

## **ANNUAL REPORT**

(Translation of the Estonian original)

Beginning of the reporting period:	01.01.2017
End of the reporting period:	31.12.2017
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## Table of Contents

MANAGEMENT REPORT .....	3
FINANCIAL STATEMENTS.....	11
Balance sheet .....	11
Statement of revenue and expenses .....	12
Statement of Cash Flows .....	13
Statement of Changes in Net Assets .....	14
Notes to the financial statements.....	15
<b>Note 1: Accounting policies</b> .....	15
<b>Note 2: Cash and cash equivalents</b> .....	17
<b>Note 3: Receivables and prepayments</b> .....	17
<b>Note 4: Tax prepayments and liabilities</b> .....	18
<b>Note 5: Intangible assets</b> .....	19
<b>Note 6: Loan liabilities</b> .....	19
<b>Note 7: Payables and prepayments</b> .....	20
<b>Note 8: Government grants, donations and other assistance</b> .....	20
<b>Note 9: Grants, donations and other assistance</b> .....	21
<b>Note 10: Revenue from commercial activities</b> .....	21
<b>Note 11: Direct expenses of projects funded with grants and transfers</b> .....	22
<b>Note 12: Administrative expenses</b> .....	22
<b>Note 13: Labour expenses</b> .....	23
<b>Note 14: Related parties</b> .....	23
<b>Note 14: Going concern</b> .....	24
INDEPENDENT AUDITOR'S REVIEW REPORT .....	25
MANAGEMENT CONFIRMATION .....	27



## MANAGEMENT REPORT

### Social and Environmental Background

According to the Global Waste Management Outlook, United Nations Environmental Program (UNEP), and International Solid Waste Association (ISWA), one of the biggest problems the world faces today is the uncontrollable dumping of waste.

Every year, around 4 billion tons of waste is produced, of which 1.6 billion is household waste. 3.5 billion people have no access to waste management facilities, which means that the waste they produce either gets burned or ends up in nature. The living standards of many countries has risen, which has resulted in an increase in consumption. These countries find it difficult to keep their waste management infrastructure up to date with demand.

Approximately 8 million tons of plastic reaches our seas and oceans annually. According to the UN, by 2050 there will be more plastic in our oceans than fish.

### Activities of the Let's Do It (LDI) Foundation

In 2017, more than 2 million people across the world participated in LDI cleanup actions. As of the end of 2017, LDI cleanup actions had taken place in 113 countries and more than 18 million people had participated in them. The LDI network expanded rapidly, and by the end of 2017 teams in 116 countries were part of the network, with an additional 15 country teams in the process of forming. 130 Estonians, as well as people from 20 other nations, were actively involved in the international activities of LDI's Headquarters.

### Goals for 2017

The most important goal of 2017 was to prepare for World Cleanup Day (WCD) 2018. WCD will take place on the 15th of September 2018. The plan is to involve at least 150 countries and 5% of every participating country's population.

WCD will start from New Zealand with a powerful green wave of cleanups, which will move across the world and end in Hawaii 36 hours later. If these plans come to fruition, this will be the biggest peaceful civic action in the world, which will significantly raise awareness about the waste problem and the need to find collective solutions for it.

Let's Do It Foundation had three big goals in 2017:

1. To prepare for WCD and to make sure at least 150 countries participate.
2. To map illegal waste found on land, and launch the associated World Waste Platform.
3. To start putting together the Keep It Clean Plan.

In addition to that, CitizenOS, which is an electronic democracy tool, was further developed in the hopes of being launched for the management of Let's Do It World in 2019.

### **Expanding the LDI global network**

In order to make WCD a success, we need strong leaders. LDI worked hard to find leaders in 150 countries and to create an active global LDI network, which acts in unison according to the same values and towards the same goal.

By the end of 2017, 116 countries were part of the LDI network. The network works as an international movement and cooperation with local country teams has been established through memorandums of understanding. The network has gone through a lot of changes in the past year and many leaders have been replaced with new, more capable ones. About 75% of the teams have gone through either small or large changes in the past year.

The LDI network team does not only find leaders, but also puts a lot of emphasis on developing the leaders and creating relationships between them. The **Leaders Academy** format has been developed to make this process more efficient for everyone. The emphasis at the Leaders Academies is on developing leadership skills, as well as providing practical tips about organizing cleanups and sharing knowledge around recycling and waste management. The Head Facilitator of the Leaders Academy program is Nara Petrovic, who is a long-term visionary for Slovenia who has achieved the highest number of participants for the cleanups in his country.

In 2017, Leaders Academies took place in Estonia, Albania, Malaysia, Ukraine and South Africa. The Academies are free of charge for the participants, but participants were required to cover their travel costs. One person per country team could participate. The maximum number of participants for a Leaders Academy was 50 people with trainers and mentors. In order to participate, each participant had to submit the cleanup plan for their country, which they continued to work on during the academy.

In addition to the Leaders Academy, the annual network conference **Clean World Conference** took place in Tallinn from 26 to 29 January 2017, which brought together about 200 leaders from different countries. Conference is a very important event for networking and making connections, which helps leaders from different countries find solutions to similar problems they are facing. Amongst other decisions, a very important decision was made – the WCD was to move from 8th September to 15th September.

