

Audit Report

HELVETAS Intercooperation gGmbH
Bonn

Audit of the Annual Financial Statement
for the financial year from 1 January 2023 to
31 December 2023

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Special Terms and Conditions of Engagement of the BDO AG Audit Firm and
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Audit Firms

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When using rounded amounts and percentages, differences may occur due to commercial rounding.

Unless otherwise indicated, the provisions of the German Commercial Code (HGB) and other laws cited in the audit report refer to the version valid at the time of the audited financial year.

LIST OF ABBREVIATIONS

<u>Abbreviation</u>	<u>Complete designation</u>
AAB	General Terms and Conditions of Engagement for Auditors and Audit Firms
Art.	Article
BAB	Special Terms and Conditions of Engagement of BDO AG Audit Firm
GmbH	Gesellschaft mit beschränkter Haftung/German limited liability company
HGB	Handelsgesetzbuch/German Commercial Code
HR	Handelsregister/German Commercial Register
IDW	Institut der Wirtschaftsprüfer in Deutschland e.V., Düsseldorf/ Institute of Public Auditors in Germany
PS	Prüfungsstandard des Instituts der Wirtschaftsprüfer in Deutschland e.V./Audit Standards of the IDW

A. AUDIT ENGAGEMENT AND DECLARATION OF INDEPENDENCE

I. AUDIT ENGAGEMENT

The general meeting of

Helvetas Intercooperation gGmbH, Bonn
(hereinafter also referred to as "Helvetas" or the "company")

elected us as auditor for the financial year from 1 January 2023 to 31 December 2023 on... Based on this, the board of directors of the company entrusted us with the audit of the annual financial statement including accounting for the financial year from 1 January 2023 to 31 December in accordance with Sections 1 et seq. of the German Commercial Code (HGB).

The non-statutory audit was conducted on the basis of the articles of association in accordance with Sections 317 et seq. of the German Commercial Code (HGB).

The audit report is exclusively intended for Helvetas Intercooperation gGmbH.

The company is a small corporation as defined by the provisions of the German Commercial Code (HGB).

The execution of this engagement and our responsibility are – also in relation to third parties – governed by the Special Terms and Conditions of Engagement of the BDO AG Audit Firm (BAB) and the General Terms and Conditions of Engagement for Auditors and Audit Firms (AAB), as enclosed in Annex II to this report.

II. DECLARATION OF INDEPENDENCE

In accordance with Section 321 (4)a of the German Commercial Code (HGB), we hereby confirm that we have observed the applicable provisions on independence within the scope of the audit.

B. REPRODUCTION OF THE AUDIT REPORT

We have issued the unrestricted audit certificate signed on 11 April 2024 in Bonn relating to the annual financial statement of Helvetas Intercooperation gGmbH, Bonn, for the financial year from 1 January 2023 to 31 December 2023 in the version provided in Annex I to this audit report as follows:



AUDIT REPORT OF THE INDEPENDENT AUDITOR

To Helvetas Intercooperation gGmbH, Bonn

AUDIT OPINION

We have audited the annual financial statement of HELVETAS Intercooperation gGmbH, Bonn - consisting of the balance sheet as at 31 December 2023 and the profit and loss sheet for the financial year for the financial year from 1 January 2023 to 31 December 2023 as well as the annex, including notes on the applied accounting and valuation methods.

In our opinion, which is based on the knowledge obtained in the audit, the enclosed annual financial statement in all material respects complies with the provisions under the German Commercial Code (HGB) applicable for corporations and in compliance with the German generally accepted principles of accounting, gives a true and fair view of the assets, liabilities and financial situation of the company as at 31 December 2023 as well as of the company's income situation for the financial year from 1 January 2023 to 31 December 2023.

Pursuant to Section 322 (3) Sentence 1 of the German Commercial Code (HGB), we hereby declare that our audit has not given rise to any reservations relating to the legal compliance of the annual financial statement.

BASIS FOR THE AUDIT OPINION

We have conducted the audit of the annual financial statement in accordance with Section 317 of the German Commercial Code (HGB) and the generally accepted standards for financial statement audits by the Institute of Public Auditors in Germany (IDW). Our responsibility as defined by these provisions and standards is set out in further detail in the Section "RESPONSIBILITY OF THE AUDITOR FOR THE AUDIT OF THE ANNUAL FINANCIAL STATEMENT" in our audit report. We are an independent entity not related to the audited company as required by the relevant provisions under the German Commercial Code (HGB) and the professional regulations and have complied with any other professional obligations applicable for us in compliance with these requirements.

