

MEDAIR

Consolidated Financial Statements 2023

Kenya © Medair/Stefan Kewitz

Medair Leadership

The International Board of Trustees is elected from the membership of the Medair Association. There must be a minimum of five Board members, who serve three-year terms. The Chief Executive Officer (CEO) is appointed by and responsible to the Board for the management and operation of the organisation. The Executive Leadership Team assists the CEO in this responsibility. International Board of Trustees and Executive Leadership Team members as of 31 December 2023 are presented below.

INTERNATIONAL BOARD OF TRUSTEES

(as of 31 December 2023)

James Featherby, Chair

Jean-Claude Gottraux, Treasurer

Rachel Forster, Member

Anne Headon, Member

Benoit Mandosse, Member

Thabani Maphosa, Member

David Masua, Member

Chidi Okpala, Member

Peter Wilson, Member

EXECUTIVE LEADERSHIP TEAM

(as of 31 December 2023)

Anne Reitsema, CEO

Adeola Akintoye, Finance Director

Fraser Bell, Executive Office Director

Heidi Cockram, ITS & LOGs Director

Gareth Hughes, International Programmes Director

René Meldem, Human Resource Director

Jean-Bernard Palthey, Engagement Director



ANNE REITSEMA

Chief Executive Officer

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To the General Meeting of
Medair, Ecublens

Lausanne, 10 June 2024

Report of the statutory auditor

Report on the audit of the consolidated financial statements



Opinion

We have audited the consolidated financial statements of Medair and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of income, the consolidated statement of cash flows and the consolidated statement of changes in capital and funds for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. According to the Swiss GAAP FER 21, the Performance report is not subject to audit by the statutory auditor.

In our opinion, the accompanying consolidated financial statements (page 5 to 28 of the Consolidated Financial Statements 2023 appendix of the Annual Report 2023) give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.



Basis for opinion

We conducted our audit in accordance with Swiss law 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 consolidated financial statements” section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, 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 information

The Executive Committee is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor’s reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.



Executive Committee' responsibilities for the consolidated financial statements

The Executive Committee is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law, and for such internal control as the Executive Committee determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Executive Committee is responsible for assessing the Group'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 Executive Committee either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.



Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 Swiss law and SA-CH 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 consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

Report on other legal and regulatory requirements



In accordance with Art. 69b CC in conjunction with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Executive Committee.

We recommend that the consolidated financial statements submitted to you be approved.

Ernst & Young Ltd



Anne-Céline Bosviel
Licensed audit expert
(Auditor in charge)



Denada Cenko



Audited Consolidated Financial Statements as at 31st December 2023

(All figures shown are in USD)

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2023

(All figures shown are in USD)

	Note	<u>31 December 2023</u>	<u>31 December 2022</u>
		USD	USD
ASSETS			
CURRENT ASSETS			
Cash and bank accounts	6	14,095,243	10,386,500
Donor receivables	7	17,828,583	15,141,717
Other receivables	7	380,390	373,401
Inventory		57,665	72,409
Prepayments	8	<u>2,506,928</u>	<u>1,617,079</u>
		34,868,809	27,591,106
LONG-TERM ASSETS			
Financial assets	9	343,545	2,794,502
Fixed assets	10	<u>1,454,071</u>	<u>731,609</u>
		1,797,616	3,526,111
TOTAL ASSETS		<u><u>36,666,425</u></u>	<u><u>31,117,217</u></u>
LIABILITIES, FUNDS, AND CAPITAL			
CURRENT LIABILITIES			
Accounts payable	11	1,968,307	2,000,141
Donor payables		132,780	36,304
Short-term debt	12	1,273,890	617,609
Accrued liabilities	13	4,672,081	1,675,257
Deferred revenue	14	7,732,332	7,181,985
Provisions	15	1,471,850	3,686,051
End-of-contract benefits	16	<u>220,778</u>	<u>384,471</u>
		17,472,018	15,581,818
LONG-TERM LIABILITIES			
End-of-contract benefits	16	<u>979,102</u>	<u>539,737</u>
		979,102	539,737
TOTAL LIABILITIES		<u><u>18,451,120</u></u>	<u><u>16,121,555</u></u>
RESTRICTED FUNDS			
	2.18		
Restricted income funds		506,768	888,122
Restricted programme funds		<u>3,383,551</u>	<u>1,448,075</u>
		3,890,319	2,336,197
CAPITAL OF THE ORGANIZATION/UNRESTRICTED CAPITAL			
	2.19		
Unrestricted free capital		700,000	
Capital of the organization		<u>13,624,986</u>	<u>12,659,465</u>
Administrative fund		2,121,921	2,011,797
Capital equipment fund		500,000	500,000
Foreign exchange fund		1,248,650	500,000
Liquidity reserves fund		2,375,087	2,375,087
Continuity reserves fund		7,334,205	7,227,458
Training fund		45,123	45,123
		14,324,986	12,659,465
TOTAL FUNDS AND CAPITAL		<u><u>18,215,305</u></u>	<u><u>14,995,662</u></u>
TOTAL LIABILITIES, FUNDS AND CAPITAL		<u><u>36,666,425</u></u>	<u><u>31,117,217</u></u>

INCOME STATEMENT

31ST DECEMBER 2023

(All figures shown are in USD)

	Note	31 December 2023	31 December 2022
		Total	Total
OPERATING INCOME			
Grants (Restricted)		88,936,997	78,796,513
<i>Institutional Grants</i>		67,260,560	59,080,686
<i>Other Grants</i>		21,676,437	19,715,827
Private Donations		18,443,268	20,171,253
<i>Unrestricted</i>		7,101,289	10,031,482
<i>Restricted</i>		11,341,979	10,139,771
Gifts-in-kind	19	5,854,504	6,057,164
Other income	20	190,070	261,734
<i>Unrestricted</i>		178,432	190,874
<i>Restricted</i>		11,638	70,860
	18	113,424,839	105,286,664
OPERATING EXPENSE			
Humanitarian expense	21	-100,548,276	-91,242,937
Administrative expense	22	-10,475,858	-7,825,831
	23	-111,024,134	-99,068,768
OPERATING RESULT		2,400,705	6,217,896
FINANCIAL RESULT			
Financial income		99,723	88,163
Financial expense		-29,435	-46,417
Realised gain/(loss) on exchange		563,091	-2,013,684
Unrealised gain/(loss) on exchange		185,559	-34,875
		818,938	-2,006,813
RESULT BEFORE CHANGE IN FUNDS		3,219,643	4,211,083
FUND ALLOCATIONS			
Withdrawal from/(allocated to) restricted funds		-1,554,122	-803,907
ANNUAL RESULT BEFORE ALLOCATION TO CAPITAL		1,665,521	3,407,176
Allocated to/(withdrawal from) unrestricted funds		-1,665,521	-3,407,176
RESULT AFTER ALLOCATION		-	-

CASH FLOW STATEMENT

31ST DECEMBER 2023

(All figures shown are in USD)

