

**ADES**

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## Financial Report 2023



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## BALANCE SHEET as per 31.12.2023

amount in CHF

<b>ASSETS</b>	Appendix	<b>2023</b>	<b>2022</b>
Liquidity	1	1,402,557	2,603,354
Securities (Raiffeisen Co-operative)		200	200
Receivables	2	239,290	126,307
Inventory Madagascar	3	390,675	177,742
Other assets	4	1,953,624	973,678
<b>Total current assets</b>		<b>3,986,345</b>	<b>3,881,280</b>
		44,301	
Furniture and equipment		111,831	47,639
Property		332,173	354,974
<b>Total fixed assets</b>	5	<b>488,306</b>	<b>402,612</b>
<b>ASSETS</b>		<b>4,474,650</b>	<b>4,283,893</b>
<b>LIABILITIES</b>			
Current liabilities	6	81,303	32,243
Accruals	7	590,472	675,525
<b>Short term third party liabilities</b>		<b>671,775</b>	<b>707,768</b>
Mortgage loans	8	100,000	100,000
<b>Long term third party liabilities</b>		<b>100,000</b>	<b>100,000</b>
<b>THIRD PARTY LIABILITIES</b>		<b>771,775</b>	<b>807,768</b>
Specific purpose Funds		176,789	199,400
<b>Total Fund capital</b>	9	<b>176,789</b>	<b>199,400</b>
Accumulated unallocated capital		2,499,056	2,111,210
Allocated capital		300,000	300,000
Unallocated liquidity reserves		700,000	700,000
Currency conversion		-273,492	-222,332
Annual result (+ surplus, - deficit)		300,523	387,847
<b>Total own capital</b>	10	<b>3,526,088</b>	<b>3,276,724</b>
<b>LIABILITIES</b>		<b>4,474,651</b>	<b>4,283,893</b>

Conversion rate: 1000 Ariary 2023 = CHF 0.20996; 2022 = CHF 0.23787; 2021 = CHF 0.24131

Conversion rate: 1 CHF 2023 = MGA 4'763; 2022 = MGA 4'204; 2021 = MGA 4'144

## INCOME STATEMENT as per 31.12.2023

amount in CHF

<b>INCOME</b>	Appendix	<b>2023</b>	<b>2022</b>
Sales of solar cookers		5,015	14,746
Sales of energy-saving cookers		318,122	319,696
Other income		27,575	3,238
Income reduction (free items and promotions)		-6,373	-6,392
<b>Income Madagascar</b>	11	<b>344,340</b>	<b>331,288</b>
Free donations		492,380	561,775
Specific purpose donations	12	764,564	604,110
CO <sub>2</sub> contributions		3,168,359	2,767,740
Membership dues and sponsorship		3,000	3,400
Grants and other income	12	90	1,480
<b>Income Switzerland</b>		<b>4,428,392</b>	<b>3,938,505</b>
<b>Change in product inventory</b>		<b>193,952</b>	<b>4,041</b>
<b>Operating income</b>		<b>4,966,684</b>	<b>4,273,835</b>
<b>EXPENSE</b>			
Project expense	13	812,295	587,138
Materials	14	640,093	729,213
Personnel	15	1,499,149	1,392,031
Other operating expense	16	940,436	944,287
Depreciation and amortisation	17	72,628	157,284
<b>Operating expense</b>		<b>3,964,600</b>	<b>3,809,953</b>
<b>Operating result</b>		<b>1,002,083</b>	<b>463,882</b>
Financial result (interest, bank charges and foreign exchange translation)		-26,430	-29,459
Extraordinary income and expense (-)		-1,651	
Allowance for finished goods / tax	18	-696,091	-7,807
<b>Result before changes in Funds</b>		<b>277,912</b>	<b>426,616</b>
Fund additions		-764,564	-604,110
Fund outgoings		787,175	565,341
<b>Net change in Fund capital</b>	19	<b>22,612</b>	<b>-38,769</b>
<b>Annual result (before change in capital)</b>	20	<b>300,523</b>	<b>387,847</b>
Withdrawals from capital		-51,160	-22,221
Allocation to accumulated free capital		-249,363	-365,625
<b>Total allocation</b>		<b>-300,523</b>	<b>-387,847</b>

