

Annual Financial Statement

2020

Partnerships for Health



SOLIDAR
MED

**Thanks to SolidarMed, overall,
nearly 2.8 million people in
some of the world's poorest regions
received better health care.**



Again more resources for projects

Despite a rough year, primarily characterised by the COVID-19 pandemic, we still managed to further intensify our project activities in the South. This enabled SolidarMed to reach a very large number of people in the project areas during this trying time.



Elisabeth Meier-Birchmeier
Head of Human Resources & Finances

Thanks to the trust of existing and new financing partners, along with the support of many private patrons, even during this very hard year, we managed to increase our purpose-specific income to CHF 12.2 million and carry out project activities in the South totalling CHF 9.5 million. Public sector funding (Swiss Agency for Development and Cooperation SDC and the Liechtenstein Development Service LED) increased by CHF 660,000.

As of 1 January 2020, the Zewo-certified Aids & Child Foundation has transferred its projects, project responsibilities and their assets to SolidarMed. These resources will now be used by SolidarMed to carry on and develop their projects in the spirit of the Aids & Child Foundation goals. It includes assets of CHF 4.0 million, short-

term liabilities of CHF 0.1 million along with organisational capital of CHF 3.9 million. Therefore, no direct comparison between 2020 figures and previous year's figures is possible.

In 2020, around CHF 383,000 purpose-specific donations were made for subsequent years which were set aside in the purpose-specific fund capital for future use.

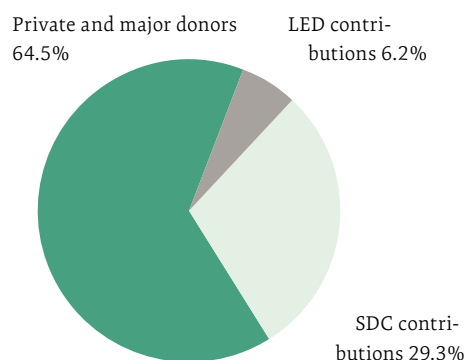
Following a major market slump in the spring, the stock market recovered, generating a profit of CHF 84,000. Of this, CHF 56,645 were allocated to the currency fluctuation fund. This allows us to cover any losses on securities amidst a poor market year.

Even in the challenging COVID-19 year of 2020, SolidarMed kept its work efficient and lean: The cost of fundraising remained low at 13.2 percent and the cost of administration was only 3.6 percent. Out of every CHF 100.00, CHF 83.20 went straight to programmes in the South and North. ■

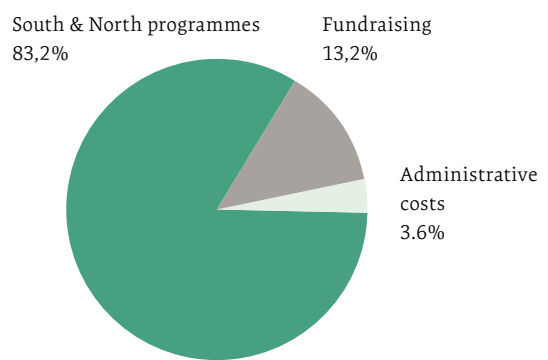
Note: The annual financial statement including the auditor's report and annexes can be found at solidarmed.ch



Origin of funds 2020



Use of funds 2020



Report of the Auditors

Report of the statutory auditors to the general meeting of SolidarMed, Swiss Organisation for Health in Africa, 6005 Lucerne

As per our contract as auditors, we examined the annual financial statement of SolidarMed, Swiss Organisation for Health in Africa, consisting of the balance sheet, income statement, cash flow statement, analysis of changes in capital and annexes on the fiscal year ending on 31 December 2020. In accordance with Swiss GAAP FER 21, the auditors are not required to examine the information presented in the performance report.

Responsibilities of the Board

The Board is responsible for preparation of the annual financial statement in compliance with Swiss GAAP FER 21, the statutory requirements and articles of association. This responsibility includes the establishment, implementation and maintenance of an internal control system relevant to the preparation of an annual financial statement which is free of material misstatement, whether due to fraud or error. In addition, the Board is responsible for the selection and application of appropriate accounting policies and making reasonable accounting estimates.

Responsibilities of the Auditors

It is our responsibility to express an opinion on the annual financial statement on the basis of our audit. We conducted our audit in accordance with the Swiss audit standards. According to these standards, we are obliged to comply with the relevant ethical requirements and design and execute the audit in such a way as to provide reasonable assurance whether the annual financial statement is free of material misstatements.

