



FINANCIAL REPORT 2021



**HEKS
EPER**
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2 BALANCE SHEET

in CHF	Notes	31.12.20	31.12.21
ASSETS			
Cash and cash equivalents	6.3.1	21'364'030	40'388'719
Securities listed on a stock exchange	6.3.2	23'080'925	34'754'745
Receivables	6.3.3	10'829'436	6'851'825
Prepaid expenses and accrued income	6.2	2'214'106	2'240'214
Total current assets		57'488'496	84'235'503
Financial assets	6.3.5	3'191'005	2'649'876
Property, plant and equipment	6.3.4	4'843'355	4'899'195
Intangible assets	6.3.6	526'484	432'610
Earmarked properties	6.3.7	1'769'047	0
Total non-current assets		10'329'892	7'981'682
TOTAL ASSETS		67'818'388	92'217'184
LIABILITIES			
Trade accounts payable		1'193'772	1'514'090
Other short-term liabilities	6.3.8	5'817'483	7'040'432
Accrued expenses and deferred income	6.3.9	4'168'342	4'699'879
Total short-term liabilities		11'179'596	13'254'401
Long-term financial liabilities	6.3.10	1'000'000	1'000'000
Provisions	6.3.11	916'686	991'366
Total long-term liabilities		1'916'686	1'991'366
Total earmarked funds	6.3.12	37'728'671	49'044'209
Total liabilities including fund capital		50'824'953	64'289'975
Foundation capital		200'000	300'000
Unrestricted capital		9'160'215	18'996'044
Tied capital	6.3.13	7'633'220	8'631'165
Total capital of the organization	6.3.14	16'993'435	27'927'209
TOTAL LIABILITIES		67'818'388	92'217'184

3 STATEMENT OF OPERATIONS, INCOME

in CHF

Notes

2020

2021

INCOME FOR WORK IN SWITZERLAND

Contributions and donations from churches		2'102'148	2'030'351
Donations and bequests from private persons		2'759'329	1'432'568
Income from services	6.4.1	17'203'360	19'055'349
Confederation		372'276	442'083
Cantons and municipalities		7'026'419	6'845'457
Foundations		1'772'106	1'504'502
Contributions from various organizations		1'671'509	641'020
Contributions and donations from institutions		28'045'671	28'488'411
Total income for work in Switzerland		32'907'148	31'951'330

INCOME FOR WORK ABROAD (excl. humanitarian aid)

Cantonal churches and church parishes		2'352'936	3'333'121
Bread for All		1'095'679	0
Other church organizations		546'850	633'638
Miscellaneous		308'756	505'014
Contributions and donations from churches		4'304'220	4'471'774
Donations and bequests from private persons		4'715'639	2'833'431
Confederation	6.4.2	8'373'147	9'543'641
Cantons and municipalities		1'606'641	1'503'740
Foundations		2'797'671	3'348'959
Contributions from various organizations		1'545'439	2'404'652
Contributions and donations from institutions		14'322'898	16'800'992
Miscellaneous		82'069	63'071
Total income for work abroad (excl. humanitarian aid)		23'424'827	24'169'267

INCOME FOR HUMANITARIAN AID

Cantonal churches and church parishes		1'049'823	800'667
Other church organizations		0	0
Miscellaneous		418'753	122'483
Contributions and donations from churches		1'468'576	923'150
Donations and bequests from private persons		2'699'473	4'940'937
Swiss Solidarity		1'963'835	2'918'747
Confederation	6.4.2	809'165	2'360'040
Cantons and municipalities		281'564	426'635
Foundations		742'057	1'209'560
Contributions from various organizations		3'385'065	5'769'609
Contributions and donations from institutions		7'181'686	12'684'592
Total income for humanitarian aid		11'349'735	18'548'678

NON-EARMARKED INCOME

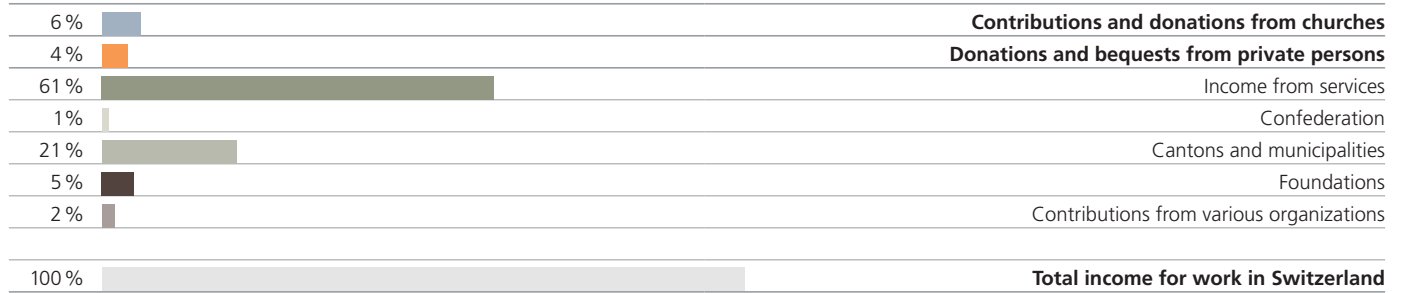
Target amounts of the cantonal churches	6.4.3	2'237'672	2'190'312
Cantonal churches and church parishes		1'955'760	2'201'507
Private persons		4'441'068	9'103'085
Bequests		1'870'046	6'979'769
Information and awareness-raising		0	2'569'356
Miscellaneous		631'271	1'080'956
Total non-earmarked income		11'135'817	24'124'986

TOTAL INCOME/OPERATIONAL PERFORMANCE

78'817'527

98'794'261

INCOME FOR WORK IN SWITZERLAND: CHF 32,0 MILLION



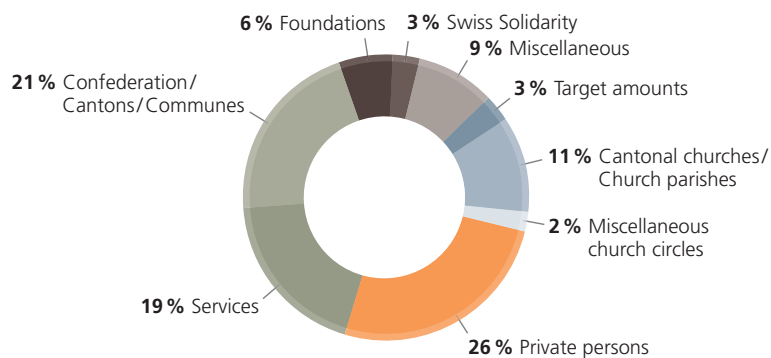
INCOME FOR WORK ABROAD: CHF 24,2 MILLION (excl. humanitarian aid)



INCOME FOR HUMANITARIAN AID: CHF 18,5 MILLION



TOTAL INCOME: CHF 98,8 MILLION



3 STATEMENT OF OPERATIONS, EXPENDITURE

in CHF

Notes

2020

2021

EXPENDITURE FOR WORK IN SWITZERLAND

Legal advice and representation for asylum seekers	7'131'669	8'171'445
Social aid representation during interviews of asylum seekers	821'297	-12'086
Various projects regarding advocacy for the socially disadvantaged	987'507	1'207'659
Advocacy for the socially disadvantaged	8'940'472	9'367'017
Labour market integration	3'845'007	3'771'228
Structured daily routines and encounters	2'986'731	3'148'930
Assisted living	2'260'289	2'376'183
Language	2'303'293	2'509'215
Intercultural interpreting and mediation	5'391'277	4'790'810
Child and parent education	94'463	11'236
Age and migration	848'597	1'085'079
Social Integration	17'729'658	17'692'681
Various projects and project contributions	339'760	512'073
Total expenditure for projects in Switzerland	27'009'891	27'571'770
Project support and groundwork	1'813'035	2'146'548
Total expenditure for work in Switzerland	28'822'926	29'718'319

EXPENDITURE FOR INFORMATION IN SWITZERLAND

Information projects in Switzerland	1'060'221	3'313'849
Total expenditure for information in Switzerland	1'060'221	3'313'849

EXPENDITURE FOR WORK ABROAD

Development cooperation	12'913'673	13'851'154
Church cooperation	2'080'801	2'067'446
Development Policy Programme South	0	3'073'135
Total expenditure for projects abroad (excl. humanitarian aid)	14'994'474	18'991'735
Transnational projects and networks	935'542	1'915'513
Project support and groundwork	2'978'949	2'947'042
Total expenditure for work abroad (excl. humanitarian aid)	18'908'965	23'854'290
Humanitarian aid projects	11'299'928	16'336'234
Project support and groundwork	1'331'702	1'075'817
Total expenditure for humanitarian aid	12'631'630	17'412'051
Total expenditure for work abroad	31'540'595	41'266'341
Total expenditure project work	61'423'741	74'298'509

