

# 2023 Annual Financial Statements

In 2023, our income decreased compared to the previous year. The income from donations and endowments declined by almost 9 per cent to €14.4 million. This is mainly due to lower income from bequests and public endowments. The reason is that planned projects could not be fully implemented – due to the situation prevailing in Ethiopia. However, expenditure in Ethiopia has risen to €15.9 million. Given the lower than expected income, the loss for 2023 was higher than planned.

## Notes to the 2023 Fiscal Year

### A. GENERAL INFORMATION

Pursuant to Section 16 (1) of the Bavarian Foundation Act (Bayerisches Stiftungsgesetz, BayStG) the Menschen für Menschen Foundation – Karlheinz Böhm's Äthiopienhilfe Munich is obliged to maintain proper accounting records and prepare an annual statement of accounts showing assets and liabilities. The BayStG does not prescribe a specific form of accounting.

The balance sheet and profit & loss statement must be structured in accordance with the provisions applicable to stock corporations pursuant to Sections 266

and 275 (3) of the German Commercial Code (HGB). The special characteristics of the Foundation are taken into account in further sub-categories. Insofar as deviations occur from the German Commercial Code, this will be specified.

The fiscal year coincides with the calendar year.

The Foundation's accounting and valuation principles have remained essentially unchanged compared to the previous year.

## BALANCE SHEET AT 31ST DECEMBER 2023

ASSETS		31/12/2023 in €	31/12/2022 in €	LIABILITIES		31/12/2023 in €	31/12/2022 in €
<b>A. FIXED ASSETS</b>				<b>A. NET EQUITY</b>			
<b>I. Intangible assets</b>				<b>I. Foundation capital</b>			
IT software		13,373.28	7,881.12	Endowment capital		2,314,547.92	2,273,093.92
<b>II. Property, plant and equipment</b>				<b>II. Reserves</b>			
1. Land, leasehold rights and buildings, including structures on third-party land		3,097,445.42	3,238,870.23	1. Capital maintenance reserve		737,932.75	601,374.42
2. Technical equipment and machinery		6,727.06	8,929.06	2. Other revenue reserves		24,783,495.94	29,305,258.79
3. Other installations, operating and office equipment		1,568,263.61	1,557,576.99			<b>25,521,428.69</b>	<b>29,906,633.21</b>
4. Advance payments made		67,200.00	0.00			<b>27,835,976.61</b>	<b>32,179,727.13</b>
		<b>4,739,636.09</b>	<b>4,805,376.28</b>	<b>B. NOT YET USED DONATIONS</b>			
<b>III. Financial assets</b>				Donations not yet used for purposes set out in the Charter		1,061,779.34	1,134,440.67
Securities held as fixed asset		10,502,348.11	10,359,449.19	<b>C. PROVISIONS</b>			
		<b>15,255,357.48</b>	<b>15,172,706.59</b>	Other provisions		<b>155,888.56</b>	<b>167,677.02</b>
<b>B. CURRENT ASSETS</b>				<b>D. LIABILITIES</b>			
<b>I. Inventories</b>				1. Trade accounts payable		195,008.85	106,651.01
1. Raw materials and supplies		2,963,203.27	2,735,798.76	- thereof with a residual term of up to one year: €195,008.85 (prev. year €106,651.01)			
2. Advance payments made		546,716.71	539,826.81	2. Other liabilities		368,649.49	420,872.36
		<b>3,509,919.98</b>	<b>3,275,625.57</b>	- thereof with a residual term of up to one year: €368,649.49 (prev. year €420,872.36)			
<b>II. Accounts receivable and other assets</b>				- thereof from taxes: €319,138.26 (prev. year €141,780.31)			
Other assets		299,378.64	391,486.06	- thereof within the scope of social security: €48,380.65 (prev. year €54,342.23)			
- thereof with a term of more than one year: €25,308.75 (prev. year €25,308.34)						<b>563,658.34</b>	<b>527,523.37</b>
<b>III. Cash on hand, bank deposits</b>		10,545,680.66	15,145,208.94			<b>29,617,302.85</b>	<b>34,009,368.19</b>
		<b>14,354,979.28</b>	<b>18,812,320.57</b>				
<b>C. DEFERRED INCOME</b>		<b>6,966.09</b>	<b>24,341.03</b>				
		<b>29,617,302.85</b>	<b>34,009,368.19</b>				

