

To the General Meeting of

Vétérinaires Sans Frontières Suisse, Berne

Berne, 8 April 2020

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 changes in capital and notes) of Vétérinaires Sans Frontières Suisse for the financial year ended 31 December 2019. In accordance with Swiss GAAP FER 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 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 and do not comply with Swiss law and the association's articles of incorporation.

Ernst & Young Ltd



Andreas Schwab-
Gatschet (Qualified
Signature)

Licensed audit expert
(Auditor in charge)



Patrik Fischer
(Qualified
Signature)

Licensed audit expert

Enclosures

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

Balance sheet as of 31.12.

in CHF	Notes	2019	2018
<i>Assets</i>			
Cash	1	1 566 239	1 084 511
Receivables from goods and services	2	634 835	618 557
Other short-term receivables	3	7 681	19 180
Prepayments	4	146 835	69 019
Accrued income	5	4 368	3 087
Current assets		2 359 958	1 794 354
Tangible fixed assets	6	597	4 695
Non-current assets		597	4 695
Assets		2 360 555	1 799 049
<i>Liabilities and equity</i>			
Payables from goods and services	7	611 369	485 611
Accrued liabilities	8	16 481	20 653
Current liabilities		627 850	506 264
Subordinated loan	9	40 000	50 000
Non-current liabilities		40 000	50 000
Fund capital	10	1 354 488	907 370
Tied capital		7 706	35 824
Free capital		324 174	281 535
Net income for the year		6 337	18 056
Organisation capital	11	338 217	335 415
Liabilities		2 360 555	1 799 049

Statement of operations

in CHF	Notes	2019	2018
<i>Income</i>			
Project revenues	12	7 715 380	5 761 447
Donations	13	711 223	640 956
Membership fees		26 100	25 850
Contributions from projects		377 970	292 471
Sponsoring		4 000	-
Other revenue		7 397	521
Operating income		8 842 070	6 721 245
<i>Expenditure</i>			
Material, goods and services		(4 214 862)	(3 496 868)
Personnel expenses	14	(2 889 370)	(2 709 781)
Other operating expenses	15	(1 028 990)	(1 115 254)
Depreciation and amortization	6	(4 117)	(4 061)
Operating expenses	16, 25	(8 137 339)	(7 325 964)
Operating result		704 731	(604 719)
Financial expenses		(263 211)	(223 936)
Financial incomes		80 070	156 683
Extraordinary expenses	17	(120 539)	(53 898)
Extraordinary incomes	17	33 008	34 205
<i>Other income</i>		(270 672)	(87 037)
Result before changes in fund capital		434 059	(691 665)
Utilization of fund capital		7 101 326	6 514 625
Allocation of fund capital		(7 532 166)	(5 838 586)
<i>Changes in fund capital</i>	18	(430 840)	676 039
Result before allocation to organization capital		3 219	(15 626)
Utilization of organisation capital		34 565	58 682
Allocation of organisation capital		(31 447)	(25 000)
<i>Changes in organisation capital</i>	19	3 118	33 682
Net income		6 337	18 056

Cash flow statement

In addition to the Balance Sheet and the Statement of Operations the cash flow statement provides information on investing and financing activities as well as on the development of the financial situation of Vétérinaires Sans Frontières Suisse (VSF-Suisse).

in CHF	2019	2018
Cash as at January 1	1 084 511	2 073 844
Result before allocation to organization capital	3 219	(15 626)
Depreciation and amortisation	4 117	4 061
Other non-cash profits/losses	(10 436)	(9 422)
Decrease/(Increase) receivables from goods and services	(16 278)	127 224
Decrease/(Increase) other short-term receivables	11 499	401 501
Decrease/(Increase) prepayments	(77 816)	14 238
Decrease/(Increase) accrued income	(1 281)	74 034
(Decrease)/Increase payables from goods and services	125 758	(784 645)
(Decrease)/Increase accrued liabilities	(4 172)	2 565
(Decrease)/Increase fund capital	447 118	(803 263)
Cash flow from operating activities	481 728	(989 333)
Purchase of tangible fixed assets	-	-
Sale of tangible fixed assets	-	-
Cash flow from investment activities	-	-
(Decrease)/Increase loans	-	-
Cash flow from financing activities	-	-
Cash as at December 31	1 566 239	1 084 511
Change in cash	481 728	(989 333)

