

FONDATION de soutien à
l'ORGANISATION MONDIALE DE LA
SANTÉ (Fondation de soutien à l'OMS)

Geneva

Independent auditor's report
to the Foundation Board

on the financial statements 2022



Independent auditor's report

to the Foundation Board of FONDATION de soutien à l'ORGANISATION MONDIALE DE LA SANTÉ (Fondation de soutien à l'OMS)

Geneva

Opinion

We have audited the financial statements of FONDATION de soutien à l'ORGANISATION MONDIALE DE LA SANTÉ (Fondation de soutien à l'OMS), which comprise the balance sheet as at 31 December 2022, and the statement of operations and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements for the year ended 31 December 2022 comply with Swiss law and the foundation's deed and internal regulations.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the foundation in accordance with the requirements of the Swiss audit profession and the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The financial statements of FONDATION de soutien à l'ORGANISATION MONDIALE DE LA SANTÉ (Fondation de soutien à l'OMS) for the year ended 31 December 2022 were subject to a voluntary audit, whereas the prior year's financial statements were subject to limited statutory examination.

Responsibilities of Management and the Foundation Board for the financial statements

The Foundation's Board is responsible for the preparation of the financial statements in accordance with the requirements of the Foundation's articles of incorporation, and for such internal control as the Foundation Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Foundation Board is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Foundation Board either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

The Foundation Board is responsible for overseeing the foundation's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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As part of an audit in accordance with ISAs and Swiss Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Foundation Board or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

We point out that contrary to the requirements of article 16 of the foundation's deed, the audit report has not been submitted to the Foundation Board within five months after the close of the fiscal year.

PricewaterhouseCoopers SA

Marc Secretan
Audit expert

Adelina Todorova

Geneva, 28 June 2023

Enclosure:

- Financial statements (balance sheet, statement of operations and notes to the financial statements, including a summary of significant accounting policies)

The FOUNDATION in support of the WORLD HEALTH ORGANIZATION
GENEVA

Financial statements

As of 31st December 2022

Balance Sheet as at 31 December, 2022 and 2021

	Note	2022 CHF	2021 CHF
<u>Assets</u>			
Cash		21'707'128.51	9'538'115.56
Prepaid expenses and accrued income	5.a	<u>184'353.14</u>	<u>111'033.16</u>
Total Current Assets		21'891'481.65	9'649'148.72
Financial assets	5.b	52'563.19	0.00
Tangible fixed assets	5.c	35'226.86	0.00
Intangible assets	5.d	<u>47'194.07</u>	<u>101'203.07</u>
Total Non-current Assets		134'984.12	101'203.07
Total Assets		22'026'465.77	9'750'351.79
<u>Liabilities</u>			
Accounts payable		303'257.28	1'034'806.39
Accrued liabilities	6.a	1'318'033.32	539'631.82
Deferred revenue overhead		<u>307'205.92</u>	<u>371'802.65</u>
Total Current Liabilities		1'928'496.52	1'946'240.86
Fund capital - core funds		14'031'979.32	648'936.53
Fund capital - programming funds		<u>5'864'690.52</u>	<u>7'126'715.72</u>
Total Fund Capital		19'896'669.84	7'775'652.25
Initial capital		10'000.00	10'000.00
Free capital		<u>191'299.41</u>	<u>18'458.68</u>
Total Organisation Capital		201'299.41	28'458.68
Total Liabilities		22'026'465.77	9'750'351.79

Statement of Operations for the years ended 31 December, 2022 and 2021

	Note	2022 CHF	2021 CHF
Donations received - restricted programming		14'885'604.02	14'984'051.23
Donations received - restricted core		22'906'111.07	8'173'346.23
Donations received - In-kind		<u>221'887.95</u>	<u>1'939'014.00</u>
Total donations received		38'013'603.04	25'096'411.46
Overhead fees - collected		783'649.58	433'467.74
Other income		<u>15'268.27</u>	<u>0.00</u>
Fees earned		798'917.85	433'467.74
Total Operating Income		38'812'520.89	25'529'879.20
Donations paid - expense		<u>16'152'809.47</u>	<u>7'869'094.51</u>
Total donations		16'152'809.47	7'869'094.51
Salaries and indemnities	7.a	4'108'152.53	1'209'676.10
Administration cost	7.b	4'883'059.31	5'845'550.58
In-kind donations - expense		221'887.95	1'939'014.00
Marketing expenses		1'298'381.48	769'627.64
Depreciation and amortisation		<u>61'693.00</u>	<u>54'008.00</u>
Total expenses		10'573'174.27	9'817'876.32
Total operating expenses		26'725'983.74	17'686'970.83
Operating result		12'086'537.15	7'842'908.37
Financial revenue / (expense)		-39'993.19	-9'185.79
FX income / (loss)		<u>247'314.36</u>	<u>-58'070.33</u>
Total financial income and (expense)	8	207'321.17	-67'256.12
Result before change in fund capital		12'293'858.32	7'775'652.25
Change in Fund capital - core funds		-13'383'042.79	-648'936.53
Change in Fund capital - programming funds		<u>1'262'025.20</u>	<u>-7'126'715.72</u>
Total Change in Fund capital		-12'121'017.59	-7'775'652.25
Annual result (before allocation to the Organisation capital)		172'840.73	0.00
Allocation to free capital		<u>-172'840.73</u>	<u>0.00</u>
Annual result		0.00	0.00

