academy of Science and Engineering acatech	2018	70,224
HR-Kreis 2018	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	2018	58,520
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)	2018	23,408

ACTIVITIES

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

Early Education

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)	2018–2022	833,000
OECD "Policy Review on Quality in ECEC"	The OECD is developing a "Policy Review on Quality in ECEC" to promote informed policy decisions in the interest of improving quality and thereby achieving better child outcomes. The study will look at structural quality as well as process quality in a variety of countries.	Konferenz der kantonalen Sozialdirektoren	2018–2020	218,434
Swiss Society for Early Childhood Research	JF is supporting the start-up phase of the interdisciplinary association, with the objective of strengthening Swiss research relating to young children. In particular, the association will promote: training for the next generation of researchers, national and international networking, the exchange and dissemination of information and knowledge, dialogue among disciplines, and dialogue with the public.	University of Konstanz	2018–2020	92,600
Counseling for the QualiKita association	Mandate to accompany and counsel the QualiKita association and the TIPI project in cooperation with the canton TI.	Jacobs Foundation	2018–2019	70,000
Strategy discussion to strengthen the legitimacy of foundations**	Strengthening the legitimacy of funding foundations over the long term as well as stabilizing the liberal framework conditions for foundation work in Switzerland.	Swiss Foundations	2018–2020	50,000
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 Infrac to formulate a "strategy for education policy on ECEC"; Jacobs Foundation is covering 50 percent of the related costs.	Swiss Commission for UNESCO	2018	50,000
Moving Minds Alliance: Rebuilding Resilience with Young Children and Families	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	2018	30,000

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.	Jacobs Foundation	2018–2020	8,021,500
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ACTIVITIES

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

Awards

2018 Klaus J. Jacobs Awards for Social Engagement	Recognition of 10 social innovators and change makers in the field of child and youth development.	Awarded by Jacobs Foundation	2018	2,300,000
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Content Marketing

Content Marketing 2018	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	2018	800,000
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CHARITY

Chicos de San Ramón	To improve the living conditions of the families of Estancia San Ramón by providing educational activities for their children.	Fundación Gente Nueva	2018	149,375
Cartoneros y sus Chicos	To provide educational support for children of the cartoneros in Buenos Aires.	Jacobs Foundation	2018	51,500
Jesuit Worldwide Learning	Scholarships for refugees and students in crisis regions.	Jesuit Worldwide Learning	2018	20,000

MUSEUM

Education Program	Mediation formats for a young, digital audience (e.g. school classes).	Johann Jacobs Museum	2018–2020	530,000
Art Collection	Assembling a collection that reflects the museum's mission.	Johann Jacobs Museum	2018–2020	170,000





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.

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
Project Manager



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



Cornelia Lieb
Accountant



Nora Marketos
Program Manager



Hans Rudolf Schumacher
Facility Manager &
IT Support



Rita Schweizer
Project Manager



Carole Sebastianutto
HR Generalist/Assistant
Operations



Doriano Simonato
Logistic



Sabina Vigani
Directrice Pays Côte
d'Ivoire



Julia Wyss
Program Assistant/
Research Fellowship
Coordinator



Philine X. Zimmerli Ischer
Program Manager



Roger Bürgel
Director
Johann Jacobs Museum



Sophia Prinz
Researcher
Johann Jacobs Museum



Bettina Schuler
Assistant
Johann Jacobs Museum



Patrizia Tarone
Business Director
Johann Jacobs Museum

$$\begin{array}{r}
 7426 \\
 - 3(8)54 \\
 \hline
 572
 \end{array}$$

A student points to the result 572. To the right of the subtraction, there are labels: G, T₁, and T₂. A dashed arrow points from the 8 in the tens place of the subtrahend to the 7 in the hundreds place of the result. A small square with a plus sign is also visible near the 8.





