

**FOUNDATION in support of the
WORLD HEALTH
ORGANIZATION (Foundation in
support of WHO)**

Geneva

Report of the statutory auditors to the
Board

on the financial statements 2021



Report of the statutory auditors

on the limited statutory examination to the Board of

FOUNDATION in support of the WORLD HEALTH ORGANIZATION
(Foundation in support of WHO)

Geneva

As statutory auditors, we have examined the financial statements of FOUNDATION in support of the WORLD HEALTH ORGANIZATION (Foundation in support of WHO), which comprise the comparative balance sheet, profit and loss account and audit notes, for the year ended 31 December 2021.


These financial statements are the responsibility of the Board. 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 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 foundation personnel and analytical procedures as well as detailed tests of foundation documents as considered appropriate in the circumstances. However, the testing of the 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 comply with Swiss law and the foundation's deed.

We point out that a business report was not prepared within six months of the end of the financial year and submitted to the Foundation Board for approval, which is contrary to the requirements of article 958 para. 3 CO. Further contrary to the requirements of article 16 of the foundation's deed, the audit report has not been submitted to the Foundation Board within five months after the close of the fiscal year.

PricewaterhouseCoopers SA



Marc Secretan
Audit expert
Auditor in charge



Adéline Todorova

Geneva, 20 September 2022

Enclosure:

- Financial statements (comparative balance sheet, profit and loss account and audit notes)

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WHO FOUNDATION, Genève

Comparative balance sheet 2020 - 2021 at 31 Dec 2021

	Notes	2021 CHF	2020 CHF
ASSETS			
Current Assets			
Liquidity		9'538'115.56	387'879.41
Prepaid expenses and accrued income		111'033.16	51'676.43
Total Current Assets		9'649'148.72	439'555.84
Fixed assets			
Intangible assets		101'203.07	155'211.07
Total Fixed assets		101'203.07	155'211.07
Total ASSETS		9'750'351.79	594'766.91
LIABILITIES			
Short term liabilities			
Account payable		1'163'948.79	446'289.36
Funds received in advance		8'147'454.90	0.00
Accrued liabilities		410'489.42	121'932.64
Total Short term liabilities		9'721'893.11	568'222.00
Capital			
Initial capital		10'000.00	10'000.00
Translation differential		0.00	-1'913.77
Retained earnings		18'458.68	0.00
Current period results		0.00	18'458.68
Total Capital		28'458.68	26'544.91
Total LIABILITIES		9'750'351.79	594'766.91



WHO FOUNDATION, Genève

Profit and loss account From 01 Jan 2021 to 31 Dec 2021

	Notes	2021 CHF	2020 CHF
REVENUES			
Revenues			
Non earmarked donation		4'906'454.26	1'893'987.34
Earmarked donation		4'978'678.18	0.00
Total REVENUES		9'885'132.44	1'893'987.34
OPERATING EXPENSES			
Total OPERATING EXPENSES		0.00	0.00
OPERATIONAL MARGIN		9'885'132.44	1'893'987.34
EXPENSES			
General expenses			
Salaries and social charges		-1'208'867.75	-1'186'301.89
Administration costs		-7'753'052.03	-509'184.54
Marketing expenses		-801'948.54	-64'364.53
Depreciation and amortizations		-54'008.00	-7'107.34
Total EXPENSES		-9'817'876.32	-1'766'958.30
EBIT		67'256.12	127'029.04
FINANCIAL INCOME AND EXPENSES			
Financial income and expenses			
Financial incomes		0.00	7'077.55
Financial charges		-67'256.12	-115'647.91
Total FINANCIAL INCOME AND EXPENSES		-67'256.12	-108'570.36
NON OPERATING			
Total NON OPERATING		0.00	0.00
EARNING BEFORE TAXES		0.00	18'458.68
TAXES			
Total TAXES		0.00	0.00
NET PROFIT/LOSS		0.00	18'458.68



2021 Audit Notes

1. Presentation

The WHO Foundation (the "Foundation") is an independent grant-making foundation that is unique in the area of world health. Its role is to support the World Health Organization's (WHO's) mission both directly and by supporting WHO's network of partners on the ground. The Foundation brings together donors, world health professionals and the WHO network, to create partnerships that drive innovative actions to address the most pressing health challenges of today and tomorrow. The Foundation was established in Geneva in May 2020.

