



Financial report 2022



**HEKS
EPER**
Bread for all.

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2 Balance sheet

in CHF	Notes	31.12.21	31.12.22
ASSETS			
Cash and cash equivalents	6.3.1	40'388'719	48'198'377
Securities listed on a stock exchange	6.3.2	34'754'745	31'430'608
Receivables	6.3.3	6'851'825	13'673'425
Prepaid expenses and accrued income	6.2	2'240'214	5'446'379
Total current assets		84'235'503	98'748'790
Financial assets	6.3.5	2'649'876	3'342'123
Property, plant and equipment	6.3.4	4'899'195	4'821'080
Intangible assets	6.3.6	432'610	255'433
Total non-current assets		7'981'682	8'418'636
TOTAL ASSETS		92'217'184	107'167'426
LIABILITIES			
Trade accounts payable		1'514'090	6'202'384
Other short-term liabilities	6.3.8	7'040'432	6'839'885
Accrued expenses and deferred income	6.3.9	4'699'879	14'732'823
Total short-term liabilities		13'254'401	27'775'092
Long-term financial liabilities	6.3.10	1'000'000	0
Provisions	6.3.11	991'366	931'456
Total long-term liabilities		1'991'366	931'456
Total earmarked funds	6.3.12	49'044'209	54'299'808
Total liabilities including fund capital		64'289'975	83'006'357
Foundation capital		300'000	300'000
Unrestricted capital		18'996'044	15'937'356
Tied capital	6.3.13	8'631'165	7'923'713
Total capital of the organisation	6.3.14	27'927'209	24'161'069
TOTAL LIABILITIES		92'217'184	107'167'426

3 Statement of operations, income

in CHF

Notes

2021

2022

INCOME FOR WORK IN SWITZERLAND

Contributions and donations from churches		2'030'351	1'986'155
Donations and bequests from private persons		1'432'568	971'253
Income from services	6.4.1	19'055'349	25'017'088
Confederation		442'083	-16'955
Cantons and communes		6'845'457	7'474'971
Foundations		1'504'502	1'397'564
Contributions from various organizations		641'020	579'330
Contributions and donations from institutions		28'488'411	34'451'998
Total income for work in Switzerland		31'951'330	37'409'406

INCOME FOR WORK ABROAD (excl. humanitarian aid)

Cantonal churches and church parishes		3'333'121	3'544'161
Bread for All		0	-6'093
Other church organisations		633'638	462'290
Miscellaneous		505'014	139'414
Contributions and donations from churches		4'471'774	4'139'772
Donations and bequests from private persons		2'833'431	3'840'735
Confederation	6.4.2	9'543'641	10'235'131
Cantons and communes		1'503'740	1'236'498
Foundations		3'348'959	3'973'765
Contributions from various organizations		2'404'652	4'042'446
Contributions and donations from institutions		16'800'992	19'487'840
Miscellaneous		63'071	62'326
Total income for work abroad (excl. humanitarian aid)		24'169'267	27'530'673

INCOME FOR HUMANITARIAN AID

Cantonal churches and church parishes		800'667	2'373'608
Other church organizations		0	0
Miscellaneous		122'483	98'043
Contributions and donations from churches		923'150	2'471'651
Donations and bequests from private persons		4'940'937	4'865'350
Swiss Solidarity		2'918'747	2'677'088
Confederation	6.4.2	2'360'040	1'068'532
Cantons and communes		426'635	575'253
Foundations		1'209'560	1'637'133
Contributions from various organisations		5'769'609	17'693'639
Contributions and donations from institutions		12'684'592	23'651'645
Total income for humanitarian aid		18'548'678	30'988'647

NON-EARMARKED INCOME

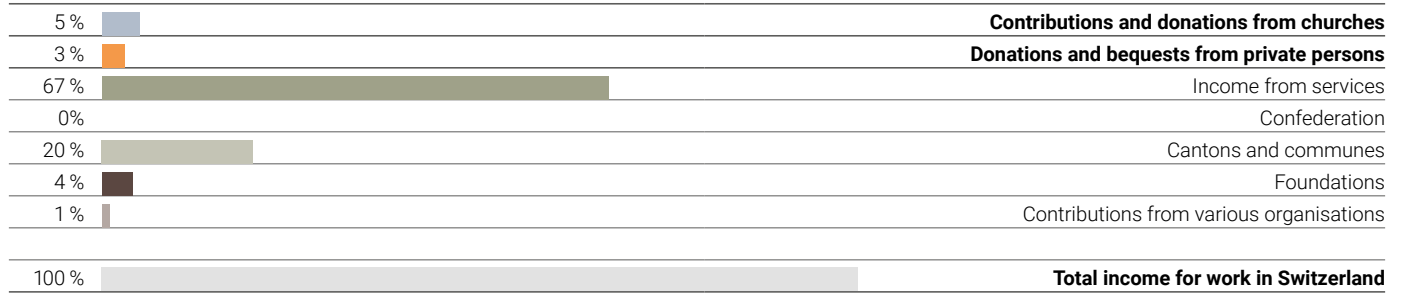
Target amounts of the cantonal churches	6.4.3	2'190'312	2'183'628
Cantonal churches and church parishes		2'201'507	4'314'724
Private persons		9'103'085	8'773'455
Bequests		6'979'769	1'918'017
Information and awareness-raising		2'569'356	0
Miscellaneous		1'080'956	850'541
Total non-earmarked income		24'124'986	18'040'364

TOTAL INCOME/OPERATIONAL PERFORMANCE

98'794'261

113'969'090

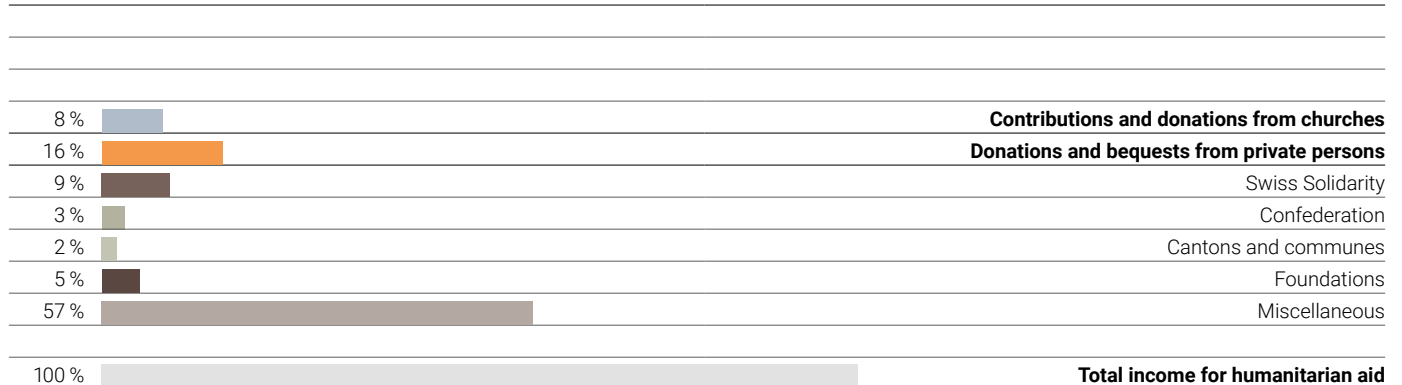
INCOME FOR WORK IN SWITZERLAND: CHF 37.4 MILLION



