

# Fondation Hironnelle Media for Peace and Human Dignity

Geneva

Report of the statutory auditor  
to the Foundation Board

on the financial statements 2019



# Report of the statutory auditor

## to the Foundation Board of Fondation Hironnelle Media for Peace and Human Dignity

Geneva

### Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the financial statements of Fondation Hironnelle Media for Peace and Human Dignity, which comprise the balance sheet, operating account, statement of cash flows, statement of changes in capital and annex (pages 9 to 13), for the year ended 31 December 2019. As permitted by Swiss GAAP FER 21 the information in the performance report is not required to be subject to audit.

#### Foundation Board's responsibility

The Foundation Board is responsible for the preparation of the financial statements in accordance with the requirements of Swiss GAAP FER, Swiss law and the foundation's deed and internal regulations. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Foundation Board is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

#### Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the financial statements for the year ended 31 December 2019 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 comply with Swiss law and the foundation's deed and internal regulations.

### Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 83b paragraph 3 CC in connection with article 728 CO) and that there are no circumstances incompatible with our independence.

In accordance with article 83b paragraph 3 CC in connection with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Foundation Board.

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We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers SA

Marc Secretan  
Audit expert  
Auditor in charge

Edouard Clergue  
Audit expert

Geneva, 20 May 2020

Enclosure:

- Financial statements (balance sheet, operating account, statement of cash flows, statement of changes in capital and annex)

I. Balance sheet as of December 31 (in Swiss francs)

	<i>Réf.</i>	<u>2019</u>	<u>2018</u>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	<i>1d</i>	3'645'845	3'881'400
Debtors	<i>1e</i>	107'064	151'567
Funding to be received	<i>IV / 1i</i>	443'022	202'695
Other debtors		208'601	189'929
Accrued income and prepaid expenses		197'802	160'752
		<u>4'602'334</u>	<u>4'586'343</u>
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Miscellaneous equipment	<i>1f</i>	62'084	85'412
<b>Financial assets</b>			
Bank deposit	<i>1g</i>	102'416	83'332
		<u>164'500</u>	<u>168'744</u>
<b>Total assets</b>		<u><b>4'766'834</b></u>	<u><b>4'755'087</b></u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Short term debts		483'327	286'197
Funding received in advance	<i>IV / 1i</i>	2'218'060	2'509'334
Deferred income and accrued expenses		200'181	213'177
Miscellaneous loans		410	417
		<u>2'901'978</u>	<u>3'009'125</u>
<b>Non-current liabilities</b>			
Provision for legal affairs/litigation	<i>1h</i>	147'370	320'337
Provision for termination of staff contracts	<i>1h</i>	39'755	29'309
		<u>187'125</u>	<u>349'646</u>
<b>Capital of the Foundation</b>			
Initiative fund	<i>2a</i>	216'468	216'468
Solidarity fund	<i>2b</i>	14'155	14'155
Social funds for projects	<i>2c</i>	13'925	9'795
Support Fund	<i>2d</i>	547'243	520'771
		<u>791'791</u>	<u>761'189</u>
<b>Capital of the Foundation</b>			
Foundation capital		50'000	50'000
FNL capital	<i>1b</i>	12'315	-
Unrestricted funds		559'734	413'744
Net profit for the year		263'891	171'383
		<u>885'940</u>	<u>635'127</u>
<b>Total liabilities</b>		<u><b>4'766'834</b></u>	<u><b>4'755'087</b></u>

**II. Fondation Hironnelle's operating account  
(in Swiss francs)**

	<u>2019</u>	<u>2018</u>
<b>A. Income</b>		
<b>Public Funds</b>		
<b>Switzerland</b>		
Switzerland (outside partnership contract)	1'323'181	241'860
Switzerland (SDC - Partnership contract)	2'710'254	3'066'630
State of Geneva	50'000	50'000
City of Geneva	-	35'000
<b>Others</b>		
UN organisations (UNICEF)	405'064	22'737
Belgium	93'925	41'729
Danemark (FAMOC)	395'086	312'361
USA (Counterpart)	146'671	137'263
Netherlands	627'446	221'797
United Kingdom (DFID, UK CSSF)	303'215	1'168'735
Sweden	1'940'284	2'085'848
European Union	2'486'835	1'470'450
	<u>10'481'961</u>	<u>8'854'410</u>
<b>Private funds</b>		
<b>Switzerland</b>		
Swiss Solidarity	338'997	222'773
Fondation Helvétique de Bienfaisance	40'000	40'000
Loterie Romande	29'189	11'792
Nicolas Puesch Foundation	54'120	-
RTS partnership	75'000	75'000
<b>Others</b>		
Robert Bosch Foundation	48'843	-
DCAF	29'668	-
Others Donors	399'967	93'782
	<u>1'015'784</u>	<u>443'347</u>
<b>Other products</b>		
Income from services and sales	649'351	455'808
Winding up of social and solidarity fund	-	3'532
	<u>649'351</u>	<u>459'340</u>
<b>Total Income</b>	<u><u>12'147'096</u></u>	<u><u>9'757'097</u></u>
Unrestricted income	724'351	530'808
Related funds	-	3'532
Restricted income	11'422'745	9'222'757