## Cash flow statement

	2023	2022
Result for the year	300,523	387,847
Depreciation of property, plant and equipment	72,628	157,284
Decrease (+) / increase (-) in receivables	-112,983	-64,790
Decrease (+) / increase (-) in inventories	-212,933	85,184
Decrease (+) / increase (-) in prepaid expenses and accrued income	-979,946	182,248
Increase (+) / decrease (-) in current liabilities	49,060	15,069
Increase (+) / decrease (-) in accrued expenses and deferred income	-85,053	658,914
<b>Cash flow from operating activities</b>	<b>-968,705</b>	<b>1,421,757</b>
<b>Cash flow from investing activities</b>		
Investments in property, plant and equipment	-158,322	-200,581
Divestments of property, plant and equipment	-	-
<b>Cash flow from investing activities</b>	<b>-158,322</b>	<b>-200,581</b>
<b>Cash flow from financing activities</b>		
Increase (+) / decrease (-) in fund capital	-22,611	38,769
Increase (+) / decrease (-) in mortgages	-	-71,250
<b>Cash flow from financing activities</b>	<b>-22,611</b>	<b>-32,481</b>
Postings after balance sheet date 2021	-	-15,794
Translation differences	-51,160	-6,427
<b>NETTOVERÄNDERUNG DER FLÜSSIGEN MITTEL</b>	<b>-1,200,797</b>	<b>1,166,474</b>
<b>Statement of cash and cash equivalents</b>		
Cash and cash equivalents as of January 1	2,603,554	1,437,080
Cash and cash equivalents as of December 31	1,402,757	2,603,554
<b>Change in cash and cash equivalents</b>	<b>-1,200,797</b>	<b>1,166,474</b>

## Statement of changes in capital

### Fund capital

	Opening balance 1.1.	Allocations	Internal transfers	Appropriation from funds (1)	Allocation financial result	Total change	Balance at 31.12.
<b>2023</b>							
Fund canteen kitchens / school canteens	46,396	15,500	-	61,896	-	-46,396	-
Fund Environmental Education / School Program	-	29,784	-	29,784	-	-	-
Fund Energy efficient cook stoves	20,000	394,100	-	414,100	-	-20,000	-
Fund Adult Education	-	79,500	-	19,500	-	60,000	60,000
Fund Reforestation	-	148,590	-	148,590	-	-	-
Fund ADES Expansion	133,005	28,889	-	45,106	-	-16,216	116,789
Fund Givaudan	-	65,200	-	65,200	-	-	-
Fund Miscellaneous	-	3,000	-	3,000	-	-	-
<b>Zweckgebundenes Fondskapital</b>	<b>199,400</b>	<b>764,564</b>	<b>-</b>	<b>787,175</b>	<b>-</b>	<b>-22,612</b>	<b>176,789</b>

	Opening balance 1.1.	Allocations	Internal transfers	Appropriation from funds (1)	Allocation financial result	Total change	Balance at 31.12.
<b>2022</b>							
Fund canteen kitchens / school canteens	97,166	104,610	-	155,381	-	-50,770	46,396
Fund Environmental Education / School Program	-	33,500	-	33,500	-	-	-
Fund Energy efficient cook stoves	-	148,050	-	128,050	-	20,000	20,000
Fund Adult Education	11,430	21,200	-	32,630	-	-11,430	-
Fund Reforestation	-	67,273	-	67,273	-	-	-
Fund ADES Expansion	-	226,477	-	93,473	-	133,005	133,005
Funds Zoo Zurich	10,217	-	-	10,217	-	-10,217	-
Fund Givaudan	21,818	-	-	21,818	-	-21,818	-
Fund Development parabolic stove	-	-	-	-	-	-	-
Fund Construction new metal workshop	15,500	-	-	15,500	-	-15,500	-
Fund "The Rotary Foundation" project	4,500	-	-	4,500	-	-4,500	-
Fund Miscellaneous	-	3,000	-	3,000	-	-	-
<b>Restricted fund capital</b>	<b>160,631</b>	<b>604,110</b>	<b>-</b>	<b>565,341</b>	<b>-</b>	<b>38,769</b>	<b>199,400</b>

(1) When earmarked revenues were not sufficient to fund the projects listed above, the funding gaps for these projects were covered with unrestricted donations and CO<sub>2</sub> contributions.

