

Financial statement 2018

The financial statement 2018 shows that federal contributions are up by 2.4 per cent compared to the previous year, while other contributions have dropped significantly. The strong decrease is due to the one-off entry of the BRIDGE programme, which was co-funded with Innosuisse in 2017.

Even though the SNSF has approved more financial resources for research projects, research funding expenditure has risen only slightly. The reason is that most researchers request funding for several years and will use a large part of the funding only in the future. Therefore, the approved research funding for the years ahead is considerably higher than in the previous year.

The annual result was better than budgeted because the immediately payable share of research funding was lower than anticipated. The loss of around CHF 17 million will be offset by reserves.

Income statement

in CHF 1,000	Annex	2018	2017	Change in %
Federal contributions	15	964'998	942'017	2.4
Further contributions	16	986	36'925	-97.3
Donations/bequests		110	-	-
Research funding expenditure	17	-873'031	-857'476	1.8
Expenditure to cover indirect research costs (overhead)	18	-107'556	-99'113	8.5
Scientific evaluation and governance	23	-10'670	-10'329	3.3
Public relations		-2'122	-1'930	9.9
Administration expenses and depreciation	19	-38'317	-37'759	1.5
Other operating income	20	376	437	-14.0
Other operating expenses	20	-371	-352	5.4
Operating result		-65'597	-27'580	-
Financial income	21	1'501	9'089	-83.5
Financial expenditure	21	-6'881	-237	2'803.4
Financial result		-5'380	8'852	-
Investments in restricted funds	9	-240'355	-284'082	-15.4
Withdrawals from restricted funds	9	293'920	285'866	2.8
Income from restricted funds		53'565	1'784	-
Ordinary income		-17'412	-16'944	-
Non-operating income		40	21	90.5
Extraordinary income		-	-10	-
Annual result		-17'372	-16'933	-

All figures stated in this report have been individually rounded.

Balance sheet

in CHF 1,000	Annex	31.12.2018	Share in %	31.12.2017	Share in %
Assets					
Current assets					
Cash and cash equivalents	1	633'587	80	653'940	78
Accounts receivable	2	39'096	5	60'531	7
Other short-term receivables	3	50	0	74	0
Prepaid expenses		1'416	0	1'792	0
Total current assets		674'149	86	716'337	86
Fixed assets					
Tangible assets	4	12'220	2	12'454	1
Financial assets	5	100'838	13	106'187	13
Intangible assets	6	605	0	910	0
Total fixed assets		113'663	14	119'551	14
Total assets		787'812	100	835'888	100
Liabilities					
Short-term liabilities					
Liabilities from approved grants	7	299'934	38	272'688	33
Accounts payable	7	1'155	0	1'047	0
Other short-term liabilities	7	248	0	125	0
Deferred income		2'717	0	2'707	0
Short-term provisions	8	1'500	0	6'000	1
Restricted funds	9	31'335	4	79'243	9
Total short-term liabilities		336'889	43	361'810	43
Long-term liabilities					
Restricted funds	9	263'273	33	269'056	32
Total long-term liabilities		263'273	33	269'056	32
Total liabilities		600'162	76	630'866	75
Equity					
Foundation capital	11	1'330	0	1'330	0
General funds	12	288	0	344	0
General reserves		186'032	24	203'348	24
Total equity		187'650	24	205'022	25
Total liabilities		787'812	100	835'888	100

Statement of changes in equity

	Foundation capital	Free funds	Free reserves	Total in CHF 1,000
Equity as at 31.12.2015	1'330	387	185'004	186'721
Annual result 2016	-	10	35'222	35'232
Equity as at 31.12.2016	1'330	397	220'226	221'953
Annual result 2017	-	-53	-16'878	-16'931
Equity as at 31.12.2017	1'330	344	203'348	205'022
Annual result 2018	-	-56	-17'316	-17'372
Equity as at 31.12.2018	1'330	288	186'032	187'650