Statement of changes in capital

The statement of changes in capital shows the allocation, use and balance of funds from both fund and organisational capital. The fund capital represents funds earmarked for project implementation. The organisational capital represents unrestricted funds for use by the organisation.

in CHF	Balance 01.01.2019	Allocation	Internal transfers	Utilization	Balance 31.12.2019
Restricted funds Ethiopia	404 818	1 363 510	-	(1 569 630)	198 698
Restricted funds Kenya	-	128 897	-	(71 139)	57 758
Restricted funds Mali	89 339	752 275	-	(349 007)	492 607
Restricted funds Somalia	43 447	1 192 144	-	(1 216 641)	18 950
Restricted funds South Sudan	83 310	1 379 675	-	(1 341 092)	121 893
Restricted funds Ivory Coast	152 000	53 250	-	(30 225)	175 025
Restricted funds Togo	134 456	268 739	-	(138 829)	264 366
Restricted funds Chad	-	25 191	-	-	25 191
Fund capital	907 370	5 163 681	-	(4 716 563)	1 354 488
Fund for extraordinary risks ¹⁾	35 824	6 447	-	(34 565)	7 706
<i>Tied capital</i>	<i>35 824</i>	<i>6 447</i>	<i>-</i>	<i>(34 565)</i>	<i>7 706</i>
Funds TVS GST AG ²⁾	196 000	25 000	-	-	221 000
Internally gen. unrestricted fund	(40 969)	-	18 056	-	(22 913)
Cumulated translation differences	126 504	-	-	(417)	126 087
<i>Free capital</i>	<i>281 535</i>	<i>25 000</i>	<i>18 056</i>	<i>(417)</i>	<i>324 174</i>
<i>Net income for the year</i>	<i>18 056</i>	<i>6 337</i>	<i>(18 056)</i>	<i>-</i>	<i>6 337</i>
Organisation capital	335 415	37 784	-	(34 982)	338 217

in CHF	Balance 01.01.2018	Allocation	Internal transfers	Utilization	Balance 31.12.2018
Restricted funds Ethiopia	1 402 409	476 506	-	(1 474 097)	404 819
Restricted funds Kenya	44 483	36 052	-	(80 535)	-
Restricted funds Mali	139 520	459 213	-	(509 394)	89 339
Restricted funds Somalia	499	328 423	-	(285 475)	43 447
Restricted funds South Sudan	86 821	1 360 699	-	(1 364 210)	83 309
Restricted funds Cote d'Ivoire	5 000	147 000	-	-	152 000
Restricted funds Togo	31 901	203 372	-	(100 817)	134 456
Fund capital	1 710 633	3 011 265	-	(3 814 528)	907 370
Fund for extraordinary risks ¹⁾	94 506	-	-	(58 682)	35 824
<i>Tied capital</i>	<i>94 506</i>	<i>-</i>	<i>-</i>	<i>(58 682)</i>	<i>35 824</i>
Funds TVS GST AG ²⁾	171 000	25 000	-	-	196 000
Internally gen. unrestricted fund	(83 655)	-	42 686	-	(40 969)
Cumulated translation differences	125 737	767	-	-	126 504
<i>Free capital</i>	<i>213 082</i>	<i>25 767</i>	<i>42 686</i>	<i>-</i>	<i>281 535</i>
<i>Net income for the year</i>	<i>42 686</i>	<i>18 056</i>	<i>(42 686)</i>	<i>-</i>	<i>18 056</i>
Organisation capital	350 274	43 823	-	(58 682)	335 415

¹⁾ As VSF-Suisse is increasingly exposed to a continuously changing risk landscape, this fund has been built up since 2014. This fund covers extraordinary risks, such as warlike and extraordinary events, as well as exchange rate losses.

²⁾ 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 explicitly agreed with the donor to use the funds for the pre-financing of last instalments related to projects.

Notes to financial statement

Organisation

Mission

VSF-Suisse is committed to improve the well-being and resilience of vulnerable populations by promoting the health and productivity of their livestock within a sustainable environment.

