

Children's Relief Bethlehem

Luzern

Report of the statutory auditor
to the General Meeting

on the financial statements 2021



Report of the statutory auditor

to the General Meeting of Children's Relief Bethlehem

Luzern

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the financial statements of Children's Relief Bethlehem, which comprise the balance sheet, statement of operations, cash flow statement, statement of changes in capital and notes, for the year ended 31 December 2021. As permitted by Swiss GAAP FER 21 the information in the performance report is not required to be subject to audit.

Board's responsibility

The Board is responsible for the preparation of the financial statements in accordance with the requirements of Swiss GAAP FER, the requirements of Swiss law and the association's articles of incorporation. 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 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 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 31 December 2021 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER and comply with Swiss law and the association's articles of incorporation.

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 69b paragraph 3 CC in connection with article 728 CO) and that there are no circumstances incompatible with our independence.

In accordance with article 69b paragraph 3 CC in connection 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.

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

PricewaterhouseCoopers AG

Valentin Studer
Audit expert
Auditor in charge

Julia Bissig-Thalmann
Audit expert

Luzern, 11 April 2022

Enclosure

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

BALANCE SHEET

	Notes	31.12.2021 CHF	%	Prior year CHF	%
ASSETS					
Current assets					
Cash and cash equivalents and money market investments	2.1	11'978'679		11'462'069	
Short-term investments with a quoted market price	2.2	15'706'867		14'482'090	
Receivables from goods and services	2.3	2'772'719		359'923	
Other current receivables	2.4	2'021'769		4'072'391	
Accrued income and deferred expenses	2.5	94'268		135'167	
		32'574'302	100.0%	30'511'640	100.0%
Non-current assets					
Financial assets	2.6	2		2	
Property, plant and equipment	2.7	1		1	
		3	0.0%	3	0.0%
Total assets		32'574'305	100.0%	30'511'643	100.0%
LIABILITIES AND EQUITY					
Current liabilities					
Payables from goods and services	2.8	211'040		735'899	
Current interest-bearing liabilities	2.9	13'217		480'909	
Other current liabilities	2.10	34'491		68'108	
Accrued expenses and deferred income	2.11	65'000		63'000	
		323'748	1.0%	1'347'916	4.4%
Non-current liabilities					
Non-current provisions	2.12	6'199'000		5'681'000	
		6'199'000	19.0%	5'681'000	18.6%
Total liabilities		6'522'748	20.0%	7'028'916	23.0%
Fund capital					
Restricted-use funds CBH		3'044'687		1'496'264	
		3'044'687	9.3%	1'496'264	4.9%
Total liabilities and fund capital		9'567'435	29.4%	8'525'180	27.9%
Organisation capital					
Tied capital		20'236'210		19'440'761	
Free capital		2'770'660		2'545'702	
		23'006'870	70.6%	21'986'463	72.1%
Total liabilities and equity		32'574'305	100.0%	30'511'643	100.0%

STATEMENT OF OPERATIONS

	Notes	2021 CHF	%	Prior year CHF	%
Operating income					
Donations		10'014'062		11'602'059	
Bequests		1'203'385		933'833	
Total income from donations and bequests	3.1	11'217'447		12'535'892	
Proceeds from sales of goods and services		3'068'368		2'520'579	
Total proceeds from sales of goods and services	3.2	3'068'368		2'520'579	
Total operating income		14'285'815	100.0%	15'056'470	100.0%
Operating expenses					
Project expenses		-2'210'649		-2'412'093	
Personnel expenses	3.3	-7'593'046		-7'666'031	
Administrative expenses		-2'380'446		-2'472'995	
Depreciation and amortisation		-262'248		-1'319'371	
Total operating expenses	3.4	-12'446'389	-87.1%	-13'870'490	-92.1%
Operating result		1'839'427	12.9%	1'185'981	7.9%
Financial result	3.5	728'428	5.1%	-171'934	-1.1%
Extraordinary, non-recurring or prior-period result	3.6	974	0.0%	111'801	0.7%
Annual result before change in funds and capital		2'568'829	18.0%	1'125'847	7.5%
Allocation of restricted-use funds CBH		-10'342'629		-11'641'806	
Appropriation of restricted-use funds CBH		8'794'206		10'645'542	
Change in fund capital		-1'548'423	-10.8%	-996'264	-6.6%
Annual result before change in capital		1'020'406	7.1%	129'583	0.9%

CASH FLOW STATEMENT

(Funds: Cash and cash equivalents and money-market investments)

