

Financial statement 2017

The report year ended with a surplus in expenditure, which will be offset by reserves. Thanks to these reserves, the SNSF is able to seamlessly maintain its research funding activities and absorb fluctuations in federal funding.

The marked increase in further contributions is attributable to the BRIDGE programme, which is co-funded by the CTI (recently renamed "Innosuisse"). After the signing of the agreement between the SNSF and the CTI, the entire co-financing was accounted for gross via the income statement for 2017.

Even though the SNSF has approved more financial resources for research projects, research funding expenditure was near constant year-on-year. The reason is that the researchers will use a large part of the funding only in the future, and this has led to the expenditure being split. At the same time, the approved contributions to be accounted for over the next few years are correspondingly higher (Annex section 13).

Income statement

in CHF 1,000	Annex	2017	2016	Change in %
Federal contributions	15	942,017	997,537	-5.6
Further contributions	16	36,925	23,416	57.7
Donations/bequests		-	816	-100.0
Research funding expenditure	17	-857,476	-854,708	0.3
Expenditure to cover indirect research costs (overhead)	18	-99,113	-96,447	2.8
Scientific evaluation and governance	23	-10,329	-11,128	-7.2
Public relations		-1,930	-1,592	21.2
Administration expenses and depreciation	19	-37,759	-35,203	7.3
Other operating income	20	437	444	-1.6
Other operating expenses	20	-352	-358	-1.7
Operating result		-27,580	22,777	-221.1
Financial income	21	9,089	1,464	520.8
Financial expenditure	21	-237	-155	52.9
Financial result		8,852	1,309	576.2
Investments in restricted funds	9	-284,082	-291,390	-2.5
Withdrawals from restricted funds	9	285,866	302,425	-5.5
Income from restricted funds		1,784	11,035	-83.8
Ordinary income		-16,944	35,121	-148.2
Non-operating income		21	111	-81.1
Extraordinary income		-10	-	-
Annual result		-16,933	35,232	-148.1

All figures stated in this report have been individually rounded.

Balance sheet

in CHF 1,000	Annex	31.12.2017	Share in %	31.12.2016	Share in %
Assets					
Current assets					
Cash and cash equivalents	1	653,940	78	708,223	83
Accounts receivable	2	60,531	7	38,189	4
Other short-term receivables	3	74	0	48	0
Prepaid expenses		1,792	0	2,137	0
Total current assets		716,337	86	748,597	88
Fixed assets					
Tangible assets	4	12,454	1	12,883	2
Financial assets	5	106,187	13	91,010	11
Intangible assets	6	910	0	946	0
Total fixed assets		119,551	14	104,839	12
Total assets		835,888	100	853,436	100
Liabilities					
Short-term liabilities					
Liabilities from approved grants	7	272,688	33	266,011	31
Accounts payable	7	1,047	0	1,191	0
Other short-term liabilities	7	125	0	664	0
Deferred income		2,707	0	2,459	0
Short-term provisions	8	6,000	1	5,000	1
Restricted funds	9	79,243	9	68,974	8
Total short-term liabilities		361,810	43	344,299	40
Long-term liabilities					
Long-term provisions	8	-	-	6,000	1
Restricted funds	9	269,056	32	281,184	33
Total long-term liabilities		269,056	32	287,184	34
Total liabilities		630,866	75	631,483	74
Equity					
Foundation capital	11	1,330	0	1,330	0
General funds	12	344	0	397	0
General reserves		203,348	24	220,226	26
Total equity		205,022	25	221,953	26
Total liabilities		835,888	100	853,436	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

Cash flow statement prepared according to the indirect method

in CHF 1,000	2017	2016
Operating activities		
- Annual loss	-16,931	-
+ Annual profit	-	35,232
+ Depreciation of fixed assets	1,496	1,539
+/- Losses due to value impairment	-	-
- Reduction in provisions that do not affect funds	-5,000	-
-/+ Increase / decrease in accounts receivable	-22,342	8,483
+/- Decrease / increase in other receivables and prepaid expenses	316	-1,134
-/+ Increase / decrease in financial assets	-15,177	5,562
+ Increase in liabilities from approved grants	6,677	19,054
-/+ Decrease / increase in accounts payable and accounts receivable	-144	276
-/+ Decrease / increase in other short-term liabilities and deferred income	-291	478
- Decrease in restricted funds	-1,859	-11,216
-/+ Decrease / increase in free funds	-53	10
+/- Non-cash income and expenses	53	-10
Cash outflow from operating activities	-53,255	58,274
Investing activities		
- Outflows for investments (acquisition) in tangible assets	-84	-217
- Outflows for investments (acquisition) in intangible assets	-946	-838
Cash outflow from investing activities	-1,030	-1,055
Investing activities		
Cash outflow from investing activities	-	-
Net change in cash and cash equivalents	-54,285	57,219
Statement		
Cash and cash equivalents as at 1 January	708,225	651,006
Cash and cash equivalents as at 31 December	653,940	708,225
Net change in cash and cash equivalents	-54,285	57,219

Notes to the financial statement as at 31 December 2017

Introduction

Domiciled in Berne, the SNSF is a foundation established under private law. It allocates public funds for the promotion of basic research and young scientists in Switzerland.

