

**Pan Eco  
Berg am Irchel**

**Report of the statutory auditor  
on the limited statutory examination  
to the foundation board**

**Financial statements 2021**

Report of the statutory auditor on the limited statutory examination to the foundation board of **Pan Eco** foundation, **Berg am Irchel**

As statutory auditor, we have examined the financial statements of Pan Eco foundation, which comprise the balance sheet, operating statement, statement of changes in capital and appendix, for the year ended December 31, 2021. As permitted by Swiss GAAP FER 21 the information in the performance report is not required to be subject to the statutory auditors examination.

These financial statements prepared in accordance with Swiss GAAP FER, Swiss law and the foundation's deed are the responsibility of the board. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on Limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of foundation personnel and analytical procedures as well as detailed tests of foundation documents as considered appropriate in the circumstances. However, the testing of the operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements do not give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER. Furthermore, nothing has come to our attention that causes us to believe that the financial statements do not comply with Swiss law and the foundation's deed.

Winterthur, April 7, 2022

**Consultive Revisions AG**

Urs Boner  
Audit expert  
Auditor in charge

Tatjana Widmer  
Audit expert

Enclosures :

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

## Balance sheet as of 31 December 2021

Comparison current year / prior year

	2021		2020	
	CHF	%	CHF	%
<b>ASSETS</b>				
Cash	5'316'778.05	75%	4'974'187.12	75%
Trade accounts receivables	19'060.53	0%	10'203.00	0%
Other accounts receivables	-	0%	-	0%
Inventory	3'781.13	0%	4'419.88	0%
Accrued Income	33'145.75	1%	33'179.50	1%
<b>Current assets</b>	<b>5'372'765.46</b>	<b>76%</b>	<b>5'021'989.50</b>	<b>76%</b>
Financial assets	814'357.25	11%	538'006.70	8%
Tangible fixed assets	949'019.56	13%	1'033'170.54	16%
<b>Non-current assets</b>	<b>1'763'376.81</b>	<b>24%</b>	<b>1'571'177.24</b>	<b>24%</b>
<b>ASSETS</b>	<b>7'136'142.27</b>	<b>100%</b>	<b>6'593'166.74</b>	<b>100%</b>
<b>LIABILITIES, FUNDS AND CAPITAL</b>				
Liabilities	105'304.12	1%	46'551.74	1%
Accrued liabilities	297'361.67	4%	436'216.13	7%
<b>Short-term Liabilities</b>	<b>402'665.79</b>	<b>5%</b>	<b>482'767.87</b>	<b>8%</b>
Loans	200'000.00	3%	200'000.00	3%
Loans from related parties	835'000.00	12%	1'025'000.00	16%
<b>Long-term Liabilities</b>	<b>1'035'000.00</b>	<b>15%</b>	<b>1'225'000.00</b>	<b>19%</b>
<b>Restricted Funds</b>	<b>2'929'297.00</b>	<b>41%</b>	<b>2'347'865.00</b>	<b>35%</b>
Paid-in capital	10'000.00	0%	10'000.00	0%
Tied capital	2'000'000.00	28%	2'000'000.00	30%
Internally generated unrestricted operating funds	759'179.48	11%	527'533.87	8%
<b>Capital of the organisation</b>	<b>2'769'179.48</b>	<b>39%</b>	<b>2'537'533.87</b>	<b>38%</b>
<b>LIABILITIES, FUNDS AND CAPITAL</b>	<b>7'136'142.27</b>	<b>100%</b>	<b>6'593'166.74</b>	<b>100%</b>