## Statement of changes in capital

### Organizational capital

	Opening balance 1.1.	Allocations	Internal transfers	Appropriation from funds (1)	Allocation financial result	Total change	Balance at 31.12.
<b>2022</b>							
Free capital generated	2,499,056	300,523		-	-	300,523	2,799,579
Committed capital:							
- Property insurance reserve	300,000	-	-	-	-	-	300,000
Free reserves	700,000	-	-	-	-	-	700,000
Currency translation (2)	-222,332	-	-	51,160	-	-51,160	-273,492
<b>Organisationskapital</b>	<b>3,276,724</b>	<b>300,523</b>	<b>-</b>	<b>51,160</b>	<b>-</b>	<b>249,363</b>	<b>3,526,088</b>

	Opening balance 1.1.	Allocations	Internal transfers	Appropriation from funds (1)	Allocation financial result	Total change	Balance at 31.12.
<b>2022</b>							
Free capital generated	2,127,004	387,847	-15,794	-	-	372,052	2,499,056
Committed capital:							
- Property insurance reserve	300,000	-	-	-	-	-	300,000
Free reserves	700,000	-	-	-	-	-	700,000
Currency translation (2)	-215,905	-	-	6,427	-	-6,427	-222,332
<b>Organisationskapital</b>	<b>2,911,099</b>	<b>387,847</b>	<b>-15,794</b>	<b>6,427</b>	<b>-</b>	<b>365,625</b>	<b>3,276,724</b>

(1) Supplementary entries after audit 2021 in Madagascar (write-off of VAT credit CHF 15,794)

(2) Previous year's organizational capital in Madagascar of MGA 1'832'822'254 at previous year's exchange rate (4,204) = CHF 435,976. At current year rate (4'763) = CHF 384,816  
Difference CHF -51,160

## Notes to the financial statements

### Accounting principles

The accounts of ADES are prepared in accordance with the Swiss GAAP FER accounting recommendations (core FER and FER 21) and comply with the Swiss Code of Obligations, the guidelines of the ZEWO Foundation and the provisions of the Articles of Association and give a true and fair view of the net assets, financial position and results of operations.

The annual financial statements consist of the balance sheet, income statement, cash flow statement, statement of changes in capital, notes and performance report. The notes provide detailed information on key items in the balance sheet and income statement. The performance report describes the purpose of the organisation, the governing bodies and their term of office, the person responsible for management and the services provided.

### Scope of consolidation

ADES Switzerland has neither subsidiaries nor partner institutions over which it exercises or could exercise a controlling influence through joint control and management.

The "Direction Nationale" of ADES Madagascar is not a separate legal entity, but part of ADES Switzerland.

ADES has been registered as an association in the commercial register since November 2019.

### Accounting and valuation principles

The acquisition or production cost principle applies to the annual financial statements. This is based on the principle of individual valuation of assets and liabilities. The most important accounting principles are presented below.

The accounts in Switzerland are kept in Swiss francs, with balance sheet items in foreign currencies (except the Malagasy Ariary) being converted at the closing exchange rate on the balance sheet date.

The accounts in Madagascar are kept in Malagasy Ariary (MGA) and converted into CHF at the weighted exchange rate of the transferred amounts of money on consolidation with the Swiss accounts.

	<u>31.12.2023</u>	<u>31.12.2022</u>
EUR	0.9308	0.9859
USD	0.8421	0.9234
MGA (weighted average)	4,763.--	4,204.--



## Active

### Cash and cash equivalents and securities

These items include cash in hand, postal and bank balances in Swiss francs and in foreign currencies. They are valued at nominal value. Transactions in foreign currencies are converted at the respective daily exchange rate. Exchange rate gains and losses are recognised gross in the income statement.

ADES has a receivable from our production partner Bionerr, triggered by a fire at the production facility. The loan of CHF 50,600 (MGA 241,000,000) was transferred at the beginning of 2023. A repayment agreement was signed. The first repayment instalment of CHF 6,299 (MGA 30,000,000) was received at the end of 2023.

### Receivables

This item includes credit balances from the sale of ADES products in Madagascar and recoverable withholding taxes. They are recognised at nominal value. Specific valuation allowances are recognised for doubtful receivables.

### Inventories

Finished and semi-finished products in stock on the balance sheet date as well as materials for the production of solar and energy-saving cookers, which represent a certain value, are recognised as inventories. Inventories are recognised at acquisition cost, production cost or the lowest realisable disposal value, taking into account an appropriate individual value adjustment. The impairment is charged to the result for the period.

Small materials are not capitalised.

### Accrued income and prepaid expenses

Accrued income and prepaid expenses are used to allocate cross-period transactions (expenses paid in advance, income not yet received) to the correct financial period. They are recognised at nominal value less any necessary value adjustments.

### Property, plant and equipment

Mobile property, plant and equipment are recognised at cost less depreciation. Depreciation is recognised on a straight-line basis from the acquisition cost over the estimated useful life.

The useful lives applied are as follows:

Machines & devices:	5 years
Furniture/equipment/IT:	3 years
Vehicles:	3 years
Building:	10 years

## **Passives**

### **Current liabilities**

These are liabilities to suppliers, service providers, social security funds and other government bodies (withholding tax) as well as other current liabilities. Current liabilities are liabilities that are due within the next 12 months. They are recognised at nominal value.