ADMINISTRATION AND COMMUNICATIONS

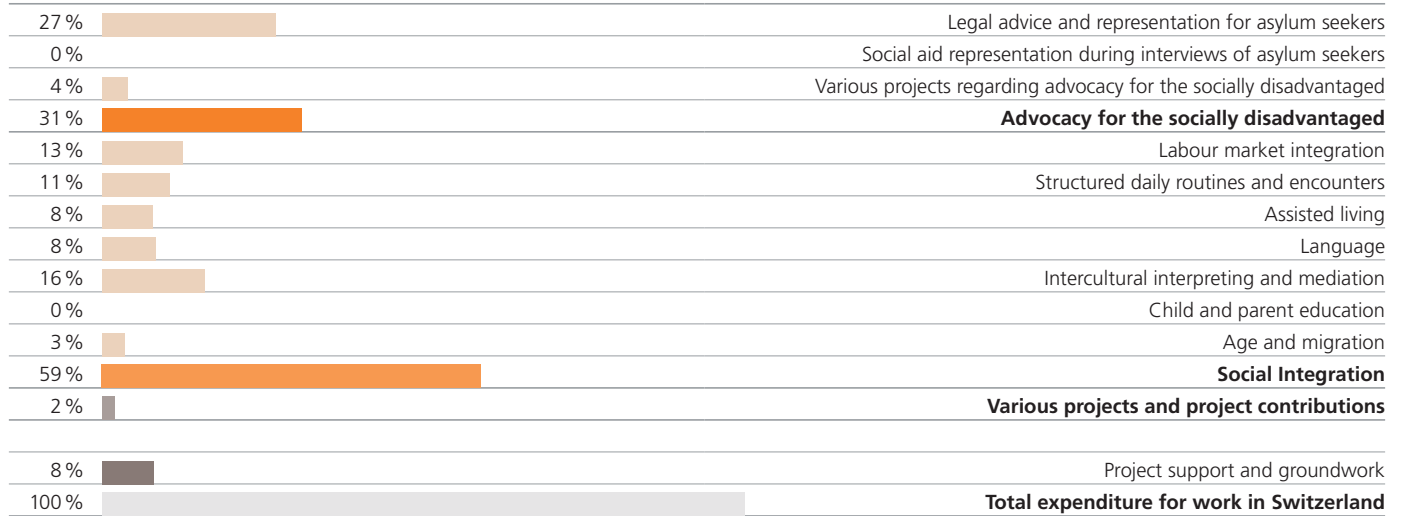
Central Administration	4'966'580	5'437'573
Communications and general advertising expenses (net expenditure)	6.4.4 2'625'391	4'362'668
Fundraising (net expenditure)	6.4.5 4'219'548	5'130'712
Total administration and communications	6.4.6 11'811'519	14'930'953

TOTAL EXPENDITURE FOR PROVISION OF SERVICES

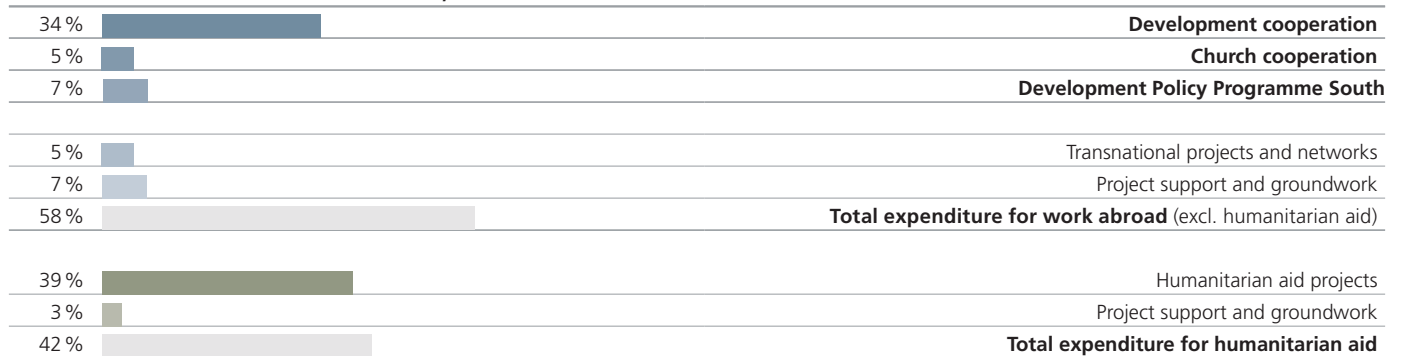
73'235'261

89'229'462

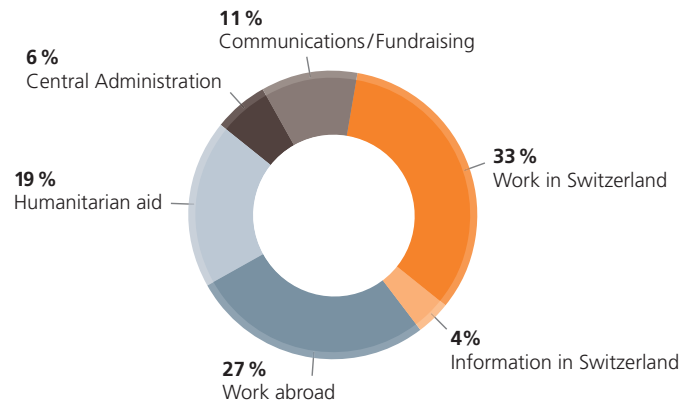
EXPENDITURE FOR WORK IN SWITZERLAND: CHF 29,7 MILLION



EXPENDITURE FOR WORK ABROAD: CHF 41,3 MILLION



TOTAL EXPENDITURE FOR PROVISION OF SERVICES: CHF 89,2 MILLION



3 OPERATING STATEMENT, RESULT

in CHF	Notes	2020	2021
OPERATING RESULT		5'582'266	9'564'799
Financial income from capital investments	6.4.7	743'040	3'066'505
Financial costs of investments	6.4.7	-21'387	-348'488
Real estate performance	6.4.8	161'293	135'997
Extraordinary, non-recurring or prior period expenditure and income	6.4.9	0	-820'000
RESULT BEFORE CHANGE IN FUND CAPITAL		6'465'213	11'598'813
Changes to funds (increase –/decrease +)		-6'250'364	-8'740'070
Total changes to funds		-6'250'364	-8'740'070
ANNUAL RESULT (BEFORE ALLOCATIONS TO CAPITAL OF THE ORGANIZATION)		214'849	2'858'744
Change tied capital (allocation –/withdrawal +)			
Strategic development projects organization-wide		285'151	1'690'584
Change tied capital (allocation –/withdrawal +)			
Value fluctuation reserve	6.4.10	-576'155	-1'265'833
Change unrestricted capital (allocation –/withdrawal +)		76'155	-3'283'494
		0	0

4 CASH FLOW STATEMENT AS AT 31 DECEMBER

in CHF

2020

2021

CASH FLOW FROM OPERATING ACTIVITIES

Annual result (before allocation to capital of the organization)	214'849	2'858'743
Change in fund capital	6'250'364	8'740'070
Depreciation on property, plant and equipment/intangible assets	765'447	466'378
Proceeds from the sale of an earmarked property	0	-2'962'960
Provisions (creation +/release -)	88'649	74'680
Other non-cash expenses (+)/income (-)	0	0
Securities (increase -/decrease +)	-1'805'106	-5'115'615
Receivables (increase -/decrease +)	-4'823'222	5'078'147
Accrued income (increase -/decrease +)	-29'793	111'073
Trade accounts payable (increase +/ decrease -)	-509'134	-766'070
Other liabilities (increase +/ decrease -)	894'967	1'147'803
Deferred income (increase -/decrease +)	2'191'523	327'758
Cash flow from operating activities (cash flow)	3'238'543	9'960'006

CASH FLOW FROM INVESTMENT ACTIVITIES

Investments in financial assets	-54'083	-22'495
Investments in tangible assets	-341'794	-362'889
Investments in intangible assets	-285'946	-41'791
Disposals of financial assets	237'368	869'687
Disposals of property, plant and equipment	0	4'732'007
Disposals of intangible assets	0	0
Cash flow from investment activities	-444'455	5'174'519

Cash flow from financing activities

0

0

CHANGE IN CASH AND CASH EQUIVALENTS

2'794'089

15'134'525

Opening balance of cash funds (1.1.)	18'569'942	21'364'030
Opening balance of cash funds (1.1.) BfA Merger	0	3'890'163
Closing balance of cash funds (31.12.)	21'364'030	40'388'719

PROOF OF CHANGE IN CASH AND CASH EQUIVALENTS

2'794'089

15'134'525

Composition of cash funds as per paragraph 6.3.1 of the Notes
Method used: indirect calculation