## Statement of operations for the year ended 31 December 2021

Comparison current year / prior year

	2021		2020	
	CHF	%	CHF	%
<b>INCOME</b>				
<b>Income from fund raising campaigns</b>	5'010'377.59	89%	6'394'387.56	93%
<b>Income from public authorities</b>	404'621.47	7%	392'371.46	6%
<b>Income from services rendered</b>	210'603.30	4%	100'238.40	1%
<b>OPERATING INCOME</b>	<u>5'625'602.36</u>	100%	<u>6'886'997.42</u>	100%
<b>EXPENDITURE ON SERVICES</b>				
Environmental education Switzerland	-902'434.76	-16%	-705'393.94	-10%
Environmental education Indonesia	-117'400.00	-2%	-122'200.00	-2%
Environmental education	<u>-1'019'834.76</u>	-18%	<u>-827'593.94</u>	-12%
Environmental protection in Switzerland	-390'040.68	-7%	-279'250.00	-5%
Environmental protection Indonesia	-2'626'455.61	-47%	-1'892'854.34	-27%
Environmental protection	<u>-3'016'496.29</u>	-54%	<u>-2'172'104.34</u>	-32%
Partnerships and other projects	-23'992.54	0%	-24'792.54	0%
<b>Direct project expenditure</b>	<u>-4'060'323.59</u>	-72%	<u>-3'024'490.82</u>	-44%
<b>Communication and fund raising</b>	-575'234.92	-10%	-511'090.15	-7%
<b>Administration</b>	<u>-166'701.80</u>	-3%	<u>-167'268.92</u>	-3%
<b>EXPENDITURE ON SERVICES</b>	<u>-4'802'260.31</u>	-85%	<u>-3'702'849.89</u>	-54%
<b>OPERATING RESULT</b>	<u>823'342.05</u>	15%	<u>3'184'147.53</u>	46%

## Statement of operations for the year ended 31 December 2021

Comparison current year / prior year

	<b>2021</b>		<b>2020</b>	
	CHF	%	CHF	%
<b>OPERATING RESULT</b>	823'342.05		3'184'147.53	
Financial income	140'636.80		8'417.40	
Financial expenses incl. Forex differences	-133'706.99		-40'743.58	
<b>Financial result</b>	6'929.81		-32'326.18	
Extraordinary non-operating income	318.85		565.00	
Extraordinary non-operating expenses	-17'513.10		-45'415.69	
<b>Extraordinary non-operating expenses/income</b>	-17'194.25		-44'850.69	
<b>RESULT BEFORE ALLOCATION AND USE OF FUNDS</b>	813'077.61		3'106'970.66	
Allocation	-4'763'740.58		-4'185'734.41	
Use	4'182'308.58		3'145'002.44	
<b>Result from restricted funds</b>	-581'432.00		-1'040'731.97	
<b>YEAR RESULT BEFORE ALLOCATION TO CAPITAL OF ORGANISATION</b>	231'645.61		2'066'238.69	
Use				
Allocation tied capital (legacy)			-2'000'000.00	
Allocation free capital	-231'645.61		-66'238.69	
<b>Result from capital of the organisation</b>	-231'645.61		-2'066'238.69	
<b>RESULT AFTER ALLOCATION AND USE OF FUNDS</b>	-		-	

## Statement of changes in capital 2021

Comparison current year / prior year

in CHF

	Balance 1 Jan 2021	Allocation	Use	Balance 31 Dec 2021
<b>RESTRICTED FUNDS</b>				
Environmental education Switzerland	47'338.73	953'679.17	-782'941.97	218'075.93
Environmental protection & conservation Switzerland	451'172.73	518'782.15	-472'533.83	497'421.05
Environmental education Indonesia	120'000.00	177'400.00	-117'400.00	180'000.00
Environmental protection & conservation Indonesia	1'729'053.54	3'113'879.26	-2'809'432.78	2'033'500.02
Other projects	300.00	0.00	0.00	300.00
	<b>2'347'865.00</b>	<b>4'763'740.58</b>	<b>-4'182'308.58</b>	<b>2'929'297.00</b>

### CAPITAL OF THE ORGANISATION

Paid-in capital	10'000.00	0.00	0.00	10'000.00
Tied capital	2'000'000.00	0.00	0.00	2'000'000.00
Internally generated unrestricted operating funds	527'533.87	231'645.61	0.00	759'179.48
	<b>2'537'533.87</b>	<b>231'645.61</b>	<b>0.00</b>	<b>2'769'179.48</b>