FACTS & FIGURES

The Jacobs Foundation In Figures

CUMULATIVE GRANTS

CHF 673.474 MILLION

FOUNDATION ASSETS AS OF 31 DECEMBER 2018

CHF 5.6 BILLION

GRANTS APPROVED IN 2018

CHF 30.522 MILLION

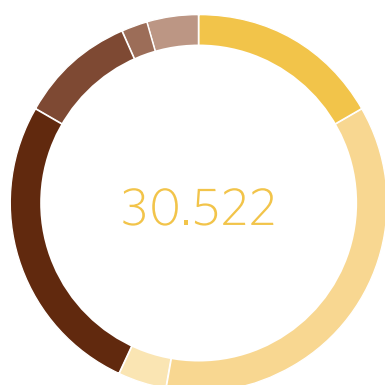
PAYMENTS FOR GRANTS IN 2018

CHF 33.519 MILLION

excluding co-funding received from partner organizations of CHF 1.133 million
and a dedicated approval of CHF 40 million

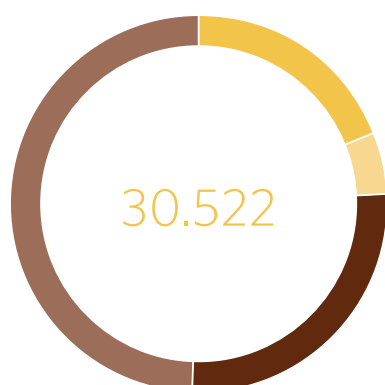
BREAKDOWN OF GRANTS APPROVED IN 2018

BY ACTIVITY AREA



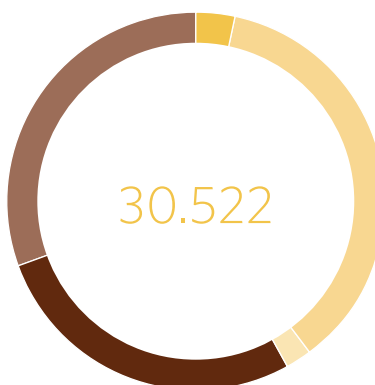
5.092	RESEARCH
11.035	INSTITUTIONAL FUNDING
1.294	INTERVENTION EUROPE
8.022	INTERVENTION INTERNATIONAL
3.100	DIALOGUE
663	CHARITABLE ACTIVITIES
1.346	JOHANN JACOBS MUSEUM