### B. ACCOUNTING AND VALUATION METHODS

**FIXED ASSETS** Since 2015, fixed and current assets in Ethiopia have been capitalised in the balance sheet based on ownership rights to the assets. Accounting is based on legal opinions dated 17 September 2015 and 17 October 2018, according to which the Foundation holds ownership rights to the assets. The ownership rights are subject to a number of restrictions, as specified in particular in the Ethiopian Charities and Societies Proclamation and subordinate legislation. These restrictions include, for example, conditions pertaining to the exercise of ownership rights or requirements for the consent and approval of Ethiopian authorities for charitable organisations and companies.

Accruals from legacies are recognised in the balance sheet and profit & loss statement as and when their value has been clearly established. This is normally only the case when the money has actually been received. The potential claim at the time of death of the testator is not entered in the balance sheet at the current value due to uncertainties in disbursement of the endowment.

Intangible assets and property, plant and equipment are recognised at cost of acquisition, less amortisation/depreciation. Assets acquired free of charge and

subject to capitalisation are recognised at their notional cost of acquisition, which corresponds to the prudently estimated fair value.

Expired stocks are subject to scheduled amortisation. The intangible assets acquired were amortised on a pro rata temporis basis according to the straight-line method. Additions to property, plant and equipment were also depreciated using the straight-line method. The useful lives to be used for depreciation of buildings range from 20 to 35 years, for technical plants and machinery from 6 to 20 years, and for other facilities and business equipment from 7 to 10 years, depending on their location in Germany or Ethiopia.

Securities included in the financial fixed assets are recorded at cost of acquisition upon purchase or, in the case of additions made free of charge, at their notional cost of acquisition. Notional cost of acquisition corresponds to the market value prevailing at the time of acquisition. Unscheduled amortisation of financial assets is made to achieve a better view of the financial position and results of operations, even if the impairment is not expected to be permanent.

## FINANCIAL REPORT

ANNUAL REPORT 2023

**CURRENT ASSETS** Inventories are valued at cost of acquisition by observing the lower of cost or market principle.

Receivables and other assets are recognised at their nominal value or at their fair value if the latter is lower than the market value.

Cash holdings and bank balances are recognised at their nominal values. Cash in hand and bank balances in Ethiopian currency have been translated using the mid-market spot rate prevailing on the reporting date using the closing date method.

**DEFERRED INCOME** This item includes expenses representing expenses for a specified period after the reporting date. As of the reporting date, these are essentially campaign costs, support and maintenance costs for the Sextant fundraising and donor management tool.

**REVENUE RESERVES** An earmarked reserve (Project funding reserves I) was created in accordance with Section 62(1) no. (1) of the German Fiscal Code (AO) for approved projects which had not yet been implemented on the reporting date, as well as for special programmes from public funding (BMZ, GIZ, EU and the Bavarian State Chancellery). In addition, another earmarked reserve (Project funding reserves II) was formed in 2015. The capital resulting from the revaluation or initial inclusion of fixed assets and inventories in the balance sheet of the Ethiopian branch office as of 1 January 2015 and the cash holdings and bank balances taken over by the sister organisations in Austria and Belgium were allocated to Project funding reserves II. The reserves earmark the funds available to the Foundation for purposes set out in the Charter.

**NOT YET USED DONATIONS** In accordance with IDW RS HFA 21 (an accounting principle for donations set by the German Institute of Auditors, Institut der Wirtschaftsprüfer, IDW), donations that have not yet been consumed are reported on the liabilities side under the item "Donations not yet used for purposes set out in the charter" (€1,062 thousand, previous year €1,134 thousand). "Donations not yet used for purposes set out in the charter" are donations received that have not yet been consumed as expenses as at the balance sheet date. As per IDW RS HFA 21, these donations are not to be recognised in the profit & loss statement until they have been consumed.

