

ANNUAL REPORT 2014



Leadership message

2014 saw some important advances in diagnostics for poverty-related diseases, and FIND is proud to have contributed to many of these successes with our partners. These included:

- a major project to reach 10,000 paediatric patients in India with TB and drug resistance testing, which doubled the number of paediatric TB cases identified and showed much more drug resistance in children than previously thought;
- a project to introduce high-quality rapid diagnostic tests for malaria to private care providers and pharmacies that increased malaria testing and appropriate treatment in project sites in Kenya and Madagascar from 0% in 2013 to 64-100% in 2014;
- growing demand for the FIND-supported and newly introduced rapid diagnostic test for human African trypanosomiasis (sleeping sickness), which is now in use in seven countries in sub-Saharan Africa; and
- the World Health Organization's recommendation for the use of LAMP, a technology that FIND developed in partnership with Eiken, for use in malaria elimination efforts.

The year also saw the continued spread of the Ebola outbreak in West Africa and its terrible impact on communities in the three most affected countries. This was a global wake-up call to the urgent need for diagnostic tools for triage, confirmatory diagnosis and surveillance of dangerous pathogens with outbreak potential. FIND has been supporting the World Health Organization by hosting the Ebola Diagnostics Collaboration to coordinate the accelerated development, evaluation and introduction of new Ebola diagnostic tests.

The year also saw some big changes here at FIND. We moved to new headquarters offices in Geneva's Campus Biotech, where we joined other organizations and research institutions working at the leading edge of scientific advances to meet pressing health needs. FIND launched a new five-year strategy for 2015-2020, which will see us putting much more emphasis on access to diagnostics and not just on the development of new tools. Our new offices in South Africa and Viet Nam will help us to play a strong role in ensuring that innovative new diagnostic tools have the maximum health impact and transform lives.

FIND was also appointed as a WHO Collaborating Centre for Tuberculosis and acquired several new grants to enable the expansion of the organization's programmes in TB, neglected tropical diseases, HIV and malaria. In addition, we introduced a new hepatitis C programme, added Buruli ulcer our neglected tropical diseases programme and added diagnostic connectivity as a cross-cutting theme across programmes.

One element that did not change during the year was the importance of partnerships in all aspects of FIND's work. In 2014, we initiated a number of significant collaborations, including a new partnership to work on diagnostics for Buruli ulcer, a debilitating neglected disease, and to support the development of a highly sensitive rapid diagnostic test to drive malaria elimination.

FIND's work would not be possible without the sustained support and confidence of our donors and partners. We thank you for your ongoing support in accelerating access to affordable, fit-for-purpose, high-quality diagnostics for neglected diseases that continue to affect the poorest and most vulnerable around the world.



Catharina Boehme
Chief Executive
Officer



Mark Kessel
Chair of the Board

Key achievements in 2014

Tuberculosis

FIND's major contributions in TB were toward two high-priority tests that are key to meeting WHO's strategy to end TB. The most critical need in TB control today is for a true point-of-care test. Two biomarker sets were identified that meet criteria for a screening test for use at the first point of contact with a patient. In addition, Xpert Ultra and XDR passed the first analytical lab validation and external field evaluation. Xpert Ultra is intended as a smear replacement test that will have high impact in hard-to-diagnose populations, including children and people living with HIV. XDR will meet important needs for diagnosing multidrug-resistant TB and combating drug

resistance through the introduction of new treatment regimens.

In India, TB and drug resistance testing in children was increased through the implementation of rapid case and drug resistance detection. The project reached approximately 10,000 paediatric patients aged 0 to 10 years in four major cities in public and private health facilities. Results included a doubling in the number of TB cases identified over baseline, with approximately 60 rifampicin-resistant cases, indicating a much higher than anticipated incidence of drug resistance in children in India.

Malaria

Important achievements towards the global elimination strategy for malaria included WHO's Malaria Policy Advisory Committee (MPAC) recommendation for use of LAMP for malaria diagnosis and surveillance in low transmission settings, and the initiation of a specimen and reference material repository to support the development of a highly sensitive point-of-care test.

FIND's private sector project in five African countries resulted in a significant uptake of

rapid diagnostic tests (RDT) for malaria. In Kenya and Madagascar, private health care providers and pharmacies that were not using RDTs at the beginning of the project in 2013 were, by the end of 2014, reaching levels of 64-100% in terms of testing and treatment adherence. All countries are using quality assured malaria RDTs, thanks to the WHO-FIND product and lot quality assurance programme, and Nigeria now has the capacity to perform its own RDT quality testing.

