

To the General Meeting of
Vétérinaires Sans Frontières Suisse, Berne

Berne, 26 April 2022

Report of the statutory auditor on the limited statutory examination

As statutory auditor in accordance with article 13 of the association's articles of incorporation, we have examined the financial statements (balance sheet, statement of operations, cash flow statement, statement of changes in capital and notes) of Vétérinaires Sans Frontières Suisse for the financial year ended 31 December 2021. In accordance with Swiss GAAP FER the content of the performance report does not need to be audited by the statutory auditor.

The Board of Directors is responsible for the preparation of the financial statements in accordance with Swiss GAAP FER and the requirements of Swiss law and the association's articles of incorporation. Our responsibility is to perform a limited statutory examination on these financial statements.

We conducted our examination in accordance with the Swiss Standard on the 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 company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of 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 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER and do not comply with Swiss law and the association's articles of incorporation.

Ernst & Young Ltd

Licensed audit expert
(Auditor in charge)

Licensed audit expert

Enclosures

- ▶ Financial statements (balance sheet, statement of operations, cash flow statement, statement of changes in capital and notes)

Balance sheet as of 31.12.

in CHF	Notes	2021	2020
<i>Assets</i>			
Cash	1	2 679 288	2 177 483
Receivables from goods and services	2	788 255	767 660
Other short-term receivables	3	18 057	24 239
Prepayments	4	262 979	119 872
Current assets		3 748 579	3 089 254
Tangible fixed assets	5	57 148	77 499
Non-current assets		57 148	77 499
Assets		3 805 727	3 166 753
<i>Liabilities and equity</i>			
Payables from goods and services	6	700 699	697 952
Accrued liabilities	7	12 000	9 100
Current liabilities		712 699	707 052
Subordinated loan	8	30 000	30 000
Non-current liabilities		30 000	30 000
Fund capital	9	2 340 497	2 054 007
Tied capital		52 101	13 972
Free capital		431 596	350 832
Net income for the year		238 834	10 890
Organisation capital	10	722 531	375 694
Liabilities and equity		3 805 727	3 166 753

Statement of operations

in CHF	Notes	2021	2020
<i>Income</i>			
Project revenues	11	7 311 649	8 538 064
Donations	12	1 157 997	696 285
Membership fees		20 640	28 325
Contributions from projects		356 741	390 479
Sponsoring		54 687	-
Other revenue		11 021	997
Operating income		8 912 735	9 654 150
<i>Expenditure</i>			
Material, goods and services		(4 487 271)	(5 316 359)
Personnel expense	13	(2 688 406)	(2 671 794)
Other operating expense	14	(949 126)	(915 136)
Depreciation and amortisation	5	(20 557)	(3 066)
Operating expenses	15, 24	(8 145 360)	(8 906 355)
Operating result		767 375	747 795
Financial expense		(206 723)	(348 165)
Financial income		66 975	205 106
Extraordinary expense	16	(131 876)	(37 831)
Extraordinary income	16	117 107	41 944
<i>Other income</i>		(154 517)	(138 946)
Result before changes in fund capital		612 858	608 849
Utilization of fund capital		7 045 754	8 001 678
Allocation of fund capital		(7 311 649)	(8 568 372)
<i>Change in fund capital</i>	17	(265 895)	(566 694)
Result before allocation to organisation capital		346 963	42 155
Utilization of organisation capital		12 779	30 307
Allocation of organisation capital		(120 908)	(61 572)
<i>Change in organisation capital</i>	18	(108 129)	(31 265)
Net income		238 834	10 890

Cash flow statement

In addition to the balance sheet and the statement of operations the cash flow statement provides information on investing and financing activities as well as on the development of the financial situation of Vétérinaires Sans Frontières Suisse (VSF-Suisse).

in CHF	2021	2020
Cash as at January 1	2 177 483	1 566 239
Result before allocation to organisation capital	346 963	42 155
Depreciation and amortisation	20 557	3 066
Other non-cash profits/losses	(332)	(23 780)
Decrease/(Increase) receivables from goods and services	(20 595)	(132 825)
Decrease/(Increase) other short-term receivables	6 182	(16 558)
Decrease/(Increase) prepayments	(143 107)	26 963
Decrease/(Increase) accrued income	-	4 368
(Decrease)/Increase payables from goods and services	2 747	86 583
(Decrease)/Increase accrued liabilities	2 900	(7 381)
(Decrease)/Increase fund capital	286 490	699 519
Cash flow from operating activities	501 805	682 110
Purchase of tangible fixed assets	-	(70 866)
Sale of tangible fixed assets	-	-
Cash flow from investment activities	-	(70 866)
(Decrease)/Increase loans	-	-
Cash flow from financing activities	-	-
Cash as at December 31	2 679 288	2 177 483
Change in cash	501 805	611 244

