



**HELVETAS Swiss Intercooperation,
Zurich**

Report of the Statutory Auditor
on the Financial Statements
to the General Meeting
Financial Statements 2017



KPMG AG

Audit

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Report of the Statutory Auditor to the General Meeting of

HELVETAS Swiss Intercooperation, Zurich

Report of the Statutory Auditor on the Financial Statements

As statutory auditor, we have audited the accompanying financial statements of HELVETAS Swiss Intercooperation, which comprise the balance sheet, income statement, cash flow statement, statement of changes in capital and notes for the year ended December 31, 2017. 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 Directors' Responsibility

The board of directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation 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 directors 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, 2017 comply with Swiss law and the company's articles of incorporation 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 directors.

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

KPMG AG

Reto Kaufmann
Licensed Audit Expert
Auditor in Charge

Nils Zbinden
Licensed Audit Expert

Zurich, May 26, 2018

Enclosure:

- Financial statements (balance sheet, statement of operations, cash flow statement, statement of changes in capital and notes)

Balance sheet

		31.12.2017	31.12.2016
		in CHF	in CHF
ASSETS			
	Explanatory notes		
Cash and cash equivalents	1.1	31'554'385.93	38'698'599.13
Marketable securities	1.2	18'406'043.00	19'826'316.21
Receivables	1.3	2'915'143.82	3'948'152.59
Inventories	1.4	808'033.96	996'642.33
Net assets in project countries	1.5	13'354'450.83	13'090'998.95
Prepayments and accrued income	1.6	10'391'896.44	8'472'710.27
Current assets		77'429'953.98	85'033'419.48
Investments in financial assets	1.7	123'540.35	299'457.18
Tangible fixed assets	1.8	809'105.49	945'501.58
Intangible assets	1.8	376'250.83	300'524.02
Fixed assets		1'308'896.67	1'545'482.78
Assets		78'738'850.65	86'578'902.26
LIABILITIES			
Accounts payable	2.1	2'953'466.56	2'516'332.14
Accrued liabilities	2.2	45'187'700.24	51'083'628.67
Current liabilities		48'141'166.80	53'599'960.81
Provisions	2.3	99'179.73	344'617.19
Long-term liabilities		99'179.73	344'617.19
Liabilities		48'240'346.53	53'944'578.00
Restricted fund capital	2.4	4'620'933.52	6'686'859.66
Liabilities incl. fund capital		52'861'280.05	60'631'437.66
Elaborated unrestricted capital		11'759'409.70	11'829'303.70
Elaborated restricted capital		14'118'160.90	14'118'160.90
Organisational Capital		25'877'570.60	25'947'464.60
Liabilities		78'738'850.65	86'578'902.26

Statement of operations

INCOME	Explanatory notes	2017	2016
		in CHF	in CHF
Membership fees	3.1	2'420'880.00	2'163'630.00
Donation from the public	3.1	23'858'388.78	26'014'727.49
Legacies	3.1	1'460'133.06	296'939.62
Income from fundraising		27'739'401.84	28'475'297.11
Programme projects SDC	3.2	10'000'000.00	10'700'000.00
Project funding SDC	3.2	55'537'352.13	60'893'617.04
Project funding from organisations	3.3	26'967'308.48	20'722'068.60
Income from advisory services	3.4	3'341'782.63	3'702'201.98
Income from Fair Trade	3.5	2'980'074.67	3'034'075.16
Other operating income	3.6	491'023.73	575'978.13
Income from service provided		99'317'541.64	99'627'940.91
Income		127'056'943.48	128'103'238.02
EXPENDITURE			
Africa		28'106'020.61	24'833'403.37
Asia		34'895'006.28	35'775'435.82
Latin America		19'685'843.86	19'587'463.97
Eastern Europe, Caucasus, Central Asia		19'249'035.48	18'691'626.61
Programme coordination & support from head office		2'362'226.85	2'428'847.52
Expenditure on international programmes	4.0	104'298'133.08	101'316'777.29
Expenditure on advisory services	4.1	5'375'083.78	5'408'240.31
Expenditure on projects in Switzerland	4.2	5'386'100.87	5'303'029.58
Expenditure on Fair Trade	4.3	3'622'899.20	3'697'281.32
Head Office		4'877'084.43	4'651'177.21
Fundraising		7'335'718.85	6'692'546.19
Head Office and fundraising	4.4	12'212'803.28	11'343'723.40
Expenditure from service delivered	4.5	130'895'020.21	127'069'051.90
Operating profit / loss		-3'838'076.73	1'034'186.12
Financial result	5.0	1'944'942.91	314'145.11
Other result	5.1	-242'686.31	-864'293.73
Result before change in funds capital		-2'135'820.13	484'037.50
Change in funds capital	6.0	2'065'926.13	-1'234'402.08
Annual result before allocation to organisational capital		-69'894.00	-750'364.58
Withdrawal / Allocation			
to elaborated unrestricted capital		-69'894.00	-750'364.58
to elaborated restricted capital		0.00	0.00