Cash flow statement prepared according to the indirect method

in CHF 1,000	2018	2017
Operating activities		
- Annual loss	-17'372	-16'931
+ Depreciation of fixed assets	1'197	1'496
+/- Losses due to value impairment	-	-
+/- Reduction in provisions that do not affect funds	-4'500	-5'000
+/- Increase / decrease in accounts receivable	21'435	-22'342
+ Decrease / increase in other receivables and prepaid expenses	401	316
+/- Increase / decrease in financial assets	5'350	-15'177
+ Increase in liabilities from approved grants	27'246	6'677
+/- Decrease / increase in accounts payable and accounts receivable	108	-144
+/- Decrease / increase in other short-term liabilities and deferred income	133	-291
- Decrease in restricted funds	-53'692	-1'859
-/+ Decrease / increase in free funds	-56	-53
+/- Non-cash income and expenses	56	53
Cash outflow from operating activities	-19'694	-53'255
Investing activities		
- Outflows for investments (acquisition) in tangible assets	-225	-84
- Outflows for investments (acquisition) in intangible assets	-434	-946
Cash outflow from investing activities	-659	-1'030
Investing activities	-	-
Cash outflow from investing activities	-	-
Net change in cash and cash equivalents	-20'353	-54'285
Statement		
Cash and cash equivalents as at 1 January	653'940	708'225
Cash and cash equivalents as at 31 December	633'587	653'940
Net change in cash and cash equivalents	-20'353	-54'285

Notes to the financial statement as at 31.12.2018

Introduction

The SNSF is a private foundation based in Bern with a federal mandate to fund basic research and promote young researchers in Switzerland using public money.

The SNSF has the equivalent of 242 full-time employees (2017: 230).

Valuation principles

General accounting principles

The SNSF financial statements have been prepared in accordance with Swiss GAAP FER (Accounting and Reporting Recommendations) in their entirety and present a true and fair view of the financial position, the cash flows and the results of operations. The financial statements are presented in such a way that they will also be in compliance with the requirements of the Swiss Code of Obligations.

Valuation principles

Valuation is generally based on the principle of cost of acquisition or production, with the sole exception of securities with a quoted price, which are shown at their current values. The principle of the individual valuation of assets and liabilities applies. The carrying amount of long-term assets is reviewed at each balance sheet date. If there is evidence of a sustained decrease in value, the recoverable amount is ascertained (impairment test). If the carrying amount exceeds the recoverable amount, an unplanned impairment loss is recognised in the income statement.

Currency conversion

The foreign currency transactions and positions contained in these financial statements are converted as follows: Transactions in foreign currencies are converted into the currency of account at the average exchange rate of the month in which the transaction took place. At year-end, monetary assets and liabilities in foreign currencies are recognised in the income statement at the exchange rate prevailing on the balance sheet date. Further explanations can be found in the detailed notes on the individual balance sheet positions.

Notes on the income statement and the balance sheet

1 Cash and cash equivalents

Cash and cash equivalents include cash at hand and current account balances with the federal government and Postfinance. They are recognised at their nominal value.

in CHF 1,000	31.12.2018	31.12.2017
Cash at hand	3	3
Current account with Postfinance	18'438	42'720
Current account assets with SERI	615'091	611'184
SwissCore operating assets, incl. bank deposits	55	33
Total	633'587	653'940

2 Accounts receivable

Accounts receivable are recognised at nominal value and include grants for projects and fellowships invoiced to third parties, services provided by the Administrative Offices and charged to third parties, advances and recoverable withholding taxes. Specific provisions are set aside to cover losses from operational risks.

in CHF 1,000	31.12.2018	31.12.2017
From third parties	230	410
From the federal government		
SDC mandates	14'939	27'654
InRoad mandates	307	536
BRIDGE programme mandates	23'620	31'930
Total (gross)	39'096	60'530
Value adjustments	-	-
Total (net)	39'096	60'530
thereof due within 360 days	19'219	21'205
thereof due after 360 days	19'877	39'325

3 Other short-term receivables

Other accounts receivable are recognised at nominal value and include grants for projects and fellowships invoiced to third parties, services provided by the Administrative Offices and charged to third parties, advances and recoverable withholding taxes. Specific provisions are set aside to cover losses from operational risks. All accounts receivable are denominated in CHF.

in CHF 1,000	31.12.2018	31.12.2017
From third parties	50	74
From the federal government	-	-
From governing and executive bodies	-	-
Total (gross)	50	74
Value adjustments	-	-
Total (net)	50	74

