

To the Network Committee of

## **International Federation of the Blue Cross**

Gesellschaftsstrasse 78  
CH-3012 Berne

# **Report of the statutory auditor on the limited statutory examination of the financial statements for the year 2011**

(for the year ended 31 December 2011)

30 Mai 2012  
170-22-933 / kho

**Report of the statutory auditor on the limited statutory examination**  
to the Network Committee of

**International Federation of the Blue Cross, Bern**

As statutory auditor, we have examined the financial statements (balance sheet, income statement, cash flow statement, statements of changes in funds and organisation capital, notes) of the International Federation of the Blue Cross for the year ended 31 December 2011. In accordance with Swiss GAAP FER the performance report has not been audited.

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

We conducted our examination in accordance with the Swiss Standard on 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 accompanying 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 or not comply with Swiss law and the association's articles of incorporation.

Berne, 30 May 2012

BDO Ltd



Thomas Stutz

Licensed Audit Expert



Karel Hojac

Licensed Audit Expert  
Auditor in Charge

**Enclosures**

Financial statements

**INTERNATIONAL FEDERATION OF THE BLUE CROSS**

**BALANCE SHEET AS AT 31 DECEMBER 2011**

	Notes	<u>31.12.2011</u> CHF	<u>31.12.2010</u> CHF
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	1	1'672'206.10	1'633'895.05
Marketable securities	2	122'144.79	128'020.00
Short term receivables	3	135'505.14	289'723.60
Accrued assets	4	72'365.67	88'047.71
<b>Total Current assets</b>		<u>2'002'221.70</u>	<u>2'139'686.36</u>
<b>Fixed assets</b>			
Investment	5	70'000.00	70'000.00
Furniture and equipment	6	3'341.00	2'151.00
<b>Total Fixed assets</b>		<u>73'341.00</u>	<u>72'151.00</u>
<b>TOTAL ASSETS</b>		<u><u>2'075'562.70</u></u>	<u><u>2'211'837.36</u></u>

INTERNATIONAL FEDERATION OF THE BLUE CROSS

BALANCE SHEET AS AT 31 DECEMBER 2011

	Notes	31.12.2011 CHF	31.12.2010 CHF
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Trade accounts payable		36'680.91	65'279.66
Other liabilities	7	1'276'469.12	1'389'182.87
Accrued liabilities	8	106'896.42	78'727.26
<b>Total Current liabilities</b>		<u>1'420'046.45</u>	<u>1'533'189.79</u>
<b>Funds</b>			
Solidarité		330'762.94	77'412.10
Organisational Development		263'507.03	0.00
Street children of Madagascar		0.00	12'368.90
BK Nederland		0.00	517'388.79
Other funds		0.00	14'873.91
<b>Total Funds</b>		<u>594'269.97</u>	<u>622'043.70</u>
<b>Equity</b>			
Paid in capital		433.25	433.25
General reserve		10'000.00	10'000.00
Organisation reserve		27'249.67	27'249.67
Retained earnings			
Balance brought forward from prior year		18'920.95	10'568.74
Result for the year		4'642.41	8'352.21
		<u>23'563.36</u>	<u>18'920.95</u>
<b>Total Equity</b>		<u>61'246.28</u>	<u>56'603.87</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u><u>2'075'562.70</u></u>	<u><u>2'211'837.36</u></u>

