

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 2013**

(for the year ended 31 December 2013)

27 May 2014  
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, Berne**

As statutory auditor, we have examined the financial statements (balance sheet, income statement, cash flow statement, statements of changes in funds and organisation capital and notes) of the International Federation of the Blue Cross for the year ended 31 December 2013. 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.

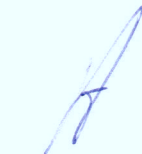
Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the accompanying financial statements do not give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER or not comply with Swiss law and the association's articles of incorporation.

Berne, 27 March 2014

BDO Ltd



Karel Hojac  
Licensed Audit Expert  
Auditor in Charge



Thomas Stutz  
Licensed Audit Expert

**Enclosures**  
Financial statements

INTERNATIONAL FEDERATION OF THE BLUE CROSS

BALANCE SHEET AS AT 31 DECEMBER 2013

	Notes	<u>31.12.2013</u>	<u>31.12.2012</u>
		CHF	CHF
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	1	2'022'751.22	2'310'590.36
Short term receivables	2	51'666.82	154'816.84
Accrued assets	3	15'210.10	27'253.35
<b>Total Current assets</b>		<u>2'089'628.14</u>	<u>2'492'660.55</u>
<b>Fixed assets</b>			
Financial assets		2'100.00	0.00
Furniture and equipment	4	2'720.65	3'946.95
<b>Total Fixed assets</b>		<u>4'820.65</u>	<u>3'946.95</u>
<b>TOTAL ASSETS</b>		<u><u>2'094'448.79</u></u>	<u><u>2'496'607.50</u></u>

**INTERNATIONAL FEDERATION OF THE BLUE CROSS**

**BALANCE SHEET AS AT 31 DECEMBER 2013**

	Notes	<u>31.12.2013</u> CHF	<u>31.12.2012</u> CHF
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Trade accounts payable		24'967.92	4'259.00
Other liabilities	5	618'093.11	1'186'112.46
Accrued liabilities	6	142'930.11	68'437.40
<b>Total Current liabilities</b>		<u>785'991.14</u>	<u>1'258'808.86</u>
 <b>Funds</b>			
Solidarité		331'129.61	331'129.61
Organisational Development		616'873.71	551'873.71
<b>Total Funds</b>		<u>948'003.32</u>	<u>883'003.32</u>
 <b>Equity</b>			
Paid in capital		433.25	433.25
General reserve		10'000.00	10'000.00
Organisation reserve		315'249.67	315'249.67
Retained earnings			
Balance brought forward from prior year		29'112.40	23'563.36
Result for the year		5'659.01	5'549.04
		<u>34'771.41</u>	<u>29'112.40</u>
<b>Total Equity</b>		<u>360'454.33</u>	<u>354'795.32</u>
 <b>TOTAL LIABILITIES AND EQUITY</b>		 <u><u>2'094'448.79</u></u>	 <u><u>2'496'607.50</u></u>

**INTERNATIONAL FEDERATION OF THE BLUE CROSS**

**INCOME STATEMENT 2013**

	Notes	<u>2013</u>	<u>2012</u>
		CHF	CHF
<b>INCOME</b>			
Contributions Blue Cross Norway		2'084'761.20	2'126'800.12
Donations and contributions	7	113'759.69	139'940.04
Other income		12'413.12	1'578.73
<b>Income TV Campaign</b>		<u>2'210'934.01</u>	<u>2'268'318.89</u>
Membership contributions		196'590.76	192'921.15
Donations and contributions		51'553.13	62'372.67
Services		61'662.15	60'000.00
Other income		0.00	20'559.74
<b>Income IFBC</b>		<u>309'806.04</u>	<u>335'853.56</u>
<b>TOTAL INCOME</b>		<u>2'520'740.05</u>	<u>2'604'172.45</u>
<b>EXPENSES</b>			
TV Campaign	8	2'206'329.06	2'243'160.33
Other projects		0.00	0.00
<b>Direct project expenses</b>		<u>2'206'329.06</u>	<u>2'243'160.33</u>
Personnel expenses	9	129'639.54	132'891.29
Travel and representation		2'386.66	4'979.09
Rental expenses		9'712.92	9'734.25
Maintenance IT		8'094.49	6'841.03
Administrative expenses		4'744.49	19'512.95
Fundraising expenses		16'197.79	4'699.00
Depreciation		3'173.72	479.20
<b>General secretariat</b>		<u>173'949.61</u>	<u>179'136.81</u>
Travel and representation		7'791.10	21'465.60
Administrative expenses		3'482.87	652.20
Strategy process		0.00	13'125.65
Expenditures General Assembly 2012		0.00	12'594.93
Provision for General Assembly 2016		30'000.00	0.00
Adjustment of value membership fees		24'753.15	22'988.95
<b>Federation</b>		<u>66'027.12</u>	<u>70'827.33</u>
<b>TOTAL EXPENSES</b>		<u>2'446'305.79</u>	<u>2'493'124.47</u>
<b>OPERATING RESULT</b> (amount to be carried over)		<u>74'434.26</u>	<u>111'047.98</u>