Notes to the financial statements

1) Presentation

The WHO Foundation (the “Foundation”) is an independent grant-making foundation that is unique in the area of global health. Its role is to support the World Health Organization’s (WHO’s) mission both directly and by supporting WHO’s network, to create partnerships and by supporting WHO’s network of partners on the ground. The Foundation brings together donors, global health professionals and the WHO network, to create partnerships that drive innovative actions to address the most pressing health challenges of today and tomorrow. The Foundation was established in Geneva in May 2020. The Foundation is domiciled at Chemin des Mines 2, in Geneva, Switzerland.

As a non-profit and non-political association established within the meaning of Articles 60 and seq. of the Swiss Civil Code, it is financed by voluntary contributions received from foundations, non-governmental organizations, and individual donations. The voluntary contributions may either be for specific purposes (programming funds or core funds).

2) Significant accounting policies

2.a Basis for preparing the financial statements

The Foundation’s financial statements have been prepared in accordance with the provisions of the Swiss Code of Obligations. The financial statements are presented in Swiss Francs (CHF). The reporting period corresponds to the calendar year.

For comparison purposes, 2021 figures were adjusted to match the new financial statements presentation structure.

2.b. Scope of the financial statements

The Foundation’s financial statements include funds raised and transferred to WHO to support its programs across the world, especially in relation to the Covid19 pandemic and since February 2022 the Health Emergency Appeal for Ukraine. In addition, they include funds raised for the provision of Covid-19 vaccines to eligible countries through the COVAX facility, as well as to a lesser extent for other WHO related programs.

2.c. Valuation principles

Receivables are stated at their nominal value, less any value corrections. Debts are stated at their nominal value.

2.d. Foreign currency exchange

During the year, the transactions in foreign currencies are converted to CHF using the daily rate from www.openexchangerates.org. The daily rate applied corresponds to the date of the transaction.

At year-end the balance sheet positions held in foreign currencies are converted to CHF using the exchange rates published by the Swiss Tax Administration.

The exchange rates used on 31st December for the conversion into CHF were:

Currency	<u>December 31, 2022</u>	<u>December 31, 2021</u>
EUR	0.98745	1.0362
GBP	1.112933	1.2341
USD	0.925228	0.9111

2.e. Income and Revenue recognition

Grants

The Foundation receives funds for its activities from different donors, before, during or after the accounting year.

Grants are defined as donations provided to the foundation based on a signed contract, usually for a specific purpose (programming funds or core funds). They may be time bound.

Direct donations

Donations are received from individuals via online platforms, into the Foundation's Stripe or Pay Pal accounts, through fiduciary partners, or through direct donations into the Foundation's bank accounts.

Donations via Fiduciary Partners

Donations via Fiduciary Partners are made to the Foundation from individuals, corporations, and foundations from around the world. The Foundation collaborates with several fiduciary partners worldwide so that these funds can be tax deductible in the country where the donor is based. Formal collaboration agreements are signed with individual fiduciary partners for the receipt of funds on the organization's behalf and the transfer to the Foundation, following the deduction of the fiduciary partner's fee.

The grants, direct donations and donations via Fiduciary Partners received by the Foundation include:

a) Programming funds and overhead fee

These funds are provided for programs implemented by the Foundation's partners, such as WHO or others. In these cases, the Foundation is eligible to retain an agreed percentage of the grant as overhead, as agreed with the grantee in a signed contract.

When funds for Programming are received at the Foundation's bank account, the Foundation accounts for the net income (after overhead fee) as "donations received – restricted programming" and books the corresponding overhead fee as "deferred revenue – overhead" in the balance sheet.

Programming funds which are not yet transferred to grantees at the end of the year are allocated in the statement of operations as "Change in Fund capital - programming funds" and shown as "Fund capital – programming funds" in the balance sheet.

Overhead revenue is recognized as income in the statement of operations once the funds are transferred to the grantees.