**PROVISIONS** The provisions are disclosed as a liability in the settlement amount required under reasonable commercial valuation. They take into account all identifiable risks and contingent obligations.

**LIABILITIES** Accounts payable are valued at their settlement amounts.

All assets and debts were converted at the respective mean spot exchange rate on the balance sheet date. Expenses and income are translated at monthly average rates.

### C. NOTES ON THE BALANCE SHEET ITEMS

**FIXED ASSETS** A detailed statement of the changes in fixed assets in the 2023 fiscal year is attached as an appendix to the Notes.\*

**RECEIVABLES AND OTHER ASSETS** All receivables and other assets have a term

of less than one year, except for rental deposits of €25 thousand (previous year €25 thousand).

**FOUNDATION CAPITAL** The Charter as currently applicable disclosed core assets of €1,222 thousand as of 31 December 2014. These core assets increased due to donations to €2,315 thousand as of the balance sheet date. A capital maintenance reserve of €738 thousand was created to safeguard the basic assets.

**NOT YET USED DONATIONS** Donations not yet used according to the Charter include liabilities from public subsidies of €1,062 thousand (previous year €1,134 thousand).

**OTHER PROVISIONS** Other provisions relate, in particular, to leave entitlements of €80 thousand (previous year €101 thousand), audit costs of the financial statements amounting to €45 thousand (previous year €40 thousand) and expenses for the safekeeping of documents amounting to €21 thousand (previous year €21 thousand).

### D. NOTES ON ITEMS OF THE 2023 PROFIT & LOSS STATEMENT

**DONATION INCOME** Legacies are donations made on account of death received by the Foundation in the course of the fiscal year. For reasons of prudence, revenue to be anticipated from hitherto unsettled inheritance issues has not yet been taken into account. The donations from legacies amounted to €2,182 thousand as of 31/12/2023 (previous year €3,131 thousand).

The Foundation received a donation of €98,659.29 from Sternstunden e.V. in 2023.

In 2018, the Foundation concluded a cooperation agreement with its Austrian sister organisation, which is executed through annual project contracts. Under the provisions of this agreement, the Foundation carries out the project work in Ethiopia for its Austrian sister organisation and receives corresponding subsidies from the latter. These amounts are disclosed under the item "Contributions from partner organisations". Contributions from Austria amounted to €2,353 thousand in 2023 (previous year €1,577 thousand). Contributions from Belgium amounted to €400 thousand (previous year €182 thousand).

**OTHER INCOME** Other income includes in particular income from currency conversions (€179 thousand, previous year €132 thousand), contributions from sponsors (€150 thousand, previous year €150 thousand), cash receipts from cost sharing (€56 thousand, previous year €36 thousand), income from the reversal of write-downs of financial assets (€126 thousand, previous year €0 thousand), income from the sale of securities (€ 0 thousand, previous year €9 thousand) and other income (€98 thousand, previous year €154 thousand).

### E. OTHER DISCLOSURES

**INFORMATION ON THE AVERAGE NUMBER OF EMPLOYEES IN THE 2023 FISCAL YEAR** The Foundation employed, on average, 24 employees in Germany. In Ethiopia, an average of 601 full-time employees were employed to fulfil the Foundation's duties.

**EXECUTIVE BOARD** In the 2023 fiscal year, two managing directors were appointed

\*Changes in fixed assets as well as the Management Report have been audited along with the financial statements, but could not be published in this report for printing reasons.