**INTERNATIONAL FEDERATION OF THE BLUE CROSS**

**INCOME STATEMENT 2013**

Notes	<u>2013</u> CHF	<u>2012</u> CHF
<b>OPERATING RESULT</b> (amount carried over)	74'434.26	111'047.98
Financial income incl. foreign exchange profit	1'017.10	1'720.10
Financial cost incl. foreign exchange loss	-187.40	-8'330.43
<b>Financial result</b>	<u>829.70</u>	<u>-6'610.33</u>
Net result of sale of share	0.00	503'003.30
Adjustment of value receivables projects	-4'604.95	-25'158.56
<b>Other result</b>	<u>-4'604.95</u>	<u>477'844.74</u>
 <b>OPERATING RESULT BEFORE CHANGES IN FUNDS</b>	 70'659.01	 582'282.39
Allocation to organisational development fund	-65'000.00	-288'000.00
Financial income to / from funds	0.00	-733.35
<b>Funds result</b>	<u>-65'000.00</u>	<u>-288'733.35</u>
 <b>RESULT BEFORE ALLOCATION</b>	 5'659.01	 293'549.04
Allocation to organisation reserve	0.00	-288'000.00
 <b>RESULT FOR THE YEAR</b>	 <u>5'659.01</u>	 <u>5'549.04</u>

**INTERNATIONAL FEDERATION OF THE BLUE CROSS**

**CASH FLOW STATEMENT 2012 and 2013**

+ Cash flow in	2013	2012
- Cash flow out	CHF	CHF
<b>RESULT FOR THE YEAR</b>	5'659.01	5'549.04
Depreciation of fixed assets	2'912.00	479.20
Adjustments of value projects	4'604.95	25'158.56
Profit from sale of share	0.00	-503'003.30
Allocation to funds	65'000.00	576'000.00
<b>Changes</b>		
Marketable securities	0.00	122'144.79
Short term receivables	98'545.07	-44'470.26
Accrued income	12'043.25	45'112.32
Trade accounts payable	20'708.92	-32'421.91
Liability due to BC Norway	-568'019.35	-90'356.66
Accrued liabilities	74'492.71	-38'459.02
<b>CASH FLOW FROM OPERATIONS</b>	-284'053.44	65'732.76
Acquisition of fixed assets	-1'685.70	-1'085.15
Financial assets	-2'100.00	0.00
Sale of share	0.00	573'003.30
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	-3'785.70	571'918.15
<b>Changes in funds</b>		
Solidarité	0.00	366.67
Organisational Development	0.00	366.68
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	0.00	733.35
<b>CHANGES OF CASH</b>	-287'839.14	638'384.26
<b>EVIDENCE OF CHANGES</b>		
Opening balance of cash and cash equivalents as of 1 January	2'310'590.36	1'672'206.10
Closing balance of cash and cash equivalents as of 31 December	2'022'751.22	2'310'590.36
<b>CHANGES OF CASH</b>	-287'839.14	638'384.26