		<u>2023</u>	<u>2022</u>
CASH FLOW FROM OPERATIONS			
Result before change in funds		3,219,643	4,211,083
Depreciation	2.10	304,112	181,362
(Increase)/decrease in donor receivables	2.4	-2,686,866	-3,691,157
(Increase)/decrease in other receivables	2.5	-6,989	57,248
(Increase)/decrease in inventory	2.6	14,744	-9,513
(Increase)/decrease in prepayments	2.7	-889,849	-108,942
Increase/(decrease) in deferred revenue	2.14	550,347	591,733
Increase/(decrease) in donor payables	2.11	96,476	29,352
Increase/(decrease) in accounts payable	2.10	-31,834	417,532
Increase/(decrease) in accrued liabilities	2.13	2,996,824	-561,404
Increase/(decrease) in end-of-contract benefits	2.17	275,672	320,572
Increase/(decrease) in provisions	2.15	-2,214,201	-40,716
		<u>1,628,079</u>	<u>1,397,150</u>
CASH FLOW FROM INVESTING ACTIVITIES			
(Investments)/disposals in financial assets		2,450,957	-125,689
Investments in fixed assets		-1,046,960	-503,701
Net disposals in fixed assets		20,386	9,077
		<u>1,424,383</u>	<u>-620,313</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Inflows/(outflows) in short-term debt		656,281	-533,669
		<u>656,281</u>	<u>-533,669</u>
	CHANGES IN CASH	3,708,743	243,168
CHANGE IN CASH BALANCES			
Opening balance		10,386,500	10,143,332
Closing balance		14,095,243	10,386,500
	CHANGES IN CASH	<u>3,708,743</u>	<u>243,168</u>

STATEMENT OF CHANGES IN CAPITAL AND FUNDS 2023

(All figures shown are in USD)

	Note	Opening balance	Allocation to / Income	Financial gain/(loss)	Internal Fund transfers	Withdrawal from / Expense	Closing balance
RESTRICTED FUNDS	2.18						
Restricted income funds							
COVID19 response fund		750	-			-750	-
Earthquake response fund		-	461,813		-460,594	-1,219	-
East Africa famine		-	2,326		-2,326	-	-
Emergency response fund		515,321	1,061,164		-1,037,737	-31,980	506,768
Innovation in Aid Fund		-	27,340		-27,340	-	-
Health & nutrition fund		372,051	8,192		-308,165	-72,078	-
WASH fund		-	6,235		-6,235	-	-
Women & Children Fund		-	26,746		-26,746	-	-
TOTAL INCOME FUNDS		888,122	1,593,816	-	-1,869,143	-106,027	506,768
Restricted programme funds							
Afghanistan		1,633	11,803,883			-11,805,514	2
D.R. Congo		-	14,562,317		222,509	-14,784,322	504
Kenya		204,094	858,781			-438,076	624,799
Madagascar		-	1,924,825		453,559 d)	-2,372,625	5,759
Jordan		-	8,124,084			-8,124,084	-
Lebanon		248	7,474,114		27,340	-7,501,513	189
Syria		1	7,492,933		250,000 c)	-6,777,436	965,498
Yemen		1,000	7,695,034	-5		-7,696,029	-
Somalia		55	8,056,846		43,472	-8,100,335	38
South Sudan		1,500	16,009,352	-3,300	661,669 e)	-16,668,304	917
Sudan		-	2,956,309	-2,139		-2,533,805	420,365
Turkey		-	1,491,340		210,594 c)	-1,515,275	186,659
Ukraine		1,239,544	16,101,484	1,163		-16,165,843	1,176,348
Closed/dormant country programmes		-	-	-	-	2,473	2,473 b)
TOTAL PROGRAMME FUNDS		1,448,075	104,551,302	-4,281	1,869,143	-104,480,688	3,383,551
TOTAL RESTRICTED FUNDS		2,336,197	106,145,118	-4,281	-	-104,586,715	3,890,319
CAPITAL/UNRESTRICTED FUNDS	2.19						
Unrestricted capital							
Unrestricted free capital		-	7,101,289		-3,636,144	-2,765,145	700,000 f)
Capital of the organization							
Administrative fund		2,011,797	178,432	74,569	3,529,397 a)	-3,672,274	2,121,921
Capital equipment fund		500,000	-			-	500,000
Foreign exchange fund		500,000	-	748,650		-	1,248,650
Liquidity reserves fund		2,375,087	-			-	2,375,087
Continuity reserves fund		7,227,458	-		106,747	-	7,334,205
Training fund		45,123	-			-	45,123
Total capital of the organization		12,659,465	178,432	823,219	3,636,144	-3,672,274	13,624,986
TOTAL UNRESTRICTED FREE CAPITAL & CAPITAL OF THE ORGANIZATION		12,659,465	7,279,721	823,219	-	-6,437,419	14,324,986
TOTAL CHANGES IN FUNDS AND CAPITAL		14,995,662	113,424,839	818,938	-	-111,024,134	18,215,305

Note

- This is a net number after the country programmes contribution in support of administrative costs.
- This balance carried forward for 2024 is to cover the costs relating to Philippines where Medair kept registration (resident agent & local accounting firm yearly fees).
- On Turkey: activities are relating to earthquake crisis response. On Syria, the activities include the response to the earthquake crisis. The fund transfers for both countries come from the Earthquake response fund.
- On Madagascar: the fund transfer comes from the Emergency response fund, to cover funding needs for emergency responses implemented in the country.
- On South Sudan: the fund transfer comes from the Emergency response fund, to cover funding needs for emergency responses implemented in the country.
- The 700'000 USD carried forward on Free capital is to cover in 2024 the following: 400'000 USD for country programmes funding gaps and 300'000 USD for an exceptional budget relating to Medair next five years strategy.

STATEMENT OF CHANGES IN CAPITAL AND FUNDS 2022

(All figures shown are in USD)