4 Tangible assets

Tangible assets include movable and immovable property. The capitalisation limit is CHF 25,000 per item. Tangible assets are recognised at acquisition cost less necessary operating depreciation on a straight-line basis over their useful economic life. This was defined as follows:

- Buildings: 30 years
- IT equipment: 3 years
- Movable property: 5 years

	Land and buildings	IT equipment	Movable property	Fixtures and fittings	Total tangible assets
in CHF 1,000					
Cost as at 1.1.2018	23'875	694	-	167	24'736
Additions	-	225	-	-	225
Disposals	-	-392	-	-	-392
Reclassifications	-	-	-	-	-
Cost as at 31.12.2018	23'875	527	-	167	24'569
Accumulated depreciation as at 1.1.2018	11'551	565	-	167	12'283
Planned depreciation	283	176	-	-	459
Impairment losses	-	-	-	-	-
Disposals	-	-392	-	-	-392
Reclassifications	-	-	-	-	-
Accumulated depreciation as at 31.12.2018	11'834	349	-	167	12'350
Net carrying amounts as at 31.12.2017	12'324	129	-	-	12'453
Net carrying amounts as at 31.12.2018	12'041	178	-	-	12'219

Fixtures and fittings continue to be used. They concern solely the canteen.

5 Financial assets

Financial assets comprise in particular assets originating from earmarked donations and bequests. The position financial assets also includes securities held as a long-term investment. Asset categories are valued according to the following principles:

- Liquidity: nominal value
- Fixed-interest investments: acquisition cost less necessary operating depreciation
- Securities: securities with a current quoted price are recognised at the market price on the balance sheet date
- Securities without a quoted price, participations, alternative investments and long-term loans: acquisition cost less necessary operating depreciation.

	31.12.2018	31.12.2017
in CHF 1,000		
Cash, cash equivalents and time deposits	2'876	3'561
Securities	97'962	102'626
Total	100'838	106'187

6 Intangible assets

This position essentially consists of IT software. Acquired intangible assets are capitalised if they yield measurable benefits for the organisation over several years. Intangible assets are recognised at acquisition cost less necessary depreciation and impairment losses. Depreciation is on a straight-line basis over the useful economic life of the asset. The useful economic life of IT software is 3 years. Intangible assets generated internally are not capitalised.

	Software	Other intangible assets	Total intangible assets
in CHF 1,000			
Cost as at 1.1.2018	2'948	-	2'948
Additions	434	-	434
Disposals	-1'163	-	-1'163
Reclassifications	-	-	-
Cost as at 31.12.2018	2'219	-	2'219
Accumulated depreciation as at 1.1.2018	2'037	-	2'037
Planned depreciation	740	-	740
Impairment losses	-	-	-
Disposals	-1'163	-	-1'163
Reclassifications	-	-	-
Accumulated depreciation as at 31.12.2018	1'614	-	1'614
Net carrying amounts as at 31.12.2017	911	-	911
Net carrying amounts as at 31.12.2018	605	-	605

7 Liabilities

These are research grants and fellowships which are due for payment but have not yet been drawn on, outstanding bills from service providers, as well as settlement obligations towards insurers and social security institutions. They are recognised at nominal values.

Short-term liabilities	31.12.2018	31.12.2017
in CHF 1,000		
From third parties	301'336	273'860
From the federal government	-	-
From governing and executive bodies	-	-
Short-term liabilities	301'336	273'860

8 Provisions

Provisions are booked to cover a probable obligation that is based on a past event and whose amount and/or due date is uncertain but can be estimated. Valuation of the provision is based on the estimated cash outflow needed to satisfy the obligation.

in CHF 1,000

	Provisions for employee benefit obligations	Restructuring provisions	Other provisions	Total provisions
Carrying amount as at 1.1.2018	-	-	6'000	6'000
Formation	-	-	-	
Appropriation	-	-	-4'500	-4'500
Release	-	-	-	-
Carrying amount as at 31.12.2018	-	-	1'500	1'500
of which short-term provisions			1'500	1'500
of which long-term provisions			-	-

The provisions for doctoral students' salaries were released according to their purpose in the amount of CHF 4.5 million. At the end of 2018, the remaining provisions amounted to CHF 1.5 million.

