

Annual Financial Statement

2019

Partnerships for Health



**SOLIDAR
MED**

**SolidarMed improves
health care for 2.5 million
people in Lesotho,
Mozambique, Tanzania,
Zambia and Zimbabwe.**



More resources for projects once again



Elisabeth Meier-Birchmeier
Head of HR & Finance

Just like in the previous year, project expenditures also fortunately increased in 2019, this time by CHF 685,000. This in turn benefited more people in the project regions.

SolidarMed was able to implement its project activities thanks to its earnings of nearly CHF 10.5 million. Revenues from donations and legacies slightly decreased at CHF 174,000; however, proceeds from earmarked donations rose by CHF 565,000 and revenues from the public sector (Liechtenstein Development Service LED and the Swiss Agency for Development and Cooperation SDC) increased by around CHF 145,000.

In the current year, a total of CHF 205,000 in earmarked donations for the following years were transferred and therefore set aside in the funds reserved for projects for subsequent use. SolidarMed withdrew CHF 312,000 for current project activities from organisational

capital in order to offset these movements.

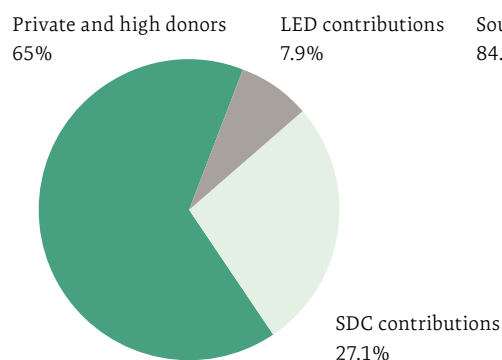
The highly successful stock market year was evident in the financial income of CHF 334,000, thus making it possible to allocate CHF 270,000 to the currency fluctuation fund. There are now CHF 400,000 available to cover any securities losses in a bad stock market year.

Thanks to budgetary discipline, SolidarMed kept fundraising (11.7 percent) and administration (3.9 percent) costs low and was considerably below the threshold values set by the Zewo Foundation. Out of every CHF 100.00, CHF 84.40 (previous year: CHF 83.60) went to the programmes in the South and North. ■

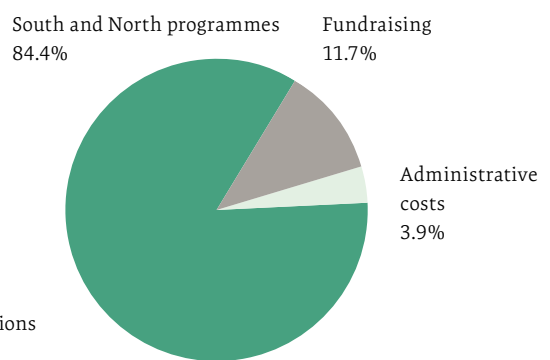
Note: The Annual Financial Statement and the report of the auditors including annexes are available at solidarmed.ch



Source of funds 2019



Use of funds 2019



Report of the Auditors

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 of SolidarMed, Swiss Organisation for Health in Africa, 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 2019. In accordance with Swiss GAAP FER 21, the auditors are not obliged to examine the information presented in the performance report.

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 state-

ment 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 31st of December 2019 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, 30th of March 2020

ACORUS-TREUHAND AG



André Knüsel

Registered audit expert
Lead auditor

	2019		2018	
	CHF	%	CHF	%
Assets				
Current assets				
Cash	4,144,745		4,253,347	
Assets held for trading at quoted market price	3,095,153		3,040,535	
Other short-term receivables	200,308		151,376	
Project advances	109,851		286,887	
Prepaid expenses	18,501		13,632	
	7,568,558	99.8	7,745,777	99.8
Fixed assets				
Plant and equipment	15,101		16,671	
Other investments	1		1	
	15,102	0.2	16,672	0.2
Total Assets	7,583,660	100	7,762,449	100
Liabilities				
Short-term liabilities				
Liabilities from sales and services	239,598		470,122	
Accrued expenses	208,414		311,316	
	448,012	5.9	781,438	10.1
Long-term liabilities				
Provisions	175,642		184,442	
	175,642	2.3	184,442	2.4
Funds reserved for projects				
SDC projects	-30,000		0	
LED projects	785,422		646,075	
SolidarMed projects	891,088		794,843	
	1,646,510	21.7	1,440,918	18.6