Neglected tropical diseases

In 2014, FIND and partners completed development of a second-generation rapid diagnostic test for human African trypanosomiasis (HAT) using recombinant versus native antigens. This test will increase patient access due to its lower cost and will allow easier manufacturing scale-up. Multi-

centre evaluations have begun and submission of the new test to WHO is planned for the end of 2015 as the companion diagnostic for the newly available, safe and oral HAT drug. This represents an important step toward HAT elimination efforts in sub-Saharan Africa.

S4S: Building diagnostics development capacity in BRICS

The impact of FIND's interventions through the Support for Success (S4S) initiative can already be seen in the first major project undertaken in 2014 with partner MolBio, a small-to-medium company in India. The complete redesign of an underperforming but promising TB diagnostics technology was achieved, to be design-locked in 2015.

Working through FIND's large network, we were able to partner MolBio with companies specializing in plastics (Mind) and instruments (Titan). This support resulted in a significantly improved diagnostic product and increased producer capacity to scale up the manufacture of a quality, locally-appropriate diagnostic tool for TB.

Process development

Possibly the most important guidelines for the development of tests that are most needed in endemic, low-resource settings are target product profiles (TPPs), which, while common in the drug development sector, have been mostly absent for diagnostics. In 2014, FIND and McGill University (Canada) developed four TB TPPs by first surveying stakeholders to identify the required and optimal

characteristics of the highest priority TB diagnostic tests, and then using a Delphi-like process to facilitate consensus-building at a meeting convened by WHO and the Stop TB Partnership's New Diagnostics Working Group in April 2014. WHO recognizes these TPPs, and this process for TPP development and endorsement is now being used to develop TPPs for priority diagnostics in other disease programmes.

Key opportunities and challenges in 2014

Opportunities

- WHO formally recognized FIND as a Collaborating Centre for Tuberculosis.
- FIND was appointed as a core member of WHO's Global Laboratory Initiative. This represents enhanced recognition of FIND as a "go-to" partner for trialing and laboratory strengthening.
- The Ebola crisis presented us with the opportunity to exercise our strategic decision to partner differently in future. As a result, FIND has worked with numerous partners not only on the development and evaluation of new Ebola tests but also to plan their introduction and use.
- Gilead's introduction of a new oral hepatitis C drug led to recognition of major gaps with regard to diagnostic tools and capacity in high-burden countries. Changes in the diagnostic algorithm that will allow for hepatitis C care in low- and middle-income countries are feasible and will be impactful and cost-effective. FIND is committed to supporting new diagnostic solutions to meet the newly urgent demand for tests to enable widely scaled up hepatitis C treatment – something that was unthinkable even a year ago.

Challenges

- Disappointingly, the London Declaration has not resulted in the anticipated increase in funding commitments to meet important diagnostic gaps for neglected tropical diseases. Despite strong support for this work from several key funders, there remains a funding gap that limits the strength of this portfolio and FIND's ability to contribute to the control and elimination of these debilitating and neglected diseases globally.