## INTERNATIONAL FEDERATION OF THE BLUE CROSS

### STATEMENT OF CHANGES IN FUNDS

	<u>Solidarité</u> CHF	<u>Organisational Development</u> CHF	<u>Total</u> CHF
<b>Opening balance 1.1.2012</b>	330'762.94	263'507.03	594'269.97
Financial income	366.67	366.68	733.35
Allocation		<u>288'000.00</u>	<u>288'000.00</u>
<b>Closing balance 31.12.2012</b>	331'129.61	551'873.71	883'003.32
Allocation		<u>65'000.00</u>	<u>65'000.00</u>
<b>Closing balance 31.12.2013</b>	<u><u>331'129.61</u></u>	<u><u>616'873.71</u></u>	<u><u>948'003.32</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 1.1.2012</b>	433.25	10'000.00	27'249.67	23'563.36	61'246.28
Allocation			288'000.00		288'000.00
Result for the year				<u>5'549.04</u>	<u>5'549.04</u>
<b>Closing balance 31.12.2012</b>	433.25	10'000.00	315'249.67	29'112.40	354'795.32
Result for the year				<u>5'659.01</u>	<u>5'659.01</u>
<b>Closing balance 31.12.2013</b>	<u><u>433.25</u></u>	<u><u>10'000.00</u></u>	<u><u>315'249.67</u></u>	<u><u>34'771.41</u></u>	<u><u>360'454.33</u></u>



# INTERNATIONALER FEDERATION OF THE BLUE CROSS

## NOTES TO THE ANNUAL FINANCIAL STATEMENT 2013

### 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 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".

### ACCOUNTING AND VALUATION PRINCIPLES

The balance sheet items are valuated 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 valuated 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 valuated 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

#### 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.

# INTERNATIONALER FEDERATION OF THE BLUE CROSS

## **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**

The purposes of the funds are as 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

	31.12.2013	31.12.2012
<b>1 Cash and cash equivalents</b>	CHF	CHF
Divided in foreign currencies this position is as follows:		
in CHF	1'154'817.38	1'063'153.55
in EUR	98'974.69	15'681.71
in NOK	767'775.93	1'230'953.17
Other various currencies	1'183.22	801.93
<b>Total</b>	<b>2'022'751.22</b>	<b>2'310'590.36</b>

<b><i>There of cash flow of TVC</i></b>	803'080.87	1'285'146.19
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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 Short term receivables</b>		
Membership fees	114'164.70	153'926.30
Allowance for outstanding fees	-114'114.70	-89'361.55
Local organisations TVC projects	50'485.35	111'762.11
Adjustment of value projects	0.00	-25'158.56
Various	1'131.47	3'648.54
<b>Total</b>	<b>51'666.82</b>	<b>154'816.84</b>

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, 2011, 2012 and 2013. 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.

The adjustment of value of short-term receivables projects addresses the Kenya Good Hope Rehabilitation Centre project.

<b>3 Accrued assets</b>		
Prepaid flight tickets	652.50	4'720.05
Prepaid insurance contribution	11'188.00	22'468.30
Various	3'369.60	65.00
<b>Total</b>	<b>15'210.10</b>	<b>27'253.35</b>

**INTERNATIONALER FEDERATION OF THE BLUE CROSS**

<b>4 Furniture and equipment</b>	Office <u>Equipment</u>	<u>IT Systems</u>	<u>Total</u>
	CHF	CHF	CHF
<i>Acquisition value</i>			
Opening balance 1.1.2013	1.00	20'552.95	20'553.95
Increase	0.00	2'919.00	2'919.00
Decrease	0.00	-1'233.30	-1'233.30
Closing Balance 31.12.2013	<u>1.00</u>	<u>22'238.65</u>	<u>22'239.65</u>
 <i>Depreciation</i>			
Opening balance 1.1.2013	0.00	16'607.00	16'607.00
Increase	<u>0.00</u>	<u>2'912.00</u>	<u>2'912.00</u>
Closing balance 31.12.2013	<u>0.00</u>	<u>19'519.00</u>	<u>19'519.00</u>
 <b>Balance Sheet Value as at 31.12.2013</b>	<u>1.00</u>	<u>2'719.65</u>	<u>2'720.65</u>
 <b>Balance Sheet Value as at 31.12.2012</b>	<u>1.00</u>	<u>3'945.95</u>	<u>3'946.95</u>

	<u>31.12.2013</u>	<u>31.12.2012</u>
	CHF	CHF
<b>5 Other liabilities</b>		
This position consists of received prepayments from Blue Cross Norway and other liabilities towards projects (Chile / Prev. Manual Sub Saharan Africa)		
General assembly	572'496.06	1'172'185.03
	15'597.05	13'927.43
	<u>30'000.00</u>	<u>0.00</u>
<b>Total</b>	<u>618'093.11</u>	<u>1'186'112.46</u>