The **WCD toolkit for leaders and FAQ** were finalized and are used as introductory documents for new leaders. The toolkit contains instructions on how to start planning for a cleanup and what issues need to be considered beforehand. The FAQ contains answers to questions the leaders are most likely to come across at the beginning of their journey.

A Digital **Leaders Information Centre (LIC)** has been created for the network. This is an environment which country leaders have access to, and which contains all important documents, plans, and materials for organizing a successful cleanup. We try to encourage a culture of sharing, asking all countries to add materials that might be useful to other countries into the LIC.

In order to reduce the workload for the LDI Foundation and HQ, we started to create and partly carry out the LDI **Network Regional Strategy**. This meant dividing the world into 14

regions with a regional ambassador, who lives in the region, heading up each region. A contact person for each region, who is a member of the LDI HQ team, supports the ambassador. The first ambassador to take her place was the ambassador for Africa – Mariette Hopley. It is her job to support African countries in organizing their cleanups, to help create new relations with various country governments, and to find sustainable solutions to implement after WCD. Following Mariette's appointment, an LDI ambassador for Eastern Europe and Central Asia, Julia Markhel, and an LDI ambassador for Latin America, Valeria Ruoppola, started their positions. These are voluntary positions with LDI covering some of the costs (flights, accommodation, materials, etc.).

In addition to the ambassadors, there are **LDI mentors**, who have experience or knowledge in certain areas. They generally have experience with organizing a cleanup and are ready to share their knowledge with countries according to need. A mentorship program and an environment to share info has been created for mentors.

## Technology

In 2017, we put a lot of emphasis on finding and developing technological solutions to achieve our organizational goals. Technology has held, and continues to hold, an important place in LDI activities and in carrying out massive civic actions.

There were three main areas of activity in 2017, in terms of technology:

1. World Cleanup App
2. World Waste Platform
3. World Waste Index

In September 2017, the **World Cleanup App** was launched. The app enables registered users to map trash all over the world, offers analytical and visual tools, and is a basis on which to develop the World Waste index. This software is a necessary and unique tool to help carry out cleanups across the world.

The first stage of the app was launched and the development for the second stage started in the same year. Functions such as offline mapping, and creating teams and events, were developed in the second stage.

At the same time the World Waste Platform was launched publicly. The Waste Platform was created to visualize the global trash problem, and to use the collected data to find sustainable solutions. The World Waste Platform collects data from eight different sources, including the World Cleanup App. The goal is to develop the world's most thorough waste database, which can be used in different sectors to find solutions to the global trash problem. The World Waste Platform can be accessed here: <http://opendata.letsdoitworld.org>.

The Platform shows trash points by country with a detailed overview. It also shows the app most used in that country to map trash, and gives an opportunity to share on social media. The user can see:

1. Trash points across the world
2. Report date
3. Status of trash (cleaned, not cleaned)
4. Type of waste (household waste, building waste, litter)
5. Materials found in waste (plastic, glass etc.)
6. Source of report (Trashout, MarineLitterWatch etc.)
7. Photo of trashpoint (if it exists)
8. Data download

## 9. Data filters

We also began developing the principles of the **World Waste Index** with our partners. The World Waste Index was divided into two parts – the first part shows the country's waste management status, and the other shows trash mapped under the principles of citizen science.

Collecting data shows how much waste a country produces and how this waste is managed. In order to release a demo version of the Index, we worked closely with teams in the USA, Kenya, Thailand, Germany and Argentina. We carried out pilot trash mapping exercises in order to test the Waste Index, and based on these results created a demo Waste Index for the aforementioned countries, available here: <http://opendata.letsdoitworld.org/#demo>.

Carrying out the demo mapping exercises provided good input for the Knowledge Team, who cooperated with ISWA and Zero Waste, and will come up with a more detailed Waste Index formula next year.

We have had good partners in developing these tools – Yalantis and Design UX. With in kind help from Infovara OU we obtained Qlik license, which enables detailed analysis of gathered data. We also received pro bono legal help from Sorainen AS.

### **Global Trash Mapping**

Mapping trash is an important step in the lead up to WCD, because:

- It helps the organizers plan resources and logistics
- It helps visualize the global trash problem and fight trash blindness. Many people do not see trash any longer, because they have become used to it or have learned to ignore it. Presenting trash through pictures all together in one map helps demonstrate the magnitude of the problem.
- Mapping helps spread the word about WCD and is a good warm up exercise for teams.
- Mapping gives valuable insight to scientists, which provides input for developing sustainable models to prevent mismanaged trash.

In 2017, we decided to create a special trash mapping team as a part of the technology team, as we saw the importance of mapping trash on many levels. The goal of the team is to initiate and support mapping actions across the world.

The mapping team conducted pilot mapping actions in 11 countries. These pilots were necessary to test the functionalities for the app and the logic of the Waste Index. Carrying out these pilots turned out to be a very big task. It included communication with all LDI network countries and daily liaison from our HQ in Tallinn. In addition to this, our Africa office coordinated the preparations and conducted the mapping pilot in South Africa.