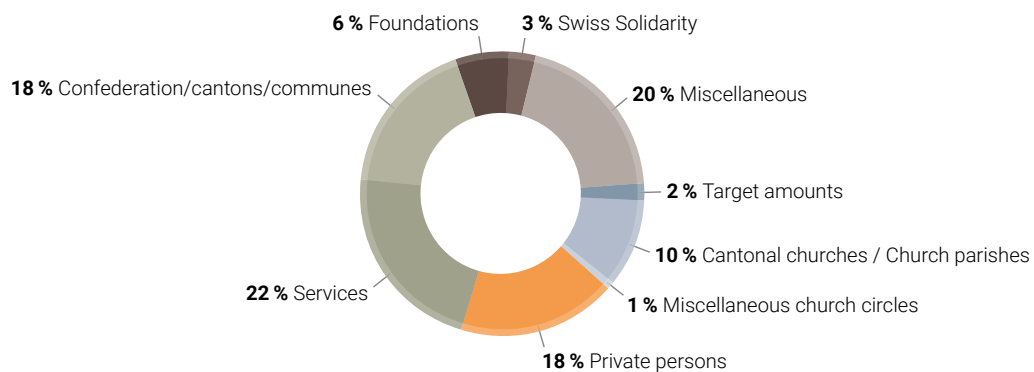
INCOME FOR WORK ABROAD: CHF 27.5 MILLION (excl. humanitarian aid)



INCOME FOR HUMANITARIAN AID CHF 31.0 MILLION



TOTAL INCOME: CHF 114.0 MILLION



3 Statement of operations, expenditure

in CHF

Notes

2021

2022

EXPENDITURE FOR WORK IN SWITZERLAND

Legal advice and representation for asylum seekers	8'171'445	10'437'722
Social aid representation during interviews of asylum seekers	-12'086	0
Various projects regarding advocacy for the socially disadvantaged	1'207'659	1'365'095
Advocacy for the socially disadvantaged	9'367'017	11'802'817
Labour market integration	3'771'228	3'792'785
Structured daily routines and encounters	3'148'930	3'214'268
Assisted living	2'376'183	2'563'282
Language	2'509'215	2'881'556
Intercultural interpreting and mediation	4'790'810	5'011'384
Child and parent education	11'236	71'232
Age and migration	1'085'079	1'130'687
Social Integration	17'692'681	18'665'195
Various projects and project contributions	512'073	1'429'253
Total expenditure for projects in Switzerland	27'571'770	31'897'265
Project support and groundwork	2'146'548	2'338'006
Total expenditure for work in Switzerland	29'718'319	34'235'270

EXPENDITURE FOR AWARENESS-RAISING AND MOBILISATION

Development and social policy commitment		2'484'459
Information and awareness-raising	3'313'849	1'980'211
Total expenditure for awareness-raising and mobilisation	3'313'849	4'464'670

EXPENDITURE FOR WORK ABROAD

Development cooperation	13'851'154	17'804'299
Church cooperation	2'067'446	2'262'069
Development Policy Programme South	3'073'135	0
Total expenditure for projects abroad (excl. humanitarian aid)	18'991'735	20'066'368
Transnational projects and networks	1'915'513	1'461'211
Project support and groundwork	2'947'042	2'690'186
Total expenditure for work abroad (excl. humanitarian aid)	23'854'290	24'217'766
Humanitarian aid projects	16'336'234	29'260'679
Project support and groundwork	1'075'817	1'057'692
Total expenditure for humanitarian aid	17'412'051	30'318'372
Total expenditure for work abroad	41'266'341	54'536'137
Total expenditure for project work	74'298'509	93'236'078

ADMINISTRATION AND COMMUNICATIONS

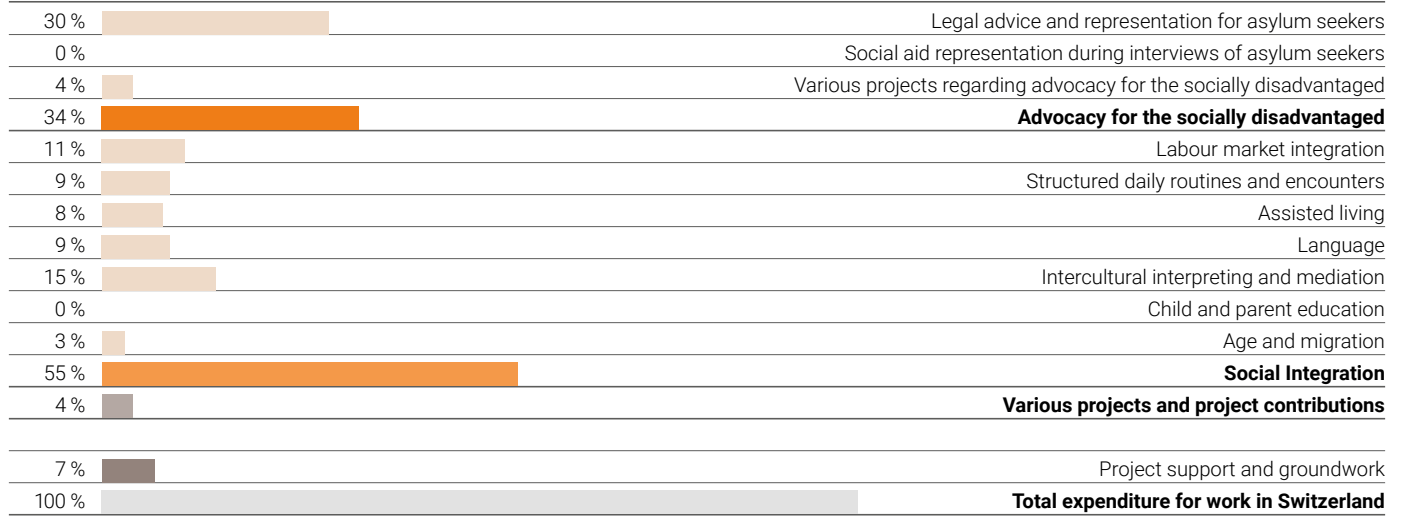
Central Administration		5'437'573	5'963'113
Communications and general advertising expenses (net expenditure)	6.4.4	4'362'668	4'589'569
Fundraising (net expenditure)	6.4.5	5'130'712	4'334'079
Total administration and communications	6.4.6	14'930'953	14'886'762

TOTAL EXPENDITURE FOR PROVISION OF SERVICES

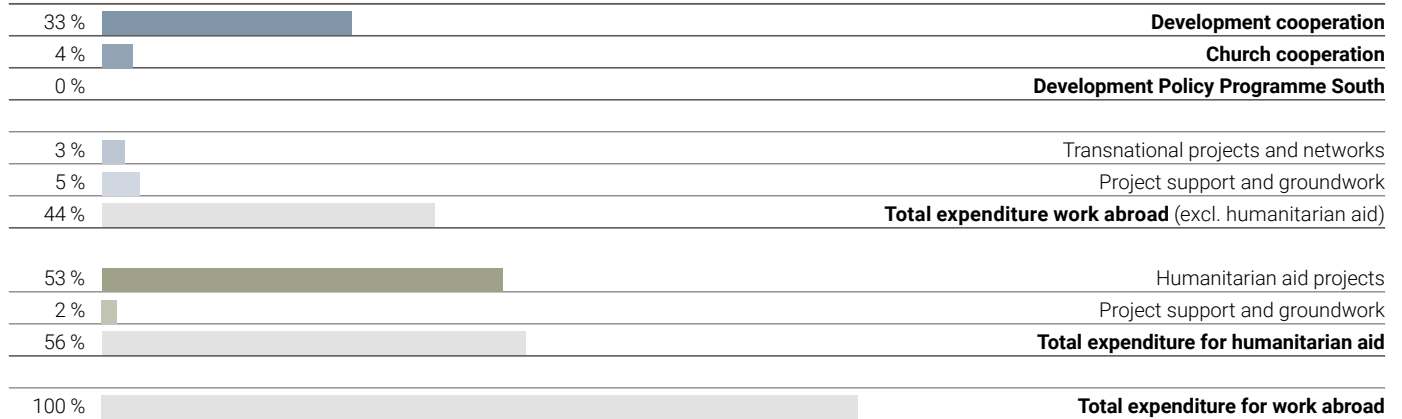
89'229'462

108'122'839

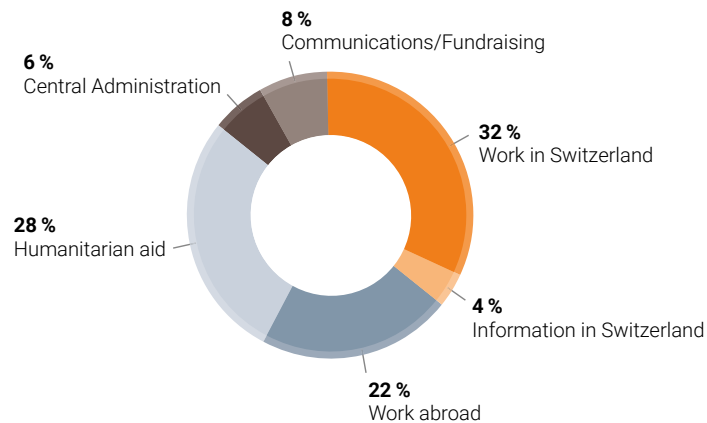
EXPENDITURE FOR WORK IN SWITZERLAND: CHF 34.2 MILLION