Cash flow statement

	2017	2016
	in CHF	in CHF
Operating activities		
Annual result before allocation to organisational capital	-69'894.00	-750'364.58
Change in Fund result	-2'065'926.13	1'234'402.08
Depreciation/ amortisation of tangible fixed assets and intangible assets	373'277.73	501'619.59
Net write-offs / accumulation of provisions	-245'437.46	-391'787.10
Financial result	-1'944'942.91	-314'145.11
<hr/>		
Increase receivables	1'033'008.77	-1'168'567.86
Increase inventories	188'608.37	-20'253.99
Decrease / increase net assets in project countries	-263'451.88	-4'532'438.15
Decrease prepayments accrued income	-1'919'186.17	-736'415.97
Decrease accounts payable	437'134.42	-620'010.24
Increase accrued liabilities	-5'895'928.43	6'895'648.65
Cash flow from operations	-10'372'737.69	97'687.32
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Cash flow from investing activities		
Investments marketable securities	-2'046'919.79	-8'398'325.00
Investments tangible fixed assets	-69'049.64	-176'880.96
Investments intangible assets	-244'594.81	-340'336.29
Investments financial assets	175'916.83	489'435.70
Disposal marketable securities	5'112'078.00	5'085'287.00
Bank fees	-118'951.00	-115'676.01
Receiving interests and dividends from marketable securities and liquid assets	240'947.24	121'309.60
Cash flow from investing activities	3'049'426.83	-3'335'185.96
Loss / profit from currency exchange rates	179'097.67	-353'598.83
Total cash flow	-7'144'213.19	-3'591'097.47
<hr/>		
Changes in cash		
Opening balance of cash	38'698'599.13	42'289'696.60
Closing balance of cash	31'554'385.94	38'698'599.13
Changes in cash	-7'144'213.19	-3'591'097.47
	0.00	0.00

Statement of changes in capital

	Balance 01.01.17 in CHF	Earnings	Allocation	Internal fund transfers	Utilization	Total result	Balance 31.12.17 in CHF
Means from equity financing							
Elaborated unrestricted capital	11'829'304			-69'894		-69'894	11'759'410
Elaborated restricted capital							
- Fund fundraising	1'000'000						1'000'000
- Fund for value fluctuation of marketable securities	470'650						470'650
- Fund continuation of projects	9'830'744						9'830'744
- Real estate fund	1'790'000						1'790'000
- Social fund	526'767						526'767
- Emergency response fund	500'000						500'000
Annual result	0			69'894	-69'894		0
Organisational capital	25'947'465	0	0	0	-69'894	-69'894	25'877'571
Means from capital fund							
Fund programme contribution	0		10'000'000	-9'061'708	-938'292	0	0
Fund for water projects	258'580		1'632'580	-1'891'159		-258'580	0
Fund for girl and women empowerment	0		216'195	-216'195		0	0
Fund for education projects	0		339'861	-339'861		0	0
Assigned donations Africa	1'816'997		5'878'522	3'956'327	-10'046'879	-212'030	1'604'967
Assigned donations Asia	3'887'290		3'672'031	3'753'897	-8'493'009	-1'067'080	2'820'210
Assigned donations Latin America	440'288		1'470'582	2'804'921	-4'714'439	-438'935	1'352
Assigned donations Eastern Europe, Caucasus, Central Asia	0		361'433	993'777	-1'355'210	0	0
Assigned donations expositions Switzerland	103'705		32'118		-121'419	-89'301	14'404
Assigned fund capital	6'506'860	0	23'603'321	0	-25'669'248	-2'065'926	4'440'934
Empowerment fund	180'000	0					180'000
Usufructuary fund	180'000	0	0	0	0	0	180'000
Restricted fund capital	6'686'860	0	23'603'321	0	-25'669'248	-2'065'926	4'620'934

Information on the elaborated restricted capital

- Fund fundraising

This fund is to finance perennial investments in the fundraising.

- Fund for value fluctuation of marketable securities

This fund is to compensate larger fluctuations in the value of securities.

- Fund for continuation of projects

This fund covers commitments of projects in case of larger financing problems.

- Real estate fund

This fund finances investments in real estate.

- Social fund

This fund finances hard ship cases of HELVETAS Swiss Intercooperation employees.

- Emergency response fund

This fund pre-finances emergency operations in the event of a disaster.

Internal fund transfers

The column 'internal funds transfers' shows on which continents the funds programme was used for contributing projects, water projects, education projects and girl and women empowerment projects. The internal fund transfers are based on contractual agreements of the programme contribution with SDC and the definition of the project working fields.

Provisions

	Balance 01.01.17 in CHF	Allocation	Utilization	Reversal	Currency- translation effect	Total result	Balance 31.12.17 in CHF
Change in provisions							
Pension obligations personnel abroad	344'617	12'668	-144'762	-113'356	12	-245'437	99'180
Reintegration contribution employees	0					0	0
Provisions	344'617	12'668	-144'762	-113'356	12	-245'437	99'180

Accounting principles

HELVETAS Swiss Intercooperation, with registered office in Zurich, is an association established under Swiss law. HELVETAS Swiss Intercooperation keeps its accounts in accordance with Swiss Generally Accepted Accounting Principles (Swiss GAAP FER, in particular Swiss GAAP FER 21), the Swiss Code of Obligations, and the guidelines of the ZEWO Foundation. The financial statements give a true and fair view of the financial position, the cash flows and the operational results.

This statement of accounts is a translation only, for ease of use; you should place full reliance only upon the German original.

Changes to the accounting principles during the business year

There were no major changes to the accounting principles compared to the previous year.