### **Global Cooperation and Partnership**

2017 was very successful for Partnerships. LDI started cooperation with the biggest youth network worldwide - AIESEC. AIESEC unites more than 40 000 members in 126 country.

Cooperation with world famous peace day initiator – Peace One Day was started. Cooperation agreement with African NGO Sustainable Seas Trust was also signed.

A sponsorship agreement with Microsoft Estonia was signed for the Azure platform, with a total value of 50 000 USD. With the technology company IBM, a “Leading with Data” Impact Grant contract was signed, to a value of 85 000 USD.

In November 2017, at the JCI (Junior Commerce International) World Congress in Amsterdam, the co-operation contract with JCI Headquarters was renewed. JCI has been LDI's strategic partner for World Cleanup Day. As of the end of 2017, World Cleanup Day activities are led by the local JCI branch in 21 countries, and the local LDI team has an alliance with the local JCI branch in 24 countries.

To better manage our partnerships, partners were divided into 4 major groups: communication; technology; World Cleanup Day participants and organizers of volunteers, and waste management experts. By the end of 2017, LDI was cooperating with around 40 global organizations and/or networks in total. The current total number of partnerships is 80.

LDI continues to be the only Estonian accredited member in UNEA (United Nations Environment Assembly). A LDI representative participated in the UNEA annual congress in Nairobi in December 2017, presenting the World Cleanup App, World Waste Platform & Trash Index.

For partners, *Concept Note* was created, which goes to the core of the waste problem and explains how potential solutions created by LDI can help to bring about global changes.

## Marketing & Communication

In 2017, in cooperation with advertising agency BBDO, the World Cleanup Day brand was established and launched. The new graphic identity includes a World Cleanup Day logo (which has been adapted to number of local languages), fonts, brand colors & graphics. A number of marketing materials (presentation slides, rollups, t-shirts, web banners, etc.) have been created based on this visual brand identity. All the materials are available in editable format for partners and the network, [in our Dropbox](#).

At the end of 2017, the new brand and logo were registered as an EU trademark, and a license agreement was created to determine the use of the World Cleanup Day logo by third parties.

A new web page specifically for World Cleanup Day was created and launched: [www.worldcleanupday.org](http://www.worldcleanupday.org)

On 15 September 2017, a press conference was held in Tallinn, at which the message about World Cleanup Day was rolled out. Mapping and the World Waste Platform were introduced for the first time. An international podcast via Facebook Live was delivered from the conference.

From 15-17 September, an International Marketing Workshop was also held in Viking Village. At the workshop, branding was introduced to WCD Network marketing specialists, together with workshops about the strategies, and mapping out the possible campaign and distribution ideas and opportunities. Along with the overall branding, the official hand sign of WCD was introduced – three fingers up, which forms the letter 'W', standing for 'A World Without Waste'.

As a part of the meeting, the 10 year anniversary of the Let's Do It movement was celebrated, with both the current and previous team.

By the end of the year, the Marketing Team created a 4 phase marketing strategy:

- See It – with a focus on paying attention to waste as a global problem
- Map It – with a focus on introducing the World Cleanup App and inviting people to join in with waste mapping worldwide.

- Bag it – with a focus on inviting people worldwide to participate in World Cleanup Day.
- Learn – with a focus on introducing innovative ways of recycling and keeping the world clean.

The Marketing Team has created their own specialist level communication lines with the WCD active Network.

### **Waste management and the Keep It Clean Plan**

Waste management is complicated and requires specialist expert-level knowledge. The aim of the Knowledge team is to have a deeper in-house knowledge-base, to provide waste management expertise to our network.

The Let's Do It Foundation has no ambition to develop itself as an expert in waste management in general, but rather to collect together expertise through existing partners.

In the beginning of 2017, the Knowledge Team was founded, led by Italian scientist Mr. Enzo Favoino. By autumn, the team was fully set up and began work on strategic planning. By the end of the year, the team had targets set, a strategy, and a plan for 2018.

The Knowledge Team has 3 main goals:

1. To create a plan of how to maintain the cleanliness after 15.09. – *Keep It Clean Plan*
2. To advise the LDI Network on their waste management questions, and work out the recommended action plan for World Cleanup Day when it comes to collecting and storing the mismanaged waste.
3. To work out the World Waste Index logics, algorithm and principles of data collection.

The Knowledge Team has also unified the whole organization's use of waste specific terminology.

### **Management and administration**

LDI Headquarters consists of 7 teams:

- 1) Network building and development - Head of Unit Heidi Solba
- 2) Partnerships and Finances - Head of Unit Mrs. Kadi Kenk, from September Mrs. Merili Vares
- 3) Technology - Head of Unit Margus Simson
- 4) Knowledge - Head of Unit Enzo Favoino
- 5) Marketing & PR - Head of Unit Erik Sakkov
- 6) Events - Head of Unit Kadi Agurajuja
- 7) Management - Head of Unit Eva Truuverk.

Additionally, at the end of the year a separate Mapping unit was created (under the Technology team) - Head of Unit Mrs. Kadri Maripuu.

NGO operations are led and supervised by the LDI council.