An audit involves the performance of audit procedures to obtain audit evidence for the asset valuations and other disclosures contained in the annual financial statement. The selection of the audit procedures is subject to the dutiful discretion of the auditors. This includes an assessment of the risks of material misstatements in the annual financial statement as a result of fraud or error. In the risk assessment, the auditor reviews the internal control system where relevant to the preparation of the annual statement in order to design appropriate audit procedures. However, this is not for the purpose of expressing an opinion on the existence or effectiveness of the internal control system.

This audit also includes an evaluation of the appropriateness of the accounting policies in use and the plausibility of the accounting estimates made and an assessment of the overall presentation of the annual financial statement. We

are of the opinion that the audit evidence we have obtained is sufficient and appropriate for providing a basis for our audit opinion.

Audit opinion

In our opinion, the annual financial statement for the year which ended on 31 December 2020 provides a true and accurate picture of the assets and liabilities, financial position and income and expenses in accordance with Swiss GAAP FER 21 and complies with Swiss law and the SolidarMed's articles of association.

We recommend that the annual financial statement presented here be approved.

Meggen, 31. March 2021

ACORUS-TREUHAND AG



André Knüsel

Registered audit expert
Lead auditor

Balance sheet as of 31.12.20

	2020		2019	
	CHF	%	CHF	%
Assets				
Current assets				
Cash and cash equivalents	7,730,676		4,144,745	
Assets held for trading at quoted market price	3,669,440		3,095,153	
Other short-term receivables	380,371		200,308	
Accounts receivables from projects (Project advances)	36,045		109,851	
Prepaid expenses	29,301		18,501	
	11,845,833	99.9	7,568,558	99.8
Fixed assets				
Plant and equipment	13,102		15,101	
Other investments	1		1	
	13,103	0.1	15,102	0.2
Total assets	11,858,936	100	7,583,660	100
Liabilities				
Short-term liabilities				
Liabilities from sales and services	98,740		239,598	
Accrued expenses	274,438		208,414	
	373,178	3.1	448,012	5.9
Long-term liabilities				
Provisions	162,842		175,642	
	162,842	1.4	175,642	2.3
Funds reserved for projects				
SDC mandates/project contributions	2,649		-30,000	
LED projects	641,015		785,422	
SolidarMed projects	1,394,092		891,088	
	2,037,756	17.2	1,646,510	21.7

	2020		2019	
	CHF	%	CHF	%
Organisational capital				
Share capital				
Paid-in capital and reserves	881,633		881,633	
Fixed capital				
Currency fluctuation fund	454,645		400,000	
Fund 3 (restricted funds): Aids & Child	3,676,477		0	
Free capital				
Fund 1 - unrestricted funds	2,968,704		2,695,241	
Fund 2 - unrestricted funds	1,303,701		1,336,622	
	9,285,160	78.3	5,313,496	70.1
Total liabilities	11,858,936	100	7,583,660	100

Income statement as of 1.1. – 31.12.20

Income				
Donations, legacies, membership fees	1,579,331	12.9	1,973,340	18.8
Purpose specific income				
SolidarMed projects	6,294,995		4,851,262	
	6,294,995	51.6	4,851,262	46.2
Public sector contributions				
SDC programme contribution	2,730,000		2,730,000	
SDC mandates/project contributions	840,617		120,000	
LED Zambia	764,150		823,715	
	4,334,767	35.5	3,673,715	35.0
Other income	1,301	0.0	367	0.0
Total income	12,210,394	100	10,498,684	100

	2020		2019	
	CHF	%	CHF	%
Expenses				
South Programme				
Personnel expenses project management – Switzerland	-938,313		-802,610	
Project visits	-9,328		-54,832	
Share of office costs and depreciation	-57,839		-37,264	
SolidarMed projects	-7,033,882		-6,886,779	
SDC mandates/project contributions	-723,304		-150,000	
LED Zambia projects	-796,979		-600,323	
	-9,559,645	80.4	-8,531,807	80.0
North Programme				
Personnel expenses	-238,525		-208,801	
Public relations	-67,541		-241,083	
Share of office costs (incl. IT) and depreciation	-29,893		-26,825	
	-335,959	2.8	-476,709	4.5
Fundraising				
Personnel expenses	-564,678		-485,713	
Fundraising	-679,081		-508,579	
General material costs (including share of office costs/IT/depreciation)	-321,745		-254,336	
	-1,565,505	13.2	-1,248,628	11.7
Administrative expenses				
Personnel expenses	-317,285		-309,097	
Association work	-9,332		-4,786	
Office and administration expenses	-47,269		-51,371	
Travel and representation expenses	-4,033		-8,120	
Memberships	-9,837		-6,415	
Share of office costs (incl. IT) depreciation	-35,615		-32,344	
	-423,371	3.6	-412,134	3.9
Total operating expenses	-11,884,479	100	-10,669,278	100

