



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

Report of the Statutory Auditor  
to the Board of the Foundation

Consolidated Financial Statements 2020



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## **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 Consolidated Financial Statements**

As statutory auditor, we have audited the accompanying consolidated financial statements of Foundation for Innovative New Diagnostics (FIND), which comprise the statement of revenue and expenditure, statement of changes in capital, balance sheet, cash flow statement and notes for the year ended 31 December 2020.

#### **Board of the Foundation's Responsibility**

The Board of the Foundation is responsible for the preparation of the consolidated financial statements in accordance with the requirements of Swiss law and Swiss GAAP RPC. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements for the year ended 31 December 2020 comply with Swiss law and give a true and fair view of the financial positions, the results of operations and the cash flows in accordance with Swiss GAAP RPC.



## **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 728 CO) and that there are no circumstances incompatible with our independence.

In accordance 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 consolidated financial statements according to the instructions of the Board of the Foundation.

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

KPMG SA

Pierre-Henri Pigeon  
Licensed Audit Expert  
Auditor in Charge

Cédric Rigoli  
Licensed Audit Expert

Geneva, 20 April 2021

Enclosure:

- Consolidated financial statements (statement of revenue and expenditure, statement of changes in capital, balance sheet, cash flow statement and notes)

**STATEMENT OF REVENUE AND EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2020**

(all amounts in US dollars)

	Note	2020	2019
<b>REVENUE</b>			
Grant revenue	3	56,502,709	55,842,142
Grant revenue - COVID-19	3	41,058,610	-
Other operating income		461,449	585,117
<b>Total revenue</b>		<b>98,022,768</b>	<b>56,427,259</b>
<b>of which is restricted</b>		<b>96,270,720</b>	<b>54,682,828</b>
<b>EXPENDITURE</b>			
<b>Programme services</b>			
Tuberculosis		9,239,975	10,181,810
AMR and Outbreaks		10,920,188	7,197,653
COVID-19		33,608,830	-
Fever and Malaria		4,052,356	4,938,400
Neglected tropical diseases		5,055,970	6,516,393
HCV and HIV		6,442,490	8,452,231
Access TB India		6,844,115	10,427,420
Access in other countries and cross cutting		8,593,028	3,352,827
<b>Total programme services</b>		<b>84,756,952</b>	<b>51,066,734</b>
<b>Supporting Services</b>			
Information & communication		269,435	185,802
Governing & advisory bodies		31,328	52,271
General administration		5,530,176	4,802,713
Depreciation & amortization		20,944	19,370
<b>Total supporting services</b>		<b>5,851,883</b>	<b>5,060,156</b>
<b>Total operating expenditure</b>	6	<b>90,608,835</b>	<b>56,126,890</b>
<b>Operating result</b>		<b>7,413,933</b>	<b>300,369</b>
Financial income		189,810	314,122
Financial expenses		516,005	139,592
<b>Financial result</b>		<b>(326,195)</b>	174,530
<b>Result before changes in restricted funds</b>		7,087,738	474,899
Change in restricted funds		(4,796,787)	1,843
<b>Annual result before allocation to organization capital</b>		<b>2,290,951</b>	476,742
<b>Allocations/appropriation</b>			
Free capital		<b>(2,290,951)</b>	(476,742)

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

**STATEMENT OF CHANGES IN CAPITAL AS AT 31 DECEMBER 2020**

(all amounts in US dollars)

	Balance 1.1.2020	Allocation	Use	Total change	Balance 31.12.2020
<b>Restricted funds</b>	465,256	(96,270,720)	91,473,933	(4,796,787)	<b>5,262,043</b>
<b>Organization capital</b>					
Foundation capital	40,430	-	-	-	<b>40,430</b>
Unrestricted surplus	5,392,788	2,290,951	-	2,290,951	<b>7,683,739</b>
<b>Total organization capital</b>	<b>5,433,218</b>	<b>2,290,951</b>	-	<b>2,290,951</b>	<b>7,724,169</b>

	Balance 1.1.2019	Allocation	Use	Total change	Balance 31.12.2019
<b>Restricted funds</b>	467,099	(56,100,776)	56,102,619	1,843	<b>465,256</b>
<b>Organization capital</b>					
Foundation capital	40,430				<b>40,430</b>
Unrestricted surplus	4,916,046	476,742	-	476,742	<b>5,392,788</b>
<b>Total organization capital</b>	<b>4,956,476</b>	<b>476,642</b>	-	<b>476,742</b>	<b>5,433,218</b>