	Balance 1 Jan 2020	Allocation	Use	Balance 31 Dec 2020
<b>RESTRICTED FUNDS</b>				
Environmental education Switzerland	48'181.73	602'136.07	-602'979.07	47'338.73
Environmental protection & conservation Switzerland	179'653.73	601'401.77	-329'882.77	451'172.73
Environmental education Indonesia	60'000.00	182'200.00	-122'200.00	120'000.00
Environmental protection & conservation Indonesia	1'019'297.57	2'798'896.57	-2'089'140.60	1'729'053.54
Other projects	0.00	1'100.00	-800.00	300.00
	<b>1'307'133.03</b>	<b>4'185'734.41</b>	<b>-3'145'002.44</b>	<b>2'347'865.00</b>

### CAPITAL OF THE ORGANISATION

Paid-in capital	10'000.00	0.00	0.00	10'000.00
Tied capital	0.00	2'000'000.00	0.00	2'000'000.00
Internally generated unrestricted operating funds	461'295.18	66'238.69	0.00	527'533.87
	<b>471'295.18</b>	<b>2'066'238.69</b>	<b>0.00</b>	<b>2'537'533.87</b>

## Cash flow statement for the year ended 31 December 2021

Comparison current year / prior year

	<b>2021</b>	<b>2020</b>
	CHF	CHF
Result before allocation and use of funds	813'077.61	3'106'970.66
Reversal of non-current items		
Depreciation of non-current assets	84'150.98	84'150.98
Change in net current assets items		
(Increase) Decrease trade accounts receivables	-8'857.53	2'855.10
(Increase) Decrease other accounts receivables	-	92.62
(Increase) Decrease inventory	638.75	432.08
(Increase) Decrease accrued income	33.75	378.05
Increase (Decrease) liabilities	58'752.38	-20'605.71
Increase (Decrease) accrued liabilities	-138'854.46	1'514.08
<b>Cash flow from operating activities</b>	<b>808'941.48</b>	<b>3'175'787.86</b>
(Investments) Disinvestments in financial assets	-276'350.55	-538'006.70
<b>Cash flow used for investing activities</b>	<b>-276'350.55</b>	<b>-538'006.70</b>
Increase (Decrease) loans related parties	-190'000.00	-300'000.00
<b>Cash flow used for financing activities</b>	<b>-190'000.00</b>	<b>-300'000.00</b>
<b>Changes Cash and cash equivalents</b>	<b>342'590.93</b>	<b>2'337'781.16</b>
Cash and cash equivalents as of 1 January	4'974'187.12	2'636'405.96
Cash and cash equivalents as of 31 December	5'316'778.05	4'974'187.12
<b>Evidence of changes cash and cash equivalents</b>	<b>342'590.93</b>	<b>2'337'781.16</b>

## Notes to the financial statements 2021

Comparison current year / prior year

in CHF

### 1. Accounting principles

The financial statements of PanEco have been prepared in accordance with Swiss GAAP FER (core FER and FER 21) and give a true and fair view of the financial position and the results of operations. The financial statements comply with Swiss law, the charter and regulations of the foundation and the provisions of ZEW0 Foundation (Certification body for non-profit organisations with regard to donations).

The assets are valued at historical costs (acquisition costs or costs of production) and are valued individually. Expenses and income are recognized on an accrual basis.

Foreign currency positions are converted at year end exchange rates of the Swiss Federal Tax Administration into Swiss Francs ("CHF"). Conversion differences are recognized in the income statement. Conversion of expenses and income are done at market rates respectively on monthly average exchange rate of the Swiss Federal Tax Administration.

### 2. Explanations of balance sheet positions

#### *Cash*

Cash is valued at the nominal amount.

#### *Accounts receivable*

Receivables are valued at par value less impairment, if any.

#### *Accrued income*

In the current year, no prepayments for projects have been transferred. This position includes the objective and chronological correction of expense and income items resulting into accrued income. The valuation is at nominal value.

