

**Report of the statutory auditor on the
limited statutory examination**

with financial statements as of 31 December 2012 of

Vétérinaires Sans Frontières Suisse, Bern

To the General Assembly of
Vétérinaires Sans Frontières Suisse, Bern

Berne, 17 May 2013

Report of the statutory auditor on the limited statutory examination

As statutory auditor in accordance with article 13 of the association's articles of incorporation, we have examined the financial statements (balance sheet, statement of operations, cash flow statement, statement of change of capital and notes) of Vétérinaires Sans Frontières Suisse for the year ended 31 December 2012. The prior period financial statements were audited by another auditor whose report dated 22 May 2012, expressed an unqualified opinion on those financial statements. In accordance with Swiss GAAP FER 21 the content of the performance report does not need to be audited by the statutory auditor.

The Board of Directors is responsible for the preparation of the financial statements in accordance with Swiss GAAP FER 21 and the requirements of Swiss law and the association's articles of incorporation. Our responsibility is to perform a limited statutory examination on these financial statements.


We conducted our examination in accordance with the Swiss Standard on the limited statutory examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements do not give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER 21 and do not comply with Swiss law and the association's articles of incorporation.

We further confirm that the applicable requirements of the implementing provisions of article 12 of the regulations regarding the ZEWO seal of approval have been met.

The balance sheet of Vétérinaires Sans Frontières Suisse as of 31 December 2012 shows that the association is over-indebted. The continuation of the association's activity is however ensured. In this regard we draw your attention to the comment in the notes to the financial statements.

Ernst & Young Ltd



Bernadette Koch
Licensed audit expert
(Auditor in charge)



Patrick Rebsamen
Licensed audit expert

Enclosures

- Financial statements (balance sheet, statement of operations, cash flow statement, statement of change of capital and notes)

**Balance sheet per 31 December 2012
in CHF**

		2012	2011
Assets			
Cash	1	1'449'328	550'772
Account receivables donors	2	1'192'241	477'624
Other account receivables		27'065	77'203
Prepayments	3	107'150	24'899
Inventory		2'565	1'879
Accrued income	4	8'201	249'576
Total current assets		2'786'550	1'381'953
Fixed assets	5	50'350	37'598
Total fixed assets		50'350	37'598
Total assets		2'836'900	1'419'551
Liabilities			
Account payables		478'784	639'333
Accrued expenses	6	1'797'637	12'020
Provision	7	0	60'000
Total current liabilities		2'276'421	711'353
Loans	8	200'000	112'139
Total long-term liabilities		200'000	112'139
Restricted Funds	9	618'829	968'500
Fund TVS GST AG		75'000	20'000
Internally generated unrestricted funds		-487'319	-595'516
Valuation difference		129'555	95'475
Surplus (- deficit) for the year		24'414	107'600
Total capital of the organisation	10	-258'350	-372'441
Total liabilities		2'836'900	1'419'551

**Statement of operations 2012
in CHF**

		2012	2011
Unrestricted Income			
Private donations		128'142	144'781
Other donations		96'508	63'197
Membership fees		37'135	34'845
Other revenue		529	0
Contributions workshop		11'440	0
Contributions to Overhead by Projects		262'696	231'096
Total unrestricted income		536'450	473'919
Expenditure Headquarter			
Personnel	11	-263'870	-127'768
Rent	12	-18'730	-7'662
Administration	13	-151'331	-196'889
Advertising		-17'145	-38'355
Depreciations		-702	0
Total expenditure Headquarter		-451'778	-370'674
Financial result	14	-53'769	6'349
Extraordinary income	15	62'313	49'313
Expenditure Office Nairobi	16	-35'124	4'691
Allocation capital of the organisation		-89'677	0
Intermediate surplus (-deficit) I		-31'585	163'598
Governmental agencies	17	2'069'581	2'126'777
United Nations	18	2'162'401	988'811
Public Sector Switzerland	19	81'079	222'000
NGO	20	799'793	1'011'548
Private Sector	21	8'339	299'864
Fundraising Campaigns	22	33'387	36'170
Other income		8'616	0
Extraordinary income	23	94'261	0
Total restricted income		5'257'457	4'685'170
Project financing agreements with third parties	24	-5'040'121	-4'509'828
Fundraising Campaigns	25	-33'387	-36'170
Total charges projects		-5'073'508	-4'545'998
Intermediate surplus (-deficit) II		183'949	139'172
Utilization of restricted funds	26	5'440'097	5'912'820
Allocation of restricted funds	26	-5'568'047	-6'107'990
Intermediate surplus (-deficit) III		-127'950	-195'170
Surplus (-deficit) for the year		24'414	107'600

