

FOUNDATION in support of the  
WORLD HEALTH  
ORGANIZATION (Foundation in  
support of WHO)  
Geneva

Report of the statutory auditors to the  
Board

on the financial statements 2020

# Report of the statutory auditors

on the limited statutory examination to the Board of

FOUNDATION in support of the WORLD HEALTH ORGANIZATION  
(Foundation in support of WHO)

Geneva

As statutory auditors, we have examined the financial statements of FOUNDATION in support of the WORLD HEALTH ORGANIZATION (Foundation in support of WHO), which comprise the balance sheet, profit and loss account and notes, for the period 5 May 2020 to 31 December 2020.

These financial statements are the responsibility of the Board. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on 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 foundation personnel and analytical procedures as well as detailed tests of foundation documents as considered appropriate in the circumstances. However, the testing of the 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 comply with Swiss law and the foundation's deed and the internal regulations.

PricewaterhouseCoopers SA

Marc Secretan  
Audit expert  
Auditor in charge

Edouard Clergue  
Audit expert

Geneva, 8 June 2021

Enclosure:

- Financial statements (balance sheet, profit and loss account and notes)

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**The FOUNDATION in support of the WORLD HEALTH ORGANIZATION**

**GENEVA**

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**Financial statements**

**as of 31st December 2020**

(1st exercise)

**The FOUNDATION in support of the WORLD HEALTH ORGANIZATION  
GENEVA**

**Balance sheet at 31st December 2020**

	<b>USD</b>	<b>CHF</b>
	<b>2020</b>	<b>2020</b>
<b>ASSETS</b>		
Cash & equivalent	438 805.41	387 879.41
Prepaid expenses & accrued income	58 461.21	51 676.44
<b>Total current assets</b>	<b>497 266.62</b>	<b>439 555.85</b>
Intangible assets	175 589.26	155 211.07
<b>Total fixed assets</b>	<b>175 589.26</b>	<b>155 211.07</b>
<b>Total Assets</b>	<b>672 855.88</b>	<b>594 766.92</b>
<b>LIABILITIES</b>		
Trade creditors	504 884.20	446 289.36
Accrued liabilities	137 941.59	121 932.64
<b>Total current liabilities</b>	<b>642 825.79</b>	<b>568 222.00</b>
Capital	10 353.04	10 000.00
Translation differential		-1 913.77
Retained earnings :		
- result of the period	19 677.05	18 458.68
<b>Total equity</b>	<b>30 030.09</b>	<b>26 544.92</b>
<b>Total liabilities</b>	<b>672 855.88</b>	<b>594 766.92</b>

The FOUNDATION in support of the WORLD HEALTH ORGANIZATION  
GENEVA

**Profit and loss account  
for the period from 5th May 2020 to 31st December 2020**

	<b>USD 2020</b>	<b>CHF 2020</b>
<b>Revenues</b>		
Non earmarked donations	2 019 000.00	1 893 987.34
<b>Total revenues</b>	<b>2 019 000.00</b>	<b>1 893 987.34</b>
<b>Expenses</b>		
Personnal costs	-1 264 603.77	-1 186 301.89
Administrative expenses	-542 793.27	-509 184.54
Marketing & promotion expenses	-68 612.91	-64 364.53
<b>Total operational expenses</b>	<b>-1 876 009.95</b>	<b>-1 759 850.96</b>
<b>Operating result before interests, taxes &amp; depreciations</b>	<b>142 990.05</b>	<b>134 136.38</b>
Depreciations on intangible assets	-7 576.45	-7 107.33
<b>Operating result before interests and taxes</b>	<b>135 413.60</b>	<b>127 029.05</b>
Financial income	7 544.70	7 077.55
Financial expenses	-123 281.25	-115 647.91
<b>Current operating result before taxes</b>	<b>19 677.05</b>	<b>18 458.68</b>
<b>Result of the period</b>	<b>19 677.05</b>	<b>18 458.68</b>

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31.12.2020

## WHO FOUNDATION

### **1. Presentation**

The WHO Foundation (the Foundation) is an independent grant-making foundation that is unique in the area of world health. Its role is to support the World Health Organization's (WHO's) mission both directly and by supporting WHO's network of partners on the ground. The Foundation brings together donors, world 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.

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, individual donations. The voluntary contributions may either be for the general operation of the Foundation or earmarked for specific purposes. In 2020, the average full-time equivalent (FTE) was lower than 10.

### **2. Significant accounting policies**

#### **a. Basis for preparing the consolidated financial statements**

The Foundation financial statements have been prepared in accordance with the provision of the Swiss Code of Obligations. The financial statements are presented in United States dollars (USD) as functional currency and in Swiss francs (CHF) for reporting purposes. The reporting period corresponds to the calendar year.

#### **b. Scope of the consolidated financial statements**

The Foundation's financial statements include the operations undertaken in the world through grantees or with the funds transferred to WHO to support its operations.

#### **c. Valuation principles**

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

#### **d. Foreign exchange**

Monetary assets and liabilities denominated in other currencies are converted to USD at the rate of exchange as at year-end. Revenue and expenses in other currencies are converted in USD at the monthly exchange rate prevailing at the transaction date.