<i>Financial assets</i>	2021	2020
Acquisition costs	814'357.25	538'006.70
Market value at year end	939'456.00	545'230.00
Fluctuation reserves	125'098.75	7'223.30



## Notes to the financial statements 2021

Comparison current year / prior year

in CHF

### *Tangible fixed assets*

Tangible fixed assets are valued at historical costs less accumulated depreciation. The depreciation is recognised on a systematic basis over the useful life time. Assets above CHF 2'000 are capitalised.

The useful life time is estimated:

Equipment	5 - 15 years
Hard- and Software	3 years
Vehicles	5 years
Buildings	20 years

	Land and buildings	Machines and equipment	Other tangible fixed assets	Total
<u>Accumulated gross values of cost</u>				
Opening balance 1.1.2021	4'039'957.02	2'391'227.78	129'739.80	6'560'924.60
Additions	-	-	-	-
Closing balance 31.12.2021	4'039'957.02	2'391'227.78	129'739.80	6'560'924.60
<u>Accumulated depreciation</u>				
Opening balance 1.1.2021	-3'248'053.95	-2'149'960.31	-129'739.80	-5'527'754.06
Depreciation	-53'992.54	-30'158.44	-	-84'150.98
Closing balance 31.12.2021	-3'302'046.49	-2'180'118.75	-129'739.80	-5'611'905.04
Net carrying amounts 2021	737'910.53	211'109.03	0.00	949'019.56
<u>Accumulated gross values of cost</u>				
Opening balance 1.1.2020	4'039'957.02	2'391'227.78	129'739.80	6'560'924.60
Decreases	-	-	-	-
Closing balance 31.12.2020	4'039'957.02	2'391'227.78	129'739.80	6'560'924.60
<u>Accumulated depreciation</u>				
Opening balance 1.1.2020	-3'194'061.41	-2'119'801.87	-129'739.80	-5'443'603.08
Depreciation	-53'992.54	-30'158.44	-	-84'150.98
Closing 31.12.2020	-3'248'053.95	-2'149'960.31	-129'739.80	-5'527'754.06
Net carrying amounts 2020	791'903.07	241'267.47	0.00	1'033'170.54
Fire insurance values			2021	2020
Buildings			2'400'000	2'400'000
Other tangible fixed assets			1'695'000	1'695'000

## Notes to the financial statements 2021

Comparison current year / prior year

in CHF

### *Liabilities and accrued liabilities*

These balance sheet items are mainly not related directly to operational projects. Liabilities are assessed at nominal value. Accrued liabilities include the objective and chronological correction of expense and income positions resulting into liabilities. The valuation is at nominal value.

### *Restricted funds and capital of the organisation*

The detail and the changes in restricted funds and capital of the organisation can be found in the "Statement of changes in capital". Restricted funds include funds with limited possibilities given by the donors with regard to the use as per the statutes of the foundation PanEco. Environmental Education Switzerland: This includes mainly the nature centre Thuraeu and the ranger service. Environmental protection & conservation Switzerland: This includes the bird of prey sanctuary. Environmental Education Indonesia: We support three environmental education centres namely PPLH Seloliman in Java, PPLH Puntondo in Sulawesi and PPLH Bohorok in Sumatra. Environmental & Education in Indonesia: This finances the SOCP, especially the quarantine station, the release station, research stations, habitat protection, the Batang Toru conservation program as well as investments into the orangutan haven. Tied capital are funds from legacies, which are available to the foundation in order to achieve the foundations objectives.

### 3. Explanations of positions of the statement of operations

#### *Expenditure on services*

The expenditure on services are subdivided according to Swiss GAAP FER 21 in direct project expenditure (projects of the foundation) and administrative project expenditure (communication and fundraising, purchase of goods and administration).