Cash Flow Statement 2012

In addition to the balance sheet and the profit and loss statement the cash flow statement shows information on investment and financing procedures as well as the development of the financial situation of the association Vétérinaires Sans Frontières Suisse.

	2012	2011
	TCHF	TCHF
Operation surplus (-deficit)	24	108
Depreciation	27	23
Other fund-non-relevant profits/losses	40	10
Decrease / (Increase) Account receivables donors	-757	495
Decrease / (Increase) Other account receivables	47	-44
Decrease / (Increase) Prepayments	-83	99
Decrease / (Increase) Inventory	-1	-1
Decrease / (Increase) Accrued income	241	-189
Increase / (Decrease) Account payables	-67	-66
Increase / (Decrease) Other account payables	-86	-38
Increase / (Decrease) Provision	-60	0
Increase / (Decrease) Accrued liabilities and deferred Income	0	-20
Increase / (Decrease) Accrued expenses	1'785	-1
Increase / (Decrease) Restricted funds	-349	-306
Cash flow from operations	A 761	70
Purchase of fix assets and equipment	-6	0
Disposal of fix assets and equipment	0	0
Cash flow from investing activities	A -6	0
Increase / (Decrease) Loans	88	36
Increase / (Decrease) Fund VSF managed Funds (TVS)	55	0
Increase / (Decrease) Revaluation reserves	0	95
Increase / (Decrease) revaluation reserves foreign currency	0	-2
Cash flow from financing activities	A 143	129
Opening balance liquid assets	551	352
Closing balance liquid assets	1'449	551
Change	898	199
Increase (Decrease of cash)	A 898	199

Annotation

A + = cash in-flow / () = cash out-flow

Statement of change of capital

The statement of the change of capital shows the allocation, use and inventory of funds from both fund and organisation capital. The fund capital represents earmarked funds for project implementation. The organisation capital represents un-earmarked funds for use by the organisation.

	Opening balance 01.01.12	Internal Transfer 1)	In-Flow	Out-Flow	Closing balance 31.12.12
in CHF					
General Funds	56'000	0	0	(56'000)	0
Restricted Funds Congo	287'549	(67'250)	306'908	(527'207)	0
Restricted Funds Ethiopia	0	(22'374)	856'287	(671'368)	162'545
Restricted Funds Kenia	268'385	(174'082)	2'108'179	(1'862'319)	340'163
Restricted Funds Mali	48'132	0	76'734	(82'376)	42'490
Restricted Funds Somalia	8'443	(65'410)	285'985	(229'018)	(0)
Restricted Funds Sudan	119'833	(148'505)	1'838'905	(1'769'996)	40'237
Restricted Funds Togo	180'158	0	95'049	(241'813)	33'394
Restricted Funds	968'500	(477'621)	5'568'047	(5'440'097)	618'829
Fund TVS GST AG	20'000	0	55'000	0	75'000
Internally generated unrestricted funds	(595'516)	107'600	597	0	(487'319)
Valuation Difference	95'475	0	34'080	0	129'555
Surplus (-deficit) for the year	107'600	(107'600)	0	24'414	24'414
Capital of the organisation	(372'441)	0	89'677	24'414	(258'350)

- 1) Due to changes in the presentation of the financial statements for the financial year 2012 reclassifications of receivables donor of the previous year were also included.

