

To the General Meeting of

Vétérinaires Sans Frontières Suisse, Berne

Berne, 25 April 2023

Report of the statutory auditor on the limited statutory examination

As statutory auditor in accordance with article 14 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 2022. 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

Licensed audit expert
(Auditor in charge)

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	2022	2021
<i>Assets</i>			
Cash	1	2 870 792	2 679 288
Receivables from goods and services	2	1 162 096	788 255
Other short-term receivables	3	29 662	18 057
Prepayments	4	180 764	262 979
Accrued income		12 136	-
Current assets		4 255 450	3 748 579
<i>Non-current assets</i>			
Tangible fixed assets	5	34 639	57 148
Non-current assets		34 639	57 148
Assets		4 290 089	3 805 727
<i>Liabilities and equity</i>			
Payables from goods and services	6	946 419	700 699
Accrued liabilities	7	28 310	12 000
Short-term provisions	8	23 734	-
Current liabilities		998 463	712 699
<i>Non-current liabilities</i>			
Subordinated loan	9	30 000	30 000
Non-current liabilities		30 000	30 000
Fund capital	10	2 259 049	2 340 497
<i>Equity breakdown</i>			
Tied capital		63 503	52 101
Free capital		722 497	431 596
Net income for the year		216 577	238 834
Organisation capital	11	1 002 577	722 531
Liabilities and equity		4 290 089	3 805 727

Statement of operations

in CHF	Notes	2022	2021
<i>Income</i>			
Project revenues	12	8 367 067	7 311 649
Donations	13	1 214 478	1 157 997
Membership fees		17 550	20 640
Contributions from projects		342 431	356 741
Sponsoring		7 000	54 687
Other revenue		17 096	11 021
Operating income		9 965 622	8 912 735
<i>Expenditure</i>			
Material, goods and services		(5 706 741)	(4 487 271)
Personnel expense	14	(3 251 048)	(2 688 406)
Other operating expense	15	(1 082 132)	(949 126)
Depreciation and amortisation	5	(20 151)	(20 557)
Operating expenses	16, 25	(10 060 072)	(8 145 360)
Operating result		(94 450)	767 375
Financial expense		(249 624)	(206 723)
Financial income		174 574	66 975
Extraordinary expense	17	(30 556)	(131 876)
Extraordinary income	17	26 576	117 107
<i>Other income</i>		(79 030)	(154 517)
Result before changes in fund capital		(173 480)	612 858
Utilization of fund capital		8 820 758	7 045 754
Allocation of fund capital		(8 365 469)	(7 311 649)
<i>Changes in fund capital</i>	18	455 289	(265 895)
Result before allocation to organisation capital		281 809	346 963
Utilization of organisation capital		16 207	12 779
Allocation of organisation capital		(81 439)	(120 908)
<i>Changes in organisation capital</i>	19	(65 232)	(108 129)
Net income		216 577	238 834

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	2022	2021
Cash as at January 1	2 679 288	2 177 483
Result before allocation to organisation capital	281 809	346 963
Depreciation and amortisation	20 151	20 557
Other non-cash profits/losses	595	(332)
Decrease/(Increase) receivables from goods and services	(373 841)	(20 595)
Decrease/(Increase) other short-term receivables	(11 605)	6 182
Decrease/(Increase) prepayments	82 215	(143 107)
Decrease/(Increase) accrued income	(12 136)	-
(Decrease)/Increase payables from goods and services	245 720	2 747
(Decrease)/Increase accrued liabilities	16 310	2 900
(Decrease)/Increase short-term provision	23 734	
(Decrease)/Increase fund capital	(81 448)	286 490
Cash flow from operating activities	191 504	501 805
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	2 870 792	2 679 288
Change in cash	191 504	501 805