In 2017, a campaign was started to recruit to a presidential position, the role of which would be to act as an ambassador and representative of the network. Several strong candidates were met with, but after negotiations it was decided not to fill the position with any of the candidates, and to continue with the current management structure.

In 2017, four strategic documents were created and approved:

- 1) LDI Partners and Funders policy
- 2) LDI Equality and Diversity Policy
- 3) LDI Whistleblower policy
- 4) LDI Conflict of Interest policy

These are important principles to establish while the network is growing fast, and the above-mentioned documents are fundamental principles for operations within the network, and cooperation with partners. The documents were approved by the LDI council and are available on the LDI website:

<https://www.letsdoitworld.org/about/foundation/>

The growing Headquarters Team became too large for the office at Telliskivi Loomelinnak and the need for a bigger office led to a move at the beginning of October - from Telliskivi to Ülemiste City, Lõõtsa 2a, II Floor.

At the end of 2017, the Let's Do It Foundation was acknowledged with the EL European Citizen Prize 2017.

## **Funding**

In 2016, LDI's outgoings were 0.35 million euros for operational costs. In 2017, the budget was 1 million euros. The non-monetary expenses also grew significantly (work hours, goods, services), estimated at 0.6 million euros.

During 2017, a number of applications to foreign funding sources were made (Horizon2020, OakFoundation, Richard Branson jt), but unfortunately with no results. Following this, the strategy for approaching funders was reviewed and adapted accordingly.

LDI's main funders in 2017 were the Estonian Ministry of Foreign Affairs (development and humanitarian fund), the Ministry of Environment, the State Council EV100 department, and Enterprise Estonia. Important non-monetary funders in 2017 were Europark, Skype, DHL Estonia and PricewaterhouseCoopers.

More than 80 organizations have also contributed to LDI operations, with a number of products and services. All funders and supporters are listed on both websites: [www.letsdoitworld.org](http://www.letsdoitworld.org) and [www.worldcleanupday.org](http://www.worldcleanupday.org).

## **ÜRO sustainable development goals**

LDI continues to be a UN Environment program accredited member, and the activities of LDI are in accordance with 9 of UN Environment Sustainable Development Goals:

*GOAL 3: Good Health and Well-being*

*GOAL 6: Clean Water and Sanitation*

*GOAL 11: Sustainable Cities and Communities*

*GOAL 12: Responsible Consumption and Production*

*GOAL 13: Climate Action*

*GOAL 14: Life Below Water*

*GOAL 15: Life on Land*

*GOAL 16: Peace and Justice Strong Institutions*

*GOAL 17: Partnerships to achieve the Goal*

## **Conclusion**

As a non-profit organization, LDI's goal is the fulfilment and financing of its main operations stipulated in statute.

In our estimation, we have carried out our operations as planned: the NGO has increased its reliability and capability where funding is concerned, it has significantly grown its network and range of partners, the number of people working in LDI headquarters has doubled, and the organization has been recognized and become known internationally.

The NGO has fulfilled the goals set for 2017 and, in the opinion of its management, is sustainable to continue its operations.

## FINANCIAL STATEMENTS

### Balance sheet

(In Euros)

	31.12.2017	31.12.2016	Note
<b>Assets</b>			
Current assets			
Cash and cash equivalents	6 770	3	2
Receivables and prepayments	69 953	16 051	3
<b>Total current assets</b>	<b>76 723</b>	<b>16 054</b>	
Non-current assets			
Intangible assets	512 724	98 828	5
<b>Total non-current assets</b>	<b>512 724</b>	<b>98 828</b>	
<b>Total assets</b>	<b>589 447</b>	<b>114 882</b>	
<b>Liabilities and net assets</b>			
Short-term liabilities			
Current liabilities			
Payables and prepayments	157 940	20 713	7
Government grants	0	76 493	
<b>Total current liabilities</b>	<b>157 940</b>	<b>97 206</b>	
Long-Term liabilities			
Loan liabilities	100 000	0	6
<b>Total long-term liabilities</b>	<b>100 000</b>	<b>0</b>	
<b>Total liabilities</b>	<b>257 940</b>	<b>97 206</b>	
Net assets			
Accumulated surplus/(deficit)	17 676	-22 053	
Net surplus/(deficit) for the financial year	313 831	39 729	
<b>Total net assets</b>	<b>331 507</b>	<b>17 676</b>	
<b>Total liabilities and net assets</b>	<b>589 447</b>	<b>114 882</b>	

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## Statement of revenue and expenses

(In Euros)

	2017	2016	Note
Revenue			
Grants and donations	1 018 584	327 264	9
Revenue from commercial activities	14 830	12 259	10
Other income	2 242	813	
<b>Total revenues</b>	<b>1 035 656</b>	<b>340 336</b>	
Expenses			
Direct cost of projects financed by government grants	-524 925	-255 096	11
Administrative expenses	-184 440	-34 968	12
Labour expenses	-11 596	-10 374	13
Other expenses	-706	-142	
<b>Total expenses</b>	<b>-722 027</b>	<b>-300 580</b>	
<b>Surplus/(deficit) from operations</b>	<b>313 629</b>	<b>39 756</b>	
Interest income	4	2	
Interest expense	-10	0	
Other financial income and expense	208	-29	
<b>Net surplus/(deficit) for the period</b>	<b>313 831</b>	<b>39 729</b>	