## BALANCE SHEET AS AT 31 DECEMBER 2020

(all amounts in US dollars)

	Note	2020	2019
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	8	89,677,610	40,871,808
Accounts receivable		3,199,569	2,226,115
Prepayments and accrued income		14,136,618	7,573,565
<b>Total current assets</b>		<b>107,013,797</b>	<b>50,671,488</b>
<b>Non-current assets</b>			
Fixed assets		27,386	46,645
Rental guarantee deposit		257,787	238,765
<b>Total non-current assets</b>		<b>285,173</b>	<b>285,410</b>
<b>Total assets</b>		<b>107,298,970</b>	<b>50,956,898</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Current liabilities</b>			
Accounts payable and accrued expenses		12,358,346	7,559,213
Deferred revenue	9	81,954,412	37,499,211
<b>Total current liabilities</b>		<b>94,312,758</b>	<b>45,058,424</b>
<b>Restricted funds</b>		<b>5,262,043</b>	<b>465,256</b>
<b>Organization capital</b>			
Initial foundation capital	13	40,430	40,430
Free capital		7,683,739	5,392,788
<b>Total Capital</b>		<b>7,724,169</b>	<b>5,433,218</b>
<b>Total liabilities, capital and reserves</b>		<b>107,298,970</b>	<b>50,956,898</b>

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

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020**

(all amounts in US dollars)

	2020	2019
<b>Annual result before allocation to organization capital</b>	2,290,951	476,742
Change in restricted funds	4,796,787	(1,843)
Add back non-cash charge - depreciation & amortization	20,944	19,368
Add back non-cash charge - net impact of foreign exchange rate differences on cash held	921,017	116,659
	<b>8,029,699</b>	<b>610,926</b>
<b>Cash flows - operating activities</b>		
Increase (decrease) in deferred revenue	44,455,201	9,217,967
Increase (decrease) in accounts payable and accruals	4,799,133	139,683
(Increase) decrease in accounts receivable	(973,454)	(1,925,555)
(Increase) decrease in prepayments	(6,563,053)	(4,805,867)
<b>Net cash provided by operating activities</b>	<b>41,717,827</b>	<b>2,626,228</b>
<b>Cash flows - investing activities</b>		
(Increase) decrease in rental guarantee deposit	(19,022)	(3,199)
Acquisition of computers & printers	(1,685)	(60,696)
<b>Net cash used in investing activities</b>	<b>(20,707)</b>	<b>(63,895)</b>
<b>Net increase (decrease) in cash and cash equivalents for the year</b>	<b>49,726,819</b>	<b>3,173,259</b>
Cash and cash equivalents at start of year	40,871,808	37,815,208
Net impact of foreign exchange rate difference on cash held	(921,017)	(116,659)
Cash and cash equivalents at end of year	89,677,610	40,871,808
<b>Net increase (decrease) in cash and cash equivalents for the year</b>	<b>49,726,819</b>	<b>3,173,259</b>

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

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020** (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; Cape Town, South Africa; Kampala, Uganda, Hanoi, Vietnam, and Nairobi, Kenya.

Since 2007, FIND has played a key role in demonstrating the effectiveness of new diagnostics in country settings and scaling up the delivery of strong programmatic management of drug-resistant Tuberculosis in India and 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. In addition, the Foundation for Innovative New Diagnostics India was incorporated under section 8 of the Companies Act as a non-profit company, limited by guarantee, in July 2015; this entity became operational in 2017.

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 is FIND's principal representative office in Africa with a main focus on access-related work. This company has no share capital and is not limited by guarantee.

FIND's operations as a non-governmental organization in Vietnam were registered with the People's Aid Coordinating Committee in August 2015. FIND's work in Vietnam aims to support research and treatment of infectious diseases, primarily tuberculosis, supporting the National TB Program, Pham Ngoc Thach Hospital and the National Institute of Malariology, Parasitology and Entomology.

FIND Dx Kenya was registered in May 2019. The office is to be operationalised in 2021. At the time of registration of FIND DX Kenya, FIND Geneva was already supporting a number of projects in the Ministry of Health and at KEMRI.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (all amounts in US dollars)

### 2. Significant accounting policies

#### 2.1 Basis of presentation

These consolidated financial statements have been prepared in accordance with the Accounting and Reporting Recommendations Swiss GAAP RPC and more specifically with Swiss GAAP RPC 21 for charitable non-profit organisations. These consolidated financial statements give a true and fair view which reflect the economic facts and are thus free of deception and manipulation.