Consolidation

On December 17, 2014, HELVETAS Swiss Intercooperation has founded the subsidiary HELVETAS USA Inc. with the domicile in Minneapolis. Furthermore, since 2013, the subsidiary HELVETAS Intercooperation gGmbH with the domicile in Bonn, Germany, exists. There is a further subsidiary Foundation Helvetas Honduras with the domicile in Honduras, which is not consolidated for reasons of immateriality.

Else HELVETAS Swiss Intercooperation does not have any subsidiaries or joint ventures in which it has a controlling influence or over which it could exercise control and management.

Associated organisations, individuals and organisations

The following organisations are regarded as associates:

- Alliance2015, Den Haag
- Alliance Sud (Arbeitsgemeinschaft der Hilfswerke), Bern
- Center for Rural Economy Development CRED, Hanoi Vietnam
- Cao Bang Development Center (Decen), Cao Bang Vietnam
- cinfo, Biel
- End Water Poverty Coalition, London
- Fairtrade International, Bonn
- Foundation Helvetas Honduras, Tegucigalpa
- HELVETAS Intercooperation gGmbH, Bonn
- Helvetas USA Inc., Minneapolis
- IFOAM, Bonn
- Intercooperation Social Development ICSD, Secunderabad India
- Knowledge Management for Development KM4DEV, Zürich
- KOFF/Swisspeace, Bern
- L'Association Intercooperation Madagascar AIM, Antananarivo Madagascar
- Max Havelaar-Stiftung, Basel
- Millenium Water Alliance, Washington DC USA
- Personalvorsorgestiftung der HELVETAS Swiss Intercooperation, Zürich
- Schweizer Forum für Berufsbildung und Internationale Zusammenarbeit FoBBIZ, Zürich
- Schweizer Plattform für nachhaltigen Kakao, Bern
- Skat Consulting und Skat Foundation, St. Gallen
- Stiftung Intercooperation, Bern
- Swiss Civil Society Platform on Migration and Development, Bern
- Swiss Fair Trade, Basel
- Swiss NGO DRR Platform, Luzern
- Swiss Water Partnership, Zürich
- Swiss Water & Sanitation NGO Consortium, Zürich

Principles of accounting and valuation

The accounts are kept in Swiss francs. HELVETAS Swiss Intercooperation follows the basic principle of acquisition or production costs, which is based on individual assessment of assets and liabilities. In the absence of any additional comment on an individual accounting item, the accounting item is valued at its nominal value at the closing date.

Revenues

Income from fundraising is taken into account when cashed. Revenues for services provided are defined during the period in which the services were provided.

Foreign currencies

Cash and cash equivalents, assets and liabilities held in foreign currencies at the closing date are converted into the Swiss Federal Tax Administration's period-end exchange rate. Transactions in foreign currencies are converted using the respective day's exchange rate. Exchange rate profits and losses are included gross in the statement of operations.

Cash and cash equivalents

This item includes cash balance, post office and bank deposits as well as time deposits and fiduciary deposits with a maturity of at most 90 days. These are presented as nominal values. Transactions in foreign currencies have been converted according to the daily exchange rates during the business year.

Marketable securities

Marketable securities are kept as liquidity reserves and can therefore be shown as current assets. They are converted into a market value at the closing date. The empowerment fund with its restricted capital funds is invested in marketable securities. The guidelines of 28/11/2015 in force since 01/01/2016 give preference to investments in marketable securities in the sustainable investment field and permit investments that are ecologically and socially beneficial.

Receivables

These are valued at their nominal value minus the specific and necessary operating provisions. The item principally includes the receivables from sales of merchandise and services, along with deposits from withholding tax.

Inventories

The inventories are included in the balance sheet at initial cost or at a lower residual cost taking account of appropriate specific provisions.

Net assets in project countries

This item mainly includes liquid assets, receivables and short-term liabilities.

Prepayments and accrued income

This item includes the asset items that have resulted from the accrual accounting. This principally includes amortized project expenses that have not yet been paid.

Tangible / intangible assets

The tangible and intangible assets have been presented at their initial or production cost minus depreciation for operational reasons. Straight-line depreciation is applied to the acquisition value / production costs over the estimated useful life. The capitalization threshold is 5,000 CHF in general and 2,000 CHF for IT investment goods. The estimated useful life of tangible assets is as follows:

- Installations 10 years
- Other tangible assets 4 years
- IT hardware 3 years
- Software (intangible assets) 4 years

Financial assets

Financial assets are included in the balance sheet at acquisition costs minus depreciation for operational reasons. Except for the investments in HELVETAS Intercooperation gGmbH Bonn and Helvetas USA Inc., the financial assets represent less than 20% of the capital of the associations.

Impairment of assets

All assets are checked at every closing date to determine whether the book value of the asset exceeds the recoverable value (the higher of market value and the user value). If there is an impairment of assets, the book value is reduced to the recoverable value and the impairment of assets is included in the operating result for the period.

Accrued liabilities

This item includes the liabilities that result from the accrual accounting. These accrued liabilities are principally project payments for project activities that have not yet been carried out.

Provisions

Provisions are built up for justified liabilities. The size of the provisions is based on the judgment of management and is a reflection of expected future expenditure.

Provisions are established at the reporting date for contractually stipulated responsibilities for personnel benefits in project countries that no longer apply to HELVETAS Swiss Intercooperation after the end of the contract. Their valuation is affected by fluctuations in the exchange rate. These provisions are largely reimbursed by the contracting body. The payments are made when the employee's contract has come to an end.

