

# SOLIDAR MED



Annual Report

2016



SolidarMed improves health care for 1.5 million people in southern Africa.

**In the reporting year, SolidarMed succeeded in maintaining project expenditure at a stable level, thereby in turn benefitting many people in the project areas.**

The “result before changes to restricted project funds” stands at CHF 658’550.– and indicates a financially successful year. This pleasing result is mostly due to income from bequests. For this reason, 2 unusually high bequests are listed as extraordinary income. In addition, the income from private donors could be maintained at the current level whilst earmarked donations increased. This income indicates the level of trust in our work and allowed us to implement projects with a financial volume of CHF 7’679’486.– and maintain our role as reliable partner.

In addition to our loyal private donors, we benefit from many, often long-term partnerships with institutions in Switzerland and in the Principality of Liechtenstein. The contributions from the Swiss Agency for Development Cooperation SDC and the Liechtenstein Development Service amounted to a total of 3.5 million Swiss Francs.

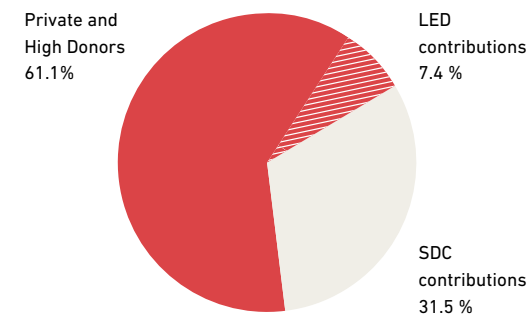
The ZEWÖ foundation renewed its accreditation for a further 5 years and confirmed that our administration costs (3.9 percent) and our costs for fundraising and sensitisation (13.3 percent), despite a slight increase, are still significantly below the average. Out of every CHF 100.– donated, CHF 82.80 flow directly into SolidarMed’s projects.

The additional income was largely transferred to the organisational capital. Thanks to positive developments on the stock exchange and a conservative investment policy, CHF 70’000.– could be transferred to the currency fluctuation fund. The organisational capital could thus, despite planned withdrawals for project funding (CHF 361’818.–), be increased by CHF 971’362.–. This further strengthens the healthy financial foundation of SolidarMed.

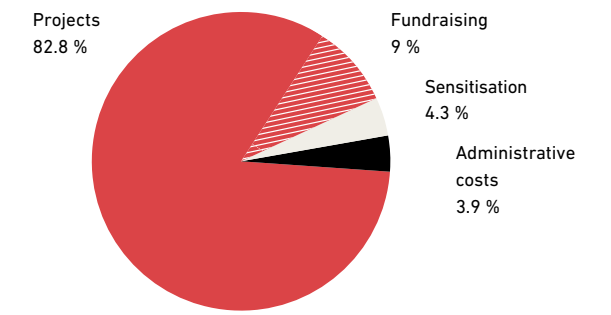


**Elisabeth Meier**  
Finances, HR

**Source of funds 2016**



**Use of funds 2016**



Note: The complete Annual Financial Statement including Audit Report and attachments can be found at [solidarmed.ch/en](http://solidarmed.ch/en) > Info & Media > Publications



## Report of the statutory auditors to the Annual General Meeting of SolidarMed, Swiss Organisation for Health in Africa, 6005 Lucerne

As per our contract as auditors, we examined the annual financial statement consisting of balance sheet, income statement, cash flow statement, analysis of changes in capital and annexes of the financial year that ended on the 31st of December 2016. In accordance with Swiss GAAP FER 21, the auditors are not obliged to examine the information presented in the performance report. The previous year's figures were examined by another audit firm. Their report from the 31st of March 2016 issued an unqualified audit opinion.

### Responsibilities of the Board

The board is responsible for the preparation of the annual financial statement in conformity with Swiss GAAP FER 21, compliant with legal requirements and the statutes. This responsibility includes the establishment, implementation and maintenance of an internal control system relevant to the preparation of the annual financial statement, which is free of material misstatement, whether due to fraud or error. In addition, the board is responsible for the selection and application of appropriate accounting policies and for making reasonable accounting estimates.