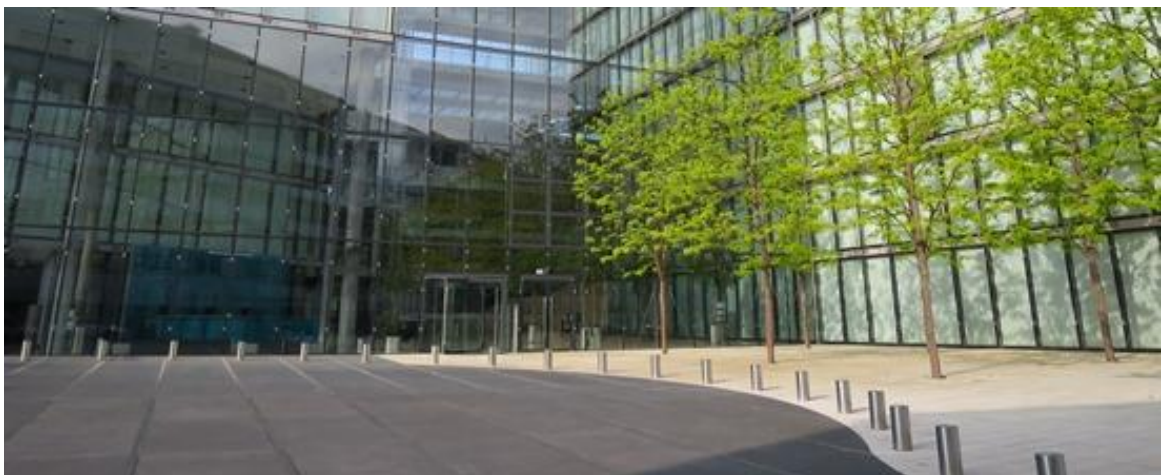
Key internal changes at FIND in 2014

- *Governance:*
Representation on FIND's Board was diversified with the addition of one director from the pharmaceutical industry (Sanofi) and another from a BRICS country (Brazil). The Scientific Advisory Committee (SAC) was expanded and 12 members attended the mid-year meeting, where all new disease strategies were presented. The SAC went on to recommend that the Board of Directors approve FIND's disease strategies, which they did at the July meeting.
- *Organizational structure:*
At the programmatic level, FIND focused on ensuring that we have the resources to deliver against our funded programmes and to prepare for new strategic projects. As part of the restructuring that began in 2013, and to support the delivery of the new five-year strategy and strengthen strategic leadership capacity, FIND will add a Chief Medical Officer and a Chief Access Officer over the next two years.

- *Financial monitoring:*
FIND implemented a revised foreign exchange strategy in 2014, making it more proactive so that the organization can better pre-empt variations and minimize losses.
- *Location:*
FIND moved its headquarter offices in mid-2014 and is now located in the Campus Biotech in Geneva, which is part of Switzerland's "Health Valley". The Campus aims to create a unique environment for science and industry.
- *Strategic direction:*
FIND launched a new 2015-2020 strategy in 2014, moving FIND from a test-only focus to a solutions-based approach that incorporates support for the introduction and use of new tests. FIND will provide support to test developers through an open platform and place a stronger emphasis on access activities to achieve impact and fully capitalizing on lessons learnt in implementation to inform new product design, development and improvements. In addition, FIND will work to ensure linkage to care for patients.

The new strategy has translated into FIND's introducing projects in new disease areas. An external analysis of diagnostic gaps and FIND's ability to address them identified four new disease areas that should be included in FIND's portfolio over the next five years. Those introduced in 2014 were hepatitis C (particularly in light of the breakthrough in drug development with the new all-oral, short-course regimens) and Buruli ulcer.

FIND's leadership in WHO's Ebola Diagnostics Access Collaboration as part of the global response to the Ebola crisis, with coordination and support provided to the development, evaluation and implementation of the best available early detection tests for Ebola, has led to the likelihood that these activities will evolve into an outbreak preparedness programme in the coming years.



Campus Biotech, Geneva

***Foundation for Innovative
New Diagnostics (Find),
Geneva***

*Financial Statements for the
Year ended 31 December 2014
and Report of the Statutory Auditor*

Report of the Statutory Auditor

To the Board of the Foundation of
Foundation for Innovative New Diagnostics (FIND), Geneva

Report of the Statutory Auditor on the Financial Statements

As statutory auditor, we have audited the accompanying financial statements of the Foundation for Innovative New Diagnostics (FIND), which comprise the balance sheet, statement of revenue and expenditure, cash flow statement and notes for the year ended 31 December 2014.

Board of the Foundation's Responsibility

The Board of the Foundation is responsible for the preparation of these financial statements in accordance with the requirements of Swiss law and the charter of the Foundation. 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 Board of the Foundation 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 judgement, 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 the 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 2014 comply with Swiss law and the Charter of the Foundation.

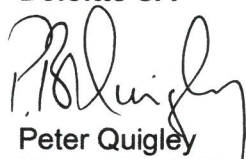
Report on Other Legal Requirements

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

In accordance with article 728a para. 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 Board of the Foundation.

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

Deloitte SA



Peter Quigley
Licensed Audit Expert
Auditor in Charge



Joelle Herbette
Licensed Audit Expert

Geneva, 14 April 2015
PBQ/JOH/ahe

Enclosures : Financial statements (balance sheet, statement of revenue and expenditure, cash flow statement and notes)

STATEMENT OF REVENUE AND EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2014
 (all amounts in US dollars)

	Note	2014	2013
REVENUE			
Grant revenue	4	31,232,265	32,252,996
Sundry income		192,996	225,233
Total revenue		31,425,261	32,478,229
EXPENDITURE			
Programme services			
Tuberculosis		16,214,188	15,530,926
Ebola		93,601	-
Neglected tropical diseases		4,196,586	3,513,982
Malaria		3,548,947	4,400,746
Sexually transmitted infections		566,259	1,383,295
Other/cross disease		3,117,151	2,222,820
Total programme services		27,736,732	27,051,769
Supporting Services			
Information & communication		98,326	42,060
Governing & advisory bodies		66,312	50,680
General administration		2,237,460	1,814,214
Finance & compliance expenses		959,469	1,150,134
Depreciation & amortization		36,684	53,674
Total supporting services		3,398,251	3,110,762
Total expenditure		31,134,983	30,162,531
Excess (deficit) of revenue over expenditure for year		290,278	2,315,698
Accumulated surplus (deficit) brought forward		694,217	(1,621,481)
Accumulated surplus (deficit) carried forward		984,495	694,217

The accompanying notes form an integral part of these financial statements.