EXPENDITURE FOR WORK ABROAD CHF 54.5 MILLION



TOTAL EXPENDITURE FOR PROVISION OF SERVICES: CHF 108.1 MILLION



3 Operating statement, result

in CHF	Notes	2021	2022
OPERATING RESULT		9'564'799	5'846'250
Financial income from capital investments	6.4.7	3'066'505	937'393
Financial costs of investments	6.4.7	-348'488	-5'447'837
Real estate performance	6.4.8	135'997	153'654
Extraordinary, non-recurring or prior period expenditure and income	6.4.9	-820'000	0
RESULT BEFORE CHANGE IN FUND CAPITAL		11'598'813	1'489'460
Changes to funds (increase - / decrease +)		-8'740'070	-5'255'600
Total changes to funds		-8'740'070	-5'255'600
ANNUAL RESULT (BEFORE CHANGES TO CAPITAL OF THE ORGANISATION)		2'858'744	-3'766'139
Change tied capital (allocation - / withdrawal +)		1'690'584	0
Strategic development projects organisation-wide	6.4.10	-1'265'833	707'451
Change unrestricted capital (allocation - / withdrawal +)		-3'283'494	3'058'689
		0	0

4 Cash flow statement as at 31 December

in CHF

2021

2022

CASH FLOW FROM OPERATING ACTIVITIES

Annual result (before allocation to capital of the organisation)	2'858'743	-3'766'139
Change in fund capital	8'740'070	5'255'600
Depreciation on property, plant and equipment / intangible assets	466'378	476'278
Proceeds from sale of earmarked property	-2'962'960	0
Provisions (creation + / release -)	74'680	-59'909
Other non-cash expenses (+) / income (-)	0	0
Securities (increase - / decrease +)	-5'115'615	3'324'136
Receivables (increase - / decrease +)	5'078'147	-6'821'600
Accrued income (increase - / decrease +)	111'073	-3'206'165
Trade accounts payable (increase +/ decrease -)	-766'070	4'688'294
Other liabilities (increase +/ decrease -)	1'147'803	-200'546
Long-term liabilities	0	-1'000'000
Deferred income (increase - / decrease +)	327'758	10'032'944

Cash flow from operating activities (cash flow)

9'960'006

8'722'891

CASH FLOW FROM INVESTMENT ACTIVITIES

Investments in financial assets	-22'495	-1'091'959
Investments in tangible assets	-362'889	-262'637
Investments in intangible assets	-41'791	0
Disposals of financial assets	869'687	399'712
Disposals of property, plant and equipment	4'732'007	0
Disposals of intangible assets	0	41'652

Cash flow from investment activities

5'174'519

-913'232

CHANGE IN CASH AND CASH EQUIVALENTS

15'134'525

7'809'659

Opening balance of cash funds (1.1.)	21'364'030	40'388'719
Opening balance of cash funds (1.1.) BfA Merger	3'890'163	0
Closing balance of cash funds (31.12.)	40'388'719	48'198'377

PROOF OF CHANGE IN CASH AND CASH EQUIVALENTS

15'134'525

7'809'659

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	Receipts	Disbursements	Internal Transfers 1,3	Situation as of
in CHF	1.1.2022	2022	2022	2022	31.12.2022
WORK ABROAD					
Work abroad (excl. humanitarian aid) 2	21'226'958	27'405'813	-24'500'135	161'937	24'294'574
Funds for projects in Europe	1'443'591	3'413'727	-3'064'551	10'489	1'803'256
Funds for projects in Africa	1'301'936	4'863'298	-5'000'697	41'965	1'206'502
Funds for projects in Asia	515'524	2'493'800	-2'592'727	55'360	471'956
Funds for projects in Latin America	817'165	2'149'444	-2'197'788	154'483	923'304
Funds for sponsorship projects	1'104'982	182'349	-298'547	-4'380	984'405
Funds – Organisations (Bread for All, etc.)	550'847	977'902	-1'265'554	-55'498	207'697
SDC Funds programme contribution South incl. HA share	0	7'680'000	-7'680'000	0	0
SDC Funds Mandates South/project contributions	222'259	359'833	-582'089	0	3
Thematic funds (peace, health, leprosy/AIDS, etc.)	4'861'583	168'174	-734'305	0	4'295'451
Policy & Advisory Fund Agenda 2030	8'769	1'027'942	-244'236	31'295	823'771
Policy & Advisory Fund Ethical Business 2030	437'520	128'873	-362'100	-31'295	172'998
Policy & Advisory Fund Right to Food	440'567	497'609	-642'805	10'000	305'372
Funds for general work abroad	9'522'213	3'462'863	165'265	-50'481	13'099'860
Humanitarian aid abroad	12'087'187	31'113'507	-31'905'359	-161'937	11'133'397
Funds - Organisations (Swiss Solidarity)	112'842	2'806'948	-2'784'794	-85'375	49'621
SDC HA Fund/project contributions	0	887'740	-887'740	0	0
Funds for humanitarian aid abroad	11'974'345	27'418'819	-28'232'825	-76'563	11'083'777
Total funds for work abroad	33'314'145	58'519'320	-56'405'493	0	35'427'972
WORK IN SWITZERLAND					
Funds for projects in Switzerland	2'674'169	2'385'399	-2'258'024	0	2'801'544
Funds for general work in Switzerland	12'762'299	1'017'333	1'761'462	0	15'541'095
Funds – Organisations and public sector	293'595	8'989'586	-8'753'983	0	529'198
Total funds for work in Switzerland	15'730'063	12'392'318	-9'250'545	0	18'871'837
RESTRICTED FUND CAPITAL	49'044'209	70'911'638	-65'656'038	-0	54'299'808
CAPITAL OF THE ORGANISATION					
Foundation capital	300'000	0	0	0	300'000
Unrestricted capital	18'996'045	1'138'282	-4'196'971	0	15'937'356
Tied capital					
Strategic development projects organisation-wide 3	1'210'245	0	0	0	1'210'245
Value fluctuation reserve securities	7'420'920	0	-707'451	0	6'713'469
CAPITAL OF THE ORGANISATION	27'927'209	1'138'282	-4'904'422	0	24'161'069

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) Contingent liabilities: In the spring of 2019, the Federal Tax Administration carried out a VAT control for the years 2014-2018 for BfA. It was concluded in the outcome of the control that Bread for All can claim virtually no more input taxes. The Federal Tax Administration has reclaimed CHF 670'460 in input taxes for the years 2014-2018. Bread for All, now HEKS/EPER, does not agree with this finding. It is contesting the claims and has initiated the relevant legal proceedings. The Federal Tax Administration's claim is equivalent to the contingent liability. The contingent liability remains in place until a final ruling is made.