	2020	2019
	CHF	CHF
Operating result	325,915	-170,595
Financial income		
Income from interest and securities	185,325	365,004
Expenses for interest and securities	-101,305	-30,971
	84,020	334,033
Extraordinary income		
Extraordinary income	32,310	0
Result before changes to project funds	442,244	163,438
Statement of changes to restricted project funds	-383,768	-205,593
Annual result (before changes to organisational capital)	58,476	-42,155
Withdrawal from organisational capital	335,818	397,745
Allocation to paid-up and acquired capital	0	0
Allocation to fund 1 - unrestricted funds	-339,648	-85,590
Allocation to currency fluctuation fund	-54,645	-270,000
Total allocations / appropriations	-58,476	42,155
Result after allocation to organisational capital	0	0

Cash flow statement as of 1.1. – 31.12.20

	2020	2019
	CHF	CHF
1. Cash flow from operating activities		
Annual result (before changes to organisational capital)	58'476	-42'155
Changes to project funds	383'768	205'593
Depreciation	13'777	24'377
Increase / decrease (-) in provisions	-12'800	-8'800
Increase (-) / decrease in securities	-574'287	-54'618
Increase (-) / decrease in receivables	-106'257	128'104
Increase (-) / decrease in prepaid expenses	-10'800	-4'868
Increase / decrease (-) in short-term liabilities	-140'858	-230'524
Increase/ decrease (-) in accrued expenses	66'024	-102'902
Cash flow from operating activities	-322'958	-85'795
2. Cash flow from investment activities		
Investment (-) /disposal of financial assets	0	0
Investment (-) /disposal of fixed assets	-4'299	-22'807
Investment (-) /disposal of properties	0	0
Cash flow from investment activities	-4'299	-22'807
3. Cash flow from financing activities		
Asset transfer from Aids & Child Foundation / Increase	3'913'188	0
Increase / decrease (-) in liabilities	0	0
Cash flow from financing activities	3'913'188	0
Cash flow balance	3'585'931	-108'602
Control		
Balance of cash + cash equivalents on 01/01/2020 / 01/01/2019	4'144'745	4'253'347
Balance of cash and cash equivalents on 31/12/2020 / 31/12/2019	7'730'676	4'144'745
Change in cash and cash equivalents	3'585'931	-108'602
Difference	0	0

Analysis of changes in capital

	Opening balance on 01/01	Allocations	Internal fund transfers	Withdrawals	Total changes	Closing balance on 31/12
Organisational capital						
Paid-in capital and reserves	881,633	0	0	0	0	881,633
Currency fluctuation fund	400,000	54,645	0	0	54,645	454,645
Fund 3 – restricted funds for Aids &	3,913,188	0	0	-236,711	-236,711	3,676,477
Fund 1 – unrestricted funds	2,695,241	339,648	-66,185	0	273,463	2,968,704
Fund 2 – unrestricted funds	1,336,622	0	-32,921	0	-32,921	1,303,701
Organisational capital in 2020	9,226,684	394,293	-99,106	-236,711	58,477	9,285,160

Internal funds transfers serve to prevent negative balance of funds reserved for projects.
Fund 3 comes from the transfer of the assets of the Aids & Child Foundation.

Paid-in capital and reserves	881,633	0	0	0	0	881,633
Currency fluctuation fund	130,000	270,000	0	0	270,000	400,000
Fund 1 – unrestricted funds	2,774,841	85,590	-165,190	0	-79,600	2,695,241
Fund 2 – unrestricted funds	1,569,177	0	-232,555	0	-232,555	1,336,622
Organisational capital 2019	5,355,651	355,590	-397,745	0	-42,155	5,313,496

Internal funds transfers serve to prevent negative balance of funds reserved for projects.