## FINANCIAL REPORT

ANNUAL REPORT 2023

### PROFIT & LOSS STATEMENT FOR THE FINANCIAL YEAR FROM 1ST JANUARY TO 31ST DECEMBER 2023

	2023 in €	2022 in €
<b>1. Donations and other contributions</b>		
a) Donations	7,353,820.01	7,644,962.24
b) Legacies	2,181,722.26	3,130,618.07
c) Dedicated donations	2,550.00	600.00
d) Public grants	1,966,203.31	3,141,160.38
e) Contributions from sponsoring associations	137,500.00	138,000.00
f) Contributions from partner organisations	2,752,452.21	1,759,127.85
	<b>14,394,247.79</b>	<b>15,814,468.54</b>
<b>2. Other income</b>	483,509.39	481,517.23
- thereof from currency conversions: €178,739.90 (prev. year € 132,052.80)	<b>14,877,757.18</b>	<b>16,295,985.77</b>
<b>3. Cost of materials</b>		
a) Expenses for raw materials and supplies and for purchased goods	-5,353,705.19	-7,154,965.89
b) Expenses for other services	-3,632,729.77	-1,455,358.97
	<b>-8,986,434.96</b>	<b>-8,610,324.86</b>
<b>4. Personnel expenses</b>		
a) Wages and salaries	-5,888,693.22	-4,697,868.27
b) Social charges, expenses for retirement benefits and support	-530,710.91	-501,039.96
	<b>-6,419,404.13</b>	<b>-5,198,908.23</b>
<b>5. Amortisation of intangible fixed assets and depreciation of property, plant and equipment</b>	-326,838.70	-309,648.10
<b>6. Other operating expenses</b>	-4,060,318.21	-3,928,594.04
- thereof from currency conversions: €236,114.33 (prev. year €266,963.40)		
<b>7. Income from other securities and loans of financial assets</b>	340,015.66	277,216.06
<b>8. Other interest and income</b>	65,029.97	7,697.80
<b>9. Reversals of write-downs (previous year depreciation) of financial assets</b>	126,313.72	-396,265.42
<b>10. Interest and similar expenses</b>	-852.05	0.00
	<b>-4,384,731.52</b>	<b>-1,862,841.02</b>
<b>11. Earnings after taxes</b>	-473.00	-1,978.62
<b>12. Other taxes</b>		
<b>13. Net loss for the fiscal year</b>	<b>-4,385,204.52</b>	<b>-1,864,819.64</b>
<b>14. Addition to the capital maintenance reserve</b>	-136,558.33	-179,574.42
<b>15. Withdrawal from other revenue reserves</b>	<b>4,521,762.85</b>	<b>2,044,394.06</b>
<b>16. Net retained profit/loss</b>	<b>0.00</b>	<b>0.00</b>

for the Foundation:

- Dr Sebastian Brandis (Speaker)
- Mr Benjamin Freiberg

The remuneration of these Board members totalled €250 thousand in the fiscal year 2023.

**SUPERVISORY BOARD** The Supervisory Board consisted of the following members in the 2023 fiscal year:

- Dr Ingrid Sollerer (Chairwoman of the Supervisory Board)
- Dr Annette Bhagwati (Deputy Chairwoman of the Supervisory Board)
- Haile Gebrselassie (since 21/07/2023)
- Prof. Netsanet Workneh Gidi (since 21/07/2023)
- Dr Peter Hanser-Strecker (retired on 21/07/2023)
- Dietmar Krieger (retired on 30/06/2023)

- Peter Schwarzenbauer
- Prof. Matthias Siebeck

**OTHER FINANCIAL OBLIGATIONS** The total lease commitments arising for the office building in Brienner Strasse and the warehouse located in Reichenhallerstrasse, Munich, Germany, amount to €574 thousand on the basis of the currently applicable rental agreements. The leases for office space will be valid until 30 July 2029. The lease for the warehouse will be valid until 30 June 2025.

In Ethiopia, agreements have been made with government agencies committing *Menschen für Menschen* to participate in projects. As of the balance sheet date, obligations arising therefrom amount to approx. €31 million.

In addition, other financial obligations of €156.8 thousand as at the reporting date arise from the purchase of a lorry, for which a first down payment has already been made on 31/12/2023, however, delivery and payment of the remaining amount will

only be made in 2024.

There were no other contingent liabilities as at the balance sheet date.

**TOTAL FEE OF THE AUDITOR** The total fee charged or to be charged by the auditor for the reporting period is €35 thousand (plus VAT).