	Note	Opening balance	Allocation to / Income	Financial gain/(loss)	Internal Fund transfers	Withdrawal from / Expense	Closing balance
RESTRICTED FUNDS	2.18						
Restricted income funds							
COVID19 response fund		-	5,000		-4,250	-	750
Disaster risk management fund		-	-			-	-
Emergency response fund		867,023	755,150		-1,101,612 b)	-5,240	515,321
East Africa famine		1,474	2,620		-4,094	-	-
Innovation in Aid Fund		-	-			-	-
Health & nutrition fund		77,148	717,310		-422,343	-64	372,051
Refugee Aid Fund		195	-		-195	-	-
Rohingya crisis fund		-	161		-161	-	-
Shelter & infrastructure fund		-	-			-	-
WASH fund		12,553	6,501		-19,054	-	-
Women & Children Fund		10,544	7,080		-17,624	-	-
		968,937	1,493,822		-1,569,333	-5,304	888,122
Restricted programme funds							
Afghanistan		386,108	8,631,351		62,307	-9,078,133	1,633
Bangladesh		-	542,916	7,990	8,068	-558,974	-
D.R. Congo		-	11,677,999		361,678	-12,039,677	-
Ethiopia		-	161,682		33,309	-194,991	-
Kenya		-	19,854		221,021	-36,781	204,094
Madagascar		-	4,647,677		43,865	-4,691,542	-
Middle East Regional Programme		177,245	28,569,320	1,397	21,874	-28,768,587	1,249
Somalia		-	6,780,498		71,693	-6,852,136	55
South Sudan		-	16,907,303		497,367	-17,403,170	1,500
Sudan		-	3,056,582		244,853	-3,301,435	-
Shared Support Center		-	5			-5	-
Ukraine		-	12,575,299	618		-11,336,373	1,239,544
Closed country programmes		-	-	22,566	3,298 b)	-25,864	-
		563,353	93,570,486	32,571	1,569,333	-94,287,668	1,448,075
TOTAL RESTRICTED FUNDS		1,532,290	95,064,308	32,571	-	-94,292,972	2,336,197
CAPITAL/UNRESTRICTED FUNDS	2.19						
Unrestricted capital							
Unrestricted free capital		-	10,031,482		-5,898,048	-4,133,434	-
Capital of the organization							
Administrative fund		1,320,000	190,874	40,818	1,032,700 a)	-572,595	2,011,797
Capital equipment fund		418,347	-	-31,643	183,063	-69,767	500,000
Foreign exchange fund		500,000	-	-2,048,559	2,048,559	-	500,000
Liquidity reserves fund		2,375,087	-		-	-	2,375,087
Continuity reserves fund		4,593,732	-		2,633,726	-	7,227,458
Training fund		45,123	-			-	45,123
Total capital of the organization		9,252,289	190,874	-2,039,384	5,898,048	-642,362	12,659,465
TOTAL UNRESTRICTED FREE CAPITAL & CAPITAL OF THE ORGANIZATION		9,252,289	10,222,356	-2,039,384	-	-4,775,796	12,659,465
TOTAL CHANGES IN FUNDS AND CAPITAL		10,784,579	105,286,664	-2,006,813	-	-99,068,768	14,995,662

Note

- a) This is a net number after the country programmes's contribution to overheads administrative costs.
b) Some final adjustments on closed country programmes booked in 2022 have been covered by our Emergency Response Fund.

MEDAIR, ECUBLENS, SWITZERLAND— NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 2023

Presentation

Medair helps people who are suffering in remote and devastated communities around the world survive crises, recover with dignity, and develop the skills they need to build a better future.

Medair was founded in 1989 and is established as an association under article 60 et seq. of the Swiss Civil Code. Medair is independent of any political, economic, social, or religious authority.

The Medair headquarters is located in Ecublens (Canton de Vaud), Switzerland.

Medair
Chemin du Croset 9
1024 Ecublens
Switzerland

These consolidated financial statements for the year which ended on 31st December 2023 were authorised for public release in accordance with a resolution of the Board of Trustees on 07th June 2024.

1. Basis and scope of consolidation

Consolidated financial statements are the financial statements of a group of entities in which assets, liabilities, funds and capital, income, expenses and cash flows of the parent and its subsidiaries are presented as those of a single economic entity.

The consolidated financial statements have been prepared in accordance with the Swiss generally accepted accounting principles Swiss GAAP FER (including Swiss GAAP FER 21 and Swiss GAAP FER 30). These financial statements present a true and fair view of Medair's financial position and income statement.

Scope of consolidation

The scope of consolidation is determined based on Medair assessment of the level of control and subordination between Medair and the other entities that are part of the Medair group of organizations.

These financial statements incorporate the income and expenses for all Medair humanitarian programmes worldwide. While some of programmes may be in countries where there is a legally registered Medair office (this applies for Medair East Africa and Medair Poland), operational control including the power to govern the operating and financial policies of the programmes is maintained through the international headquarters in Switzerland.

The Medair affiliate offices and the foundations listed below are part of the Medair group of organisations which corresponds to the scope of consolidation.

Each affiliate office is a separate legal entity with its own Board. The affiliates agree to support the work of Medair worldwide through *covenant of partnership* and *trademark* agreements with Medair.

Medair South Korea
557, Nonhyeon-ro, Gangnam-gu
Seoul, Republic of Korea
(Association)

Medair US
Wheaton, Illinois
United States of America
(Not-for-profit organisation)

Medair South Korea is a new affiliate office founded in 2023.

MEDAIR, ECUBLENS, SWITZERLAND— NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 2023

Two independent Swiss foundations support the work of Medair. Medair Invest in Aid (MIAF) promotes long-term financial development and endowment income for Medair. Medair Staff Assistance Foundation (MSAF) assists expatriate staff with medical expenses, health insurance, and repatriation on behalf of Medair.

Medair Invest in Aid
Ecublens
Switzerland
(Zewo certified)

Medair Staff Assistance Foundation
Ecublens
Switzerland

Swiss GAAP FER 30 stipulates that insignificant subsidiaries can be excluded from the full consolidation if their total sum is also insignificant: this principle has been applied and the following entities have been excluded from the full consolidation in 2023 (same applied in 2022): Medair South Korea, Medair Invest In Aid and Medair Staff Assistance Foundation.

Change of scope of consolidation

Following Medair assessment, Medair e.V. Deutschland, Medair France, Medair UK and Stichting Medair Nederland are not included in the scope of consolidation in 2023 because neither controlled nor subordinated to Medair.

Medair e.V. Deutschland
Cologne
Germany
(Registered Association)

Medair UK
London
United Kingdom
(Registered Charity – England and Wales)

Medair France
Chabeuil
France
(Association)

Stichting Medair Nederland
Amersfoort
The Netherlands
(Foundation)

2. Significant accounting policies

2.1. Basis for preparing the financial statements

The preparation of the consolidated financial statements requires the Executive Leadership Team to make judgements, best estimates, and assumptions that may affect the reported amounts of assets, liabilities, revenue, expenses, and disclosures at the reporting date.

These consolidated financial statements have been prepared using the historical cost convention. The accrual method of accounting has been used for all revenue and expenses incurred in Switzerland. Medair country programmes apply cash basis accounting method (the effects of transactions are recognised when cash is paid) and use accrual accounting method for certain type of transactions (for example: prepayments, year-end closing cut-off entries).

Unless otherwise stated, all amounts in these consolidated financial statements are rounded to the nearest thousand. As a result, there may be rounding differences between the amounts reported in the various notes.

Some adjustments in the presentation of the 2022 figures have been performed to be in line with the 2023 presentation.

Revenues are recorded as restricted or unrestricted, depending on donor designation. All expenses are considered unrestricted. The net result of current year activities is allocated to fund balances at the close of the fiscal year as per Swiss GAAP FER 21 requirements.

MEDAIR, ECUBLENS, SWITZERLAND— NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 2023

2.2. Foreign currency conversion

The consolidated financial statements are presented in USD which is Medair's reporting and functional currency.

