



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

Report of the Statutory Auditor
to the Board of the Foundation

Consolidated Financial Statements 2021



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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 2021.

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 2021 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.

KPMG SA

Pierre-Henri Pigeon
Licensed Audit Expert
Auditor in Charge

Cédric Rigoli
Licensed Audit Expert

Geneva, 9 May 2022

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 2021

(all amounts in US dollars)

	2021	2020
REVENUE		
Grant revenue - UHC	37,644,139	44,202,861
Grant revenue - GHS	97,851,795	53,358,458
Other operating income	423,638	461,449
Total revenue	135,919,572	98,022,768
of which is restricted	135,656,414	96,270,720
EXPENDITURE		
Programme services		
Universal Health Coverage (UHC)		
TB & hepatitis	11,312,634	15,682,465
Neglected tropical diseases	6,522,999	5,055,970
Fever and Malaria	2,244,930	4,052,356
Access in other countries and cross cutting	4,330,720	8,593,028
Access TB India	10,165,094	6,844,115
Total UHC	34,576,377	40,227,934
Global Health Security (GHS)		
COVID-19	71,189,586	33,608,830
Pandemic preparedness	2,464,280	1,999,544
AMR	6,253,526	8,920,644
Total GHS	79,907,393	44,529,018
Total programme services	114,483,770	84,756,952
Supporting Services		
Information & communication	454,896	269,435
Governing & advisory bodies	169	31,328
General administration	7,205,947	5,530,176
Depreciation & amortization	19,702	20,944
Total supporting services	7,680,713	5,851,883
Total operating expenditure	122,164,483	90,608,835
Operating result	13,755,089	7,413,933
Financial income	774,477	189,810
Financial expenses	71,816	516,005
Financial result	702,661	(326,195)
Result before changes in restricted funds	14,457,750	7,087,738
Change in restricted funds	(10,773,467)	(4,796,787)
Annual result before allocation to organization capital	3,684,283	2,290,951
Allocations/appropriation		
Free capital	(3,684,283)	(2,290,951)

STATEMENT OF CHANGES IN CAPITAL AS AT 31 DECEMBER 2021

(all amounts in US dollars)

	Balance 1.1.2021	Allocation	Use	Total change	Balance 31.12.2021
Restricted funds	5,262,043	(135,656,414)	124,882,947	(10,773,467)	16,035,510
Organization capital					
Foundation capital	40,430	-	-	-	40,430
Unrestricted surplus	7,683,739	3,684,283	-	3,684,283	11,368,022
Total organization capital	7,724,169	3,684,283	-	3,684,283	11,408,452

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

BALANCE SHEET AS AT 31 DECEMBER 2021

(all amounts in US dollars)

	Note	2021	2020
ASSETS			
Current assets			
Cash and cash equivalents		148,372,427	89,677,610
Accounts receivable		14,704,369	3,199,569
Prepayments and accrued income		29,395,417	14,136,618
Total current assets		192,472,213	107,013,797
Non-current assets			
Fixed assets		4,461	27,386
Rental guarantee deposit		253,542	257,787
Total non-current assets		258,003	285,173
Total assets		192,730,216	107,298,970
LIABILITIES AND CAPITAL			
Current liabilities			
Accounts payable and accrued expenses		11,679,600	12,358,346
Deferred revenue		153,606,654	81,954,412
Total current liabilities		165,286,254	94,312,758
Restricted funds		16,035,510	5,262,043
Organization capital			
Initial foundation capital		40,430	40,430
Free capital		11,368,022	7,683,739
Total Capital		11,408,452	7,724,169
Total liabilities, capital and reserves		192,730,216	107,298,970

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

(all amounts in US dollars)

	2021	2020
Annual result before allocation to organization capital	3,684,283	2,290,951
Change in restricted funds	10,773,467	4,796,787
Add back non-cash charge - depreciation & amortization	19,702	20,944
Add back (deduct) non-cash charge - net impact of foreign exchange rate differences on cash held	(1,017,750)	921,017
	13,459,702	8,029,699
Cash flows - operating activities		
Increase (decrease) in deferred revenue	71,652,242	44,455,201
Increase (decrease) in accounts payable and accruals	(678,746)	4,799,133
(Increase) decrease in accounts receivable	(11,504,800)	(973,454)
(Increase) decrease in prepayments	(15,258,799)	(6,563,053)
Net cash provided by operating activities	44,209,897	41,717,827
Cash flows - investing activities		
(Increase) decrease in rental guarantee deposit	4,245	(19,022)
Acquisition of computers & printers	3,223	(1,685)
Net cash used in investing activities	7,468	(20,707)
Net increase (decrease) in cash and cash equivalents for the year	57,677,067	49,726,819
Cash and cash equivalents at start of year	89,677,610	40,871,808
Net impact of foreign exchange rate difference on cash held	1,017,750	(921,017)
Cash and cash equivalents at end of year	148,372,427	89,677,610
Net increase (decrease) in cash and cash equivalents for the year	57,677,067	49,726,819

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (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 ensure equitable access to reliable diagnosis around the world.

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. 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 2021 (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 organizations. 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 2021, the rate of exchange used for the Swiss franc, the main foreign currency for 2021, was USD/CHF = 0.911 (2020 – 0.884).

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 recognized as revenue in future periods.