BY THEMES



5.805	SCIENCE OF LEARNING
1.644	EARLY EDUCATION
8.023	RURAL LIVELIHOODS
15.049	OTHERS

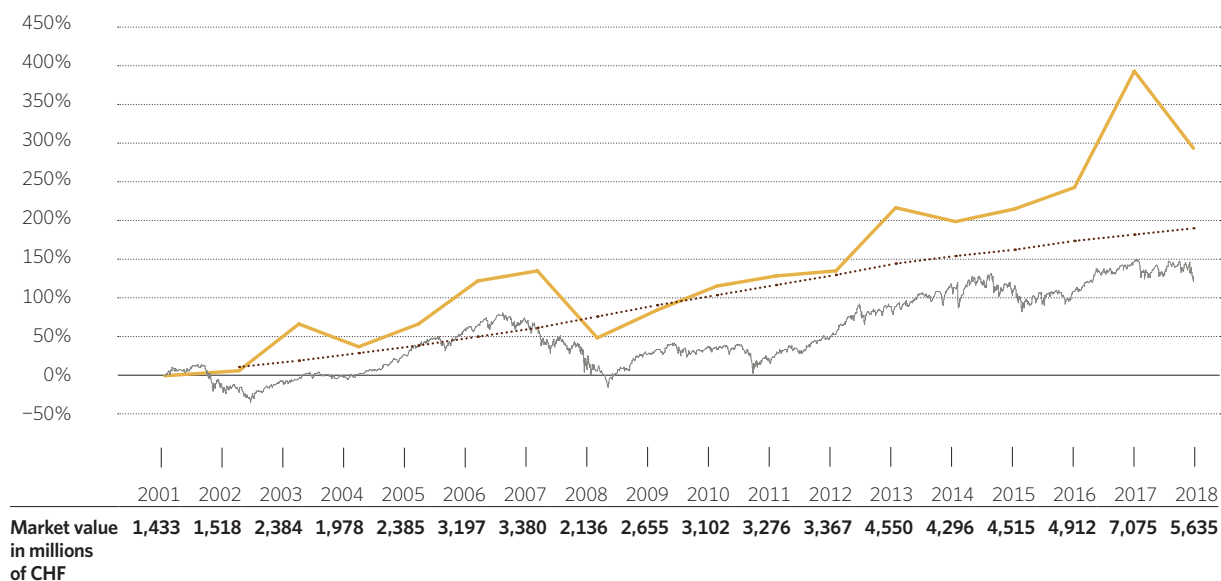
BY REGION



1.023	SWITZERLAND
11.169	EU COUNTRIES
615	LATIN AMERICA
8.459	AFRICA
9.256	TRANSNATIONAL

FACTS & FIGURES

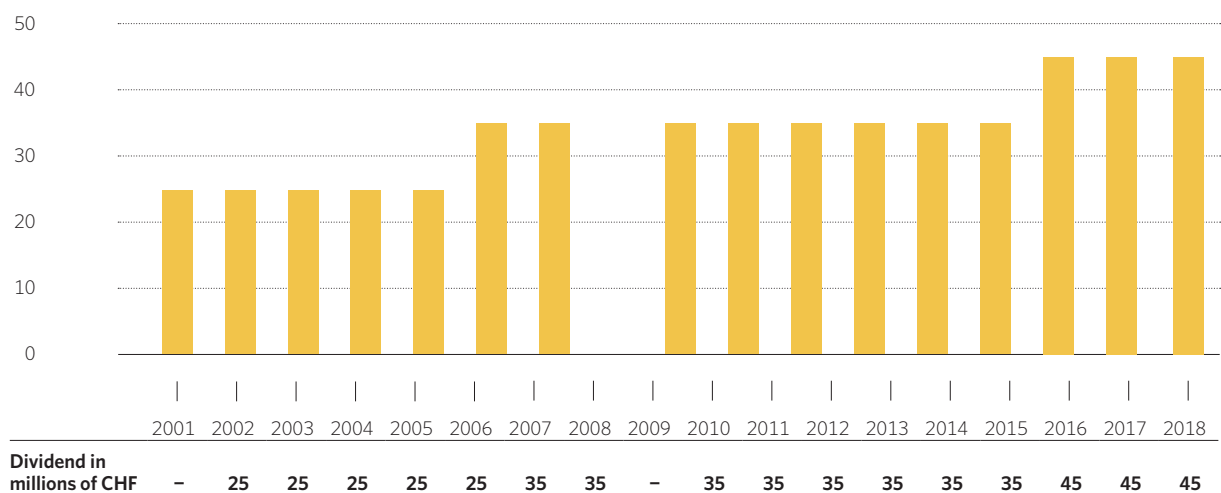
DEVELOPMENT OF FOUNDATION ASSETS



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. Jacobs Holding AG achieved an effective Compound Annual Growth Rate (CAGR) of 9.3% between September 30, 2001 and September 30, 2018. The average "Risk Free Rate in CHF + 5%" of 6.8% in the same period was exceeded by 2.5%.

- Foundation assets at market value
- Risk Free Rate in CHF + 5%
- 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, 14 March 2019

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 40 to 56), for the year ended 31 December 2018.



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 2018 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	31.12.18	31.12.17
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3.0	91,037	75,879
Receivables	3.1	36,963	34,042
Prepayments and accrued income	3.2	89	83
Total current assets		128,089	110,004
NON-CURRENT ASSETS			
Financial assets	3.3	–	10,000
Participations	3.4	1,432,763	1,432,763
Real estate and other fixed assets	3.5	41,308	42,845
Intangible assets	3.5	–	13
Total non-current assets		1,474,071	1,485,622
TOTAL ASSETS		1,602,161	1,595,626
LIABILITIES, FUNDS AND CAPITAL OF THE ORGANIZATION			
SHORT-TERM LIABILITIES			
Current liabilities		4,248	1,783
Accrued liabilities and provisions	3.6	3,252	3,483
Total liabilities		7,500	5,266
FUNDS (restricted)			
Grants approved	3.7	101,416	64,535
Total funds (restricted)		101,416	64,535
CAPITAL OF THE ORGANIZATION			
Paid-in capital		1,472,729	1,472,729
Voluntary retained earnings		20,516	53,097
Net income for the year		–	–
Total capital of the organization		1,493,245	1,525,826
TOTAL LIABILITIES, FUNDS AND CAPITAL OF THE ORGANIZATION		1,602,161	1,595,626