The focus is primarily on the following activities:

- 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.
- The sensitization of the Swiss public on the problems of peoples who nowadays make a living with livestock in developing countries.

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)

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.

The objectives of the organization (Statutes and Rules):

- Against Hunger and Poverty: VSF-Suisse is engaged in the fight against hunger and poverty in the world. Today, more than half a billion people worldwide live below the poverty line. Famine and chronic malnutrition of the population 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
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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 regardless 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.

Statutory source	By laws of 20 th June 2015		
Headquarter	Mühlenplatz 15, 3000 Bern 13, Switzerland		
Board	Ulrich Kihm	since 2005	(President)
	Andreas Waldvogel	since 2012	
	Pascale Wälti Maumier	since 2015	
	Simone Hofer Frei	since 2017	
	Hanspeter Steinlin	since 2018	
	Stefanie Graf	since 2019	
Executive Management	Nicole Litschgi, Executive Director Esther Schelling, Deputy Executive Director		
Statutory auditor	Ernst & Young AG, Schanzenstrasse 4A, 3001 Berne		

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 non-profit organisations.

The financial statements will be approved by the board on April 28, 2020 and will be presented at the General Assembly on 20th June 2020.

Valuation

Liquid assets	Nominal value
Foreign currency	Exchange rate gains and losses are posted in the profit and loss statement.
Exchange differences	When calculating the individual balances there are inevitable differences that affect the calculated capital. The reasons are the following: Balance sheet: <ul style="list-style-type: none"> • Changes in the exchange rates since the previous valuation date (assets and liabilities) • Movements between assets or liabilities during the reporting year, some of which are calculated at a certain valuation date,

others are calculated based on historical rates, as well as some that have been calculated with different historical rates.

Statement of operations

- 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.

Receivables	Nominal value
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Fixed assets	Assets are evaluated at historical cost.
	Assets are being depreciated using the straight-line method over their expected useful lives at the following annual rates:
	Motor vehicles 25.0%
	Office equipment, furniture and fittings 12.5%
	Field equipment 50.0%
	Hard- and Software (EDP) 30.0%

Liabilities	Nominal value
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Loans	Nominal value
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Reclassification

In order to continuously improve the presentation of our financial statement in accordance with Swiss GAAP FER, the following items in the statement of operations have been reclassified without any impact on the organisational capital.

- Note 12 Project revenues: Project revenues are split among the type of donor. The historically used types of donors are assigned as follows to the new classification
 - o Governmental bodies: SDC, USAID/OFDA, EU, LED
 - o International organisations: UNDP, OCHA, UNICEF, FAO, International Organisation for Migration (IOM)
 - o Foundations: Swiss Solidarity, VSF Canada, African Development, Others
 - o Swiss public sector: Cantons, Municipalities
 - o Other project revenues: Individuals
- Note 16 Operating expenses: The operating expenses are split among our countries of programmes and additionally Switzerland.

Notes to the balance sheet

1 Cash

in CHF	2019	2018
Cash at hand	12 384	10 010
Postal account	277 640	118 497
Banks	1 276 216	956 004
Total	1 566 240	1 084 511

2 Receivables from goods and services

in CHF	2019	2018
Receivables donors Ethiopia	201 222	293 660
Receivables donors Kenya	19 482	11 349
Receivables donors Mali	9 105	-
Receivables donors Somalia	30 681	18 134
Receivables donors South Sudan	308 666	259 965
Receivables donors Togo	65 679	35 449
Total	634 835	618 557

3 Other short-term receivables

in CHF	2019	2018
Receivables Nairobi	119	121
Social insurance	3 157	-
Deposits	3 185	3 229
Transfers	1 220	15 830
Total	7 681	19 180

4 Prepayments

in CHF	2019	2018
Prepayments salaries	15 420	11 264
Prepayments Nairobi	38 137	41 050
Prepayments Mali	23 772	-
Prepayments Juba	69 506	16 705
Total	146 835	69 019

5 Accrued income

in CHF	2019	2018
Insurance	520	1 018
Consulting expenses	-	2 069
Travel expenses	3 848	-
Total	4 368	3 087