### **Accrued expenses and deferred income and current RST**

Accruals and deferred income are used to allocate cross-period business transactions (expenses not yet paid, income received in advance) to the correct financial period. They are recognised at nominal value.

### **Long-term debt capital**

These are liabilities to banks that fall due one year after the balance sheet date or later. They are measured at nominal value.

### **Earmarked fund capital**

The earmarked fund capital consists of project-related donations. The fund resources are used in accordance with the intended purpose. The management is obliged to ensure compliance with the purpose of the fund.

### **Organisational capital / reserves**

The organisational capital consists of the cumulative annual results since the company was founded, without any restrictions on disposal by third parties. There is no initial or founding capital.

In order to be able to fulfil the association's mission despite an unsecured and irregular inflow of funds, the association strives for an organisational capital (free capital and reserves) that corresponds to at least half and a maximum of one and a half times the annual expenditure.

## **Principles of the operating statement**

The operating accounts are prepared according to the gross principle. This means that expenses and income are consistently separated. The income statement is presented using the nature of expense method.

The method used to calculate administrative expenses as well as fundraising and general advertising expenses is based on the Zewo Foundation's "Methodology for calculating administrative expenses" guidelines, which were published in January 2018.

## **Cash flow statement**

The cash flow statement shows the change in the organisation's cash and cash equivalents due to cash inflows and outflows from operating activities, investing activities and financing activities during the reporting period. The cash flow statement is prepared using the indirect method and is based on the Swiss GAAP FER 21 accounting standard in terms of the level of detail shown.

## **Statement of changes in capital**

The statement of changes in capital shows the balances and changes in the items of fund capital and organisational capital on a gross basis. The purpose of the fund capital items is indicated and, if necessary, explained in the notes.

## **Further information**

### **Compensation to the governing bodies**

ADES Board members provide their services on a voluntary basis. Only documented real expenses are reimbursed. In the reporting year, CHF 966 (previous year: CHF 876) was paid out. The advisory committee in Madagascar also provides its services free of charge.

### **Remuneration of the Executive Board**

Management remuneration is not disclosed as only one person is entrusted with the management of the company.

### **Services free of charge**

In the 2023 financial year, unpaid services totalling 2,901 hours (previous year: 3,107 hours) of unpaid work were donated.

### **Benefits in kind**

In the reporting year, benefits in kind totalling CHF 22,243 were donated (previous year: CHF 16,990).

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

There are no known events after the balance sheet date that could have a material impact on the 2023 financial statements.

## Notes on individual balance sheet items

	<u>2023</u>	<u>2022</u>
<u>1 Cash and cash equivalents</u>		
Cash registers	17,791	8,823
Bank, post office	1,384,766	2,594,531
<b>Cash and cash equivalents</b>	<b>1,402,557</b>	<b>2,603,354</b>
<u>2 Receivables from goods and services</u>		
As the deductible input tax from material deliveries is higher than the VAT owed on sales, a VAT liability results in a receivable from the state.		
Receivables from third parties	0	0
Receivables Madagascar (value added tax, accounts receivable)	238,921	125,938
Other receivables (withholding tax)	369	369
<b>Receivables from goods and services</b>	<b>239,290</b>	<b>126,307</b>
<u>3 Stocks Madagascar</u>		
Raw materials	328,712	141,711
Finished products	333,012	166,611
Wertberichtigungen	-271,049	-130,580
Goods and materials in transit	0	0
<b>Inventories Madagascar</b>	<b>390,675</b>	<b>177,742</b>
<u>4 Prepaid expenses and deferred charges</u>		
Outstanding payment CO <sub>2</sub> certificates 2021	0	396,900
Outstanding payment CO <sub>2</sub> certificates 2022 (1)	1,576,575	0
Subsidies for Madagascar for the following year	336,943	574,670
Other accruals and deferrals (Pension/other inv.)	40,106	2,107
<b>Accrued income and prepaid expenses</b>	<b>1,953,624</b>	<b>973,678</b>

1) The reason for the high outstanding CO<sub>2</sub> contributions for 2022 lies in the postponement of tonne certification compared to the previous year and could therefore not yet be confirmed. A possible delcredere has already been taken into account in the calculation.