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## Statement of Cash Flows

(In Euros)

	2017	2016	Note
Cash flows from operating activities			
Net surplus/(deficit) from operations	313 629	39 759	
Adjustments			
Other adjustments	0	-1	5
<b>Total adjustments</b>	<b>0</b>	<b>-1</b>	
Changes in receivables and prepayments related to operating activities	-53 902	-4 754	3
Changes in payables and prepayments related to operating activities	60 734	13 954	7,8
Interest received	4	2	
<b>Total cash flows from operating activities</b>	<b>320 465</b>	<b>48 957</b>	
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets	-413 896	-55 824	5
<b>Total cash flows from investing activities</b>	<b>-413 896</b>	<b>-55 824</b>	
Cash flows from financing activities			
Loans received	251 257	31 650	
Repayment of loans received	-151 257	-31 650	
Interest paid	-10	0	
<b>Total cash flows from financing activities</b>	<b>99 990</b>	<b>0</b>	
<b>Total cash flows</b>	<b>6 559</b>	<b>-6 867</b>	
Cash and cash equivalents at beginning of period	3	6 899	2
<b>Change in cash and cash equivalents</b>	<b>6 559</b>	<b>-6 867</b>	
Effect of exchange rate changes on cash and cash equivalents	208	-29	
Cash and cash equivalents at end of period	6 770	3	2

## Statement of Changes in Net Assets

(In Euros)

	Accumulated surpluses/deficits from previous period	Total net assets
<b>31.12.2015</b>	-22 053	-22 053
Net surplus for the period	39 729	39 729
<b>31.12.2016</b>	17 676	17 676
Net surplus for the period	313 831	313 831
<b>31.12.2017</b>	331 507	331 507

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## Notes to the financial statements

### Note 1: Accounting policies

#### General information

The financial statements of the foundation have been prepared in accordance with Estonian financial reporting standard which main requirements are prescribed in the Accounting Act and supplemented by the guidelines issued by the Accounting Standards Board.

The statement of revenue and expenses is prepared using the ASBG 14 in the Annex profit report schema.

The financial statements have been prepared in euros.

#### Financial assets

Financial assets are cash and cash equivalents, short-term financial investments, receivables from customers and other short and long-term receivables. Financial assets are initially recognised at amortised cost, being the fair value of the consideration given for the financial asset. The amortised cost of short-term receivables normally equals their original invoice amount. Financial assets are derecognized from the balance sheet when the rights to receive cash flows from assets have expired or have been transferred with all risks and rewards of ownership.

#### Cash

Cash and cash equivalents include cash in hand and bank account balances. Cash flows from operations in the cash flow statement are presented under the indirect method. Cash flows from investing and financing activities are presented under the direct method.

#### Foreign currency transactions and assets and liabilities denominated in a foreign currency

Foreign currency transactions are recorded in the official the currency exchange rates of Estonia prevailing at the transaction date. Reimbursement of expenses in foreign currency, which are based on the expense report, are based on currency exchange rates of the commercial banks.

Gains and losses from the foreign currency transactions are recorded in the statement of revenue and expenses as the revenue and expense of the period.

#### Receivables and prepayments

Receivables and prepayments are measured at amortised cost (equal to nominal value less any impairment). Receivables are derecognized from the balance sheet when the rights to receive cash flows from assets have expired or have been transferred with all risks and rewards of ownership. Receivables and prepayments are carried at amortized cost (i.e. original invoice amount less repayments and provisions made for impairment of these receivables). The carrying amount of the receivable is reduced by this amount indirectly through an allowance account. In this case, the each customer's uncollectible claims are assessed separately, based on known information about the customer's solvency. The carrying amount of receivables is reduced by the amount of doubtful receivables and impairment losses are recognised as Administrative expenses in the statement of revenue and expenses. The collection of the receivables that have previously been written down is accounted for as a reversal of the cost of impairment of the receivables.

### Property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets are intangible assets what the foundation intends to use for a longer period than one year. Intangible assets are recognized in the balance sheet only if the object is controlled by the foundation, or is likely that the foundation will gain economic benefits in the future use of economic benefits or the acquisition cost of the intangible asset can be estimated reliably. An intangible asset is initially recognized and also carried in the balance sheet at cost less any accumulated amortization and any accumulated impairment losses.

The software created by the foundation is at the development phase and is recognized as unfinished intangible asset, therefore the asset is not amortized. At each balance sheet date the management of the foundation evaluates whether there are signs that may indicate to impairment of assets. If there is any indication of the impairment, the asset is written down and losses are recognized as the expense of the reporting period.

### Financial liabilities

All financial liabilities (supplier payables, borrowings, accrued expenses and other short and long-term borrowings) are initially recorded at their acquisition cost, which includes all expenses directly related to the acquisition. The amortised cost of current financial liabilities normally equals their nominal value, therefore current financial liabilities are stated in the balance sheet in their redemption value. A financial liability is classified as current when it is due within 12 months after the balance sheet date or when the foundation does not have an unconditional right to defer the payment for longer than 12 months after the balance sheet date. Payables that are due within twelve months after the balance sheet date are recorded as long-term payables. Financial liabilities are removed from the balance sheet when they are invoiced, terminated or expired.