Transactions happening in foreign currencies are recorded at the rate in force on the last day of the month preceding the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies (cash, bank deposits, donor receivable, other receivable, deferred revenue, accounts payable, donor payable, short-term debt) are revalued into USD at the exchange rate as at year-end (i.e.: 31st December 2023). Exchange rate differences arising from revaluation of cash and bank are recognised as realised gains/losses in the Income Statement. Exchange rate differences arising from revaluation of other monetary assets and liabilities are recognised as unrealised gains/losses in the Income Statement.

2.3. Cash and cash equivalents

Cash and cash equivalents include the balances of all bank accounts, petty cash and short-term bank deposits held in Switzerland and in country programmes. Cash and bank balances denominated in foreign currencies are valued at the exchange rates prevailing at year end.

2.4. Donor receivables

Donor receivables are revalued to closing exchange rates 31.12.2023 and are net of adjustments to reflect any risk of non-collection. The risk of non-collection is performed on a case-by-case analysis.

Donor receivables correspond to funds owed to Medair by third parties according to a signed contract between Medair and the donor. They result from the difference between cash received and revenue recognised against those grants (refer to section 2.20 for Medair grant income accounting policy). The difference between cash received and the income recognised is accounted for, in the balance sheet, as donor receivables if cash received is lower than income recognised: it represents at 31.12.2023 the cash owed to Medair by the donor for the expenses incurred by Medair for the contract.

2.5. Other receivables

Other receivables are revalued to closing exchange rates 31.12.2023 and, if required, are net of adjustments to reflect any risk of non-collection.

2.6. Inventory

Inventory consists of materials and supplies located in Switzerland and used in country programmes. Stock is recorded to inventory when purchased and items are expensed to the projects at the time they are shipped to the project countries. The value of the stocks is calculated based on actual costs according to the first-in-first-out principle. Inventory items are used exclusively for country programmes and are not for commercial resale.

The costs are comparable with the market and, if required, net of adjustments to reflect any risk of obsolete or damaged items.

Inventories held in the country programmes are, for operational reasons, directly recorded in the income statement and charged to the projects.

2.7. Prepayments

Prepaid expenses consist of advance rent payments in country programmes, advance flight payments, advance payments to implementing partners, advance payments to third-party service providers for cash distribution programming, other miscellaneous advance payments (licences costs etc.) and cash advances to Medair staff.

MEDAIR, ECUBLENS, SWITZERLAND— NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 2023

2.8. Financial assets

Financial assets comprise blocked bank deposit accounts, deposits in Medair Foundations (Medair Invest in Aid) and Medair South Korea affiliate. They are stated at cost less any provisions for permanent impairment, if necessary.

2.9. Fixed assets

Fixed assets are Medair capital assets in use at the headquarters in Switzerland or in the performance of its humanitarian activities. All capital assets at country programmes locations are considered restricted. These assets are carried at cost less accumulated depreciation and any impairment losses.

Depreciation is calculated on a straight-line basis over the expected useful lives of the related assets using the following periods:

IT & communication equipment	3 years
Other equipment (including Power equipment and Facility and fixtures)	3 years
HQ leasehold improvements	5 years
Vehicles	3 years

2.10. Accounts payable

Accounts payable consist of vendor payables, staff payables, social insurance expenses, and other payables. Accounts payable are recognised and carried at the original invoiced amount.

2.11. Donor payables

Donor payables correspond to funds that Medair must refund to the donor. They mainly result from closed grants for which Medair did not fully spend the cash received from the donor, because of insecurity in the country or change of scope of the project during the course of the project implementation.

2.12. Short-term debt

Short term debt comprises credit facilities. It is stated at cost less any provisions for permanent impairment, if necessary.

2.13. Accrued liabilities

Accrued liabilities consist of liabilities that are due but not yet billed at the closing date and that arise due to goods and services already received. This amount also includes vacation accruals for Swiss and expatriate staff. Accrued liabilities are recognised and carried at the anticipated amount to be invoiced.

2.14. Deferred revenue

Deferred revenue corresponds to funds advanced to Medair by third parties according to a signed contract between Medair and the donor. They result from the difference between cash received and revenue recognised against those grants (refer to section 2.20 for Medair grant income accounting policy). The difference between cash received and the income recognised is accounted for, in the statement of financial position, as deferred revenue if cash received is higher than income recognised: it represents the portion of restricted funding received in cash for grants that will be used in future years.

MEDAIR, ECUBLENS, SWITZERLAND— NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 2023

2.15. Provisions

Provisions comprise liabilities of uncertain timing or amount that arise from risks or litigations. Provisions are recognized when a legal or constructive obligation stemming from a past event exists and when the future cash outflows can be reliably estimated. Obligations arising from litigation reflect Medair's best estimate of the outcome based on the facts known at the balance sheet date.

2.16. Pension plan obligations

Medair's employees in Switzerland are insured against the economic consequences of old age, invalidity, and death, according to the provision of the Federal Law on Occupational Benefit Plans (LPP), by Patrimonia Foundation. According to the defined contribution plan covered by the collective foundation, the employees and the employer pay defined contributions. With this plan, while contributions are defined, final distributions or net returns are not defined and are not guaranteed. Risks are supported by the collective foundation.

2.17. End-of-contract benefits

These short-term and long-term liabilities consist of end-of-contract benefits for employees on national contracts in several of Medair country programmes. These benefits are mandated by local labour regulations in these countries. They are recognised when Medair has a present obligation and are classified as long-term and short-term liabilities.

2.18. Restricted funds

Restricted funds consist of restricted income funds and restricted programme funds. They are used according to the designation of the donor. In the unlikely event that the International Board of Trustees needs to redirect the funds or change the purpose of a restricted fund, the prior approval of affected donors is sought.

Restricted income funds

Restricted income funds are solicited from private donors for a specific cause. They augment programme funds in certain humanitarian operations. They may also be used for organisational capacity-building, such as training courses and materials, staff workshops, etc. Allocation of these funds to specific programmes is decided by the Executive Leadership Team where the activities of the programme are within the scope of funders' restrictions.

Covid19 response fund	Restricted to COVID-19 programmes.
Earthquake response fund	Restricted to earthquake response in Turkey and Syria.
East Africa famine fund	Restricted to programmes affected by the East Africa famine.
Emergency response fund	Facilitates immediate intervention in the event of a new or developing humanitarian emergency.
Innovation in aid fund	Restricted to innovation in humanitarian activities to enhance efficiency of our operations in country programmes.
Health & nutrition fund	Restricted to programmes with medical, nutrition, or health promotion activities.
WASH fund	Restricted to programmes related directly to water, sanitation, and hygiene (WASH) activities.
Women & children fund	Restricted to programmes for women and children.

MEDAIR, ECUBLENS, SWITZERLAND— NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 2023

Restricted programme funds

Programme funds are the current liabilities for unfinished humanitarian programmes at year end. They consist of unspent local grants and private donations given in support of a specific humanitarian operation. A restricted programme fund is maintained for each country in which Medair operates.