### 5 Fixed assets

The reported net fixed assets reflect the property (office premises, storage space), car park, structural facilities, furniture, and IT hardware of the Swiss and Madagascar offices. Until last year, the assets in Madagascar were fully depreciated. From 2022 onwards, we have depreciated property, plant and equipment in line with their useful lives in accordance with the legal requirements in Madagascar (see Property, plant and equipment, p. 9)

## Property, plant and equipment

2023	Machinery, Equipment	Furniture, Office Appl., IT	Vehicles	Property Buildings & Facilities	Financial invest.	Total
<b>Net assets 1.1.23</b>	<b>5.458</b>	<b>42.182</b>	<b>0</b>	<b>354.973</b>	<b>0</b>	<b>402.612</b>
<u>Acquisition costs</u>						
Balance 1.1.23	411,247	477,883	608,848	1,413,009	0	2,910,986
Additions	14,518	79,534	16,485	3,483	50,600	161,336
Disposals					-6,299	-6,299
<b>Balance 31.12.23</b>	<b>425,765</b>	<b>557,417</b>	<b>625,333</b>	<b>1,416,492</b>	<b>44,301</b>	<b>3,069,307</b>
<u>Accumulated amortisation</u>						
Balance 1.1.23	405,789	435,702	608,848	1,058,037	0	2,508,374
Depreciation/amortis.	6,559	36,215	3,571	26,283	0	72,627
Disposals						
<b>Balance 31.12.23</b>	<b>412,348</b>	<b>471,916</b>	<b>612,419</b>	<b>1,084,319</b>	<b>0</b>	<b>2,581,001</b>
<b>Net assets 31.12.23</b>	<b>13.417</b>	<b>85.501</b>	<b>12.914</b>	<b>332.173</b>	<b>44.301</b>	<b>488.306</b>
2022	Machinery, Equipment	Furniture, Office Appl., IT	Vehicles	Property Buildings & Facilities	Financial invest.	Total
<b>Net assets 1.1.22</b>	<b>0</b>	<b>7.757</b>	<b>0</b>	<b>351.559</b>	<b>0</b>	<b>359.316</b>
<u>Acquisition costs</u>						
Balance 1.1.22	300,656	417,484	608,848	1,383,419	0	2,710,406
Additions	110,591	60,399	0	29,590	0	200,580
Disposals					0	
<b>Balance 31.12.22</b>	<b>411,247</b>	<b>477,883</b>	<b>608,484</b>	<b>1,413,009</b>	<b>0</b>	<b>2,910,986</b>
<u>Accumulated amortisation</u>						
Balance 1.1.22	300,656	409,727	608,848	1,031,860	0	2,351,090
Depreciation/amortis.	105,133	18,486	0	26,177	0	157,284
Disposals						
<b>Balance 31.12.22</b>	<b>405,789</b>	<b>435,702</b>	<b>608,848</b>	<b>1,058,037</b>	<b>0</b>	<b>2,508,374</b>
<b>Net assets 31.12.22</b>	<b>5.458</b>	<b>42.182</b>	<b>0</b>	<b>354.973</b>	<b>0</b>	<b>402.612</b>

	<u>2023</u>	<u>2022</u>
<b>6</b> <u>Liabilities</u>		
<b>Accounts payable Madagascar</b>	<b>81,303</b>	<b>32,243</b>

The liability of CHF 81,303 relates to social security.

**7** Deferred income and current provisions

RST Madagascar 2023 <small>(see no. 18)</small>	540,299	0
Subsidies to Madagascar for 2023	0	648,936
Holiday and overtime employees Switzerland	3,359	6,348
Other (verification costs, insurance, telephone, etc.)	46,814	20,241
<b>Accrued expenses and deferred income</b>	<b>590,472</b>	<b>675,525</b>

**8** Mortgages

<u>Exposed assets</u>	<u>31.12.2023</u>	<u>31.12.2022</u>	<u>Amortisation</u>
Property Im Grindel 6, Mettmenstetten	100,000	100,000	0

There is a fixed-rate mortgage on the business premises:

CHF 100,000      à 1.55%      Term until 30 June 2024

**9** Earmarked funds

The various earmarked funds are donations made by donors for a very specific project or a precisely defined purpose.

The "Statement of changes in capital" provides detailed information on the composition of and changes in the restricted funds.

**10** Organisational capital

The organisational capital is available for projects and programmes in Madagascar and to ensure business operations in Switzerland.

The Board of Directors may allocate free funds from the organisational capital (earnings reserves) to earmarked reserves. Withdrawals are made to the extent that the purpose is fulfilled or if there is no longer a need for separate disclosure. Withdrawals from the release of reserve items are made in accordance with the decision of the Board of Directors.

As insurance companies in Madagascar are reluctant to pay compensation for property damage, the Board of Directors has decided to cancel the vehicle and building insurance and set up a "property insurance" reserve to cover vehicle and building damage. See "Statement of changes in capital".