## F. EVENTS AFTER THE BALANCE SHEET DATE



Munich, 24 May 2024

Dr Sebastian Brandis



Benjamin Freiberg

## INDEPENDENT AUDITOR'S REPORT

To the Menschen für Menschen Foundation – Karlheinz Böhm's Äthiopienhilfe, Munich – **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS AND THE MANAGEMENT REPORT**

### AUDIT OPINIONS

We have audited the Annual Financial Statements of the Menschen für Menschen Foundation – Karlheinz Böhm's Äthiopienhilfe, Munich – consisting of the balance sheet as at 31 December 2023 and the profit & loss statement for the fiscal year from 1 January to 31 December 2023 – and the notes, including a description of the accounting and valuation policies. We also audited the Management Report of the Menschen für Menschen Foundation – Karlheinz Böhm's Äthiopienhilfe, for the fiscal year from 1 January to 31 December 2023.

In our opinion and based on the knowledge gained in the course of the audit,

- the enclosed Annual Financial Statements comply in all material aspects with German commercial law as applicable to stock corporations and, in accordance with the German principles of regular accounting, convey a true and fair view of the Foundation's assets, liabilities and financial situation as at 31 December 2023 and its financial performance in the fiscal year from 1 January to 31 December 2023; and
- the enclosed Management Report conveys a true and fair view of the Foundation's situation. In all material respects, this Management Report is consistent with the Financial Statements, complies with German legal regulations and accurately represents the opportunities and risks of the future development.

In accordance with Section 322 (3) Sentence 1 of the HGB (German Commercial Code), we declare that our audit has not led to any reservations concerning the correctness of the Financial Statements and the Management Report.

### BASIS FOR THE AUDIT OPINION

We conducted our audit of the Annual Financial Statements and the Management Report pursuant to Sec. 317 of the HGB, by observing the generally accepted German principles of proper audits of financial statements, as promulgated by the German Institute of Public Auditors in Germany (IDW). Our responsibility under those regulations and principles is described in more detail in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our auditor's certificate. In accor-

After the reporting period, the market values of some of the securities recognised in the balance sheet deteriorated, which could lead to another need for future devaluation of the financial assets and thus to unscheduled amortisation. However, there is currently a positive development, on average.

dance with German commercial law and professional regulations, we are independent of the Foundation and have fulfilled our other German professional obligations in accordance with these requirements. We are of the opinion that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit assessments on the Financial Statements and the Management Report.

### RESPONSIBILITY OF THE EXECUTIVE BOARD AND THE SUPERVISORY BOARD FOR THE FINANCIAL STATEMENTS AND THE MANAGEMENT REPORT

The Executive Board is responsible for drawing up the Financial Statements, which must comply in all material respects with the provisions of German commercial law applicable to corporations, and for ensuring that the Financial Statements give a true and fair view of the net assets, financial position and results of operations of the Foundation in accordance with the German financial accounting principles. Furthermore, the Executive Board is responsible for the internal controls that they have determined to be necessary in accordance with the German financial accounting principles to enable the preparation of Financial Statements that are free from material misstatements due to fraudulent acts (i.e. manipulation of accounting and damage to assets) or errors.

When preparing the Financial Statements, the Executive Board is responsible for assessing the Foundation's ability to continue its operation as a going concern. Furthermore, they are responsible for stating matters associated with the going concern assumption, insofar as that is necessary. In addition, they are responsible for preparing the Financial Statements on the basis of the going concern principle, unless factual or legal circumstances prevent this.

In addition, the Executive Board is responsible for preparing the Management Report, which must generally provide a true and fair view of the Foundation's overall situation and be consistent with the Financial Statements in all material aspects, must comply with German legal regulations and accurately represent the opportunities and risks of the future development. Furthermore, the Executive Board is responsible for arrangements and measures (systems) which they deem to be necessary to allow for the preparation of a Management Report in accordance with the applicable German legal provisions and to be able to provide sufficient appropriate evidence for the statements made in the Management Report.

The Supervisory Board is responsible for overseeing the Foundation's accounting process for the purpose of preparing the Financial Statements and the Management Report.

### AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS AND THE MANAGEMENT REPORT

Our aim is to obtain reasonable assurance the Financial Statements are, as a whole, free from material misstatements – whether due to fraud or error – and that the Management Report as a whole provides a true and fair view of the Foundation's situation, is in all material respects consistent with the Financial Statements and with the findings made during the audit, complies with German legal regulations and accurately represents the opportunities and risks of future development. Another objective is to issue an audit report containing our audit opinions on the Financial Statements and the Management Report.