### Provisions and contingent liabilities

Possible obligations that have arisen as a result of events that occurred before the balance sheet date and whose time of settlement or amount are not certain are recorded in the balance sheet as provisions. Provisions are recognized based on management's estimates regarding the amount and timing of the expected outflows. Other possible or present obligations arising from past events but whose settlement is not probable or the amount of which cannot be measured with sufficient reliability are disclosed as contingent liabilities in the notes to the financial statements.

### Government grants

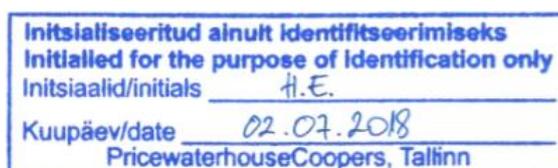
The foundation has adopted the principles of ASBG 14 and ASBG 12 in accounting government grants.

Non-specific purpose government grants are grants that are usable in determined area, but are without definite purpose and not related to any specific project. Income for those grants is recognised at the time when a donation or grant becomes receivable.

Specific purpose donations and government grants are assistance that is usable for purchase of predetermined assets or finance definite projects.

The Foundation has received government grants, which are recognised as income when the grant becomes receivable or any principal conditions related to grant have been fulfilled. Grants received before the revenue recognition criteria are satisfied are recognised as a liability on the balance sheet.

Donations and grants, which by their nature are contributions to foundation net assets are recognized as changes in net assets in the balance sheet and in the statement of changes in net assets.



## Revenue

Revenue from the sale of goods is measured at fair value of the consideration received or receivable, taking into account the amount of any discounts and volume rebates granted. Revenue from rendering of services is recorded upon rendering the service.

## Related parties

The foundation considers the founders, members, management and their companies or other organizations with material ownership interest or under their material influence as related parties.

## Note 2: Cash and cash equivalents

(In Euros)

	31.12.2017	31.12.2016
Cash at bank	6 770	3
<b>Total cash and cash equivalents</b>	<b>6 770</b>	<b>3</b>

## Note 3: Receivables and prepayments

(In Euros)

	31.12.2017	Within 12 months	Note
Receivables from related parties	4 447	4 447	14
Tax prepayments and receivables	114	114	4
Prepayments	5 392	5 392	
Deferred expenses	12	12	
Other prepaid expenses	5 380	5 380	
Grant receivables	60 000	60 000	8
<b>Total receivables and prepayments</b>	<b>69 953</b>	<b>69 953</b>	

	31.12.2016	Within 12 months	Note
Receivables from related parties	773	773	14
Tax prepayments and receivables	6 288	6 288	
Prepayments	455	455	
Other prepaid expenses	5 833	5 833	
Grant receivables	8 990	8 990	8
<b>Total receivables and prepayments</b>	<b>16 051</b>	<b>16 051</b>	

**Note 4: Tax prepayments and liabilities**

(In Euros)

	31.12.2017		31.12.2016	
	Tax prepayments	Tax liabilities	Tax prepayments	Tax liabilities
Personal income tax	0	2 075	0	1 865
Social security tax	0	3 584	0	3 246
Contributions to mandatory funded pension	0	61	0	92
Unemployment insurance tax	0	153	0	116
Interest	0	114	0	48
Prepayment account balance	114	0	0	0
<b>Total tax prepayments and liabilities</b>	<b>114</b>	<b>5 987</b>	<b>0</b>	<b>5 367</b>

See also note 3 and 7.

**Note 5: Intangible assets**

In Euros)

	Unfinished projects and prepayments	Total
<b>31.12.2015</b>		
Cost	43 003	43 003
Accumulated depreciation	0	0
<b>Carrying amount</b>	<b>43 003</b>	<b>43 003</b>
Acquisitions and additions	55 824	55 824
Other changes	1	1
<b>31.12.2016</b>		
Cost	98 828	98 828
Accumulated depreciation	0	0
<b>Carrying amount</b>	<b>98 828</b>	<b>98 828</b>
Acquisitions and additions	413 896	413 896
<b>31.12.2017</b>		
Cost	512 724	512 724
Accumulated depreciation	0	0
<b>Carrying amount</b>	<b>512 724</b>	<b>512 724</b>

The Foundation develops the following software items:

- Voting and textual software application
- Universal software solution for mapping trash
- A waste information platform

The voting and textual software application initiated in 2014. The project is funded by the Open Society Fund of the EMP Grants through the Open Estonia Foundation and private individuals. The software solution for mapping trash and the waste information platform is funded by Estonian Ministry of Environmental Affairs.

See also note 8.