Fund TVS GST AG

Upon agreement with an institutional donor, VSF-Suisse has allocated the donation to a special fund which is aimed at strengthening the treasury of VSF-Suisse. It was agreed with the donor explicitly not to use the funds for projects in the field but for the pre-financing of last instalments related to projects.

Notes to financial statements per 31 December 2012

<p>Mission</p>	<p>VSF-Suisse is committed to prevent and reduce hunger, poverty, diseases and misery of human beings, whose livelihood depends on livestock. Healthy animals secure the survival of these people.</p> <p>The focus is primarily on the following activities:</p> <ul style="list-style-type: none"> • Development of a comprehensive animal health service and veterinary support in the poorest countries of the world. • Improvement of food security and reduction of poverty by supporting the development of income generating activities in the livestock sector and by improving animal production. • Support people in cases of natural and human made crises and emergencies and improvement of disaster prevention. • Reduction of the consequences of diseases, which can be transferred from animals to human beings (zoonoses) and improvement of food security. • Capacity building in animal health, animal production, management of small enterprises, hygiene, prevention, promotion of village associations, management of natural resources. • VSF-Suisse promotes the sensitization of the Swiss public on the problems of people making a living with livestock in developing countries today. • The organizations development orientation is based on the rules as spelled out in the National laws on international development cooperation and humanitarian assistance (SR 974.0, 19.03.1976) <p>VSF-Suisse is actively engaged as much in development cooperation as in humanitarian aid. Target groups are disadvantaged groups of people as for example widows with their families, refugees and internally displaced people.</p> <p>The set aims of the organization (Statutes and Rules):</p> <ul style="list-style-type: none"> • Against Hunger and Poverty: VSF-Suisse is engaged in the fight against hunger and poverty in the world. Today, worldwide more than half a billion people live below the poverty threshold. Chronic malnutrition of the population and famine hinder the sustainable development of the concerned countries. • Animal Health – Human Nutrition – Control of Livestock Diseases and zoonoses: The organization contributes to education and research projects, development of technical and medical know how related to animal breeding and health, the improvement of human health through improved food safety as well as the prevention of diseases. Through the control of livestock diseases such as rinderpest and zoonoses (diseases transmitted from animal to human being, e.g. Rabies and Tuberculosis), VSF-Suisse improves the health of the population. • Disadvantaged, marginalized people – Development cooperation – Humanitarian Aid: target groups are underprivileged populations in the poorest regions of the world independent of nationality, race, belief and political orientation. VSF-Suisse carries out development cooperation in poor countries and provides humanitarian assistance in regions affected by crises and emergencies.
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Statutory source	By laws of 29th June 2006
Headquarters	Mühlenplatz 15, 3000 Bern 9, Switzerland
Board, Management	<p>Board:</p> <p>Olivier Flechtner since 1994 Enzo Fuschini since 1995 Fritz Schneider since 2000 Dirk Strabel since 2004 Felix von Sury since 2005 Ulrich Kihm, (President) since 2005 Jakob Zinsstag since 2005 Peter Rüschi since 2010 Rainer Senn since 2011 Cathy Maret since 2011 Olivia Beerli since 2011 Stefanie Graf since 2011</p> <p>All members are being elected for a term of one year by the General Assembly.</p> <p>Management: Bonny M. Wilkinson, Executive Director Nicole Litschigi, Programme Manager Francophone Africa, Deputy Director Davis Ikiror, Programme Manager South Sudan Eddy Botela, Programme Coordinator DR Congo Keadu Simachew, Country Director Ethiopia Komi Lokou, Programme Coordinator Togo Nancy Chingi, Operations Manager Admin Unit Nairobi Philip Muua, Finance and Administration Manager Admin Unit Nairobi Sarah Njiriri, Human Resource Manager Admin Unit Nairobi Seifuddin Maloo, Programme Manager Kenya and Somalia</p>
Audit	Ernst & Young AG, Bern

Accounting and reporting standards and principles

VSF-Suisse prepares its financial statements in compliance with the core accounting and reporting standards of Swiss GAAP FER (Framework and standards 1-6 of the Swiss accounting and reporting recommendations). As a ZEWO (Swiss self-regulatory organization for NPO) certified organization it also complies with Swiss GAAP FER 21, the financial reporting standard for Nonprofit - Organisations.