Breakdown of the contingent liability towards the Federal Tax Administration (FTA)

	2019	2020	2021	2022
Input tax credits for the years 2014-2018	670'460	670'460	670'460	670'460
Default interest on 2014-2018 input tax credits	53'860	53'860	53'860	53'860
Input tax credits for 2019-2021	152'827	315'973	485'925	485'925
Total contingent liability FTA	877'147	1'040'293	1'210'245	1'210'245

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 Swiss GAAP FER 21 accounting and reporting recommendations and conforms with Swiss law, the Statutes, and 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.

Organisation 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 organisations

The following are deemed to be affiliated persons: current and former members of the Board of Trustees and the Executive Board, and also of organisations controlled by members of the Board of Trustees or the Executive Board. The following are deemed to be affiliated organisations: 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 recognised after receipt of payment; income from services and institutional project contributions are accrued and recognised during the reporting period when they arise, and upon performance.

Expenditure

Expenses are recognised on a performance basis and in the period when they occur. Services not yet rendered by partner organisations in work abroad are recognised 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 recognised in the balance sheet at acquisition cost less depreciation. The capitalisation threshold is CHF 3'000¹. Depreciation is calculated using the straight-line method for the following periods:

Land and buildings:

50 years, up to minimum land value

Tenant improvements rented premises Seminarstrasse 28, Zurich:

15 years, or by the end of tenancy agreement

Tenant improvements rented premises, other:

5 years, or by the end of tenancy agreement

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 (incl. microcredits). They are recognised at acquisition cost less any necessary value adjustments.

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 31.12.2022, 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	31.12.2021	31.12.2022
Bonds – CHF	11'743'353	9'510'885
Bonds – foreign currencies	5'410'303	6'575'218
Shares (domestic and foreign)	17'601'089	12'535'902
Securities (real estate)	0	356'177
Securities (alternative investments)	0	2'452'426
Total	34'754'745	31'430'608

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	31.12.2021	31.12.2022
Contract or nominal values	5'023'729	6'248'725
Replacement values positive	56'024	0
Replacement values negative	0	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 as of 31.12.2022 and are shown in the balance

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

6.3.3 Receivables in CHF	31.12.2021	31.12.2022
Receivables from goods, services and commitments	5'449'853	9'369'414
Value adjustments	-46'200	-46'200
Other short-term receivables from third parties	137'852	96'043
Other short-term receivables from similar organisations	0	2'945'180
Other short-term receivables from government entities	1'310'320	1'308'987
Total	6'851'825	13'673'425

The item Receivables from goods, services and commitments includes receivables from pledges of project support from various organisations (such as the Waldensian Church, the State Secretariat for Migration (SEM),

cantonal churches, etc.) and 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	1.1.2021	1.1.2021	2021	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 ¹	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
Acquisition value or current gross value	1.1.2022		2022	2022	31.12.2022
Land and buildings	5'424'085		18'000	0	5'442'085
Investments in rental properties	1'697'472		16'736	0	1'714'208
Other tangible fixed assets	1'296'413		0	0	1'296'413
Total	8'417'969		34'736	0	8'452'706
Cumulative Depreciation					
Land and buildings	-1'434'652		-96'662	0	-1'531'314
Investments in rental properties	-1'160'706		-96'649	0	-1'257'355
Other tangible fixed assets	-1'127'200		-67'551	0	-1'194'750
Total	-3'722'557		-260'862	0	-3'983'419
Tangible assets Coordination Offices abroad ¹	203'784		227'901	-79'890	351'795
Total	203'784		227'901	-79'890	351'795
Net book value	4'899'198		262'637	-340'752	4'821'080

6.3.5 Financial assets in CHF	31.12.2021	31.12.2022
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	1
- 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)	59'921	62'152
- Simple partnership Give-a-rose (ecumenical campaign)	125'301	0
- Claro fair trade AG	134'633	16'413
Total investments/shares in projects with mixed sponsorship	545'507	178'566
Loans to third parties ²	1'066'719	2'156'447
Other loans to third parties and rent guarantees	1'037'650	1'007'110
Total loans	2'104'368	3'163'556
Total	2'649'876	3'342'123

1) As of 30.06.2022, the 125 registered shares had been sold. The investment has been left on the books at a value of CHF 1 (pro memoria), as an annual payment of CHF 626'374.94 will be made in the years 2023-2026, totalling CHF 2'505'499.76. These amounts were not yet booked in 2022 and, except for the residual value of CHF 1.-), will therefore flow entirely into the following years.

2) Loans to organisations to finance microcredit projects in the following countries/geographical areas: Romania, Myanmar, Kosovo and Honduras. Loans to finance 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	1.1.2021			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
Acquisition value or current gross value	1.1.2022			31.12.2022
Intangible assets	1'759'353	0	-41'652	1'717'701
Cumulative Depreciation				
Intangible assets	-1'326'742	-135'526	0	-1'462'268
Net book value	432'610	-135'526	-41'652	255'433

6.3.7 Restricted non-current assets in CHF	Situation	Additions	Disposals	Situation
Acquisition value or current gross value	1.1.2021			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	0	-1'769'047	0
Acquisition value or current gross value	1.1.2022			31.12.2022
Land and buildings	0	0	0	0
Cumulative Depreciation				
Land and buildings	0	0	0	0
Net book value	0	0	0	0

6.3.8 Other short-term liabilities in CHF	31.12.2021	31.12.2022
Liabilities to government bodies and social insurances	6'778'731	6'015'664
Other liabilities	261'700	824'221
Total	7'040'432	6'839'885

6.3.9 Accrued expenses and deferred income in CHF	31.12.2021	31.12.2022
Deferrals accrued vacation/overtime	1'474'010	1'458'168
Other accrued expenses and deferred income ¹	3'225'869	13'274'655
Total	4'699'879	14'732'823

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

6.3.10 Long-term financial liabilities in CHF	31.12.2021	31.12.2022
Interest-free loan	1'000'000	0
Total	1'000'000	0

The "Kohler" interest-free loan was converted into a gift on 02.06.2022.

6.3.11 Provisions in CHF	Situation 1.1.2022	Creation	Utilisation	Release	Situation 31.12.2022
Provision for rented premises ¹	146'218	0	0	0	146'218
Provision for pension obligations to staff of Coordination Offices abroad	845'147	33'295	93'204	0	785'238
Total	991'365	33'295	93'204	0	931'456

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	31.12.2021	31.12.2022
Earmarked funds	49'044'209	54'299'808
Total	49'044'209	54'299'808

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	31.12.2021	31.12.2022
Strategic reserve	1'210'245	1'210'245
Value fluctuation reserve for securities ¹	7'420'920	6'713'469
Total	8'631'165	7'923'713

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	31.12.2021	31.12.2022
10% for Bonds CHF	1'174'335	950'802
15% for Bonds FX	811'546	986'283
30% for shares	5'252'464	3'933'803
5% for real estate	182'576	842'581
Total target level	7'420'920	6'713'469
Reserve surplus +/- Reserve deficit -	0	0
Existing value fluctuation reserve as % of the securities portfolio	21.4%	21.4%

6.3.14 Information on the capital of the organisation

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

against "Free capital". The CHF 100'000 brought in following the merger with Bread for All (BfA) increased the foundation capital to CHF 300'000.

6.3.15 Pension schemes in CHF

Economic benefit/economic liability and pension benefit expense	Over/ Underfunding ¹	Organisation's share of economic liability	Change from prior year or affecting net income in business year	Contributions concerning the business period	Pension benefit expense	
	31.12.2022	31.12.2021	31.12.2022		2021	2022
Pension scheme	0	0	0	2'927'720	2'832'097	2'927'720
Fonds de prévoyance patronale	-4'484	0	0	0	0	0

1) Latest available audited financial statements of Stiftung Abendrot and Patronale Personalfürsorgestiftung as at 31.12.2021.