	<u>2019</u>	<u>2018</u>
<b>Expenditures</b>		
<b>Expenditure for projects</b>		
Staff	6'004'073	4'803'962
Operations	3'943'798	3'021'762
Depreciation	517'641	562'919
	<u>10'465'512</u>	<u>8'388'643</u>
<b>Expenditure for Fondation Hironnelle's Headquarters</b>		
Staff	739'463	493'608
Operations	288'932	391'255
Depreciation	52'175	40'372
	<u>1'080'570</u>	<u>925'235</u>
<b>Expenditure for Fundraising and communication</b>		
Staff	174'200	184'825
Operations	70'427	59'508
	<u>244'627</u>	<u>244'333</u>
<b>Operating result</b>	<u><b>356'387</b></u>	<u><b>198'885</b></u>
<b>Financial results</b>		
Financial income	619	3'663
Loss on foreign exchange	-87'912	-33'952
	<u>-87'293</u>	<u>-30'290</u>
<b>Exceptionnal result</b>		
Exceptionnal Expenditures and Incomes	-5'203	2'787
	<u>-5'203</u>	<u>2'787</u>
<b>Annual result before allocations to/</b>	<u><b>263'891</b></u>	<u><b>171'382</b></u>
<b>Allocations/withdrawals</b>	-263'891	-171'382
<b>Net profit/(loss) for the year</b>	<u><u>-</u></u>	<u><u>-</u></u>