In 2022, the Foundation raised CHF 15,669,057 for programming funds:

<u>Campaign / Program</u>	<u>Gross Amount</u>	<u>Net¹ amount</u>
	<u>CHF</u>	<u>CHF</u>
Ukraine Health Emergency	7,514,494	7,138,769
Go Give One	4,872,945	4,629,297
Covid-19 Solidarity Response Fund	1,560,653	1,482,621
Digital Health	965,003	916,753
Covid-19	582,522	553,396
Other	173,440	164,768
Total	15,669,057	14,885,604

b) Core funds

Core funds are used to finance WHO Foundation's own operations and activities. Such funds are booked as "donations received – restricted core" in the statement of operations once they are received and accounted for in the Foundation's bank accounts.

The core funds which have not yet been used at the end of the year are allocated in the statement of operations as "Change in Fund capital - core funds" and shown as "Fund capital – core funds" in the balance sheet.

In 2022, the Foundation raised CHF 22,906,111 for core funds.

In-Kind Donations

In 2022 and 2021, along with financial donations, the Foundation has received in-kind donations throughout the financial year. These include support for communication and marketing costs, advertising space and consulting.

In CHF

<u>Service Provider</u>	<u>Description</u>	<u>2022</u>	<u>2021</u>
META	Advertisement space – Facebook		415,503
WPP	Media partnership – Ogilvy-Blue Sate-WPP-Groupe M		1,315,760
FREUDSPLUS	Media Partnership		27,700
FUNDRAISE UP	Subsidy for Salesforce Integration through Tackle		18,467
VICE	Media Partnership		69,250
AMAZON	Media Partnership		92,334
BCG	Consulting	221,888	
	TOTAL	221,888	1,939,014

¹ Net after deduction of overhead fee

Donations paid to grantees

The donations to grantees are accounted as an expense when the payment is made.

In 2022, the Foundation paid CHF 16,152.809 to grantees.

<u>Campaign / Program</u>	<u>CHF</u>
Go Give One	6,944,923
Ukraine Health Emergency	5,600,008
Covid-19 Solidarity Response Fund	1,901,389
Global Accelerator for Pediatric formulation network (GAP-f)	962,550
Digital Health	475,189
Mental Health	268,750
Total	16,152,809

3. Taxation

The Foundation qualifies for exemption from local and federal income tax and wealth tax, according to Article 9 (f) 1 of the Law on taxation of legal persons ("LIPM"). VAT incurred on expenses is charged to the Profit & Loss statement, VAT incurred on investment is included in the tangible or intangible asset acquisition value.

4. Management of financial risks

4.a. Foreign exchange risk

The Foundation had no active foreign exchange risk hedging policy in 2022 and 2021 and tends to convert currencies as and when they are required. To manage exchange rate risk, the Foundation has tried where possible to align the currency of expenditure to the currency of income and to adjust the level of expenditure in Swiss francs accordingly. In addition, the Foundation has developed multi-currency grant tracking tools to assist with cash flow and budgetary planning and monitoring. Finally, program funds are usually forwarded to grantees, such as WHO, in the same currency as the funds received.

4.b. Banking risk

In Switzerland, the Foundation works with one bank with a good reputation. In addition, the Foundation maintains accounts with Stripe and PayPal to enable the receipt of online donations.

4.c. Liquidity risk

The Foundation's policy is to always ensure a sufficient level of liquidity for its operations. Consequently, funds are kept in liquid form or invested in short-term deposits. In addition, the foundation does regular cash-flow forecasting to provide transparency about its ability to cover its own operations.

5. Assets

5.a. Prepaid expenses and accrued income

In CHF	2022	2021
Prepaid expenses	46,816	46,633
Accrued income	137,537	64,400
Total Prepaid expenses and accrued income	184,353	111,033

5.b. Financial assets

In CHF	2022	2021
Supplier guarantee deposit	37,168	0
Deposit for rent guarantee	15,395	0
Total Financial Assets	52,563	0

These deposits have been paid to the supplier or the landlord. Unless we don't pay the supplier, the supplier's guarantee is fully refundable. Regarding the rent guarantee, unless there is damage to repair in the rented surface when quitting the rented space, this amount is fully refundable.

5.c. Tangible Fixed assets

Starting in year 2022, the IT equipment (computers, screens) is capitalized. The following rule is applied for fixed assets depreciation.

<u>Type of asset</u>	<u>Depreciation duration</u>
IT equipment	3 years

In CHF	<u>IT Equipment</u> <u>2022</u>	<u>IT Equipment</u> <u>2021</u>
Acquisition value		
Status as at January 1	0	0
Additions	42,911	0
Disposals	<u>0</u>	<u>0</u>
Status as at December 31	42,911	0
Depreciation		
Accumulated depreciation as at January 1	0	0
Depreciation	<u>7,684</u>	<u>0</u>
Accumulated depreciation as at December 31	7,684	0
Net book value as at December 31	35,227	0

5.d. Intangible assets

The following rule is applied for intangible assets depreciation.

