
***World Heart Federation,
Geneva***

*Financial Statements for the year ended
December 31, 2016
and Report of the Statutory Auditor*

Report of the Statutory Auditor

To the General Assembly of the Members of
World Heart Federation, Geneva

Report of the Statutory Auditor on the Financial Statements

As statutory auditor, we have audited the accompanying financial statements of World Heart Federation which comprise the balance sheet as at December 31, 2016, and the statements of receipt and operating expenditure, changes in reserve fund and the cash flow statement and notes for the year then ended.

Board of the World Heart Federation's Responsibility

The Board of the Association is responsible for the preparation of these financial statements in accordance with the requirements of Swiss GAAP FER, Swiss law and the World Heart Federation Bylaws. 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 Association is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of 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 December 31, 2016 give a true and fair view of the financial position, the results of operations and the cashflows in accordance with Swiss GAAP FER and comply with Swiss law and the World Heart Federation's Bylaws.

Other information

The financial statements of the Association for the year ended December 31, 2015 were audited by another auditor whose report, dated June 3, 2016, expressed an unqualified opinion on those financial statements.

Deloitte SA

Lisa Watson
Licensed Audit Expert
Auditor in charge



Sophie Durand
Audit Manager

Geneva, May 8, 2017

Enclosures

- Financial statements (balance sheet, income statement, cash flow statement and notes)

WORLD HEART FEDERATION, Geneva (Switzerland)
STATEMENT OF RECEIPT AND OPERATING EXPENDITURE
for the year ended 31 December 2016
(Expressed in Swiss francs)

	Notes	2016	2015
<u>Operating Receipts</u>			
Membership Fees	2		
Current year		878,864	801,221
Congresses	3		
World Congress of Cardiology (WCC)		1,254,038	-
Corporates	3		
Unrestricted		436,791	878,628
Restricted		1,182,509	663,734
Foundations	3		
Unrestricted		-	14,783
Restricted		509,388	128,389
Organizations	3		
Unrestricted		-	32,336
Restricted		327,402	445,961
Other Donors	3		
Unrestricted		2,273	61,270
Restricted		-	-
Total operating receipts		<u>4,591,265</u>	<u>3,026,322</u>
<u>Operating Expenditure</u>			
Leadership & Management	4	757,122	952,892
Partnership & Membership Development	4	613,918	661,447
Depreciation of Fixed Assets	4	1,693	4,906
Activities	5	407,814	746,492
Projects	5	1,875,632	1,695,153
Membership Fees			
Provision for unpaid debts		175,452	124,245
Total operating expenditure		<u>3,831,631</u>	<u>4,185,135</u>
Excess/(Deficit) of operating receipts over expenditure before gains and losses on investment and foreign exchange		759,634	(1,158,813)
<u>Gains & losses on investments and foreign exchanges</u>			
Net gain/(loss) on investments and foreign exchange	6	(27,636)	(136,693)
Excess/(Deficit) of total receipts over expenditure before allocation from/to Restricted Funds		<u>731,998</u>	<u>(1,295,506)</u>
Restricted income allocated to Restricted Funds		(3,273,337)	(1,238,084)
Restricted income withdrawn from Restricted Funds		1,871,232	1,613,573
Excess/(Deficit) of total receipts over expenditure after allocation from/to Restricted Funds		<u>(670,107)</u>	<u>(920,017)</u>

WORLD HEART FEDERATION, Geneva (Switzerland)
STATEMENT OF ASSETS, LIABILITIES AND RESERVE FUNDS
for the year ended 31 December 2016
(Expressed in Swiss francs)

	Notes	<u>2016</u>	<u>2015</u>
<u>Assets</u>			
<u>Current assets</u>			
Cash & cash equivalents		1,358,202	722,807
Accounts receivable, net of provision for doubtful debt		525,594	619,799
Prepaid expenses		43,545	80,743
Total current assets		<u>1,927,341</u>	<u>1,423,349</u>
<u>Non current assets</u>			
Escrow deposits		36,033	36,025
Fixed assets, net	9	15,675	17,368
Total non current assets		<u>51,708</u>	<u>53,393</u>
Total assets		<u>1,979,049</u>	<u>1,476,742</u>
<u>Liabilities and Reserve Fund</u>			
<u>Short Term Liabilities</u>			
Accounts payable & accruals		132,525	424,910
Deferred income		301,188	95,810
Other short term liabilities		4,559	147,242
Total liabilities		<u>438,272</u>	<u>667,962</u>
<u>Funds</u>			
Restricted Funds		891,211	535,487
Unrestricted Funds		649,566	273,293
Total Funds		<u>1,540,777</u>	<u>808,780</u>
Total liabilities and reserve funds		<u>1,979,049</u>	<u>1,476,742</u>