6 Tangible fixed assets

in CHF	Furniture & Appliance	IT	Vehicles	Total
<i>Gross values of cost</i>				
Beginning of the period 01.01.2019	10 674	10 235	87 596	108 505
Additions	-	-	-	-
Disposals	-	-	-	-
Foreign exchange differences	(151)	(115)	(1 238)	(1 504)
End of the period 31.12.2019	10 523	10 120	86 358	107 001
<i>Accumulated depreciation</i>				
Beginning of period 01.01.2019	(10 674)	(10 235)	(82 901)	(103 810)
Systematic depreciation	-	-	(4 117)	(4 117)
Disposals	-	-	-	-
Foreign exchange differences	151	115	1 257	1 523
End of the period 31.12.2019	(10 523)	(10 120)	(85 761)	(106 404)
Net carrying amount 31.12.2019	-	-	597	597

in CHF	Furniture & Appliance	IT	Vehicles	Total
<i>Gross values of cost</i>				
Beginning of the period 01.01.2018	10 952	10 447	89 881	111 280
Additions	-	-	-	-
Disposals	-	-	-	-
Foreign exchange differences	(278)	(212)	(2 285)	(2 775)
End of the period 31.12.2018	10 674	10 235	87 596	108 505
<i>Accumulated depreciation</i>				
Beginning of period 01.01.2018	(10 952)	(10 447)	(81 314)	(102 713)
Systematic depreciation	-	-	(4 061)	(4 061)
Disposals	-	-	-	-
Foreign exchange differences	278	212	2 474	2 964
End of the period 31.12.2018	(10 674)	(10 235)	(82 901)	(103 810)
Net carrying amount 31.12.2018	-	-	4 695	4 695

7 Payables from goods and services

in CHF	2019	2018
Salaries payables	17 080	5 876
Social insurance payables	228 401	124 654
Payables Switzerland	86 180	74 715
Payables Kenya	56 274	168 112
Payables Ethiopia	154 685	85 685
Payables South Sudan	68 749	26 569
Total	611 369	485 611

8 Accrued liabilities

in CHF	2019	2018
Audit	9 100	10 000
Social insurance/salaries Mali	7 381	10 653
Total	16 481	20 653

9 Subordinated loan

In 2012, VSF-Suisse received a loan of CHF 100 000 from a private individual. The loan is subordinated to all other existing and future claims against the company. The lender converted in accounting year 2019 CHF 10 000 (previous year CHF 10 000) of this amount into a donation as notified. As in 2019 this conversion is shown in the Cash Flow statement as a non-cash profit.

10 Fund capital

The fund capital shows the earmarked funds. See statement of changes in capital for further details.

11 Organisation capital

The organisation capital shows internally generated unrestricted funds. See statement of change of capital for further details.

Notes to the statement of operations

12 Project revenues

in CHF	2019	2018
Governmental bodies	5 196 196	2 796 828
International organisations	1 709 126	2 296 968
Foundations	609 514	362 309
Swiss public sector	199 487	304 357
Other project revenues	1 057	985
Total	7 715 380	5 761 447

13 Donations

in CHF	2019	2018
Unrestricted private donations	597 143	611 956
Unrestricted legacy donations	89 080	-
Other unrestricted donations	25 000	29 000
Total	711 223	640 956

14 Personnel expenses

in CHF	2019	2018
Full time equivalents at the countries as of 31.12.	105	129
Full time equivalents at the head office in Bern as of 31.12.	6.2	5.9
Programme	2 353 766	2 220 034
Fundraising	44 625	35 838
Administration	489 073	453 909
Total	2 887 464	2 709 781
Ulrich Kihm (President) donated travel and phone expenses	1 906	1 650

15 Other operating expenses

in CHF	2019	2018
Rent	88 782	99 247
Insurances	36 583	34 201
Maintenance	38 164	52 593
Administrative costs	382 467	457 116
Consulting, legal and accounting costs ³⁾	296 807	315 344
Marketing costs	186 187	156 753
Total	1 028 990	1 115 254

³⁾ The Executive Director of VSF-Suisse worked on a consultancy basis until end of June 2019. This item of expenditure also includes the costs linked to the outsourcing of the bookkeeping and the statutory auditing.