Valuation

Liquid Assets	Nominal value								
Foreign Currency	The assets and liabilities have been re-valuated at the heading of the Federal Tax Authority. Exchange rate gains and losses are posted in the profit and loss statement.								
Exchange rate differences	<p>When calculating the individual balances there are inevitable differences that affect the calculated capital. The reasons are the following:</p> <p>Balance Sheet _Change in exchange rate since the previous valuation date (assets and liabilities) _Movement between assets or liabilities during the reporting year, some of which calculated at a certain valuation date, others calculated based on historical rates, as well as some that have been calculated with different historical rates.</p> <p>Profit / Loss Statement _The converted annual profit is the balance of the converted incomes and expenditures whilst in the balance sheet it is calculated according to the rate at the valuation date.</p>								
Receivables	Nominal value								
Inventory	Acquisition cost								
Fixed Assets	<p>Assets are evaluated at historical cost.</p> <p>Assets are being depreciated using the straight line method over their expected useful lives at the following annual rates:</p> <table> <tr> <td>Motor vehicles</td> <td>25%</td> </tr> <tr> <td>Office equipment, furniture and fittings</td> <td>12.5%</td> </tr> <tr> <td>Field equipment</td> <td>50%</td> </tr> <tr> <td>Hard- and Software (EDP)</td> <td>30%</td> </tr> </table>	Motor vehicles	25%	Office equipment, furniture and fittings	12.5%	Field equipment	50%	Hard- and Software (EDP)	30%
Motor vehicles	25%								
Office equipment, furniture and fittings	12.5%								
Field equipment	50%								
Hard- and Software (EDP)	30%								
Liabilities	Nominal value								
Loans	Nominal value								

Details on Article 663b of the Swiss Code of Obligations

Fire insurance value:

The fire insurance value of fixed assets is CHF 75'600 (Previous year: CHF 75'600).

Risk assessment:

The board of directors and the management regularly and systematically assess the risks and ensure that necessary measures to minimise the risks are taken.

Notes to the balance sheet

in CHF	2012	2011
1. Cash		
Cash at hands	370'311	156'087
Postal Account	226'620	25'783
Banks	852'397	368'902
Total	1'449'328	550'772
2. Account receivables donors		
Receivables Donors Congo	105'440	67'253
Receivables Donors Ethiopia	180'968	22'374
Receivables Donors Kenia	318'555	174'081
Receivables Donors Somalia	47'409	65'410
Receivables Donors Sudan	539'869	148'506
Total	1'192'241	477'624
<p>The donor receivables are contractually agreed amounts for specific projects for which VSF-Suisse has pre-financed parts of the budget. Depending on donor requirements project audits are conducted after the project is finished. This can, in exceptional cases, lead to a reduction in project contributions by donors.</p>		
3. Prepayments		
Prepayment Vendors	0	2'302
Prepayment Salary	5'979	2'965
Prepayment Nairobi	69'981	0
Prepayment Field Nairobi	31'190	19'632
Total	107'150	24'899
4. Accrued income		
Swiss Solidarity	0	132'378
Fondation Paul Schiller	0	15'000
Government of South Sudan	0	42'538
Other	8'201	59'660
Total	8'201	249'576