5 STATEMENT OF CHANGES IN CAPITAL

Funds	Situation as of	BfA Merger	Receipts	Disbursements	Internal Transfers ^{1,3}	Situation as of
in CHF	1.1.2021	1.1.2021	2021	2021	2021	31.12.2021
WORK ABROAD						
Work abroad (excl. humanitarian aid) ²	17'197'404	2'575'467	23'966'862	-22'474'057	-38'717	21'226'959
Funds for projects in Europe	1'436'556		2'858'320	-2'849'369	-1'916	1'443'591
Funds for projects in Africa	2'002'991		2'947'506	-3'649'563	1'002	1'301'936
Funds for projects in Asia	610'905		2'017'830	-2'113'808	597	515'524
Funds for projects in Latin America	522'571		1'882'913	-1'589'894	1'576	817'165
Funds for sponsorship projects	1'338'996		193'413	-427'426	0	1'104'982
Funds – Organizations (BfA, etc.)	918'711		974'232	-1'301'342	-40'753	550'847
SDC Funds programme contribution South incl. HA share	0		7'930'000	-7'480'000	-450'000	0
SDC Funds programme contribution Eastern Europe	0		0	0	0	0
SDC Funds Mandates South/project contributions	45'486		294'760	-117'986	0	222'259
SDC Funds Mandates East/project contributions	0		0	0	0	0
Thematic funds (peace, health, leprosy/AIDS, etc.)	4'756'036	607'528	220'820	-672'801	-50'000	4'861'583
Policy & Advisory Fund Agenda 2030		97'345	298'847	-487'423	100'000	8'769
Policy & Advisory Fund Ethical Business 2030		576'289	220'623	-447'392	88'000	437'520
Policy & Advisory Fund Right to Food		560'194	517'689	-999'316	362'000	440'567
Funds for general work abroad	5'565'150	734'111	3'609'912	-337'738	-49'223	9'522'213
Humanitarian aid abroad	8'866'274	0	18'548'578	-15'366'382	38'717	12'087'187
Funds - Organizations (Swiss Solidarity)	112'842		2'918'747	-2'918'747	0	112'842
SDC Fund HA/project contributions	0		1'590'189	-1'590'189	0	0
Funds for humanitarian aid abroad	7'401'433		14'039'642	-10'857'446	1'390'716	11'974'345
Funds for humanitarian aid (restricted non-current assets)	1'351'999		0	0	-1'351'999	0
Total funds for work abroad	26'063'677	2'575'467	42'515'440	-37'840'439	0	33'314'145
WORK IN SWITZERLAND						
Funds for projects in Switzerland	2'750'441		2'206'434	-1'945'293	-337'413	2'674'169
Funds for general work in Switzerland	8'314'098		1'770'663	1'944'696	732'842	12'762'299
Funds – Organizations and public sector	369'351		8'918'884	-8'815'898	-178'741	293'595
Funds for humanitarian aid in Switzerland	216'587		100	0	-216'687	0
Total funds for work abroad	11'650'476	0	12'896'081	-8'816'495	0	15'730'063
Miscellaneous funds ³	14'517	0	0	0	-14'517	0
Total miscellaneous funds	14'517	0	0	0	-14'517	0
RESTRICTED FUND CAPITAL	37'728'671	2'575'467	55'411'522	-46'656'934	-14'517	49'044'209
Increase without assets from BfA merger (Fund changes in the operating statement)						8'740'070
CAPITAL OF THE ORGANIZATION						
Foundation capital	200'000	100'000	0	0	0	300'000
Unrestricted capital	9'160'215	3'726'008	3'283'494	0	2'826'328	18'996'045
Tied capital						
Strategic development projects organization-wide	2'388'133	4'249'023	0	-1'690'584	-4'946'573	0
Strategic reserve			0		1'210'245	1'210'245
Value fluctuation reserve securities	5'245'087		1'265'833	0	910'000	7'420'920
CAPITAL OF THE ORGANIZATION	16'993'435	8'075'031	4'549'328	-1'690'584	0	27'927'209
Increase without assets from BfA merger (Annual Financial Statements)						2'858'743

The statement of changes in capital shows the evolution of individual fund groups and the individual components of freely available capital, broken down into «Receipts», «Disbursements» and «Internal transfers» (see comments in the Notes, 6.3.12).

¹⁾ Internal transfers of more than CHF 50'000 must be approved by the Executive Board. This may be necessary if a project is pre-funded or over-funded. The funds

are used primarily for a follow-up project or, in its absence, for a geographically and/or thematically similar project.

²⁾ The SDC fund balances and movements are shown by category (see comments in the Notes, 6.4.2)..

³⁾ The amount under miscellaneous funds was incorporated into unrestricted capital, as there was no longer a corresponding appropriation.

6 NOTES TO THE ANNUAL FINANCIAL STATEMENT

6.1 ACCOUNTING PRINCIPLES

Basis of accounting

The financial reporting of Swiss Church Aid (HEKS/EPER) was prepared in keeping with current accounting and reporting recommendations (updated Swiss GAAP FER 21, effective 1 January 2016) and with the new accounting legislation and conforms to the Statutes and to the guidelines of the Zewo Foundation. The annual financial statements present a true and fair view of the financial position, cash flows and results of operations. The financial statements are presented in Swiss francs. HEKS/EPER is a foundation under Swiss law.

Presentation of the annual financial statements: Merger with Bread for All (BfA) Berne, to form «Swiss Church Aid HEKS / EPER»

As a result of the merger of the two Swiss aid agencies HEKS/EPER and BfA on 1 January 2021, the following BfA financial figures, stated at current values, were integrated into those of HEKS/EPER:

ASSETS (in CHF)	1.1.2021
Cash and cash equivalents	3'890'163,17
Securities listed on a stock exchange	–
Receivables	1'100'536,77
Prepaid expenses and accrued income	137'180,86
Total current assets	5'127'880,80
Financial assets	6'864'268,01
Property, plant and equipment	23'663,62
Intangible assets	–
Earmarked properties	–
Total non-current assets	6'887'931,63
TOTAL ASSETS	12'015'812,43

LIABILITIES (in CHF)	1.1.2021
Trade accounts payable	1'086'388,01
Other short-term liabilities	75'145,92
Accrued expenses and deferred income	203'780,00
Total short-term liabilities	1'365'313,93
Total long-term liabilities	–
Total earmarked funds	2'575'467,70
Total long-term liabilities including fund capital	2'575'467,70
Foundation capital	100'000
Unrestricted capital	3'726'007,74
Tied capital	4'249'023,06
Total capital of the organization	8'075'030,80
TOTAL LIABILITIES	12'015'812,43

The above table shows the booking of the BfA opening balance sheet, at current values, as incorporated into the HEKS/EPER annual financial statements on 1 January 2021. As a result of alignment with the HEKS/EPER

classification rules, earnings-neutral reclassifications were made between the BfA annual accounts as at 31 December 2020 and the opening balance sheet as at 1 January 2021.

HEKS/EPER figures for the previous year were presented without the BfA financial figures and correspond to HEKS/EPER's audited annual accounts as of 31 December 2020. Consequently, there is only limited comparability with the previous year.

Organization of the reporting

The cantonal HEKS/EPER committees fall under the member churches of the Protestant Church in Switzerland (PCS) and are therefore not consolidated. The HEKS/EPER Coordination Offices in priority countries for work abroad report directly to HEKS/EPER and are fully integrated into the balance sheet.

Affiliated persons and organizations

Affiliated persons are deemed to be current and former members of the Board of Trustees and the Executive Board as well as organizations that are controlled by members of the Board of Trustees or the Executive Board.

The following are deemed to be affiliated organizations: the Protestant Church in Switzerland (PCS), Alliance Sud and the HEKS/EPER employee benefits scheme. No transactions took place under non-market conditions.

6.2 ACCOUNTING AND VALUATION PRINCIPLES

Income / operational performance

Donations and bequests are recognized after receipt of payment, income from services and institutional project contributions are accrued and recognized during the reporting period when they arise and upon performance.

Expenditure

Expenses are recognized on a performance basis and in the period when they occur. Services not yet rendered by partner organizations in work abroad are recognized as pre-payments and accrued income.

Administration and communications

Administration and communications expenditure is calculated in the operating statement in accordance with the cost centre structure. In subparagraph 6.4.6, this calculation is shown by Zewo cost type.

Securities listed on a stock exchange

Securities are recorded at current market values.

Equipment

Other property, plant and equipment are recognized in the balance sheet at acquisition cost less depreciation. The capitalization threshold is CHF 3'000¹. Depreciation is calculated using the straight line method for the following periods:

Land and buildings	50 years
Tenant improvements to rented premises	
Seminarstrasse 28, Zurich	15 years
Tenant improvements rented premises, other	5 years
Other property, plant and equipment ¹ /Intangible assets	2 – 5 years

¹) Local, country-specific regulations and the direct method of depreciation are sometimes applied to property, plant and equipment at Coordination Offices abroad.