As a non-profit and non-political association established within the meaning of Articles 60 and seq. of the Swiss Civil Code, it is financed by voluntary contributions received from foundations, non-governmental organizations, and individual donations. The voluntary contributions may either be for the general operation of the Foundation or earmarked for specific purposes. In 2021, the average full-time equivalent (FTE) was lower than 10.

2. Significant accounting policies

2.a. Basis for preparing the consolidated financial statements

The Foundation financial statements have been prepared in accordance with the provision of the Swiss Code of Obligations. The financial statements are presented in Swiss Francs (CHF) for reporting purposes. The reporting period corresponds to the calendar year.

2.b. Scope of the consolidated financial statements

The Foundation's financial statements include funds raised and transferred to WHO to support its programs across the world, especially in relation to the ongoing Covid19 pandemic. In addition, they include funds raised for the provision of Covid19 vaccines to eligible countries through the COVAX facility, as well as to a lesser extent for other health related programs.

2.c. Valuation principles

Receivables are stated at their nominal value, less any value corrections. Debts are stated at their nominal value.

2.d. Foreign currency exchange

Transactions in foreign currencies are converted to CHF using the daily rate from the Federal Tax Administration ICTax. The daily rate applied corresponds to the date of the transaction.

At year end, all entries on the balance sheet are re-evaluated using the year-end rate provided by the Federal Tax Administration ICTax.

The exchange rates used at 31st December 2021 for the conversion into CHF were:

EUR: 1.0362

GBP: 1.2341

USD: 0.9111

2.e. Income and Revenue recognition

Grants

The Foundation receives funds for its activities from different donors, before, during or after the accounting year.

Grants are defined as donations provided to the foundation based on a signed contract. A grant can be earmarked related to a specific project or unearmarked.

The types of grants received by the Foundation include:

a) Earmarked Grants

Earmarked grants: Grants that are formalized through a signed contract between the Foundation and the grantor. The agreements for earmarked grants clearly mention the project to which it is linked and the duration of the contract.

Earmarked grants can be provided either for specific projects or initiatives at the Foundation, or for programs implemented by the Foundation's partners, such as WHO or others. In the latter case, the Foundation is eligible to retain an agreed percentage of the grant as overhead, as agreed with the grantee in a signed contract. Overheads are recognized as a revenue once the contract between the Foundation and the implementing partner is signed and in the course of the year at the reception of the funds.

Earmarked grants provided for specific projects or initiatives at the Foundation are recognized as revenues based on the amount of expenditure incurred in relation to the grant.

b) Non-earmarked or flexible grants:

Non-earmarked funds or flexible grants: Non-earmarked funds or flexible grants can be deployed by the foundation at its discretion in pursuance of its charitable purpose, either to finance its own operations and activities, or to support projects from implementing partners such as WHO or others. Such funds are booked as income once the money is received and accounted for in the Foundation's bank accounts. Once the contract is signed and such funds are deployed to finance the foundation's own operations and activities, revenues are recognized based on the amount of expenditure incurred in relation to the grant.

c) WHO Fund Allocation

As part of the funds raised for use by the World Health Organization in relation to the Covid19 pandemic, the WHO has agreed that the Foundation allocates USD 1,000,000 (CHF 923,340) to support the operations of the Foundation. This amount is considered as non-earmarked funds.

Donations

Donations are received from individuals via online platforms, into the Foundation's Stripe or PayPal accounts, through fiduciary partners, or through direct donations into the Foundation's bank accounts.

Donations can be earmarked to a specific purpose or program, or non-earmarked.

Earmarked funds from donations not used at the end of the year are shown under "Funds received in advance" in the balance sheet.

Fiduciary Partners

Donations are made to the Foundation from individuals, corporations and foundations from around the world. The Foundation collaborates with a number of fiduciary partners worldwide so that these funds can be tax deductible in the country where the donor is based. Formal collaboration agreements are signed with individual fiduciary partners for the receipt of funds on the organization's behalf and the transfer to the Foundation, following the deduction of the fiduciary partner's fee.