<u>Type of asset</u>	<u>Depreciation duration</u>
Website	3 years

In CHF	<u>Website</u> <u>2022</u>	<u>Website</u> <u>2021</u>
Acquisition value		
Status as at January 1	161,908	161,908
Additions	0	0
Disposals	0	0
Status as at December 31	161,908	161,908
Depreciation		
Accumulated depreciation as at January 1	60,705	6,697
Depreciation	54,009	54,008
Accumulated depreciation as at December 31	114,714	60,705
Net book value as at December 31	47,194	101,203

6. Liabilities

6.a. Accrued liabilities

In 2021, a provision was made to cover the amount of VAT that the Foundation may have to pay to Swiss Tax entities related to services rendered by external consultants outside Switzerland. The provision was calculated based on 7.7% VAT on the invoices that may be subject to Swiss VAT. In 2022, an additional provision was made for CHF 389,681.

In 2022, we established for the first time a holiday provision.

In CHF	2022	2021
VAT provision	721,190	331,509
Other accrued liabilities	128,992	103,120
Insurances and social charges	232,651	79,193
Holiday provision	172,053	0
Contributions to Pension plan	63,193	25,810
Total accrued liabilities	1,318,033	539,632

7. Expenditures

7.a. Personnel

Personnel expenses include salaries and social charges for all staff. These expenses are allocated to activities related to the Foundation's operations.

The terms and conditions of employment are subject to Swiss labor law and standard Swiss practice.

Personnel expenses

In CHF	2022	2021
Salaries and indemnities	3,342,200	875,829
Social insurances	700,616	209,881
Temporary staff	65,337	123,966
Total personnel expenses	4,108,153	1,209,676

In 2022, the Foundation employed an average full-time equivalent of 26.5 (2021: 6.8).

7.a.1. Pension Plan

The Foundation employees based in Switzerland benefit from a scheme covering retirement savings, disability and death insurance benefits according to the provisions of the Swiss Federal Law on occupational retirement. The occupational benefits are provided by a collective foundation, according to a defined-contribution benefit plan: the employer does not guarantee the benefit amount. The two pension schemes established by the employer (one for executives and another for employees) are funded by both the contributions of the Foundation, and the concerned employees. Both pension schemes cover occupational benefits including retirement savings, disability and death insurance benefits. Risks are insured by the collective foundation.

Contributions due to pension plan

In CHF	2022	2021
Contributions due to Pension plan	63,193	25,810

7.a.2. Remuneration of the members of the Board

The members of the Board carry out their functions on a voluntary basis. In compliance with the Foundation's statutes: "the Foundation Board members shall act on an unpaid basis and be entitled only to the compensation for their effective costs". Possible payments for in-person board meetings may not exceed those paid for attendance to official commissions in Geneva. For activities exceeding the usual scope of a Foundation Board member, the member concerned may receive an appropriate compensation.

7.b. Administration Costs

In CHF	2022	2021
External consultants	3,191,656	3,575,721
Service fees	220,376	984,513
Recruitment fees	15,499	399,016
VAT provision	389,681	331,509
Other administration costs	1,065,847	554,792
Total administration costs	4,883,059	5,845,551

8. Financial income and expenses

In CHF	2022	2021
Gain / (loss) on exchange	247,314	- 58,070
Interest expense	- 14,302	0
Bank charges	- 25.690	- 9,186
Total financial income / (expenses)	207'321	- 67,256

9. Internal Control System and Risk Assessment

To maintain full compliance with applicable Swiss laws and regulations, the Foundation is still in the process of establishing and implementing an Internal Control System that will cover both financial and administrative operations. The implementation will take place in the course of 2023.

The goal is to provide a level of oversight and control that will provide reasonable assurance that critical principles and components of an effective risk management process are defined, setting forth how all-important risks should be identified, assessed, responded to, and controlled.

- The foundation complied with provisions contained in applicable laws and regulations
- The Strategic Directions and the Operational Plan of the Foundation are being followed
- Financial and other transactions are accurately and appropriately documented
- Financial and other transactions are executed according to managerial directives
- Waste, fraud, and abuse is detected in a timely fashion
- Violations of policies and directives are appropriately addressed, including the implementation of sanctions for violations.
- Best practices for operations are identified, evaluated, and, as appropriate, incorporated into operations

10. Post-closing events

No subsequent event to the balance sheet date could have a significant impact on the balance sheet and income statement for the year.

Thomas Zeltner
Chairman of the Board

June 28, 2023

Karen Hitschke
Chief Operating Officer

June 28, 2023