Reasonable assurance is a high degree of certainty, but is not a guarantee that an audit conducted in accordance with Section 317 of the HGB and in compliance with the German principles for the proper audit of financial statements promulgated by the Institute of Public Auditors in Germany will always detect a material misstatements. Misstatements can arise from fraudulent acts or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of the addressees taken on the basis of these Financial Statements and Management Report.

In the course of the audit we exercise due discretion and maintain a critical stance. In addition:

- we identify and assess the risks of material misrepresentations due to fraud or error in the Financial Statements and in the Management Report, plan and perform audit activities in response to these risks and obtain evidence that is adequate and suitable to serve as the basis for our audit opinions. The risk that material misrepresentations from fraudulent acts are not discovered is greater than in the case of inaccuracies, as fraudulent acts might involve collusive collaboration, falsification, intended incompleteness, misleading representations and/or the overriding of internal controls.
- we gain an understanding of the internal control system relevant for the audit of the Financial Statements and the precautions and measures relevant for the audit of the Management Report in order to plan auditing procedures which are adequate under the prevailing circumstances, but not in order to provide an audit opinion on the effectiveness of these systems of the Foundation.
- we assess the appropriateness of the accounting methods used by the Executive Board as well as the acceptability of the estimated values and related disclosures presented by the Executive Board.
- we draw conclusions on the adequacy of the going concern accounting principle applied by the Executive Board and, on the basis of the audit evidence obtained, whether an essential uncertainty exists in connection with events or situations which might raise serious doubts about the Foundation's ability to continue to exist as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's certificate to the related disclosures in the Financial Statements and the Management Report or, if such disclosures are inadequate, to modify our respective audit opinions. We draw our conclusions on the basis of the audit evidence obtained until the date of our auditor's certificate. Future events or situations might, however, result in the Foundation no longer being able to continue its business activities.

- we assess the overall presentation, structure and contents of the Financial Statements, including the additional information and whether the Financial Statements present the underlying transactions and events such that the Financial Statements, in consideration of the German principles of proper accounting, convey a true and fair view of the Foundation's assets, liabilities, financial position and financial performance.
- we assess the consistency of the Management Report and the Financial Statements, its compliance with the law and the view it conveys of the Foundation's situation.
- we perform auditing procedures regarding the forward-looking statements in the Management Report presented by the Executive Board. On the basis of sufficiently suitable audit evidence, we reproduce, in particular, the significant assumptions underlying the forward-looking statements made by the Executive Board and assess whether the forward-looking statements have been properly derived from these assumptions. We do not express an independent assessment on the forward-looking statements or the underlying assumptions. There is a significant unavoidable risk that future events may differ materially from the forward-looking statements.

Together with the bodies in charge of monitoring, we discuss, among other things, the auditing extent and schedule as well as significant audit findings, including possible defects with the internal monitoring system which we determined in the context of our audit.

### OTHER LEGAL AND REGULATORY REQUIREMENTS

*Note on the expansion of the audit of the Annual Financial Statements pursuant to Section 16 (3) of the Bavarian Foundation Act (BayStG) in conjunction with the Ordinance on the Execution of the Bavarian Foundation Act (AVBayStG).*

We reviewed the preservation of the Foundation's assets as of the balance date 31 December 2023 and the proper use of the Foundation's funds in accordance with the Charter in the fiscal year from 1 January to 31 December 2023.

In our opinion, the assets of the Foundation were preserved in all material respects as of the balance sheet date 31 December 2023, and the funds of the Foundation were used in accordance with the purpose set out in the Charter in the fiscal year from 1 January to 31 December 2023.

We conducted our audit on the basis of Section 16 (3) BayStG in conjunction with Article 4 of the AVBayStG in observance of the International Standard on Assurance Engagements (ISAE) 3000 (revised). Our auditing company applied the IDW quality management standard: requirements regarding the quality management in auditing practice (IDW QMS 1(09.2022)). We have fulfilled our professional obligation pursuant to the German Auditor's Regulations and professional code for auditors/certified accountants including the requirements pertaining to independence. Our responsibility pursuant to these regulations and principles is described in more detail below. We are of the opinion that the auditing evidence obtained by us is sufficient and suitable to serve as a basis for our audit opinion.

