SPHERE ASSOCIATION

Geneva

Report of the statutory auditor
to the General Meeting

on the financial statements 2024

Report of the statutory auditor

on the limited statutory examination to the General Meeting of SPHERE ASSOCIATION, Geneva

As statutory auditor, we have examined the financial statements (Balance sheet, Statement of Income and Expenses, Cash flow statement, Statement of changes in capital and restricted funds and notes) of SPHERE ASSOCIATION for the year ended 31 December 2024. As permitted by Swiss GAAP FER 21 the information in the performance report is not required to be subject to the statutory auditor's examination.

These financial statements prepared in accordance with Swiss GAAP FER, Swiss law and the association's articles of incorporation are the responsibility of the Association Board. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on the Limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of association personnel and analytical procedures as well as detailed tests of association documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements do not give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER. Furthermore, nothing has come to our attention that causes us to believe that the financial statements do not comply with Swiss law and the association's articles of incorporation.

PricewaterhouseCoopers SA





Louise Rolland
Licensed audit expert
Auditor in charge

Adelina Todorova

Genève, 28 March 2025

Enclosure:

- Financial statements (Balance sheet, Statement of Income and Expenses, Cash flow statement, Statement of changes in capital and restricted funds and notes)

PricewaterhouseCoopers SA is a member of the global PricewaterhouseCoopers network of firms, each of which is a separate and independent legal entity.

SPHERE ASSOCIATION

Balance sheet
as at 31 December 2024
With comparative year figure
in Swiss francs

ASSETS	*Notes*	2024	2023
Current assets			
Cash and cash equivalents	*5*	193 438	246 075
Accounts receivable	*6*	42 958	15 801
Accrued income	*7*	137 447	139 793
Total Current Assets		**373 842**	**401 669**
Non current assets			
Guarantee rental deposit		-	6 672
Total Non current assets		**-**	**6 672**
TOTAL ASSETS		**373 842**	**408 341**
LIABILITIES			
Short-term liabilities			
Accounts payable		40 076	41 370
Accrued expenses		18 917	17 930
Total Short-term liabilities		**58 993**	**59 300**
Restricted funds			
Restricted funds		-	26 506
Total Restricted funds		**-**	**26 506**
Capital of the organisation			
General reserve		101 384	173 989
Operational reserve		221 151	221 151
Net result of the year		-7 685	-72 605
Total Capital of the organisation		**314 850**	**322 535**
TOTAL LIABILITIES		**373 842**	**408 341**

SPHERE ASSOCIATION

Statement of Income and Expenses
from 01.01.2024 to 31.12.2024
With comparative year figure
in Swiss francs

INCOME	*Notes*	2024	2023
Board Contributions and Donations			
Membership Fees		167 550	170 880
Swiss Federal Department of Foreign Affairs - (FDFA)		200 000	150 000
US Departement of State, Bureau of Population and Migration (PRM)		271 517	297 448
USAID - Bureau of Humanitarian Assistance (BHA, ex OFDA)		313 663	263 152
Disasters Emergency Committee		-	128 557
Aktion Deutschland Hilft		9 468	23 911
Other general grants and donations		32 493	7 605
Total Board Contributions and Donations		**994 691**	**1 041 553**
Other Income			
Handbook Sales		2 450	3 280
Re-invoicing of events and other charges		12 517	-
Technical Assistance delivered		24 082	-
Other Income		**39 049**	**3 280**
TOTAL INCOME		**1 033 740**	**1 044 833**
EXPENSES			
Handbook direct sales expenses		-5 603	-24 746
Personnel expenses	*8*	-786 233	-811 970
Premises charges		-42 559	-38 067
Administration and office costs		-8 753	-9 327
IT expenses		-23 076	-28 925
Professional fees		-24 553	-41 265
Consultancies & Development fees		-125 453	-187 020
Travel, Representation & Meetings		-14 087	-18 671
Support to focal points		-28 446	-6 127
TOTAL EXPENSES		**-1 058 763**	**-1 166 118**
NET OPERATING RESULT		**-25 023**	**-121 285**
Financial Income		964	1 949
Financial Expenses		-10 132	-4 137
NET RESULT BEFORE CHANGES IN RESTRICTED FUNDS		**-34 191**	**-123 473**
Allocation to restricted funds		-585 180	-713 068
Use of restricted funds		611 686	741 798
NET RESULT BEFORE ALLOCATIONS		**-7 685**	**-94 743**
Allocation to Operational Reserve and specific projet balances		-	-7 605
Use of Operational Reserve and specific projet balances		-	29 742
NET RESULT FOR THE YEAR		**-7 685**	**-72 606**

SPHERE ASSOCIATION

Cash Flow Statement
from 01.01.2024 to 31.12.2024
With comparative year figure
in Swiss francs

