



Phone +41 21 310 23 23
Fax +41 21 310 23 24
www.bdo.ch

BDO Ltd
Biopôle SC-B - Epalinges
Case postale 7690
1002 Lausanne

To the General Assembly of

Wikimedia CH - Association for the advancement of free knowledge

Zurich

Report on the voluntary Audit of the 2018 Financial Statements

(for the period ended 31.12.2018)

28 March 2019
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JGE/SRI/rsi

Auditor's Report on the financial statements

To the General Assembly of
Wikimedia CH - Association for the advancement of free knowledge, Zurich

In accordance with your instructions, we have audited the accompanying financial statements of Wikimedia CH - Association for the advancement of free knowledge, which comprise the balance sheet as at 31 December 2018, and the statement of operations, the statement of changes in capital and notes for the year then ended. In accordance with Swiss GAAP FER 21, the information in the performance report is not subject to the obligation of examination of the auditor.

Board's Responsibility

The Board is responsible for the preparation of these financial statements in accordance with Swiss GAAP FER and the requirements of Swiss law and the association's 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 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 Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 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 existence and effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of 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.

Other matter

The financial statements of the association for the year ended 31 December 2017 were audited by another auditor whose report, dated 21 March 2018, expressed an unqualified opinion on those financial statements.



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 association's bylaws.

We recommend that the financial statements submitted to you be approved.

Lausanne, 28 March 2019

BDO Ltd

Jürg Gehring
Licensed Audit Expert

Steve Rigolet
Licensed Audit Expert

Enclosure
Financial statements

Financial Statements 2018

Wikimedia CH – Association for the Advancement of Free Knowledge

13th April 2019



Bagawathram Maheswaran
President of the board & treasurer

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**I Balance sheet
at 31.12.2018**

	Notes	31.12.18 CHF	31.12.17 CHF
ASSETS			
Cash		2'145'436.39	1'601'642.37
Accounts receivable		0.00	11'331.10
Withholding tax		235.05	235.05
Inventory		1.00	1.00
Prepaid expenses		3'483.92	31'259.05
Current assets		2'149'156.36	1'644'468.57
Tangible fixed assets		1.00	1.00
Non-current assets		1.00	1.00
TOTAL ASSETS		2'149'157.36	1'644'469.57
LIABILITIES & EQUITY			
Accounts payable		64'992.07	37'523.55
Accrued liabilities		396'352.60	44'841.83
Current liabilities		461'344.67	82'365.38
Restricted funds CH		27'690.59	27'690.59
Fund capital		27'690.59	27'690.59
Free reserves		1'510'122.10	1'384'413.60
Earmarked reserves CH	4.7	150'000.00	150'000.00
Organization capital		1'660'122.10	1'534'413.60
TOTAL LIABILITIES & EQUITY		2'149'157.36	1'644'469.57

**2 Statement of operations
for the year from 01.01.2018 to 31.12.2018**

	Notes	2018	2017
INCOME			
Membership fees		7'785.75	13'078.43
Income from trainings		4'200.00	682.60
Donations received CH	4.7	974'902.47	814'697.00
Donations received WMF (restricted)	4.7	1'722'093.99	1'231'205.88
Income from partner organisations		0.00	23'622.23
Other income		518.25	0.00
OPERATING INCOME		2'709'500.46	2'083'286.14
EXPENSES			
Wikimedia projects	4.8/4.9	-1'687'728.52	-1'320'676.09
Fundraising		-90'891.36	-72'453.18
Personnel expenses		-665'771.92	-454'383.95
Administration expenses		-136'410.28	-74'391.66
OPERATING EXPENSES		-2'580'802.08	-1'921'904.88
OPERATING RESULT		128'698.38	161'381.26
Financial result		-1'986.51	-471.78
Extraordinary result		-1'003.37	-4'170.63
Result before change in fund capital		125'708.50	156'738.85
Allocation		1'343'983.67	801'350.47
Appropriations		-1'343'983.67	-801'350.47
Change in fund capital		0.00	0.00
Annual result (before allocation to organisation capital)		125'708.50	156'738.85
Allocation to free reserves		-125'708.50	-156'738.85
		0.00	0.00

3 Statement of changes in capital 2018

	2018						
	Balance 1.1.	Allocations	internal fund transfers	Appropriation	All. financial result	Total change	Balance 31.12.
Fund capital							
Restricted Funds							
WMF	0	1'343'984	-1'343'984			0	0
WMCH	27'691					0	27'691
Total fund capital	27'691	1'343'984	0	-1'343'984	0	0	27'691