We are of the opinion that the audit evidence obtained by us is sufficient and appropriate to serve as basis for our audit opinion of the annual financial statement.

RESPONSIBILITY OF THE AUTHORISED REPRESENTATIVES FOR THE ANNUAL FINANCIAL STATEMENT

The authorised representatives of the company are responsible for the preparation of the annual financial statement, which must in all material respects comply with all provisions under the German Commercial Code (HGB) applicable for corporations; furthermore, the authorised representatives are responsible that, in compliance with the German generally accepted principles of accounting, the annual financial statement gives a true and fair view of the actual assets, liabilities, financial and income situation of the company. In addition, the authorised representatives are responsible for the internal controls, which they have determined necessary in compliance with the German generally accepted principles of accounting to enable the preparation of financial statement that is free from material misstatement, whether due to fraud or error (i.e. manipulation of the accounting system or misstatement of assets).

In preparing the annual financial statement, the authorised representatives are responsible for assessing the company's ability to continue its corporate activities. They also have the responsibility to disclose matters related to the continuation of the corporate activities, where relevant. In addition, they are responsible for preparing a balance sheet based on the principle of the continuation of the corporate activities, where not prevented by actual circumstances or for legal reasons.

RESPONSIBILITY OF THE AUDITOR FOR THE AUDIT OF THE ANNUAL FINANCIAL STATEMENT

Our aim is to obtain reasonable assurance about whether the annual financial statement as a whole is free from material misstatement - whether due to fraudulent acts or errors - and issue an audit certificate that includes our audit report on the annual financial statement.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with Section 317 of the German Commercial Code (HGB) and in compliance with the German generally accepted standards for financial statement audits promulgated by the Institute of Public Auditors in Germany (IDW) will always detect any material misstatement. Misstatements can arise from fraudulent acts or errors and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of recipients formed on the basis of this annual financial statement.

Within the scope of the audit, we will exercise professional judgement and maintain professional scepticism. In addition, we will

- identify and assess the risks of material misstatement of the annual financial statement, whether due to fraudulent acts or errors, plan and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk that material misstatements resulting from fraudulent acts will not be detected is higher than the risk that material misstatements resulting from errors will not be detected, as fraudulent acts may involve collusion, forgery, intentional omissions, misleading representations or the override of internal controls.
- obtain an understanding of the internal control system relevant to the audit of the annual financial statement in order to plan audit procedures that are appropriate under the given circumstances, but not for the purpose of expressing an opinion of the effectiveness of this system maintained by the company.
- assess the appropriateness of the accounting methods used by the authorised representatives as well as the acceptability of the estimated values provided by the authorised representatives and any related information.
- draw conclusions on the appropriateness of the applied accounting principles of continuation of the corporate activities applied by the authorised representatives and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue its corporate activities. If we conclude that a material uncertainty exists, we are required to draw attention to the related disclosures in the annual financial statement in our audit report or if these disclosures are inadequate, to modify our respective audit opinion. We draw our conclusions on the basis of the audit evidence obtained up to the date of our audit report. However, future events or circumstances may prevent the company from continuing its corporate activities.
- evaluate the presentation, structure and content of the overall annual financial statement, including the disclosures, and whether the annual financial statement presents the underlying transactions and events in a manner that it gives a true and fair view of the assets, liabilities, financial and income situation of the company in compliance with the German generally accepted principles of accounting.

Among other things, we will discuss the scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control system that we identify during the course of our audit with those entrusted with supervisory duties.



C. FINDINGS ON ACCOUNTING

I. ACCOUNTS AND OTHER AUDITED DODUMENTS

According to our findings, the accounts correspond to the statutory provisions in all material respects including the generally accepted principles of accounting and - where applicable - the supplementing provisions of the articles of association. The information obtained from the other audited documents are duly portrayed in the accounts and the annual financial statement with regard to all material respects.

According to our findings, the accounting-related internal control system is suited to guarantee the security of the processed accounting-related data.

II. Annual financial statement

The annual financial statement for the financial year from 1 January 2023 to 31 December 2023 is attached to this report as Annex I. In our opinion, on the basis of the knowledge obtained in the audit, it corresponds to the statutory provisions in all material respects including the generally accepted principles of accounting – and where applicable - the supplementing provisions of the articles of association.

The balance sheet and profit and loss statement have been duly prepared on the basis of the accounts and the other audited documents. The opening balance sheet amounts were duly carried forward from the previous year statements.