**Note 6: Loan liabilities**

(in Euros)

	31.12.2017	Allocation by remaining maturity			Interest rate	Base currency	Due date	Note
		Within 12 months	1-5 years	Over 5 years				
Non-current loans								
From founding members	100 000	0	100 000	0	0%	EUR	01.01.2020	14
<b>Non-current loans total</b>	100 000	0	100 000	0				
<b>Loan-commitments total</b>	100 000	0	100 000	0				

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**Note 7: Payables and prepayments**

(In Euros)

	31.12.2017	Within 12 months
Trade payables	145 147	145 147
Payables to employees	899	899
Tax payables	5 987	5 987
Other payables	5 907	5 907
Other accrued expenses	5907	5907
<b>Total payables and prepayments</b>	<b>157 940</b>	<b>157 940</b>

	31.12.2016	Within 12 months
Trade payables	12 961	12 961
Payables to employees	1 237	1 237
Tax payables	5 367	5 367
Other payables	1 148	1 148
Other accrued expenses	1 148	1 148
<b>Total payables and prepayments</b>	<b>20 713</b>	<b>20 713</b>

**Note 8: Government grants, donations and other assistance**

(In Euros)

**Assets at cost**

	31.12.2015	Received	Revenue	31.12.2016	Note
Grants for acquisition of non-current assets					
Grants from members	0	55 824	-55 824	0	5
<b>Total grants for acquisition of assets</b>	<b>0</b>	<b>55 824</b>	<b>-55 824</b>	<b>0</b>	
Grants for operations					
Environmental Investment Centre	17 000	6 994	-23 994	<b>0</b>	
Ministry of Foreign Affairs of Estonia	0	150 000	-73 507	76 493	
Estonian Ministry of Environmental Affairs	58 950	0	-58 950	0	
Government Office	0	80 000	-80 000	0	
Grants from members	0	9 789	-9 789	0	
Producer Responsibility Organisation	0	4 000	-4 000	0	
Enterprise Estonia	0	8 990	-8 990	0	
<b>Total grants for operations</b>	<b>75 950</b>	<b>259 773</b>	<b>-259 230</b>	<b>76 493</b>	
<b>Total grants</b>	<b>75 950</b>	<b>315 597</b>	<b>-315 054</b>	<b>76 493</b>	
	31.12.2016	Received	Revenue	31.12.2017	Note
Grants for acquisition of non-current assets					
Grants from members	0	64 022	-62 022	0	5

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	31.12.2015	Received	Revenue	31.12.2016	Note
Estonian Ministry of Environmental Affairs	0	349 874	-349 874	0	5
<b>Total grants for acquisition of assets</b>	0	413 896	-413 896	0	
Grants for operations					
Ministry of Foreign Affairs of Estonia	76 493	60 000	-196 493	-60 000	
Estonian Ministry of Environmental Affairs	0	147 373	-147 373	0	
Government Office	0	60 000	-60 000	0	
Enterprise Estonia	0	20 272	-20 272	0	
Archimedes SA	0	40 836	-40 836	0	
Grants from members	0	124 189	-124 189	0	
Latvijas Transatlantiska	0	525	-525	0	
<b>Total grants for operations</b>	76 493	453 195	-589 688	-60 000	
<b>Total grants</b>	76 493	867 091	-1 003 584	-60 000	

In 2016, the foundation made eligible expenses to the projects with funding from the Enterprise Estonia Foundation in the amount of 13 111 EUR. The amount financed by expenditure of EUR 8 990 was received in 2017 and was recognized as a receivable in the balance sheet and as income for financing operating expenses in the statement of revenue and expenses.

In 2017, the foundation reflected financing of eligible expenses made to the project with funding from the Estonian Ministry of Foreign Affairs in the amount of EUR 60 000 as a receivable in the balance sheet and as income for financing operating expenses in the statement of revenue and expenses. The amount was received in 2018.

See also note 3 and 9.

### Note 9: Grants, donations and other assistance

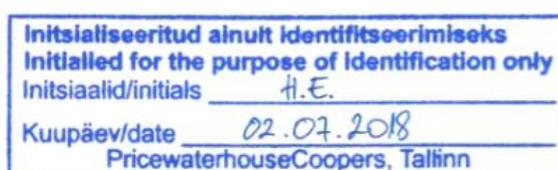
(In Euros)

	2017	2016	Note
Non-specific-purpose donations and other assistance	15 000	12 210	
Government grants recorded as revenue	1 003 584	315 054	8
<b>Total grants, donations and other assistance</b>	<b>1 018 584</b>	<b>327 264</b>	

### Note 10: Revenue from commercial activities

(In Euros)

	2017	2016
Income from advertising services	10 830	12 259
Income from consultation services	4000	0
<b>Total other income</b>	<b>12 259</b>	<b>12 259</b>



**Note 11: Direct expenses of projects funded with grants and transfers**

(In Euros)

	2017	2016	Note
Training expenses	0	2 128	
Communication and campaign expenses	205 414	89 718	
IT expenses	71 156	79 605	
Conference and training costs	91 914	12 075	
Transportation and travel expenses	17 888	15 672	
Project management remuneration costs	73 219	42 255	13
Project management expenses	41 524	5 680	
Administration expenses	8 292	0	
Other project related expenses	15 518	7 963	
<b>Total direct expenses of projects funded with government grants</b>	<b>524 925</b>	<b>255 096</b>	

**Note 12: Administrative expenses**

(In Euros)