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 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 2022

BO = Branch Office	Total 2021	BO Aargau / Solothurn	BO for both Basel	BO Berne	BO Eastern Switzerland	BO Zurich / Schaffhausen	BO Romandie	All of Switzer- land ¹	Total 2022
Advocacy for the socially disadvantaged	9'345'680	417'045	26'009	0	427'368	468'930	2'287'365	8'188'939	11'815'655
Legal advice office for asylum seekers	7'489'882	417'045	26'009	0	427'018	468'930	343'453	8'188'939	9'871'394
Various projects relating to advocacy for the socially deprived	1'855'798	0	0	0	350	0	1'943'911	0	1'944'261
Social Integration	9'614'693	1'782'685	1'106'647	555'820	1'210'084	2'286'220	77'054	4'090'898	11'109'407
Labour market integration	424'403	13'750	0	63'251	225'572	194'983	0	0	497'555
Employment programmes (daily structure)	2'325'470	81'431	0	30'499	152'520	2'003'164	0	0	2'267'614
Housing and shelter	2'363'445	1'674'868	1'057'292	0	0	0	0	0	2'732'159
Language courses	808'688	0	0	462'070	831'993	82'600	1'031	0	1'377'693
Intercultural translation and intermediation	3'662'909	0	49'355	0	0	0	1'682	4'090'898	4'141'934
Age and migration	29'776	12'637	0	0	0	5'472	74'342	0	92'450
Various projects	94'976	42'400	319'413	13'653	505'039	11'593	0	1'199'927	2'092'026
Various projects	94'976	42'400	319'413	13'653	505'039	11'593	0	1'199'927	2'092'026
Total income for work in Switzerland	19'055'349	2'242'130	1'452'069	569'473	2'142'492	2'766'743	2'364'419	13'479'764	25'017'088

1) Including legal protection mandate and Linguaduct

6.4.2 Federal Government contributions for work abroad in CHF**2021****2022****Federal Government contributions**

SDC programme contribution	7'680'000	7'680'000
SDC programme contribution South COVID	250'000	0
SDC mandates and project contributions DC	294'760	2'854'796
SDC mandates and project contributions HA	1'590'189	1'236'272
Total funded Federal Government contributions ¹	9'814'949	11'771'068

Contributions from institutional donors > CHF 100'000

Ministry of Foreign Affairs of Denmark – Danida	195'775	322'735
UN Agencies	2'395'537	3'309'784
European Union	2'170'450	3'752'923
Bread for the World	575'512	868'955
US Government	1'400'681	3'237'881
Foreign Office Liechtenstein	200'000	200'000
Fondation Hironnelle	166'993	0
EEA / Norway Grants	106'810	136'360
ACT Alliance		890'898
CARE		1'230'827
Christian Aid		3'407'506
Norwegian Church Aid		1'848'347
Oxfam Novib		611'303
Total funded contributions institutional donors	7'211'758	19'817'519

1) All contributions were accrued, i.e. contributions not yet spent or not yet received in the business year were set aside for the new business year. In total,

we received around CHF 15 million from the Federal Government, and over CHF 29 million from institutional donors.

6.4.3 Target amounts of cantonal churches in CHF**2021****2022**

Contribution targets for Cantonal Churches as per Statement of operating results	2'190'312	2'183'628
Total	2'190'312	2'183'628

6.4.4 Communications (net expenditure) in CHF	2021	2022
Communications and general advertising expenditure	4'362'668	4'589'569
Total	4'362'668	4'589'569

6.4.5 Fundraising (net expenditure) in CHF	2021	2022
Fundraising	5'130'712	4'334'079
Net total ¹	5'130'712	4'334'079

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

1) Fundraising expenditure is calculated in accordance with Zewo criteria.

6.4.6 Administration and communications in CHF	2021	2022
Administrative expenses by Zewo definition ¹	14'710'725	14'886'762
As % of total expenditure	16,5%	13,8%

1) Calculating the Zewo rate in the 2022 financial year by cost type reflects the simplified, transparent Zewo guidelines, and this allows for official quality control. However, the reason for the fall in the administrative expense ratio is the increase in revenue with administrative costs remaining stable.

6.4.7 Financial result from investment income in CHF	2021	2022
Financial income		
Income from shares	491'031	462'436
Income from bonds	50'585	221'099
Other interest income	2'900	3'181
Price differences on shares (realised and unrealised)	2'521'926	0
Other financial income	64	213'255
Miscellaneous income	0	37'422
Total	3'066'505	937'393
Financial expenses		
Financial expenses	-130'826	-343'969
Price differences on shares (realised and unrealised)	0	-5'061'401
Other financial expenses	-217'662	-27'793
Total	-348'488	-5'433'163
Net financial result	2'718'017	-4'495'770

6.4.8 Real estate performance in CHF	2021	2022
Real estate income	351'397	299'501
Real estate expenses	2'846'779	-72'357
Depreciation on land and buildings (see 6.3.4)	-91'642	-96'662
Depreciation on restricted non-current assets (see 6.3.7)	-7'576	0
Appropriation from earmarked real estate to humanitarian aid	-2'962'960	23'172
Total	135'997	153'654

6.4.9 Extraordinary one-off expenditure/income in CHF	2021	2022
These are one-off compensatory payments, consequent on the merger, into the severance scheme reserve of the HEKS/EPER employee benefits foundation (CHF 500'000), to Stiftung Abendrot (CHF 300'000), and other wage compensation payments (CHF 20'000).	-820'000	0
Total	-820'000	0

6.4.10 Change in value fluctuation reserve in CHF	2021	2022
Value fluctuation reserve for securities from annual result	-1'265'833	707'451
Value fluctuation reserve for securities from free funds	-910'000	0
Total	-2'175'833	707'451

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	2021	2022
Debt guarantees and guarantee obligations	p.m.	p.m.
Joint and several liability from participation in the following simple 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 4'641'604 (previous year CHF 6'393'326). CHF 2'149'013 is due in 2023, CHF 6'430'544 in 1 to 5 years' time, and CHF 370'073 in over 5 years.		
Liens		
Property, plant and equipment are free of liens.		
Liabilities to pension schemes	38'211	79'567
Total depreciation	466'378	476'278
Staff costs	44'457'234	46'544'627
of which occupational pension contributions	2'832'097	2'927'720
Board of Trustee remuneration	73'701	57'950
including to the President (honorariums and attendance fees)	30'752	22'500
Remuneration of the Executive Board (incl. employer contributions)	833'352	1'004'045
of which employer contributions	130'160	178'495
One-off compensation to BfA Executive Board (incl. employer contributions)	668'470	0
of which, one-off employer contributions to BfA Executive Board	83'528	0
Remuneration to the Director	156'674	160'223
Auditors' fee		
Audit services relating to the verification of the annual financial statements	75'800	64'620
Additional merger-related fees and VAT	61'703	0
Volunteer work		
The following hours of unpaid work were done	86'165	82'870
of which the Ecumenical Campaign accounted for	71'400	71'400
Associated organisations		
Organisation	Transaction	
Alliance Sud	Contribution paid	645'572
Act Alliance	Contribution paid	88'791
ACT Alliance EU	Contribution paid	49'779
World Council of Churches	Contribution paid	185'000
Fair unterwegs	Contribution paid	15'000
ART link	Contribution paid	20'427
humanrights.ch	Contribution paid	10'000
		370'000
		56'250
		41'800
		125'317
		15'000
		0
		24'900

Representation in bodies

HEKS/EPER is member of local and international organisations.