Balance Sheet as of 31.12.2019 / Income Statement 1.1. - 31.12.2019

	2019		2018	
	CHF	%	CHF	%
Organisational capital				
Share capital				
Paid-in capital and reserves	881,633		881,633	
Fixed capital				
Currency fluctuation fund	400,000		130,000	
Free capital				
Fund 1 unrestricted funds	2,695,241		2,774,841	
Fund 2 unrestricted funds	1,336,622		1,569,177	
	5,313,496	70.1	5,355,651	69.0
Total liabilities	7'583'660	100	7'762'449	100
Earnings				
Donations, legacies, membership fees	1,973,340	18.8	2,147,186	21.5
Purpose specific income				
SolidarMed projects	4,851,262		4,286,558	
	4,851,262	46.2	4,286,558	43.0
Public sector contributions				
SDC program contribution	2,730,000		2,730,000	
SDC mandates	120,000		1,306	
LED Zambia	823,715		798,039	
	3,673,715	35.0	3,529,345	35.4
Other income	367	0.0	4,343	0.0
Total income	10,498,684	100	9,967,432	100

	2019		2018	
	CHF	%	CHF	%
Expenditures				
South programme				
Personnel expenses project management Switzerland	-802,610		-671,205	
Project visits	-54,832		-64,235	
Share of office costs and depreciation	-37,264		-31,169	
SolidarMed projects	-6,886,779		-6,329,998	
SDC mandates	-150,000		0	
LED Zambia	-600,323		-749,709	
	-8,531,807	80.0	-7,846,316	79.7
North programme				
Personnel expenses	-208,801		-202,067	
Public relations	-241,083		-156,938	
Share of office costs (incl. IT) and depreciation	-26,825		-20,681	
	-476,709	4.4	-379,686	3.9
Fundraising				
Personnel expenses	-485,713		-472,580	
Fundraising	-508,579		-554,844	
Share of office costs (incl. IT) and depreciation	-254,336		-211,234	
	-1,248,628	11.7	-1,238,658	12.6
Administrative expenses				
Personnel expenses	-309,097		-305,196	
Association work	-4,786		-6,046	
Office and administrative expenses	-51,371		-27,741	
Travel and representation expenses	-8,120		-6,284	
Memberships	-6,415		-7,857	
Share of office costs (incl. IT) and depreciation	-32,344		-22,160	
	-412,134	3.9	-375,284	3.8
Total expenses	-10,669,278	100	-9,839,944	100

	2019	2018
	CHF	CHF
Operating result	-170,595	127,488
Financial income		
Income from interest and securities	365,004	49,947
Expenses interest and securities	-30,971	-271,948
	334'033	-222,001
Result before changes to restricted project funds	163,438	-94,513
Statement of changes to restricted project funds	-205,593	15,826
Result (before changes to organisational capital)	-42,155	-78,687
Withdrawal from organisational capital	397,745	367,146
Allocation to paid up and acquired capital	0	0
Allocation to fund 1 unrestricted funds	-85,590	-288,459
Allocation to currency fluctuation fund	-270,000	0
Total allocations / appropriations	42,155	78,687
Results after allocation to organisational capital	0	0