BALANCE SHEET AS AT 31 DECEMBER 2014

(all amounts in US dollars)

	Note	2014	2013
ASSETS			
Current assets			
Cash and cash equivalents		24,766,869	22,848,325
Accounts receivable		1,452,659	880,750
Prepayments		208,522	560,594
Total current assets		26,428,050	24,289,669
Non-current assets			
Fixed assets	3	-	36,684
Rental guarantee deposit		392,165	211,230
Total non-current assets		392,165	247,914
Total assets		26,820,215	24,537,583
LIABILITIES AND CAPITAL			
Current liabilities			
Accounts payable and accrued expenses		3,181,785	4,187,087
Deferred revenue		22,201,463	19,615,849
Unrealized exchange gains		412,042	-
Total current liabilities		25,795,290	23,802,936
Capital and reserves			
Capital	10	40,430	40,430
Accumulated surplus (deficit)		984,495	694,217
Total liabilities, capital and revenue		26,820,215	24,537,583

The accompanying notes form an integral part of these financial statements.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

(all amounts in US dollars)

	Note	2014	2013
Excess (deficit) of revenue over expenditure for year		290,278	2,315,698
Add back non-cash charge - depreciation & amortization		36,684	53,674
		326,962	2,369,372
Cash flows - operating activities			
Increase (decrease) in deferred revenue		2,585,614	8,545,577
Increase (decrease) in accounts payable and accruals		(1,005,302)	1,879,317
(Increase) decrease in accounts receivable		(571,909)	1,840,531
(Increase) decrease in prepayments		352,072	(244,088)
Increase (decrease) in unrealized exchange gains on foreign currencies		412,042	-
Net cash provided by operating activities		1,772,517	12,021,337
Cash flows - investing activities			
(Increase) decrease in rental guarantee deposit		(180,935)	(1,059)
Net cash used in investing activities		(180,935)	(1,059)
Net increase (decrease) in cash and cash equivalents for year		1,918,544	14,389,650
Cash and cash equivalents at start of year		22,848,325	8,458,675
Cash and cash equivalents at end of year		24,766,869	22,848,325
Net increase (decrease) in cash and cash equivalents for year		1,918,544	14,389,650

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

(all amounts in US dollars)

1. General information

1.1 Legal aspects

The Foundation for Innovative New Diagnostics (FIND) is an independent Swiss Foundation established as a not-for-profit legal entity created under Article 80 of the Swiss Civil Code and registered in the Geneva Register of Commerce on 29 July 2003.

FIND's mission is to drive the development and early implementation of innovative diagnostic tests that have a high impact on patient care and disease control in low-resource settings.

FIND is monitored by the Swiss Federal Supervisory Board for Foundations.

1.2 Tax exemption

On 9 December 2010, FIND and the Swiss Federal Council signed an agreement granting FIND certain privileges and immunities under the revised Host State Act, which came into force on 1 January 2008. In accordance with this agreement, FIND has been granted exemption from all federal, cantonal and communal taxes, from Value-Added Tax, and from regulations governing the employment of foreign nationals in Switzerland. This agreement came into effect on 1 January 2011.

1.3 Regional offices

FIND is headquartered in Geneva, Switzerland and has regional offices in New Delhi, India, Kampala, Uganda and Cape Town, South Africa.

Since 2007, FIND India has played a key role in scaling up the delivery of strong programmatic management of drug-resistant Tuberculosis in India and in South-East Asia. FIND India was established as a liaison office through a Collaborative Agreement with Ministry of Health & Family Welfare of the Indian Government.

FIND Uganda was established in 2008 and provides support for FIND's research and field activities for Tuberculosis, Malaria and Human African Trypanosomiasis in Uganda. It is established as a non-governmental organization on the basis of a Memorandum of Understanding with the Republic of Uganda.

FIND Dx in South Africa was registered as a non-profit company in December 2014 and will become FIND's principal representative office in Africa with a main focus on Access related work.

2. Significant accounting policies

2.1 Basis of presentation

The financial statements are prepared under the historical cost convention and in accordance with Swiss Code of Obligations.