## Operating accounts by project for the year 2019 (in Swiss francs)

	Bangladesh	Myanmar	Burkina Faso	Transitional Justice	Madagascar	Mali	Niger	CAR	DRC	Media education	Research & Environment	Other and new projects	Headquarter	Total
<b>Income</b>														
<b>Public donors</b>														
<b>Switzerland</b>														
Switzerland (outside partnership contract)	55'045	-	465'231	-	-	-	756'704	-	-	-	5'455	40'746	-	1'323'181
Switzerland (SDC - Partnership contract)	158'358	30'699	66'823	176'416	166'907	378'478	-	157'225	717'618	1'828	16'938	172'972	665'992	2'710'254
State of Geneva	-	-	-	50'000	-	-	-	-	-	-	-	-	-	50'000
<b>Others</b>														
UN organisations (UNICEF)	-	-	-	-	315'686	-	10'611	74'395	4'372	-	-	-	-	405'064
Belgium	-	-	-	-	-	-	-	93'925	-	-	-	-	-	93'925
Danemark (FAMOC)	-	-	-	-	-	395'086	-	-	-	-	-	-	-	395'086
USA (Counterpart)	-	30'156	-	-	-	-	-	-	116'515	-	-	-	-	146'671
Netherlands	-	100'014	-	-	-	-	-	-	527'432	-	-	-	-	627'446
United Kingdom (DFID, UK CSSF)	-	-	-	-	-	-	166'257	-	136'958	-	-	-	-	303'215
Sweden	-	-	264'000	-	-	1'035'784	-	-	640'500	-	-	-	-	1'940'284
European Union	-	-	-	-	-	326'566	-	1'291'728	868'541	-	-	-	-	2'486'835
<b>Total public donors</b>	<b>213'403</b>	<b>160'869</b>	<b>796'054</b>	<b>226'416</b>	<b>482'593</b>	<b>2'135'914</b>	<b>933'572</b>	<b>1'617'273</b>	<b>3'011'936</b>	<b>1'828</b>	<b>22'393</b>	<b>213'718</b>	<b>665'992</b>	<b>10'481'961</b>
<b>Private donors</b>														
<b>Switzerland</b>														
Swiss Solidarity	338'997	-	-	-	-	-	-	-	-	-	-	-	-	338'997
Fondation Helvétique de Bienfaisance	-	-	-	-	-	-	31'437	-	-	-	8'563	-	-	40'000
Loterie Romande	-	-	-	-	-	-	-	-	-	29'189	-	-	-	29'189
Nicolas Puesch Foundation	-	-	-	50'000	-	-	-	-	-	4'120	-	-	-	54'120
RTS partnership	-	-	-	-	-	-	-	-	-	-	-	-	75'000	75'000
<b>Others</b>														
Robert Bosch Foundation	-	-	-	48'843	-	-	-	-	-	-	-	-	-	48'843
DCAF	-	-	-	15'973	-	-	13'695	-	-	-	-	-	-	29'668
Others Donors	-	-	7'290	-	-	7'270	303'468	-	-	-	12'960	68'979	-	399'967
<b>Total private donors</b>	<b>338'997</b>	<b>-</b>	<b>7'290</b>	<b>114'816</b>	<b>-</b>	<b>7'270</b>	<b>348'600</b>	<b>-</b>	<b>-</b>	<b>33'309</b>	<b>21'523</b>	<b>68'979</b>	<b>75'000</b>	<b>1'015'784</b>
<b>Other products</b>														
Income from services and sales	-	-	442	-	-	266'267	-560	119'032	230'725	-	30'240	-	3'205	649'351
<b>Total other income</b>	<b>-</b>	<b>-</b>	<b>442</b>	<b>-</b>	<b>-</b>	<b>266'267</b>	<b>-560</b>	<b>119'032</b>	<b>230'725</b>	<b>-</b>	<b>30'240</b>	<b>-</b>	<b>3'205</b>	<b>649'351</b>
<b>Total Income</b>	<b>552'400</b>	<b>160'869</b>	<b>803'786</b>	<b>341'232</b>	<b>482'593</b>	<b>2'409'451</b>	<b>1'281'612</b>	<b>1'736'305</b>	<b>3'242'661</b>	<b>35'137</b>	<b>74'156</b>	<b>282'697</b>	<b>744'197</b>	<b>12'147'096</b>
<b>Direct Expenditures</b>														
Staff	201'452	83'126	498'113	269'752	209'323	1'269'549	716'498	1'028'030	1'508'321	12'969	61'930	145'010	913'663	6'917'736
Operations	334'388	67'702	235'208	58'769	150'588	751'163	516'301	482'772	1'213'182	22'168	9'513	102'044	359'359	4'303'157
Depreciation	370	728	46'824	-	102'030	60'420	48'813	18'189	212'959	-	-	27'307	52'175	569'816
<b>Total direct expenditures</b>	<b>536'210</b>	<b>151'556</b>	<b>780'145</b>	<b>328'520</b>	<b>461'941</b>	<b>2'081'133</b>	<b>1'281'612</b>	<b>1'528'991</b>	<b>2'934'462</b>	<b>35'137</b>	<b>71'443</b>	<b>274'361</b>	<b>1'325'197</b>	<b>11'790'709</b>
<b>Operationnel result</b>	<b>-16'190</b>	<b>-9'313</b>	<b>-23'641</b>	<b>-12'712</b>	<b>-20'652</b>	<b>-328'318</b>	<b>-</b>	<b>-207'314</b>	<b>-308'199</b>	<b>-</b>	<b>-2'713</b>	<b>-8'336</b>	<b>581'000</b>	<b>-356'387</b>