Restricted fund capital

Restricted fund capital consists of the programme credit of SDC, an usufruct fund, three funds with defined use and donations tied to specific projects. The usufruct fund includes loans of which only the capital yield can be used by contract. The three funds with defined use contain a fund for water projects, a fund with donations for education for young people and a fund for empowerment of girls and women. These three fund subjects are key working areas of HELVETAS Swiss Intercooperation.

Organisational capital

The organisational capital includes unrestricted and restricted capital that can be used in line with the mission defined in HELVETAS Swiss Intercooperation's statutes. There is no initial or seed capital. The Board of Directors decides how the restricted capital is to be allocated and used.

Cash-flow statement

The cash-flow statement shows the changes in the 'liquid assets' fund, divided into operational, investment and funding activities. It is presented according to the indirect method.

Statement of changes in capital

The statement of changes in capital shows the development of the restricted capital fund by continent and the individual components of the organisational capital. The development of the usufruct fund and the provisions is also presented in this item.

Calculation method for the administrative costs as well as fundraising and general advertising expenditures

In determining its cost structure, HELVETAS Swiss Intercooperation uses the method for calculating administrative costs applied by the Zewo Foundation. All project costs and costs for providing services that contribute directly to the HELVETAS Swiss Intercooperation's fulfilment of its goals pursuant to its by-laws are recognized as expenditures. Administrative costs include expenditures that indirectly contribute to HELVETAS Swiss Intercooperation's projects and services that cannot be provided directly by project partners and target groups. The latter help to ensure the basic functioning of HELVETAS Swiss Intercooperation.

Annex

Explanatory notes to the balance sheet

	31.12.17	in CHF	31.12.16
1.1 Cash and cash equivalents			
Savings/ Post office/ Bank	31'554'385.93		38'698'599.13
	31'554'385.93		38'698'599.13
1.2 Marketable securities			
Stocks	4'123'972.00		4'211'342.00
Investment fund long-term bonds	8'124'842.00		8'302'447.00
Investment fund long-term stocks	3'017'801.00		3'842'047.21
Investment fund real estate	3'139'428.00		3'470'480.00
	18'406'043.00		19'826'316.21
1.3 Receivables			
Receivables from sales of goods and services	180'260.52		203'790.97
Receivables from polity	110'191.20		102'989.21
Allowances	-15'000.00		-15'000.00
Pension fund	1'107'758.30		2'164'889.85
Other receivables	1'531'933.80		1'491'482.56
	2'915'143.82		3'948'152.59
1.4 Inventories			
Sales of Fair Trade goods	977'847.96		1'226'974.95
Provision for depreciation for stock of merchandise	-169'814.00		-230'332.62
	808'033.96		996'642.33

1.5 Net assets in project countries

	2017		2016		
	Assets	Liabilities	Assets	Liabilities	
Ethiopia	827'642.25	1'014'199.15	186'556.90	322'100.95	178'958.35
Afghanistan	0.00	0.00	0.00	16'148.25	0.00
Albania	410'410.55	597'053.45	186'642.90	630'369.35	155'609.65
Bangladesh	397'002.40	397'002.40	0.00	365'215.75	17'840.50
Benin	497'321.40	656'011.00	158'689.60	1'898'525.35	43'228.40
Bhutan	87'424.25	140'883.60	53'459.35	45'657.10	8'369.55
Bolivia	518'056.40	553'475.15	35'418.75	222'773.25	56'381.45
Bosnia-Herzegovina	176'367.75	225'822.55	49'454.80	188'389.80	60'702.45
Burkina Faso	1'376'174.23	1'497'131.63	120'957.40	2'693'931.75	18'595.65
Guatemala	1'387'264.50	1'564'505.65	177'241.15	848'934.65	191'243.55
Haiti	158'281.95	158'281.95	0.00	167'069.70	0.00
Honduras	249'336.40	280'291.85	30'955.45	833'415.45	50'294.70
Kyrgyzstan	265'448.60	265'448.60	0.00	46'358.45	0.00
Kosovo	90'705.95	104'720.25	14'014.30	158'185.20	42'080.55
Laos	267'207.10	302'209.85	35'002.75	402'103.90	28'539.80
Madagascar	96'258.65	175'321.30	79'062.65	191'782.35	73'437.15
Mali	325'671.80	333'826.85	8'155.05	460'085.35	57'777.90
Macedonia	8'793.05	8'793.05	0.00	12'383.30	175.80
Mozambique	359'310.05	362'119.55	2'809.50	337'164.10	2'075.20
Myanmar	258'412.85	258'412.85	0.00	322'744.05	5'097.60
Nepal	3'374'299.55	3'675'414.50	301'114.95	2'690'550.30	310'028.90
Nicaragua	0.00	0.00	0.00	4'695.10	0.00
Niger	242'500.25	260'208.40	17'708.15	99'749.10	10'859.25
Pakistan	998'333.50	1'030'789.05	32'455.55	504'814.55	378'521.10
Peru	327'213.90	697'307.90	370'094.00	1'336'748.95	336'815.45
Serbia	198'892.50	210'522.15	11'629.65	122'549.30	7'212.75
Sri Lanka	30'682.40	44'958.85	14'276.45	22'582.00	9'121.70
Tadzhikistan	125'823.40	208'306.90	82'483.50	73'077.95	148'441.30
Tanzania	92'636.45	140'926.80	48'290.35	57'939.60	7'336.05
Vietnam	206'978.75	225'628.25	18'649.50	236'957.00	23'258.20
Total		15'389'573.48	2'035'122.65	15'313'001.90	2'222'002.95