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	2018	2017
INCOME			
Dividend income from Jacobs Holding AG		45,000	45,000
Contribution from third parties		412	370
Income from the Johann Jacobs Museum	4.0	80	81
Total income		45,492	45,451
ADMINISTRATIVE EXPENSES			
Personnel expenses	4.1	-5,909	-5,882
Administration and other expenses	4.2	-1,287	-1,630
Depreciation	3.5	-250	-138
Total administrative expenses		-7,447	-7,649
SUBTOTAL I		38,045	37,802
FINANCIAL INCOME			
Other interest income		30	39
Exchange rate effect		-379	1,052
Bank fees and transaction costs		-5	-4
Total financial income		-354	1,087
REAL ESTATE INCOME			
Income from real estate	4.3	2,012	2,011
Expenses from real estate	4.3	-701	-1,016
Depreciation	3.5	-1,314	-1,314
Taxes	4.3/5.0	-110	-127
Total real estate income		-113	-447
EXTRA ORDINARY ITEMS			
Other Provision	3.6	363	-2,700
Result of auction of works of art	3.1	-	-1,342
Total extra ordinary items		363	-4,042
SUBTOTAL II		37,941	34,398
RESTRICTED FUNDS			
Grants approved		-70,522	-23,006
Restricted funds		-70,522	-23,006
NET INCOME FOR THE YEAR I		-32,581	11,393
ALLOCATIONS			
Allocation to voluntary retained earnings		32,581	-11,393
NET INCOME FOR THE YEAR II		-	-

Cash Flow Statement

IN THOUSANDS OF CHF	NOTE	2018	2017
CASH FLOW FROM OPERATING ACTIVITIES			
Subtotal II		37,941	34,398
Depreciation of other fixed assets		118	115
Depreciation of intangible assets		13	22
Depreciation of works of art		119	–
Depreciation of real estate		1,314	1,314
Decrease/(increase) in receivables		–2,921	–5,741
Decrease/(increase) in prepayments and accrued income		–6	73
Increase/(decrease) in current liabilities		2,465	–1,050
Increase/(decrease) in accrued liabilities and deferred income		–231	2,980
Result of auction of works of art		–	1,342
Utilization of funds		–33,519	–41,940
Exchange rate effect on funds		–120	380
Total cash flow from operating activities		5,173	–8,105
CASH FLOW FROM INVESTING ACTIVITIES			
Disposal of/(investment in) tangible moveable assets	3.5	–15	–25
Disposal of/(investment in) tangible assets	3.5	–	–
Disposal of/(investment in) works of art	3.5	–	2,379
Disposal of/(investment in) real estate	3.5	–	–
Disposal of/(investment in) financial assets	3.3	10,000	–9,298
Total cash flow from investing activities		9,985	–6,944
TOTAL CASH FLOW		15,158	–15,049
CHANGE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at the beginning of the period	3.0	75,879	90,928
Cash and cash equivalents at the end of the period	3.0	91,037	75,879
TOTAL CHANGE IN CASH AND CASH EQUIVALENTS		15,158	–15,049

Statement of Changes in Capital

IN THOUSANDS OF CHF

2018

FUNDS AND CAPITAL OF THE ORGANIZATION	NOTE	AS OF 01.01.18	GRANTS APPROVED	PAYMENTS	GRANTS DISSOLVED	FUND TRANSFER	EXCHANGE RATE EFFECT	AS OF 31.12.18
Research		26,779	5,092	-7,226	-	-167	-38	24,440
Institutional funding		1,220	51,035	-11,468	-	417	-2	41,202
Intervention		31,661	9,316	-10,540	-	-24	-78	30,336
Dialogue		3,961	3,100	-2,839	-	-226	-2	3,993
Charitable activities		887	633	-673	-	-	-	847
Johann Jacobs Museum		27	1,346	-775	-	-	-	598
Total funds		64,535	70,522	-33,519	-	-	-120	101,416
Paid-in capital		1,472,729	-	-	-	-	-	1,472,729
Voluntary retained earnings		53,097	-	-	-	-32,581	-	20,516
Net income for the year		-	-32,581	-	-	32,581	-	-
Total capital of the organization		1,525,826	-32,581	-	-	-	-	1,493,245
TOTAL FUNDS AND CAPITAL OF THE ORGANIZATION		1,590,360	37,941	-33,519	-	-	-120	1,594,661

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

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 holdings as of December 31, 2018, are a share of 50.1% in Barry Callebaut AG, 78.0% in the Colosseum Dental Group and 87.3% in Cognita.

JACOBS FOUNDATION—NOTES

Jacobs Holding AG achieved an effective Compound Annual Growth Rate (CAGR) of 9.3% between September 30, 2001 and September 30, 2018. The average "Risk Free Rate in CHF + 5%" of 6.8% in the same period was exceeded by 2.5%.