16 Operating expenses

in CHF	2019	2018
Ethiopia	1 982 062	2 117 258
Kenya	166 616	169 695
Mali	448 931	509 270
Djibouti and Somalia	1 363 565	1 428 595
South Sudan	2 977 483	2 011 986
Togo	169 018	136 266
Ivory Coast	30 225	-
Switzerland	999 439	952 894
Total	8 137 339	7 325 964

17 Extraordinary expenses and incomes

Extraordinary expenses and incomes mainly comprise write-offs of currency losses and gains at the end of the projects.

18 Changes in tied and fund capital

Utilization and allocation of fund capital shows the change of funds for the financing of projects and of internal costs as at the end of the year. See statement of change of capital for further details.

19 Changes in organisation capital

The unrestricted funds are part of the organisation capital and their utilization are not being restricted by any third party. Therefore, they are dedicated to self-financing.

The amount of CHF 25 000 was received from TVS GST AG and allocated to the corresponding fund. The capital of the organisation consists of the equity financing. Its utilisation is not restricted by any third parties (previous year CHF 25 000).

Realised currency losses of CHF 28 118 after the end of the projects were covered by the fund extraordinary risks.

Further explanations

20 Other liabilities from tenancy agreements not included in the books

in CHF	2020	2021-22
Office space, Mühlenplatz 15, Berne	27 936	55 872
Total	27 936	55 872

21 Events after the closing

On 31 January 2020, the World Health Organisation (WHO) declared the spread of COVID-19 an international health emergency and was subsequently upgraded to a pandemic. The Board and management of VSF-Suisse are closely monitoring the events and taking the necessary measures as required. At the time of approval of these financial statements, the financial consequences of the direct and indirect effects of this disease cannot yet be reliably assessed. It is assumed that the lockdown due to the outbreak of the pandemic will have a negative financial impact. All possible mitigation measures will be examined and implemented.

22 Performance report

The performance report forms part of the annual report.

23 Pro-bono services

The board of directors has performed 285 hours of unpaid services during the year 2019 (previous year 350 hours).

24 Executive compensation

in CHF	2019	2018
Executive compensation	195 700	199 299
Total	195 700	199 299

The executive management consists of Daniel Bolomey Executive Director, and Nicole Litschgi, Deputy Executive Director, until end of June 2019. Starting from July 2019, the executive management consists of Nicole Litschgi, Executive Director, and Esther Schelling, Deputy Executive Director.

Since Daniel Bolomey works on a consultancy basis, the respective costs are part of the consulting costs outlined in note 15.

The disclosed executive compensation consists of salaries and expense allowances. The consultancy mandate compensation includes costs for social insurances and a lump sum for administration expenses.

25 Operating expenses

The representation of the cost structure of the association VSF-Suisse is based on the ZEWO methodology for the calculation of the administrative expenditure.

Project expenditures are those costs which contribute directly to the achievements of the statutory goals of VSF-Suisse.

Fundraising expenses show those costs related to the maintenance of the address database as well as the donor and sponsor management.

Administrative expenses consist of all expenses relating only indirectly to projects and services provided by VSF-Suisse. These expenditures are not directly felt by project partners and beneficiaries. They ensure the functioning of VSF-Suisse.

in CHF	2019	in %	2018	in %
<i>Project expenditure</i>				
Material, goods and services	4 204 786		3 456 521	
Personnel expenses	2 353 766		2 220 034	
Other operating expenses	575 227		693 142	
Depreciation and amortisation	4 117		3 373	
Total	7 137 896	87.74%	6 373 070	86.99%
<i>Fundraising expenses</i>				
Material, goods and services	-		-	
Personnel expenses	44 625		35 838	
Other operating expenses	183 937		189 898	
Depreciation and amortisation	-		-	
Total	228 562	2.81%	225 736	3.08%
<i>Administrative expenses</i>				
Material, goods and services	10 076		40 347	
Personnel expenses	490 979		453 909	
Other operating expenses	269 826		232 214	
Depreciation and amortisation	-		688	
Total	770 881	9.45%	727 158	9.93%
Total operating expenses	8 137 339	100.00%	7 325 964	100.00%