## INTERNATIONAL FEDERATION OF THE BLUE CROSS

## INCOME STATEMENT 2011

	Notes	<u>2011</u> CHF	<u>2010</u> CHF
<b>INCOME</b>			
Contributions Blue Cross Norway		2'820'497.75	2'703'378.34
Donations and contributions	9	97'629.99	96'299.36
Other income		180.15	6'317.82
<b>Income TV Campaign</b>		<u>2'918'307.89</u>	<u>2'805'995.52</u>
Membership contributions		182'338.76	273'572.03
Donations and contributions		23'501.86	51'305.14
Services		60'000.00	60'000.00
<b>Income IFBC</b>		<u>265'840.62</u>	<u>384'877.17</u>
<b>TOTAL INCOME</b>		<u>3'184'148.51</u>	<u>3'190'872.69</u>
<b>EXPENSES</b>			
TV Campaign	9	2'918'307.89	2'805'995.52
Other projects		23'520.47	16'946.73
<b>Direct project expenses</b>		<u>2'941'828.36</u>	<u>2'822'942.25</u>
Personnel expenses	10	169'076.55	258'440.41
Travel and representation		8'673.98	29'378.64
Rental expenses		10'157.06	9'363.82
Maintenance IT		8'543.88	10'677.26
Administrative expenses		4'890.52	26'958.64
Fundraising expenses		30'626.43	14'781.93
Depreciation		2'208.00	2'150.00
<b>General secretariat</b>		<u>234'176.42</u>	<u>351'750.70</u>
Travel and representation		9'237.85	8'253.21
Administrative expenses		0.00	1'749.06
Strategy process		10'989.27	0.00
<b>Federation</b>		<u>20'227.12</u>	<u>10'002.27</u>
<b>TOTAL EXPENSES</b>		<u>3'196'231.90</u>	<u>3'184'695.22</u>
<b>OPERATING RESULT</b> (amount to be carried over)		<u>-12'083.39</u>	<u>6'177.47</u>

## INTERNATIONAL FEDERATION OF THE BLUE CROSS

## INCOME STATEMENT 2011

Notes	<u>2011</u> CHF	<u>2010</u> CHF
<b>OPERATING RESULT</b> (amount carried over)	-12'083.39	6'177.47
Financial income incl. foreign exchange profit	6'239.67	11'242.11
Financial cost incl. foreign exchange loss	-13'218.28	-44'738.80
<b>Financial result</b>	<u>-6'978.61</u>	<u>-33'496.69</u>
Other income	5'414.78	5'801.91
Other expenses	-9'484.10	0.00
<b>Other result</b>	<u>-4'069.32</u>	<u>5'801.91</u>
<b>OPERATING RESULT BEFORE CHANGES IN FUNDS</b>	-23'131.32	-21'517.31
Allocation donations other funds	0.00	-600.00
Withdrawal project expenses other funds	28'723.73	12'071.47
Financial income to / from BC Netherland fund	-950.00	38'398.05
<b>Funds result</b>	<u>27'773.73</u>	<u>49'869.52</u>
<b>RESULT BEFORE ALLOCATION</b>	4'642.41	28'352.21
Allocation to organisation reserve	0.00	-20'000.00
<b>RESULT FOR THE YEAR</b>	<u>4'642.41</u>	<u>8'352.21</u>

# INTERNATIONAL FEDERATION OF THE BLUE CROSS

## CASH FLOW STATEMENT 2011

+ Cash flow in	
- Cash flow out	
	<u>2011</u>
	CHF
<b>RESULT FOR THE YEAR</b>	4'642.41
Depreciation of fixed assets	2'208.00
<b>Changes</b>	
Marketable securities	5'875.21
Short term receivables	154'218.46
Accrued income	15'682.04
Trade accounts payable	-28'598.75
Liability due to BC Norway	-112'713.75
Accrued liabilities	28'169.16
<b>CASH FLOW FROM OPERATIONS</b>	<u>69'482.78</u>
Acquisition of fixed assets	-3'398.00
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<u>-3'398.00</u>
<b>Changes in funds</b>	
Solidarité	-15'043.17
Organisational Development	-10'989.27
BK Nederland	950.00
Other	-2'691.29
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<u>-27'773.73</u>
<b>CHANGES OF CASH</b>	<u><u>38'311.05</u></u>
<b>EVIDENCE OF CHANGES</b>	
Opening balance of cash and cash equivalents as of 1 January 2011	1'633'895.05
Closing balance of cash and cash equivalents as of 31 December 2011	1'672'206.10
<b>CHANGES OF CASH</b>	<u><u>38'311.05</u></u>