### Responsibilities of the auditors

It is our responsibility to express an opinion on the annual financial statement on the basis of our audit. We carried out our audit in accordance with Swiss audit standards. Following these standards, we are obliged to comply with the relevant ethical requirements and design and execute our audit in such a way as to provide reasonable assurance of whether the annual financial statement is free of material misstatement. An audit involves the performance of audit procedures to obtain audit evidence concerning the asset valuation and other disclosures in the

annual financial statement. The selection of audit procedures lies in the dutiful judgement of the auditor. This includes an assessment of the risks of material misstatement in the annual financial statement as a result of fraud or error. In the risk assessment, the auditor reviews the internal control system where relevant to the preparation of the annual financial statement, in order to design appropriate audit procedures. However, this is not for the purpose of expressing an opinion on the existence or effectiveness of the internal control system. The audit also includes an evaluation of the appropriateness of the accounting policies in use, whether the accounting estimates are plausible as well as an assessment of the overall presentation of the annual financial statement. We are of the opinion that the audit evidence we have obtained is sufficient and appropriate for providing a basis for our audit opinion.

### Audit opinion

In our opinion, the annual financial statement for the year ended December 31st 2016 gives a true and accurate picture of the assets and liabilities, financial position and income and expenses in accordance with Swiss GAAP FER 21 and complies with Swiss law and the statutes of the association.

We recommend that the annual financial statement presented here is approved.

Meggen, 31<sup>st</sup> of March 2017

### ACORUS-TREUHAND AG



**Andre Knüsel**  
Registered audit expert  
Lead auditor



**Suzanne Durrer (authorised to sign)**  
Registered audit expert  
Qualified fiduciary expert

	2016		2015	
	CHF	%	CHF	%
<b>Assets</b>				
<b>Current assets</b>				
Cash	5'877'631.94	71.0	5'628'837.48	74.2
Assets held for trading at quoted market price	1'616'918.60	19.5	1'178'648.78	15.6
Other short-term receivables	326'031.48	3.9	33'506.41	0.4
Project advances	433'413.05	5.2	687'953.13	9.1
Prepaid expenses	10'739.78	0.1	37'570.28	0.5
	8'264'734.85	99.8	7'566'516.08	99.8
<b>Fixed assets</b>				
Plant and equipment	14'011.00	0.2	18'681.00	0.2
Other investments	1.00	0.0	1.00	0.0
	14'012.00	0.2	18'682.00	0.2
<b>Total assets</b>	<b>8'278'746.85</b>	<b>100</b>	<b>7'585'198.08</b>	<b>100</b>
<b>Liabilities</b>				
<b>Short-term liabilities</b>				
Liabilities from sales and services	156'979.55	1.9	90'456.00	1.2
Accrued expenses	141'355.08	1.7	171'680.81	2.3
	298'334.63	3.6	262'136.81	3.5
<b>Long-term liabilities</b>				
Provisions	188'242.43	2.3	189'442.43	2.5
	188'242.43	2.3	189'442.43	2.5
<b>Funds reserved for projects</b>				
SDC projects	-4'621.68	-0.1	287'412.17	3.7
LED projects	672'929.66	8.1	680'966.14	9.0
SolidarMed projects	717'657.88	8.7	730'398.57	9.6
	1'385'965.86	16.7	1'698'776.88	22.3
<b>Organisational capital</b>				
<b>Share capital</b>				
Paid-in capital and reserves	881'632.93	10.6	881'632.93	11.6
<b>Fixed capital</b>				
Currency fluctuation fund	230'000.00	2.8	160'000.00	2.1
<b>Free capital</b>				
Fund 1 unrestricted funds	3'051'973.49	36.9	1'824'683.59	24.1
Fund 2 unrestricted funds	2'242'597.51	27.1	2'568'525.44	33.9
	6'406'203.93	77.4	5'434'841.96	71.7
<b>Total liabilities</b>	<b>8'278'746.85</b>	<b>100</b>	<b>7'585'198.08</b>	<b>100</b>

## Income statement 1.1. - 31.12.16

Income	2016		2015	
	CHF	%	CHF	%
Donations, legacies, membership fees	1'691'011.70	18.8	1'651'302.36	18.8
Purpose specific income				
SolidarMed projects	3'806'978.56	42.2	3'392'796.06	38.6
	3'806'978.56	42.2	3'392'796.06	38.6
Public sector contributions				
SDC program contribution	2'800'000.00	31.1	2'600'000.00	29.6
SDC mandate EMSN Tanzania	37'100.00	0.4	238'105.00	2.7
LED Chainama College Zambia	669'035.00	7.4	900'000.00	10.2
	3'506'135.00	38.9	3'738'105.00	42.6
Other income	7'757.40	0.1	1'446.25	0.0
<b>Total income</b>	<b>9'011'882.66</b>	<b>100</b>	<b>8'783'649.67</b>	<b>100</b>
Expenditures				
Project expenses				
Personnel expenses project management Switzerland	-639'739.97	6.9	-572'517.72	6.2
Project visits	-26'494.19	0.3	-25'903.16	0.3
SolidarMed projects	-6'099'600.73	65.8	-5'889'910.18	63.9
SDC mandate EMSN Tanzania	-319'711.05	3.4	-317'057.68	3.4
LED Chainama College Zambia	-593'922.35	6.4	-932'455.73	10.1
	-7'679'468.29	82.8	-7'737'844.47	83.9
Public relations, awareness raising				
Personnel expenses	-201'791.79	2.2	-147'200.49	1.6
Membership expenses	-21'827.15	0.2	-17'667.50	0.2
Publications	-116'037.01	1.3	-110'372.67	1.2
Public relations	-62'830.87	0.7	-71'161.78	0.8
	-402'486.82	4.3	-346'402.44	3.8
Fundraising				
Personnel expenses	-371'921.12	4.0	-312'056.92	3.4
Fundraising	-461'294.61	5.0	-359'143.03	3.9
	-833'215.73	9.0	-671'199.95	7.3