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 EKS, Bern
- Koalition für Konzernverantwortung
- Swissfundraising

Mitgliedschaften:

- ACT Alliance
- Cinfo
- Federal Commission on Migration
- Swiss Protestant Women
- Fairunterwegs
- IRAS COTIS Communauté de travail interreligieuse en Suisse
- Swiss Climate Alliance
- KOFF The Swiss platform for peacebuilding
- National Age and Migration Forum
- NPO Finanzforum
- Pro Fonds
- Right to Food and Nutrition network
- SKOS Swiss Conference of Welfare Organisations
- Max Havelaar Foundation
- Swiss Fairtrade
- Swiss NGO DRR Plattform
- Swiss Water Partnership (SWP)
- Transparency International
- Verband Arbeitsintegration Schweiz
- Verein Benevol (umbrella organisation for volunteering)
- Verein humanrights.ch
- World Council of Churches
- Zewo
- 2030 Agenda Platform

Events occurring after the balance sheet date

No events occurred between 31 December 2022 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 2022 or which should be published here. On 14 April 2023 the Board of Trustees approved the annual financial statements for publication.

7 Contributions from sponsoring churches

in CHF

Sponsoring churches 2022	Regular target amount	Received contributions	Target amount for refugee work	Received contributions
Aargau	189'284	189'284	79'771	79'771
Appenzell, both	26'374	26'374	11'115	11'115
Baselland	113'037	113'037	47'638	47'638
Basel-Stadt	20'675	20'675	11'601	11'601
Bern-Jura-Solothurn	624'233	624'233	263'073	50'000
Fribourg	33'958	33'958	14'311	14'311
Geneva, église évangélique libre	0	0	0	0
Geneva, église protestante	31'344	0	13'210	0
Glarus	15'286	15'286	6'442	6'442
Graubünden	72'912	72'912	30'728	30'728
Lucerne	42'827	42'827	18'049	18'049
Neuchâtel	20'915	20'915	8'814	8'814
Nidwalden	5'517	5'517	2'325	2'325
Obwalden	3'817	3'817	1'609	1'609
St. Gallen	129'104	129'104	54'409	54'409
Schaffhausen	32'454	32'454	13'677	13'677
Schwyz	19'582	19'582	8'252	8'252
Solothurn	26'078	26'078	10'990	10'990
Tessin	3'168	0	1'335	0
Thurgau	103'659	95'000	43'685	20'000
Uri	1'466	1'466	618	618
Vaud	216'638	0	91'299	24'355
Valais	6'517	6'517	2'747	2'747
Zug	31'760	31'760	13'385	13'385
Zurich	667'306	667'306	2'329	2'329
United Methodist Church Zurich	11'051	5'526	4'657	2'329
Total	2'448'962	2'183'628	756'069	435'494

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.

8 Management report

Purpose of the organisation

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, church cooperation in Eastern Europe and the Middle East, and development policy engagement. In Switzerland, they are social inclusion and advocacy on behalf of asylum seekers, persons recognised as forcibly displaced and other socially disadvantaged people, and also public outreach activities (information in Switzerland).

Organs

Information on the Board of Trustees, Control Committee and Organisation chart can be found in the online Annual Report at www.heks2022.ch

Full-time equivalents/staff complement

As of 31.12.2022 the staff complement was equivalent to 325.2 full-time positions.

All amounts in CHF

EXPENDITURE FOR WORK IN SWITZERLAND

	Aargau / Solothurn	Both Basel	Berne	Eastern Switzer- land	Zurich / Schaff- hausen	Romandie	All of Switzer- land ¹	Total 2022
Advocacy for the socially disadvantaged	734'249	506'151	0	938'161	750'587	2'023'098	6'850'570	11'802'817
Legal advice and representation for asylum seekers	734'249	506'151	0	819'174	750'587	791'907	6'835'654	10'437'722
Legal advice for asylum seekers	734'249	506'151	0	796'674	750'587	743'757	6'835'654	10'367'072
Contributions to legal advice centres for asylum seekers	0	0	0	22'500	0	48'150	0	70'650
Social aid representation during interviews of asylum seekers	0	0	0	0	0	0	0	0
Various projects relating to advocacy for the socially deprived	0	0	0	118'987	0	1'231'191	14'917	1'365'095
Social Integration	2'048'526	1'846'177	4'291'632	2'179'653	2'678'320	1'657'502	3'963'385	18'665'195
Labour market integration	90'075	0	3'083'966	333'678	285'066	0	0	3'792'785
Employment programmes (daily structures)	261'947	112'032	236'320	341'769	1'963'149	299'051	0	3'214'268
Housing and shelter	1'577'105	986'177	0	0	0	0	0	2'563'282
Language courses	0	0	971'346	1'389'899	251'304	269'007	0	2'881'556
Intercultural translation and intermediation	0	627'769	0	0	0	420'230	3'963'385	5'011'384
Early childhood and parent education	0	-1'575	0	72'808	0	0	0	71'232
Age and migration	119'399	121'774	0	41'499	178'802	669'213	0	1'130'687
Various projects and project contributions	75'602	211'160	17'031	365'837	12'687	137'384	609'552	1'429'253
Various projects	48'612	211'160	16'281	365'237	11'142	137'384	591'709	1'381'525
Project contributions to third parties	26'990	0	750	600	1'545	0	17'844	47'729
Project support and groundwork	272'920	286'974	271'742	187'783	238'613	278'569	801'404	2'338'006
Overall expenditure for work in Switzerland	3'131'297	2'850'462	4'580'406	3'671'434	3'680'208	4'096'553	12'224'911	34'235'270

¹⁾ Including legal protection mandate and Linguaduct

Risk assessment

The HEKS/EPER Board of Trustees has issued risk management guidelines and principles and requested the Executive Board to undertake a risk analysis at least once a year. The risk management system allows not only for the early identification and analysis of risks but also for the taking of appropriate action. The risk assessment process requires the systematic recording and evaluation of risks, their prioritisation, the assessment of their impact and the monitoring of action to avoid or minimise them. The risks are summarised in a risk and control matrix.

Further information

Further information and elements of the management and performance report can be found online at en.heks.ch/annual-report

PROJECT CONTRIBUTIONS WORK ABROAD

Strategic priority topics	Europe	Africa	Asia	Latin America	Supranational	Total 2022
Development cooperation	3'179'583	6'814'381	4'918'080	2'892'255	0	17'804'299
Church cooperation	1'794'533	0	467'536	0		2'262'069
Total expenditure for projects abroad (excl. humanitarian aid)	4'974'115	6'814'381	5'385'616	2'892'255	0	20'066'368
Transnational projects and networks					1'461'211	1'461'211
Project support and groundwork ¹						2'690'186
Total expenditure work abroad (excl. humanitarian aid)	4'974'115	6'814'381	5'385'616	2'892'255	1'461'211	24'217'766
Humanitarian aid projects						29'260'679
Project support and groundwork ¹						1'057'692
Total expenditure humanitarian aid						30'318'372
Overall expenditure for work abroad						54'536'137

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

HUMANITARIAN AID	2021	2022	+ / -
Africa regional	25'560	0	-25'560
Asia regional	18'382	-24	-18'406
Ethiopia	69'282	1'935'160	1'865'877
Bangladesh	3'922'459	861'520	-3'060'939
Brazil	2'506	2'675	170
Democratic Republic of the Congo	4'884'700	7'729'063	2'844'363
Europe regional	0	180'414	180'414
Haiti	1'626'017	1'564'327	-61'690
Honduras	830'418	179'690	-650'728
Iraq	356'723	532'390	175'668
Cambodia	761'041	76'738	-684'303
Latin America regional		10'541	10'541
Lebanon	1'482'160	917'860	-564'299
Moldova		367'474	367'474
Myanmar	66'215	0	-66'215
Palestine/Israel	611'009	568'248	-42'762
Romania		2'814'291	2'814'291
Serbia	72'292	430'833	358'541
Zimbabwe	5'080	0	-5'080
South Sudan	165'885	189'742	23'857
Syria	432'038	891'433	459'395
Czech Republic		96'975	96'975
Uganda	240'361	38'141	-202'220
Hungary		1'676'923	1'676'923
Ukraine		6'568'307	6'568'307
Venezuela	764'107	1'627'959	863'853
Total project contributions humanitarian aid	16'336'234	29'260'679	12'924'445