They were not discounted in view of the fact that the operating funds of the SNSF are not invested.

9 Restricted funds

This position comprises funds designated for a specific purpose, as well as donations and bequests. These are resources allocated to the Swiss National Science Foundation which are still pending appropriation for research grants and fellowships that meets the designated purpose. Designated funds are used for activities which the SNSF carries out mainly in consultation with the SERI, the SDC and Innosuisse. Fund resources originating from donations and bequests are classified as financial assets and recognised accordingly.

in CHF 1,000

	Status 01.01.2017	Additions	Appropriation	Transfer	Status 31.12.2017
Funds related to research funding	253 182	274 348	-277 760	-7 273	242 497
Funds from restricted donations/bequests	96 976	9 734	-906	-	105 804
Total restricted funds 2017	350 158	284 082	-278 666	-7 273	348 301

The table above presents the 2017 figures of the funds that are designated for specific purposes. It only shows the total of funds designated for specific funding and earmarked donations and bequests as well as the overall total.

in CHF 1,000

	Status 01.01.2018	Additions	Appropriation	Transfer	Status 31.12.2018
Funds for specific funding purposes					
Scopes fund	634	287	-92	-	829
r4d fund	39 974	3 371	-15 595	-	27 750
FLARE fund	-	8 012	-7 441	-	571
Bilateral programmes fund	25 745	7 786	-6 060	-	27 471
COST fund	1 917	6 074	-3 454	-	4 537
NRP fund	41 839	18 352	-29 499	-	30 692
NCCR fund	4 214	70 320	-58 157	-	16 377
Special biology and medicine programmes fund	24 759	11 143	-19 939	-	15 963
BRIDGE programme fund	34 851	8 168	-9 681	-	33 338
Horizon 2020 supporting measures fund	30 018	-	-15 295	-	14 723
ERC transfer grants fund	11 405	-	-1 367	-4 568	5 470
Fonds InRoad (H2020 Framework Programme)	763	-	-394	-	369
Flag ERA fund	1 170	-	-967	-203	-
Croatia fund	4 000	-	-1 003	-	2 997
Bulgaria/Romania fund	127	-	-	-127	-
Energy research fund	21 080	191	-8 301	-	12 970
Overhead fund	-	104 400	-104 400	-	-
Subtotal	242 496	238 104	-281 645	-4 898	194 057

By agreement with the SERI, part of the fund for ERC Transfer Grants has been dissolved. The amount of the fund has been adjusted to the changed framework conditions for those entitled to apply. The participation in FLAG-ERA came to an end in 2018 and unused funds were dissolved in agreement with the SERI.

In the case of the Bulgaria/Romania fund, the remaining funds were returned to the SDC without any effect on income.

Funds originating from restricted donations/bequests and arrangements					
M. bequest fund	1 490	25	-96	-	1 419
D. bequest fund	7 766	137	-501	-	7 402
S. bequest fund	1 523	-	-50	-	1 473
W. bequest fund	9 263	155	-597	-	8 821
W.-K. bequest fund	696	12	-45	-	663
H. bequest fund	55 674	675	-3 674	-	52 675
AIDS research donation fund	240	4	-15	-	229
I. bequest fund	1 959	33	-126	-	1 866
A. B. bequest fund	20 777	348	-1 340	-	19 785
B. B. bequest fund	-	110	-	-	110
Other donations/bequests fund	6 414	107	-414	-	6 107
SwissCore fund	-	645	-645	-	-
Subtotal	105 802	2 251	-7 503	-	100 550
Total restricted funds	348 298	240 355	-289 148	-4 898	294 607
of which recognised in short-term funds	79 243				31 335
of which recognised in long-term funds	269 056				263 273

The subdivision into short-term and long-term funds is based on the 2019 budget, according to which the short-term funds designated for specific purposes will be used within 12 months. Receipt and use include income from corresponding financial assets.

10 Pension funds

The SNSF has an affiliation contract with the PKG pension fund in Lucerne.