The SNSF has a staff of 230 full-time equivalents (2016: 222).

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 were also 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	31.12.2017	31.12.2016
Cash at hand	3	7
Current account with Postfinance	42,720	34,995
Current account assets with SERI	611,184	673,170
SwissCore operating assets, incl. bank deposits	33	53
Total	653,940	708,225

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	31.12.2017	31.12.2016
From third parties	410	6
From the federal government		
SDC mandates	27,654	37,647
InRoad mandates	536	536
BRIDGE programme mandates	31,930	-
Total (gross)	60,530	38,189
Value adjustments	-	-
Total (net)	60,530	38,189
thereof due within 360 days	21,205	10,434
thereof due after 360 days	39,325	27,755

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	31.12.2017	31.12.2016
From third parties	74	48
From the federal government	-	-
From governing and executive bodies	-	-
Total (gross)	74	48
Value adjustments	-	-
Total (net)	74	48

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
- Fixtures and fittings: 5 years

	Land and buildings	IT equipment	Movable property	Fixtures and fittings	Total tangible assets
in CHF 1,000					
Cost as at 1.1.2017	23,875	1'102	-	167	25,144
Additions	-	84	-	-	84
Disposals	-	-492	-	-	-492
Reclassifications	-	-	-	-	-
Cost as at 31.12.2017	23,875	694	-	167	24,736
Accumulated depreciation as at 1.1.2017	11,268	826	-	167	12,261
Planned depreciation	283	231	-	-	514
Impairment losses	-	-	-	-	-
Disposals	-	-492	-	-	-
Reclassifications	-	-	-	-	-
Accumulated depreciation as at 31.12.2017	11,551	565	-	167	12,283
Net carrying amounts as at 31.12.2016	12,607	276	-	-	12,883
Net carrying amounts as at 31.12.2017	12,324	129	-	-	12,453

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.

The holding comprises as at 31 December 2017 the reinvestment of the funds from various earmarked donations and bequests, which were still reported as cash and cash equivalents as at 31 December 2016.

	31.12.2017	31.12.2016
in CHF 1,000		
Cash, cash equivalents and time deposits	3,561	1,850
Securities	102,626	89,159
Total	106,187	91,009

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 1.1.2017	2,575		2,575
Additions	946	-	946
Disposals	-574	-	-
Reclassifications	-	-	-
Cost as at 31.12.2017	2,947		2,947
Accumulated depreciation as at 1.1.2017	1,629		1,629
Planned depreciation	983	-	983
Impairment losses	-	-	-
Disposals	-574	-	-
Reclassifications	-	-	-
Accumulated depreciation as at 31.12.2017	2,038		2,038
Net carrying amounts as at 31.12.2016	946	-	946
Net carrying amounts as at 31.12.2017	909	-	909

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

in CHF 1,000	31.12.2017	31.12.2016
From third parties	273,860	267,866
From the federal government	-	-
From governing and executive bodies	-	-
Short-term liabilities	273,860	267,866

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 1.1.2017	-	-	11,000	11,000
Formation	-	-	-	-
Appropriation	-	-	5,000	5,000
Release	-	-	-	-
Carrying amount as at 31.12.2017	-	-	6,000	6,000
of which short-term provisions			6,000	6,000
of which long-term provisions			-	-

These are provisions for doctoral students' salaries, in line with the goal of increasing salaries for doctoral students effective 1 January 2014. All doctoral students who were at that time being funded by SNSF grants were entitled to a salary increase of approximately 8%. Grants approved prior to 1 January 2014 were budgeted on the basis of the lump sums previously paid to doctoral students. Recipients of such grants are entitled to reimbursement of non-budgeted additional doctoral student costs at the end of the project, provided there is no other means of compensation available. In 2017, these provisions were released according to their purpose in the amount of CHF 5,000,000.

They were not discounted in view of their full release in the following year.

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 the CTI.