	2021	Prior year
	CHF	CHF
Cash flow from operating activities		
Annual result before allocation to organisational capital	1'020'406	129'583
Change in fund capital	1'548'423	996'264
Immediate depreciation of non-current assets		
CBH	262'248	1'199'021
Increase (+)/decrease (-) in provisions	518'000	-219'000
Accounting profit (-)/loss (+) on securities	-1'189'002	-335'358
Disposal of securities	12'596'784	1'756'907
Purchase of securities	-12'632'560	-1'436'461
Increase (-)/ decrease (+) in accounts receivable	-362'174	-1'072'956
Increase(-)/ decrease (+) in prepayments and accrued income	40'899	7'589
Increase(+)/decrease (-) in current liabilities	-1'024'167	491'441
Cash flow from operating activities	778'857	1'517'031
Investing activities		
Investments in non-current assets	-262'248	-940'021
Granting/repayment of loans	0	0
Cash flow from investing activities	-262'248	-940'021
Financing activities		
Increase/decrease in non-current financial assets	0	0
Cash flow from financing activities	0	0
Increase/decrease in cash and cash equivalents	516'609	577'010
(Funds: Cash and cash equivalents and money-market investments)		
Cash and cash equivalents (funds)		
Cash and cash equivalents as at 1 January	11'462'069	10'885'059
Cash flow from operating activities	778'857	1'517'031
Cash flow from investing activities	-262'248	-940'021
Cash flow from financing activities	0	0
Balance of cash and cash equivalents as of 31.12	11'978'679	11'462'069

STATEMENT OF CHANGES IN CAPITAL

Fund capital 2021	Opening balance	Allocated (external)	Internal transfer	Appropriated (external)	Total Change	Closing balance
	CHF	CHF	CHF	CHF	CHF	CHF
Restricted-use funds CBH	1'496'264	10'342'629	0	-8'794'206	1'548'423	3'044'687
Total restricted-use funds	1'496'264	10'342'629	0	-8'794'206	1'548'423	3'044'687
Fund capital 2020	Opening balance	Allocated (external)	Internal transfer	Appropriated (external)	Total change	Closing balance
	CHF	CHF	CHF	CHF	CHF	CHF
Restricted-use funds CBH	0	11'641'806	500'000	-10'645'542	1'496'264	1'496'264
Total restricted-use funds	0	11'641'806	500'000	-10'645'542	1'496'264	1'496'264
Organisation capital 2021	Opening balance	Allocated (external)	Internal transfer	Appropriated (external)	Total change	Closing balance
	CHF	CHF	CHF	CHF	CHF	CHF
Projects in Bethlehem and region	640'790	26'187	0	-166'978	-140'791	500'000
Disaster fund	311'242	115'493	0	-126'735	-11'242	300'000
Currency fluctuations	3'000'000	283'549	0	-133'549	150'000	3'150'000
Construction, maintenance, refurbishm	2'700'000	300'000	0	0	300'000	3'000'000
Reserve for operating costs CBH	12'200'000	800'000	0	0	800'000	13'000'000
Hospital development	588'729	0	0	-302'519	-302'519	286'210
Tied capital	19'440'761	1'525'229	0	-729'780	795'449	20'236'210
Free capital (accumulated)	2'545'702	-1'525'229	0	729'780	-795'449	1'750'253
Result for the year	0	0	1'020'406	0	1'020'406	1'020'406
Free capital	2'545'702	-1'525'229	1'020'406	729'780	224'957	2'770'660
Total capital of the organisation	21'986'463	0	1'020'406	0	1'020'406	23'006'870
Organisation capital 2020	Opening balance	Allocated (external)	Internal transfer	Appropriated (external)	Total change	Closing balance
	CHF	CHF	CHF	CHF	CHF	CHF
Projects in Bethlehem and region	1'000'000	0	0	-359'210	-359'210	640'790
Currency fluctuations	3'000'000	0	0	0	0	3'000'000
Disaster fund	600'000	65'000	0	-353'758	-288'758	311'242
Construction, maintenance, refurbishm	2'700'000	0	0	0	0	2'700'000
Reserve for operating costs CBH	12'200'000	0	0	0	0	12'200'000
Hospital development	1'500'000	0	-500'000	-411'271	-911'271	588'729
Tied capital	21'000'000	65'000	-500'000	-1'124'239	-1'559'239	19'440'761
Free capital (accumulated)	1'356'879	0	0	0	0	1'356'879
Result for the year	0	-65'000	129'583	1'124'239	1'188'822	1'188'822
Free capital	1'356'880	-65'000	129'583	1'124'239	1'188'822	2'545'702
Total organisation capital	22'356'880	0	-370'417	0	-370'417	21'986'463

NOTES TO THE FINANCIAL STATEMENTS 2021

1.1 Accounting basis

Children's Relief Bethlehem (CRB) finances for the main part the Caritas Baby Hospital (CBH) in Bethlehem. CRB maintains its own accounting system on site. At year-end, the figures are integrated in the financial accounting of CRB and consolidated in the operating statement of CRB.