Employees of the SNSF are insured with the PKG against the economic consequences of old age, disability and death using the calculation basis of the defined contribution plan. According to this plan, employees and employer pay defined contributions. The contributions are recognised in the profit and loss account in the period in which they arise. In 2018, contributions of CHF 3.956 million were paid into pension schemes (2017: 4.081 million). The SNSF does not hold any employer's reserves.

The SNSF has neither economic obligations nor economic benefits vis-à-vis PKG.

With a coverage rate of 105 % (2017: 114 %), PKG had neither coverage shortfall nor surplus as at 31 December 2018.

11 Foundation capital

The foundation capital comprises a total amount of CHF 330,000 donated by the founders and a one-time payment of one million Swiss francs from the federal government.

12 Funds in equity

in CHF 1,000

	Status 01.01.2017	Additions	Appropriation	Transfer	Status 31.12.2017
General funds					
Funds of non-restricted donations and bequests	397	28	-81	-	344

in CHF 1,000

	Status 01.01.2018	Additions	Appropriation	Transfer	Status 31.12.2018
General funds					
Funds of non-restricted donations and bequests	344	6	-62	-	288

These funds comprise resources which the SNSF may use at its own discretion.

13 Off-balance-sheet transactions

a) Approved contributions for future fiscal years as at 31.12.2017

in CHF 1,000

	2018	2019	2020	2021	2022	2023	Total
Total	583'128	323'239	179'978	26'519	89	-	1'112'953

Approved contributions for future fiscal years as at 31.12.2018

in CHF 1,000

	2019	2020	2021	2022	2023	2024	Total
Projects	308'939	218'435	106'015	14'591	-	-	647'980
Careers	162'660	103'034	58'670	27'846	14'544	184	366'938
Programmes	176'049	121'029	75'093	11'663	-	-	383'834
Infrastructure	26'528	17'359	1'558	848	848	-	47'141
Additional tasks	10'953	8'092	2'444	1'019	-	-	22'508
Scientific communication	2'823	169	-	-	-	-	2'992
Total	687'952	468'118	243'780	55'967	15'392	184	1'471'393

According to the federal budget for 2019, contributions to the SNSF will amount to (without overhead) CHF 951.64 million. For 2020, federal contributions (without overhead) of CHF 1010.9 million are envisaged under the applicable service level agreement.

b) Other non-recognisable commitments

The following operational leasing/rental commitments which cannot be terminated within one year were in place as at the balance sheet date.

in CHF 1,000	31.12.2018	31.12.2017
1 to 2 years	377	388
3 to 5 years	112	19
over 5 years	-	-
Total	489	407

14 Open derivative financial instruments

in CHF 1,000		31.12.2017	
Underlyings	Purpose	Assets	Liabilities
Foreign currency	Currency hedges	21	12

in CHF 1,000		31.12.2018	
Underlyings	Purpose	Assets	Liabilities
Foreign currency	Currency hedges	12	3

15 Federal contributions

These federal contributions are earmarked for funding research, in particular projects, programmes and fellowships. They also cover the indirect research costs of the research institutions as well as costs of service provision. Service provision includes scientific evaluation and governance, PR work, and running the Administrative Offices in Bern and the representative office in Brussels.

Federal contributions are accounted for via the income statement if they were approved by the government, i.e. there is a ruling or a contract confirming them.

in CHF 1,000	2018	2017
Basic contribution	742'042	718'695
National Centres of Competence in Research	70'000	70'000
National Research Programmes	18'000	25'000
Additional tasks / Federal funding mandate	21'700	22'000
SDC contributions	-	4'000
Overhead	104'400	98'000
SwissCore	533	622
Various federal contributions	8'323	3'700
Total	964'998	942'017

16 Further contributions

in CHF 1,000	2018	2017
Contributions from Innosuisse/CTI for SwissCore	111	50
Contributions from Innosuisse/CTI for BRIDGE programmes	-	35'840
Other	875	1'035
Total	986	36'925

17 Research funding expenditure

The grants awarded are divided into instalments according to project years, with no further accrual by calendar years. Project years begin on the research grant commencement date planned at the time of its award. Grants are recognised in expenses beginning in the year in which the planned grant commencement date falls. Accordingly, where a project lasts longer than 12 months, grant instalments will be recognised annually in chronological order, beginning from the planned project commencement date.