Statement of changes in capital

The statement of changes in capital shows the allocation, internal transfers, use, change in pre-financing and balance of funds from both fund and organisational capital. The fund capital represents funds earmarked for project implementation. The organisational capital represents unrestricted funds for use by the organisation.

in CHF	Balance 01.01.21	Allocation	Internal transfers	Utilization	Change in Pre-financing	Balance 31.12.21
Restricted funds Ethiopia	744 425	1 776 147	-	(2 268'309)	10 337	262 600
Restricted funds Kenya	205 497	1 768 709		(758 507)	1 953	1 217 652
Restricted funds Mali	550 289	619 484		(946 660)	21 903	245 016
Restricted funds Somalia	51 685	145 001		(36 190)	(125 553)	34 943
Restricted funds South Sudan	47 690	2 066 057		(2 202 583)	169 533	80 697
Restricted funds Ivory Coast	121 082	(11 750)		(133 698)	24 366	-
Restricted funds Togo	333 339	248 001		(109 224)	(81 944)	390 172
Restricted funds DEZA	-	700 000		(590 583)	-	109 417
Fund capital	2 054 007	7 311 649	-	(7 045 754)	20 595	2 340 497
Fund for extraordinary risks ¹⁾	13 972	50 908	-	(12 779)	-	52 101
<i>Tied capital</i>	<i>13 972</i>	<i>50 908</i>	<i>-</i>	<i>(12 779)</i>	<i>-</i>	<i>52 101</i>
Fund TVS GST AG ²⁾	246 000	25 000	-	-	-	271 000
Fund capital campaign ³⁾	-	45 000	-	-	-	45 000
Internally gen. unrestricted fund	(16 576)	-	10 890	-	-	(5 686)
Revaluation reserves	121 408		-	(126)	-	121 282
<i>Free capital</i>	<i>350 832</i>	<i>70 000</i>	<i>10 890</i>	<i>(126)</i>	<i>-</i>	<i>431 596</i>
<i>Net income for the year</i>	<i>10 890</i>	<i>238 834</i>	<i>(10 890)</i>	<i>-</i>	<i>-</i>	<i>238 834</i>
Organisation capital	375 694	359 742	-	(12 905)	-	722 531

in CHF	Balance 01.01.2020	Allocation	Internal transfers	Utilization	Change in pre-financing	Balance 31.12.2020
Restricted funds Ethiopia	198 698	1 809 584	-	(1 410 233)	146 376	744 425
Restricted funds Kenya	57 758	2 018 369	-	(1 852 320)	(18 310)	205 497
Restricted funds Mali	492 607	744 038	-	(702 031)	15 675	550 289
Restricted funds Somalia	18 950	1 226 716	-	(1 294 696)	100 715	51 685
Restricted funds South Sudan	121 893	2 510 059	-	(2 456 366)	(127 896)	47 690
Restricted funds Ivory Coast	175 025	-	-	(53 943)	-	121 082
Restricted funds Togo	264 366	224 839	-	(172 131)	16 265	333 339
Restricted funds Chad	25 191	34 767	-	(59 958)	-	-
Fund capital	1 354 488	8 568 372	-	(8 001 678)	132 825	2 054 007
Fund for extraordinary risks ¹⁾	7 706	36 573	-	(30 307)	-	13 972
<i>Tied capital</i>	<i>7 706</i>	<i>36 573</i>	<i>-</i>	<i>(30 307)</i>	<i>-</i>	<i>13 972</i>
Fund VS GST AG ²⁾	221 000	25 000	-	-	-	246 000
Internally generated unrestricted fund	(22 913)	-	6 337	-	-	(16 576)
Revaluation reserves	126 087	-	-	(4 679)	-	121 408
<i>Free capital</i>	<i>324 174</i>	<i>25 000</i>	<i>6 337</i>	<i>(4 679)</i>	<i>-</i>	<i>350 832</i>
<i>Net income for the year</i>	<i>6 337</i>	<i>10 890</i>	<i>(6 337)</i>	<i>-</i>	<i>-</i>	<i>10 890</i>
Organisation capital	338 217	72 463	-	(34 986)	-	375 694

¹⁾ As VSF-Suisse is increasingly exposed to a continuously changing risk landscape, this fund has been built up since 2014. This fund covers extraordinary risks, such as warlike and extraordinary events, as well as exchange rate losses.