Organization capital

Free reserves	1'384'414	125'709			125'709	1'510'122
Earmarked reserves CH	150'000				0	150'000
Total organization capital	1'534'414	125'709	0	0	0	1'660'122

	2017						
	Balance 1.1.	Allocations	internal fund transfers	Appropriation	All. financial result	Total change	Balance 31.12.
Fund capital							
Restricted Funds							
WMF	0	801'350	-801'350			0	0
WMCH	27'691					0	27'691
Total fund capital	27'691	801'350	0	-801'350	0	0	27'691

Organization capital

Free reserves	1'227'675	156'739			156'739	1'384'414
Earmarked reserves CH	150'000				0	150'000
Total organization capital	1'377'675	156'739	0	0	0	1'534'414

Comments:

The accounting of the changes of the capital shows how specially earmarked donations and the organization result (the surplus revenue) is used.

4 Notes to the Financial Statements

4.1 General information

The Wikimedia CH - Association for the advancement of free knowledge (hereafter "Wikimedia CH") is as Swiss association as per Articles 60ff of the Swiss Civil Code. Wikimedia CH is not registered in the Commercial register.

According to its bylaws, Wikimedia CH promotes Free Knowledge and thereby puts the main emphasis on the Swiss national languages. The flagship of the Wikimedia projects is still Wikipedia, a free online encyclopedia. In the same way, other projects are explicitly being promoted, such as the online repository of media files, Wikimedia Commons, or the collection of digitalized historical scriptures called Wikisource.

During the year under review, Wikimedia CH was led by a Board of six members: Bagawathram Maheswaran as president and treasurer, Muriel Staub, Mauro Cassina, Michael Gasser, Matthias Heck and Rama. The Board members were elected at the General Assembly for a one-year term.

The Wikimedia Foundation, a US based not-for-profit foundation, operates most of the servers and is responsible for the content of Wikipedia. The Swiss chapter Wikimedia CH exercises local tasks, such as answering press inquiries, coordinating local authors, or taking actions to increase content quality. Also in Switzerland, Wikipedia ranks among the most visited websites. It contributes to making general knowledge available to a large audience. Whereas websites that are as popular are operated by large companies with billions of turnover and ten thousands of employees, the Wikimedia Foundation only counts a handful of paid employees, thanks to a decentralized structure and widespread voluntary work. In this sense, the Wikimedia Foundation as well as its Swiss chapter can be regarded as highly efficient.

The annual average number of full-time positions in the reporting year, as well as in the previous year, did not exceed 10.

4.2 Accounting policies

The financial statements of the Association have been prepared in accordance with the provisions of the Swiss Code of Obligations and in accordance with the Swiss GAAP FER (core FER), in particular Swiss GAAP FER 21 relating accounting for charitable non-profit organisations. The recommendations have been established for entities seeking to present their financial statements to reflect a true and fair view of the financial situation.

Wikimedia CH decided to introduce these recommendations and applies them for the first time in 2007.

All figures are in Swiss Francs (CHF). As permitted by Swiss GAAP FER 21.16 for small organizations, the presentation of a cash flow has been waived.

4.3 Income

Income based on agreements are recorded over the life of the agreement, as and when the conditions set out in the agreement are met.

Donations and membership fees are recorded on a cash basis.

4.4 In-kind donations

A non-profit association such as Wikimedia CH relies fundamentally on the voluntary, unpaid services from its members. In particular, the authors of the Wikimedia projects work without remuneration.

4.5 Expenses

Expenses incurred by Wikimedia CH are recorded on an accrual basis. Expenditures are paid in accordance with the Expense Regulation that the Association applies since 2008 and on the basis of an original receipt.

4.6 Other valuation principles

Tangible fixed assets: In general valuable (long-term usable) movables and equipment are capitalized, except those related to a project. Books / Media are not capitalized. Significant fixed assets are capitalized at cost, less accumulated depreciation. Depreciation is calculated on a straight-line basis over the estimated useful lives of the tangible fixed asset item.