The recognition, presentation and valuation regulations applicable for corporations have been complied with in all material respects. The annex contains the required information on the individual balance sheet and profit and loss statement items and accurately and completely state all other mandatory information.

A presentation of the significant valuation bases for the annual financial statement, which is required for an understanding of the overall statement, can be found in Section F.II.

Our audit has revealed that all in all the annual financial statement gives a fair view of the assets, liabilities, financial and income situation of the company in compliance with the generally accepted principles of accounting.

D. OBJECT OF THE AUDIT

The accounting records and the annual financial statement prepared in accordance with German commercial law for the financial year from 1 January 2023 to 31 December 2023 were the object of our audit. The annual financial statement consisted of

- the balance sheet,
- the profit and loss statement as well as
- the annex including the presentation of the accounting and valuation methods.

In accordance with Section 317 (4)a of the German Commercial Code (HGB), the audit is not required to establish whether the continuation of the audited company or the efficacy and economic efficiency of the management board can be guaranteed.

We have set out our responsibility for the financial statement in the audit report (Section B.).

E. TYPE AND SCOPE OF CONTRACT EXECUTION

We have presented the main features of our audit procedure in the audit report (Section B.). In addition, we provide further explanations in the following:

Risk and system-oriented audit approach

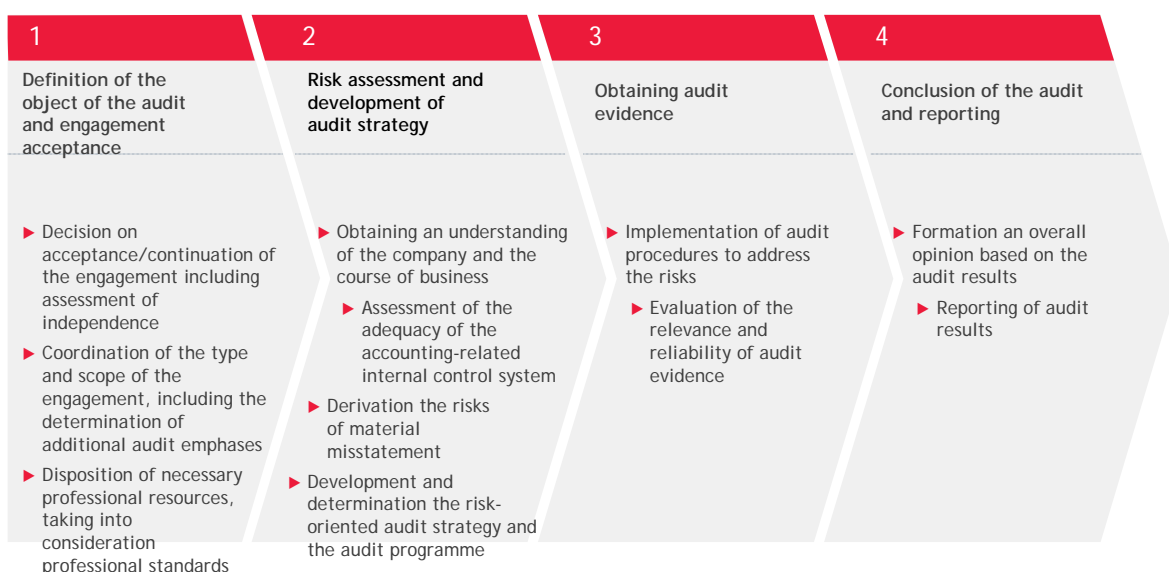
The basis of our risk- and system-oriented audit approach is the development of an audit strategy. The risk assessment required for this is based on the assessment of the situation, the business risks and the environment as well as the accounting-related internal control system of the company. In addition, we consider our understanding of the process of the preparation of the annual financial statement in our audit opinion.

On the basis of our risk assessment, we have determined the relevant audit areas and key points of the audit at financial statement and assertion level and developed the audit programme. Type and scope of the relevant audit activities have been defined in our audit programme.

The audit activities for obtaining audit evidence comprised financial statement-based audit, assertion-based analytical audit activities and individual investigations (other assertion-based audit activities) for the selected audit areas. In doing so, we considered materiality aspects.

Description of the audit process

We have broken down our audit process into phases, starting with the acceptance/continuation of the engagement and extending through to reporting. The following figure provides a graphical summary of our audit process.





E. TYPE AND SCOPE OF CONTRACT EXECUTION
The phases consider the principles of the German generally accepted standards for financial statement audits promulgated by the Institute of Public Auditors in Germany (IDW).