Accounts are kept in Swiss francs (CHF). The accounting of the Caritas Baby Hospital in Bethlehem uses the local currency (Israeli shekels or ILS). Assets and liabilities recorded in foreign currencies are translated using the closing exchange rate as at the balance sheet date. Expenses and income recorded in foreign currencies are translated using the annual average exchange rate. Foreign currency translation differences are recorded through profit and loss in the financial result.

The following exchange rates were used:

	2021		Prior year	
	Closing rate	Average rate	Closing rate	Average rate
USD	0.9166	0.9116	0.8827	0.9378
EUR	1.0371	1.0803	1.0841	1.0726
ILS	0.2927	0.2800	0.2753	0.2700

The financial reporting is done in accordance with the requirements of Swiss GAAP FER and, in particular, Swiss GAAP FER 21, providing a true and fair view of the financial position, the cash flows and the results of operations. Further, the financial statements comply with Swiss law and the principles and guidelines of the ZEW Foundation.

In connection with the introduction of the new chart of accounts or ERP system at the Caritas Baby Hospital in Bethlehem and Children's Relief Bethlehem, the annual financial statements have been accordingly adjusted. The prior year's figures have been adjusted to the requirements of the new chart of accounts or the new financial statements for the purpose of comparability.

1.2 Accounting principles

In principle, the financial statements apply the acquisition or production cost method. This is based on the individual valuations of the assets and liabilities. The main accounting principles are presented below. Unless indicated otherwise, valuations represent the market values as at the balance sheet date.

1.2.1 Cash and cash equivalents

This item includes cash in hand, postal and bank accounts. In Israel, cash and cash equivalents are subject to transfer restrictions. However, since these funds are freely available in Israel, they are recorded at market value.

1.2.2 Money-market investments

This item includes investments in short- and medium-term money-market instruments (fixed-term deposits, call deposits, deposit accounts) in Switzerland or Germany.

1.2.3 Securities

Securities consists of bonds, shares, structured products, investment funds and precious metals. They are measured at the market value as at the balance sheet date. Any accrued interest is included in prepayments and accrued income.

1.2.4 Derivative financial instruments

Children's Relief Bethlehem may enter into foreign exchange option and forward transactions for the purpose of managing its cash and cash equivalents. These transactions are disclosed in the notes using the option according to Swiss GAAP FER 27.8.

1.2.5 Accounts receivable

This item consists mainly of accounts receivable due from related parties relating to donations that have not yet been disbursed as well as other receivables. They are recorded at their nominal value less an appropriate allowance for doubtful debts.

1.2.6 Prepayments and accrued income

This item consists mainly of advance payments and accrued interest on fixed-term deposits.

1.2.7 Non-current assets

Non-current assets comprise the hospital building in Bethlehem, including all equipment, medical devices, office equipment and movable property. The children's hospital in Bethlehem is located in a conflict zone. Non-current assets (the building and movable property) in Bethlehem are therefore exposed to a significant loss risk (destruction, unstable political environment, expropriation, etc.). The higher-than-average loss risk is accounted for by valuing non-current assets at a pro memoria value of CHF 1 in accordance with Swiss GAAP FER 2. It would be too risky to apply scheduled depreciation based on an estimated useful life in subsequent years, not least due to uncertainty regarding funding. Movable property at CRB's office in Lucerne is not recorded as an asset but directly charged to profit and loss.

Therefore, investments for construction projects are capitalised as buildings in construction and they are written off only when the construction phase has ended.

An inventory of all movable property is available. Please refer to note 8, in the notes to specific items on the balance sheet.

1.2.8 Current liabilities

This item comprises all invoices outstanding as at the balance sheet date for services that have already been rendered. Measurement is at nominal value.

1.2.9 Prepayments and accrued income

This item comprises liabilities resulting from the individual expense and income positions recorded according to the accrual principle and matching of cost and revenue. Measurement is at nominal value.

1.2.10 Provisions

This item comprises provisions created for existing liabilities for which an outflow of funds is likely. The amount of the provision is based on the Board of Directors' estimate and reflects the outlook of future expenses as at the balance sheet date.

1.3 Cash flow statement accounting principles

The cash flow statement considers the cash funds (cash and cash equivalents, money-market investments). The cash flow statement presents the changes in these funds, classifying them into operating, investing and financing activities. The indirect method is used for the cash flow statement.

1.4 Statement of changes in capital

The statement of changes in capital presents the development of each of the individual restricted-use funds and the organisation capital.