Financial assets

Financial assets comprise investments/shares in projects with mixed sponsorship. They are recognized at acquisition cost less any necessary value adjustments. Time deposits with a remaining life of more than one year are also shown here.

Provisions and value adjustments

Provisions are established for legal and factual obligations that are likely to exist or to be created. The amount of the provisions is based on the assessment of the Board of Trustees and reflects expected future expenditure as at the balance sheet date. Value adjustments are made for all identifiable risks and shown under assets as an adjustment item.

Other assets / other short- and long-term liabilities

Unless otherwise indicated, other assets and other short- and long-term liabilities are recorded at nominal values, less any necessary value adjustments.

Pension schemes

To provide occupational benefits under the BVG/OPA, there is a defined contribution pension scheme that forms part of an independent collective foundation. The employer's overall pension benefit expense is limited to contributions under subparagraph 6.3.15, Pension schemes. At the time of preparing the annual financial statements, unaudited financial statements showed that the collective foundation had a positive funding ratio.

The employer-sponsored employee benefits foundation (Patronale Personalfürsorgestiftung) provides benefits exclusively for HEKS/EPER personnel. The HEKS/EPER Foundation has no entitlement to surpluses or to any benefits from the employer-sponsored employee benefits foundation.

HEKS/EPER is therefore of the view that as of 31.12.2021, there is no economic benefit from the surplus of the two foundations. There are no employer contribution reserves.

6.3 NOTES TO THE BALANCE SHEET

6.3.1 Cash and cash equivalents

Cash and cash equivalents comprise cash-in-hand, postal and bank account balances

6.3.2 Securities listed on a stock exchange in CHF	31.12.2020	31.12.2021
Bonds – CHF	6'791'324	11'743'353
Bonds – foreign currencies	4'090'527	5'410'303
Shares (domestic and foreign)	12'199'074	17'601'089
Total	23'080'925	34'754'745

Securities are invested in keeping with existing investment regulations, which are guided by the mission statement and principles of HEKS/EPER. Investments follow the sustainability approach of Bank J. Safra Sarasin and

of Alternative Bank Switzerland (ABS), which takes into account both a company rating and an industry rating. Compliance of the investment regulations is monitored by the Finance Committee of the Board of Trustees.

Derivative financial instruments	31.12.2020	31.12.2021
Contract or nominal values	3'114'192	5'023'729
Replacement values positive	0	56'024
Replacement values negative	-12'324	0

Foreign currency hedging transactions are also concluded to hedge the currency risks on securities in foreign currencies. All open derivatives are recorded at market value on the balance sheet date and are shown in the balance sheet

under other receivables or other short-term liabilities. Changes in the value of derivatives used to hedge recognized underlying transactions are booked in the income statement in the same way as the underlying transaction.

6.3.3 Receivables in CHF	31.12.2020	31.12.2021
Receivables from goods, services and commitments	5'213'699	5'449'853
Value adjustments	-46'200	-46'200
Other short-term receivables from third parties ¹	4'665'489	137'852
Other short-term receivables from similar organizations	902'430	0
Other short-term receivables from government entities	94'018	1'310'320
Total	10'829'436	6'851'825

The item Receivables from goods, services and commitments includes receivables from pledges of project support from various organizations (such as the

Waldensian Church, State Secretariat for Migration (SEM), cantonal churches, etc.) as well as receivables from services rendered (from projects).

6.3.4 Property, plant and equipment in CHF	Situation	BfA Merger	Additions	Disposals	Situation
Acquisition value or current gross value	1.1.2020	1.1.2020			31.12.2020
Land and buildings	5'278'881		95'004	0	5'373'885
Investments in rental properties	1'497'707		22'972	0	1'520'679
Other tangible fixed assets	1'031'044		153'914	0	1'184'957
Total	7'807'632		271'890	0	8'079'521
Cumulative Depreciation					
Land and buildings	-1'251'368		-91'642	0	-1'343'011
Investments in rental properties	-1'032'155		-65'610	0	-1'097'765
Other tangible fixed assets	-907'657		-84'658	0	-992'315
Total	-3'191'181		-241'910	0	-3'433'090
Tangible assets Coordination Offices abroad	228'023		69'904	-101'003	196'924
Total	228'023		69'904	-101'003	196'924
Net book value	4'844'475		99'883	-101'003	4'843'355
Acquisition value or current gross value	1.1.2021	1.1.2021			31.12.2021
Land and buildings	5'373'885		50'200	0	5'424'085
Investments in rental properties	1'520'679		176'793	0	1'697'472
Other tangible fixed assets	1'184'957	65'794	45'662	0	1'296'413
Total	8'079'521	65'794	272'655	0	8'417'970
Cumulative Depreciation					
Land and buildings	-1'343'011		-91'642	0	-1'434'652
Investments in rental properties	-1'097'765		-62'941	0	-1'160'706
Other tangible fixed assets	-992'315	-42'130	-70'408	-22'348	-1'127'200
Total	-3'433'090	-42'130	-224'991	-22'348	-3'722'558
Tangible assets Coordination Offices abroad	196'924		90'234	-83'374	203'784
Total	196'924		90'234	-83'374	203'784
Net book value	4'843'356	23'664	137'898	-105'722	4'899'195

6.3.5 Financial assets in CHF	31.12.2020	31.12.2021
Investments/shares in projects with mixed sponsorship:		
– TEXAID Textilverwertungs AG ^{1, 3} (125 registered shares at a par value of CHF 1'000 = 8.34 %).	125'652	125'652
– Genossenschaft Wohnstadt Basel ³ (Share certificate CHF 100'000)	100'000	100'000
– OIKOKREDIT, Ecumenical Development Cooperative Society (share certificates EUR 27'277 + USD 26'525)	55'336	59'921
Total investments/shares in projects with mixed sponsorship	1	125'301
– Claro fair trade AG (102 registered shares CHF 316 = 0.69 %)	6'769	134'633
Total investments/shares in projects with mixed sponsorship	287'757	545'507
Loans to third parties ²	1'936'401	1'066'719
Other loans to third parties and rent guarantees	966'847	1'037'650
Total loans	2'903'248	2'104'368
Total	3'191'005	2'649'876

¹⁾ The book value of the stake in TEXAID Textilverwertungs AG also includes the share in the «TEXAID Arbeitsgemeinschaft für Altkleidersammlung schweizerischer Hilfswerke, Schattdorf». There are plans to divest the stake in TEXAID in 2022.

²⁾ Loans to organizations in Romania, Myanmar, Kosovo and Honduras to finance microcredit projects as well as new participatory projects to promote agriculture in several countries.

³⁾ Valued at acquisition cost less any necessary value adjustments.

6.3.6 Intangible assets in CHF	Situation	Additions	Disposals	Situation
Acquisition value or current gross value	1.1.2020			31.12.2020
Intangible assets	1'431'615	285'946	0	1'717'561
Cumulative Depreciation				
Intangible assets	-814'001	-377'076	0	-1'191'077
Net book value	617'614	-91'130	0	526'484
Acquisition value or current gross value	1.1.2021			31.12.2021
Intangible assets	1'717'561	41'791	0	1'759'353
Cumulative Depreciation				
Intangible assets	-1'191'077	-135'665	0	-1'326'742
Net book value	526'484	-93'874	0	432'610

6.3.7 Restricted non-current assets in CHF	Situation	Additions	Disposals	Situation
Acquisition value or current gross value	01.01.2020			31.12.2020
Land and buildings	2'541'083	0	0	2'541'083
Cumulative Depreciation				
Land and buildings	-726'579	-45'458	0	-772'036
Net book value	1'814'504	-45'458	0	1'769'047
Acquisition value or current gross value	01.01.2021			31.12.2021
Land and buildings	2'541'083	0	-2'541'083	0
Cumulative Depreciation				
Land and buildings	-772'036	0	772'036	0
Net book value	1'769'047	07	-1'769'047	0

The investment property earmarked for humanitarian aid projects was sold.
The proceeds went towards humanitarian aid projects.

6.3.8 Other short-term liabilities in CHF	31.12.2020	31.12.2021
Liabilities to government bodies and social insurances	5'765'270	6'778'731
Other liabilities	52'213	261'700
Total	5'817'483	7'040'432

6.3.9 Accrued expenses and deferred income in CHF	31.12.2020	31.12.2021
Deferrals accrued vacation/overtime	1'114'016	1'474'010
Other accrued expenses and deferred income ¹	3'054'325	3'225'869
Total	4'168'342	4'699'879

¹) Revenue received for the following year (including SDC, see 6.4.2)

6.3.10 Long-term financial liabilities in CHF	31.12.2020	31.12.2021
Long-term financial liabilities	1'000'000	1'000'000
Total	1'000'000	1'000'000

Interest-free loan granted by a donor and which can subsequently be converted into a gift.