WORLD HEART FEDERATION, Geneva (Switzerland)**STATEMENT OF CHANGES IN RESERVE FUND****for the year ended 31 December 2016**

	Opening balance 2016	Allocation to the funds	Withdrawals from the funds	Transfer between funds	Closing balance 2016
Restricted income funds	535,487	3,273,337	(1,871,232)	(1,046,380)	891,211
Unrestricted funds					
General	273,293	1,317,928	(1,988,035)	1,046,380	649,566
Designated Transition Fund	-				-
Total reserve funds	808,780	4,591,265	(3,859,267)	-	1,540,777

	Opening balance 2015	Allocation to the funds	Withdrawals from the funds	Transfer between funds	Closing balance 2015
Restricted income funds	927,122	1,238,084	(1,613,573)	(16,146)	535,487
Unrestricted funds					
General	827,163	1,788,238	(2,708,254)	366,146	273,293
Designated Transition Fund	350,000			(350,000)	-
Total reserve funds	2,104,285	3,026,322	(4,321,827)	-	808,780

WORLD HEART FEDERATION, Geneva (Switzerland)**CASHFLOW STATEMENT**

for the year ended 31 December 2016

	2016 CHF	2015 CHF
Cash flows from operating activities		
(Deficit) of operating receipts over expenditure	(670,107)	(920,017)
Depreciation	1,693	4,906
Decrease in account receivable & prepaid expenses	131,403	794,196
Increase/(decrease) in accounts payable and accruals	(292,385)	265,504
Increase/(decrease) in deferred income	205,378	(215,817)
Increase/(decrease) in other creditors	(142,683)	147,242
Increase/(decrease) in restricted funds	1,402,105	(375,489)
Cash flow from/(used in) operating activities	635,404	(299,475)
Cash flows from investing activities		
(Increase)/Decrease in investments and deposits	(8)	-
(Increase)/Decrease in fixed asset purchases	-	(7,850)
Cash flow (used in) investing activities	(8)	(7,850)
Cash flows from financing activities	-	-
Net increase/(decrease) in cash & cash equivalents	635,395	(307,325)
Cash & cash equivalents at beginning of the year	722,807	1,030,132
Total of cash & cash equivalents at 31 December	1,358,202	722,807

WORLD HEART FEDERATION, Geneva (Switzerland)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - PAGE 1

1a Organisation

The organisation is registered as a Swiss association called World Heart Federation with its Registered Offices at 32 Rue de Malatrex 1201, Geneva Switzerland.

The World Heart Federation works with its members and the larger cardiovascular health community to hasten the day when cardiovascular health is no longer a privilege but a right, and when cardiovascular disease is transformed from a life threatening disease to one which can be prevented and managed in all populations.

1b Basis of presentation

These financial statements were prepared in accordance with Swiss Accounting and Reporting Recommendation Swiss GAAP RPC 21, Accounting for charitable, social non-profit organisations as well as with core Swiss GAAP RPC. Furthermore, these financial statements were prepared in accordance with the provisions of commercial accounting as set out in the Swiss code of Obligations (Art. 957 to 963b CO, effective since 1 January 2013).

The financial statements are prepared under the historical cost convention and on an accrual basis. These financial statements give a true and fair view of the financial position and the results of the Federation.

Some comparative figures have been reclassified to be consistent with current presentation.

1c Changes in Accounting Policy

There have been no changes in accounting policies in 2016.

1d Foreign currency translation

The Federation's accounting records are maintained in Swiss francs. Monetary assets and liabilities denominated in currencies other than the Swiss franc are recorded on the basis of exchange rates ruling at the balance sheet date. Any differences between carrying and restated values are reflected in the Statement of Receipts and Operating Expenditure.

Income and expenditure in currencies other than the Swiss franc are recorded on the basis of exchange rates at a rate set on the first day of each month or the actual rate obtained where appropriate.

1e Operating receipts

Receipts comprise of statutory contributions from member societies, voluntary contributions in cash or in-kind from donors, income from services and net income from the organisation of the bi-annual World Congress of Cardiology.

Sponsorship receipts are recognised when there is persuasive evidence that an arrangement exists, services are rendered, the amount is fixed and determinable and collectability is reasonably assured. Grants are recognised only when there is reasonable assurance that they will be received and that the Association will comply with the conditions, if any, of the grant. Unconditional grants are recognised in the income and expenditure accounts when they become receivable.

Operating receipts are recorded as income on an accrual basis, according to the date of contract, or, if no contract exists, date of invoice.

Receipts and expenses are classified based on the existence or absence of donor-imposed restrictions. Restricted income received is allocated to the Restricted Income reserve, while expenses incurred on restricted projects are withdrawn from the Restricted Income reserve.

Deferred income represents membership and partnership fees that were invoiced before the balance sheet date, in respect to a future year, which are recognized in the Statement of Receipts and Operating Expenditure in the following year.