Fund resources originating from donations and bequests are classified as financial assets and recognised accordingly.

in CHF 1,000

	Status 01.01.2016	Additions	Appropriation	Transfer	Status 31.12.2016
Funds related to research funding	266,521	288,495	-301,653	-180	253,183
Funds from restricted donations/bequests	94,857	2,895	-772	-	96,980
Total restricted funds 2016	361,378	291,390	-302,425	-180	350,163

The table above reflects restricted funds in the previous year, 2016. Only the interim results of the funds related to research funding and the funds from restricted donations/bequests, as well as the grand total, are shown.

in CHF 1,000

	Status 01.01.2017	Additions	Appropriation	Transfer	Status 31.12.2017
Designated funds					
Scopes fund	1,428	304	-1,098	-	634
r4d fund	50,232	3,682	-13,940	-	39,974
FLARE fund	-	8,000	-8,000	-	-
Bilateral programmes fund	26,504	8,173	-8,932	-	25,745
COST fund	-	6,000	-4,083	-	1,917
NRP fund	44,396	26,356	-28,912	-	41,840
NCCR fund	-	68,127	-63,913	-	4,214
Special biology and medicine programmes fund	28,642	11,592	-15,475	-	24,759
BRIDGE programme fund	-	39,540	-4,689	-	34,851
Horizon 2020 supporting measures fund	46,891	-	-16,872	-	30,019
ERC transfer grants fund	19,929	-	-1,324	-7,200	11,405
Fonds InRoad (H2020 Framework Programme)	2,142	-	-1,380	-	762
Flag ERA fund	2,135	-	-965	-	1,170
Croatia fund	-	4,000	-	-	4,000
Bulgaria/Romania fund	77	141	-18	-73	127
Energy research fund	30,806	433	-10,159	-	21,080
Overhead fund	-	98,000	-98,000	-	-
Subtotal	253,182	274,348	-277,760	-7,273	242,497

By agreement with the SERI, part of the fund for ERC Transfer Grants has been dissolved. The amount of the fund has thus been adjusted to the changed framework conditions for those entitled to apply. In the case of the Bulgaria/Romania fund, part of the amount receivable from the SDC has been written off without any effect on income, as it is clear that not all available funds are required.

Funds originating from restricted donations/bequests and arrangements					
M. bequest fund	1,386	109	-5	-	1,490
D. bequest fund	7,213	580	-27	-	7,766
S. bequest fund	1,525	-	-1	-	1,524
W. bequest fund	8,617	678	-33	-	9,262
W.-K. bequest fund	648	51	-2	-	697
H. bequest fund	50,246	5,491	-62	-	55,675
AIDS research donation fund	223	18	-1	-	240
I. bequest fund	1,822	143	-7	-	1,958
B. bequest fund	19,329	1,522	-73	-	20,778
Other donations/bequests fund	5,967	470	-23	-	6,414
SwissCore fund	-	672	-672	-	-
Subtotal	96,976	9,734	-906	-	105,804
Total restricted funds	350,158	284,082	-278,666	-7,273	348,301
of which recognised in short-term funds	68,974				79,243
of which recognised in long-term funds	281,184				269,056

The division into short- and long-term funds is based on the 2018 estimate, according to which short-term restricted funds are used within 12 months.

10 Pension funds

The SNSF has an affiliation agreement with the PKG Pension Fund in Lucerne.

SNSF employees are insured with the PKG against the economic consequences of old age, disability and death under a defined contribution plan. Under this plan, employees and employer pay fixed contributions. Contributions are recognised in the income statement of the period in which they are incurred. In the 2017 fiscal year, contributions of CHF 4,081,000 (2016: CHF 3,789,000) were paid into pension plans. The SNSF has no employer contribution reserves.

The SNSF has no economic obligations towards, nor does it derive economic benefits from, the PKG.

With a coverage ratio of (not yet audited) 114% (2016: 107%), the PKG had no deficit/surplus as at 31 December 2017.

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 01.01.2016	Additions	Appropriation	Transfer	Status 31.12.2016
General funds					
Funds of non-restricted donations and bequests	387	50	40	-	397

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

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 31.12.2016

in CHF 1,000

	2017	2018	2019	2020	2021	Total
Total	613,557	287,086	93,845	28,211	341	1,023,040

Approved contributions for future fiscal years as at 31.12.2017

in CHF 1,000

	2018	2019	2020	2021	2022	Total
Projects	288,294	141,391	80,356	9,594	-	519,635
Careers	137,741	70,184	31,980	4,580	-	244,485
Programmes	110,685	86,085	47,607	10,925	89	255,391
Infrastructure	26,998	16,475	14,390	710	-	58,573
Additional tasks	16,476	8,693	5,645	710	-	31,524
Scientific communication	2,934	411	-	-	-	3,345
Total	583,128	323,239	179,978	26,519	89	1,112,953

According to the federal budget for 2018, contributions to the SNSF will amount to (without overhead) CHF 859.2 million.

Federal contributions (without overhead) of CHF 1,971.8 million are envisaged under the applicable service level agreements for the years 2019/20.