Intangible assets:

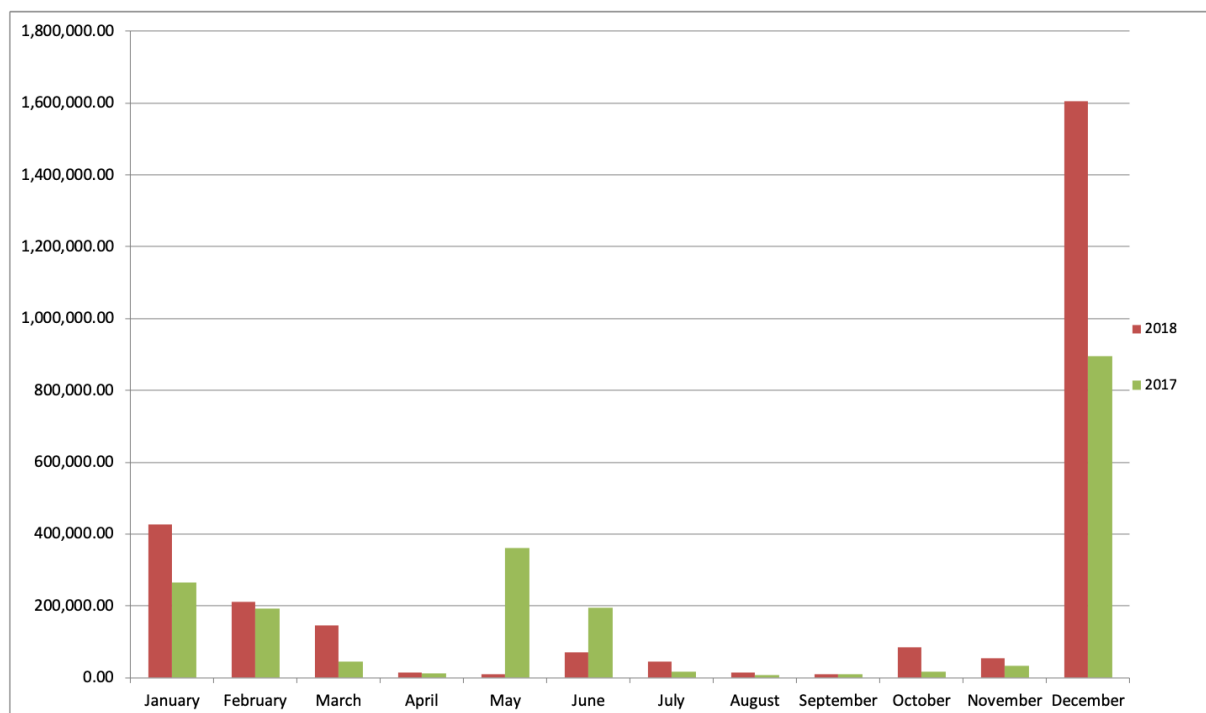
Significant software (such as CRM) are stated at cost, less accumulated amortization over a three year period. Smaller software are not capitalized.

Domains: Wikimedia CH has a number of domains ending in .ch and .li. These domains related to the Wikimedia projects are inalienable and therefore not capitalized.

4.7 Some statistics on income

The following table shows the income. The relatively high solvency in the balance sheet is explained by the fact, that most donations were received in December.

Donations per month 2018



Donations		
Month	in CHF	relative
January	427'675.63	15.86
February	212'258.91	7.87
March	146'543.40	5.43
April	14'815.55	0.55
May	9'302.75	0.34
June	71'819.45	2.66
July	46'021.73	1.71
August	13'786.32	0.51
September	9'272.63	0.34
October	85'557.06	3.17
November	54'281.82	2.01
December	1'605'661.21	59.54
Total	2'696'996.46	100%

The average size of donation (Median) was CHF 50. Most donations came from individuals, however, legal entities contributed the largest donations.

4.8 Projects - developing Wikimedia CH

Projects: The largest project in 2018 was the support of the Wikimedia Foundation. CHF 1'371'578.00 was spent for this purpose, the funds were transferred to the Wikimedia Foundation. For all the other projects CHF 316'150.52 were spent.

4.9 Transactions with the Wikimedia Foundation

The Wikimedia Foundation can be viewed as an umbrella organization, Wikimedia CH and associations of countries other than chapter. Wikimedia CH is attached via a license agreement and a fundraising contract to the Wikimedia Foundation, otherwise the organizations are independent.

The contract defines all assignable fundraising donations in November and December 2018 as "Wikimedia Foundation donations". Therefore, they are indicated as "Restricted" in the statement of operations.

4.10 Indemnities & remunerations given to Board members and Management

All members of the Board are appointed on a voluntary basis. Board members did not receive any remuneration for their mandate in 2018, nor did they in 2017.

As only one person is entrusted with the Wikimedia CH management, the disclosure of his remuneration has been waived as permitted by FER 21.45.