III. Statement of cash flows

Statement of cash flows	<u>2019</u>	<u>2018</u>
Net profit/(loss) before movement of funds	-	-
Depreciation of fixed assets	569'816	603'291
Decrease in provisions	-162'520	94'875
Decrease in bank deposit	-19'084	-6'618
Decrease / (increase) debtors	25'830	-197'925
Decrease / (increase) in accrued income and prepaid expenses	-37'050	-5'654
Decrease in other short term debts	197'123	154'213
Decrease / (increase) in deferred income and accrued expenses	-12'996	75'714
<b>Cash flow from operational activities</b>	<b>561'119</b>	<b>717'896</b>
<b>Cash flow from investing activities</b>		
Investments in fixed assets	-546'488	-634'221
<b>Cash flow from investing activities</b>	<b>-546'488</b>	<b>-634'221</b>
<b>Cash flow from financing activities</b>		
Variation in restricted funds	-531'601	2'128'370
Variation in unrestricted funds	30'602	22'700
Variation in support fund	250'813	171'383
<b>Cash flow from financing activities</b>	<b>-250'186</b>	<b>2'322'453</b>
<b>Changes in cash and cash equivalents</b>	<b>-235'555</b>	<b>2'406'129</b>
<b>Changes in cash and cash equivalents</b>		
Cash and cash equivalents at the beginning of the year	3'881'400	1'475'271
Cash and cash equivalents at the end of the year	3'645'845	3'881'400
<b>Changes in cash and cash equivalents</b>	<b>-235'555</b>	<b>2'406'129</b>



IV. Statement of changes in capital 2019

Réf.*	Fund description	Opening balance 1.1.2019	Internally generated income	Allocation to funds	Internal transfers	Use of funds	Closing balance 31.12.19	Funding received in advance	Funding to be received
	<b>Restricted Funds</b>								
	Bangladesh funds	299'227		266'578		-552'400	13'405	13'405	-
	Burkina Faso funds	3'368		844'223		-803'344	44'247	48'228	-3'981
	Media education funds	38'208		6'828		-35'137	9'899	9'899	-
	Research & Environment funds	-		83'916		-43'916	40'000	40'000	-
	Transionnal justice funds	-		341'232		-341'232	-	-	-
	Madagascar funds	-		525'462		-482'593	42'869	42'869	-
	Mali funds	261'517		1'988'819		-2'143'184	107'152	355'658	-248'506
	Myanmar funds	41'554		117'391		-160'869	-1'924	-	-1'924
	Niger funds	61'039		1'708'858		-1'282'172	487'725	576'519	-88'794
	New/other projects funds	94'314		189'717	-326	-282'697	1'008	32'744	-31'736
	Central african republic funds	816'029		1'429'076		-1'617'273	627'832	668'086	-40'254
	Democratic republic of congo	691'709		2'653'306		-3'011'937	333'078	360'905	-27'827
	Headquarter funds	-326		735'739	326	-665'992	69'747	69'747	-
	<b>Total Restricted funds</b>	<b>2'306'639</b>		<b>10'891'145</b>		<b>-11'422'746</b>	<b>1'775'038</b>	<b>2'218'060</b>	<b>-443'022</b>

	<b>Related funds</b>								
2a	Initiative funds	216'468		-		-	216'468		
2b	Solidarity funds	14'155		-		-	14'155		
2c	Social funds for projects	9'795		4'130		-	13'925		
2d	Support Fund	520'771		26'472		-	547'243		
	<b>Total Related funds</b>	<b>761'189</b>		<b>30'602</b>			<b>791'791</b>		
	<b>Fondation Capital</b>								
	Foundation capital	50'000		-		-	50'000		
	FNL capital	-		12'315		-	12'315		
	Income from services and sales	-		724'351		-724'351	-		
	Unrestricted funds	585'127		238'498		-	823'625		
	Operating result	-		-		-	-		
	<b>Total Fondation Capital</b>	<b>635'127</b>		<b>975'164</b>		<b>-724'351</b>	<b>885'940</b>		
	<b>Total</b>	<b>3'702'956</b>		<b>11'896'911</b>		<b>-12'147'097</b>	<b>3'452'769</b>		

IV. Statement of changes in capital 2018

Réf.*	Fund description	Opening balance 1.1.2018	Internally generated income	Allocation to funds	Internal transfers	Use of funds	Closing balance 31.12.18	Funding received in advance	Funding to be received
	<b>Restricted Funds</b>								
	Afrique Activ funds	4'711		62'852		-67'563	-	-	-
	Bangladesh funds	-		581'758		-282'531	299'227	339'000	-39'773
	Burkina Faso funds	-55'950		426'541		-367'223	3'368	3'368	-
	Media education funds	-		50'000		-11'792	38'208	38'208	-
	Environnemental funds	-		40'060		-40'060	-	-	-
	Transtionnal justice funds	-16'782		355'182		-338'400	-	-	-
	Mali funds	-154'261		2'408'587		-1'992'809	261'517	261'517	-
	Myanmar funds	50'896		136'250		-145'592	41'554	41'554	-
	Niger funds	-263'264		1'403'552		-1'079'249	61'039	74'294	-13'255
	New/other projects funds	94'407		265'440		-265'533	94'314	94'314	-
	Central african republic funds	-45'150		2'879'945		-2'018'766	816'029	838'766	-22'737
	Democratic republic of congo	563'987		1'995'082		-1'867'360	691'709	818'313	-126'604
	Headquarter funds	-326		745'879		-745'879	-326	-	-326
	<b>Total Restricted funds</b>	<b>178'268</b>		<b>11'351'128</b>		<b>-9'222'757</b>	<b>2'306'639</b>	<b>2'509'334</b>	<b>-202'695</b>