## INTERNATIONAL FEDERATION OF THE BLUE CROSS

### STATEMENT OF CHANGES IN FUNDS

	<u>Solidarité</u> CHF	<u>Organisational Development</u> CHF	<u>Street children Madagascar</u> CHF	<u>BC Netherland</u> CHF	<u>Other Funds</u> CHF	<u>Total</u> CHF
<b>Opening balance 1.1.2010</b>	78'154.10	0.00	12'368.90	555'786.84	25'603.38	671'913.22
Donations					600.00	600.00
Use	-742.00				-11'329.47	-12'071.47
Financial income				-38'398.05		-38'398.05
<b>Closing balance 31.12.2010</b>	<u>77'412.10</u>	<u>0.00</u>	<u>12'368.90</u>	<u>517'388.79</u>	<u>14'873.91</u>	<u>622'043.70</u>
Use	-15'043.17	-10'989.27			-2'691.29	-28'723.73
Financial income				950.00		950.00
Transfer	<u>268'394.01</u>	<u>274'496.30</u>	<u>-12'368.90</u>	<u>-518'338.79</u>	<u>-12'182.62</u>	<u>0.00</u>
<b>Closing balance 31.12.2011</b>	<u><u>330'762.94</u></u>	<u><u>263'507.03</u></u>	<u><u>0.00</u></u>	<u><u>0.00</u></u>	<u><u>0.00</u></u>	<u><u>594'269.97</u></u>

### STATEMENT OF CHANGES IN ORGANISATION CAPITAL

	<u>Paid in capital</u> CHF	<u>General reserve</u> CHF	<u>Organisation reserve</u> CHF	<u>Retained earnings</u> CHF	<u>Total</u> CHF
<b>Opening balance 1.1.2010</b>	433.25	10'000.00	55'000.00	-37'181.59	28'251.66
Transfer			-47'750.33	47'750.33	0.00
Allocation			20'000.00		20'000.00
Result for the year				<u>8'352.21</u>	<u>8'352.21</u>
<b>Closing balance 31.12.2010</b>	<u>433.25</u>	<u>10'000.00</u>	<u>27'249.67</u>	<u>18'920.95</u>	<u>56'603.87</u>
Result for the year				<u>4'642.41</u>	<u>4'642.41</u>
<b>Closing balance 31.12.2011</b>	<u><u>433.25</u></u>	<u><u>10'000.00</u></u>	<u><u>27'249.67</u></u>	<u><u>23'563.36</u></u>	<u><u>61'246.28</u></u>



# INTERNATIONALER FEDERATION OF THE BLUE CROSS

## NOTES TO THE ANNUAL FINANCIAL STATEMENT 2011

### THE ORGANISATION

The International Federation of the Blue Cross (IFBC), founded in 1886, is a non-governmental umbrella organisation for health development supported by qualified specialists who, either as regular employees or on a voluntary basis, have dedicated themselves to the aim of helping people who suffer from alcohol or drug addiction. The IFBC assists its member organisations in acquiring expertise and has implemented projects around the world which have a sustainable impact. These have been financed since 2009 mainly by the funds of the "TV Campaign". The TV Campaign is a national fundraising event which is conducted annually by the Norwegian Broadcast NRK. In 2008 the earnings of the TV campaign was given to the Blue Cross of Norway, which generously gave half of these funds to the IFBC to finance its projects.

### ACCOUNTING BASIS

In the reporting year initially the Annual Financial Statement was prepared according to Swiss GAAP FER (Swiss accounting and reporting regulations), in particular Standard 21 "The accounting for charitable, social non-profit organizations". The layout of the Annual Financial Statement 2010 was adapted accordingly. There was no need for any valuation adjustment. Due to the first accounting according to Swiss GAAP FER, with respect to Number 8 of the Framework, it was decided not to present the previous year's figures in the statement of cash flows.