	2019	2018
	CHF	CHF
1. Cash flow from operating activities		
Result (before changes to organisational capital)	-42,155	-78,687
Changes to restricted project funds	205,593	-15,826
Depreciation	24,377	16,642
Increase / decrease provisions	-8,800	-4,200
Increase (-) / decrease securities	-54,618	-1,461,907
Increase (-) / decrease receivables	128,104	-37,808
Increase (-) / decrease prepaid expenses	-4,868	4,741
Increase (-) / decrease short-term accounts payable	-230,524	258,275
Increase (-) / decrease accrued expenses	-102,902	76,774
Cash flow from operating expenses	-85,795	-1,241,997
2. Cash flow from investment activity		
Increase (-) / decrease financial investments	0	0
Increase (-) / decrease tangible assets	-22,807	28
Increase (-) / decrease real estate	0	0
Cash flow from investment activity	-22,807	28
3. Cash flow fom investment activity		
Increase (-) / decrease financial liabilities	0	0
Cash flow fom investment activities	0	0
Cash flow	-108,602	-1,241,969
Control		
Cash balance on 01.01.2019 / 01.01.2018	4,253,347	5,495,316
Cash balance on 31.12.2019 / 31.12.2018	4,144,745	4,253,347
Change in cash and cash equivalents	-108,602	-1,241,969
Difference	0	0

	Operating balance on 01.01.	Allocations	Internal fund transfers	Withdrawals	Total Changes	Closing balance 31.12.
Organisational capital						
Paid-in capital and reserves	881,633	0	0	0	0	881,633
Currency fluctuation fund	130,000	270,000	0	0	270,000	400,000
Fund 1: unrestricted funds	2,774,841	85,590	-165,190	0	-79,600	2,695,241
Fund 2: unrestricted funds	1,569,177	0	-232,555	0	-232,555	1,336,622
Organisational capital 2019	5,355,651	355,590	-397,745	0	-42,155	5,313,496

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	230,000	0	0	-100,000	-100,000	130,000
Fund 1: unrestricted funds	2,544,017	288,459	-57,635	0	230,824	2,774,841
Fund 2: unrestricted funds	1,778,688	0	-209,511	0	-209,511	1,569,177
Organisational capital 2018	5,434,338	288,459	-267,146	-100,000	-78,687	5,355,651

Internal fund transfers serve to prevent a negative balance of unrestricted funds.

Funds reserved for projects

SDC, LED projects

SDC	0	120,000	0	-150,000	-30,000	-30,000
LED	646,075	823,715	0	-684,368	139,347	785,422
	646'075	943,715	0	-854'669	109,347	755,422

SolidarMed projects

Lesotho	75,373	1,376,756	32,087	-1,418,666	-9,822	65,550
Mozambique	304,478	1,558,370	235,732	-2,056,845	-262,744	41,735
Tanzania	70,911	1,437,418	7,345	-1,302,817	141,946	212,857
Zambia	175,381	889,373	6,200	-987,747	-92,175	83,206
Zimbabwe	118,699	1,947,741	113,743	-1,745,081	316,403	435,101
Other countries	50,000	171,605	0	-168,967	2,638	52,638
	794,842	7,381,262	395,107	-7,680,123	96,246	891,088

Total funds reserved for projects 2019

	1,440,917	8,324,977	395,107	-8,514,491	205,593	1,646,510
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Project withdrawals include structural costs in addition to project expenses.

Analysis of changes in capital

	Operating balance	Allocations	Internal fund transfers	Withdrawals	Total changes	Closing balance 31.12.
SDC, LED projects						
SDC	-1,306	1,306	0	0	1,306	0
LED	702,704	798,040	0	-854,669	-56,629	646,075
	701,398	799,346	0	-854,669	-55,323	646,075
SolidarMed projects						
Lesotho	94,647	1,289,515	8,000	-1,316,789	-19,274	75,373
Mozambique	100,996	1,628,399	87,863	-1,512,780	203,482	304,478
Tanzania	116,227	1,319,018	53,734	-1,418,068	-45,316	70,911
Zambia	166,729	1,038,788	-25,022	-1,005,114	8,652	175,381
Zimbabwe	226,746	1,371,686	123,870	-1,603,604	-108,048	118,699
Other countries	50,000	169,152	18,700	-187'852	0	50,000
	755,345	6,816,558	267,146	-7'044'207	39,497	794,842
Total funds reserved for projects 2018	1,456,743	7,615,904	267,146	-7,898,876	-15,826	1'440'917