Statement of changes in capital

The statement of changes in capital shows the allocation, internal transfers, use, change in pre-financing 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 01.01.22	Allocation	Internal transfers	Utilization	Change in Pre-financing	Balance 31.12.22
Restricted funds Ethiopia	262 600	3 382 515	-	(3 667 131)	517 767	495 751
Restricted funds Kenya	1 217 652	1 042 529	-	(1 828 073)	8 879	440 987
Restricted funds Mali	245 016	1 011 229	-	(707 184)	(12 710)	536 351
Restricted funds Somalia	34 943	225 000	-	(84 073)	48 069	223 939
Restricted funds South Sudan	80 697	1 724 499	-	(1 407 928)	(200 830)	196 438
Restricted funds Ivory Coast	-	12 000	-	(24 666)	12 666	-
Restricted funds Togo	390 172	267 697	-	(292 286)	-	365 583
Restricted funds DEZA	109 417	700 000	-	(809 417)	-	-
Fund capital	2 340 497	8 365 469	-	(8 820 758)	373 841	2 259 049
Fund for extraordinary risks ¹⁾	52 101	27 609	-	(16 207)	-	63 503
<i>Tied capital</i>	<i>52 101</i>	<i>27 609</i>	<i>-</i>	<i>(16 207)</i>	<i>-</i>	<i>63 503</i>
Fund TVS GST AG ²⁾	271 000	25 000	-	-	-	296 000
Fund capital campaign ³⁾	45 000	28 830	-	-	-	73 830
Internally gen. unrestricted fund	(5 686)	-	238 834	-	-	233 148
Cumulated translation differences	121 282	-	-	(1 763)	-	119 519
<i>Free capital</i>	<i>431 596</i>	<i>53 830</i>	<i>238 834</i>	<i>(1 763)</i>	<i>-</i>	<i>722 497</i>
<i>Net income for the year</i>	<i>238 834</i>	<i>216 577</i>	<i>(238 834)</i>	<i>-</i>	<i>-</i>	<i>216 577</i>
Organisation capital	722 531	298 016	-	(17 970)	-	1 002 577

Statement of changes in capital

in CHF	Balance 01.01.21	Allocation	Internal transfers	Utilization	Change in Pre-financing	Balance 31.12.21
Restricted funds Ethiopia	744 425	1 776 147	-	(2 268 309)	10 337	262 600
Restricted funds Kenya	205 497	1 768 709	-	(758 507)	1 953	1 217 652
Restricted funds Mali	550 289	619 484	-	(946 660)	21 903	245 016
Restricted funds Somalia	51 685	145 001	-	(36 190)	(125 553)	34 943
Restricted funds South Sudan	47 690	2 066 057	-	(2 202 583)	169 533	80 697
Restricted funds Ivory Coast	121 082	(11 750)	-	(133 698)	24 366	-
Restricted funds Togo	333 339	248 001	-	(109 224)	(81 944)	390 172
Restricted funds DEZA	-	700 000	-	(590 583)	-	109 417
Fund capital	2 054 007	7 311 649	-	(7 045 754)	20 595	2 340 497
Fund for extraordinary risks ¹⁾	13 972	50 908	-	(12 779)	-	52 101
<i>Tied capital</i>	<i>13 972</i>	<i>50 908</i>	<i>-</i>	<i>(12 779)</i>	<i>-</i>	<i>52 101</i>
Fund TVS GST AG ²⁾	246 000	25 000	-	-	-	271 000
Fund capital campaign ³⁾	-	45 000	-	-	-	45 000
Internally gen. unrestricted fund	(16 576)	-	10 890	-	-	(5 686)
Cumulated translation differences	121 408	-	-	(126)	-	121 282
<i>Free capital</i>	<i>350 832</i>	<i>70 000</i>	<i>10 890</i>	<i>(126)</i>	<i>-</i>	<i>431 596</i>
<i>Net income for the year</i>	<i>10 890</i>	<i>238 834</i>	<i>(10 890)</i>	<i>-</i>	<i>-</i>	<i>238 834</i>
Organisation capital	375 694	359 742	-	(12 905)	-	722 531

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.

³⁾ In 2021 VSF Management and the Board have decided to launch a capital campaign to raise funds with the aim to increase the organisation capital. The campaign will run for five years (2021 - 2025).

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 organisations 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, linked through the concept of NEXUS. Target groups are disadvantaged groups of people as for example widows with their families, refugees, and internally displaced people.