## Notes on individual items in the operating statement

	<u>2023</u>	<u>2022</u>
<u>11 Sales volume / revenue Madagascar</u>		
Sales volume		
Solar cooker and parabolic cooker	359	862
Energy-saving cooker	87,015	84,243

Pure income (excluding changes in inventories) in local currency is 10% higher than in the previous year.

### 12 Earmarked donations / sponsorship contributions / other income

Project contribution EnDev / GIZ	28,889	226,477
Sale of goods in favour of Madagascar	90	1,480
<b>Other income / subsidies</b>	<b>28,979</b>	<b>227,957</b>

The "Statement of changes in capital" provides detailed information on the composition of and changes in the restricted funds.

### 13 Project expenditure

These are special projects that only have to do with the production and sale of solar and energy-efficient cookers in the broader sense, such as environmental education and empowerment, but also product developments such as modular institutional kitchens, etc.

In the reporting year, particular investments were made in the areas of reforestation (CHF 456,023), institutional kitchens (CHF 73,336), environmental education and empowerment (CHF 87,381), EnDev ADES expansion (CHF 80,446) and the production of improved cookers - burn stoves - (CHF 74,624).

### 14 Cost of materials

Purchase of materials	830,577	637,038
Changes in material inventories	-195,630	84,179
Other material costs and purchase expenses	5,146	7,996
<b>Cost of materials</b>	<b>640,093</b>	<b>729,213</b>

The cost of materials in the financial year was 30% higher than in the previous year, but around 30% lower than budgeted. We were able to increase our sales by around 3% compared to the previous year. Inflation and thus rising raw material prices of around 10% are continuing. In addition, we produced more than we sold, which accounts for a slight increase in costs as we do not capitalise all material. Various projects and investments were planned for the 2023 financial year that could not be realised for various reasons, such as a fire at our production partner Bionerr and a lack of human resources.

### 15 Personnel expenses

	<u>2023</u>	<u>2022</u>
Salaries Madagascar	668,219	627,122
Salaries Switzerland office	434,824	421,484
Social security Madagascar & Switzerland	244,398	188,579
Other personnel expenses	151,708	154,845
<b>Total personnel expenses</b>	<b>1,499,149</b>	<b>1,392,031</b>

Personnel costs in Switzerland increased by around 3% compared to the previous year. This is due to a newly created position with a 50% workload and a trainee, both of whom were hired from 1 October 2023. In 2024, these costs will be reflected 100% in the accounts.

In Madagascar, total personnel expenses in local currency are 16% higher than in the previous year. This increase is made up of a higher headcount (2023: 267; 2022: 250; 2021: 229) and general salary increases averaging 8%. This is also reflected in the increased social costs. In addition, various relocation costs and death costs were incurred, which ADES covers for its employees.

	<u>2023</u>	<u>2022</u>
<u>16 Other operating expenses</u>		
Occupancy costs (i)	73,814	104,672
Maintenance and repairs (ii)	2,683	41,132
Vehicle and transport expenses (iii)	272,268	253,734
Insurance and energy (iv)	22,416	17,848
Administrative expenses and IT (v)	332,469	290,481
Fundraising expenses (vi)	68,984	127,134
Other operating expenses (workshop material, CO <sub>2</sub> certification) (vii)	167,802	109,286
<b>Other operating expenses</b>	<b>940,436</b>	<b>944,287</b>

- (i) Higher expenses due to relocations in Madagascar in the last financial year.
- (ii) Major repairs were carried out on production machinery in Madagascar last year.
- (iii) Increase in transport costs due to rising petrol and maintenance costs in Madagascar.
- (iv) Madagascar is characterised by high inflation. Energy costs are rising steadily.
- (v) Consultants were called in for the introduction of a new ERP system in Switzerland and Madagascar.
- (vi) Fewer PR projects were carried out (magazine inserts). Less marketing was also carried out in Madagascar due to a shortage of human resources.
- (vii) SustainCERT revalidation costs for CO<sub>2</sub> certification, which are due every three years, are recognised here (CHF 91,000).

#### 17 Depreciation and amortisation

For depreciation and amortisation see item 5.

#### 18 Value adjustment on finished products / taxes / current provisions

As described in the paragraph "Accounting and valuation principles => Assets => Inventories", inventories are checked to see whether the carrying amount exceeds the recoverable amount. If there is an impairment, the carrying amount is reduced to the recoverable amount and the impairment is recognised in profit or loss for the period.

	<u>2023</u>	<u>2022</u>
Value adjustment inventory	-155,792	-6,074
Taxes	-1,651	-1,734
RST Madagascar (including favourable outcome from stock)	-540,299	0
<b>Extraordinary expenses (-) and income (+)</b>	<b>-697,742</b>	<b>-7,807</b>

#### 19 Change in earmarked funds

A detailed breakdown of the changes in earmarked donations can be found in the "Statement of changes in capital".