The exchange rates used at 31<sup>st</sup> December 2020 for the conversion into CHF was:

Closing rate: 0.883944

Average rate: 0.93808189

#### **e. Revenue recognition**

##### Grants

Grants and equivalent contributions are recognized when it is probable that the economic benefits associated with the transaction will be transferred to the Foundation and can be reliably estimated. The part of the grant related to the year is recognized as revenues. All existing balances as at Dec 31<sup>st</sup> 2020 have been restated based on the new accounting principles.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31.12.2020 WHO FOUNDATION

The Foundation receives funds for its activities from different donors, before, during or after the accounting year. Use of funds from donor funding contracts signed between donors and the Foundation, is recognized in the year in which the financed expenditure is incurred.

In the case of a contribution related to CORE (not related to a project), these grants are recognized based on the needs of the organization when authorized by the donor.

### Donations and bequests

Donations which are not project specific are considered as unrestricted funds. Unrestricted funds are recognized on an accrual basis.

The revenue from bequests and successions accepted but not realized are considered as contingent assets. They will be recognized as income when they are transferred.

Donations which are project-specific or include a specific restriction are considered as restricted funds. Revenues from private fundraising activities are recognized when they are definitively acquired by the Foundation. They shall be regarded as unrestricted funds, unless otherwise indicated by the donor. Funds not used at the end of the year are shown under "Operating funds or fund capital" in the balance sheet.

### **3. Taxation**

The Foundation qualifies for exemption from local and federal income tax and wealth tax, according to Article 9 (f) 1 of Law on taxation of legal persons ("LIPM").

VAT incurred on expenses is charged to the statement of operations.

### **4. Management of financial risks**

#### a) Foreign exchange risk

The Foundation has no active foreign exchange risk hedging policy in 2020 and tends to convert currencies as and when they are required. In order to manage exchange rate risk, the Foundation has tried where possible to align the currency of expenditure to the currency of income and to reduce the level of expenditure in Swiss francs. In addition, the Foundation has developed multi-currency grant tracking tools to assist with cash flow and budgetary planning and monitoring.

#### b) Banking risk

In Switzerland, the Foundation works with only one bank with a good reputation.

#### c) Liquidity risk

The Foundation's policy is always to ensure sufficient level of liquidity for its operations. Consequently, funds are kept in liquid form or invested in short-term deposits.

### **5. Assets**

#### **5.1 Cash and cash equivalents**

At the end of 2020, the total value of cash held in the Foundation accounts is USD 438'805.41 (CHF 387'879.41).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31.12.2020 WHO FOUNDATION

### **5.2 Current Assets**

Current assets consist primarily of funds advanced to implementing partners for program activities, as well as other amounts owed to the Foundation (such as salary advances). At December 31, 2020 the total value is USD 58'461.21 (CHF 51'676.44).

### **5.4 Intangible assets**

Intangible assets consist of the investment for the website and trademarks. At December 31, 2020 the total value is USD 175'589.26 (CHF 155'211.07).

## **6. Liabilities**

### **6.1 Operating liabilities**

Operating liabilities include amounts owed to third-party suppliers, for which at December 31, 2020 the total value is USD 504'884.20 (CHF 446'289.36).

### **6.2 Accrued liabilities**

Accrued liabilities correspond to provisions for expenses linked to the current financial period, mainly to cover consultants and experts fees outstanding at the year-end for an amount of USD 137'941.59 (CHF 121'932.64) at the end of 2020.

## **7. Expenditures**

### **7.1 Staff**

Staff expenses include salaries and social charges for all staff. These expenses are allocated to projects and institutional activities based on time spent.

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

#### **7.1.1 Pension Plan obligation**

The Foundation employees based in Switzerland benefit from a scheme covering retirement, invalidity pension, and death according to the provision of the Federal Law for 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 Plan is funded by the contributions of the Foundation, and the concerned employees. The plan covers the usual occupational benefits: retirement and invalidity pension, and death benefits. Risks are insured by the collective Foundation.

#### **7.1.2 Remuneration of the members of the management**

The members of the Board carry out their functions on a voluntary basis and do not receive any salary or compensation.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31.12.2020 WHO FOUNDATION

### 7.2 Operating expenditure

The total amount of operating expenses for 2020 accounted for USD 1'876'009.95 (CHF 1'759'950.96) with administrative expenses accounting for USD 542'793.27 (CHF 509'184.54) and communication expenses amounting to USD 68'422.34 (CHF 64'364.53).

### 7.3 Financial (expenses) / income, net

The financial result for 2020 is a loss of USD 115'736.55 (CHF 108'570.36).

### 7.4 Depreciation and tangible and intangible assets

The purchase of tangible and intangible fixed assets not covered by project funding are included as assets and depreciated over time.

The purchase of tangible and intangible fixed assets not covered by project funding were included as assets. Depreciation is calculated using the straight-line method, and spread over the life of the asset.

Type of assets	Amortization duration
Fittings and technical installations	15 years
Office furniture and equipment	10 years
IT equipment and IT developments	3 years
Intangible assets	3 to 5 years

## 8. Internal Control System and Risk Assessment

To maintain full compliance with applicable Swiss laws and regulations, the Foundation is in the process of establishing and implementing an Internal Control System that will cover both financial and administrative operations. The full implementation will take place in the course of 2022.

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 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*

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31.12.2020 WHO FOUNDATION

*Violations of policy 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*

### **9. Post-closing events**

Since 2020, the Foundation is adapting its operations to the coronavirus outbreak and to the various confinement practices applicable to the country of operations. The Foundation has been closely monitoring the situations in each of its operational contexts, adapting as needed to progress its planned activities within the local constraints. The impact is currently difficult to estimate. Nevertheless, there is no material uncertainty nor doubt upon the Foundation's ability to pursue its mission.