Total net assets

13'354'450.83

13'090'998.95

in CHF

31.12.17

31.12.16

1.6 Prepayments and accrued income

Advance payments on SDC projects
Advance payments on SECO projects
Advance payments on projects EU
Advance payments Swiss Solidarity
Advance payments DFID (Dept. for International Development)
Advance payments IFAD
Advance payments on projects from other funders
Other prepayments and accrued income

2'748'788.58	2'050'326.06
7'626.09	373'141.98
277'990.69	99'081.55
110'413.41	444'195.11
939'069.01	114'328.63
261'987.16	0.00
4'548'655.40	3'477'681.44
1'497'366.10	1'913'955.50
10'391'896.44	8'472'710.27

1.7 Investment in financial assets

Investments and loans
Rent deposits

47'303.00	253'848.48
76'237.35	45'608.70
123'540.35	299'457.18

1.8 Tangible fixed assets and intangible assets

	IT Hardware	Installations	Other tangible fixed assets	Total tangible assets	Total intangible assets
Balance 01.01.16	606'595.36	2'466'179.66	50'673.00	3'123'448.02	2'252'211.37
Acquisitions	175'511.38	1'369.58	0.00	176'880.96	340'336.29
Disposal	-169'450.00	0.00	0.00	-169'450.00	0.00
Reclassifications	0.00	0.00	0.00	0.00	0.00
Balance 31.12.16	612'656.74	2'467'549.24	50'673.00	3'130'878.98	2'592'547.66

Cumulative depreciation and amortization

Balance 01.01.16	-447'073.16	-1'573'524.61	-50'673.00	-2'071'270.77	-2'073'960.68
Accumulated depreciation	-160'892.65	-122'663.98	0.00	-283'556.63	-218'062.96
Disposal	169'450.00	0.00	0.00	169'450.00	0.00
Reclassifications	0.00	0.00	0.00	0.00	0.00
Balance 31.12.16	-438'515.81	-1'696'188.59	-50'673.00	-2'185'377.40	-2'292'023.64

Net balance 01.01.16

Net balance 31.12.16

159'522.20	892'655.05	0.00	1'052'177.25	178'250.69
174'140.93	771'360.65	0.00	945'501.58	300'524.02

Tangible fixed assets and intangible assets

	IT Hardware	Installations	Other tangible fixed assets	Total tangible assets	Total intangible assets
Balance 01.01.17	612'656.74	2'467'549.24	50'673.00	3'130'878.98	2'592'547.66
Acquisitions	55'559.64	5'490.00	8'000.00	69'049.64	244'594.81
Disposal	0.00	0.00	0.00	0.00	0.00
Reclassifications	0.00	0.00	0.00	0.00	0.00
Balance 31.12.17	668'216.38	2'473'039.24	58'673.00	3'199'928.62	2'837'142.47

Cumulative depreciation and amortization

Balance 01.01.17	-438'515.81	-1'696'188.59	-50'673.00	-2'185'377.40	-2'292'023.64
Accumulated depreciation	-81'457.73	-120'952.00	-2'000.00	-204'409.73	-168'868.00
Disposal	-1'036.00	0.00	0.00	-1'036.00	0.00
Reclassifications	0.00	0.00	0.00	0.00	0.00
Balance 31.12.17	-521'009.54	-1'817'140.59	-52'673.00	-2'390'823.13	-2'460'891.64

Net balance 01.01.17

Net balance 31.12.17

174'140.93	771'360.65	0.00	945'501.58	300'524.02
147'206.84	655'898.65	6'000.00	809'105.49	376'250.83

The capital goods in project countries (mainly vehicles and IT hardware) are not included in the financial statement because it is not possible to predict their service life and the operational risk.

	in CHF	
	<u>31.12.17</u>	<u>31.12.16</u>
2.1 Accounts payable		
Accounts payable for deliveries of merchandise/ services	1'009'230.34	774'994.19
Accounts payable from projects	1'411'659.71	1'019'790.34
Other accounts payable	532'576.51	721'547.61
	2'953'466.56	2'516'332.14

2.2 Accrued liabilities

Advance payments on projects SDC	28'532'541.95	31'931'630.79
Advance payments on projects SECO	1'498'382.65	3'544'398.00
Advance payments EU	2'873'091.63	3'842'861.67
Advance payments Swiss Solidarity	2'883'081.89	2'077'659.02
Advance payments DFID	1'307.00	928.15
Advance payments IFAD	0.00	149'737.45
Advance payments from other funders	5'235'332.48	5'164'844.04
Other accrued liabilities	4'163'962.64	4'371'569.55
	45'187'700.24	51'083'628.67

2.3 Provisions

The state of provisions is presented in the statement of changes in capital.

2.4 Restricted capital funds

The development of these funds is presented in the statement of changes in capital.