We defined the following key points for our audit:

- Completeness, presence and accuracy of revenues

All audit procedures were carried out on the basis of deliberately or representatively selected elements. The relevant selection was defined taking into account our findings on the accounting-related internal control systems as well as the type and scope of the business transactions.

Within the scope of conducting case-by-case checks, we obtained confirmations or notifications and information from third parties working for the company:

- Banks
- Tax consultants

We conducted the audit in the months of March to April 2024 and completed our work on 11 April 2024.

To complete the audit, we obtained a written declaration from the authorised representatives in which these confirmed the completeness of the provided information, documentation, accounting and annual financial statement to us as per 11 April 2024. The authorised representatives of the company provided us with all requested information and documentation.

I. Accounting standards

The annual financial statement was prepared in accordance with the commercial law provisions for small corporations.

II. ESSENTIAL VALUATION BASES

The preparation of the annual financial statement requires numerous accounting and valuation related decisions by the authorised representatives of the company within the scope of their statutory options. In the following, we provide information on the essential valuation bases in accordance with Section 321 (2) Sentence 4 of the German Commercial Code (HGB).

The accounting and valuation methods are set out in the annex (Annex I) as defined by Section 284 of the German Commercial Code (HGB).

G. NOTES REMARKS AND SIGNING OF THE AUDIT REPORT

The above report on the audit of the annual financial statement for the financial year from 1 January 2023 to 31 December 2023 of HELVETAS Intercooperation gGmbH, Bonn, has been issued by us in compliance with the statutory provisions and the German generally accepted standards for financial statement audits promulgated by the Institute of Public Auditors in Germany e.V., Düsseldorf (IDW PS 450 new version (10/2021)).

The audit certificate issued by us is provided in Section B. of this audit report.

Bonn, 11 April 2024

BDO AG
Audit Firm

signed Ahrend
Auditor

signed Schubert
Auditor

HELVETAS Intercooperation gGmbH, Bonn
Balance sheet as at 31 December 2023

ASSETS	31/12/2023	31/12/2022	EQUITY AND LIABILITIES	31/12/2023	31/12/2022
	€	€		€	€
Current assets			A. Equity		
I. Receivables and other assets			I. Subscribed capital	25,000.00	25,000.00
Other assets	446,330.41	443,833.11	II. Revenue reserves		
II. Cash in hand, cheques, bank balances	1,440,539.82	1,326,154.18	Earmarked reserves	196,795.02	246,967.57
			III. Accumulated loss/Net profit	28,549.25	118,425.73-
			B. Special item for project funds		
			Special item for project funds	0,00	122,090.91
			C. Provisions and accruals		
			Other provisions	42,237.00	36,429.00
			D. Liabilities		
			1. Liabilities from trade payables	1,995.59	3,675.75
			2. Liabilities owed to shareholders	388,220.23	160,853.49
			3. Other liabilities	1,204,073.14	1,293,396.30
			- of which from taxes €8,579.02 (€7,172.62)	1,594,288.96	1,457,925.54
			- of which within the scope of social security €957.61 (€911.87)		
	<u>1,886,870.23</u>	<u>1,769,987.29</u>		<u>1,886,870.23</u>	<u>1,769,987.29</u>

Helvetas Intercooperation gGmbH, Bonn
Profit and loss statement for the period
from 1 January to 31 December 2023

	€	Financial year €	Previous year €
1. Subsidies			
a) Public subsidies	2,849,862.81		2,139,204.81
B) Other subsidies	<u>346,951.00</u>		<u>156,521.76</u>
		3,196,813.81	2,295,726.57
2. Other operating income		326,707.03	201,490.20
3. Donation proceeds		3,562.00	7,502.00
4. Expenditure for project sponsorships		2,790,222.77-	1,950,814.65-
5. Personnel costs	478487.28-		
a) Wages and salaries			505,805.10-
b) Social security contributions	<u>102,942.08-</u>		<u>95,463.69-</u>
		581,429.36-	601,268.79-
6. Amortisation of intangible assets of fixed assets and property, plant and equipment		0.00	414.12-
7. Other operating expenses		58,646.69-	106,751.68-
8. Other interest and similar income		25.00	0.00
9. Taxes on income and earnings		6.59-	0.00
10. Annual net profit/Annual net loss		<hr/> 96,802.43	<hr/> 154,530.47-
11. Loss/profit carried forward from PY		118,425.73-	20,823.31
12. Withdrawals from Revenue reserves From other revenue reserves		50,172.55	15,281.43
13. Retained earnings/ Accumulated loss		<hr/> <u>28,549.25</u>	<hr/> <u>118,425.73-</u>

HELVETAS Intercooperation gGmbH, Bonn
Annex to the annual financial statement for 2023

I. General information

HELVETAS Intercooperation gGmbH has its registered office in Bonn. The company is entered in the commercial register of the Bonn Local Court under HRB 20460.