<b>6 Accrued liabilities</b>		
Unused holiday and overtime	10'368.00	0.00
Audit fees TVC projects and IFBC	44'646.31	61'734.84
Support costs closing TVC at IFBC during audit	72'459.60	0.00
Various	<u>15'456.20</u>	<u>6'702.56</u>
<b>Total</b>	<u>142'930.11</u>	<u>68'437.40</u>

**INTERNATIONALER FEDERATION OF THE BLUE CROSS**

**ADDITIONAL INFORMATION TO THE INCOME STATEMENT**

	31.12.2013	31.12.2012
	CHF	CHF
<b>7 TV Campaign</b>		
<b>a) Donation and contribution</b>		
Bread for All	110'000.94	72'104.31
Forum Syd	0.00	24'466.53
SDW	0.00	15'031.58
Stichting SAB	3'758.75	11'461.63
Other	0.00	16'875.99
<b>Total</b>	113'759.69	139'940.04
<b>8 b) Expenses</b>		
Romania	228'059.73	428'177.12
Romania Donation	1'015.65	0.00
Poland	0.00	-110.56 *
Poland SAB	5'827.19	5'933.79
Ukraine	0.00	-1'006.52 *
Russia	0.00	-1'047.88 *
Russia BC Nyon	2'100.09	0.00
Czech Republic	253'151.98	292'486.20
Brazil	281'533.82	295'192.45
Chile	51'369.76	0.00
<b>Group A</b>	823'058.22	1'019'624.60
*Negative project costs: audit fees lower than originally budgeted.		
Chad	136'188.05	94'791.94
Chad SAB	0.00	2'149.25
Chad other	0.00	4'982.10
Congo	40'227.59	55'787.25
Congo Forum Syd	483.49	35'717.55
Latvia	103'387.84	2'808.52
India	1'788.24	5'182.16
Namibia	178'661.23	150'140.99
Namibia SAB	6'779.95	9'309.20
Lesotho ICDP	51.23	22'440.94
BCRC	0.00	118'578.96
Kenya	69'198.81	145'393.88
Kenya SDW	0.00	25'798.71
South Africa	62'242.97	22'003.12
<b>Group B</b>	599'009.40	695'084.57
Leadership Development	0.00	2'891.55
Internetbased E-Learning	16'096.06	0.00
Multinational Training	253'097.49	183'705.91
Alcohol Policy Training	253'648.18	246'342.00
Portfolio of Stories	77'808.82	-53.29 *
Alcohol Prevention Ressource Sub Saharan Africa	18'518.71	1'412.84
Prevention Regional Workshop Uganda	34'459.93	0.00
Self Help	89'773.21	0.00
<b>Group C</b>	743'402.40	434'299.01
*Negative project costs: costs lower than originally budgeted.		
Cambodia	0.00	7.75
<b>Other projects</b>	0.00	7.75
<b>Total direct project expenses</b> (amount to be carried over)	2'165'470.02	2'149'015.93

## INTERNATIONALER FEDERATION OF THE BLUE CROSS

	31.12.2013	31.12.2012
	CHF	CHF
<b>Total direct project expenses</b> (amount carried over)	<b>2'165'470.02</b>	<b>2'149'015.93</b>
 <i>The direct project expenses are divided as follows:</i>		
Project expenses	1'428'295.11	1'349'427.24
Personnel expenses	545'332.06	623'329.45
Travel and representation expenses	191'174.53	176'259.24
Maintenance expenses	668.32	0.00
<b>Total direct project expenses</b>	<b>2'165'470.02</b>	<b>2'149'015.93</b>
Administrative expenses	72'876.98	69'837.37
Finance income incl. foreign exchange profit	-41'090.65	-8'268.33
Finance expense incl. foreign exchange loss	9'072.71	32'575.36
<b>Total</b>	<b>2'206'329.06</b>	<b>2'243'160.33</b>

### 9 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 35'202.06 were reimbursed (previous year CHF 44'506.20).

The total cost of wages of the General Secretary in 2013 amounted to CHF 150'000 (previous year: CHF 119'671.75 General Secretary until 31.5.2012 and from 1.10.2012, Deputy General Secretary till 31.03.2012). The salary for the new General Secretary includes the employers' contribution for social security and other insurances as well as travel and accomodation costs to/from and in Berne of the General Secretary based in Finland.

### 10 Gratuitous services by third party

No significant gratuitous services were provided by third parties.

### 11 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 14th of May, 2014 and released for publication. Since the publication no event has occurred which will have a significant impact on the Annual Financial Statement of 2013.