	2024	2023
OPERATING ACTIVITIES		
Net result before allocations	-7 685	-94 743
Decrease/(Increase) in Accounts receivables	-27 157	-8 013
Decrease/(Increase) in Accrued income	2 346	102 707
Decrease/(Increase) in Prepaid expenses	-	22 020
Increase/(Decrease) in Accounts payable	-1 295	-55 784
Increase/(Decrease) in Accrued expenses	987	-303
CASH FLOW FROM OPERATING ACTIVITIES	**-32 803**	**-34 116**
INVESTING ACTIVITIES		
Financial Assets (Guarantee deposit)	6 672	-
CASH FLOW FROM INVESTING ACTIVITIES	**6 672**	**-**
FINANCING ACTIVITIES		
Net changes in restricted funds	-26 506	-28 730
CASH FLOW FROM FINANCING ACTIVITIES	**-26 506**	**-28 730**
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	**-52 637**	**-62 846**
Cash & Cash equivalents, beginning of year	246 075	308 921
Cash & Cash equivalents, end of year	193 438	246 075

SPHERE ASSOCIATION

Statement of changes in capital and restricted funds
from 01.01.2024 to 31.12.2024
With comparative year figure
in Swiss francs

2024	Balance 01.01.24	Allo-cations	Internal transfer	Use	Balance 31.12.24
RESTRICTED FUNDS					
US Bureau of Population and Migration (PRM)	-	271 517	-	-271 517	-
USAID - Bureau of Humanitarian Assistance (BHA)	-	313 663	-	-313 663	-
Aktion Deutschland Hilft	26 506		-	-26 506	-
TOTAL RESTRICTED FUNDS	**26 506**	**585 180**	**-**	**-611 686**	**-**
UNRESTRICTED FUNDS					
General reserve	173 989	-	-72 605	-	101 384
Operational reserve	221 151	-	-	-	221 151
Net result of the year	-72 605	-7 685	72 605	-	-7 685
TOTAL UNRESTRICTED FUNDS	**322 535**	**-7 685**	**-**	**-**	**314 850**
TOTAL CAPITAL OF THE ORGANISATION	**322 535**	**-7 685**	**-**	**-**	**314 850**

SPHERE ASSOCIATION

Statement of changes in capital and restricted funds
from 01.01.2024 to 31.12.2024
With comparative year figure
in Swiss francs

2023	Balance 01.01.23	Allo-cations	Internal transfer	Use	Balance 31.12.23
RESTRICTED FUNDS					
US Bureau of Population and Migration (PRM)	-	297 448	-	-297 448	-
Disaster Emergency Committee	51 137	128 557	-	-179 694	-
USAID - Bureau of Humanitarian Assistance (BHA)	-	263 152	-	-263 152	-
Aktion Deutschland Hilft	4 099	23 911	-	-1 504	26 506
TOTAL RESTRICTED FUNDS	**55 236**	**713 068**	**-**	**-741 798**	**26 506**
SPECIFIC PROJECT BALANCES					
Humanitarian Standards Partnership HSP	22 136	7 605	-	-29 742	-
TOTAL SPECIFIC PROJECT BALANCES	**22 136**	**7 605**	**-**	**-29 742**	**-**
UNRESTRICTED FUNDS					
General reserve	249 267	-	-75 277	-	173 989
Operational reserve	221 151	-	-	-	221 151
Net result of the year	-75 277	-72 605	75 277	-	-72 605
TOTAL UNRESTRICTED FUNDS	**395 141**	**-72 605**	**-**	**-**	**322 535**
TOTAL CAPITAL OF THE ORGANISATION	**417 277**	**-65 000**	**-**	**-29 742**	**322 535**

SPHERE ASSOCIATION

Notes to the 2024 financial statements

1. Presentation

Sphere was founded on September 28, 2016 and established as an association within the meaning of Article 60 and seq. of the Swiss Civil Code. Sphere's office is located in Geneva, Switzerland.

The Association exists to strengthen the quality and accountability of humanitarian action based on humanitarian principles and recognised rights of those affected by crisis. The mission of the Association is to convene and support individuals, communities, organizations and other bodies who apply, promote and encourage voluntary adherence to humanitarian standards and principles.

2. Significant accounting policies

2a. Accounting Conventions

Sphere financial statements have been prepared in accordance with the Statutes of Sphere (as approved by the 1st General Assembly on 28 September 2016), the applicable provisions of the Civil Code (article 69a), the Swiss Code of Obligations and the Swiss Generally Accepted Accounting Principles (Swiss GAAP FER including Swiss GAAP FER 21, which was revised in 2015).

The financial statements have been prepared using historical cost principles and are presented in Swiss Francs.

Information required by Swiss GAAP FER 21 on the performance of the Association, and not disclosed in the financial report, is included in the annual report. The statement of income and expenses is presented using the classification of expenses by nature.