2.19. Capital/Unrestricted funds

These funds are the general reserves of Medair. They consist of unrestricted capital and capital of the organization that facilitate operational management. Use of these funds is at the discretion of the Executive Leadership Team.

Unrestricted capital

Unrestricted free capital	Private donations that are not designated to a specific programme or cause by the donor and that the organization may use for any purpose so long as it meets the Medair mandate.
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Capital of the organization

Administrative fund	Used for the general administrative costs of the organisation.
Capital equipment fund	Used for the future purchase of Medair-owned fixed assets.
Foreign exchange fund	Used to support the foreign exchange risk of the organisation.
Liquidity reserves fund	Used to support the cash-flow requirements of country programmes.
Continuity reserves fund	Used to support Medair capability in responding rapidly to unplanned emergencies.
Training fund	Used for the professional development of Medair personnel.

2.20. Operating income

Operating income comprises contributions from grants, private donations, gifts-in-kind and revenues from other activities.

Grants

Public institutional income and Private institutions income represent grants, which are contributions from donors based on contracts for specific projects. Revenue is recognised as constructively earned according to allowable expenses under the grant conditions incurred in the current year, to comply with the principle of correspondence between expenditure and income (Percentage of Completion method).

Private donations

Private donations are contributions donated by individuals and private organizations (foundations, other non-profit organizations, companies) that are not based on contractual obligations. They are recognized as income upon receipt.

Gifts-in-kind

Gifts-in-kind are an integral part of Medair's humanitarian programme. No distinction is made between gifts-in-kind that are provided through donor contracts or non-contractual donations for distribution to beneficiaries of our projects. Medair is fully responsible for the receipt, storage, transportation, accounting, and distribution of these materials. Gifts-in-kind received are recorded as income and expense in Medair accounts. The contributions are valued on the basis of the donation certificate or the contract with the donor.

MEDAIR, ECUBLENS, SWITZERLAND— NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 2023

Restrictions

Income is considered as restricted when it is subject to a donor-imposed restriction. A donor-imposed restriction is a stipulation and limitation on the use of the donation. At Medair, the restriction can relate to country, programme or cause. Funds received for emergencies are treated as restricted if the emergency is explicitly specified by the donor or can be inferred from an emergency response fund appeal raised by Medair.

Restricted funds categorized as private donations are mostly spent in the year they are received. They are kept in reserves as restricted funds and carried for next year for the amount not spent in the year.

2.21. Programme expenditures

Expenditures on goods, materials, and services related to programmes are recorded when the costs are incurred. The inventories stated on the Statement of Financial Position do not include goods and materials acquired for the projects but still not used by year end.

3. Tax exemption

Medair is exempt from Swiss income tax and capital tax according to a decision from the Department of Finance, Canton of Vaud, dated 27 January 2010.

4. Financial risk management

In the course of its activities, Medair is exposed to a number of financial risks: foreign currency risk, banking risk, counterparty risk and liquidity risk.

Financial risk management is an integral part of the way the organization is managed. Risks are periodically analysed on an organisation-wide basis by the Executive Leadership Team, which results in a report that is submitted to and reviewed by the International Board of Trustees.

Mitigation measures are decided and implemented under supervision of the Executive Leadership Team.

Foreign currency risk

Medair is exposed to exchange rate fluctuations, insofar as a significant portion of its income and expenses are in foreign currency (non-US dollar). Medair has no active foreign exchange risk hedging policy and tends to convert currencies as and when they are required. Furthermore, Medair established a Foreign Exchange Fund to absorb the exchange rates fluctuations of the market.

Banking risk

The Policy on Investment and Cash Placement dictates that Medair avoid concentrating this risk by working in Switzerland with two Swiss banks: UBS bank and Postfinance bank. Those two establishments have a low risk of default. In the countries in which Medair operates, Medair works with 25 international and local banks: Medair policy in country programmes is to limit the volume of bank deposits to the level strictly required for immediate operational needs.

Counterparty risk

The counterparty risk is limited, insofar as governments or governmental agencies issue most of the receivables for amounts owed by third parties. Other asset positions concern the related parties of the Medair group of organisations and are not significant.

MEDAIR, ECUBLENS, SWITZERLAND— NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 2023

Liquidity risk

Medair's policy is to always ensure a sufficient level of liquidity for its operations; consequently, funds are kept in liquid form.

To mitigate the liquidity risk in the short term, Medair has negotiated two credit facilities: a credit facility of CHF 3'000'000 with UBS Switzerland (variable rate based on market conditions) and a credit facility of CHF 3'000'000 with a private creditor (fixed rate: 2.0%). There is no maturity date on the credit facilities.

In 2023, Medair used the full CHF 3'000'000 private creditor credit facility between September to November and paid back CHF 2'000'000 in December.

5. Contingent assets and liabilities (off-balance sheet)

Contingent assets

Contingent assets are possible assets whose existence will be confirmed by the occurrence of uncertain future events that are not within the control of the entity and unknown at the date of the statement of financial position. Contingent assets are not recognised in the statement of financial position, but they are disclosed when it is more likely than not that an inflow of benefits will occur.

Medair considers that grant contractual agreements signed with donors are contingent assets owing to uncertainties associated with their receipts. These uncertainties concern the stipulations and obligations mentioned in the contracts and the instability of the contexts in which Medair operates, which may result in the asset being returned to the donor. At 31.12.2023, contingent assets are all relating to grants and are evaluated at year-end on a case by case. They are evaluated in the donor contractual currency and converted in USD at the closing rate of 31.12.2023 for presentation in the notes of the financial statements.

A grant contingent asset is the grant contractual amount minus the highest value between total cash already received and accounted for this grant or total revenue already recognised for this grant (see note 28).

Contingent liabilities

Contingent liabilities are possible obligations whose existence will be confirmed by uncertain future events that are not wholly within the control of the entity. A contingent liability is not recognised in the statement of financial position. However, unless the possibility of an outflow of economic resources is remote, a contingent liability is disclosed in the notes.

At 31.12.2023, Medair is reporting on a contingent liability for a financing contract signed with its affiliate Medair Korea (see note 29).

MEDAIR, ECUBLENS, SWITZERLAND— NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 2023

Information on the consolidated financial statements

The following sections provide a breakdown of the main items on the Consolidated Statement of Financial Position, the Consolidated Income Statement, the Consolidated Cash Flow Statement, and the Consolidated Statement of Changes in Capital and Funds.

6. Cash and cash equivalents

USD	31/12/2023	31/12/2022
Country programmes	3,849,004	3,686,735
Headquarters & Med US	10,246,239	6,699,765
TOTAL	14,095,243	10,386,500

Cash and bank balance at headquarters at 31.12.2023 include a 3-month fixed term deposit at UBS of 2'500'000 USD relating to an exceptional donation received in December 2022 by Medair US.