#### 20 Annual result

The profit for the year under review amounts to CHF 300,523 and is credited to the earned free capital.



## Performance report 2023

The *Association pour le Développement de l'Energie Solaire (ADES)* is a non-profit organisation based in Mettmenstetten (Switzerland). ADES operates exclusively in Madagascar as a non-governmental organisation (NGO) and is recognised by the Malagasy state (accord de siège). In Madagascar, ADES has eight centres, eight branches and three ADES mobiles spread throughout the country. These are managed by the "Direction National" in Madagascar.

### The organs of the association are

- annual general meeting
- the Executive Board
- the business office
- the "Direction National" in Madagascar
- the audit office

### Management Board

The Executive Board monitors compliance with the objectives and purpose of the association. The President is elected by the General Meeting, otherwise the Board constitutes itself.

The term of office of the Board of Directors is four years; re-election is possible.

President Herbert Blaser, Adliswil (2017)

Vice Chairman Paul Rota, Wädenswil (2014)

Members Walter Scherrer, Basel (2010)

Jörg Baumann, Wohlenschwil (2010) -> resigned before the end of the financial year.

David Blumer, Villnachern (2017)

Peter Glassen, Bern (2019)

Sabine Focke, Zurich (2021)

Hans-Peter Frei (2022)

-> resigned before the end of the financial year.

( ) Election to the Board of Directors.

### Business office

Management Luc Estapé, Mettmenstetten

### Auditors

Effida Treuhand und Revisionen AG, Salzmattstrasse 4, 5507 Mellingen

### Purpose

The aim of the association is to promote energy-efficient cooking methods and the use of solar energy and/or renewable energies in Madagascar. In doing so, the organisation aims to preserve habitats, reduce deforestation of valuable forests, combat poverty and protect the environment. The association does this in close cooperation with other organisations that are committed to the above-mentioned goal.

The association does not pursue any commercial purposes and does not seek to make a profit.

## Services provided by ADES

For detailed information on the work carried out in the reporting year and key figures, please refer to the Annual Report 2022 and the Bulletins Switzerland (DE, FR, EN) and Bulletins Madagascar (FR, MG) published during the year. All published reports can be obtained online at <https://ades-solaire.org/mediathek-de/downloads-de> or from the ADES secretariat free of charge.

The activities of ADES have various positive effects on people and nature in Madagascar. They help to preserve livelihoods and biodiversity. With secure jobs and a commitment to less developed regions, ADES contributes to the fight against poverty and rural exodus. Thanks to the reduction of pollutant emissions, ADES also protects the climate.

The following table shows the development of units sold in recent years:

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Solar and parabolic cooker	255	210	420	575	321	862	359
Energy-saving cooker	<u>37,617</u>	<u>47,224</u>	<u>41,182</u>	<u>49,426</u>	<u>72,879</u>	<u>84,243</u>	<u>87,015</u>
<u>Total units</u>	<u>37,872</u>	<u>47,434</u>	<u>41,602</u>	<u>50,001</u>	<u>73,200</u>	<u>85,105</u>	<u>87,374</u>

Since the start of the collaboration with *myclimate* in 2008, CO<sub>2</sub> emissions have been reduced by around **3,600,000 tonnes** by the end of 2023.

Thanks to its activities, ADES was able to make an important contribution in the following areas:

- **Environmental protection:** Conservation of livelihoods and biodiversity of animals and plants
- **Environmental education** in schools and promotion of ecological thinking
- **Climate protection** thanks to a reduction in CO<sub>2</sub> emissions
- **Poverty reduction** thanks to job creation (by the end of 2023, there will be a total of 267 ADES jobs internally and around 250 jobs at partner companies and resellers) and a reduction in household expenditure on wood/charcoal
- **Training, education and further training of** employees and trainees in the workshops, administration and outsourced craft businesses:
  - Joinery, metal workshop, logistics, sales, marketing/communication, accounting and human resources
  - Machine handling, safety and quality standards, work processes, stock management and material control
  - Management tasks, project management, IT
  - Staff training in the areas of environment, recycling and climate
- Promote **cultural exchange** and co-operation between ethnic groups
- **Supporting the government** in achieving its environmental goals
- **Improved health** due to lower toxic smoke emissions
- **Reforestation:** Over 90 per cent of the original forest in Madagascar has already been cut down. According to the latest estimates, up to an additional 510,000 hectares disappear every year. ADES plants at least two new trees for every cooker sold.