### ACCOUNTING AND VALUATION PRINCIPLES

The balance sheet items are valued according to uniform rules. Nominal values and the acquisition costs generally form the basis for the valuation. The most important valuation principles are explained as follows:

#### Cash and cash equivalents

Cash and cash equivalents include cash balance, postal and bank accounts with a period of up to 3 months. The valuation is done at nominal value. Bank accounts in foreign currency are translated at the exchange rate on the balance sheet date.

#### Marketable securities

Securities listed on the stock exchange are valued at the rate of exchange on the balance sheet date.

#### Short term receivables

Receivables of the current assets are reported in the balance sheet at their nominal value minus allowance for doubtful debts.

#### Accrued assets

The balances include prepaid expenses and deferred income of the following year and earnings that have not yet been received.

#### Financial investment

Financial investment and financial assets without market value are presented in the balance sheet at acquisition costs. The necessary provision for impairment losses will be deducted.

#### Fixed assets

The fixed assets are valued at acquisition cost less depreciation. An acquisition value of CHF 1'000 was specified as lower threshold for capitalization. The depreciation is provided using the scheduled straight line method over the expected useful life of the assets:

IT-Systems	3 years
Office equipments	5 years

# INTERNATIONALER FEDERATION OF THE BLUE CROSS

## **Liabilities**

Liabilities that are to be paid within a year are reported in the balance sheet at their nominal value.

## **Accrued liabilities**

This includes accruals and deferrals for services already rendered, for which however no invoices have yet been received in the reporting period. The accounting is done at estimated nominal values.

## **Provisions**

Provisions are recognised, when a present obligation exists from a past event, probably a cash outflow and its amount and / or settlement date still uncertain, but is estimable.

## **Foreign currency translation**

Transactions and finance items in foreign currency are translated at the monthly exchange rates at the time of the transaction. In case of annual financial statements of the projects in foreign currencies, the balance sheet and the income statement are translated at the rate of exchange on the balance sheet date.

## **FUNDS**

In connection with the preparation of the Annual Financial Statement 2011 according to Swiss GAAP FER 21, the IFBC Network Committee in collaboration with the Finance Commission examined the usefulness of the individual funds and decided on a re-classification. The intended purposes of the new funds are follows:

### **Solidarité**

This fund is supposed to support the introduction and development of new member organizations in countries without previous Blue Cross activities, assist national BC federations which experience difficulties due to special circumstances or a catastrophe. Besides, projects within the scope of the program "HIV / Aids and Alcohol" and the development of the pilot projects are to be supported. Nevertheless, 50% of the current projects are to be financed by other means.

### **Organisational Development**

Serves the purpose of stabilization of the work of the International Federation of the Blue Cross according to the TV Campaign and is supposed to compensate possible losses. It can be used for financing fund-raising projects, sharing of knowledge between the member organizations and for lobbying for the international health and alcohol legislation.

## **ORGANISATION CAPITAL**

**The organisation capital comprises the following:**

- free paid-in capital
- free general reserve
- free organisation reserve
- free retained earnings

**INTERNATIONALER FEDERATION OF THE BLUE CROSS**

**ADDITIONAL INFORMATION TO THE BALANCE SHEET**

	<u>31.12.2011</u>	<u>31.12.2010</u>
	CHF	CHF
<b>1 Cash and cash equivalents</b>		
Divided in foreign currencies this position is as follows:		
in CHF	907'041.77	49'532.39
in EUR	228'820.21	183'726.14
in NOK	534'815.65	1'399'050.73
Other various currencies	<u>1'528.47</u>	<u>1'585.79</u>
<b>Total</b>	<u>1'672'206.10</u>	<u>1'633'895.05</u>

<b><i>There of cash flow of TVC</i></b>	1'314'914.40	1'411'644.77
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These funds have been provided from funds of the TV Campaign of the Norwegian Blue Cross and are to be used exclusively for the realization of TVC Projects.