Funds reserved for projects

Mandates, project contributions SDC / LED

DEZA, Namuno operating Theatre	-30,000	30,000	0	0	30,000	0
DEZA, RPSA COVID-19 Response	0	720,000	0	-711,491	8,509	8,509
DEZA, Rehabilitation Min Hydropower plant Mbingu	0	90,617	0	-96,476	-5,859	-5,859
LED	785,422	764,150	0	-908,557	-144,407	641,015
	755,422	1,604,767	0	-1,716,524	-111,757	643,664

SolidarMed projects

Lesotho	65,550	1,890,142	20,272	-1,407,530	502,884	568,435
Mozambique	41,735	1,727,902	42,000	-1,749,350	20,552	62,286
Tanzania	212,857	1,186,837	0	-1,233,247	-46,410	166,446
Zambia	83,206	1,381,353	925	-1,280,179	102,099	185,305
Zimbabwe	435,101	1,533,776	22,390	-1,667,927	-111,761	323,340
Other countries	52,638	119,973	13,519	-133,131	361	52,999
India	0	69,220	0	-69,220	0	0
Kenya	7,478	35,461	0	-41,939	-6,478	1,000
South Africa	0	216,870	0	-182,590	34,280	34,280
Other Aids & Child countries	0	22,568	0	-22,568	0	0
	898,566	8,184,102	99,106	-7,787,683	495,525	1,394,092

Total funds reserved for projects 2020	1,653,988	9,788,869	99,106	-9,504,207	383,768	2,037,756
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Project withdrawals include structural costs in addition to project expenses.

The India, Kenya, South Africa and other Aids & Child countries funds come from the transfer of assets of the Aids & Child foundation.

	Opening balance on 01/01	Allocations	Internal fund transfers	Withdrawals	Total changes	Closing balance on 31/12
Mandates, project contributions SDC / LED						
SDC, Namuno Operating Theatre	0	120,000	0	-150,000	-30,000	-30,000
LED	646,075	823,715	0	-684,368	139,347	785,422
	646,075	943,715	0	-834,368	109,347	755,422
SolidarMed projects						
Lesotho	75,373	1,376,756	32,087	-1,418,666	-9,822	65,550
Mocambique	304,478	1,558,370	235,732	-2,056,845	-262,744	41,735
Tanzania	70,911	1,437,418	7,345	-1,302,817	141,946	212,857
Zambia	175,381	889,373	6,200	-987,747	-92,175	83,206
Zimbabwe	118,699	1,947,741	113,743	-1,745,081	316,403	435,101
Other countries	50,000	171,605	0	-168,967	2,638	52,638
	794,842	7,381,262	395,107	-7,680,123	96,246	891,088
Total funds reserved for projects 2019	1,440,917	8,324,977	395,107	-8,514,491	205,593	1,646,510

Project withdrawals include structural costs in addition to project expenses.

Change in provisions

Provisions

Personnel deployed	119,874	0	0	0	0	119,874
Contingency fund	50,600	9,400	0	-22,200	-12,800	37,800
Real estate	3,168	0	0	0	0	3,168
Provision Zambia projects	2,000	0	0	0	0	2,000
Provision organisational development Aids&Kind	109,000	0	0	-109,000	-109,000	0
Provisions 2020	284,642	9,400	0	-131,200	-121,800	162,842

The organisational development provision comes from the transfer of the assets of the Aids & Child Foundation.

Provisions

Personnel deployed	119,874	0	0	0	0	119,874
Contingency fund	59,400	15,200	0	-24,000	-8,800	50,600
Real estate	3,168	0	0	0	0	3,168
Provision Zambia projects	2,000	0	0	0	0	2,000
Provisions 2019	184,442	15,200	0	-24,000	-8,800	175,642

Annex to the 2020 annual financial statement

Details of the principles used in the preparation of the annual financial statement

The accounts are prepared in accordance with Swiss GAAP FER (Kern-FER and FER 21) accounting recommendations and provide a true and accurate picture of the assets and liabilities, financial position and profit and loss of the Organisation.