	2017	2016
Leases	554	1 816
Miscellaneous office expenses	551	442
Training expenses	0	1 482
Postal and shipping expenses	10 830	8 652
Organizational expenses	39 477	1 733
Marketing expenses	13 222	2 629
Transportation and accommodation expenses	89 539	9 480
IT expenses	22 219	0
Legal expenses	3 715	0
Other	4 373	8 734
<b>Total miscellaneous operating expenses</b>	<b>184 440</b>	<b>34 968</b>

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**Note 13: Labour expenses**

(In Euros)

	2016	2015	Note
Wage and salary expense	66 305	39 445	
Social security taxes	22 218	13 184	
<b>Total labour expense</b>	<b>88 523</b>	<b>52 629</b>	
Thereof disclosed as direct expenses of projects financed by government grants	76 567	42 255	11
Average number of employees in full time equivalent units	3	2	

In 2016, from the total labor cost, 10 734 euros was recognized as a direct labor cost in the statement of revenue and expenses and 42 255 euros in direct expenses of projects funded with government grants.

In 2017, from the total labor cost, 11 956 euros was recognized as a direct labor cost in the statement on revenues and expenses, 73 219 euros in direct expenses of projects funded with government grants and 3 348 euros as capitalized material asset expenses.

**Note 14: Related parties**

(In Euros)

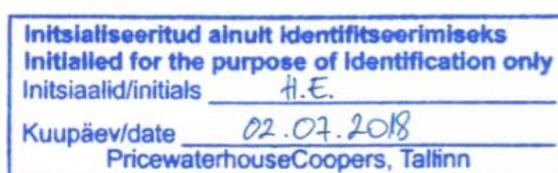
Number of members by the end of the financial year		
	31.12.2017	31.12.2016
Number of private person members	6	6

**Related party balances according to groups**

	31.12.2017		31.12.2016
	Receivables	Liabilities	Receivables
Founding members	0	100 000	0
Members of the executive and higher management and individuals with a significant participation and companies under their control or significant influence	4 447	0	773

2017	Loans received	Repayment of loans received
Founders and members	105 557	5 557
Members of the executive and higher management and individuals with a significant participation and companies under their control or significant influence	2 000	2000

2016	Loans received	Repayment of loans received
Founders and members	28 850	28 850



	2017
	Purchases
Ingver Marketing OÜ	9 000

Remuneration and other significant benefits granted for members of management and supervisory boards		
	2017	2016
Remuneration	18 045	18 516

In 2016 there were no purchases or sales from related parties.

In 2017, project marketing services were purchased from Ingver Marketing in the amount of 9 000 EUR.

Grants received from founders:

2017: 188 211 euros

2016: 65 613 euros

Receivables from related parties are advances for business related expenses. In 2017 and 2016, no allowance has been recorded for receivables from related parties. Additional information is disclosed in note 3.

Loans received are non-interest bearing.

Based on the management board member contracts of the foundation, the members of management board are not entitled to potential benefits on termination of their contracts.

#### Note 14: Going concern

As at 31 December 2017, the foundation's current liabilities exceed the foundation's current assets in the amount of 81 217 Euros. Foundation's financial statements are based on the assumption of being a going concern, as the management believes that, as of December 31, 2017, negative working capital would not cause economic difficulties and insolvency to the foundation. In 2017 additional financing has been obtained and binding agreements for financing in the amount of 550 thousand euros have been concluded, which allows for the fulfilment of short-term liabilities. In addition, daily work is done to find additional resources.



## **INDEPENDENT AUDITOR'S REVIEW REPORT**

(Translation of the Estonian original)\*

To the Supervisory Board of Teeme Ära SA

We have reviewed the accompanying financial statements of Teeme Ära SA (the Foundation), which comprise the balance sheet as of 31 December 2017 and the statement of revenue and expenses, statement of cash flows and statement of changes in net assets for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

### **Management Board's responsibility for the financial statements**

Management Board is responsible for the preparation and fair presentation of these financial statements in accordance with the Estonian financial reporting standard and for such internal control as the Management Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility**

Our responsibility is to express a conclusion on the accompanying financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) (Estonia) 2400 (Revised), Engagements to Review Historical Financial Statements. ISRE (Estonia) 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE (Estonia) 2400 (Revised) is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements do not present fairly, in all material respects, the financial position of the Foundation as of 31 December 2017, and its financial performance and cash flows for the year then ended in accordance with the Estonian financial reporting standards.



### **Emphasis of matter**

We draw attention to the circumstance that as at 31 December 2017 current liabilities of the Foundation exceeded current assets by EUR 81,217. Going concern of the Foundation is directly relied on project-based government grants and financing by the Supervisory Board of the Foundation. Management Board has disclosed the Foundation's plan for further actions in Note 15 of the financial statements to continue as a going concern. Our conclusion is not qualified in respect of this matter.

AS PricewaterhouseCoopers

A handwritten signature in blue ink, appearing to read 'Janno Hermanson', is written over a light blue horizontal line.

Janno Hermanson  
Auditor's Certificate No.570

2 July 2018

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*\* This version of our report is a translation from the original, which was prepared in Estonian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.*

## MANAGEMENT CONFIRMATION

The signing of Let's Do It Foundation 2017 annual report on the 2nd of July 2018.

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke.

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Member of the management board  
Eva Truuverk