²⁾ Upon agreement with an institutional donor, VSF-Suisse has allocated the donation to a special fund, which is aimed at strengthening the treasury of VSF-Suisse. It was explicitly agreed with the donor to use the funds for the pre-financing of last instalments related to projects.

³⁾ In 2021 VSF Management and the Board have decided to launch a capital campaign to raise funds with the aim to increase the organisation capital. The campaign will run for five years (2021 - 2025).

Notes to financial statement

Organisation

Mission

VSF-Suisse is committed to improve the well-being and resilience of vulnerable populations by promoting the health and productivity of their livestock within a sustainable environment.

The focus is primarily on the following activities:

- Development of a comprehensive animal health service and veterinary support in the poorest countries of the world.
- Improvement of food security and reduction of poverty by supporting the development of income generating activities in the livestock sector and by improving animal production.
- Support people in cases of natural and human made crises and emergencies, and improvement of disaster prevention.
- Reduction of the consequences of diseases, which can be transferred from animals to human beings (zoonoses), and improvement of food security.
- Capacity building in animal health, animal production, management of small enterprises, hygiene, prevention, promotion of village associations, management of natural resources.
- The sensitization of the Swiss public on the problems of peoples who nowadays make a living with livestock in developing countries.

The organisations development orientation is based on the rules as spelled out in the National laws on international development cooperation and humanitarian assistance (SR 974.0, 19.03.1976)

VSF-Suisse is actively engaged as much in development cooperation as in humanitarian aid, linked through the concept of NEXUS. Target groups are disadvantaged groups of people as for example widows with their families, refugees, and internally displaced people.

The objectives of the organisation (Statutes and Rules):

- Against Hunger and Poverty: VSF-Suisse is engaged in the fight against hunger and poverty in the world. Today, more than half a billion people worldwide live below the poverty line. Famine and chronic malnutrition of the population hinder the sustainable development of the concerned countries.
 - Animal Health – Human Nutrition – Control of Livestock Diseases and Zoonoses: The organisation contributes to education and research projects, development of technical and medical know how related to animal breeding and health, the improvement of human health through improved food safety as well as the prevention of diseases. Through the control of livestock diseases
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such as rinderpest and zoonoses (diseases transmitted from animal to human being, e.g. Rabies and Tuberculosis), VSF-Suisse improves the health of the population.

- Disadvantaged, marginalized people – Development cooperation – Humanitarian Aid: Target groups are underprivileged populations in the poorest regions of the world regardless of nationality, race, belief, and political orientation. VSF-Suisse carries out development cooperation in poor countries and provides humanitarian assistance in regions affected by crises and emergencies.

Statutory source	By laws of 20 th June 2015		
Headquarter	Mühlenplatz 15, 3000 Bern 13, Switzerland		
Board	Ulrich Kihm	since 2005	(President)
	Pascale Wälti Maumier	since 2015	
	Simone Hofer Frei	since 2017	
	Hanspeter Steinlin	since 2018	
	Stefanie Graf	since 2019	
	Claudio Clematide	since 2021	
Executive Management	Nicole Litschgi, Executive Director Esther Schelling, Deputy Executive Director		
Statutory auditor	Ernst & Young AG, Schanzenstrasse 4A, 3001 Berne		

Accounting and reporting standards and principles

VSF-Suisse prepares its financial statements in compliance with the core accounting and reporting standards of Swiss GAAP FER (Framework and standards 1-6 of the Swiss accounting and reporting recommendations). As a Zewo (Swiss self-regulatory organisation for NPO) certified organisation it also complies with Swiss GAAP FER 21, the financial reporting standard for non-profit organisations.

The financial statements will be approved by the board on May 20th and will be presented at the General Assembly on June 18th.

Valuation

Liquid assets	Nominal value
Foreign currency	Exchange rate gains and losses are posted in the profit and loss statement.
Exchange differences	When calculating the individual balances there are inevitable differences that affect the calculated capital. The reasons are the following: Balance sheet: <ul style="list-style-type: none"> • Changes in the exchange rates since the previous valuation date (assets and liabilities) • Movements between assets or liabilities during the reporting year, some of which are calculated at a certain valuation date,

others are calculated based on historical rates, as well as some that have been calculated with different historical rates.

Statement of operations

- The converted annual profit is the balance of the converted incomes and expenditures whilst in the balance sheet it is calculated according to the rate at the valuation date.