The Treasurer and Executive Director reviewed the Sphere annual financial statements on 13.03.2025 and the Executive Committee approved them on 27.03.2025.

2b. Valuation principles

Receivables are stated at their nominal value, less any value corrections.

2c. Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are converted into Swiss Francs at the year end exchange rate.

Transactions in foreign currencies are recorded in Swiss Francs at the rate received or, if not exchanged into Swiss Francs, at the exchange rate in force on the day of the transaction, using official rates provided by the Swiss administration.

2d. Fixed assets

Tangible assets are considered to be fixed assets when they are expected to be used for more than one year and their nominal value is more than CHF 5'000. Fixed assets are amortized over their useful life.

2e. Revenue recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will accrue to Sphere and can be reliably estimated.

Donations

Donations are recognized in the statement of income and expenses once they definitively belong to Sphere. They are considered as unrestricted funds, unless the donor stipulates a specific restriction.

Restricted funds

Restricted funds are donations with a specific restriction stipulated by the donor. Restricted funds are recognised in the statement of income and expenses as income, and then allocated to the restricted funds section of liabilities. When funds are used, they are diminished from restricted funds. Detailed changes in restricted funds are disclosed in the Statement of changes in capital and restricted funds.

2f. Contributions in kind

Sphere regularly receives donations in kind, primarily in the form of the free use of goods or services from members and partners. Contributions in kind for which it is difficult to determine a reliable equivalent monetary value are not stated in the financial statements.

2g. Programme expenditure

Expenditures are recognised when incurred.

2h. Related parties

Related parties include Board members of Sphere but not member organisations of Sphere, since Sphere is a network of independent non-governmental organisations.

3. Tax exemption

Sphere qualifies for exemption from local and federal income tax and capital tax, according to Article 9.1 (f) of the Law on taxation of legal persons ("LIPM") and to Article 56 (g) of Law on Direct Federal Tax (LIFD). Tax exemption was granted on 26 June 2017 and is valid from fiscal year 2016.

4. Performance report

In accordance with the Swiss Gaap FER 21, Sphere produces an Annual narrative Report.

5. Cash & cash equivalents	2024		2023	
	EUR/USD	CHF	EUR/USD	CHF
Petty cash USD	629	570	-	-
BCGE Account CHF	-	175 966	-	218 748
BCGE Account EUR	1 562	1 465	13 509	12 559
Paypal account CHF	-	15 117	-	13 037
Paypal account USD	352	319	2 057	1 732
TOTAL	**2 543**	**193 438**	**15 566**	**246 075**

6. Accounts receivables	2024	2023
Debitors account	24 082	1 500
Handbook receivables	5 130	5 449
Social securty	11 807	7 686
Sickness benefit insurance	1 939	1 166
TOTAL	**42 958**	**15 801**

7. Accrued income	2024	2023
USAID - Bureau of Humanitarian Assistance (BHA, ex OFDA)	80 862	75 850
US Department of State, Bureau of Population and Migration (PRM)	56 585	63 944
TOTAL	**137 447**	**139 793**

8. Personnel expenses

The number of full-time equivalents in 2024 (average per year) was 5.58 (2023 : 5.95).

As permitted by Swiss GAAP FER 21, the total amount of remuneration paid to the persons entrusted with management is not disclosed.

9. Pension plan obligation

Sphere employees on contracts of three months or more benefit from a scheme covering retirement, invalidity pension, and death according to the provisions of the Federal Law for occupational retirement (LOB).

The occupational benefits are provided by Nest, according to a defined-contribution benefit plan: investment yield has no impact on premiums; the employer does not guarantee the benefit amount.

The Plan is funded by the contributions of Sphere and the employees. The plan covers the usual occupational benefits: retirement and invalidity pension, and death benefits. Risks are insured by Nest.

As of 31 December 2024, 5 employees were affiliated to the pension plan (2023: 7 employees).

	2024	2023
Economical part of the organisation		
Premiums paid	62 371	67 039
Premiums due as of 31.12. (current premiums)	19 106	19 608
Capital ratio of the plan (*)	108.4%	105.8%

(*) The 2024 figures from Nest are unaudited.

10. Off-balance sheet commitments

Sphere subleases office space for its headquarters from the Association CHS Alliance, Geneva. A new sublease contract has been signed in March 2024 for one year with three months notice period.

11. Board compensation

The members of the Executive Committee are not compensated except for reimbursement of travel and accommodation costs when these are not covered by their own organisation.

12. Subsequent events

The freeze of USAID and US Department of State by the new US federal government in 2025 has a significant impact on Sphere's activities. As of the date of the financial statements, we have taken measures to reduce costs accordingly in 2025 and the Board of Sphere is confident that the accumulated capital of the organisation will allow our activities to continue, without going concern.