in CHF 1,000	2018	2017
Projects	445'696	429'673
Careers	192'761	196'474
Programme National Centres of Competence in Research	55'657	61'413
National Research Programmes	28'658	28'123
Other programmes	92'431	82'276
International cooperation	16'552	18'459
Total programmes	193'298	190'271
Infrastructure	44'108	43'440
Scientific communication	11'001	6'601
Supplementary tasks	10'404	13'033
Repayments	-18'367	-15'709
Contributions approved but not used	-5'870	-6'307
Total	873'031	857'476

18 Overhead

Based on Art. 10 para. 4 of the Federal Act on the Promotion of Research and Innovation and Art. 33 ff. of the Ordinance on the Promotion of Research and Innovation, the SNSF pays overhead contributions to research institutions. These are intended to cover some of the overhead incurred by the institutions as a result of SNSF-sponsored research projects. The SNSF determines the amount of the overhead contributions on the basis of project grants approved in the previous year. The contributions are paid annually in a lump sum.

19 Administration expenses and depreciation

in CHF 1,000	2018	2017
Payroll	31'191	31'013
IT expenses	3'186	1'981
Immovable property expenses	821	1'004
Depreciation of tangible fixed assets	458	514
Depreciation of intangible assets	740	983
Other administration expenses / External mandates / SwissCore	1'921	2'265
Total	38'317	37'760

20 Other operating income/expenses

Other operating income in CHF 1,000	2018	2017
Canteen	346	405
Rental income	30	32
Total	376	437

Other operating expenses in CHF 1,000	2018	2017
Canteen	371	352
Total	371	352

21 Financial income/financial expenditure

Financial income in CHF 1,000	2018	2017
Interest and dividend income	1'501	1'621
Price gains	-	7'457
Total	1'501	9'078
Financial expenditure in CHF 1,000	2018	2017
Interest expenditure	-	-
Price losses	6'631	1
Other financial expenditure	250	235
Total	6'881	236
Total financial result	-5'380	8'842

22 Transactions with related parties

Related persons and organisations are deemed to be such which, either directly or indirectly, can exert a significant influence on the financial or operational decisions of the Swiss National Science Foundation. The following transactions with related persons occurred:

- Approval of research grants to members of the Foundation Council: CHF 3.9 million (2017: CHF 2.112 million)
- Approval of research grants to members of the National Research Council: CHF 31.946 million (2017: CHF 29.512 million)

23 Remuneration of governing and executive bodies

In 2018, the members of the Foundation Council and the Research Council (including presidents) received CHF 2.836 million in remuneration and daily allowances (2017: CHF 2.808 million).

In addition, the members of the Research Council received relief payments in the amount of CHF 2.759 million (2017: CHF 2.859 million).

In 2018, the directors received gross salaries of CHF 750,000 (2017: CHF 740,000)

24 Auditing fees

in CHF 1,000	2018	2017
for auditing services	28	29
for other services	-	-
Total	28	29

25 Events after the balance sheet date

No noteworthy events happened after the balance sheet date on 31 December 2018. Events after the balance sheet date were considered until 29 March 2019.

26 Approval of the financial statements

At the recommendation of the Swiss Federal Audit Office, the external auditor that examined the statements, the Foundation Council approved the financial statements 2018 at its meeting of 29 March 2019.



Reg. No. 1.19057.929.00113.002

Report of the statutory auditor

***to the Foundation Council of the
Swiss National Science Foundation, Berne***

Report of the statutory auditors on the financial statements

As statutory auditor, we have audited the accompanying financial statements of the Swiss National Science Foundation, which comprise the balance sheet, income statement, cash flow statement, statement of changes in equity and notes, for the year ended 31 December 2018.

Foundation Council's responsibility

The Foundation Council 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 regulation. 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 Council 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 as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosure 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 2018 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 regulation. We recommend that the financial statements submitted to you be approved.

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 Code of Obligations (CO) and article 11 AOA) 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 Council.

Berne, 29 March 2019

SWISS FEDERAL AUDIT OFFICE



Martin Köhli
Lead Auditor
Licensed Audit Expert



André Vuilleumier
Licensed Audit Expert

Enclosure: Financial statements 2018 (balance sheet, income statement, cash flow statement, statement of changes in equity and notes)