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	59,400	15,200	0	-24,000	-8,800	50,600
Real estate	3,168	0	0	0	0	3,168
Provisions Zambia projects	2,000	0	0	0	0	2,000
Provisions 2019	184,442	15,200	0	-24,000	-8,800	175,642
Provisions						
Personnel deployed	119'874	0	0	0	0	119,874
Reintegration contributions	63'200	24,600	0	-28,800	-4,200	59,400
Real estate	3'169	0	0	0	0	3,168
Provisions Zambia projects	2'000	0	0	0	0	2,000
Provisions 2018	188,243	24,600	0	-28,800	-4,200	184,442

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 investment and reserve policy regulations were revised in 2018. SolidarMed now invests in a fund with sustainable and ethical investments. The non-realised securities gains can be allocated to the currency fluctuation fund to compensate for future losses. In 2019, an allocation of CHF 270,000 was made.
- 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 depreciation based on useful life.
- Financial investments stated at nominal value.

Other short-term receivables

The other short-term receivables of CHF 200,308 (CHF 151,376 in the previous year) mostly comprise of earmarked donations for the current year which arrived in the following year.

Investments

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

Funds reserved for projects – SDC projects

As per the agreement with the SDC, the remaining payment is scheduled to be made in 2020 after reporting is complete.

Remuneration of the Executive Board and the Executive Management

The board of SolidarMed is active on a voluntary and unpaid basis and contributed a total of 1233 working hours (1345 in the previous year). The President and the Vice President received a small stipend, which they donated in its entirety. The SolidarMed Senior Management team consists of 4 people. Their remuneration totalled CHF 513,643 (CHF 411,630 in the previous year for 3 people).

Number of staff with a Swiss employment contract at headquarters and in the project countries

Annual average number of fulltime positions 2019: 26
Annual average number of fulltime positions 2018: 25

Methods applied to calculate administrative costs and costs for fundraising

For an organisation with long-term activities, fundraising and administration are indispensable tasks. The Zewo foundation recognises that this requires a certain amount of financial expenditure. It assesses whether the share of this

expenditures lies within the prescribed range.

In delimiting the costs for fundraising and administration from the effective programme expenses, SolidarMed follows the new recommendations of the Zewo foundation. Costs are allocated in accordance with the calculation key.

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 2019 or which would have to be disclosed here. ■



SolidarMed improves health care for 2.5 million people in Lesotho, Mozambique, Tanzania, Zambia and Zimbabwe. We strengthen existing medical facilities and train local health personnel. Our projects are developed in close collaboration with local partners such as hospitals, health centres and health authorities, supported by our health experts on site.

SolidarMed

- protects mothers, children and adolescents.
- combats diseases like malaria, tuberculosis or diabetes.
- improves the quality of hospitals and health centres.
- supports the training and further education of health staff.

In Switzerland, SolidarMed creates awareness for the health challenges faced by people in rural Africa. As a Swiss non-profit organisation with the Zewo certificate, SolidarMed's work is efficient, diligent and transparent. SolidarMed continuously monitors the effectiveness of all projects and adapts them accordingly.



Gaoussou Diakité, Gynäkologe

**Wir liefern keine
Medikamente.**

**Sondern medizinisches
Fachwissen.**

Aktuell mit Coachings von Ärztinnen und
Ärzten in Simbabwe. Helfen Sie mit: solidarmed.ch
Zusammenarbeit die wirkt.

**SOLIDAR
MED**