	2021	2020
<u>Direct project expenditure</u>		
Personnel costs	1'205'293.85	1'143'928.05
Travel and representation	6'037.34	6'646.84
Maintenance	43'625.78	49'663.66
Operating expenditure	2'721'215.64	1'740'101.29
Fundraising	-	-
Depreciation	84'150.98	84'150.98
	<u>4'060'323.59</u>	<u>3'024'490.82</u>
<u>Administrative project expenditure</u>		
Personnel costs	306'475.31	308'569.85
Travel and representation	6'726.04	3'604.48
Operating expenditure	131'854.44	100'167.64
Fundraising	296'880.93	266'017.10
Maintenance	-	-
Depreciation	-	-
	<u>741'936.72</u>	<u>678'359.07</u>

## Notes to the financial statements 2021

Comparison current year / prior year

in CHF

Expenditure on services	4'802'260.31	3'702'849.89
thereof fundraising/marketing incl. personnel	575'234.92	511'090.15
thereof administration incl. personnel	166'701.80	167'268.92

The total personnel costs are CHF 1'511'769.16 (2020: CHF 1'452'497.90) and include 18.05 full-time equivalents. Fundraising and marketing as well as administration are calculated based on the public ZEW methodlogy.

### *Direct project expenditure*

The foundation's regional, national and international project descriptions, the targets achieved and the future challenges are outlined in the detailed annual report.

The following transactions (cash transfers) with related parties (legally independent organisations, partnerships) took place in the current year:

	2021	2020
Yayasan Ekosistem Lestari, Medan, Indonesia	1'780'403.99	1'379'315.69
Environmental Education Center, Seloliman, Java	47'900.00	47'800.00
Environmental Education Center, Puntondo, Sulawesi	39'500.00	38'400.00

### *Communication and fundraising*

The activities are described in more detail in the annual report.

### *Administration*

Administration expenses include expenditures for management, legal advice, human resources, accounting, information technology and logistics. These divisions render services to the overall foundation PanEco and to the partnerships.

### *Result from restricted funds and capital of the organisation*

The detail and the changes in result from restricted funds and capital of the organisation can be found in the statement of changes in capital in the column "allocation" and "use".

## 4. Explanations to the Statement of changes in capital

### *Allocation and use*

The columns allocation and use outline the positions disclosed in the statement of operations in more detail (by fund). The purpose of this regulation is to prove that the restricted funds received are spent in accordance with the purpose dedicated.

## Notes to the financial statements 2021

Comparison current year / prior year

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in CHF

### 5. Off-balance-sheet transactions

Other non-recognised commitments are long-term rental contracts. These are two rental contracts which are cancelable at the earliest at the end of 2023 resp. end of 2029. The future obligations amount to a total of CHF 43'584.00.

### 6. Other disclosure

#### *Remuneration*

The members of the board of foundation work pro bono.

The total of remuneration for the executive management was CHF 263'625.

#### *Transaction with related parties*

Related parties include the Board of Foundation, advisory board and foreign partner organisations. Other transactions than those outlined in chapter 3 (Explanations of positions of the statement of operations) are payments to organisations in the amount of CHF 6'588.40 (2020: CHF 4'646.55) where Members of the Board of Foundation have interests. These expenses are mainly related to projects.

Donations from	2021	2020
Stiftung Regenwald	50'000	50'000

#### *Volunteer services*

Employees of the foundation and third parties rendered volunteer work to the foundation. The recognition would cause disproportional time and effort. However, the foundation has started to implement a "volunteer services management" for the nature centre Thurauen which means that in 2021 a total amount of 434 hours by 9 volunteers (2020: 916 hours by 9 volunteers) were contributed.

#### *Events occurring after the balance sheet date*

The Board of the foundation has approved the financial statement on 29 March 2022.

There are no events known after the balance sheet date that might have a negative impact on the financial statement 2021.

### 7. Risk assessment

Based on a periodic and systematic risk identification, material risks for the foundation are assessed and evaluated for their probability of occurrence and the extent of the financial impact. With adequate actions decided by the Board of Foundation, these risks are avoided, reduced or transferred. The remaining risks are monitored consequently. The last risk assessment has been performed on 29 March 2022.