The objectives of the organisation (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 organisation 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)
	Pascale Wälti Maumier	since 2015	
	Hanspeter Steinlin	since 2018	
	Stefanie Graf	since 2019	
	Claudio Clematide	since 2021	
	Gregor Schmid	since 2022	
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 organisation for NPO) certified organisation 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 May 20th and will be presented at the General Assembly on June 18th.

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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Notes to the balance sheet

1 Cash

in CHF	2022	2021
Cash at hand	16 966	5 639
Postal account	614 830	226 257
Banks	2 238 996	2 447 392
Total	2 870 792	2 679 288

2 Receivables from goods and services

in CHF	2022	2021
Receivables donors Ethiopia	875 703	357 935
Receivables donors Kenya	12 004	3 125
Receivables donors Mali	33 973	46 683
Receivables donors Somalia	53 911	5 843
Receivables donors South Sudan	149 473	350 303
Receivables donors Ivory Coast	37 032	24 366
Total	1 162 096	788 255

3 Other short-term receivables

in CHF	2022	2021
Receivables Kenya	20 235	13 099
Social insurance	7 049	2 241
Deposits	2 378	2 552
Transfers	-	165
Total	29 662	18 057

4 Prepayments

in CHF	2022	2021
Prepayments salaries	14 718	13 576
Prepayments Ethiopia	-	7 172
Prepayments Kenya	30 640	32 613
Prepayments Mali	23 161	58 844
Prepayments South Sudan	93 799	129 060
Prepayments Togo	18 446	21 714
Total	180 764	262 979

5 Tangible fixed assets

in CHF	Furniture & Appliance	IT	Vehicles	Total
<i>Gross values of cost</i>				
Beginning of the period 01.01.2022	8 782	8 795	140 920	158 497
Additions	-	-	-	-
Disposals	-	-	-	-
Foreign exchange differences	(638)	(486)	(9 940)	(11 064)
End of the period 31.12.2022	8 144	8 309	130 980	147 433
<i>Accumulated depreciation</i>				
Beginning of period 01.01.2022	(8 782)	(8 795)	(83 772)	(101 349)
Systematic depreciation	-	-	(20 151)	(20 151)
Disposals	-	-	-	-
Foreign exchange differences	638	486	7 582	8 706
End of the period 31.12.2022	(8 144)	(8 309)	(96 341)	(112 794)
Net carrying amount 31.12.2022	-	-	34 639	34 639

in CHF	Furniture & Appliance	IT	Vehicles	Total
<i>Gross values of cost</i>				
Beginning of the period 01.01.2021	8'829	8'830	141'643	159'302
Additions	-	-	-	-
Disposals	-	-	-	-
Foreign exchange differences	(47)	(35)	(723)	(805)
End of the period 31.12.2021	8'782	8'795	140'920	158'497
<i>Accumulated depreciation</i>				
Beginning of period 01.01.2021	(8 829)	(8 830)	(64 144)	(81 803)
Systematic depreciation	-	-	(20 557)	(20 557)
Disposals	-	-	-	-
Foreign exchange differences	47	35	929	1'011
End of the period 31.12.2021	(8 782)	(8 795)	(83 772)	(101 349)
Net carrying amount 31.12.2021	-	-	57'148	57'148

6 Payables from goods and services

in CHF	2022	2021
Salaries payables	11 311	1 887
Social insurance payables	213 069	336 224
Payables Switzerland	159 246	107 017
Payables Kenya	199 024	23 090
Payables Ethiopia	222 457	71 076
Payables South Sudan	141 312	161 405
Total	946 419	700 699

7 Accrued liabilities

in CHF	2022	2021
Audit	20 000	12 000
Salary	8 310	-
Total	28 310	12 000

8 Short-term Provisions

VSF-Suisse is facing a labour lawsuit in South Sudan. The amount of the claim has been fully provisioned following the prudence principle. The lawsuit is expected to be resolved in 2023.

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 so far converted CHF 70'000 of the initial amount into a donation as notified in previous statements. There has been no conversion this year and the loan stands unchanged at CHF 30'000.