2.2 Fixed assets

Fixed assets are recorded at cost and are depreciated under the straight-line method at 20% annually for office furniture and fittings, electrical installations, fax machine and telephones and 33.3% annually for computers and printers.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

(all amounts in US dollars)

2.3 Foreign currency

Accounting records are maintained in US dollars (USD). Revenue and expenditures in other currencies are recorded in USD approximating actual rates in effect at the time of the transaction. Year-end balances for assets and liabilities in other currencies are translated into US dollars at rates of exchange prevailing at balance sheet date. At 31 December 2014, the rate of exchange used for the Swiss franc, the main foreign currency for 2014, was USD/CHF = 0.994 (2013 – 0.889). Realized exchange gains as well as realized and unrealized exchange losses are included in the determination of surplus (deficit) for the year. Unrealized exchange gains are deferred.

2.4 Recognition of revenue

Revenue on restricted grants is recognized in the period to the extent that the related project expenses and recoverable overheads are incurred. Revenue on unrestricted grants is recognized on a cash basis. Interest income is recognized on an accrual basis and sundry donations are recognized on a cash basis. Grants received relating to activities in future years are recorded in the balance sheet as deferred revenue.

2.5 Donations in-kind

Donations in-kind are not recorded but disclosed in the notes to the financial statements based on information provided by partners. Services rendered or goods transferred to FIND must exclude any monetary transfer and must be clearly identifiable to a FIND project.

2.6 Accounts payable

Accounts payable represents expenditure chargeable, for which invoices were not received for payment before the year-end.

2.7 Rental guarantee deposit

The deposits relate to the rental of FIND office premises in Geneva and India and are recoverable in accordance with the rental contract upon vacation of the premises.

3. Fixed assets

3. Fixed assets as at 31 December 2014 were as follows:

	2014	2013
At Cost:		
Office furniture & fittings	-	118,790
Computers & printers	353,723	353,723
Electrical installations	12,392	12,392
Fax machine & telephones	41,965	41,965
Total cost	408,080	526,870
Less:		
Accumulated depreciation	408,080	490,186
Net book value	-	36,684

Fire insurance coverage as at 31 December 2014 was USD 100,640 (2013 – USD 112,486).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

(all amounts in US dollars)

4. Donations received

During 2014, the following donations were received from donors (*other currency amounts are converted to USD at exchange rates on date of receipt*):

	2014	2013
The Bill and Melinda Gates Foundation	12,352,958	9,867,823
Department for International Development (DFID), UK	3,872,787	4,467,576
Federal Ministry of Education And Research (BMBF) through KfW, Germany	3,621,542	1,767,558
Government of the United States	3,268,557	1,880,575
Dutch Ministry of Foreign Affairs (DGIS), Netherlands	3,253,535	3,419,188
UNITAID	2,962,091	3,345,831
The Global Fund to Fight AIDS, Tuberculosis and Malaria	2,716,476	11,143,449
Swiss Agency for Development and Cooperation	879,388	892,857
WHO	404,581	2,390,186
UBS Optimus Foundation, Switzerland	168,539	322,581
JSI Research & Training	100,000	254,167
TI Pharma	91,998	150,313
Other	76,189	169,598
Australian Department of Foreign Affairs and Trade	-	2,408,444
Total contributions received	33,768,641	42,480,146

Donor agreements in effect as at 31 December 2014 provide for a total of USD 51 million to be paid to FIND between January 2015 and December 2017.

5. Donations in-kind

FIND operations are funded through financial contributions and donations. In addition to financial contributions, generous partners, private companies and academic groups provide FIND with goods and services at no cost as donations in-kind. The analysis of goods and services received is as follows:

	2014	2013
Tuberculosis	248,336	-
Neglected Tropical Diseases	376,824	676,429
Malaria	648,557	392,948
Sexually transmitted infections	3,739,769	2,844,273
Total donations in-kind	5,013,486	3,913,650

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

(all amounts in US dollars)

6. Project partners

Payments to project partners during 2014, under contracts signed up to 31 December 2014, totalled USD 8,582,710 (2013 – USD 9,792,064). Commitments at 31 December 2014 for future payments under those contracts total USD 4,253,359 (2013 – USD 5,409,253).

7. Staff costs

Staff costs totalled USD 7,016,504 for 2014 (2013 – USD 6,454,699).

8. Pension fund liabilities

USD 14,687 was due to the pension fund as at 31 December 2014 (2013 – USD 28,329).

9. Rent commitments

At 31 December 2014, FIND had future rent commitments totalling USD 2,275,336 up to 31 May 2019 (2013 – USD 385,000 up to 30 June 2014).

10. Funds

The Endowment Capital of CHF 50,000 is fully subscribed and equates to USD 40,430 at the rate of exchange on the date of payment.

11. Events subsequent to 31 December 2014

No events occurred subsequent to 31 December 2014 which could have a material impact on the understanding of these financial statements.