The Executive Board is responsible for the preservation of the Foundation's assets and the proper use of the Foundation's funds in accordance with the purpose set out in the Charter as well as for the precautions and measures (systems) that they have deemed necessary for this purpose.

Our objective is to obtain reasonable assurance that the assets of the Foundation have been preserved, in all material respects, as of the balance sheet date and that

the assets of the Foundation were used in accordance with the Charter in the fiscal year, and to issue a statement containing our audit opinions with regard to the preservation of the assets of the Foundation and the use of the assets of the Foundation in accordance with the Charter. In the course of the audit we exercise our professional judgement and maintain a critical stance.

Munich, 24 May 2024

KPMG AG  
Wirtschaftsprüfungsgesellschaft

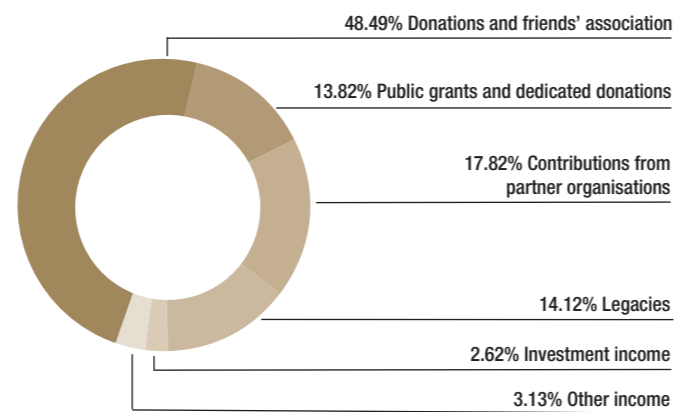


Signed  
Rüger  
Auditor

Signed  
Denk  
Auditor

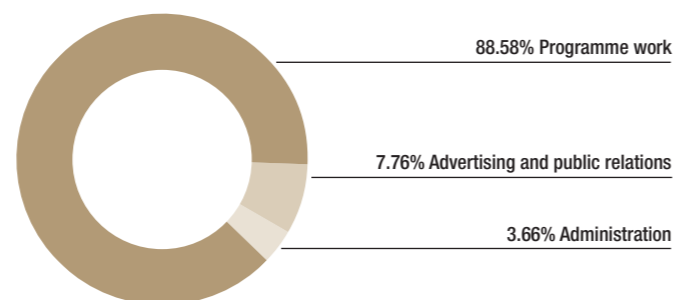
SOURCES OF FUNDS

Sources of funds in 2023

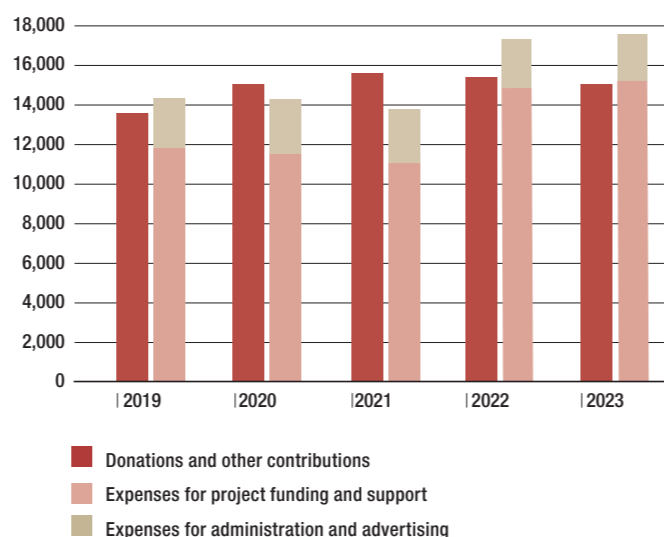


ALLOCATION OF FUNDS

Allocation of funds in 2023



DEVELOPMENT OF CONTRIBUTIONS AND EXPENSES  
2018 TO 2022 IN € THOUSAND



In order to ensure comparability, all contributions and expenses were recalculated according to the DZI criteria.