1.4.1 Restricted-use funds

This position includes donations which have been earmarked for specific purposes of Children's Relief Bethlehem. These funds represent a performance obligation to the donors until they have been fully appropriated.

1.4.2 Tied and free organisation capital

This item comprises the funds that may be used within the scope of the statutory purpose of Children's Relief Bethlehem. Tied capital includes funds not subject to a restraint on disposal by third parties and which are ring-fenced for a designated purpose by the Board of Directors of Children's Relief Bethlehem. The free capital may be used at the Children's Relief Bethlehem Board's discretion for projects that correspond to the purpose of Children's Relief Bethlehem.

1.5 Related party organisations/institutions

The following organisation/institution is considered a related party:

- Deutscher Caritas-Verband, Freiburg im Breisgau, Deutschland (DCV)
- Employee benefits fund foundation of Children's Relief Bethlehem, Lucerne
- Reserve Foundation of Children's Relief Bethlehem, Lucerne (patronal foundation)

DCV processes the donations in Germany on behalf of Children's Relief Bethlehem. The employee benefit fund insures employees of Caritas Baby Hospital against old age, invalidity and death.

In accordance with Swiss GAAP FER, the dioceses in Switzerland, the archdiocese Freiburg i.Br. and other dioceses in Germany are not considered related parties. This also applies to the following associations:

- "Aiuto Bambini Betlemme", based in Verona, Italy (founded in November 2005)
- "Kinderhilfe Bethlehem Austria", based in Vienna, Austria (founded in October 2007)

The above associations are legally independent and pursue the same purpose as Children's Relief Bethlehem in Lucerne.

Children's Relief Bethlehem has neither subsidiaries nor partner organisations over which it exerts or could exert a controlling influence arising from joint control and management.

Transactions with related parties:

Clearing account of Deutscher Caritas-Verband e.V. Freiburg	31.12.2021	Prior year
Balance as at 1.1.	EUR 1'997'941	1'485'738
Donations received	EUR 3'889'255	4'318'222
Donations ring-fenced for specific purposes	EUR 0	0
Direct costs	EUR -460'097	-496'019
	EUR 5'427'099	5'307'941
Remittances to CRB	EUR -3'899'094	-3'310'000
Balance as at 31.12. in EUR	EUR 1'528'005	1'997'941
Exchange rate	1.0371	1.0841
Balance as at 31.12. in CHF	CHF 1'584'694	2'165'967
	(Credit balance)	(Credit balance)
Current account of employee benefits fund foundation CRB, Lucerne	31.12.2021	Prior year
	CHF	CHF
Balance as at 1.1.	-56'193	-74'103
Debit - employee benefits CBH	304'835	274'524
Debit - administrative costs third parties	24'454	37'657
Debit - payment transfers	56'193	74'103
Credit contributions to employee benefits fund CBH	-342'912	-369'308
Debit/credit - interest	406	934
Balance as at 31.12.	-13'217	-56'193
	(Debit balance)	(Debit balance)
Current account of Reserve Foundation Children's Relief Bethlehem	31.12.2021	Prior year
	CHF	CHF
Balance as at 1.1.	-424'716	-434'785
Debit - severance payments CBH	100'618	62'004
Debit - administrative costs third parties	5'023	14'536
Debit/credit - payment transfers	424'716	434'785
Credit - donations from CRB	0	-500'000
Debit /credit - interest	-1'269	-1'256
Balance as at 31.12.	104'372	-424'716
	(Credit balance)	(Debit balance)

NOTES TO THE BALANCE SHEET

	31.12.2021	Prior year
	CHF	CHF
2.1 Cash and cash equivalents and money market investments)		
CHF	5'291'686	5'684'870
EUR	2'431'346	1'700'902
USD	3'715'979	3'346'900
ILS	539'668	729'397
Total cash and cash equivalents and money market investments	11'978'679	11'462'069
2.2 Short-term investments with a quoted market price		
Equity instruments CHF	1'642'290	1'705'884
Equity instruments EUR	0	389'572
Investment funds CHF	10'956'747	6'538'418
Investment funds EUR	153'636	46'392
Investment funds USD	1'399'950	1'890'454
Bonds CHF	1'554'244	3'911'370
Total short-term investments with a quoted market price	15'706'867	14'482'090
2.3 Receivables from goods and services		
Receivables due from from patients Caritas Baby Hospital	3'853'870	1'402'462
Contingency reserve Caritas Baby Hospital	-1'081'152	-1'042'539
Receivables from goods and services	2'772'719	359'923
Receivables due from patients are recorded at nominal value less impairment.		
2.4 Other current receivables		
Deutscher Caritas-Verband e.V., D-Freiburg (related party)	1'584'694	2'165'967
Reserve Foundation CRB (related party)	104'372	0
Withholding tax	50'430	48'496
Other - Caritas Baby Hospital	282'274	1'857'928
Total other current receivables	2'021'769	4'072'391
2.5 Prepayments and accrued income		
Other - Caritas Baby Hospital	62'069	76'670
Other - Offices	32'198	58'497
Total prepayments and accrued income	94'268	135'167
2.6 Financial assets		
Study and training loan Caritas Baby Hospital	2	2
Total financial assets	2	2

The student and other training loans were written down to a pro memoria value of CHF 1 as their recoverability is uncertain.