SUPRANATIONAL TASKS	2021	2022	+ / -
Supranational tasks in Europe, Africa, Asia and Latin America	4'988'648	1'461'211	-3'527'436
Total project contributions supranational tasks	4'988'648	1'461'211	-3'527'437

EUROPE (COUNTRIES/GEOGRAPHICAL AREAS)	2021	2022	+ / -
Europe regional	272'837	240'961	-31'877
Armenia	394'486	699'927	305'440
Georgia	525'612	788'211	262'599
Italy	27'557	27'903	345
Kosovo	500'238	291'146	-209'091
Romania	1'053'504	1'682'949	629'446
Serbia	439'719	443'420	3'702
Slovakia	36'034	39'661	3'627
Ukraine	333'683	438'174	104'491
Hungary	231'878	321'764	89'886
Total project contributions Europe	3'815'548	4'974'115	1'158'568

AFRICA	2021	2022	+ / -
Ethiopia	2'013'502	2'445'272	431'770
Democratic Republic of the Congo	622'609	1'546'382	923'773
Niger	1'328'266	1'573'588	245'323
Senegal	861'312	773'207	-88'105
Zimbabwe	0	7'541	7'541
Uganda	585'486	468'391	-117'096
Total project contributions Africa	5'411'175	6'814'381	1'403'206

ASIA	2021	2022	+ / -
Bangladesh	2'182'143	2'128'541	-53'602
India	12'974	1'866	-11'108
Cambodia	941'362	1'788'851	847'489
Lebanon	76'676	11'213	-65'463
Myanmar	296'484	420'732	124'248
Palestine/Israel	489'730	578'090	88'360
Syria	361'765	456'323	94'558
Total project contributions Asia	4'361'134	5'385'616	1'024'482

LATIN AMERICA	2021	2022	+ / -
Latin America regional	723'531	113'920	-609'611
Brazil	420'318	1'042'687	622'369
Haiti	737'556	395'630	-341'926
Honduras	339'905	1'100'195	760'290
Colombia	109'434	239'822	130'389
Total project contributions Latin America	2'330'743	2'892'255	561'511



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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Foundation Swiss Church Aid (HEKS / EPER) (the Foundation) shown on page 3 to 23, which comprise the balance sheet as at 31 December 2022 and the statement of income, cash flow statement and the statement of changes in equity, including a summary of significant accounting policies. 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.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Foundation as at 31 December 2022, and its results of operations and its cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law, the Foundation's charter and regulations .

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Foundation in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Trustees is responsible for the other information. The other information comprises the Management Report and General Notes to the Financial Statements (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the Annual Report, which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Trustees' Responsibilities for the Financial Statements

The Board of Trustees is responsible for the preparation of the financial statements that give a true and fair view in accordance with Swiss GAAP FER, the provisions of Swiss law and the Foundation's charter and regulations, and for such internal control as the Board of Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Trustees is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Trustees either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 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}}
Michael Herzog
Licensed Audit Expert
Auditor in Charge

{{Signatureright}}
Roman Zwahlen
Licensed Audit Expert

Zurich, 14. April 2023

10 General notes to the annual financial statements

Overview

The repercussions of Russia's war of aggression against Ukraine are also apparent in the 2022 Annual Financial Statements. Hence, based on additional income, considerably more project work was done in the form of humanitarian aid and work in Switzerland to assist fleeing persons. HEKS/EPER operates altogether 303 projects abroad and in Switzerland. Operating income rose to 114,0 million francs, and expenditure to 108,1 million francs. Some 17,8 million francs went to supporting development cooperation projects in Africa, Asia, Latin America and Europe. Another 2,3 million francs went towards church cooperation in Eastern Europe and the Middle East. HEKS/EPER provided CHF 29,3 million worth of humanitarian aid in the wake of droughts and natural disasters, and in conflict zones. HEKS/EPER spent 31,9 million francs in Switzerland: 17,7 million francs on projects to promote inclusion for socially underprivileged people, and 11,8 million francs on the provision of legal advice services for asylum seekers, persons recognised as forcibly displaced, and other target groups.

Income

Income from operations was a gratifying 5,8 million francs. Funds could therefore be further built up for work in Switzerland and abroad. 15,1 million francs (11%) of the revenue came from Cantonal Churches, church parishes and other church organisations. Contributions from the Confederation, cantons and communes accounted for 20,6 million francs (18%), from private persons, 20,4 million francs (18%), and from Swiss Solidarity, 2,8 million (3%). Income from services in the five Branch Offices in German-speaking Switzerland and the Romandie Branch Office contributed 25,0 million francs (22%) to the overall result. Miscellaneous income and contributions from foundations accounted for 30 million francs (26%).

Expenditure

In development cooperation, project spending in Europe was 5,0 million francs (versus 3,8 million francs the prior year). The increase took place more specifically in Romania and in South Caucasus. Spending in Latin America was 2,9 million francs (2,3 million francs the previous year). The increase occurred mainly in Brazil and Honduras. In Asia and Africa, project spending increased by 2,4 million to CHF 12.2 million francs, especially in the Democratic Republic of the Congo, Ethiopia and Cambodia.

Compared with the prior year, humanitarian aid spending varied from one project country to the next. Overall expenditure rose by 12,0 million francs, including in the Democratic Republic of the Congo DRC (2,8 million francs), Ethiopia (1,9 million francs), and Venezuela (0.8 million francs). Owing to the impacts of the war, new humanitarian aid was provided in Ukraine (6.5 million francs), Romania (2.8 million francs) and Hungary (1.7 million francs). In other programme countries, by contrast, fewer projects were implemented, for example in Bangladesh (down 3,1 million francs), Cambodia (down 0,6 million francs), Lebanon (down 0,6 million francs), and Uganda (down 0,2) million francs).

Work in Switzerland expanded substantially through additional projects mainly to assist people fleeing Ukraine; this led to a spending increase of 4.5 million francs, to a total of 34.2 million francs (prior year, 29,7 million francs).

Administrative costs

The share of administrative costs in total expenditure (14,9 million francs) was 13,8% (Zewo guideline). This places HEKS/EPER considerably below the maximum for ZEWO-certified non-profit organisations (25%).

Financial and real estate income

Income from real estate contracted by 0,1 million francs. The reason was the sale of the property on Rheinländerstrasse in Basel in 2021). The war in Ukraine and the energy crisis have put pressure on global financial markets. Asset investments consequently recorded a net book loss of 4,5 million francs. The sum of 0,7 million francs was released from the value fluctuation reserve for the benefit of the operating result.

Funding trends

Thanks to the difference between expenditure and income, 5,3 million francs (8,7 million francs in 2021) from operating income could be allocated to the capital of existing funds for work in Switzerland and abroad. The new fund capital therefore stands at 54,3 million francs: 18,8 million francs for work in Switzerland, 24,3 million francs for work abroad, and 11,1 million francs for humanitarian aid.

Result

In addition to releasing the value fluctuation reserves (0,7 million francs), an amount of 3,1 million francs was withdrawn from 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 smaller contributions as well as personal involvement, for their commitment and for the trust they have placed in us.

Church institutions (incl. city associations) contribute substantially to the funding of our projects. In 2022, they supported us to the tune of some 11.8 million francs.

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 or "Bread for All" are not shown. A big thank you goes also to the Cantonal Churches and to the Evangelical Methodist Church of Switzerland.

Aware that many smaller church parishes embrace our causes with resolve and enthusiasm, we are grateful for all donations, as they enable HEKS/EPER to effect big changes from small beginnings. We also thank the countless private persons who have supported us with a donation. We will use donations conscientiously and effectively – in striving for a more just and a more humane world.