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 14, 2019.

The main accounting policies are laid out below:

2.1 Currency Translation

The following exchange rates were used for currency translation:

	31.12.18	31.12.17
EUR	1.1261	1.1704
USD	0.9821	0.9736
GBP	1.2525	1.3167

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.

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	2.0%	50

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	31.12.18	31.12.17
3.0 Cash and Cash Equivalents		
Bank accounts	26,688	23,587
Time deposits - CHF	62,000	42,000
Time deposits - EUR	1,858	8,837
Time deposits - USD	491	1,456
Time deposits - GBP	–	–
TOTAL CASH AND CASH EQUIVALENTS	91,037	75,879
3.1 Receivables		
Withholding taxes	31,530	31,525
Other receivables	5,433	2,517
TOTAL RECEIVABLES	36,963	34,042
Prepayments for the ongoing construction and renovation work on Marbach Castle, Oehningen, Germany of EUR 4,550 k is reported under this heading. The construction will be finalized by Mid 2019.		
3.2 Prepayments and Accrued Income		
Accrued interest	4	29
Various prepayments and accrued income	85	54
TOTAL PREPAYMENTS AND ACCRUED INCOME	89	83
3.3 Financial Assets		
Time deposits - CHF	–	10,000
TOTAL FINANCIAL ASSETS	–	10,000

JACOBS FOUNDATION—NOTES

IN THOUSANDS OF CHF	NOTE	31.12.18	31.12.17
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 5,635,000k (2017: CHF 7,075,000k). 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

2018

3.5 Statement of Changes in Tangible Fixed Assets

Works of art

ACQUISITION COSTS	01.01.18	ADDITIONS	DISPOSALS	IMPAIRMENT	31.12.18
Works of art, Zurich Museum	5,964	–	–	–	5,964
Total acquisition costs	5,964	–	–	–	5,964
ACCUMULATED DEPRECIATION	01.01.18	DEPRECIATION IN THE CURRENT FY	DEPRECIATION OF DISPOSALS	IMPAIRMENT	31.12.18
Works of art, Zurich Museum	–	–119	–	–	–119
Total accumulated depreciation	–	–119	–	–	–119
NET CARRYING AMOUNTS	5,964	–119	–	–	5,845

Real estate

ACQUISITION COSTS	01.01.18	ADDITIONS	DISPOSALS	IMPAIRMENT	31.12.18
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	01.01.18	DEPRECIATION IN THE CURRENT FY	DEPRECIATION OF DISPOSALS	IMPAIRMENT	31.12.18
Zurich property, Seefeldquai 17	–1,246	–100	–	–	–1,346
Equipment and facilities, Seefeldquai 17	–727	–162	–	–	–889
Fittings, Seefeldquai 17	–669	–150	–	–	–819
Zurich property, Mainaustrasse 2	–976	–68	–	–	–1,044
Equipment and facilities, Mainaustrasse 2	–465	–103	–	–	–568
Fittings, Mainaustrasse 2	–356	–80	–	–	–436
Properties, Marbach Castle, Oehningen, Germany	–14,785	–652	–	–	–15,437
Fittings, Marbach Castle, Oehningen, Germany	–708	–	–	–	–708
Total accumulated depreciation	–19,932	–1,314	–	–	–21,246
NET CARRYING AMOUNTS	36,642	–1,314	–	–	35,327

JACOBS FOUNDATION—NOTES

IN THOUSANDS OF CHF

2018

Tangible moveable assets

ACQUISITION COSTS	01.01.18	ADDITIONS	DISPOSALS	IMPAIRMENT	31.12.18
IT hardware	205	15		–	220
Tangible moveable assets, Foundation	252	–	–	–	252
Tangible moveable assets, Museum	116	–	–	–	116
Tangible moveable assets, Zurich properties	457	–	–	–	457
Total acquisition costs	1,030	15	–	–	1,045
ACCUMULATED DEPRECIATION	01.01.18	DEPRECIATION IN THE CURRENT FY	DEPRECIATION OF DISPOSALS	IMPAIRMENT	31.12.18
IT hardware	–185	–17	–	–	–202
Tangible moveable assets, Foundation	–203	–21	–	–	–224
Tangible moveable assets, Museum	–94	–12	–	–	–106
Tangible moveable assets, Zurich properties	–308	–69	–	–	–377
Total accumulated depreciation	–791	–118	–	–	–909
NET CARRYING AMOUNTS	239	–103	–	–	136