7. Donor receivables and Other receivables

Donor receivables (USD)	31/12/2023	31/12/2022
Government partners	15,583,706	13,788,667
Humanitarian partners	2,244,877	1,353,050
TOTAL	17,828,583	15,141,717

Other receivables (USD)	31/12/2023	31/12/2022
General debtors	329,451	329,337
Medair Foundations and Affiliates	50,939	44,064
TOTAL	380,390	373,401

8. Prepayments

Prepayments (USD)	31/12/2023	31/12/2022
Rent prepayments	552,368	426,182
Partners prepayments	776,390	570,856
Other prepayments	1,178,170	620,041
TOTAL	2,506,928	1,617,079

Partners prepayments consists primarily of advance payments to implementing partners for humanitarian programmatic activities and advance payments to third-party service providers for cash distribution programming in country programmes.

Other prepayments comprise of advance flight payments (mainly to UN agencies providing flights for humanitarian workers), cash advances to Medair staff including security money (cash provided to Medair expatriate's workers in case of emergency evacuation), and other miscellaneous prepaid expenses (IT licence costs, membership fees etc.).

MEDAIR, ECUBLENS, SWITZERLAND— NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 2023

9. Financial assets

Financial assets consist primarily of guarantee deposits for offices rented in Switzerland and in country programmes, and of deposits to a foundation (Medair Invest In Aid) and an affiliate (Medair South Korea). The long-term loan to Medair Invest in Aid at 31.12.2022 has been repaid to Medair beginning of 2023.

USD	2023	2022
Medair Invest in Aid loan	9,833	2,553,229
Guarantee deposits	236,273	188,930
Foundation & affiliate deposits	97,439	52,343
Total	343,545	2,794,502

10. Fixed assets

		2023					
USD	Asset group	IT	Other	HQ leasehold	Vehicles	Assets under construction	Total
Total	Opening book value	100,683	966	117,350	9,444	503,166	731,609
Assets	Closing balance 31.12.22	770,433	453,856	154,825	3,310,651	503,166	5,192,931
	Opening balance 1.1.23	770,433	453,856	154,825	3,310,651	503,166	5,192,931
	Reclass	769,311	187,847	35,488	25,856	-1,018,502	-
	Additions	40,001			111,920	895,039	1,046,960
	Disposals	-271,632	-389,947	-23,024	-1,691,960		-2,376,563
	Closing balance 31.12.23	1,308,113	251,756	167,289	1,756,467	379,703	3,863,328
Accumulated depreciation	Closing balance 31.12.22	-669,750	-452,890	-37,475	-3,301,207		-4,461,322
	Opening balance 1.1.23	-669,750	-452,890	-37,475	-3,301,207		-4,461,322
	Reclass	191,387	-157,115	-23,148	-11,124		-
	Disposals	256,685	389,947	23,024	1,686,521		2,356,177
	Depreciation	-199,362	-29,223	-46,686	-28,841		-304,112
	Closing balance 31.12.23	-421,040	-249,281	-84,285	-1,654,651		-2,409,257
Total	Closing book value	887,073	2,475	83,004	101,816	379,703	1,454,071

Vehicles and Other capital assets are mainly located in Medair country programmes. IT fixed assets are primarily intangible assets composed of software and licences.

Assets under construction at 31.12.2023 correspond to the new procurement system software that is planned to be deployed in 2024.

A new accounting system has been rolled out at Medair headquarters and Medair country programmes on 1st July 2023. The balance at 31.12.2023 of 1'308'113 USD in IT acquisition costs includes the transfer from category *assets under construction* to category *IT* (see table above) of the total acquisition costs of the accounting system for 1'018'502 USD.

MEDAIR, ECUBLENS, SWITZERLAND— NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 2023

USD	Asset group	2022					Total
		IT	Other	HQ leasehold	Vehicles	Assets under construction	
Total	Opening book value	179,152	40,214	134,396	64,585	-	418,347
Assets	Closing balance 31.12.21	1,725,927	476,402	550,172	3,310,651	-	6,063,152
	Opening balance 1.1.22	1,725,927	476,402	550,172	3,310,651	-	6,063,152
	Reclass	-37,300		17,300		20,000	-
	Additions	10,815	9,720			483,166	503,701
	Disposals	-929,009	-32,266	-412,647			-1,373,922
	Closing balance 31.12.22	770,433	453,856	154,825	3,310,651	503,166	5,192,931
Accumulated depreciation	Closing balance 31.12.21	-1,546,775	-436,188	-415,776	-3,246,066		-5,644,805
	Opening balance 1.1.22	-1,546,775	-436,188	-415,776	-3,246,066		-5,644,805
	Reclass	-6,864	6,864				-
	Disposals	920,791	31,407	412,647			1,364,845
	Depreciation	-36,902	-54,973	-34,346	-55,141		-181,362
	Closing balance 31.12.22	-669,750	-452,890	-37,475	-3,301,207		-4,461,322
Total	Closing book value	100,683	966	117,350	9,444	503,166	731,609

11. Accounts payable

Accounts payable consists of vendors payable, employees payable and Medair foundations and affiliates creditors. Vendors payable are recorded on an invoice basis. Foundation and affiliate creditors consist primarily of invoices from Medair Staff Assistance Foundation for employees on international contract health and repatriation insurance premiums.

Payables (USD)	31/12/2023	31/12/2022
Vendors payable	1,073,965	1,009,988
Foundation and affiliate creditors	115,081	373,050
Staff payable	779,261	617,103
TOTAL	1,968,307	2,000,141

12. Short term debt

At 31.12.2023, the short-term debt consists of 1'000'000 CHF loan from a private creditor, revalued at closing rate of 31st December for 1'188'779 USD (at 31.12.2022: no short-term loan) and Swiss social debts accounts payable for 85'111 USD (at 31.12.2022: 617'103 USD).

MEDAIR, ECUBLENS, SWITZERLAND— NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 2023

13. Accrued liabilities

Social debts consist of accruals on payroll basis that are pending on receipt of invoices from local authorities for payment. Fiscal debts are payroll related (income tax) or relating to withholding tax. The increase in 2023 is mainly relating to social debts in South Sudan programme and will be paid by end of 2nd semester 2024 following approval of local authorities.

Accrued annual leave are for Swiss based and expatriates' employees.

The sub-awardees accrual relates to two sub-awardees programming expenses of 4th quarter 2023 where Medair is the recipient of USAID awards for which Medair has delegated, through signed contracts, the implementation of the activities to two International NGO. This refers to *USAID's General Requirements and Regulations Concerning Subaward Management*.

The Other accruals increase is mainly due to Swiss payroll related accruals for invoices dated 2024 relating to year 2023 (Q4 LPP invoice, Q4 AVS invoice).