DZI DISTRIBUTION 2023

EXPENDITURE IN €	TOTAL COSTS	PROGRAMME WORK	ADVERTISING AND PUBLIC RELATIONS	ADMINISTRATION
Communications work	1,239,795.83	228,138.29	962,552.62	49,104.92
Press work	36,533.18	18,081.24	18,081.24	370.70
Donor support and finances	112,906.99	0.00	0.00	112,906.99
Committees, IT, purchasing	572,914.29	402,133.82	59,168.57	111,611.90
<b>Subtotal</b>	<b>1,962,150.29</b>	<b>648,353.35</b>	<b>1,039,802.43</b>	<b>273,994.51</b>
Cost of office space	148,148.34	67,214.91	30,977.81	49,955.62
Other general expenses (e.g. office material)	168,234.48	76,328.01	35,177.81	56,728.66
<b>Subtotal of other operating expenses</b>	<b>2,278,533.11</b>	<b>791,896.27</b>	<b>1,105,958.05</b>	<b>380,678.79</b>
Personnel expenses in Germany	1,573,340.26	798,762.43	431,047.46	343,530.38
<b>Total expenditure Germany</b>	<b>3,851,873.37</b>	<b>1,590,658.70</b>	<b>1,537,005.51</b>	<b>724,209.16</b>
Project work in Ethiopia	11,096,383.81			
Personnel expenses in Ethiopia	4,846,063.87			
<b>Total expenditure Ethiopia</b>	<b>15,942,447.68</b>	<b>15,942,447.68</b>	<b>0.00</b>	<b>0.00</b>
<b>TOTAL EXPENDITURE GERMANY AND ETHIOPIA</b>	<b>19,794,321.05</b>	<b>17,533,106.38</b>	<b>1,537,005.51</b>	<b>724,209.16</b>
Percentage distribution of DZI criteria	100.00 %	88.58 %	7.76 %	3.66 %

ADDITIONAL NOTES ON EXPENSES

PROGRAMME WORK: PROJECT FUNDING AND SUPPORT

The programme work includes all expenses on integrated rural development in Ethiopia, as described in detail on pages 14 to 31. This encompasses personnel, procurement and running costs for the Agro Technical and Technology College (ATTC) and the Abdii Borii Children's Home. It also covers training expenses and compensation paid to the local population in return for their support in the varied project work. Programme work also includes project support relating to expenses for the selection of suitable projects and their supervision by controlling, monitoring and evaluation as well as statutory educational and awareness-raising work for the projects. The international purchase of goods that are not available (in sufficient quality) on the local market is likewise included.

ADVERTISING AND PUBLIC RELATIONS

In order to draw even greater attention to the work of the Foundation in Germany and to raise public awareness of the life circumstances of people in Ethiopia, the Foundation organises and supports campaigns and a wide variety of events, e.g. in schools or as part of adult education. Our aim is to present a picture of Africa in the spirit of equitable partnership and to raise awareness of the living conditions of the local population. This item also includes expenses for fundraising through the various communication channels we use to approach donors (see also pages 30 to 31).

ADMINISTRATION

The Foundation calculates its administration and advertising costs in accordance with the guidelines of the German Central Institute for Social Affairs (Deutsches Zentralinstitut für soziale Fragen, DZI). According to such guidelines, administration includes accounting, IT support, human resources management and expenditure for the executive management.

PERSONNEL EXPENSES AND REMUNERATION

The annual remuneration of the appointed Executive Board members in 2023 was €250,000. No individual salaries are published for reasons of data protection. Given the small number of employees working in Germany, three different salary levels can essentially be distinguished. Salaries are based on the responsibility assumed by the individual, their competence and performance, their professional experience as well as their years of service in the organisation. The following table shows the salaries, converted to one twelfth of the annual total:

Clerk (Junior/Senior)	2,000 to 3,500
Speaker (Junior/Senior)	3,500 to 6,000
Executive	6,000 to 9,000