2.7 Non-current assets

Non-current assets 2021	1.1.2021	Addition	Disposal	31.12.2021
	CHF	CHF	CHF	CHF
Purchase value				
Building - Caritas Baby Hospital	23'790'718	9'912	0	23'800'630
Equipment, movable property - Caritas Baby Hospit	11'856'506	213'657	0	12'070'163
	35'647'224	223'569	0	35'870'793
Accumulated valuation adjustments				
Buildings Caritas Baby Hospital	23'790'717	9'912	0	23'800'629
Equipment, movable property Caritas Baby Hospital	11'856'506	213'657	0	12'070'163
	35'647'223	223'569	0	35'870'792
Non-current assets, net carrying amount	1	0	0	1
Non-current assets 2020	1.1.2020	Addition	Disposal	31.12.2020
	CHF	CHF	CHF	CHF
Acquisition cost				
Building - Caritas Baby Hospital	23'568'040	222'678	0	23'790'718
Equipment, movable property - Caritas Baby Hospit	11'249'035	717'342	-109'871	11'856'506
	34'817'075	940'020	-109'871	35'647'224
Accumulated valuation adjustments				
Building - Caritas Baby Hospital	23'309'039	481'678	0	23'790'717
Equipment, movable property - Caritas Baby Hospit	11'249'035	717'342	-109'871	11'856'506
	34'558'074	1'199'020	-109'871	35'647'223
Non-current assets, net carrying amount	259'001	-259'000	0	1

The hospital buildings and equipment are disclosed at a pro memoria value of CHF 1 as the Caritas Baby Hospital is located in a conflict zone (see also comments in the section on accounting principles).

Investments in ongoing building projects are capitalised during the construction phase and fully written off upon completion of the construction work.

As at 31.12.2021, the imputed residual value of the equipment and movable property of Caritas Baby Hospital (not including the hospital building) amounts to CHF 1'592'000 (prior year CHF 1'940'000).

The hospital building has an imputed residual value of about CHF 7'099'000 (prior year CHF 7'180'000).

All non-current assets are unencumbered and thus freely available to Children's Relief Bethlehem.

	31.12.2021	Prior year
	CHF	CHF
2.8 Trade payables		
Other - Caritas Baby Hospital	111'663	606'169
Other - Offices	93'142	98'152
Social security	851	26'193
Governing bodies	5'385	5'385
Total payables from goods and services	211'040	735'899
2.9 Current interest-bearing liabilities		
Reserve Foundation CRB (related party)	0	424'716
Employee benefits fund foundation CRB (related party)	13'217	56'193
Total current interest-bearing liabilities	13'217	480'909
2.10 Other current liabilities		
Other	0	1
Projects in Bethlehem and region	34'491	68'107
Total other current liabilities	34'491	68'108
2.11 Accrued liabilities and deferred income		
Other	45'000	45'000
Governing bodies	20'000	18'000
Total deferred income and accrued expenses	65'000	63'000

2.12 Non-current provisions	Carrying amount	Increase	Usage	Reversal	Carrying amount
	1.1.2021				31.12.2021
	CHF	CHF	CHF	CHF	CHF
Provisions for severance payment obligations	5'681'000	518'000	0	0	6'199'000
Prior year	5'900'000	0	0	-219'000	5'681'000

These provisions were created for severance payments owed to local employees of the Caritas Baby Hospital upon termination of an employment contract with Caritas Baby Hospital as stipulated by Palestinian law. Provided the funds are available, the patronal foundation reserve of Children's Relief Bethlehem may also disburse these severance payments to the Caritas Baby Hospital employees.

As at year-end, the severance payment obligations were as follows:

		31.12.2021	Prior year
Severance payment obligations	in ILS	21'174'363	20'636'274
Exchange rate		0.2927	0.2753
Severance payment obligations	CHF	6'199'000	5'681'000

As of 31.12.2021, the foundation reserve of Children's Relief Bethlehem disposed of freely available foundation capital amounting to approximately CHF 3'423m (prior year approx. CHF 3'297m).