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	31.12.2017	31.12.2016
1 to 2 years	388	401
3 to 5 years	19	227
over 5 years	-	-
Total	407	628

14 Open derivative financial instruments

in CHF 1,000		31.12.20156	
Underlyings	Purpose	Assets	Liabilities
Foreign currency	Currency hedges	22	34

in CHF 1,000		31.12.2016	
Underlyings	Purpose	Assets	Liabilities
Foreign currency	Currency hedges	21	12

15 Federal contributions

These are contributions from the federal government for the purpose of funding research, in particular projects, programmes or fellowships, as well as to remunerate research institutions for research costs incurred, and for the provision of services. The services to be provided include scientific evaluation and governance, public relations, as well as the Administrative Offices in Berne and the branch office in Brussels.

Federal contributions are recognised in the income statement if they have been pledged by the federal government or if they are embodied in an award or agreement. The federal contributions for NRPs, NCCRs and the special biology & medicine programmes are recognised with the contributions provided for in the service level agreement.

in CHF 1,000	2017	2016
Basic contribution	718,695	772,885
National Centres of Competence in Research	70,000	72,000
National Research Programmes	25,000	28,000
SystemsX	-	12,000
Nano-Tera	-	4,156
Additional tasks / Federal funding mandate	22,000	18,500
SDC contributions	4,000	1,258
Overhead	98,000	88,000
SwissCore	622	568
Various federal contributions	3,700	170
Total	942,017	997,537

16 Further contributions

in CHF 1,000	2017	2016
Contributions from the ETH Board for SystemsX	-	12,500
Contributions from the ETH Board for Nano-Tera	-	8,000
Contributions from the CTI for SwissCore	50	50
Contributions from the CTI for BRIDGE programmes	35,840	-
Other	1,035	2,866
Total	36,925	23,416

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	2017	2016
Projects	429,673	423,933
Careers	196,474	180,149
Programme National Centres of Competence in Research	61,413	71,764
National Research Programmes	28,123	18,906
Other programmes	82,276	85,384
International cooperation	18,459	21,256
Total programmes	190,271	197,310
Infrastructure	43,440	30,281
Scientific communication	6,601	5,861
Third-party programmes	13,033	42,909
Repayments	-15,709	-17,072
Contributions approved but not used	-6,307	-8,664
Total	857,476	854,707

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	2017	2016
Payroll	31,013	28,948
IT expenses	1,981	1,621
Immovable property expenses	1,004	1,076
Depreciation of tangible fixed assets	514	680
Depreciation of intangible assets	983	858
Other administration expenses / Extenal mandates / SwissCore	2,265	2,019
Total	37,760	35,202

20 Other operating income/expenses

Other operating income		
in CHF 1,000	2017	2016
Canteen	405	411
Rental income	32	33
Total	437	444

Other operating expenses		
in CHF 1,000	2017	2016
Canteen	352	358
Total	352	358

21 Financial income/financial expenditure

Financial income in CHF 1,000	2017	2016
Interest and dividend income	1,621	1,065
Price gains	7,457	399
Total	9,078	1,464
Financial expendit in CHF 1,000	2017	2016
Interest expenditure	-	-
Price losses	1	80
Other financial expenditure	235	75
Total	236	155
Total financial result	8,842	1,309

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 2,112,000 (2016: CHF 2,484,000)
- Approval of research grants to members of the National Research Council: CHF 29,512,000 (2016: CHF 22,655,000)

23 Remuneration of governing and executive bodies

In the year under review, members of the Foundation and National Research Councils (including Presiding Boards) received CHF 2,808,000 (2016: CHF 2,829,000) in fixed remuneration and daily allowances.

Furthermore, support grants in the amount of CHF 2,859,000 (2016: CHF 3,059,000) were made available to members of the National Research Council.

The members of the Executive Management received gross salaries totalling CHF 740,000 (2016: CHF 670,000) in the year under review. The increase in gross salaries is attributable to the filling of a position that had become vacant in 2016.

24 Auditing fees

in CHF 1,000	2017	2016
for auditing services	29	38
for other services	-	-
Total	29	38

25 Events after the balance sheet date

No significant events occurred after the balance sheet date of 31 December 2017. Events up to 23 March 2018 were taken into consideration.

26 Approval of the financial statements

Following the recommendation of the Swiss Federal Audit Office, the external auditor, the Foundation Council approved the financial statements 2017 at its meeting of 23 March 2018.



Reg. No. 1.18041.929.00113.002

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 2017.

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 2017 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, 23 March 2018

SWISS FEDERAL AUDIT OFFICE



Martin Köhli
Lead Auditor
Licensed Audit Expert



André Vuilleumier
Licensed Audit Expert

Enclosure: Financial statements 2017 (balance sheet, income statement, cash flow statement, statement of changes in equity and notes)