Explanatory notes to the statement of operations

	31.12.17	31.12.16
in CHF		
Income from fundraising		
3.1 Membership fees	-2'420'880.00	-2'163'630.00
3.1 Donations		
- of private persons	-12'439'370.21	-12'326'252.84
- of private institutions	-9'451'049.77	-11'428'558.26
- of cantons and municipalities	-1'967'968.80	-2'259'916.39
Total donations	-23'858'388.78	-26'014'727.49
3.1 Legacies	-1'460'133.06	-296'939.62
Total income from fundraising	-27'739'401.84	-28'475'297.11
Restricted	-13'603'321.49	-15'487'037.86
Unrestricted	-14'136'080.35	-12'988'259.25
Income from services provided		
3.2 Project funding SDC		
- Programme projects	-10'000'000.00	-10'700'000.00
- Commissioned projects	-55'537'352.13	-60'893'617.04
Total project funding SDC	-65'537'352.13	-71'593'617.04
3.3 Project funding from organisations		
- Project funding SECO	-4'450'707.61	-4'596'544.84
- Project funding EU	-2'994'750.47	-1'928'777.19
- Project funding DFID (Dept. for International Development)	-3'326'588.51	-304'567.68
- Project funding IFAD	-411'724.61	-261'119.28
- Project funding Swiss Solidarity	-3'466'467.73	-3'585'790.26
- Project funding from other organisations	-12'317'069.55	-10'045'269.35
Total project funding from organisations	-26'967'308.48	-20'722'068.60
3.4 Income from advisory services		
- Consulting SDC	-1'969'664.80	-2'222'892.03
- Consulting SECO	0.00	-129'575.47
- Consulting IFAD	0.00	0.00
- Consulting other organisations	-1'372'117.83	-1'349'734.47
Total income from advisory services	-3'341'782.63	-3'702'201.98
3.5 Income from Fair Trade		
Trade in goods		
Trading revenue	-2'858'196.04	-2'908'351.30
Other revenue	-73'655.43	-79'260.86
Income from trade in goods	-2'931'851.47	-2'987'612.16
Calendar office		
Revenue	-48'223.20	-46'463.00
Income from calendar office	-48'223.20	-46'463.00
Total income from Fair Trade	-2'980'074.67	-3'034'075.16
3.6 Other operating income		
Sponsoring for campaign / exhibitions	-131'429.64	-184'938.68
Other operating income	-359'594.09	-391'039.45
Total other operating income	-491'023.73	-575'978.13
Total income from services provided	-99'317'541.64	-99'627'940.91

in CHF

4.0 International programmes by country

	Africa		Asia		Latin America		Eastern Europe, Caucasus, Central Asia	
	2017	2016	2017	2016	2017	2016	2017	2016
	27.6%	25.1%	34.2%	36.2%	19.3%	19.8%	18.9%	18.9%
Ethiopia	3'518'626.21	3'265'926.24						
Afghanistan			11'973.40	3'218'034.88				
Albania							4'077'769.81	3'843'675.29
Armenia							0.00	63'826.99
Bangladesh			2'819'281.02	5'257'399.75				
Benin	6'207'640.82	4'404'539.41						
Bhutan			2'324'039.17	1'844'148.05				
Bolivia					6'053'784.08	4'421'546.49		
Bosnia-Herzegovina							933'673.31	1'042'790.80
Burkina Faso	4'660'421.42	1'793'912.82						
Ecuador					2'053.29	5'322.42		
Guatemala					4'231'119.81	3'819'135.39		
Haiti					2'322'400.60	3'618'207.22		
Honduras					1'396'824.47	978'520.95		
India			20'809.31	23'647.38				
Kyrgyzstan							4'195'174.99	2'929'252.12
Kosovo							5'745'447.18	5'595'438.44
Laos			4'767'616.58	3'830'390.23				
Madagascar	1'917'106.24	3'104'091.59						
Mali	5'150'800.98	4'941'777.48						
Macedonia							126'069.05	1'400'502.31
Mozambique	2'509'881.80	2'705'757.16						
Myanmar			2'103'389.77	1'574'173.11				
Nepal			17'428'031.22	12'903'430.59				
Niger	1'245'527.26	2'265'189.75						
Pakistan			2'976'974.29	4'107'845.29				
Peru					5'679'661.61	6'744'731.50		
Serbia							1'161'594.99	870'036.26
Southeast Asia emergency aid			487'988.28	1'255'613.40				
Sri Lanka			522'357.24	468'346.52				
Tadzhikistan							3'009'306.15	2'946'104.40
Tanzania	2'896'015.88	2'352'208.92						
Vietnam			1'432'546.00	1'292'406.62				
Total continent	28'106'020.61	24'833'403.37	34'895'006.28	35'775'435.82	19'685'843.86	19'587'463.97	19'249'035.48	18'691'626.61
Total international projects							101'935'906.23	98'887'929.77
Programme coordination & support from head office							2'362'226.85	2'428'847.52
Total expenditure on international programmes							104'298'133.08	101'316'777.29

The personnel costs directly attributable to project expenses are reported in the programme countries.

Break-down of costs**International projects**

<i>Salaries</i>
<i>Travel & representation costs</i>
<i>Administration costs</i>
<i>Rent & maintenance costs</i>
<i>Supplies & services costs</i>
<i>Depreciation</i>

Total

Reductions in expenditure

Total for international projects

In the reporting year, there were major purchases of capital goods in various program countries, which were written off directly.