5. Fixed Assets

in CHF	Inventory 01.01.11	Addition	FX Diff.	Inventory 31.12.11
Acquisition Value	169'489	0	-20'563	148'926
Furniture and Appliances	16'292	0	-2'983	13'309
IT	11'884	0	-69	11'815
Vehicles	141'313	0	-17'511	123'802
Cumulative Adjustment of Value	-100'416	-23'393	12'481	-111'328
Furniture and Appliances	-6'184	-1'397	992	-6'589
IT	-10'193	-2'388	2'870	-9'711
Vehicles	-84'039	-19'608	8'619	-95'028
		0		
Net book Values	69'073	-23'393	-8'082	37'598
Furniture and Appliances	10'108	-1'397	-1'991	6'720
IT	1'691	-2'388	2'801	2'104
Vehicles	57'274	-19'608	-8'892	28'774
Total	69'073	-23'393	-8'082	37'598

in CHF	Inventory 01.01.12	Revaluations 1)	Addition	FX Diff.	Inventory 31.12.12
Acquisition Value	148'926	38'398	6'206	-6'174	187'356
Furniture and Appliances	13'309	743	4'034	-589	17'497
IT	11'815	683	2'172	-420	14'250
Vehicles	123'802	36'972	0	-5'165	155'609
Cum. Adjustment of Value	-111'328	-1'876	-26'888	3'086	-137'006
Furniture and Appliances	-6'589	-1'066	-1'573	304	-8'924
IT	-9'711	-810	-702	328	-10'895
Vehicles	-95'028	0	-24'613	2'454	-117'187
			0		
Net Book Values	37'598	35'001	-20'682	-3'088	50'350
Furniture and Appliances	6'720	-1'204	2'461	-285	8'573
IT	2'104	-767	1'470	-92	3'355
Vehicles	28'774	36'972	-24'613	-2'711	38'422
Total	37'598	35'001	-20'682	-3'088	50'350

1) As of 2012 the field accounts of Ethiopia are managed separately and no longer via the Nairobi Office. The assets have been revalued. No disposal in 2012.

in CHF

2012 2011

6. Accrued expenses

Project contributions 1)	1'781'209	0
Audit	8'900	0
Salary	6'933	699
Other	595	11'321
Total	1'797'637	12'020

1) Periodic accrual of received project contributions as some project durations go beyond the fiscal year.

7. Provision

	Opening 01.01.2011	Addition	Utilization	Reversal	End 31.12.2011
Project expenditure disallowed during the Audit ECHO 2001-2005	37'500	0	0	0	37'500
Termination benefits South Sudan	10'000	0	0	0	10'000
Project expenditure disallowed during the ECHO audit on project fund statements 2007-2009, carried out in Bruxelles in February 2011	12'500	0	0	0	12'500
Total	60'000	0	0	0	60'000

	Opening 01.01.2012	Addition	Utilization	Reversal	End 31.12.2012
Project expenditure disallowed during the Audit ECHO 2001-2005 1)	37'500	0	-15'169	-22'331	0
Termination benefits South Sudan 2)	10'000	0	-10'000	0	0
Project expenditure disallowed during the ECHO audit on project fund statements 2007-2009, carried out in Bruxelles in February 2011 1)	12'500	0	0	-12'500	0
Total	60'000	0	-25'169	-34'831	0

1) During the financial year 2012 a payment to ECHO (European Commission Humanitarian Office) / VSF-Germany of CHF 15'169 has been made. After having an assessment of the situation and through consultation of the Nairobi Office we concluded that no further re-payments to ECHO will have to be made.

2) The outstanding severance payment to former South Sudanese employees has been paid up in 2012.

8. Loans

In addition to the existing loan of CHF 100'000 from the Gesellschaft der Schweizer Tierärzte, VSF Suisse received a loan of CHF 100'000 with a subordination clause from a private person. A former loan of EUR 10'000 has been repaid in full in 2012.