The annual financial statement of the HELVETAS Intercooperation gGmbH for the financial year 2023 was prepared in accordance with the provisions of the German Commercial Code (Sections 242 et seq. and 264 set seq. HGB) as well as the supplementing provisions of the Limited Liability Companies Act (GmbHG) and the articles of association.

The total cost method i.a.w. Section 275 (2) HGB was chosen for the profit and loss statement.

The annual financial statement has been prepared taking into consideration the continuation of the company's activities.

In accordance with the size categories set out in Section 267 of the German Commercial Code (HGB) in the year under report, the company is a "small corporation". Exemption provisions for small corporations were partly implemented.

II. Accounting and valuation methods

As in the previous year, the accounting and valuation methods were applied as follows:

A. ASSETS

Low-value assets with procurement costs up to € 800.00 are immediately written off as expense in the year of the addition.

Receivables and other assets are recognised at their nominal amount. A need for value adjustment cannot be identified.

Cash assets are stated at nominal value.

B. EQUITY AND LIABILITIES

Subscribed capital is stated a nominal value.

The **revenue reserves** include earmarked reserves that were formed from the result in previous years.

The **special item** for project funds relates to own funds subsidised by private organisations for projects co-financed by public funding bodies.

Other reserves adequately and sufficiently cover all uncertain debts, losses and risks disclosed before the preparation of the balance sheet, which concern the past financial year; they are carried as a liability to the sum of the settlement amounts based on prudent commercial assessment - without taking into account salary trends or price and cost increases. Provisions with a residual term of more than one year are discounted at the average market interest rate of the past seven years as published by the Deutsche Bundesbank and corresponding to their residual term.

Liabilities are recognised at their relevant settlement values.

Assets and liabilities denominated in foreign currencies are valued at the mean exchange rate on the closing date. Exchange rate gains/losses related to the valuation at the balance sheet date are not attributed to the project sponsorships.

III. NOTES ON ACCOUNTING

The **other assets** (€ 446,330.41; PY: € 443,833.11) include receivables owed by shareholders to the sum of € 81,129.34 (PY: € 6,396.26).

The retained earnings include a **loss carried forward** from the previous year (PY: Accumulated loss thereof a profit carried forward of € 20,823.31) to the sum of € 118,425.73.

Liabilities owed to shareholders (€ 388,220.23; PY: € 160,853.49) relate to other liabilities due to repayment obligations from unused (earmarked) project subsidies and due to advances from the shareholder to finance project costs.

All **liabilities** (€ 1,594,288.96; PY: € 1,457,925.54) are due within one year.

IV. Notes on the profit and loss statement

The **other operating income** includes income from currency translation to the sum of € 57,821.97 (PY: € 0.00).

The **other operating expenses** include expenses from currency translation to the sum of € 0.00 (PY: € 51,526.69).

V. Additional information

1. Other financial liabilities

The liabilities for projects which have already been approved and for which contracts have been concluded, are determined as follows:

	<u>financial liabilities</u> <u>31/12/2023</u>	<u>financial liabilities as at</u> <u>as at 31/12/2022</u>
Contracting partner in Kirgistan	€ 38,599	€ 102,531
Contracting partner in Laos	€ 52,432	€ 92,555
Contracting partner in Myanmar	- €	€ 389,269
Contracting partner in Sri Lanka	- €	€ 77,652
Contracting partner in Vietnam	€ 840,496	€ 981,840
Contracting partner in Pakistan	€ 221,255	- €
Contracting partner in Uzbekistan	€ 20,617	- €
Total	<u>€ 1,173,399</u>	<u>€ 1,643,847</u>

2. Average number of employees during the financial year

The average number of employees (21; 23 in the previous year) in accordance with Section 267 (5) of the German Commercial Code (HGB) is determined as follows:

	<u>2023</u>	<u>2022</u>
Employees in Germany	6	5
Employees abroad	15	18

3. Company bodies

Appointed as managing director:

Mr Martin Koppa, Cologne, Managing Director

4. Parent company

The annual financial statement of the company is integrated in the consolidated annual financial statement of the parent company, HELVETAS Swiss Intercooperation domiciled in Zurich (Switzerland).

Bonn, 11 April 2024

HELVETAS Intercooperation gGmbH

(signed Martin Koppa)
Managing Director