Accrued liabilities (USD)	31/12/2023	31/12/2022
Social and fiscal accruals	1,315,478	528,899
Accrued annual leave	499,696	411,431
Sub-awardees accrual	1,305,003	-
Other	1,551,904	734,927
TOTAL	4,672,081	1,675,257

14. Deferred revenue

USD	2023	2022
Afghanistan	647,279	1,616,758
DR Congo	1,791,970	922,632
Jordan (*)	34,971	14,481
Kenya	92,295	228,955
Lebanon (*)	377,683	1,057,860
Madagascar	384,635	252,495
Somalia	655,975	450,008
South Sudan	831,756	314,901
Sudan	288,267	63,502
Syria (*)	1,473,301	118,013
Turkey	780,846	-
Ukraine	292,454	1,789,962
Yemen (*)	80,900	352,418
TOTAL	7,732,332	7,181,985

(*) those countries were grouped under Middle East Regional Programme in 2022 financial statements.

Deferred revenue represents the portion of cash received for restricted grants that will be used in future years.

MEDAIR, ECUBLENS, SWITZERLAND— NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 2023

15. Provisions

As at 31st December 2023, provisions consist primarily of the Negotiated Indirect Cost Rate Agreement (NICRA) with USAID donor, and of a litigation with a donor on a grant final cash instalment payment to Medair. The 2023 utilization of provisions is mainly relating to the refund of 2019 and 2020 Negotiated Indirect Cost Rate Agreement (NICRA) to USAID donor.

USD	31/12/2023	31/12/2022
Opening balance	3,686,051	3,726,767
Additions	573,304	175,155
Utilisations	-2,521,246	-215,871
Dissolutions	-266,259	-
Closing balance	1,471,850	3,686,051

16. End-of-contract benefits

These liabilities consist of end-of-contract benefits for Nationally Recruited Staff in several of Medair country programmes. These benefits are mandated by local labour regulations in these countries. They are classified as long-term liabilities with an expected short-term liability of 18% of the balance. End-of-contract benefits amount in total to 1'199'880 USD as at 31st December 2023 (924'208 USD as at 31st December 2022).

17. Pension plan obligations

The annual contributions to the pension plan are recorded to the Income Statement during the period to which they relate.

Economic benefit/economic obligation and pension benefit expenses in USD	Economic part of the organisation		Change to prior year period or recognised in the current result of the period respectively	Contributions concerning the business period	Pension benefit expenses within personal expenses	
	31/12/2023	31/12/2022			2023	2022
Pension institutions without surplus/deficit	101.0%	97.4%	-	1,038,270	1,038,270	900,317

The insurance is provided by Patrimonia Foundation for all employees at the Swiss headquarters and Swiss expatriates serving in country programme locations. Other internationally recruited staff do not benefit from the pension plan. As of 31st December 2023, 110 employees are registered with the Swiss headquarters staff plan (2022, 107).

MEDAIR, ECUBLENS, SWITZERLAND— NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 2023

18. Operating income

Medair segments its operations geographically, by country. The following table presents comparative revenue figures by country, which contain grants, private donations, gifts-in-kind and other income.

USD	2023	2022
Afghanistan	11,888,607	8,693,658
DR Congo	14,684,826	12,739,641
Jordan (*)	9,538,874	8,205,286
Kenya	858,781	240,875
Lebanon (*)	8,390,801	10,897,560
Madagascar	2,660,640	4,891,473
Somalia	8,194,593	6,852,191
South Sudan	16,671,021	17,500,413
Sudan	2,956,309	3,776,318
Syria (*)	7,742,933	5,695,413
Turkey	1,701,934	-
Ukraine	16,101,484	12,575,299
Yemen (*)	7,794,787	6,453,293
Closed country programmes	-	751,833
Switzerland	4,239,249	6,013,411
TOTAL	113,424,839	105,286,664

(*) those countries were grouped under Middle East Regional Programme in 2022 financial statements.

In 2023, Medair started an emergency response in Turkey and Syria to respond to the devastating earthquake.

Closed country programmes consist of Bangladesh and Ethiopia that were closed in 2022.

Swiss Solidarity, Swiss Agency for Development and Cooperation and Medair France income amounts, also included in the country table above, are as follows:

USD	2023	2022
Swiss Solidarity	9,265,432	4,541,553
Swiss Agency for Development and Cooperation	4,070,506	4,607,556
Medair France	1,162,905	750,102

MEDAIR, ECUBLENS, SWITZERLAND— NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 2023

19. Gifts-in-kind

Gifts-in-kind are an integral part of Medair’s humanitarian programme. The breakdown of gifts-in-kind activity by country is presented below. Amounts in category “Other” relate to accounting adjustments or in-kind donations not restricted to any specific country.

USD	2023	2022
Afghanistan	253,512	503,760
Bangladesh	-	2,526
DR Congo	47,492	-
Lebanon (*)	557,345	3,525,808
Madagascar	10,396	128,172
Somalia	835,467	214,064
South Sudan	1,296,848	1,007,239
Sudan	662,844	-
Syria (*)	-	4,399
Ukraine	2,188,317	680,151
Yemen (*)	2,283	4,581
Other	-	-13,536
TOTAL	5,854,504	6,057,164

(*) those countries were grouped under Middle East Regional Programme in 2022 financial statements.

Volunteer network

Medair is assisted in its administrative activities in Switzerland by a network of volunteers. These people help with professional work and administrative tasks in the office, at promotional events, and in the conduct of the Relief and Recovery Orientation Course (ROC).

	2023	2022
Volunteers		
Hours served	3,413	1,117
Equivalent days	427	140

20. Other income

Other income consists of fees for service, training fees for our Relief and Recovery Orientation Course (ROC), sale of Medair equipment to Medair staff or other NGO (when closing a programme or handing over some activities), membership fees to the Medair association, and other miscellaneous income.

21. Humanitarian expense

Humanitarian expense is the total cost of providing goods and services to populations Medair is serving. It includes the costs of implementing these humanitarian programmes, such as project staff costs, food and living costs, communication and energy equipment costs, vehicles costs, transportation and storage of materials costs, and logistical costs. It also includes the research, preparation, planning, selection, monitoring and control of these humanitarian programmes provided by the headquarters in Ecublens, Switzerland.

Programme expense is the total humanitarian cost plus a contribution toward indirect cost. The budget of each humanitarian programme includes a 15% contribution to support the administrative costs of Medair. This cost is not reported with humanitarian expense but is included in the term programme expense in the Statement of Changes in Capital and Funds.

MEDAIR, ECUBLENS, SWITZERLAND— NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 2023

The following table presents only the humanitarian expense by country.