9. Restricted funds show the earmarked funds. See statement of change of capital.

10. Capital of the organisation shows internally generated unrestricted funds. See statement of change of capital.

Notes to the statement of operations

in CHF 2012 2011

11. Personnel

Headcount at the Headoffice in Bern per 31.12.	2.80%	1.95%
Salaries	-219'427	-82'736
Social contributions	-35'667	-29'127
Travel and Meeting expenses 1)	-8'186	-14'662
Other Staff costs	-590	-1'243
Total	-263'870	-127'768

- 1) Members of the committee, including members of the steering committee didn't receive any financial compensation for their work or expenses incurred in relation to their mandate, except the following:

Ulrich Kihm (President)	donated expenses for meetings, etc.	0	3'470
Ulrich Kihm (President)	expenses for 2 flights for workshop, Nairobi	0	3'724
Peter Rüschi	compensation for the mandate as Director a.i.	0	24'690
Peter Rüschi	Donated travel and marketing expenses	2'823	0
Rainer Senn	donated expenses for meetings, etc.	0	320
Dirk Strabel	Donated travel expenses	256	0
Total		3'079	28'480

Economic benefit / liabilities and pension costs from pension fund:

	2012	2011
Cover ratio according to Art. 44 BVV2 2)	111.1%	106.7%
Accrued contributions per period	-10'281	-11'846
Salary and pension plan	-10'281	-11'846

- 2) There are no liabilities towards the pension fund.

12. Rent

Rent	-29'480	-29'325
Revenues from Rent of sub-tenants	16'520	21'663
Maintenance and repairs	-5'770	0
Total	-18'730	-7'662

Since October 2012, VSF Suisse has its new office premises at the Mühlenplatz 15 in Bern.

2012 2011

in CHF

13. Administration

Maintenance and repair mobile assets, vehicles	-668	0
Insurances	-1'151	-1'321
Administration costs	-52'235	-37'539
Consulting, legal and accounting cost	-97'277	-158'029
Total	-151'331	-196'889

14. Financial result

Interest income	157	242
Realized exchange gains	17'512	44'124
Unrealized exchange gains	0	2'623
Other	6	0
Total financial gains	17'675	46'989
Interest expenses	0	-1'086
Bank charges	-2'529	-4'181
Realized exchange losses	-68'909	-30'829
Unrealized exchange losses	0	-4'540
Other	-6	-4
Total financial expenses	-71'444	-40'640
Total	-53'769	6'349

15. Extraordinary income

The reversal of the reserve of CHF 60'000 has been recorded as extraordinary income. Project deficits of a total of CHF 32'364 have been recorded at VSF Suisse expenses. The additional capitalisation of the vehicles of CHF 34'677 in Nairobi has also been recorded as extraordinary revenue.

16. Expenditure Office Nairobi

Donation	800	0
Other revenues	4'640	754
Total income	5'440	754
Material and project expenses	-22'000	80'007
Salaries	-5'803	-23'184
Administrative costs, insurances, counselling	-15'391	-32'609
Depreciation	-18'629	-13'625
Total costs	-61'823	10'589
Financial gain	367'271	1'334'162
Financial loss	-342'362	-1'340'814
Financial result	24'909	-6'652
Unexpected income/cost	-3'650	0
Total	-35'124	4'691

in CHF	2012	2011
17. Governmental agencies		
SDC-Section Humanitarian Aid	320'182	545'189
USAID/OFDA	596'121	249'528
ECHO	590'826	682'322
European Commission	562'452	565'585
Other	0	84'153
Total	2'069'581	2'126'777
18. United Nations		
UNDP	398'848	204'591
OCHA	103'895	101'429
FAO	521'195	333'430
UNICEF	1'138'463	349'361
Total	2'162'401	988'811
19. Public Sector Switzerland		
Cantons	77'093	207'000
Municipalities	3'986	15'000
Total	81'079	222'000
20. NGO		
Biovision	72'206	0
Save the children US	0	65'561
Swiss Solidarity	4'561	490'012
Christian Reformed World Relief Committee	271'431	128'982
GIZ	224'011	281'600
Other	227'584	45'393
Total	799'793	1'011'548
21. Private Sector		
Fundations and Trusts	7'639	237'639
Companies	700	40'200
Individuals	0	22'025
Total	8'339	299'864

in CHF 2012 2011

22. Fundraising Campaigns

Vaccination day (income)	33'387	36'170
Total	33'387	36'170

23. Extraordinary income

Here included are projects adjustments of CHF 94'261.