	<b>Related funds</b>								
2a	Initiative funds	220'000		-		-3'532	216'468		
2b	Solidarity funds	14'155		-		-	14'155		
2c	Social funds for projects	6'476		3'319		-	9'795		
2d	Support Fund	497'858		22'913		-	520'771		
	<b>Total Related funds</b>	<b>738'489</b>		<b>26'232</b>		<b>-3'532</b>	<b>761'189</b>		
	<b>Fondation Capital</b>								
	Foundation capital	50'000		-		-	50'000		
	Income from services and sales	-		530'808		-530'808	-		
	Unrestricted funds	413'744		171'383		-	585'127		
	Operating result	-		-		-	-		
	<b>Total Fondation Capital</b>	<b>463'744</b>		<b>702'191</b>		<b>-530'808</b>	<b>635'127</b>		
	<b>Total</b>	<b>1'380'501</b>		<b>12'079'551</b>		<b>-9'757'097</b>	<b>3'702'955</b>		

**Information about changes in provisions**

<i>Type of provision</i>	<i>Opening balance 31.12.2017</i>	<i>Increase</i>	<i>Decrease / use</i>	<i>Closing balance 31.12.18</i>	<i>Increase</i>	<i>Decrease / use</i>	<i>Closing balance 31.12.19</i>
Provision for litigation	213'780	318'756	212'199	320'337	407'921	580'888	147'370
Provision for termination of staff contracts	21'018	9'366	1'076	29'309	16'303	5'857	39'755
<b>Total provisions</b>	<b>234'798</b>	<b>328'122</b>	<b>213'274</b>	<b>349'646</b>	<b>424'224</b>	<b>586'745</b>	<b>187'125</b>

# Annex to the consolidated balance sheet as of 31 December 2019

## Presentation

Fondation Hironnelle is a Swiss non-profit organization founded in 1995, which provides information to populations faced with crisis, empowering them in their daily lives and as citizens.

Through our work, millions of people in war-affected countries, post-conflict areas, humanitarian crises, and societies in democratic transition have access to media that speak to them and give them a voice.

The Foundation Board is composed of three to fifteen members, at least half of whom are journalists or from the media professions. Their term of office is four years, renewable twice at most. The Board appoints from among its members a restricted Board of three to five members, including the Chairman of the Board.

In 2019, the activity report will replace the performance report. It is prepared in accordance with the dispositions of the accounting standards of the Swiss GAAP RPC Fundamentals and Swiss GAAP RPC 21.

The accounts have been validated by the Foundation Board on 20 May 2020.

## 1/ Principles of accounting and presentation

### *a) General remarks*

The presentation of the Fondation Hironnelle's financial statements is based on the overall concept of the recommendations of Swiss GAAP RPC Fundamentals and Swiss GAAP RPC 21. This presentation provides an image that reflects the reality of the organization's financial situation and revenues. The accounts comply with Swiss law and the Foundation's statutes.

The financial statements are based on the annual financial statements as at 31 December 2019, which have been prepared in accordance with uniform principles. Amounts in the accounts are rounded, which may result in minor differences in totals.

### *b) Scope of integration*

The financial statements contain the annual accounts of all the desks of the Fondation Hironnelle in Mali, Niger, Burkina Faso, Central African Republic and Democratic Republic of Congo and Madagascar.

Since 2019, the FH has also integrated the FNL activities over which it has control. The capital of FNL has been integrated into the capital of FH.

*c) Foreign currency conversion*

Transactions in foreign currencies are converted at the average rates for the previous month of accounting.

Foreign currency assets and liabilities on the balance sheet as at 31 December are translated into Swiss francs at the exchange rates prevailing on 31 December. The results of these conversions are recorded in the financial result.