6.3.11 Provisions in CHF	Situation 1.1.2021	Creation	Utilisation	Release	Situation 31.12.2021
Provision for rented premises ¹	146'218	0	0	0	146'218
Provision for pension obligations to staff of Coordination Offices abroad	770'467	46'898	27'782	0	845'147
Total	916'686	46'898	27'782	0	991'366

¹⁾ The «Provision for rented premises» is a provision for damage by tenants and for the costs of dismantling improvements made by tenants.

6.3.12 Earmarked funds in CHF	31.12.2020	31.12.2021
Earmarked funds	37'728'671	49'044'209
Total	37'728'671	49'044'209

HEKS/EPER uses donations for their intended purpose, irrespective of whether the earmarking designates individual projects or entire fields of activity. Donations are often earmarked such that they cannot be used in the same year. On average, they remain 9 to 12 months in the earmarked funds until they can be used for their intended purpose. Besides, the funds also

contain substantial bequests with the specification that they be used over a long period of time. A record is kept of the status and use of earmarked donations and contributions for more than 300 funds. The «Statement of changes in capital» shows a summary of these funds on page 10.

6.3.13 Tied capital in CHF	31.12.2020	31.12.2021
Strategic development projects organization-wide	2'388'133	0
Strategic reserve	0	1'210'245
Value fluctuation reserve for securities ¹	5'245'087	7'420'920
Total	7'633'220	8'631'165

¹⁾ To cushion price fluctuations affecting non-current assets, HEKS/EPER creates a value fluctuation reserve for securities.

No donations may be used for the creation of this reserve.

Target level and calculation of the value fluctuation reserve	31.12.2020	31.12.2021 ¹
10% for Bonds CHF	710'410	1'174'335
15% for Bonds FX	525'999	811'546
30% for shares	3'731'783	5'252'464
5% for real estate	276'856	182'576
Total target level	5'245'048	7'420'920
Reserve surplus +/- reserve deficit –	39	0
Existing value fluctuation reserve as % of the securities portfolio	22,7 %	21,4 %

¹⁾ Including Bread for All (BfA)

6.3.14 Information on the capital of the organization

On 1 January 2004 HEKS/EPER was converted from an association into a foundation under Swiss law and endowed with foundation capital of CHF 200'000. The foundation capital was paid in by the Protestant Church in Switzerland (PCS), Berne. Income or expenditure surpluses are offset

against «Free capital». As a result of the merger with Bread for All (BfA), the foundation capital increased by the CHF 100'000 brought in, to stand at CHF 300'000.

6.3.15 Pension schemes in CHF

Economic benefit/ economic liability and pension benefit expense	Over/Under- funding ¹	Organization's share of economic liability		Change from prior year or affecting net income in business year	Contributions concerning the business period	Pension benefit expense	
	31.12.2021	31.12.2020	31.12.2021			2020	2021
Fonds de prévoyance (fondation collective)	0	0	0	0	2'832'097	2'319'724	2'832'097
Fonds de prévoyance patronale	2'858'740	0	0	0	0	0	0

¹⁾ Last available audited financial statements of Stiftung Abendrot and Patronale Personalfürsorgestiftung as at 31.12.2020

6.4 NOTES TO THE OPERATING STATEMENT

HEKS/EPER received no substantial donations in kind in the year under review.

6.4.1 Project income from services in CHF

The HEKS/EPER 2018–2022 Strategy sets «Advocacy for the socially disadvantaged» and «Social Integration» as strategic priorities for work in

Switzerland. The following compilation of income from services shows its distribution across the strategic priorities and regional offices.

Income from services 2021

BO: Branch Offices	Total 2020	BO Aargau/ Solothurn	BO for both Basel	BO Berne	BO Eastern Switzerland	BO Zurich/ Schaffhausen	BO Romandie	All of Switzer- land ¹	Total 2021
Advocacy for the socially disadvantaged	8'549'365	69'032	19'910	0	378'952	406'497	2'028'037	6'443'253	9'345'680
Legal advice office for asylum seekers	6'798'289	69'032	19'910	0	378'690	406'497	172'501	6'443'253	7'489'882
Social aid representation during interviews of asylum seekers	27'512	0	0	0	0	0	0	0	0
Various projects relating to advocacy for the socially deprived	1'723'563	0	0	0	263	0	1'855'536	0	1'855'798
Social Integration	8'556'530	1'443'140	1'043'415	525'239	737'878	2'199'897	37'072	3'628'053	9'614'693
Labour market integration	-144'795	14'190	0	65'241	241'573	103'400	0	0	424'403
Employment programmes (daily structure)	2'397'329	78'099	4'113	44'415	174'890	2'023'953	0	0	2'325'470
Housing and shelter	2'225'102	1'350'850	1'012'595	0	0	0	0	0	2'363'445
Language courses	835'997	0	0	415'582	321'416	71'690	0	0	808'688
Intercultural translation and intermediation	3'189'187	0	26'707	0	0	0	8'150	3'628'053	3'662'909
Early childhood and parent education	35'206	0	0	0	0	0	0	0	0
Age and migration	18'503	0	0	0	0	854	28'922	0	29'776
Various projects	97'465	0	0	0	92'359	0	2'617	0	94'976
Various projects	97'465	0	0	0	92'359	0	2'617	0	94'976
Total income for work in Switzerland	17'203'360	1'512'171	1'063'325	525'239	1'209'190	2'606'394	2'067'725	10'071'306	19'055'349

¹⁾ Including legal protection mandate and Linguaduct

6.4.2 Contributions Federal Government and various organizations for work abroad in CHF **2020** **2021**

Federal Government contributions		
SDC programme contribution South	7'100'000	7'680'000
SDC programme contribution South COVID	200'000	250'000
SDC programme contribution Eastern Europe	580'000	0
SDC mandates South/project contributions	418'311	294'760
SDC mandates East/project contributions	74'836	0
SDC mandates HA/project contributions	809'165	1'590'189
Total funded Federal Government contributions ¹	9'182'312	9'814'949
Contributions from international organizations > CHF 100'000		
Ministry of Foreign Affairs of Denmark – Danida		195'775
UN agencies		2'395'537
European Union		2'170'450
Bread for the World		575'512
USAID		1'400'681
Foreign Office Liechtenstein		200'000
Fondation Hirondelle		166'993
EEA/Norway Grants		106'810
Total funded contributions from international organisations		7'211'758

¹⁾ Receipts from SDC are shown in detail by category (see «Statement of changes in capital», Chapter 5). A total of CHF 10'314'949 was received from the SDC in 2021. For 2022, a CHF 500'000-provision has been made for a humanitarian aid

project in the Congo. This brings to CHF 9'814'949 the SDC contribution recorded in 2021.

6.4.3 Target amounts of cantonal churches in CHF 2020 2021		
Contribution targets for Cantonal Churches as set out in Chapter 7	2'237'672	2'190'312
Total	2'237'672	2'190'312

6.4.4 Communications (net expenditure) in CHF	2020	2021
Communications and general advertising expenditure.	2'625'391	4'362'668
Net total	2'625'391	4'362'668

6.4.5 Fundraising (net expenditure) in CHF	2020	2020
Fundraising	4'219'548	5'130'712
Net total ¹	4'219'548	5'130'712

Use was made of customary special terms during the reporting year.

¹) Net fundraising expenditure is calculated in accordance with Zewo criteria.

6.4.6 Administration and communications in CHF	2020	2021
Administrative expenses by Zewo definitions ¹	11'824'076	14'710'725
As % of total expenses	16,1 %	16,5 %

¹) The booking of some aspects of administrative expenditure in the annual financial statements diverges from Zewo criteria. The expenditure shown here is therefore that calculated in accordance with Zewo criteria.

6.4.7 Financial result from investment income in CHF	2020	2021
Financial income		
Income from shares	361'115	491'031
Income from bonds	0	50'585
Other interest income	3'800	2'900
Price differences on shares (realized and unrealized)	375'978	2'521'926
Other financial income	43	64
Miscellaneous income	2'103	0
Total	743'040	3'066'505
Financial expenses		
Financial expenses	-94'677	-130'826
Other financial expenses	73'290	-217'662
Total	-21'387	-348'488
Net financial result	721'653	2'718'017

6.4.8 Real estate performance in CHF	2020	2021
Real estate income	442'194	351'397
Real estate expenses	-106'801	2'846'779
Depreciation on land and buildings (see 6.3.4)	-91'642	-91'642
Depreciation on restricted non-current assets (see 6.3.7)	-45'457	-7'576
Appropriation from earmarked real estate to humanitarian aid	-37'000	-2'962'960
Total	161'293	135'997

6.4.9 Extraordinary one-off expenditure / income in CHF	2020	2021
One-off compensatory payments into the severance scheme reserve, on the back of the merger ¹	0	-820'000
Total	0	-820'000

1) To the HEKS/EPER employee benefits foundation (CHF 500'000), to Stiftung Abendrot (CHF 300'000), and other wage compensation payments (CHF 20'000)

6.4.10 Change in value fluctuation reserve in CHF	2020	2021
Value fluctuation reserve for securities from annual result	-576'155	-1'265'833
Value fluctuation reserve for securities from free funds	0	-910'000
Total	-576'155	-2'175'833

To cushion price fluctuations affecting non-current assets, HEKS/EPER creates a value fluctuation reserve for securities. No donations may be used

to create this reserve (for target amount and calculation, see 6.3.13).