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

Service revenue is recognized when the service is rendered.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
(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 recognized 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 recognized 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(all amounts in US dollars)

3. Donations received

During 2021, the following donations were received from donors (*other currency amounts are converted to USD at exchange rates on date of receipt*):

	2021	2020
Government of the Federal Republic of Germany (BMBF) through KfW	64,281,266	1,468,916
The Global Fund to Fight AIDS, Tuberculosis and Malaria	24,062,168	10,836,444
Government of the Federal Republic of Germany (BMZ)	23,617,450	-
Swiss Agency for Development and Cooperation	17,673,779	12,290,599
Canadian Department of Foreign Affairs, Trade and Development	15,822,780	-
The Norwegian Agency for Development Cooperation (NORAD) through Unitaid	11,000,000	-
Unitaid	10,568,918	12,567,678
The Bill and Melinda Gates Foundation	8,785,364	6,871,330
The Foreign, Commonwealth & Development Office (FCDO), UK	7,779,730	56,128,953
The Kingdom of Saudi Arabia	6,000,000	1,486,000
Dutch Ministry of Foreign Affairs (DGIS), Netherlands	3,028,891	6,525,216
Rockefeller Foundation	2,900,000	7,000,000
Australian Department of Foreign Affairs and Trade	2,587,519	2,637,131
Global Health Innovative Technology Fund (GHIT), Japan	2,154,636	2,660,664
European and Developing Countries Clinical Trials Partnership (EDCTP)	1,739,957	287,085
Department for Health and Social Care, UK	810,651	5,368,498
The World Health Organization	716,071	2,587,645
The State of Kuwait	-	5,000,000
Bioneer Corporation	-	735,842
PepsiCo India Holdings Pvt. Ltd.	-	606,982
Fondation Botnar	-	564,971
Government of India, Ministry of Health & Family welfare, The Central TB Division	-	130,036
Other - amounts under \$500,000	4,922,238	3,252,728
Total contributions received	208,451,418	139,006,718

Donor agreements in effect as at 31 December 2021 provide for a total of USD 61.5 million to be paid to FIND between January 2022 and May 2028.

In accordance with Swiss GAAP RPC 21, donations are recognized 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 2021
(all amounts in US dollars)

4. 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:

	2021	2020
TB and Hepatitis	910,754	36,381
Neglected tropical diseases	2,173,471	468,085
Fever and Malaria	880,123	1,476,724
COVID-19	1,753,999	-
AMR	68,107	856,183
Access and cross cutting	50,209	-
Total donations in-kind	5,836,663	2,837,373

The above amounts include 42% for infrastructure and supplies, 55% for personnel and consultants, 1% for partners and 2% for travel, (2020 – 41% for infrastructure and supplies 56% for personnel and consultants, 1% for partners and 2% 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(all amounts in US dollars)

5. Expenditure by cost type

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

2021	Universal			Total
	Health Coverage	Global Health Security	Supporting Services	
Project partners	12,840,031	37,648,398	28,462	50,516,891
Personnel	6,997,429	7,443,093	3,748,223	18,188,745
Consultants	5,460,498	12,474,894	2,688,362	20,623,754
Travel	553,169	242,191	95,780	891,140
Equipment	3,752,368	10,376,012	95,647	14,224,027
Supplies and other expenses	4,972,882	11,722,804	1,024,240	17,719,926
Total expenditure	34,576,377	79,907,392	7,680,714	122,164,483

2020	Universal			Total
	Health Coverage	Global Health Security	Supporting Services	
Project partners	17,014,342	30,547,911	11,077	47,573,329
Personnel	7,622,275	4,396,908	2,805,582	14,824,765
Consultants	9,980,609	5,426,482	1,853,914	17,261,005
Travel	600,506	167,431	107,473	875,409
Equipment	1,685,552	1,220,424	59,059	2,965,035
Supplies and other expenses	3,324,650	2,769,863	1,014,778	7,109,291
Total expenditure	40,227,934	44,529,018	5,851,882	90,608,835

Commitments at 31 December 2021 for future payments to partners under contracts signed up until 31 December 2021 total USD 46,258,733 (2020 – USD 26,409,670).

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

6. Remuneration

The total amount of remuneration paid to the members of the leadership team amounts to USD 1,216,375 (2020 – USD 1,254,840). Remuneration is consistent with requirements, qualifications, responsibility and work performance.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(all amounts in US dollars)

7. Cash and cash equivalents

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

	2021	2020
Petty cash	420	846
Bank current accounts	127,309,852	73,601,104
Short-term deposits	21,062,155	16,075,660
Total cash and cash equivalents	148,372,427	89,677,610

8. 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 recognized in the income statement as grant revenue.

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

	2021	2020
TB and Hepatitis	10,141,387	13,419,514
Neglected tropical diseases	7,188,648	4,811,000
Fever and Malaria	2,425,788	3,069,941
COVID-19	123,643,977	50,203,702
Pandemic preparedness	425,953	1,442,110
AMR	2,729,969	4,721,583
Acess and cross cutting	7,050,932	4,286,562
Total deferred revenue	153,606,654	81,954,412

9. Pension fund liabilities

USD 3,194 was due to the pension fund as at 31 December 2021 (2020 – USD 114).

10. Rent commitments

At 31 December 2021, FIND had future rent commitments totalling USD 836,794 up to 31 May 2023 (2020 – USD 852,092 up to 31 May 2022). Of this amount, USD 602,240 is due within 12 months (2020 – USD 610,322).

11. Operating lease commitments

At 31 December 2021, FIND had future rent commitments on operating leases totalling USD 17,515 up to 31 October 2022 (2020 – USD 18,054 up to 31 October 2021), USD 17,515 of which is due within 12 months (2020 – USD 18,054).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
(all amounts in US dollars)

12. 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.

13. Events subsequent to 31 December 2021

No events occurred subsequent to 31 December 2021 which could have a material impact on the understanding of these financial statements.