## Income statement 1.1. - 31.12.16

	2016		2015	
	CHF	%	CHF	%
Administrative expenses				
Personnel expenses	-200'786.49	2.2	-287'431.13	3.1
Travel and representation expenses	-7'600.46	0.1	-6'850.10	0.1
Banking and postage costs	-3'938.86	0.0	-3'961.89	0.0
Rental expenses	-51'310.35	0.6	-50'945.80	0.6
Office and operating expenses	-21'686.13	0.2	-30'384.97	0.3
Memberships	-9'509.95	0.1	-6'868.65	0.1
Third-party services	0.00		-5'421.60	0.1
Investments and maintenance	-59'780.30	0.6	-65'839.10	0.7
Asset depreciation	-4'670.00	0.1	-6'226.70	0.1
	-359'282.54	3.9	-463'929.94	5.0
<b>Total Income / Expenses</b>	<b>-9'274'453.38</b>	<b>100</b>	<b>-9'219'376.80</b>	<b>100</b>
<b>Operating result</b>	<b>-262'570.72</b>		<b>-435'727.13</b>	
Financial income				
Income from interest and securities	122'009.01		79'873.01	
Expenses interest and securities	-46'988.34		-109'794.90	
	75'020.67		-29'921.89	
Extraordinary income				
Extraordinary income	846'101.00		0.00	
	846'101.00		0.00	
<b>Result before changes to restricted project funds</b>	<b>658'550.95</b>		<b>-465'649.02</b>	
<b>Statement of changes to restricted project funds</b>	<b>312'811.02</b>		<b>259'946.09</b>	
<b>Result (before changes to organisational capital)</b>	<b>971'361.97</b>		<b>-205'702.93</b>	
Withdrawal from organisational capital	361'818.72		745'624.18	
Allocation to paid up and acquired capital	0.00		0.00	
Allocation to fund 1 unrestricted funds	-1'263'180.69		-539'921.25	
Allocation to currency fluctuation fund	-70'000.00		0.00	
<b>Total allocations / appropriations</b>	<b>-971'361.97</b>		<b>205'702.93</b>	
<b>Results after allocation to organisational capital</b>	<b>0.00</b>		<b>0.00</b>	

## Cash flow statement 1.1. - 31.12.16

	2016		2015	
	CHF	%	CHF	%
<b>1. Cash flow from operating activities</b>				
Result (before changes to organisational capital)	971'362		-205'703	
Changes to restricted project funds	-312'811		-259'946	
Depreciation	4'670		6'227	
Increase / decrease provisions	-1'200		-7'600	
Increase (-) / decrease securities	-438'270		641'955	
Increase (-) / decrease receivables	-37'985		289'772	
Increase (-) / decrease prepaid expenses	26'831		-1'016	
Increase / decrease (-) short-term accounts payable	66'524		-32'353	
Increase / decrease (-) accrued expenses	-30'326		4'032	
<b>Cash flow from operating expenses</b>	<b>248'795</b>		<b>435'368</b>	
<b>2. Cash flow from investment activity</b>				
Increase (-) / decrease financial investments	0		0	
Increase (-) / decrease tangible assets	0		-9'393	
Increase (-) / decrease real estate	0		0	
<b>Cash flow from investment activity</b>	<b>0</b>		<b>-9'393</b>	
<b>3. Cash flow from financing activities</b>				
Increase / decrease financial liabilities	0		0	
<b>Cash flow from financing activities</b>	<b>0</b>		<b>0</b>	
<b>Cash flow</b>	<b>248'795</b>		<b>425'975</b>	
<b>Control</b>				
Cash balance on 01.01.2015 / 01.01.2014	5'628'837		5'202'862	
Cash balance on 31.12.2015 / 31.12.2014	5'877'632		5'628'837	
<b>Change in cash and cash equivalents</b>	<b>248'795</b>		<b>425'975</b>	