Programme coordination & support from head office

<i>Salaries</i>
<i>Travel & representation costs</i>
<i>Administration costs</i>
<i>Rent & maintenance costs</i>
<i>Supplies & services costs</i>
<i>Depreciation</i>

Total

Income from services Head Office

Total programme coordination & support**Total expenditure for international projects**

in CHF

31.12.17**31.12.16**

29'349'901.91	30'665'737.94
4'858'829.01	4'440'444.81
2'892'051.49	2'971'421.89
3'853'739.65	3'625'433.54
58'519'445.03	55'000'810.63
2'461'939.14	2'184'080.96
101'935'906.23	98'887'929.77
0.00	0.00
101'935'906.23	98'887'929.77

1'748'162.02	1'675'662.85
136'957.61	190'097.52
63'787.79	60'290.88
221'878.70	232'229.15
176'259.23	251'871.12
15'181.50	18'696.00
2'362'226.85	2'428'847.52
0.00	0.00
2'362'226.85	2'428'847.52
104'298'133.08	101'316'777.29

4.1 Advisory Services

<i>Salaries</i>
<i>Travel & representation costs</i>
<i>Administration costs</i>
<i>Rent & maintenance costs</i>
<i>Supplies & services costs</i>
<i>Depreciation</i>

Total

Income from services Head Office

Total consulting

3'316'574.36	3'198'943.42
240'479.10	257'719.52
224'619.20	152'928.14
296'130.55	304'418.26
1'283'154.66	1'463'803.97
14'125.91	30'427.00
5'375'083.78	5'408'240.31
0.00	0.00
5'375'083.78	5'408'240.31

	in CHF	
	31.12.17	31.12.16
4.2 Expenditure on projects in Switzerland		
Communications	2'447'543.83	2'270'356.58
Awareness-raising	977'081.01	960'771.54
Organisational costs	84'442.58	117'227.94
Development policy	539'108.88	589'182.51
Programme coordination and support	1'337'924.57	1'365'491.01
Total expenditure on projects in Switzerland	5'386'100.87	5'303'029.58
Salaries	3'033'490.20	2'840'532.57
Travel & representation costs	86'135.44	109'452.75
Administration costs	141'557.92	160'714.29
Rent & maintenance costs	351'347.77	341'986.46
Supplies & services costs	1'698'715.34	1'801'518.51
Depreciation	74'854.20	48'825.00
Total	5'386'100.87	5'303'029.58
Income from service provision / reductions in expenditure	0.00	0.00
Total expenditure on projects in Switzerland	5'386'100.87	5'303'029.58
4.3 Expenditure from Fair Trade		
Trade in goods		
Salaries	1'039'511.66	1'093'847.58
Travel & representation costs	9'083.29	14'057.56
Administration costs	135'642.96	72'664.66
Rent & maintenance costs	114'541.41	123'588.35
Depreciation	249'464.12	210'891.41
Total	1'548'243.44	1'515'049.56
Purchasing goods	1'402'353.86	1'417'156.06
Printing- and mailing costs	633'871.44	713'286.55
Total trade in goods	3'584'468.74	3'645'492.17
Calendar office		
Salaries	6'022.38	6'355.30
Travel & representation costs	1'211.98	152.25
Administration costs	31'196.10	45'281.60
Rent & maintenance costs	0.00	0.00
Depreciation	0.00	0.00
Total calendar office	38'430.46	51'789.15
Total Fair Trade	3'622'899.20	3'697'281.32

	in CHF	
	31.12.17	31.12.16
4.4 Head office and fundraising		
Salaries	3'775'875.45	3'464'208.54
Travel & representation costs	129'947.78	113'690.10
Administrative costs	527'836.89	539'645.49
Room & maintenance costs	254'145.31	252'313.49
Fundraising	7'335'718.85	6'692'546.19
Depreciation	189'279.00	281'319.59
Total Head office and fundraising	12'212'803.28	11'343'723.40
Fundraising		
Public Fundraising	5'727'392.25	5'235'323.36
Individual Fundraising	1'608'326.60	1'457'222.83
Total Fundraising	7'335'718.85	6'692'546.19

Salaries amount to TCHF 2'230 (prior year TCHF 1'917).

4.5 Expenditures for services provided according to total costs		
Salaries	42'269'537.98	42'945'288.20
Travel & representation costs	5'462'644.21	5'125'614.51
Administrative costs	4'016'692.35	4'002'946.95
Room & maintenance costs	5'091'783.39	4'879'969.25
Supplies & services costs	61'677'574.26	58'518'004.23
Purchasing goods	1'402'353.86	1'417'156.06
Printing- and mailing costs	633'871.44	713'286.55
Fundraising	7'335'718.85	6'692'546.19
Depreciation	3'004'843.87	2'774'239.96
Expenditures for services provided according to total costs	130'895'020.21	127'069'051.90

The annual average of fulltime employees was more than 1'300 employees in the reporting year (prior year 1'400).

	Expenditure		Income			
	2017	2016	2017	2016		
5.0 Financial result						
Interest / dividends from securities	0.00	0.00	-240'947.24	-121'309.60	-240'947.24	-121'309.60
Profit from securities	54'952.00	330'314.84	-1'698'801.00	-992'425.19	-1'643'849.00	-662'110.35
Profit from currency exchange rate	93'464.89	573'487.38	-272'562.56	-219'888.55	-179'097.67	353'598.83
Bank fees	118'951.00	115'676.01	0.00	0.00	118'951.00	115'676.01
Total financial result	267'367.89	1'019'478.23	-2'212'310.80	-1'333'623.34	-1'944'942.91	-314'145.11
5.1 Other result						
Foreign travel sales	6'724.00	10'190.20	-10'486.62	-11'196.85	-3'762.62	-1'006.65
e.o expenditure strategic partnership	630'403.88	1'544'763.34	-383'954.95	-679'462.96	246'448.93	865'300.38
Total other result	637'127.88	1'554'953.54	-394'441.57	-690'659.81	242'686.31	864'293.73

6.0 Fund result

The fund result is presented in the statement of changes in capital.