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	2022	2021
Governmental bodies	5 029 445	4 533 806
<i>Contributions SDC</i>	2 060 958	1 101 982
<i>SDC Programm Contribution</i>	700 000	700 000
<i>Contributions European Commission</i>	928 063	2 035 433
<i>Contributions Austrian Development Agency</i>	518 140	-
<i>Contributions USAID / OFDA</i>	822 283	696 391
International organisations	1 272 731	1 322 271
Foundations	1 475 919	1 023 328
Swiss public sector	201 174	190 034
Private sector	-	70 000
Other project revenues	387 798	172 210
Total	8 367 067	7 311 649

13 Donations

in CHF	2022	2021
Unrestricted private donations	761 200	805 070
Unrestricted legacy donations	370 000	327 373
Other unrestricted donations	83 278	25 554
Total	1 214 478	1 157 997

14 Personnel expenses

in CHF	2022	2021
Full time equivalents at the countries as of 31.12.	142	122
Full time equivalents at the head office in Bern as of 31.12.	9.2	7.1
Programme	2 749 201	2 305 660
Fundraising	89 135	108 669
Administration	412 712	274 077
Total	3 251 048	2 688 406
Ulrich Kihm (President) donated travel and phone expenses	1 146	747

15 Other operating expenses

in CHF	2022	2021
Rent	83 071	82 216
Insurances	52 252	39 079
Maintenance	26 452	60 533
Administrative costs	449 117	348 334
Consulting, legal and accounting costs	287 330	199 681
Marketing costs	183 910	219 283
Total	1 082 132	949 126

16 Operating expenses

in CHF	2022	2021
Ethiopia	3 799 901	2 304 883
Kenya	1 901 460	766 731
Mali	647 403	1 039 199
Somalia	195 157	54 732
South Sudan	1 525 901	2 312 225
Togo	339 788	268 558
Ivory Coast	148 225	133 698
Switzerland	1 502 237	1 265 334
Total	10 060 072	8 145 360

17 Extraordinary expense and income

Extraordinary expense and income mainly comprise currency losses and gains at the end of the projects.

18 Change 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 Change 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).

In 2021 VSF Management and the Board have decided to launch a capital campaign to raise funds with the aim to increase the organisation capital. The campaign will run for five years (2021 - 2025). The amount of CHF 28'830 was received from various donors and allocated to the fund (previous year CHF 45'000).

Further explanations

20 Other liabilities from tenancy agreements not included in the books

in CHF	2023	2024
Office space, Mühlenplatz 15, Berne	28 560	-
Total	28 560	-

21 Events after the closing

There were no significant events after the closing date of 31st December 2022, which would require additional information or changes to the annual financial statement.

22 Performance report

The performance report forms part of the annual report.

23 Pro-bono services

The board of directors and volunteers have performed 306 hours of unpaid services during the year 2022 (previous year 205 hours).

24 Executive compensation

in CHF	2022	2021
Executive compensation	193 092	193 976
Total	193 092	193 976

The executive management consists of Nicole Litschgi, Executive Director, and Esther Schelling, Deputy Executive Director. The disclosed executive compensation consists of salaries and expense allowances.

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	2022	in %	2021	in %
<i>Project expenditure</i>				
Material, goods and services	5 691 168		4 473 133	
Personnel expenses	2 749 201		2 305 660	
Other operating expenses	671 603		513 658	
Depreciation and amortisation	20 151		20 557	
Total	9 132 123	90.78%	7 313 008	89.78%
<i>Fundraising expenses</i>				
Material, goods and services	-		-	
Personnel expenses	89 135		108 669	
Other operating expenses	206 923		251 361	
Depreciation and amortisation	-		-	
Total	296 058	2.94%	360 030	4.42%
<i>Administrative expenses</i>				
Material, goods and services	15 573		14 138	
Personnel expenses	412 712		274 077	
Other operating expenses	203 606		184 107	
Depreciation and amortisation	-		-	
Total	631 891	6.28%	472 322	5.80%
Total operating expenses	10 060 072	100.00%	8 145 360	100.00%