## Analysis of changes in capital

	Operating balance on the 1.01.	Allocations	Internal fund transfers	Withdrawals	Total changes	Closing balance 31.12.
<b>Organisational capital</b>						
Paid-in capital and reserves	881'633	0	0	0	0	881'633
Currency fluctuation fund	160'000	70'000	0	0	70'000	230'000
Fund 1: unrestricted funds	1'824'683	1'263'181	-35'891	0	1'227'290	3'051'973
Fund 2: unrestricted funds	2'568'526	0	-325'928	0	-325'928	2'242'598
<b>Organisational capital 2015</b>	<b>5'434'842</b>	<b>1'333'181</b>	<b>-361'818.72</b>	<b>0</b>	<b>971'362</b>	<b>6'406'204</b>
Internal fund transfers serve to prevent a negative balance of unrestricted funds.						
Paid-in capital and reserves	881'633	0	0	0	0	881'633
Currency fluctuation fund	160'000	0	0	0	0	160'000
Fund 1: unrestricted funds	1'678'462	539'921	-393'700	0	146'221	1'824'683
Fund 2: unrestricted funds	2'920'450	0	-351'924	0	-351'924	2'568'526
<b>Organisational capital 2015</b>	<b>5'640'545</b>	<b>539'921</b>	<b>-745'624</b>	<b>0</b>	<b>-205'703</b>	<b>5'434'842</b>
Internal fund transfers serve to prevent a negative balance of unrestricted funds.						
<b>Funds reserved for projects</b>						
<b>SDC, LED projects</b>						
SDC	287'412	37'100	0	-329'134	-292'034	-4'622
LED	680'966	669'035	0	-677'071	-8'036	672'930
	<b>968'378</b>	<b>706'135</b>	<b>0</b>	<b>-1'006'205</b>	<b>-300'070</b>	<b>668'308</b>
<b>SolidarMed projects</b>						
Lesotho	130'955	881'409	154'763	-987'813	48'358	179'314
Moçambique	-76'275	1'750'550	95'765	-1'661'703	184'612	108'337
Tanzania	6'004	1'223'929	145'500	-1'289'675	79'753	85'757
Zambia	519'663	727'850	200'346	-1'302'575	-374'379	145'284
Zimbabwe	100'051	1'408'927	18'891	-1'378'902	48'915	148'966
Other countries	50'000	131'335	16'402	-147'737	0	50'000
	<b>730'399</b>	<b>6'123'999</b>	<b>631'666</b>	<b>-6'768'406</b>	<b>-12'741</b>	<b>717'658</b>
<b>Total funds reserved for projects 2016</b>	<b>1'698'777</b>	<b>6'830'134</b>	<b>631'666</b>	<b>-7'774'611</b>	<b>-312'811</b>	<b>1'385'966</b>
Project withdrawals include structural costs in addition to project expenses.						



## Analysis of changes in capital

	Operating balance on the 1.01.	Allocations	Internal fund transfers	Withdrawals	Total changes	Closing balance 31.12.
<b>SDC, LED projects</b>						
SDC	379'069	238'105	0	-329'762	-91'657	287'412
LED	843'966	900'000	0	-1'063'000	-163'000	680'966
	<b>1'223'035</b>	<b>1'138'105</b>	<b>0</b>	<b>-1'392'762</b>	<b>-254'657</b>	<b>968'378</b>
<b>SolidarMed projects</b>						
Lesotho	86'774	930'450	48'914	-935'182	44'182	130'955
Moçambique	598'052	1'367'245	48'869	-2'090'441	-674'327	-76'275
Tanzania	-44'235	1'300'101	178'904	-1'428'767	50'238	6'004
Zambia	-117'609	775'676	419'535	-557'939	637'273	519'663
Zimbabwe	162'706	1'287'989	33'000	-1'383'644	-62'655	100'051
Other countries	50'000	131'335	16'402	-147'737	0	50'000
	<b>735'688</b>	<b>5'792'796</b>	<b>745'624</b>	<b>-6'543'710</b>	<b>-5'290</b>	<b>730'399</b>
<b>Total funds reserved for projects 2015</b>	<b>1'958'723</b>	<b>6'930'901</b>	<b>745'624</b>	<b>-7'936'472</b>	<b>-259'947</b>	<b>1'698'777</b>

Project withdrawals include structural costs in addition to project expenses.