In-Kind Donations

In 2020, the foundation did not receive in-kind donations. In 2021, Along with financial donations, the Foundation has also received in-kind donations throughout the financial year. These include support for communication and marketing costs, as well as advertising space. In-kind donations received by the Foundation in 2021 amounted to a total of USD 2,100,000 (CHF 1,939,014). These are:

IN-KIND DONATIONS 2021				
Service Provider	Description	Currency	Amount in USD	Amount in CHF
META	Advertisement space - Facebook	USD	450,000.00	415,503.20
WPP	Media partnership - Ogilvy-Blue Sate-WPP- Groupe M	USD	1,425,000.00	1,315,759.50
FREUDSPLUS	Media partnership	USD	30,000.00	27,700.00
FUNDRAISE UP	Subsidy for Salesforce Integration through Tackle	USD	20,000.00	18,466.80
VICE	Media partnership	USD	75,000.00	69,250.50
AMAZON	Media partnership	USD	100,000.00	92,334.00
		Total	2,100,000.00	1,939,014.00

3. Taxation

The Foundation qualifies for exemption from local and federal income tax and wealth tax, according to Article 9 (f) 1 of the Law on taxation of legal persons ("LIPM").

VAT incurred on expenses is charged to the Profit & Loss statement.

4. Management of financial risks

4.a. Foreign exchange risk

The Foundation had no active foreign exchange risk hedging policy in 2021 and tends to convert currencies as and when they are required. In order to manage exchange rate risk, the Foundation has tried where possible to align the currency of expenditure to the currency of income and to adjust the level of expenditure in Swiss francs accordingly. In addition, the Foundation has developed multi-currency grant tracking tools to assist with cash flow and budgetary planning and monitoring. Finally, program funds are forwarded to grantees, such as WHO, in the same currency as the funds received

4.b. Banking risk

In Switzerland, the Foundation works with only one bank with a good reputation. In addition, the Foundation maintains accounts with Stripe and PayPal to enable the receipt of online donations.

4.c. Liquidity risk

The Foundation's policy is to always ensure sufficient level of liquidity for its operations. Consequently, funds are kept in liquid form or invested in short-term deposits. In addition, the foundation does regular cash-flow forecasting to provide transparency about its ability to cover its own operations.

5. Assets

5.a. Cash and cash equivalents

On December 31, 2021, the total value of cash and cash equivalents held in the Foundation accounts was CHF 9,538,115 (2020: CHF 387,879)

5.b. Prepaid expenses and accrued income

In 2021, prepaid expenses and accrued income amounted to CHF 111,033 (2020: CHF 51,676). On December 31, 2021, accrued income was consisting of:

Income receivable are online donations collected by Stripe and Paypal but that were not transferred to WHOF at year-end. On December 31, 2021, the income receivables amounted to CHF 64,400.

Prepaid expenses are advance payments in 2021 for services to be rendered in 2022. On December 31, 2021, prepaid expenses included IT maintenance fees, rent and insurance for a total amount of CHF 47,093.

5.c. Intangible assets

Intangible assets consist of the investment for the website and trademarks. On December 31, 2021 the total value was CHF 101,203 (2020: CHF 155,211).

6. Liabilities

6.a. Account payables

Accounts payable include invoices paid in 2022 for the financial year 2021. On December 31, 2021, the total value was CHF 885,016 (2020: CHF 446,289).

Any expenditures lacking supporting documentation have been booked as provisions that will be reversed in 2022. On December 31, 2021, the total amount was CHF 278,933.

6.b. Funds received in advance

Earmarked funds from donations not used at the end of the year are shown under "Funds received in advance" in the balance sheet. On December 31, 2021, the total amount received and to be transferred to the final grantee was CHF 8,147,455 (2020: no funds received in advance).

6.c. Accrued liabilities

In 2021, a provision was made to cover the amount of VAT that the Foundation may have to pay to Swiss Tax entities related to services rendered by external consultants outside Switzerland. The provision was calculated on the basis of 7.7% VAT on the invoices that may be subject to Swiss VAT.

The total value of the provision on December 31, 2021, was CHF 331,509 (2020: CHF 121,933).

In addition, Accrued liabilities include provisions for services related to 2021 and invoiced in 2022. On December 31, 2021, provisions were made to cover expenses related to the closing of 2021 accounts, including the final invoice for 2021 social charges, and the expenses for the 2021 audit. On December 31, 2021, the total amount estimated to be paid was CHF 78,980.