*d) Cash*

Cash, postal accounts, domestic banks and banks abroad are shown in the balance sheet at their nominal value.

*e) Prepayments and accrued income*

Receivables prepayments and accrued income are shown at their nominal value, after deducting corrections to reflect the recoverable amount.

*f) Fixed Assets*

On 01.01.2019 Fondation Hironnelle changed its straight-line depreciation method as follows:

IT equipment: 3 years from CHF 1'000 per unit

Other equipment: 3 years from CHF 2'000 per unit

Fixed assets abroad (\*) Direct amortisation

For the record, fixed assets appear in the balance sheet at their acquisition costs less deduction of depreciation calculated according to a linear depreciation method.

The method used so far has been as follows:

Machinery, vehicles and equipment 5 years

Installation and IT equipment 5 years

Fixed assets abroad (\*) Direct amortisation

\* The Fondation Hironnelle uses equipment and vehicles for its projects abroad; these equipment and vehicles are fully depreciated when they are put into service. This situation is justified by the instability of the contexts and difficult conditions in which Fondation Hironnelle operates, which make it difficult to determine their generally short useful life and residual value.

*g) Financial assets*

Financial assets are entered in the balance sheet at acquisition value, taking into account any necessary adjustments.

*h) Provisions*

Provisions represent the value of future cash outflows resulting from past events, occurring without consideration. A reliable estimate of the amount of the provision can be made. These provisions are separated in the short term if the use is estimated at less than twelve months, beyond that the provisions are allocated in the long term.

Since 2019, provisions for audit have been included in accrued expenses.

## *j) Revenue recognition*

### **Financing contracts**

Income from financing contracts with donors (governments, foundations, cantons, companies and other bodies) is listed as income in the year the expenditure being financed was incurred. Concerning funds received for a specific project, which have not been used at the book closing date and will continue to be used in the coming years and there are contractual provisions specifying the possibility of returning the asset to the donor, are recorded as liabilities in Funds received in advance.

Funds not received for a specific project of which the financed expenditure is committed at the book closing date, are recorded on the balance sheet as Funds to be received. The part of the funds to be received for the signed financing contracts and covering future periods are referred to as Conditional assets.

The related budgetary obligations are considered as contingent engagements.

### **Income from services and donations**

Income from services provided (contracts, expert sales, etc.) is recognised when it is definitively acquired by the Hironnelle Foundation. They are considered as free funds, unless otherwise specified by the donor.

All other income received without any particular mention is recorded as unallocated income. In the event of non-use, the balance is allocated to free (generated) capital.

## *j) Taxes*

Fondation Hironnelle is exempted from direct taxes on income by decree of 12 June 1995. This decision is not subject to any condition.

Fondation Hironnelle has been taxable for VAT since 01.01.2019.

## *k) Fundraising and communication*

Fundraising and communication expenses amount to CHF 244'627, 2% of Foundation's total expenses.

## **2/ Comments on financial statements**

### *a) Funds governed by a set of rules of use*

#### **Initiative funds (a)**

Following a one-time contribution of CHF 250,000 to the Fondation Hironnelle by the Pro Victimis Foundation, whose contract expired on 31 December 2007, the Board of Foundation decided to allocate the remaining CHF 220,000 to an initiative fund whose regulations specify that it is "intended to facilitate the launch of new projects that meet its objectives". There was no movement in this fund in 2019.

#### **Solidarity funds (b)**

The Fondation Hironnelle has set up a solidarity fund for its employees who are in extreme need and who have paid with their lives as employees of the Foundation, in situations of defence of freedom of expression, war, disaster or acts of violence. This fund is made up of private donations. There was no movement in this fund in 2019.

### ***Project social funds (c)***

Based on the experience of the Okapi Social Fund established in December 2006, the Board of Trustees decided to extend this coverage to other projects in the same situation (lack of sufficient local social insurance coverage). These funds are funded by donor contributions usually intended for this social security coverage and with a strict differentiation between projects. Their use is subject to a settlement of funds.

In 2019, the Niger social fund increased by CHF 4'129.

### ***Support fund (d)***

The support fund, intended exclusively to consolidate the financial base of the Fondation Hironnelle and to contribute to ensuring the liquidity it needs, was provided in 2019 with CHF 26'472 to reach the amount of CHF 547'243. The funds come from free donations and the Association des Amis de la Fondation Hironnelle.