Additional information

Reimbursement of Board of Directors and management expenses

The 12 members of the Board of Directors of HELVETAS Swiss Intercooperation did not receive any lump sum reimbursements for personnel expenses or other expenses. Members of the Board of Directors receive neither attendance fees nor remuneration for their work for HELVETAS Swiss Intercooperation. The President of the Board of Directors receives a lump sum reimbursement of CHF 10'200. The total costs for travel expenses and meetings as well as strategic missions was CHF 17'956 (2016: CHF 21'530).

No expenses were paid to the eleven members of the Advisory Board of HELVETAS Swiss Intercooperation during the financial year 2017.

The salaries and lump sum expenses of the six members of the management board amounted to CHF 1'268'786 (2016: CHF 1'194'195) for the business year. Out of which CHF 207'227 (2016: CHF 190'793) represent the employer's statutory social security contributions. Otherwise personnel expenses were only reimbursed against receipt.

Transactions with associated individuals

Alliance Sud receives a substantial contribution to its annual budget by contractual agreement.

In 2017 grants totalling CHF 360'141 (out of which CHF 226'523 as project contribution) were made to HELVETAS Intercooperation GmbH in Bonn, as well as to Helvetas USA CHF 200'160.

Transaction with the HELVETAS Swiss Intercooperation pension fund

The HELVETAS Swiss Intercooperation Board of Directors resolved at its meeting held on November 29, 2015 to confer a maximum amount of CHF 1.5 million to the HELVETAS Swiss Intercooperation pension fund as a one-time payment to ensure pension annuities. Management decided to spread the one-time payment across the 2015, 2016, and 2017 fiscal years in equal portions. The booking is made each time against the entry for other income.

Employee Benefit Scheme

HELVETAS Swiss Intercooperation employees are insured by the Pension Fund of HELVETA Swiss Intercooperation.

Pension Fund HELVETAS Swiss Intercooperation is a foundation according to Swiss law and the BVG. It aims to provide protection under the BVG scheme and its rules of implementation for Helvetas employees and their families and estates from the financial consequences of age, invalidity and death. The benefit scheme is based on the principle of defined contributions and complies with the regulations that came into force on 1st January 2017. The benefit scheme is financed through employee contributions (7%) and employer contributions (9-13%) on the insured and declared annual salary. The insured can increase their savings contributions to 8% on voluntary basis. Invalidity payments are re-insured against risk.

Should the scheme be underfunded, then the usual legal BVG state pension scheme provisions apply. The employer has made no additional undertakings.

Economical benefit / economical obligation and pension benefit expenses in TCHF	Surplus / deficit	Economical part of Helvetas		Change to prior year period or recognized in the current result of the period, respec- tively	Contributions concerning the business period	Pension benefit expenses within personal expenses	
		31.12.2017	31.12.2017			31.12.2016	2017
Pension Fund HELVETAS	0	0	0	0	1'882	1'882	1'666
Employer contribution reserves (AGBR) in TCHF	Nomial value 31.12.2017	Waiver of use in 2017	Balance 31.12.2017	Formation in 2017	Balance 31.12.2016	Result from AGBR within personal expenses*	
						2017	2016
Pension Fund HELVETAS	0	0	0	0	207	207	500

* The booking accrued in other income

Gratuitous services

In financial year 2017 gratuitous services have been rendered amounting to 328 man days (prior year 373) which is equivalent to a comparable HELVETAS Swiss Intercooperation's salary of CHF 86'920 (prior year 98'845). As HELVETAS Swiss Intercooperation's regional groups are not consolidated for reasons of immateriality, gratuitous services in regional groups were not accounted for by HELVETAS Swiss Intercooperation. In the financial year 2017 the 12 members of the Board of Directors of HELVETAS Swiss Intercooperation provided gratuitous services amounting to 150 days.

In 2017 HELVETAS Swiss Intercooperation could benefit from gratuitous advertising services totalling CHF 1'754'400 (prior year CHF 1'560'100) (advertisement, poster).

Auditor fees

The auditor fees totalled CHF 85'400 (compared to CHF 85'150 for the previous year) for audit services and CHF 12'380 CHF for other services (compared to CHF 18'700 for the previous year).

Potential commitments

There are no leasing commitments.

Rent commitments not maturing or that cannot be cancelled within the next 12 months total CHF 2'599'680 (prior year CHF 3'350'894) at the next termination date.

Events after the closing date

The financial statements were approved for publication by the Board of Directors on 25th May 2018. They must also be approved by the HELVETAS Swiss Intercooperation General Meeting on 30th June 2018. Nothing has taken place since 31st December 2017 and the date of approval of these statements of accounts that would entail adjustments to the book values of HELVETAS Swiss Intercooperation's assets and liabilities on 31st December 2017 or that would need to be disclosed here.

The original German version of the financial statement shall prevail.