## CO<sub>2</sub> compensations under scrutiny

We ended our financial year with a surplus of CHF 300,523, enabling ADES to further increase its reserves. This is very pleasing, especially as the financial year began with major challenges in production. At the end of 2022, our production partner Bionerr had a fire in production. ADES was able to provide rapid support with an unbureaucratic loan so that Bionerr was soon able to start rebuilding. However, this led to delivery delays and sales delays, which unfortunately affected our sales target of 100,000 cookers. Nevertheless, we were able to sell around 3% more energy-saving cookers than in the previous year (total: 87,374).

Sales revenue in local currency increased by 10% compared to the previous year. Due to the poor economic situation in Madagascar, the exchange rate against the Swiss franc rose by 13% compared to the previous year, which devalued our sales revenue in Swiss francs. Thanks to our strong fundraising in Switzerland, we were able to increase our donation income by around 30% to CHF 1.2 million in the financial year (excluding EnDev contributions). EnDev's sponsorship contributions fell by 87% as the project was terminated in the first half of the year.

The certification of our energy-saving cookers proved to be very challenging in the last financial year. The Gold Standard requirements are becoming more stringent and we are in the process of adapting our internal processes accordingly. In addition, the CO<sub>2</sub> market is under observation. Many projects, particularly in afforestation, have come under fire from the public because observers believe that monitoring has been neglected. These negative headlines are also influencing CO<sub>2</sub> brokers, sales volumes and prices, which naturally has an impact on ADES. Although we achieved 14% more CO<sub>2</sub> contributions than in the previous year, this is around CHF 1 million less than budgeted.

Despite initial challenges in production, we were able to produce around 98,000 energy-saving cookers. As we did not achieve our sales target at the same time, our stocks were full at the end of the financial year. This is reflected as a success in the changes in inventories of semi-finished and finished products and as a reduction in expenses in raw materials and inventories. Overall, these bookings affect the result by around CHF 400,000, which accounts for the majority of the surplus in Madagascar and was recognised as a current provision in extraordinary income. Inflation continues to characterise the high cost of materials at around 10% compared to the previous year.

More than half of the project expenditure was invested in reforestation. In addition, around CHF 75,000 was invested in the production and assembly of new, improved energy-saving cookers (LeMadio).

Our personnel costs increased by 8 % compared to the previous year. This was mainly due to more staff in Switzerland (plus 1 person) and in Madagascar (plus 17 people). In addition, an average salary increase of 8% was granted in Madagascar, which is in line with ADES' demand for fair salaries that cover the actual cost of living.

ADES underwent a ZEW audit during the financial year. ADES successfully met all standards and has been awarded the ZEW seal of approval for the next five years. In connection with the audit, ZEW analysed the cost structure, in which ADES achieved very good results. The key figures for administration and fundraising costs are 12% below the permitted limit.

Once again this year, we would like to take this opportunity to say a big thank you to our donors, our partner organisations, foundations, members and volunteers. We will face further challenges in 2024 and we hope we can continue to count on you.

*Anoushka Schmidli-Murray*  
*Finances*

To the General Meeting of the  
ADES Association  
Im Grindel 6  
8932 Mettmenstetten

Mellingen, 26 March 2024/UMO

### **Report of the statutory auditors on the limited audit**

As statutory auditor, we have audited the financial statements (balance sheet, income statement, cash flow statement, statement of changes in capital and notes) of the Association pour le Développement de l'Energie Solaire Suisse-Madagascar (Association ADES) for the year ended 31 December 2023. In accordance with Swiss GAAP FER 21, the information in the performance report is not subject to an audit by the statutory auditor.

The Board of Directors is responsible for the preparation of the financial statements in accordance with Swiss GAAP FER 21, the requirements of Swiss law and the company's articles of incorporation, while our responsibility is to audit the financial statements. We confirm that we meet the legal requirements on licensing and independence.

Our audit was conducted in accordance with the Swiss Standard on Limited Statutory Audits. Those standards require that we plan and perform the audit such that material misstatements in the financial statements are detected. A limited audit mainly comprises inquiries and analytical procedures as well as detailed examinations of the documents held by the audited company as appropriate in the circumstances. On the other hand, this audit does not include examinations of operating procedures and the internal control system, nor does it include inquiries and other audit procedures aimed at detecting criminal offences or other violations of the law.

Based on our audit, 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 21 and do not comply with Swiss law and the company's articles of incorporation.

### **Effida Treuhand und Revisionen AG**



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Moser  
Date: 2024.04.16  
10:50:48 +02'00'

**Ueli Moser**

Authorised audit expert Auditor  
in charge

Enclosure:

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