NOTES TO THE STATEMENT OF OPERATIONS

	2021 CHF	Prior year CHF
3.1 Income from donations and bequests		
Switzerland	5'602'880	6'107'518
Germany	4'216'342	4'631'725
Italy	555'761	813'412
Austria	173'998	207'505
Palestine	668'466	775'732
Total donations and bequests by origin	11'217'447	12'535'892
Restricted-use use - Caritas Baby Hospital	10'342'629	11'641'806
Free - Projects in Bethlehem and region	874'818	894'086
Total donations and bequests by appropriation	11'217'447	12'535'892
<p>Non-financial donations (medical devices, drugs, powdered milk) are valued prudently and included in the total "Bethlehem" donations in the amount of CHF 10'629 (prior year CHF 67'395).</p> <p>Other donations (such as clothing) are not recorded in the accounts because of the unreasonable effort this would require and because they do not have an impact on the annual result.</p>		
<p>The donations originating from Germany include EUR 40'000 in development funds from Sternstunde e.V., Munich. These are used for early childhood diagnostic measures and treatment in the neuropaediatrics and physiotherapy departments.</p>		
3.2 Proceeds from sales of goods and services		
Hospital charges, consultation fees	3'032'176	2'463'066
Annual contributions of members	4'325	4'250
Other operating income	31'867	53'263
Total proceeds from sales of goods and services	3'068'368	2'520'579
3.3 Personnel expenses		
Personnel expenses for projects and services	7'088'965	7'096'496
Personnel expenses for fundraising and publicity work	318'992	306'695
Personnel expenses for administrative activities	185'089	262'840
Total personnel expenses	7'593'046	7'666'031

3.4 Operating expenses

3.4.1 Detailed operating expenses	2021 CHF		Prior year CHF	
Project and service expenses CBH				
Project expenses Caritas Baby Hospital	1'940'995		1'699'125	
Personnel expenses	7'066'812		7'096'496	
Administrative expense	907'853		760'513	
Depreciation and amortisation	262'248		1'319'371	
Total project and service expenses CBH	10'177'907	81.8%	10'875'504	78.4%
Project and service expenses Bethlehem and region				
Project expenses Bethlehem and region	269'654		712'968	
Personnel expenses	22'153		0	
Administrative expense	1'905		0	
Total project and service expenses Bethlehem and region	293'712	2.4%	712'968	5.1%
Fundraising and publicity work				
Personnel expenses	318'992		306'695	
Administrative expense	1'301'519		1'537'345	
Total fundraising and publicity work	1'620'511	13.0%	1'844'040	13.3%
Administrative expenses				
Personnel expenses	185'089		262'840	
Administrative expense	169'170		175'137	
Total administrative expenses	354'259	2.8%	437'978	3.2%
Total operating expenses	12'446'389	100.0%	13'870'490	100.0%

Fundraising and publicity work represented 13% and administrative expenses 2.8% of the expenditure. These key ratios are collected in accordance with the requirements of Swiss GAAP FER 21 and with the guidelines of the ZEWO Foundation for the calculation of the administrative expenses of non-profit organisations.

3.4.2 Project and service costs	2021 CHF	Prior year CHF
Project expenses Caritas Baby Hospital		
Operating equipment	156'397	152'119
Drugs	744'030	622'041
Laboratory	280'236	285'468
Medical need	18'513	14'992
Meals for patients/mothers	42'265	38'356
Vehicles and transport expenses	43'667	46'443
Other operating expenses	68'156	63'096
Social assistance	400'271	450'454
Embroidery	0	26'157
Change in inventories	187'460	0
Total project expenses Caritas Baby Hospital	1'940'995	1'699'125

	2021 CHF	Prior year CHF
Project expenses Bethlehem and region		
Occupied Palestinian Territories (West Bank, East Jerusalem, Gaza Strip)	141'427	210'799
Israel	92'920	68'068
Lebanon	35'308	244'101
Syria	0	100'000
Jordan	0	90'000
Total project costs Bethlehem and region	269'654	712'968
Personnel expenses Caritas Baby Hospital		
Wage costs and social insurance	6'650'647	6'505'867
Change In provision for severance payments	157'524	-117'552
Reserve Foundation donation	0	500'000
Other personnel expenses	258'642	208'181
Total personnel expenses Caritas Baby Hospital	7'066'812	7'096'496
Personnel expenses Bethlehem and region		
Wage costs and social insurance	20'752.45	0
Other personnel expenses	1'400.60	0
Total personnel expenses Bethlehem and region	22'153	0
General and administrative expenses Caritas Baby Hospital		
Office space expenses	43'054	44'277
Maintenance, repairs, replacement of operating equipment	127'849	157'913
Property insurance	50'134	51'027
Energy and other expenses	386'023	358'351
Administrative and IT costs	300'793	148'945
Total general and administrative expenses Caritas Baby Hospital	907'853	760'513
General and administrative expenses Bethlehem and region		
Office space expenses	1'824	0
Energy and other expenses	80	0
Total general and administrative expenses Bethlehem and region	1'905	0
Depreciation of non-current assets Caritas Baby Hospital		
Direct depreciation of furniture, equipment	213'657	717'342
Direct depreciation of hospital buildings	48'591	602'029
Total depreciation of non-current assets Caritas Baby Hospital	262'248	1'319'371
Total project and service expenses	10'471'619	11'588'472