Accounting and valuation principles

- Cash and cash equivalents are stated at nominal value.
- Securities are stated at the market value on the balance sheet reporting day. The investment and reserve policy regulations were revised in 2018. SolidarMed now invests in a fund with sustainable and ethical investments. Unrealised securities gains can be allocated to the currency fluctuation fund to compensation for future losses. In 2020, an allocation of CHF 54,565 was made.
- Accounts receivables are stated at nominal value.
- Accounts payable to projects are stated at nominal value minus necessary value adjustments.
- Accounts receivables from projects (project advances): foreign currencies are stated at exchange rate on balance sheet reporting date.
- Fixed assets are stated at purchase price minus necessary depreciation based on useful life (generally 3 years).
- Financial investments are stated at nominal value.

Transfer of assets from Aids & Child Foundation

The Aids & Child foundation transferred its projects and assets to SolidarMed with retroactive effect as of 01/01/2020. The assets included assets of CHF 4,081,360, short-term liabilities of CHF 168,172 as well as organisational capital of

CHF 3,913,188. A direct comparison with the previous year's figures is therefore not possible.

The organisational capital was allocated to fund 3. The fund is primarily intended to provide direct and indirect support of children affected by HIV and AIDS.

Other short-term receivables

The other short-term receivables of CHF 359,985 (previous year: CHF 200,308) mainly consist of purpose-specific donations for the current year which were received the following year.

Investments

SolidarMed has a 100 percent shareholding in SolidarMed Limited, Zambia. There is no fixed share capital.

Remuneration of the Executive Board and Executive Management

The Board of SolidarMed works on a voluntarily and unpaid basis and contributed a total of 900 working hours (previous year: 1233).

The President and Vice-President each received a small stipend, which they donated in its entirety.

The SolidarMed Executive Management team consists of 4 people. Their remuneration totalled CHF 549,881 (previous year: CHF 513,643). The change in costs is explained by an adjustment to the change in full-time equivalents.

Number of staff members with a Swiss employment contract at the headquarters and the project countries

Annual average number of full-time positions in 2020: 22

Annual average number of full-time positions in 2019: 26

Method used to calculation administrative expenses and cost of fund-raising

For an organisation with long-term activities, fundraising and administration are indispensable tasks. The Zewo Foundation recognises that this requires a certain amount of financial expenditure. It assesses whether the share of this expenditure lies within the prescribed range. To delimit the costs for fundraising and administration from the effective programme expenses, SolidarMed follows the recommendations of the Zewo Foundation. Costs are allocated with an appropriate allocation key.

Extraordinary income

The Aids & Child foundation established 2019 a provision for extraordinary costs of organisational development in the amount of CHF 109,000. The unused amount of CHF 16,993 was then released. The remaining CHF 15,317 come from discretionary benefits from social insurances.

Significant events after the balance sheet date

There have been no significant events between the balance sheet date and the approval of the annual financial statement by the Board that could impair the informative value of the 2020 annual financial statement or which would have to be disclosed here. ■

38 projects

95 years old

9 countries

2,776,850 people
who have access to
improved health care

75,168 infants
safely delivered

1,415 trained health
care professionals and
community health workers

235 health care
facilities assisted

**SOLIDAR
MED**
Zusammenarbeit,
die wirkt.

Our vision

We are committed to a world where all people have equitable access to good and affordable health care.

Values

Solidarity

Our commitment is founded on solidarity and partnership. The name SolidarMed bears witness to this.

Social equity

We are committed to ensuring that all people can exercise their right to physical and mental health without discrimination, regardless of age, circumstance, gender, religion, place of residence or income.

Self-determined development

Health enables people to lead self-determined lives and realise their potential. We respect and promote the right to self-determined individual and social development.

Integrity

Professional competence, experience, trust and credibility form the basis and the capital of our work. SolidarMed behaves fairly, transparently and respectfully towards its employees, donors, partners and the local population.

Sustainability

We stand for reliable, binding and value-preserving development which balances social, ecological and economic concerns.





MWALEMI

ASANTE SANA!

HAMUKHESA

Kanimambo

TVALUNBA KAPATI

KEA LEBOHA

ENKOSI KAKHULU

LUTUMEZI HAULU

DANKE

ASANTE

OBRIGADO

ASANTE

THANK YOU

TWATOTA MWANE

Mazvita

KEA LEBOHA

"Inkomu"

ASANTE

MERCI!

DANKE

KEA LEBOHA

NOXUKURU

ORIO NNODU

Danke schön & Bitte sehr!

TWATASHA MUKWAYI

TAONGA CHOMENE

Vielen Dank!

(handwritten)

WASALIPA

EROKAMANO