Intangible assets

ACQUISITION COSTS	01.01.18	ADDITIONS	DISPOSALS	IMPAIRMENT	31.12.18
Software	157	–	–	–	157
Total acquisition costs	157	–		–	157
ACCUMULATED AMORTIZATION	01.01.18	DEPRECIATION IN THE CURRENT FY	DEPRECIATION OF DISPOSALS	IMPAIRMENT	31.12.18
Software	–144	–13	–	–	–157
Total accumulated amortization	–144	–13	–	–	–157
NET CARRYING AMOUNTS	13	–13	–	–	0
TOTAL NET CARRYING AMOUNTS	42,858	–1,550	–	–	41,308

The insurance value of all real estate amounts to CHF 46,283 k (2017: CHF 45,739 k). The insurance value of the other tangible fixed assets including works of art amounts to CHF 14,756 k (2017: CHF 14,576 k).

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

IN THOUSANDS OF CHF	31.12.18	31.12.17
3.6 Accrued Liabilities and Provisions		
Liabilities for social-security contributions/source taxes	9	7
Liabilities for taxes	–	–
Other provision	2,337	2,700
Auditing	60	34
Annual report	60	60
Miscellaneous accrued liabilities and deferred income	786	683
TOTAL ACCRUED LIABILITIES AND DEFERRED INCOME	3,252	3,483

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 101,416 k as of December 31, 2018 (2017: CHF 64,535 k). In the financial year 2018, grants, totalling CHF 70,522 k (2017: CHF 23,006 k), were approved. Payments of CHF 33,519 k (2017: CHF 41,940 k) were made for programs and projects in the reporting year.

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. In this period the University will expand current and enter in new activities. Financial flexibility in the fund allocation might be needed. The “Grants approved fund” was increased accordingly. The claim to payment is subject to several conditions being met.

Forward contracts of EUR 2'120 k as of December 31, 2018 have been agreed. The associated theoretical replacement value amounts to CHF -101 k.

JACOBS FOUNDATION—NOTES

IN THOUSANDS OF CHF

	2018	2017
4.0 Johann Jacobs Museum		
Income and contribution from third parties	80	81
Expenses for planning costs/exhibitions	-646	-273
Personnel expenses	-638	-730
Administration and other expenses	-115	-290
TOTAL JOHANN JACOBS MUSEUM	-1,320	-1,213
4.1 Personnel Expenses		
Compensation for Board of Trustees	906	945
Employees	5,003	4,937
TOTAL COMPENSATION/PERSONNEL EXPENSES	5,909	5,882

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 Chairwoman and the members 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, 2018 (2017: 10 members).

Explanatory Notes on Personnel Expenses

The Jacobs Foundation had 28 employees as of December 31, 2018 (2017: 27) or 22.7 full-time equivalents (2017: 22.8).

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 396 k in the financial year 2018 (2017: CHF 364 k).

4.2 Administration and Other Expenses

Consultancy and auditing expenses	391	518
Travel and representation expenses	366	359
Public relations	196	284
Other administrative expenses	334	469
TOTAL ADMINISTRATION AND OTHER EXPENSES	1,287	1,630

JACOBS FOUNDATION—NOTES

IN THOUSANDS OF CHF	2018 INCOME	2018 EXPENSES	2018 BALANCE	2017 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		-468	-468	-872
Depreciation, Marbach Castle		-652	-652	-652
Taxes, Marbach Castle		-110	-110	-127
Total income from Marbach Castle	1,650	-1,230	420	-2
<i>Properties at Mainaustrasse 2 and Seefeldquai 17, Zurich, Switzerland</i>				
Rental income, Zurich	362		362	361
Other real estate expenses, Zurich		-233	-233	-144
Depreciation, Zurich		-662	-662	-662
Total income from the Zurich properties	362	-895	-533	-446
Real estate income, Marbach and Zurich	2,012		2,012	2,011
Other real estate expenses, Marbach and Zurich		-701	-701	-1,016
Depreciation, Marbach and Zurich		-1,314	-1,314	-1,314
Taxes, Marbach Castle		-110	-110	-127
TOTAL REAL ESTATE INCOME	2,012	-2,125	-113	-447

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.

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.

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