<b>2 Marketable securities</b>		
EUR 50'000 3 % Bonds Eurohypo AG	60'839.57	63'488.00
EUR 50'000 4 1/8 % Bonds Rabobank Nederland	<u>61'305.22</u>	<u>64'532.00</u>
<b>Total</b>	<u>122'144.79</u>	<u>128'020.00</u>

<b>3 Short term receivables</b>		
Membership fees	70'152.80	38'300.00
Allowance for outstanding fees	-66'372.60	-3'830.00
Local organisations TVC projects	124'300.76	254'982.10
Various	<u>7'424.18</u>	<u>271.50</u>
<b>Total</b>	<u>135'505.14</u>	<u>289'723.60</u>

The allowance for outstanding membership fees were decided by the finance commission as a result of the high outstanding amounts of the membership fees from the years 2010 and 2011. The IFBC relies on timely payment of the membership fees to support the member organisations. The value adjustment does not mean that defaulting members are released from their duty to pay membership fees which are still outstanding. A work group of the Network Committee was set up which would deal with this problem in 2012 and work out possible solutions.

<b>4 Accrued assets</b>		
Prepaid flight tickets	12'492.60	22'434.34
Insurance benefits	0.00	10'926.31
Prepaid insurance contribution	21'923.60	15'170.30
Consulting fees	30'000.00	27'840.00
Rent	0.00	3'535.00
Accrued interest bonds	3'595.20	3'687.35
Various	<u>4'354.27</u>	<u>4'454.41</u>
<b>Total</b>	<u>72'365.67</u>	<u>88'047.71</u>

**INTERNATIONALER FEDERATION OF THE BLUE CROSS**

	<u>31.12.2011</u>	<u>31.12.2010</u>	
<b>5 Investment</b>	CHF	CHF	
37.03 % share on Société Immobilière La Radieuse B SA in Carouge	<u>70'000.00</u>	<u>70'000.00</u>	
<b>6 Furniture and equipment</b>			
	Office		
	<u>Equipment</u>	<u>IT Systems</u>	<u>Total</u>
<i>Acquisition value</i>	CHF	CHF	CHF
Opening balance 1.1.2011	1.00	14'153.00	14'154.00
Increase	<u>0.00</u>	<u>3'398.00</u>	<u>3'398.00</u>
Closing Balance 31.12.2011	<u>1.00</u>	<u>17'551.00</u>	<u>17'552.00</u>
<i>Depreciation</i>			
Opening balance 1.1.2011	0.00	12'003.00	12'003.00
Increase	<u>0.00</u>	<u>2'208.00</u>	<u>2'208.00</u>
Closing balance 31.12.2011	<u>0.00</u>	<u>14'211.00</u>	<u>14'211.00</u>
<b>Balance Sheet Value as at 31.12.2011</b>	<u>1.00</u>	<u>3'340.00</u>	<u>3'341.00</u>
<b>Balance Sheet Value as at 31.12.2010</b>	<u>1.00</u>	<u>2'150.00</u>	<u>2'151.00</u>
	<u>31.12.2011</u>	<u>31.12.2010</u>	
<b>7 Other liabilities</b>	CHF	CHF	
This position consists of received prepayments from Blue Cross Norway.	<u>1'276'469.12</u>	<u>1'382'182.87</u>	
<b>8 Accrued liabilities</b>			
Unused holiday and overtime	8'340.50	14'000.00	
Audit fees TVC projects	78'472.40	61'217.57	
Various	<u>20'083.52</u>	<u>3'509.69</u>	
<b>Total</b>	<u>106'896.42</u>	<u>78'727.26</u>	