Consolidated financial statements are based on the individual financial statements established as at 31 December in accordance with single accounting principles for all entities within the group.

Significant items are accounted for as follows:

#### 2.2 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term money market deposits with maturities of 3 months or less from the balance sheet date at the most.

#### 2.3 Rental guarantee deposit

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

#### 2.4 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 2020, the rate of exchange used for the Swiss franc, the main foreign currency for 2020, was USD/CHF = 0.884 (2019 – 0.968).

#### 2.5 Recognition of revenue

Grants requiring the return of unspent funds are recorded in accordance with the principle of matching related revenues and expenses in the same period. Unused funds from such grants at the end of the period are recorded in the balance sheet under deferred revenue and recognised as revenue in future periods.

Grants which do not require unspent funds to be returned are recognised in the statement of revenue and expenditure at the time when FIND takes control of the funds.

Service revenue is recognised when the service is rendered.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**  
(all amounts in US dollars)

**2.6 Classification of restricted funds**

Restricted funds are comprised of funds that are subject to restrictions in purpose as determined by third parties. The portion of restricted funds that are not used during the year or deferred, is recognised in the balance sheet through allocation to restricted funds and as a reduction of the result for the year. Conversely, when such funds are used in subsequent years, they will be recognised in the statement of revenue and expenditure through the use of funds.

**2.7 Donations in-kind**

Donations in-kind are not recorded but disclosed in the notes to the financial statements based on information provided by partners. They are valued at the price FIND would have had to pay if the goods or services were to be provided in exchange for payment under usual contractual terms. Services rendered or goods transferred to FIND must exclude any monetary transfer and must be clearly identifiable to a FIND project.

**2.8 Consolidation**

The following entities' results have been included in the consolidated financial statements:

FIND India and FIND Dx in South Africa.

The foundation's financial statements are consolidated according to the full consolidation method. All inter-company investments, balances and transactions have been eliminated.

**3. Grant revenue**

The breakdown of grant revenue by area of activity is shown below:

	2020	2019
HQ activities existing programmes	48,946,446	43,413,002
Country office activities existing programmes	7,556,263	12,429,140
COVID-19 activities	41,058,610	-
<b>Total grant revenue</b>	<b>97,561,319</b>	<b>55,842,142</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

(all amounts in US dollars)

### 4. Donations received

During 2020, the following donations were received from donors (*other currency amounts are converted to USD at exchange rates on date of receipt*):

	2020	2019
Department for International Development (DFID), UK	56,128,953	16,720,202
UNITAID	12,567,678	6,850,530
Swiss Agency for Development and Cooperation	12,290,599	1,635,678
The Global Fund to Fight AIDS, Tuberculosis and Malaria	10,836,444	6,445,231
Rockefeller Foundation	7,000,000	-
The Bill and Melinda Gates Foundation	6,871,330	9,101,058
Dutch Ministry of Foreign Affairs (DGIS), Netherlands	6,525,216	1,706,176
Department for Health and Social Care, UK	5,368,498	6,644,906
The Permanent Mission of the State of Kuwait to the United Nations Office	5,000,000	-
Global Health Innovative Technology Fund (GHIT), Japan	2,660,664	2,038,112
Australian Department of Foreign Affairs and Trade	2,637,131	5,225,944
The World Health Organization	2,587,645	-
The Kingdom of Saudi Arabia	1,486,000	-
Federal Ministry of Education And Research (BMBF) through KfW, Germany	1,468,916	-
Bioneer Corporation	735,842	-
PepsiCo India Holdings Pvt. Ltd.	606,982	-
Fondation Botnar	564,971	300,300
European and Developing Countries Clinical Trials Partnership (EDCTP) Association	287,085	671,277
Government of India, Ministry of Health & Family welfare, The Central TB Division	130,036	1,978,575
Other - amounts under \$500,000	3,252,728	3,652,434
<b>Total contributions received</b>	<b>139,006,718</b>	<b>62,970,423</b>

Donor agreements in effect as at 31 December 2020 provide for a total of USD 73 million to be paid to FIND between January 2021 and May 2025.

In accordance with Swiss GAAP RPC 21, donations are recognised as revenue, when FIND has a control over the funds. As such, contributions received may differ from grant revenue.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

(all amounts in US dollars)

### 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:

	2020	2019
Tuberculosis	18,491	564,593
AMR and Outbreaks	856,183	290,591
Access	-	293,666
Fever and Malaria	1,476,724	1,362,554
Neglected tropical diseases	468,085	953,615
HCV and HIV	17,890	383,804
<b>Total donations in-kind</b>	<b>2,837,373</b>	<b>3,848,823</b>

The above amounts include 41% for infrastructure and supplies, 56% for personnel and consultants, 1% for partners and 2% for travel, (2019 – 31% for infrastructure and supplies 46% for personnel and consultants, 17% for partners and 6% for travel).