7. Expenditures

7.a. Staff

Staff expenses include salaries and social charges for all staff. These expenses are allocated to activities related to the Foundation's operations. On December 31, 2021 the total amount of staff expenses was CHF 1,208,867.

Terms and conditions of employment are subject to Swiss labor law and standard Swiss practice.

In 2021, the average full-time equivalent (FTE) was lower than 10.

7.a.1. Pension Plan

The Foundation employees based in Switzerland benefit from a scheme covering retirement savings, disability and death insurance benefits according to the provisions of the Swiss Federal Law on occupational retirement. The occupational benefits are provided by a collective foundation, according to a defined-contribution benefit plan: the employer does not guarantee the benefit amount. The two pension schemes established by the employer (one for executives and another for employees) are funded by both the contributions of the Foundation, and the concerned employees. Both pension schemes cover occupational benefits including: retirement savings, disability and death insurance benefits. Risks are insured by the collective foundation.

On December 31, 2021 the total amount of debt toward the pension fund was CHF 25,811 (2020: no debt toward the pension fund).

7.a.2. Remuneration of the members of the Board

The members of the Board carry out their functions on a voluntary basis. In compliance with the Foundation's statutes: "*the Foundation Board members shall act on an unpaid basis and be entitled only to the compensation for their effective costs*". Possible payments for in-person board meetings, as the case may be, may not exceed those paid for attendance to official commissions in Geneva. For activities exceeding the usual scope of a Foundation Board member, the member concerned may receive an appropriate compensation.

7.b. Administration Costs

In 2021, Administration costs amounted to CHF 7,753,052 (2020: CHF 509,185). In 2021, Within those costs, the main expenses were :

- External consultants: In 2021, the Foundation largely relied on external consultants to run its programs, as staff recruitment was ongoing. The total amount incurred for external consultants was CHF 3,575,721 (2020: CHF 1,186,302).
- Service fees: CHF 984,513
- IT equipment and maintenance: CHF 323,027
- Recruitment fees: CHF 399,016
- VAT provision: VAT provision was calculated on the basis of 7.7% VAT on the invoices that may be subject to Swiss VAT and amounted to CHF 331,509.

- In-kind donations were booked as expenses and recognized as un-earmarked revenue for the amount of CHF 1,523,511 and as earmarked revenue for the amount of CHF 415,503.

7.c. Marketing expenses

In 2021 marketing expenses amounted to CHF 801,948 (2020: CHF 64,365).

7.d. Depreciation and Amortization of assets

Depreciation is calculated using the straight-line method, and spread over the life of the asset. In 2021, the amount of depreciation was CHF 54,008 (2020: CHF 7,107).

Assets financed by earmarked funds are not depreciated and are booked as expenses.

Type of assets	Amortization duration
Fittings and technical installations	15 years
Office furniture and equipment	10 years
IT equipment and IT development	3 years
Intangible assets	3 to 5 years

8. Financial income and expenses

In 2021, the financial result composed of income and charges amounted to CHF 67,256 (2020: CHF 108,570).

8.a. Financial income

In 2021, there was no financial income (2020: CHF 7,078).

8.b. Financial charges

In 2021, financial charges were composed of bank charges (CHF 9,185) and loss related to currency of exchange (CHF 58,070) (2020: CHF -115, 648).

9. Internal Control System and Risk Assessment

To maintain full compliance with applicable Swiss laws and regulations, the Foundation is in the process of establishing and implementing an Internal Control System that will cover both financial and administrative operations. The full implementation will take place in the course of 2022.

The goal is to provide a level of oversight and control that will provide reasonable assurance that:

- Critical principles and components of an effective risk management process are defined, setting forth how all-important risks should be identified, assessed, responded to and controlled
- The foundation complied with provisions contained in applicable laws and regulations
- The Strategic Directions and the Operational Plan of the Foundation are followed
- Financial and other transactions are accurately and appropriately documented
- Financial and other transactions are executed according to managerial directives
- Waste, fraud, and abuse is detected in a timely fashion
- Violations of policy and directives are appropriately addressed, including the implementation of sanctions for violations
- Best practices for operations are identified, evaluated, and, as appropriate, incorporated into operations

10. Post-closing events

No subsequent event to the balance sheet date could have a significant impact on the balance sheet and income statement for the year.

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