Receivables	Nominal value
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Fixed assets	Assets are evaluated at historical cost.
	Assets are being depreciated using the straight-line method over their expected useful lives at the following annual rates:
	Motor vehicles 25.0%
	Office equipment, furniture and fittings 12.5%
	Field equipment 50.0%
	Hard- and Software (EDP) 30.0%

Liabilities	Nominal value
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Loans	Nominal value
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Notes to the balance sheet

1 Cash

in CHF	2021	2020
Cash at hand	5 639	9 405
Postal account	226 257	52 775
Banks	2 447 392	2 115 303
Total	2 679 288	2 177 483

2 Receivables from goods and services

in CHF	2021	2020
Receivables donors Ethiopia	357 935	347 598
Receivables donors Kenya	3 125	1 172
Receivables donors Mali	46 683	24 780
Receivables donors Somalia	5 843	131 396
Receivables donors South Sudan	350 303	180 770
Receivables donors Ivory Coast	24 366	-
Receivables donors Togo	-	81 944
Total	788 255	767 660

3 Other short-term receivables

in CHF	2021	2020
Receivables Kenya	13 099	21 432
Social insurance	2 241	-
Deposits	2 552	2 708
Transfers	165	99
Total	18 057	24 239

4 Prepayments

in CHF	2021	2020
Prepayments salaries	13 576	10 241
Prepayments Ethiopia	7 172	-
Prepayments Kenya	32 613	40 540
Prepayments Mali	58 844	-
Prepayments South Sudan	129 060	69 091
Prepayments Togo	21 714	-
Total	262 979	119 872

5 Tangible fixed assets

in CHF	Furniture & Appliance	IT	Vehicles	Total
<i>Gross values of cost</i>				
Beginning of the period 01.01.2021	8 829	8 830	141 643	159 302
Additions	-	-	-	-
Disposals	-	-	-	-
Foreign exchange differences	(47)	(35)	(723)	(805)
End of the period 31.12.2021	8 782	8 795	140 920	158 497
<i>Accumulated depreciation</i>				
Beginning of period 01.01.2021	(8 829)	(8 830)	(64 144)	(81 803)
Systematic depreciation	-	-	(20 557)	(20 557)
Disposals	-	-	-	-
Foreign exchange differences	47	35	929	1 011
End of the period 31.12.2021	(8 782)	(8 795)	(83 772)	(101 349)
Net carrying amount 31.12.2021	-	-	57 148	57 148

in CHF	Furniture & Appliance	IT	Vehicles	Total
<i>Gross values of cost</i>				
Beginning of the period 01.01.2020	10'523	10'120	86'358	107'001
Additions	-	-	70'866	70'866
Disposals	-	-	-	-
Foreign exchange differences	(1 694)	(1 290)	(15 581)	(18 565)
End of the period 31.12.2020	8'829	8'830	141'643	159'302
<i>Accumulated depreciation</i>				
Beginning of period 01.01.2020	(10 523)	(10 120)	(85 761)	(106 404)
Systematic depreciation	-	-	(3 066)	(3 066)
Disposals	-	-	-	-
Foreign exchange differences	1'694	1'290	24'683	27'667
End of the period 31.12.2020	(8 829)	(8 830)	(64 144)	(81 803)
Net carrying amount 31.12.2020	-	-	77'499	77'499

6 Payables from goods and services

in CHF	2021	2020
Salaries payables	1 887	1 926
Social insurance payables	336 224	334 388
Payables Switzerland	107 017	83 449
Payables Kenya	23 090	78 555
Payables Ethiopia	71 076	94 872
Payables South Sudan	161 405	104 762
Total	700 699	697 952

7 Accrued liabilities

in CHF	2021	2020
Audit	12 000	9 100
Total	12 000	9 100

8 Subordinated loan

In 2012, VSF-Suisse received a loan of CHF 100 000 from a private individual. The loan is subordinated to all other existing and future claims against the company. The lender so far converted CHF 70'000 of the initial amount into a donation as notified in previous statements. There has been no conversion this year and the loan stands unchanged at CHF 30'000.

9 Fund capital

The fund capital shows the earmarked funds. See statement of changes in capital for further details.

10 Organisation capital

The organisation capital shows internally generated unrestricted funds. See statement of change of capital for further details.