**INTERNATIONALER FEDERATION OF THE BLUE CROSS**

**ADDITIONAL INFORMATION TO THE INCOME STATEMENT**

	<u>31.12.2011</u>	<u>31.12.2010</u>
	CHF	CHF
<b>9 TV Campaign</b>		
<b>a) Donation and contribution</b>		
Bread for All	67'535.08	66'627.15
SDW	15'000.00	15'000.00
Stichting SAB	12'355.84	0.00
Other	2'739.07	14'672.21
<b>Total</b>	<u>97'629.99</u>	<u>96'299.36</u>
<b>9 b) Expenses</b>		
Romania	244'194.96	0.00
Poland	274'705.91	276'018.98
Ukraine	107'773.29	127'374.71
Russia	73'774.00	90'301.34
Czech Republic	160'405.53	231'200.93
Brazil	282'610.63	231'807.85
<b>Group A</b>	<u>1'143'464.32</u>	<u>956'703.81</u>
Chad	92'034.13	87'436.60
Congo	108'852.23	0.00
India	77'022.67	47'867.84
Namibia	255'556.66	140'177.75
Lesotho ICDP	8'874.73	53'383.06
BCRC	161'669.34	285'766.60
Kenya	141'943.34	156'374.74
Kenya SDW	19'525.30	8'050.44
South Africa	8'055.80	0.00
<b>Group B</b>	<u>873'534.20</u>	<u>779'057.03</u>
Internetbased E-Learning	0.00	44'807.35
Leadership Development	185'894.42	53'131.50
Multinational Training	362'997.29	397'004.13
Alcohol Policy Training	239'141.47	322'765.17
Portfolio of Stories	13'209.20	13'303.80
Alcohol Prevention Ressource Sub Sahara Afrika	3'866.11	0.00
Core Training Congo / Chad	36'315.75	0.00
<b>Group C</b>	<u>841'424.24</u>	<u>831'011.95</u>
Tanzania	0.00	11'423.57
Kenya	0.00	37'004.34
Latvia	0.00	15'088.24
Congo	0.00	23'277.99
Monitoring Alcohol Industry	0.00	42'749.99
Cambodia	12'916.66	0.00
Africa Coordinator	57'234.98	35'384.69
<b>Other projects</b>	<u>70'151.64</u>	<u>164'928.82</u>
<b>Total direct project expenses</b> (amount to be carried over)	<u>2'928'574.40</u>	<u>2'731'701.61</u>

## INTERNATIONALER FEDERATION OF THE BLUE CROSS

	31.12.2011	31.12.2010
	CHF	CHF
<b>Total direct project expenses</b> (amount carried over)	2'928'574.40	2'731'701.61
 <i>The direct project expenses are divided as follows:</i>		
Project expenses	980'392.74	1'029'569.45
Personnel expenses	1'428'811.61	1'246'198.21
Travel and representation expenses	480'250.42	418'420.99
Maintenance expenses	39'119.63	37'512.96
<b>Total direct project expenses</b>	2'928'574.40	2'731'701.61
Administrative expenses	73'009.50	75'828.15
Finance income incl. foreign exchange profit	-95'976.85	-11'051.95
Finance expense incl. foreign exchange loss	12'700.84	9'517.71
<b>Total</b>	2'918'307.89	2'805'995.52

### 10 Personnel expenses and compensation

The members of the Network Committee do not receive any compensation for their work for the respective institutions. In the reporting year actual travel expenses of CHF 35'670.65 was reimbursed (previous year CHF 40'184.37).

The total wage costs of the secretary general and the deputy secretary general was CHF 235'897 in 2011 (previous year CHF 222'843.65).

### 11 Gratuitous services by third party

No significant gratuitous services were provided by third parties.

### 12 Gratuitous services to third parties

In both reporting years no gratuitous services were provided.

## ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

### Fire insurance value of fixed assets

Office equipment and IT-systems	60'000.00	60'000.00
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### Risk assessment

The Network Committee has carried out risk assessments periodically. The measures resulting from it were initiated so that the identifiable risks could be avoided, lessened or passed on.

### Events after the balance sheet date

The present Annual Financial Statement was approved by the Finance Commission on May 9, 2012 and released for publication. Since the publication no event has occurred which will have a significant impact on the Annual Financial Statement of 2011.