### ***b) Payments to members of the executive bodies***

Members of the Executive Board and Foundation Council are volunteers

The payroll of Fondation's three executives totalled CHF 404'883.60 in 2019 (2018: CHF 390'739).

### ***c) Provident fund***

As at 31 December 2019, 26 employees of the Fondation Hironnelle (under contract under Swiss law, subject to mandatory Swiss social insurance and with a salary of more than CHF 10,000.) (for 2018: 24 people, with a salary above the LPP minimum) out of a total of 245 professionals worldwide - are insured against the economic consequences of old age, disability and death with the VITA Collective Foundation, according to a defined benefit plan. The contributions defined in the pension plan are financed by contributions from the Fondation Hironnelle and its employees on a 60/40 basis. Employer contributions are recorded in the period in which they are paid. The employer does not guarantee the pension benefits and the risks are guaranteed by the VITA Collective Foundation, and reinsured by Zurich Life Insurance Company Ltd, reinsurer of VITA. These BVG solutions allow death and disability risks to be transferred to an insurance company (Zurich, Life Insurance Company Ltd). The company assumes the investment risk through the Collective VITA Foundation, and the insured's retirement assets are invested directly on the capital markets. The investment strategy is determined by the Foundation Board. If the strategy is successful and generates high returns on capital, policyholders also benefit. If this is not the case and the pension fund suffers losses on the capital invested in economically unfavourable years, it is nevertheless obliged to remunerate the mandatory BVG retirement assets up to the minimum legal interest rate. This can lead to an overdraft of the pension fund. That is, its inability to fully meet its current and future commitments. When this situation arises, the law allows consolidation measures (e. g. the levying of additional contributions, or the application of a lower remuneration) by the affiliated company and its insured persons - until the coverage ratio reaches 100% again.

### ***d) Employees***

At the end of 2019, the Fondation Hironnelle employed 245 professionals worldwide. The number of national staff working for the Foundation has increased again with 205 colleagues (155 in 2018), and the number of expatriates was 14 on long-term contracts (13 expatriates in 2018). In addition to these employees, there are more than 254 interns and correspondents (144 in 2018), supported on an ad hoc basis by 14 expert missions to the field (26 missions in 2018). In view of this growth in projects,

the size of the headquarters has remained relatively stable and, as at 31 December 2019, its staff consisted of 8 employees occupying the equivalent of 7.2 full-time positions for direct project monitoring and 18 employees (EFA 15.4) engaged in management, transversal support and support functions. The Fondation Hironnelle also trains an apprentice and was able to benefit throughout 2019 from the help of 4 civilians/trainees (EPT 4) and one person in a situation of professional reintegration (EPT 0.7).

### *e) Valuation of contributions in kind*

The free services received are valued according to the daily price of the Fondation Hironnelle's salary scale.

In 2019, as part of our partnership with RTS, the Fondation Hironnelle benefited from 9 days of volunteer work valued at 9 days X CHF 415 = CHF 3'735 (2018: 5'395).

In addition, a volunteer trainer came to train and strengthen our team of facilitators in Mali for a period of 5 days. 5 days X CHF 415 = CHF 2'075 (0 in 2018)

Our auditors made a pro-bono donation of CHF 14'000 in 2019 (2018: CHF 14'000)

### *f) Off-balance commitments*

	<b>Sub Office</b>	<b>Office</b>	<b>Leasing</b>
Next deadline	31.01.2023	30.09.2020	30.06.2022
Number of months before end	37	9	30
Monthly payment	2 489.00	6 605.00	358.2
<b>Off-balance commitments 31.12.2019</b>	<b>92 093.00</b>	<b>59 445.00</b>	<b>10 746.00</b>
Off-balance commitments 31.12.2018	121 961.00	138 705.00	15 044.40

### *g) Contributions*

Fondation Hironnelle pays annual dues to be a member of the following organizations:

- Global Forum for Media Development (GFMD) USD 10'000
- Communication with Disaster Affected Community (CDAC) GBP 5'000
- The Swiss Platform for Peacebuilding (KOFF) CHF 800
- Fédération Vaudoise de Cooperation (FEDEVACO) CHF 400
- En Quête d'Ailleurs (EQDA) CHF 5'000
- Community of Interest for Basic Commercial Training in the Canton of Vaud (CIFIC-VD) CHF 150
- Plateforme des ONG suisses 3 000 CHF