In-kind contributions are reported above based upon information provided by our partners and are valued at the price FIND would have to pay in an arm's length transaction.

### 6. Expenditure by cost type

The breakdown of programme and supporting services by expense type and area of activity is shown below:

2020	HQ activities existing programmes	Country office activities existing programmes	COVID-19 activities	Total
Project partners	22,655,707	1,123,650	23,793,973	47,573,330
Personnel	11,334,680	620,044	2,870,041	14,824,765
Consultants	11,720,616	2,197,052	3,343,337	17,261,005
Travel	651,628	210,790	12,991	875,409
Equipment	336,823	1,491,635	1,136,577	2,965,035
Supplies and other expenses	2,727,517	1,929,979	2,451,795	7,109,291
<b>Total expenditure</b>	<b>49,426,971</b>	<b>7,573,150</b>	<b>33,608,714</b>	<b>90,608,835</b>

2019	HQ activities existing programmes	Country office activities existing programmes	COVID-19 activities	Total
Project partners	18,229,406	1,280,186	-	19,509,592
Personnel	11,598,319	485,553	-	12,083,872
Consultants	7,225,793	3,140,145	-	10,365,938
Travel	1,963,535	824,906	-	2,788,441
Equipment	755,462	1,952,327	-	2,707,789
Supplies and other expenses	3,992,547	4,678,711	-	8,671,258
<b>Total expenditure</b>	<b>43,765,062</b>	<b>12,361,828</b>	<b>-</b>	<b>56,126,890</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

(all amounts in US dollars)

### 6. Expenditure by cost type (continued)

Commitments at 31 December 2020 for future payments to partners under contracts signed up until 31 December 2020 total USD 26,409,670 (2019 – USD 7,386,452).

The annual average number of full-time personnel equivalents for the reporting year, as well as the previous year, did not exceed 250.

### 7. Remuneration

The total amount of remuneration paid to the members of the leadership team amounts to CHF 1,109,208 (2019 – CHF 1,079,893). Remuneration is consistent with requirements, qualifications, responsibility and work performance

Members of the Foundation board do not have a paid relationship with the organisation as defined by labour law. Travel expenses incurred are reimbursed based upon receipts.

### 8. Cash and cash equivalents

Cash and cash equivalents as at 31 December were as follows:

	2020	2019
Petty cash	846	2,054
Bank current accounts	73,601,104	30,862,508
Short-term deposits	16,075,660	10,007,246
<b>Total cash and cash equivalents</b>	<b>89,677,610</b>	<b>40,871,808</b>

### 9. Deferred revenue

Deferred revenue represents assets to which the donor has attached a condition specifying the right to return of the transferred funds. As such, revenue on these grants is deferred until the condition is met and the right to the return of the funds is extinguished and will then be recognised in the income statement as grant revenue.

The following table shows the breakdown of these funds by program.

	2020	2019
Tuberculosis	12,879,679	9,919,691
Covid	50,203,702	-
AMR & Outbreaks	6,163,693	11,461,390
Fever and Malaria	3,069,941	3,960,349
Neglected tropical diseases	4,811,000	2,956,890
HIV and HCV	539,835	2,375,164
Access and other	4,286,562	6,825,727
<b>Total deferred revenue</b>	<b>81,954,412</b>	<b>37,499,211</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**  
(all amounts in US dollars)

**10. Pension fund liabilities**

USD 114 was due to the pension fund as at 31 December 2020 (2019 – USD 3,468).

**11. Rent commitments**

At 31 December 2020, FIND had future rent commitments totalling USD 852,092 up to 31 May 2021 (2019 – USD 783,297 up to 31 May 2021). Of this amount, USD 610,322 is due within 12 months (2019 – USD 562,605).

**12. Operating lease commitments**

At 31 December 2020, FIND had future rent commitments on operating leases totalling USD 18,054 up to 31 October 2021 (2019 – USD 16,480 up to 31 October 2020), USD 18,054 of which is due within 12 months (2019 – USD 16,480).

**13. Foundation capital**

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.

**14. Events subsequent to 31 December 2020**

No events occurred subsequent to 31 December 2020 which could have a material impact on the understanding of these financial statements.