

Medair **Invest in Aid** Foundation



Annual Report

2020

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The Medair Invest in Aid Foundation has the objective to support the humanitarian aid activities of the not-for profit NGO Medair by means of fundraising and taking a capital and reserve building approach. From its own assets the foundation then supports Medair financially through regular donations, often yearly. Those donations have the necessary flexibility to respond to some of Medair's priority needs.

Where does the support of the foundation's comes from?

The support started with an initial capital of 50 000 swiss francs given by the association Medair, when the Foundation was created. Then the capital of the Foundation has been built up thanks to private donations from generous and faithful donors. Those donations have been significantly completed by legacies received by the Foundation over the years. These are important financial resources for both the Foundation and Medair.

What support was given to the foundation in 2020?

During the year 2020 the foundation received private donations of an amount of 10 500 swiss francs. This income has come from faithful and generous private donors. In 2020 no legacies have been received.

What has been the yearly support from the Foundation to Medair?

The Foundation has the objective to usually give a yearly support to Medair. The last few years this financial support has been of 50 000 CHF per year. This has been the case in 2017 and 2018.

During the year 2019 a special donation of 150 000 CHF has been given to support Medair at the occasion of the 30 years of the humanitarian aid organisation.

During the year 2020, the board of the Foundation decided not to make a new donation to Medair, partly because of the special and large donation already made in 2019.

Who are the members of the board of the foundation?

The Medair's CEO is by the statutes of the foundation member of the Board. He functions currently as the President. David Sauter, a long serving former Medair staff at the Global Support Office is also member and is the Secretary of the Board.

A number of changes in the Board membership has been implemented in 2020, with one member leaving and two joining. The Finance Director and Executive Office Director of Medair joined the Foundation's board. More details are available on request.

Three Board members have significant financial and assets management experience.

A big thank you goes to Torsten de Santos who was for many years a member of the Board of the Foundation. He left the Board during the year 2020.

Members of the Foundation's Board at 31st of December 2020: David Verboom, President, David Sauter, Secretary, Jacques Demaurex, Jeff Erickson, Jim Jackson and BingMei Hao as member.

David Verboom is the CEO of the humanitarian NGO Medair. Jacques Demaurex is also member of the Board of the association Medair. David Sauter has been staff of Medair, during nearly 26 years, until his retirement at the end of June 2020.

Main financial results for the year 2020

The full audited financial statements for the year 2020, with notes, is available on request by e-mail to david.sauter@medair.org or can be downloaded from the Medair website at <https://www.medair.org/annual-reports/> .

Operating income

The total amount of operating income has been of 10 500 CHF, received from unrestricted private donations.

Operating expense

The management and administrative expenses have totalled 4 122 CHF, mainly composed of the costs of the yearly audit review and the issuing of the financial statements, notes and the report of the auditors. The Foundation is subject to a limited scope audit due to its current size. The accounts are reviewed according to the Swiss GAAP FER accounting standards.

The Foundation has decided not to make a new donation to Medair in 2020, as explained above.

Financial gains and losses

The amount of realised financial gains has been of 2 425 CHF. The amount of unrealized financial gains has been of 28 572 CHF, due to an increase in the values of the current financial investments held at the end of the year 2020. The financial costs have been of 1 740 CHF and the interest charges due to Medair are calculated at 3 538 CHF. Thus the net financial result is of 25 515 CHF at the end of the year 2020.

Final financial results

The operating result has been positive at 6 378 CHF. The result before change in restricted funds is also positive at 31 893 CHF. These are encouraging results.

The total assets of the Foundation as at 31 December 2020 amount to 1 809 154 CHF.

Financial Investments

The financial investments of the foundation are led and monitored by the investment Committee composed of three Board members.

At the end of 2020 an amount of 634 441 CHF was invested, that is 68.5% of the total Foundation's own assets. This means that 31.5% of the Foundation's assets were held in cash.

Those financial investments were made, in proportion of the total own assets of the Foundation, of 10.8% in bonds funds, 19.3% in real estate funds and 38.4% in equity funds. This represents a balanced investment portfolio in line with the investment strategy of the Foundation during the year 2020.

The year 2020 yielded a positive result with 4.7% gains on the value of the total of the financial investments, that is a net total financial result of 25 515 CHF, once the financial costs, fees, interest charges and exchange rates gains/losses have been deducted.

The financial investment Committee, composed of three Board members, takes the lead to monitor the financial investments of the Foundation, with a mid to long term approach.

Partner's banks

The Foundation has the BCV (Vaud Cantonal Bank) as retail bank partner, where cash donations are received, and the operating expenses of the Foundation are managed.

The private Bank Bonhôte, with its main base in Neuchâtel, is the partner bank for all the financial investments of the Foundation.

Future developments of the Foundation

A new stream of resources, to build up the financial assets of the foundation, is planned to be the NGO Medair itself. Medair has the vision and the needs to build up financial reserves over the years in order to gain the necessary independence and flexibility in its humanitarian aid operations. And the Foundation will be one of the means to achieve this goal. Medair is planning, from 2020 onwards, to set aside parts of its reserve at the care of the Medair Invest in Aid Foundation.

Of course, it is hoped that more friends and partners will join Medair and support the Medair Invest in Aid Foundation so that the humanitarian aid provided worldwide by Medair is even better supported with flexible funding and an amount of reserve that strengthen the financial stability and independence of Medair.

A first step of this reserve building strategy has been implemented in November 2020. Medair has transferred a loan of 1 000 000 USD to the Foundation, with an agreed interest rate of 3% per annum, for this first loan. This way of proceeding allows Medair to remain the only full owner of those funds. Those interest rates are first due after three years, that is in 2023.

A big thank you to the donors, friends and supporters of the Medair Invest in Aid Foundation, that enabled the Foundation to pursue its goals and continue to faithfully support Medair and its mission, vision and strategy.

How to support the Medair Invest in Aid Foundation?

For cash donation please use the following account: BCV Bank-IBAN CH08 0076 7000 E524 6564 1. For cash donations in other currencies than swiss francs, or for the donations of securities or donations in kind, or donations through a Will, please contact David Sauter to receive the necessary information and details.

The Foundations is tax exempt on all donations and legacies, being in cash, securities or material support (in-kind), like real estate, art works etc. All donations, of any kind, are tax deductible.

The Foundation is ZEW certified, since more than 10 years, and has undergone a recertification process completed in 2020. The Foundation is ZEW certified as a sub-organisation of Medair.

For any questions please contact the secretary of the board of the foundation – David Sauter at david.sauter@medair.org. The detailed and audited financial report is also available on request at this e-mail address. It is also available on the Medair's website.

Medair Invest in Aid Foundation – Chemin du Croset 9 – 1024 Ecublens – Switzerland

To learn more about the activities of Medair please visit www.medair.org