24. Project financing agreements with third parties

Congo	-359'880	-296'880
Sudan	-1'759'772	-1'171'894
Somalia	-193'530	-490'903
Kenya	-1'825'204	-1'892'851
Togo	-181'130	-247'620
Mali	-51'844	-233'249
Ethiopia	-668'761	-85'113
Funds not allocated	0	-91'318
Total	-5'040'121	-4'509'828

25. Fundraising Campaigns

Vaccination day (expenditure)	-33'387	-36'170
Total	-33'387	-36'170

26. Utilization and Allocation of restricted Funds shows the change of funds for the financing of projects and of internal costs per end of the year. Detailed information can be found in the statement on change of capital.

Further explanations

27. Other liabilities from tenancy agreements not included in the books.

in TCHF		2013 (1 year)	2014 – 2016 (3 years)	2017 (1 years)
Office space	Mühlenplatz 15	28	84	28

28. Events after the closing date

There were no significant events after the closing date of 31st December 2012 which would require additional information or changes to the annual financial statement.

29. Liquidity

The liquidity of the association Vétérinaires Sans Frontières Suisse could be improved compared to the previous year. The negative organisational capital could be reduced but remains in the negative.

Management was able to mitigate the situation through re-structuring, process improvement and cost reduction as well as through ensuring liquidity through long-term loans. The continuation of the association Vétérinaires Sans Frontières Suisse is ensured.

This is based on the fact that the signed project portfolio for 2012 amounted to over 7 million CHF at the end of 2012. Further, negotiations with partners and institutions aiming at ensuring overhead contributions outside of the project activities that currently being undertaken and are looking promising.

30. Performance report

The performance report forms part of the annual report.

31. Non-paid services

The board of directors has performed 1'214 hours of non-paid services during the year 2012.

32. Operating costs

The representation of the cost structure of the association Vétérinaires Sans Frontières Suisse is based on the ZEW0 methodology for the calculation of the administrative expenditure.

Project and service costs are those costs which contribute directly to the achievement of the statutory goals of Vétérinaires Sans Frontières Suisse.

The **fundraising expenditures** show those costs related to the maintenance of the address database as well as the donor and sponsor care.

In the category **administrative expenditures** all expenses relating only indirectly to projects and services provided by Vétérinaires Sans Frontières Suisse are declared. These expenditures are not directly felt by project partners and beneficiaries. They ensure the functioning of Sans Frontières Suisse.

Project and services expenditures	2012		2011	
Staff cost in projects	1'131'456		1'448'356	
Material cost 1)	3'319'400		2'489'595	
Other operating cost 2)	581'709		550'128	
Depreciation	7'557		8'617	
Total	5'040'122	90.75%	4'496'696	92.59%
Fundraising expenditures				
Staff cost in projects	222		5'583	
Material cost 1)	0		0	
Other operating cost 2)	11'365		32'772	
Depreciation	0		0	
Total	11'587	0.21%	38'355	0.79%
Administrative expenditures				
Staff cost in projects	269'450		157'868	
Material cost 1)	22'395		0	
Other operating cost 2)	190'838		151'687	
Depreciation	19'331		12'174	
Total	502'014	9.04%	321'729	6.62%
Total	5'553'723	100.00%	4'856'780	100.00%

1) The material cost includes the expenditure for projects

2) The other operating cost includes the expenditure for administration, consulting, IT, marketing. The depreciations are listed separately.