6.5 FURTHER INFORMATION

All amounts in CHF	2020	2021
Debt guarantees and guarantee obligations	p.m.	p.m.
Joint and several liability from participation in the following ordinary partnerships: – ARGE TEXAID (see Notes, 6.3.5) – Alliance Sud, Berne Textilverwertungs AG, Schattdorf (TEXAID, see Notes, 6.3.5): Loan guarantee contract worth CHF 200'000 (subordinated loan)		
Leasing / rental liabilities		
There are no lease obligations. Rental obligations that cannot expire or be terminated within 12 months amount to CHF 6'393'326 (aprevious year CHF 6'998'439). Of this amount, CHF 1'142'460 is due within the next 12 months, CHF 3'553'768 in 1 to 5 years' time and CHF 1'255'633 in over 5 years.		
Liens		
Property, plant and equipment are free of liens.		
Liabilities to pension schemes	0	38'211
Total depreciation	765'447	466'378
Staff costs	37'789'483	44'457'234
of wich occupational pension contributions	2'319'724	2'832'097
Board of Trustee remuneration	40'630	73'701
including to the President (honorariums and attendance fees)	30'380	30'752
Remuneration of the Executive Board (incl. employer contributions)	813'806	833'352
including employer contributions	130'626	130'160
one-off compensation to BfA Executive Board (incl. employer contributions)	0	668'470
of which, one-off employer contributions to BfA Executive Board	0	83'528
Remuneration to the Director	155'430	156'674
Auditors' fee		
Audit services relating to the verification of the annual financial statements	55'968	75'800
Additional merger-related fees and VAT	0	61'703
Volunteer work		
The following hours of unpaid work were done	9813	86'165
of which, devoted to ecumenical campaigns (2021)		71'400
Associated organizations		
Alliance Sud Contribution paid	390'572	645'572
ACT Alliance Contribution paid	104'499	88'791
Act Alliance EU Contribution paid	33'120	49'779
World Council of Churches Contribution paid	63'725	185'000
Fairunterwegs Contribution paid	0	15'000
ART link Contribution paid	0	20'427
humanrights.ch Contribution paid	12'500	10'000

Representation in bodies

HEKS/EPER is member of local and international organizations.

Representation in leading bodies:

- ACT Alliance EU Board
- Alliance Sud, Bern
- Arbeitsgemeinschaft TEXAID, Schattdorf
- Ausschuss der Diakoniekonferenz der Evangelisch-reformierten Kirche Schweiz (EKS)
- Fondia Stiftung zur Förderung der Gemeindediakonie im SEK, Berne
- Responsible Business Coalition

Memberships:

- ACT Alliance
- Age and Migration national forum
- Cinfo
- Evangelische Frauen Schweiz
- Federal Commission on Migration
- Fairunterwegs
- Global Network for the Right to Food and Nutrition
- humanrights.ch
- IRAS COTIS Communauté de travail interreligieuse en Suisse
- KOFF/Swisspeace (platform of Swiss organizations engaged in peacebuilding)
- Max Havelaar Foundation
- NPO Finanzforum
- Pro Fonds
- SKOS Swiss Conference of Welfare Organizations
- Swiss Climate Alliance
- Swiss Fairtrade
- Swiss NGO DRR Plattform
- Swiss Water Partnership (SWP)
- Transparency International
- Verband Arbeitsintegration Schweiz
- Verein Benevol (umbrella organization for volunteering)
- WCC World Council of Churches
- Zewo
- Platform Agenda 2030 Switzerland

Events occurring after the balance sheet date

No events occurred between 31 December 2021 and the date of approval of these financial statements which would warrant any adjustment of the book values of HEKS/EPER assets and liabilities as at 31 December 2021 or which should be published here. On 8 April 2022 the Board of Trustees approved the annual financial statements for publication.

7 CONTRIBUTIONS FROM SPONSORING CHURCHES

in CHF

Sponsoring churches 2021	Regular target amount	Contributions received	Target amount for refugee work	Contributions received
Aargau	188'756	189'284	79'771	79'771
Appenzell, both	26'301	26'374	11'115	11'115
Rural Basel	112'722	113'037	47'638	47'638
Basel City	27'451	31'399	11'601	11'601
Berne-Jura-Solothurn	622'492	622'492	263'073	51'741
Fribourg	33'863	33'958	14'311	14'311
Geneva, Eglise évangélique libre	0	0	0	0
Geneva, Eglise protestante	31'257	31'344	13'210	13'210
Glarus	15'244	15'286	6'442	6'442
Grisons	72'709	72'912	30'728	30'728
Lucerne	42'708	42'827	18'049	18'049
Neuchâtel	20'856	20'915	8'814	8'814
Nidwalden	5'502	5'517	2'325	2'325
Obwalden	3'806	3'817	1'609	1'609
St. Gallen	128'744	129'104	54'409	54'409
Schaffhausen	32'364	32'454	13'677	13'677
Schwyz	19'527	19'582	8'252	8'252
Solothurn	26'005	26'078	10'990	10'990
Ticino	3'159	1'610	1'335	1'507
Thurgau	103'370	90'000	43'685	20'000
Uri	1'462	1'466	618	619
Vaud	216'034	0	91'299	27'890
Valais	6'499	6'517	2'747	2'747
Zug	31'672	31'760	13'385	13'385
Zurich	665'439	667'306	281'225	0
United Methodist Church Zurich	11'020	11'020	4'657	4'657
Total	2'448'962	2'226'059	1'034'965	455'488

Individual contributions of target amounts from sponsoring churches for legal advice and representation of asylum seekers and for the work of integrating socially disadvantaged people are made on a project-specific basis and are not shown here. Of the regular target amount shown here, CHF 35'747 was allocated for direct project funding in Switzerland.

8 MANAGEMENT REPORT

Purpose of the organization

HEKS/EPER acts on behalf of the Protestant Churches in Switzerland. Its fields of activity are determined by mandates from these sponsors. Internationally, they are Development cooperation and humanitarian aid in Africa, Asia, Europe and Latin America as well as church cooperation in Eastern Europe and the Middle East. In Switzerland, they are Social inclusion and advocacy for asylum seekers, recognized refugees and other socially disadvantaged people, as well as public relations (information in Switzerland).

Organs

Information on the Board of Trustees, Control Committee and Organizational chart can be found online at en.heks.ch/annual-report

Full-time equivalents / staff complement

As of 31.12.2021 the staff complement was equivalent to 275,1 fulltime positions.

All amounts in CHF

EXPENDITURE FOR WORK IN SWITZERLAND

	Aargau/ Solothurn	Both Basel	Berne	Eastern Switzerland	Zurich/ Schaffhausen	Suisse romande	All of Switzerland ¹	Total 2021
Advocacy for the socially disadvantaged	709'861	434'461	0	659'511	673'164	1'816'836	5'073'185	9'367'017
Legal advice and representation for asylum seekers	709'861	434'461	0	574'677	673'164	720'737	5'058'545	8'171'445
<i>Legal advice for asylum seekers</i>	709'861	434'461	0	550'762	673'164	685'390	5'058'545	8'112'182
<i>Contributions to legal advice centres for asylum seekers</i>	0	0	0	23'915	0	35'347	0	59'263
Social aid representation during interviews of asylum seekers	0	0	0	0	0	-12'086	0	-12'086
Various projects relating to advocacy for the socially deprived	0	0	0	84'834	0	1'108'185	14'640	1'207'659
Social Integration	1'808'478	1'856'482	4'348'644	1'811'125	2'624'829	1'422'717	3'820'405	17'692'681
Labour market integration	79'753	0	3'150'367	348'858	187'506	4'743	0	3'771'228
Employment programmes (daily structures)	275'626	115'018	249'511	312'426	1'996'117	200'232	0	3'148'930
Housing and shelter	1'352'123	1'024'061	0	0	0	0	0	2'376'183
Language courses	0	0	948'765	1'094'871	255'806	209'773	0	2'509'215
Intercultural translation and intermediation	-20'654	611'241	0	0	0	379'818	3'820'405	4'790'810
Early childhood and parent education	0	11'236	0	0	0	0	0	11'236
Age and migration	121'629	94'927	0	54'971	185'400	628'152	0	1'085'079
Various projects and project contributions	17'935	0	43'409	106'020	56'355	266'939	21'414	512'073
Various projects	10'685	0	42'359	106'020	53'624	266'939	7'800	487'428
Project contributions to third parties	7'250	0	1'050	0	2'731	0	13'614	24'645
Project support and groundwork	227'423	269'349	235'337	187'528	219'349	266'896	740'667	2'146'548
Overall expenditure for work in Switzerland	2'763'697	2'560'293	4'627'389	2'764'185	3'573'697	3'773'389	9'655'670	29'718'319