Donations in kind are measured at fair value. Fair value represents the market price of the item or service received in an arm's length transaction. The donations in kind are recorded as operating receipts.

1f Accounts receivable, net

Amounts recorded as accounts receivable represent amounts invoiced or earned contractually at each balance sheet date but not yet received. A provision for bad debt of accounts receivable is established when there is evidence that the Federation will not be able to collect all amounts due.

WORLD HEART FEDERATION, Geneva (Switzerland)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - PAGE 2

1g Provision for unpaid receivables

Provision is made against outstanding membership fees as follows:

Specific Provision - a provision is made where evidence suggests a specific receivable is wholly or partially irrecoverable. In all instances the organisation continues to actively recover the debt. Where debts are no longer pursued they are written off.

1h Cash and cash equivalents

Cash and cash equivalents comprise cash balances and highly liquid investments with a maturity of less than 3 months from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Federation's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

1i Prepaid expenses

Payments that have been made for goods and services which will be rendered entirely or partially in future years will be accounted as prepaid expenses on a proportional basis.

1j Escrowed deposits

The deposits held as part of lease agreements are recorded in the balance sheet at the nominal value of the funds within the bank account.

1k Fixed assets

Fixed assets are stated at acquisition cost less depreciation. Depreciation is calculated and charged using the straight-line method to allocate their cost to their residual values over their estimated useful lives, which is 4 years for all assets with the exception of property.

1l Leasing

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases and are charged to the statement of receipts and operating expenditure on a straight-line basis over the period of the lease. A lease over an asset where the Federation has substantially all the risks and rewards of ownership is classified as a finance lease. This finance lease is capitalized at the lease's commencement at the lower of the fair value of the asset and the present value of the minimum lease commitment. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The asset acquired under finance lease is depreciated over the shorter of the useful life of the asset and the lease term.

1m Accounts payable

Accounts payable are recorded at cost.

1n Accrued Expenses

Where goods and services have been rendered entirely or partially but have yet to be invoiced, they are accounted as accrued expenses.

1o World Congress of Cardiology and Cardiovascular Health (WCC)

Prior to 2015, all income and expenditure relating to the biennial WCC was wholly recognised in the Statement of Receipts and Operating Expenditure year in which the congress took place. As the WCC is now sub-contracted to a third party, the Directors believe that a change in policy is appropriate and recognise all expenditure in the year in which it was incurred.

1p Loan

Loans are recorded at the amount repayable in terms of the agreement at year end.

WORLD HEART FEDERATION, Geneva (Switzerland)

NOTE 2 - MEMBERSHIP FEES

for the year ended 31 December 2016

	<u>2016</u>	<u>2015</u>
Membership		
National Members	303,282	456,620
Associate Members	41,300	42,005
Continental Societies	12,000	7,000
Individual Members	600	200
Swiss Members	11,682	11,204
Membership Partnerships	510,000	289,750
Prior Year Adjustment	-	(5,558)
	<u>878,864</u>	<u>801,221</u>

WORLD HEART FEDERATION, Geneva (Switzerland)

NOTE 3 - OTHER FUNDING

for the year ended 31 December 2016

	<u>2016</u>	<u>2015</u>
World Congress of Cardiology (WCC)		
Total expenses incurred by event organiser	<u>(2,267,351)</u>	<u>-</u>
	<u>(2,267,351)</u>	<u>-</u>
 Restricted Funding		
Corporates	1,182,509	663,734
Foundations	509,388	128,389
Organisations	327,402	445,961
Other	-	-
	<u>2,019,299</u>	<u>1,238,084</u>
 Unrestricted Funding		
Corporates	436,791	878,628
Foundations	-	14,783
Organisations	-	32,336
Other	2,273	61,270
	<u>439,064</u>	<u>987,017</u>
 Total Other Funding	<u>2,458,363</u>	<u>2,225,101</u>

WORLD HEART FEDERATION, Geneva (Switzerland)**NOTE 4 - ANALYSIS OF EXPENDITURE**
for the year ended 31 December 2016

	<u>2016</u>	<u>2015</u>
<u>General & Administrative</u>		
Leadership & Management		
Salaries & social charges	456,739	554,776
Rent & insurance	116,809	117,600
Office equipment leasing	5,952	4,894
Maintenance & Repairs	9,011	12,461
Telephone	47,759	51,244
Office supplies & equipment	6,496	6,819
Professional services (Audit/Accounting/Legal/etc.)	57,181	106,896
Miscellaneous	49,193	91,212
Bank charges	7,982	6,990
	<u>757,122</u>	<u>952,892</u>
 Partnership & Membership Development		
Development	299,498	360,251
Marketing, PR & events	236,648	200,156
Professional services (IT/Wesite maintenance, etc.)	71,357	91,845
Postage & printing	6,415	9,195
	<u>613,918</u>	<u>661,447</u>
 Depreciation		
Depreciation of fixed assets	1,693	4,906
	<u>1,693</u>	<u>4,906</u>