	2021 CHF	Prior year CHF
3.4.3 Fundraising and publicity work		
Personnel expenses	318'992	306'695
Office space expenses	25'072	26'350
Administrative and IT costs	353'328	291'747
Fundraising Switzerland	632'365	879'147
Fundraising Germany	248'078	277'777
Fundraising Palestine	13'643	29'569
Fundraising Italy	15'036	18'585
Fundraising Austria	13'997	14'169
Total fundraising and publicity work	1'620'511	1'844'040
3.4.4 Administrative expenses		
Personnel expenses	185'089	262'840
Office space expenses	15'006	11'780
Maintenance, repairs, replacement of operating equipment	0	1'372
Property insurance	10'240	9'365
Energy and other expenses	662	2'408
Administrative and IT costs	143'263	150'213
Total administrative expenses	354'259	437'978
3.5 Financial result		
Financial expenses		
Interest expenses, disbursements	-10'765	-12'028
Securities expenses	-127'668	-98'906
Price losses on short-term securities	-24'104	-197'604
Realised currency losses	-91'969	-888'724
Unrealised currency losses	-360'476	0
Total financial expenses	-614'983	-1'197'262
Financial income		
Interest income	4'406	1'468
Income from short-term securities	161'104	233'343
Price gains on short-term securities	1'177'902	689'069
Unrealised currency gains	0	101'448
Total financial income	1'343'412	1'025'328
Total financial result	728'428	-171'934
3.6 Extraordinary, non-recurring or prior-period result		
Compensation account credit balance	594	0
Airplus credit balance	380	0
Collective health insurance credit balance	0	1'801
Caritas, new appropriation of payments from project 14/19 and 18/19	0	110'000
Total extraordinary, non-recurring or prior-period result	974	111'801

ADDITIONAL INFORMATION

Compensation of the members of the governing bodies

The Board members of Children's Relief Bethlehem provide their services on a voluntary basis. Expenses incurred by Board members in exercising their duties are reimbursed (out-of-pocket expenses). In 2021, a total of CHF 1'218 (PY: CHF 507) was refunded to the members of the Board. Thereof, the president received CHF 188 (PY: CHF 368). The Board members do not receive any other compensation.

Since only one person is charged with management duties, there is no disclosure of their remuneration (in accordance with SWISS GAAP FER 21.45).

Employee benefits

Employees with a permanent employment contract with the Caritas Baby Hospital are insured against the financial consequences of old age, disability and death with Children's Relief Bethlehem's employee benefits foundation. Both the retirement benefits and the risk benefits are paid out in the form of a one-time, lump-sum compensation, and the amount of these benefits is based on the existing retirement savings assets (defined contribution plan). These benefits are financed by means of a savings contribution in the amount of 8% (PY: 8%) of the insured salary. The employer and the employee contribute one half each (4%; PY: 4%). In 2021, the expenses for Caritas Baby Hospital occupational pension fund foundation amounted to CHF 177'729 (PY: CHF 192'339).

Actuarial calculations using the accrued benefit valuation method are not required for defined contribution plans. There are no liabilities arising from the termination of employment contracts for which no provisions are available. Furthermore, there are the employer-paid contribution reserves. As at 31 December 2021, the coverage ratio of the employee benefit fund was 148.9% (PY: 140.9%).

Number of full-time employees

	31.12.2021		Prior year	
	No. of employees	No. of FTE	No. of employees	No. of FTE
Caritas Baby Hospital, Bethlehem	244	228.6	241	224.5
Office, Lucerne	10	6.2	10	6.1
Total	254	234.8	251	230.6

Residual amount of the liabilities from sale-like leasing transactions and other leasing obligations that expire or may be terminated in more than twelve months as of the balance sheet date.