¹⁾ Including legal protection mandate and Linguaduct

PROJECT CONTRIBUTIONS WORK ABROAD

Strategic priority topics	Europe	Africa	Asia	Latin America	Supranational	Total 2021
Development cooperation	2'186'542	5'411'175	3'922'693	2'330'743	3'073'135	16'924'289
Church cooperation	1'629'005	0	438'441	0		2'067'446
Total expenditure for projects abroad (excl. humanitarian aid)	3'815'548	5'411'175	4'361'134	2'330'743	3'073'135	18'991'735
Transnational projects and networks					1'915'513	1'915'513
Project support and groundwork						2'947'042
Total expenditure work abroad (excl. humanitarian aid)	3'815'548	5'411'175	4'361'134	2'330'743	4'988'648	23'854'290
Humanitarian aid projects						16'336'234
Project support and groundwork ¹						1'075'817
Total expenditure humanitarian aid						17'412'051
Overall expenditure for work abroad						41'266'341

1) Project support and management costs are allocated to humanitarian aid according to the costs-by-cause principle.

HUMANITARIAN AID	2020	2021	+/-
Africa regional	0	25'560	25'560
Asia regional	89'295	18'382	-70'912
Bangladesh	3'016'670	3'922'459	905'789
Brazil	-1'245	2'506	3'751
Cambodia	0	761'041	761'041
Democratic Republic of the Congo	3'684'512	4'884'700	1'200'188
Ethiopia	454'468	69'282	-385'186
Haiti	1'203'447	1'626'017	422'570
Honduras	174'786	830'418	655'632
Indonesia	113'783	0	-113'783
Iraq	119'109	356'723	237'614
Lebanon	682'898	1'482'160	799'262
Myanmar	0	66'215	66'215
Palestine/Israel	414'024	611'009	196'985
Serbia	0	72'292	72'292
South Sudan	341'077	165'885	-175'192
Syria	152'597	432'038	279'441
Uganda	234'278	240'361	6'084
Yemen	16'263	0	-16'263
Venezuela	529'412	764'107	234'694
Zimbabwe	74'554	5'080	-69'474
Total project contributions Humanitarian aid	11'299'928	16'336'234	5'036'306

SUPRANATIONAL TASKS	2020	2021	+/-
Supranational tasks in Europe, Africa, Asia and Latin America	935'542	4'988'648	-93'058
Total project contributions supranational tasks	935'542	4'988'648	-93'058
EUROPE	2020	2021	+/-
Europe regional	257'468	272'837	15'369
Armenia	426'217	394'486	-31'731
Czech Republic	66'393	0	-66'393
Georgia	1'685'950	525'612	-1'160'338
Hungary	269'786	231'878	-37'908
Italy	32'617	27'557	-5'060
Kosovo	161'741	500'238	338'496
Republic of Moldova	253'672	0	-253'672
Romania	849'396	1'053'504	204'107
Serbia	343'223	439'719	96'496
Slovakia	65'289	36'034	-29'255
Ukraine	280'215	333'683	53'468
Total project contributions Europe	4'691'968	3'815'548	-876'420
AFRICA	2020	2021	+/-
Democratic Republic of the Congo	529'865	622'609	92'744
Ethiopia	766'666	2'013'502	1'246'837
Niger	1'601'710	1'328'266	-273'444
Senegal	916'409	861'312	-55'097
Uganda	269'520	585'486	315'966
Total project contributions Africa	4'084'170	5'411'175	1'327'005
ASIA	2020	2021	+/-
Asia regional	43'087	0	-43'087
Bangladesh	1'492'246	2'182'143	689'897
Cambodia	982'435	941'362	-41'073
India	204'091	12'974	-191'117
Lebanon	46'145	76'676	30'530
Myanmar	87'005	296'484	209'479
Palestine/Israel	352'948	489'730	136'782
Syria	445'949	361'765	-84'183
Total project contributions Asia	3'653'906	4'361'134	707'228
LATIN AMERICA	2020	2021	+/-
Latin America regional	101'793	723'531	621'738
Brazil	836'950	420'318	-416'633
Colombia	385'962	109'434	-276'528
Haiti	599'274	737'556	138'282
Honduras	640'452	339'905	-300'547
Total project contributions Latin America	2'564'430	2'330'743	-233'687

9 AUDITORS' REPORT



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Report of the Statutory Auditor to the Board of Trustees of Foundation Swiss Church Aid (HEKS /EPER), Zurich

Report of the Statutory Auditor on the Financial Statements

As statutory auditor, we have audited the annual financial statements shown on page 3 to 23 of Foundation Swiss Church Aid (HEKS / EPER), which comprise the balance sheet, income statement, cash flow statement, statement of changes in equity and notes for the year ended December 31, 2021. In accordance with Swiss GAAP FER 21 the information in the performance report is not subject to audit or examination work performed by the statutory auditor.

Board of Trustees' Responsibility

The board of trustees is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law, the foundation's charter and regulations and Swiss GAAP FER. 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 trustees 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, 2021 comply with Swiss law, the foundation's charter, the regulations and give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER.

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 728 CO) and that there are no circumstances incompatible with our independence.

In accordance 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 board of trustees.

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

KPMG AG

{{Signatureleft}}
Reto Kaufmann
Licensed Audit Expert
Auditor in Charge

{{Signatureright}}
Jonas Herzig
Licensed Audit Expert

Zurich, 8 April 2022

10 GENERAL NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Overview

With the completion of the merger with Bread for All (BfA) and thanks to increased receipts for humanitarian aid and from unearmarked donations, our annual accounts have evolved as follows: operating income has risen to 98,8 million francs and expenditure to 89,2 million francs.

In 2021, HEKS/EPER allocated altogether 74,3 million francs for 217 projects abroad and in Switzerland. Some 13,8 million francs went to supporting development cooperation projects in Africa, Asia, Latin America and Europe. Another 2,1 million francs went towards church cooperation in Eastern Europe and the Middle East. HEKS/EPER also provided 16,3 million francs in humanitarian aid after droughts and disasters stemming from natural hazards, and in conflict zones. HEKS/EPER spent 27,6 million francs in Switzerland: 17,7 million francs on projects to promote inclusion for socially underprivileged people and 9,4 million francs on the provision of legal advice services for asylum seekers, recognized refugees and other target groups.

Income

Income from operations was a gratifying 9,6 million francs. The result was roughly 4,0 million francs higher than the previous year's figure (2020: up 5,6 million francs). This made it possible to increase the fund and accumulate capital.

Based on the type of income, 15,1 million francs (15 %) could be attributed to cantonal churches, church parishes and other church organizations. Contributions from the Confederation, cantons and municipalities amounted to 21,1 million (21 %), from private persons, 25,3 million francs (26 %), and from Swiss Solidarity, 2,9 million (3 %). Income from services provided by the five Branch Offices in German-speaking Switzerland and the Siège romande contributed 19,1 million francs (19 %) to the overall result. Other revenue and foundations accounted for 15,3 million francs (16 %).

Expenditure

For work done abroad, project spending in Europe was 3,8 million francs (prior year 4,7 million francs). The contraction occurred mainly in Moldova and Georgia. Spending in Latin America was 2,3 million francs (2,6 million francs the previous year). In that continent, a decline was especially noticeable for Brazil, Honduras and Colombia. The unstable political situation in some project countries, combined with difficult operating environments caused by financial restrictions and embargoes, also accounted in part for the contraction in expenditure. In Asia and Africa, in contrast, project spending rose by 2 million to CHF 9,8 million francs, more specifically in Bangladesh, Ethiopia and Uganda.

Compared with the prior year, humanitarian aid spending varied considerably depending on project country. Overall expenditure rose by 5,0 million francs, including in Bangladesh (up 0,9 million francs), the Democratic Republic of the Congo (up 1,2 million francs), Honduras (up 0,7 million francs), Cambodia (up 0,7 million francs) and in Lebanon (up 0,8 million francs). On the other hand, expenditure fell in several other regions – including in Iraq (down 0,1 million francs), Ethiopia (down 0,4 million francs) and South Sudan (down 0,2 million francs).