2023										
USD	Humanitarian expense									
	Sectors	Personnel	Travel	Admin	Maintenance	Depreciation	Other expenses	Sub/Total	Support expenses	Total
Afghanistan	2,783,743	3,878,226	180,984	168,897	44,382	10,609	3,481,381	10,548,223	548,868	11,097,091
DR Congo	4,874,790	5,594,077	221,563	210,779	173,458	24,637	1,771,645	12,870,950	764,285	13,635,235
Jordan (*)	4,241,158	2,734,054	34,339	217,646	32,097	5,649	1,155,751	8,420,694	500,026	8,920,720
Kenya	192,603	142,269	6,422	33,852	1,229	482	10,626	387,483	23,009	410,492
Lebanon (*)	3,265,602	2,951,080	30,906	72,025	17,853	5,442	1,031,600	7,374,508	437,903	7,812,411
Madagascar	824,398	923,135	95,789	195,332	5,469	1,653	295,358	2,341,134	139,018	2,480,152
Sudan	944,965	917,887	31,078	139,495	5,134	14,977	281,739	2,335,275	138,670	2,473,945
South Sudan	4,065,365	7,339,789	560,712	306,408	273,835	68,089	2,084,297	14,698,495	885,276	15,583,771
Somalia	4,411,007	1,732,574	69,820	188,081	21,563	5,098	828,281	7,256,424	446,131	7,702,555
Syria (*)	3,377,360	1,832,843	86,045	155,042	4,955	4,822	443,426	5,904,494	350,612	6,255,106
Turkey	444,537	593,641	39,525	95,312	2,230	1,033	145,683	1,321,961	90,083	1,412,044
Ukraine	10,125,436	3,080,789	79,752	139,671	9,369	21,632	1,026,817	14,483,466	860,037	15,343,503
Yemen (*)	3,134,331	2,656,486	68,582	157,968	11,584	16,693	939,110	6,984,754	414,759	7,399,513
Closed country programmes	-	8,646	5,864	5,568	-	-	1,355	21,433	307	21,740
TOTAL	42,685,295	34,385,496	1,511,380	2,086,075	603,158	180,818	13,497,070	94,949,292	5,598,984	100,548,276

(*) those countries were grouped under Middle East Regional Programme in 2022 financial statements.

2022										
USD	Humanitarian expense									
	Sectors	Personnel	Travel	Admin	Maintenance	Depreciation	Other expenses	Total	Support expenses	Total
Afghanistan	4,201,784	2,709,173	107,449	189,567	47,918	11,923	685,823	7,953,637	419,587	8,373,224
Bangladesh	88,561	250,339	8,001	64,374	2,882	-	102,905	517,061	27,277	544,338
DR Congo	4,486,127	4,999,280	215,070	117,432	139,476	7,394	1,119,613	11,084,392	584,747	11,669,139
Ethiopia	90,491	49,864	5,105	25,727	154	-	-1,903	169,438	8,939	178,377
Kenya	-	18,793	307	4,291	106	-	8,531	32,028	1,690	33,718
Madagascar	1,946,024	1,302,530	151,248	77,367	41,857	-	796,112	4,315,138	227,641	4,542,779
Middle East Regional Programme	15,779,734	9,003,271	140,766	515,087	64,322	16,775	2,368,059	27,888,015	1,500,427	29,388,442
Somalia	3,612,214	1,550,585	46,672	110,379	19,519	-	648,909	5,988,278	315,906	6,304,184
Sudan	1,728,136	1,024,401	52,655	50,852	8,157	15,228	433,785	3,313,215	174,786	3,488,001
South Sudan	4,575,655	7,387,758	527,851	330,184	224,072	60,296	2,230,622	15,336,438	809,060	16,145,498
Ukraine	6,203,336	2,329,359	85,108	413,585	6,768	-	966,930	10,005,085	546,426	10,551,511
Closed country programmes	-	432	0	21,409	-	-	696	22,538	1,189	23,727
TOTAL	42,712,062	30,625,786	1,340,233	1,920,255	555,229	111,616	9,360,083	86,625,263	4,617,674	91,242,937

22. Administrative expense

Administrative expenses include the cost of the Medair office in Switzerland. These costs consist of general management costs including personnel, operations and logistics, finance, as well as communications and fundraising costs. Please refer to note 23 for the details.

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23. Operating expense

These expense categories are presented for information only. They present a functional breakdown of operating expenses rather than the activity-based presentation of the financial statements.

2023					
USD	Humanitarian expense		Administrative expense		Total Operating expense
	Direct	Support	General management	Fundraising	
Sectors	42,685,295	-	-	-	42,685,295
Personnel	34,385,496	5,153,834	4,254,381	1,682,454	45,476,165
Travel & representation	1,511,380	287,460	237,292	93,840	2,129,971
Admin	2,086,075	157,690	3,006,576	51,477	5,301,818
Maintenance	603,158	-	10,483	-	613,641
Depreciation	180,818	-	138,241	-	319,058
Other	13,497,070	-	238,512	-	13,735,582
Fundraising direct	-	-	-	762,602	762,602
TOTAL	94,949,292	5,598,984	7,885,485	2,590,373	111,024,134

2022					
USD	Humanitarian expense		Administrative expense		Total Operating expense
	Direct	Support	General management	Fundraising	
Sectors	42,712,062	-	-	-	42,712,062
Personnel	30,625,786	4,310,087	3,579,943	1,177,272	39,693,088
Travel & representation	1,340,233	163,309	135,644	44,607	1,683,792
Admin	1,920,255	144,278	1,773,908	39,409	3,877,850
Maintenance	555,229	-	7,060	-	562,289
Depreciation	111,616	-	69,747	-	181,363
Other	9,360,083	-	308,814	-	9,668,898
Fundraising direct	-	-	-	689,427	689,427
TOTAL	86,625,263	4,617,674	5,875,116	1,950,715	99,068,768

The above figures are showing the separation of the Humanitarian Expenses and Administrative Expenses, and then the separation between the General management expenses and the Fundraising expenses. All those figures have been calculated on the basis of the ZEW0 latest methodology for evaluating and showing those different categories of costs.

24. Remuneration of the Executive Leadership Team

During 2023, Medair had seven members of the Executive Leadership Team (same in 2022). The total gross salary paid to this leadership team in 2023 was 1'019'148 USD (2022: 916'315 USD).

25. Remuneration of the International Board of Trustees

Members of the International Board of Trustees of Medair (Switzerland) volunteered their time in 2023, receiving no salary. Board members are allowed to submit effective out-of-pocket expenses for reimbursement.

26. Auditors' remuneration

Auditors' fees in 2023 amounted to 232'407 USD (2022: 182'692 USD) and relate to the statutory audit of Medair and its consolidated financial statements.

MEDAIR, ECUBLENS, SWITZERLAND— NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 2023

27. Full-time staff of Medair

Full-time equivalents – The annual average number of full-time equivalents for the reporting year, as well as the previous year, exceeded 250.

28. Contingent assets (off-balance sheet)

The management best estimate value for contingent assets is 56.5 million USD at 31st December 2023 (51.4 million USD at 31st December 2022).

29. Contingent Liabilities (off-balance sheet)

During the normal course of its activities, Medair is exposed to potential claims. As at 31st December 2023, the Executive Leadership Team had not identified potential claims which could lead to a significant exposure.

Medair has committed to support the creation and the activities of a new affiliate in South Korea for a total funding of 500'000 USD in aggregate from 2023 to 2024, of which 211'000 USD have already been expensed and paid: the remaining balance of 289'000 USD represents a contingent liability.

30. Subsequent Events

There are no material events occurring after the reporting period that have an impact on the book value of assets and liabilities presented or to be published in the Financial Statements.