Notes to the statement of operations

11 Project revenues

in CHF	2021	2020
Governmental bodies	4 533 806	6 155 799
_Contributions SDC	1 101 982	1 435 199
_SDC Programm Contribution	700 000	-
_Contributions European Commission	2 035 433	2 633 808
_Contributions ECHO	-	357 427
_Contributions USAID / OFDA	696 391	1 729 365
International organisations	1 322 271	1 243 423
Foundations	1 023 328	887 965
Swiss public sector	190 034	173 998
Private sector	70 000	34 766
Other project revenues	172 210	42 113
Total	7 311 649	8 538 064

12 Donations

in CHF	2021	2020
Unrestricted private donations	805 070	661 048
Unrestricted legacy donations	327 373	-
Other unrestricted donations	25 554	35 237
Total	1 157 997	696 285

13 Personnel expenses

in CHF	2021	2020
Full time equivalents at the countries as of 31.12.	122	111
Full time equivalents at the head office in Bern as of 31.12.	7.1	7.3
Programme	2 305 660	2 415 120
Fundraising	108 669	63 886
Administration	274 077	192 788
Total	2 688 406	2 671 794
Ulrich Kihm (President) donated travel and phone expenses	747	687

14 Other operating expenses

in CHF	2021	2020
Rent	82 216	76 327
Insurances	39 079	39 947
Maintenance	60 533	27 368
Administrative costs	348 334	321 041
Consulting, legal and accounting costs ¹⁾	199 681	277 999
Marketing costs	219 283	172 454
Total	949 126	915 136

15 Operating expenses

in CHF	2021	2020
Ethiopia	2 304 883	1 367 562
Kenya	766 731	1 853 896
Mali	1 039 199	701 393
Somalia	54 732	1 274 292
South Sudan	2 312 225	2 414 508
Togo	268 558	172 131
Ivory Coast	133 698	53 904
Chad	-	59 958
Switzerland	1 265 334	1 008 711
Total	8 145 360	8 906 355

16 Extraordinary expense and income

Extraordinary expense and income mainly comprise currency losses and gains at the end of the projects.

17 Change in tied and fund capital

Utilization and allocation of fund capital shows the change of funds for the financing of projects and of internal costs as at the end of the year. See statement of change of capital for further details.

18 Change in organisation capital

The unrestricted funds are part of the organisation capital and their utilization are not being restricted by any third party. Therefore, they are dedicated to self-financing.

The amount of CHF 25 000 was received from TVS GST AG and allocated to the corresponding fund. The capital of the organisation consists of the equity financing. Its utilisation is not restricted by any third parties (previous year CHF 25 000).

In 2021 VSF Management and the Board have decided to launch a capital campaign to raise funds with the aim to increase the organisation capital. The campaign will run for five years (2021 - 2025).

Further explanations

19 Other liabilities from tenancy agreements not included in the books

in CHF	2022	2023
Office space, Mühlenplatz 15, Berne	27 936	-
Total	27 936	-

20 Events after the closing

There were no significant events after the closing date of 31st December 2021, which would require additional information or changes to the annual financial statement.

21 Performance report

The performance report forms part of the annual report.

22 Pro-bono services

The board of directors and volunteers have performed 205 hours of unpaid services during the year 2021 (previous year 620 hours).

23 Executive compensation

in CHF	2021	2020
Executive compensation	193'976	193 230
Total	193'976	193 230

The executive management consists of Nicole Litschgi, Executive Director, and Esther Schelling, Deputy Executive Director. The disclosed executive compensation consists of salaries and expense allowances.

24 Operating expenses

The representation of the cost structure of the association VSF-Suisse is based on the Zewo methodology for the calculation of the administrative expenditure.

Project expenditures are those costs which contribute directly to the achievements of the statutory goals of VSF-Suisse.

Fundraising expenses show those costs related to the maintenance of the address database as well as the donor and sponsor management.

Administrative expenses consist of all expenses relating only indirectly to projects and services provided by VSF-Suisse. These expenditures are not directly felt by project partners and beneficiaries. They ensure the functioning of VSF-Suisse.

in CHF	2021	in %	2020	in %
<i>Project expenditure</i>				
Material, goods and services	4 473 133		5 286 321	
Personnel expenses	2 305 660		2 415 120	
Other operating expenses	513 658		500 581	
Depreciation and amortisation	20 557		3 066	
Total	7 313 008	89.78%	8 205 088	92.13%
<i>Fundraising expenses</i>				
Material, goods and services	-		-	
Personnel expenses	108 669		63 886	
Other operating expenses	251 361		211 223	
Depreciation and amortisation	-		-	
Total	360 030	4.42%	275 109	3.09%
<i>Administrative expenses</i>				
Material, goods and services	14 138		30 038	
Personnel expenses	274 077		192 788	
Other operating expenses	184 107		203 332	
Depreciation and amortisation	-		-	
Total	472 322	5.80%	426 158	4.78%
Total operating expenses	8 145 360	100.00%	8 906 355	100.00%