Work in Switzerland developed further with the addition of new programmes, which meant a spending increase of 0,9 million francs, to a total of 29,7 million francs (previous year, 28,8 million francs). Costs were optimized across all projects, with income remaining almost unchanged.

Administrative costs

The share of administrative costs in total expenditure (14,7 million francs) was 16,5% (Zewo guideline). HEKS/EPER is therefore still below the maximum for Zewo-certified non-profit organizations (25%).

Financial and real estate income

Income from real estate increased to 0,1 million francs. On the back of favourable stock market conditions, asset investments yielded a net book profit of 2,7 million francs. The value fluctuation reserve was increased by 1,3 million francs, this amount being charged against the operating result. Besides, a further 0,9 million francs were allocated to the value fluctuation reserve, reflecting increased investments in our portfolios (including from legacies).

Funding trends

Owing to the difference between expenditure and income, 8,7 million francs (6,2 million francs in 2020) were taken from operating income and allocated to existing funds for work in Switzerland and abroad. The new fund capital therefore stands at 49,0 million francs: 15,7 million francs in Switzerland, 21,2 million francs abroad and 12,1 million francs in humanitarian aid.

Result

In addition to increasing the value fluctuation reserve (1,3 million francs), an amount of 1,7 million francs was withdrawn from the organization's tied capital, and an amount of 3,3 million francs allocated to free capital. This balances the annual result.

11 THANK YOU

We are deeply grateful to all donors who have supported our work through large and small contributions as well as personal involvement, for their commitment and for the trust they have placed in us.

Church parishes and city associations contribute substantially to the funding of our projects. In 2020 they supported us to the tune of some CHF 10,5 million. The following are the church parishes that transferred 10'000 francs or more directly to HEKS/EPER in the year under review. Church parishes that contributed through Cantonal Churches are not listed. A big thank you goes also to the Cantonal Churches and to the Evangelical Methodist Church of Switzerland.

Aware that many smaller church parishes, partners, foundations and authorities embrace our causes with determination and enthusiasm, we take this opportunity to convey our gratitude for all donations large or small, which enable HEKS/EPER to effect big changes from small beginnings. We also thank the countless private persons who supported us with donations. We will use donations conscientiously and effectively – for a more just and a more humane world.

The following church parishes have donated 10'000 francs and more: Aarau, Affoltern, Arlesheim, Belp-Belpberg-Toffen, Berne, Biberist-Gerlafingen, Biel, Binningen-Bottmingen, Bolligen, Bremgarten-Mutschellen, Brienz, Bülach, Burgdorf, Bürglen, Davos Platz, Degersheim, Diessbach, Dietikon, Dübendorf-Schwerzenbach, Ennenda, Erlenbach, Fällanden, Frick, Gelterkinden, Goldach, Grosshöchstetten, Gsteig-Interlaken, Haute-Birse, Heimberg, Herrliberg, Herzogenbuchsee, Hilterfingen, Hinwil, Hombrechtikon, Horgen, Illnau-Effretikon, Jenins, Jegenstorf, Kölliken, Köniz, Koppigen, Küsnacht, Langnau, Laufen, Luzern, Luzern-Stadt, Lützelflüh, Männedorf, Maur, Meggen-Adligenswil, Meilen, Meiringen, Mellingen, Mittleres Toggenburg, Münchenbuchsee, Münsingen, Muri-Gümligen, Neuenegg, Nidau, Nydeggen, Oberdiessbach, Oberwil, Oberwinterthur, Obwalden, Opfikon, Ostermundigen, Pfäffikon, Rapperswil, Rein, Rheinfelden, Rondchâtel, Rüti, Sargans, Seengen, Seuzach, Sihltal, St. Gallen, Stäfa, Stallikon-Wettswil, Steffisburg, Spiez, St-Imier, Sursee, Thun, Thun-Stadt, Thurnen, Turbenthal-Wila, Unterseen, Uster, Uznach, Vechigen, Veltheim, Wädenswil, Wallisellen, Weesen-Amden, Wetzikon, Wichtrach, Windisch, Winterthur Stadtkirche, Winterthur-Töss, Worb, Zofingen, Zollikofen, Zollikon, Zurich, Zurich-Witikon.

We are also especially grateful to the partners, authorities and foundations that have generously supported us in the year 2021.

Partners: Association Augustinus, Association Catholique Romaine, Bread for All, Bread for the World, Caritas Aargau, Caritas both Basels, Caritas Berne, Caritas Vaud, Caritas Zurich, Vaud Protestant Social Centre, Chiese Evangeliche Valdesi, Christkatholische Kirchgemeinde Zürich, CST (CAFOD, SCIAF, Trócaire) Ethiopia, Dan Church Aid, Evangelical Church of Czech Brethren, Prague, Evangelische Frauen Schweiz EFS, Fondation Hirondelle, Swiss Solidarity, Helvetas, ICCO (Cordaid), Katholische Kirchgemeinde Sursee, Katholisches Konfessionsteil St.Gallen, Norwegian Church Aid, Promotion santé Suisse, Pro Senectute Canton of Zurich, Rom. Cath. Church of Basel City, Rom. Cath. Church of Rural Basel, Rom. Cath. Church Thurgau, Rom. Cath. Synod of the Canton of Solothurn, Rom. Cath. Church Zurich, Red Cross Canton Thurgau, Swiss Conference of Cantonal Ministers of Education, Lutheran World

Federation, Swiss Red Cross, Service for International Solidarity, SOS-Asile Vaud, Swisscontact, Texaid Textilverwertungs AG.

Confederation: Federal Department of Foreign Affairs (FDFA), State Secretariat for Migration (SEM), Swiss Agency for Development and Cooperation (SDC).

Cantons: Aargau, Appenzell-Ausserrhoden, Rural Basel, Basel City, Fédération vaudoise de coopération (FEDEVACO), Glarus, Loterie Romande Genève, Loterie Romande Neuchâtel, Lucerne, Schaffhausen, Service for International Solidarity (SSI) Geneva, St. Gallen, Thurgau, Vaud, Valais, Zurich.

Cities and communes: Berne, Bernex, Biel, Geneva, Lausanne, Lucerne, Meyrin, Riehen, St. Gallen Stadtwerke, Thonex, Winterthur, Zurich.

Foundations, companies and associations: Adele Koller-Knüsli Stiftung, Annie und Rudolf Kaufmann-Hagenbach-Stiftung, Careerplus SA, Christoph Merian Stiftung, Däster-Schild Stiftung, Ehmman Stiftung Savognin, Ernst Göhner Stiftung, Ferster-Stiftung, Fondation Alfred & Eugénie Baur, Fondation de l'Hôpital de la Providence, Fondation Gertrud Hirzel, Fondation H. Looser, Fondation Philanthropique Famille Sandoz, Fondation Audemars-Piguet, Fondation DSR, Fondation Lord Michelham of Hellingly, Fondation Pierre Demaurex, Fondation pour l'aide au protestantisme réformé, Fondation smartpeace, FONDIA Stiftung zur Förderung der Gemeinédiakonie, Frischwind, Gebauer Stiftung, Gesundheitsförderung Schweiz, Gemeinnützige Gesellschaft des Kantons Zürich, Gemeinnützige Stiftung Accentus, GGG Basel, Günther Caspar-Stiftung, Leopold Bachmann Stiftung, Medicor Foundation Liechtenstein, Migros-Genossenschafts-Bund, Migros Kulturprozent, OAK Philanthropy Ltd., Otto Erich-Heynau Stiftung, Palatin Stiftung, Pro Senectute Aargau, Plato Stiftung, Rütli Stiftung, Schweizerische Gemeinnützige Gesellschaft, Steinegg Stiftung, Stiftung Corymbo, Stiftung Drittes Millennium, Stiftung Erika und Andres Gut, Stiftung Kriegstrauma-Therapie, Stiftung Sonnenschein, Stiftung Temperatio, Stiftung U.W.Linsi, Stiftung zur Förderung der Lebensqualität, UBS Foundation for Social Issues and Education, Walder Stiftung.

Swiss Solidarity: Swiss Solidarity provided CHF 2,9 million in support to HEKS/EPER last year.

International donors: ACT Alliance, United Nations Office for the Coordination of Humanitarian Affairs (UN-OCHA), Office of Foreign Affairs Liechtenstein, United States Agency for International Development (USAID), Bread for the World, Dutch Relief Alliance, EEA & Norway Grants, European Commission (DG INTPA, DG Justice), Directorate-General for European Civil Protection and Humanitarian Aid (ECHO), International Organization for Migration (IOM), United Nations Children's Fund (UNICEF), Ministry of Foreign Affairs Denmark (DANIDA), Ministry of Environment Cambodia, United Nations World Food Programme (WFP), World Health Organization (WHO).

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en.heks.ch/financial-report





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