		31.12.2021	Prior year
Right of use for four plots of land in Bethlehem (as of 20.02.1975 for 99 years) until 20.02.2074;	ILS	3'726'500	3'797'000
Residual amount of the financial liability (not discounted)	Rate	0.28	0.27
	CHF	1'043'500	1'025'000
Fixed leasing and service contract for printer (colour system) Office, Lucerne until 31.03.2026			
Residual amount of the financial liability (not discounted)	CHF	25'300	4'800
Fixed rental and service contract for inserter Office, Lucerne until 31.12.2024			
Residual amount of the financial liability (not discounted)	CHF	9'500	0

Contingent liabilities

Children's Relief Bethlehem has no contingent liabilities.

Assets under reservation of ownership

All assets are unencumbered and therefore freely available. There are no assets under reservation of ownership.

Derivative financial instruments

Children's Relief Bethlehem may enter into foreign exchange option and forward transactions for the purpose of managing its cash and cash equivalents. No transactions were open as at the balance sheet date of 31.12.2021 nor as at the prior year reporting date.

Auditor's fees

The fees relating to the audit of the financial statements, including for the Caritas Baby Hospital in Bethlehem, amounted to CHF 20'307.95 (prior year CHF 29'518). The auditors provided other services for fees in the amount of CHF 188'475 for Caritas Baby Hospital in Bethlehem as well as CHF 1'077 for legal advice.

Risk assessment

The Board of Directors reviewed and updated the risk assessment at the Board's meeting on 29.09.2021. To this end, the Board of Directors followed management's assessment of 12 top risks weighted in a matrix.

Events occurring after the balance sheet date

We are not aware of any events occurring after the balance sheet date that significantly influence the 2021 financial statements.

Approval of the financial statements

The 2021 financial statements were approved by the Board of Directors as of 8 April 2022 and submitted to the general assembly.

PERFORMANCE REPORT 2021

Children's Relief Bethlehem in Lucerne was founded in January 1963 by Caritas Switzerland and the Deutschen Caritas-Verband (German Caritas Association).

Name and registered office: Children's Relief Bethlehem, Lucerne (CRB)
 Legal form: Association according to art. 60ff Swiss Civil Code
 Articles of Incorporation: dated 31 January 1963
 with amendments to the Articles on
 08.06.2005/14.06.2012/13.06.2013/05.06.2019

Purpose and goals

Children's Relief Bethlehem, based in Lucerne, is a non-profit association and runs the Caritas Baby Hospital in Bethlehem, Palestine. The association thus ensures medical care for all children in Bethlehem and the surrounding area. All of them have the right to equivalent medical services. In addition, within the scope of its financial possibilities, the association supports projects to the benefit of mothers and children in Bethlehem and the region and provides emergency aid.

Tens of thousands of children and babies are given in-patient or out-patient treatment at the Caritas Baby Hospital every year. All children receive help, regardless of their origin and religion. The treatment concept also involves parents in the recovery process and the hospital has a well-developed social service. With 250 local employees the Caritas Baby Hospital is an important employer in the region. The Caritas Baby Hospital strengthens the local healthcare sector and is one of the leaders in training doctors and caregivers in the field of paediatrics.

Services rendered	2021 CHF	Prior year CHF
Project expenses Caritas Baby Hospital	10'177'907	10'875'504
Project expenses Bethlehem and region	293'712	712'968

Board of Directors

Name	Links to related parties
Hardegger Sibylle, Basel *)	President, Diocese of Basel
Biermayer-Götzmann Jutta Renate, D-Seckach	KFD of the Archdiocese of Freiburg
Klitsch-Ott Christoph, D-Freiburg	Delegate of Deutscher Caritas-Verband
Krummenacher Hans, Lucerne	Delegate of Caritas Switzerland
Merten Felizia, D-Freiburg	Vice-President, Archdiocese of Freiburg (until Nov. 2021)
Mordasini Carlo Andrea, Bern	
Nobel Ludovic, Fribourg*)	Diocese of Lausanne, Geneva and Fribourg
Angehrn Michael, Binningen	

*) Employer's representative on the Foundation Board of the employee benefits fund of Children's Relief Bethlehem, Lucerne

The composition of the Foundation Board of the employee benefits fund of Children's Relief Bethlehem, Lucerne is identical to the CRB's Board of Directors.

The Board members are elected for a period of two years.

Executive Management

Name	Function
Oetliker Carera Sybille	Executive management
<i>Caritas Baby Hospital management:</i>	
Bandak Issa	Chief Executive Officer
Marzouka Hiyam	Medical Director
Saca Christina	Finance Director
A'raj Atalla	Support Services Director
Qumsieh Suhair	Nursing Director

Auditors
PricewaterhouseCoopers AG, Lucerne

For all other disclosures, please refer to the annual report which forms an integral part of the performance report.