WORLD HEART FEDERATION, Geneva (Switzerland)
NOTE 5 - ANALYSIS OF ACTIVITY AND PROJECT EXPENDITURE
for the year ended 31 December 2016

	<u>2016</u>	<u>2015</u>
Activities		
Executive Board	60,914	183,649
Science Committee & Working Groups	57,473	34,821
Network Capacity Building	16,170	44,000
Advocacy	273,257	484,022
<u>Total Activities</u>	<u>407,814</u>	<u>746,492</u>
 Projects		
Champions Advocate Programme (incl. Emerging Leaders)	144,795	316,157
Roadmaps	298,612	224,796
World Heart day	297,133	104,466
Other Campaigns	32,922	25,817
Patient Advocacy	26,963	63,309
Rheumatoc Heart Disease	324,732	264,329
India & Brazil	63,993	16,916
Physical Activity	319,084	244,359
World Congress of Cardiology (WCC)	289,206	430,007
Tobacco Control	6,738	4,997
Womens Euros	5,597	-
Fixed Dose Advocacy	65,857	-
<u>Total Projects</u>	<u>1,875,632</u>	<u>1,695,153</u>

WORLD HEART FEDERATION, Geneva (Switzerland)
NOTE 6 - FINANCIAL INCOME & EXPENDITURE
for the year ended 31 December 2016

	<u>2016</u>	<u>2015</u>
Gains and losses on investments and foreign exchange		
Net realized foreign exchange (loss)/gain	<u>(27,636)</u>	<u>(136,693)</u>

WORLD HEART FEDERATION, Geneva (Switzerland)
NOTE 7 - TOTAL SALARIES & SOCIAL CHARGES
for the year ended 31 December 2016

	<u>2016</u>	<u>2015</u>
Salaries & social charges		
Total salaries & social charges incurred in the year	<u>1,578,471</u>	<u>1,614,925</u>
<u>Remuneration of Excecutive Management</u>	313,708	243,500

World Heart Federation Employed 12.9 Full Time Equivalent (FTEs) on average during the year (12.0 FTEs in 2015)

WORLD HEART FEDERATION, Geneva (Switzerland)

NOTE 8 - LEASING COMMITMENTS

for the year ended 31 December 2016

At 31 December the Federation had the following future aggregate minimum lease payments under non-cancellable operating leases for office equipment and office rent, which are not required to be reflected in the balance sheet:

	<u>2016</u>	<u>2015</u>
Payments to be made within one year	76,692	76,692
Payments to be made after more than one year	<u>76,692</u>	<u>153,384</u>
	<u>153,384</u>	<u>230,076</u>

WORLD HEART FEDERATION, Geneva (Switzerland)

NOTE 9 - FIXED ASSETS

for the year ended 31 December 2016

	Computer Equipment CHF	Furniture CHF	Fixtures & Fittings CHF	Total CHF
Fixed assets at cost				
Opening balance at 1 January 2016	17,822	-	9,259	27,081
Additions	-	-	-	-
Assets totally depreciated				-
Closing balance as at 31 December 2016	<u>17,822</u>	<u>-</u>	<u>9,259</u>	<u>27,081</u>
Accumulated depreciation				
Opening balance at 1 January 2016	(5,276)	-	(4,437)	(9,713)
Current year depreciation	(1,114)	-	(579)	(1,693)
Assets totally depreciated				-
Closing balance as at 31 December 2016	<u>(6,390)</u>	<u>-</u>	<u>(5,016)</u>	<u>(11,406)</u>
	<u>11,432</u>	<u>-</u>	<u>4,243</u>	<u>15,675</u>
Fixed assets at cost				
Opening balance at 1 January 2015	9,972	-	9,259	19,231
Additions	7,850	-	-	7,850
Assets totally depreciated	-	-	-	-
Closing balance as at 31 December 2015	<u>17,822</u>	<u>-</u>	<u>9,259</u>	<u>27,081</u>
Opening balance at 1 January 2015	(2,493)	-	(2,314)	(4,807)
Current year depreciation	(2,783)	-	(2,123)	(4,906)
Assets totally depreciated		-	-	-
Closing balance as at 31 December 2015	<u>(5,276)</u>	<u>-</u>	<u>(4,437)</u>	<u>(9,713)</u>
	<u>12,546</u>	<u>-</u>	<u>4,822</u>	<u>17,368</u>

WORLD HEART FEDERATION, Geneva (Switzerland)

NOTE 10 - SUBSEQUENT EVENTS

for the year ended 31 December 2016

There was no subsequent events after 31 December 2016