The following church parishes have donated 10'000 francs and more:

Aadorf-Aawangen, Aarau, Aeschi-Krattingen, Allschwil-Schönenbuch, Andelfingen, Aarbron, Arlesheim, Appenzell, Belp-Belpberg-Toffen, Bern, Bethlehem, Biberist- Gerlafingen, Biel, Birmensdorf-Aesch, Birsfelden, Bolligen, Bremgarten-Mutschellen, Brienz, Bubikon, Bulle-La Gruyere, Bülach, Burgdorf, Bürglen, Chur, Delémont, Diessbach, Dietikon, Dietlikon, Dübendorf-Schwerzenbach, Düringen, Ebnet- Kappel, Eglisau, Ennenda, Ermatingen, Erlenbach, Eulachtal, Flawil, Frauenfeld, Frick, Frutigen, Furttal, Gaiserwald, Gelterkinden, Goldach, Gossau-Andwil, Gottstatt, Greifensee, Grenchen-Bettlach, Grosshöchstetten, Gsteig-Interlaken, Gundeldingen-Bruderholz, Haute-Birse, Heiden, Herrliberg, Herzogenbuchsee, Hilterfingen, Hinwil, Hinterthurgau, Hittnau, Hombrechtikon, Horgen, Illnau-Effretikon, Ins, Ittigen, Jegenstorf, Kehrsatz, Kilchberg, Kirchberg, Kirchlindach, Klotten, Knonauer Amt, Konolfingen, Kreuzlingen, Kölliken, Köniz, Koppigen, Lancy Grand-Sud, Langnau, Laufen, Laufen am Rheinfall Liestal-Seltisberg, Luzern, Luzern-Stadt, Lyss, Lützelflüh, Männedorf, Maur, Meggen-Adligenswil, Meilen, Meiringen, Mellingen- Rohrdorf-Fislisbach, Mittleres Toggenburg, Moosseedorf, Môtier-Vully, Münchenbuchsee, Münchenstein, Münsingen, Münster Muri-Gümligen, Neuenegg, Nidau, Nydeggen, Oberdiessbach, Oberrieden, Oberwil, Oberwil-Therwil-Ettingen, Obwalden, Opfikon, Ostermundigen, Petrus-Bern, Plateau de Diesse, Rapperswil-Jona, Reichenbach, Rein, Rheinfelden, Roggwil, Romanshorn, Rorbas, Rondchâtel, Rorbas-Freienstein-Teufen, Rorschach, Rüegsau, Rüslikon, Rüti, Saanen-Gsteig, Saint- Francois/Saint-Jacques, Sargans, Schaffhausen, Schöftland, Seen, Seengen, Seuzach, Sihltal, Sissach, Spiez, Solothurn, Stadtverband Winterthur, Staufberg, Stäfa, Stallikon-Wettswil, Stettlen, Steffisburg, St. Gallen, St-Imier, St- Laurent Estavayer, Straubenzell, Suhr-Hunzenswil, Sursee, Tablat, Teufen, Thalwil, Thai-Lutzenberg, Thun, Thun-Stadt, Thierachern, Thurnen, Turbenthal-Wila, Täuffelen, Töss, Uster, Uznach, Vechigen, Veltheim, Wädenswil, Wallisellen, Wasen, Wasseramt, Weinfelden, Weiningen, Weinland Mitte, Wettingen, Wetzikon, Wichtrach, Wil, Windisch, Winterthur Stadtkirche, Winterthur- Töss, Wohlen bei Bern, Worb, Wülflingen, Zofingen, Zollikofen, Zollikon, Zürich KK2, Zürich-Witikon

We are especially grateful to the partners, authorities and foundations that have generously supported us in the year 2022.

Partners:

Association Augustinus, Association Catholique Romaine, Brot für alle, Brot für die Welt, Caritas Aargau, Caritas beider Basel, Caritas Bern, Caritas Vaud, Caritas Zürich, CARE Germany, Centre social protestant Vaud, Chiese Evangeliche Valdesi, Christian Aid, Christkatholische Kirchgemeinde Zürich, COOPI Cooperazione Internazionale Italien, CST (CAFOD, SCIAF, Trôcaire) Äthiopien, Dan Church Aid, Evangelische Frauen Schweiz EFS, Glückskette, Helvetas, ICCO (Cordaid), International Rescue Committee (IRC), Katholische Kirchgemeinde Sursee, Katholisches Konfessionsteil St.Gallen, Kirk in Actie (Kirche in Aktion) (KIA) Niederlande, Medair E.V., Norwegian Church Aid, Oxfam Novib Niederlande, people in Need (PPIN) Tschechien, Promotion santé Suisse, Pro Senectute Kanton Zürich, Röm.-kath. Kirche Basel-Stadt, Röm.-kath. Kirche Basel- Landschaft, Röm.-kath. Kirche Thurgau, Röm.-kath. Synode des Kantons Solothurn, Röm.-kath. Kirche Zürich, Rotes Kreuz Kanton Thurgau, Schweiz. Konferenz der kant. Erziehungsdirektoren, Lutheran World Federation, Schweizerisches Rotes Kreuz, Service de la solidarité internationale, SOS-Asile Vaud, Texaid Textilverwertungs AG.

Federal Government:

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

Cantons:

Aargau, Basel-Landschaft, Basel-Stadt, Bern, Fédération vaudoise de coopération (FEDEVACO), Fribourg, Loterie Romande Genève, Loterie Romande Neuchâtel, Luzern, Schaffhausen, Service de la solidarité internationale (SSI) Genève, Solothurn, St. Gallen, Thurgau, Vaud, Wallis, Zürich.

Cities and communes:

Geneva, Zurich Belp, Bern, Bernex, Biel, Effretikon, Genève, Lausanne, Luzern, Meyrin, St. Gallen, Thonex, Uster, Winterthur, Zug, Zürich.

Foundations, companies and associations:

Adele Koller-Knüsli Stiftung, Age-Stiftung, Annie und Rudolf Kaufmann-Hagenbach-Stiftung, Careerplus SA, Beat Peter Neeser Stiftung, Christoph Merian Stiftung, Däster-Schild Stiftung, Délégation Genève Ville Solidaire (DGVS), Dr. Stephan à Porta Stiftung, Ehmman Stiftung Savognin, Ferster-Stiftung, Fondation Alfred & Eugénie Baur Fondation de l'Hôpital de la Providence, Fondation H. Looser, Fondation Audemars-Piguet, Fondation DSR, Fondation Johann et Luzia Grässli, Fondation Lord Michelham of Hellingly, Fondation Pierre Demaurex, Fondation Pierre-Henri Ducret, Fondation pour l'aide au protestantisme réformé, Fondation Sauvain-Petitpierre, Fondation smartpeace, FONDIA Stiftung zur Förderung der Gemeindediakonie, Gebauer Stiftung, Gerda Techow gemeinnützige Stiftung Vaduz, Gesundheitsförderung Schweiz, Gemeinnützige Gesellschaft des Kantons Zürich, Gemeinnützige Stiftung Accentus, GGG Basel, Günther Caspar- Stiftung, Kantonale St. Gallische Winkelriedstiftung, Leopold Bachmann Stiftung, Linsi Foundation, Marie Anna Stiftung, Markus Kaufmann-Stiftung, Max Geldner Stiftung, Medicor Foundation Liechtenstein, Migros-Genossenschafts-Bund, Migros Kulturprozent, OAK Philanthropy Ltd., Otto Erich-Heynau Stiftung, Palatin Stiftung, Piffner International AG, PrecisionWave AG, Pro Senectute

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Swiss Solidarity:

Swiss Solidarity provided CHF 2,8 million in support to HEKS/EPER last year.

International donors:

Austrian Development Agency (ADA), ACT Alliance, United Nations Office for the Coordination of Humanitarian Affairs (UN-OCHA), Office of Foreign Affairs Liechtenstein (AAA), United States Agency for International Development (USAID), Bread for the World, EEA & Norway Grants, United Nations Development Programme (UNDP), Food and Agriculture Organization of the United Nations (FAO), 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, UN High Commissioner for Refugees (UNHCR), and the United Nations World Food Programme (WFP).

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