## Changes in provisions

Provisions						
- Personnel deployed	119'874	0	0	0	0	119'874
- Reintegration contributions	64'400	13'200	0	-14'400	-1'200	63'200
- Real estate	3'169	0	0	0	0	3'169
- Provisions Zambia projects	2000	0	0	0	0	2'000
<b>Provisions 2015</b>	<b>189'443</b>	<b>13'200</b>	<b>0</b>	<b>-14'400</b>	<b>-1'200</b>	<b>188'243</b>
Provisions						
- Personnel deployed	119'874	0	0	0	0	119'874
- Reintegration contributions	72'000	26'000	0	-33'600	-7'600	64'400
- Real estate	3'169	0	0	0	0	3'169
- Provisions Zambia projects	2000	0	0	0	0	2'000
<b>Provisions 2015</b>	<b>197'043</b>	<b>26'000</b>	<b>0</b>	<b>-33'600</b>	<b>-7'600</b>	<b>189'443</b>

## Annex to the annual financial statement

## Details of the principles used in the preparation of the Annual Financial Statement:

The accounts are prepared in accordance with Swiss GAAP FER (Kern-FER and FER21) accounting recommendations and give a true and accurate picture of the assets and liabilities, financial position and profit and loss.

## Accounting and Valuation Principles:

- Cash stated at nominal value.
- Securities at the exchange rate on balance sheet reporting day. The non-realised securities gains can, in line with the guidelines for investments and reserves, and to a max. value of 20% of the securities portfolio balance, be allocated to the currency fluctuation fund. In 2016, CHF 70'000 was allocated to this fund.
- Accounts receivable stated at nominal value.
- Accounts payable to projects at nominal value minus necessary value adjustments.
- Accounts receivable from projects (project advances): stated in foreign currency at exchange rate on balance sheet reporting day.
- Assets at purchase price minus necessary amortisation.
- Financial investments stated at nominal value.

## Other short-term receivables

The other short-term receivables of CHF 326'031 mostly comprise of earmarked donations for 2016 which arrived in the following year.

## Extraordinary income

This is income from two unusually high bequests.

## Investments

SolidarMed has a 100 percent shareholding in SolidarInvest Limited, Zambia. There is no fixed share capital.

## Remuneration of the Executive Board and the Executive Management

The board of SolidarMed is active on a voluntary and unpaid basis and contributed 1559 working hours. The President donated his fee of CHF 800 in its entirety to SolidarMed. The board did not submit any expense claims for reimbursement.

The SolidarMed executive management team consists of two people. Their remuneration totalled CHF 290'648.

## Number of staff at headquarters and in the project

Annual average number of fulltime positions 2016: 26


Annual average number of fulltime positions 2015: 28

## Methods applied to calculate administrative costs and costs for fundraising

The calculation of the costs for administration and fundraising is carried out in compliance with the "methods for the calculation of administrative costs" of the Zewo foundation.

## Significant events after balance sheet day

There have been no material events between balance sheet day and the approval of the Annual Financial Statement by the board that could impair the integrity of the information presented in the Annual Financial Statement 2016 or which would have to be disclosed here.

A close-up portrait of an elderly woman with a weathered face, wearing a vibrant pink headscarf and a matching pink garment. She is looking directly at the camera with a calm, steady gaze. The background is a dark, neutral color, making her face and the bright pink of her clothing stand out.

“It takes me one hour on foot to reach the next health centre. I can barely manage this with my joints. I am very grateful for the mobile clinic that sometimes visits us in our village.”

'Me Mputsoe\* (82)  
from Ha Sephoko, Lesotho

## SolidarMed

## For Health in Africa.

SolidarMed is the Swiss organisation for health in Africa and improves health care for 1.5 million people in Lesotho, Moçambique, Tanzania, Zambia and Zimbabwe. SolidarMed sustainably strengthens and meaningfully expands existing medical services. SolidarMed is committed to the five most important health concerns of Africa's rural population:

- Protecting mothers, children and newborns
- Combating infectious diseases like malaria, HIV/Aids or tuberculosis
- Improving the quality of hospitals and health centres
- Training and further education of health staff
- Strengthening village communities

The health of mothers, pregnant women, newborns and children is a central concern and receives particular attention in the projects. In cooperation with local partner organisations, hospitals and villages, SolidarMed promotes «help for self-help». In Switzerland and in Liechtenstein, SolidarMed advocates for the health concerns of people in Africa. As a non-profit organisation with the ZEWÖ certificate, SolidarMed works efficiently, conscientiously and transparently.

[solidarmed.ch/en](https://solidarmed.ch/en)





