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# Annual Financial Statements 2022

## Balance Sheet

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CBM Christoffel-Blindenmission  
Christian Blind Mission e.V.

Assets (in euro)	31.12.2022	31.12.2021
<b>A. Fixed assets</b>		
<b>I. Intangible assets</b>		
1. Concessions, protected commercial rights and similar rights, licenses	30.359,77	88.826,79
	<b>30.359,77</b>	<b>88.826,79</b>
<b>II. Tangible assets</b>		
1. Land, equivalent rights to land and buildings including buildings on third-party land	237.992,37	221.994,02
2. Technical plant and machinery	13.680,11	17.728,91
3. Other plant, operating and business equipment	2.603.667,40	2.328.781,56
	<b>2.855.339,88</b>	<b>2.568.504,49</b>
<b>III. Financial assets</b>		
1. Securities	29.592.803,76	50.285.151,20
2. Loans	198.283,57	135.881,62
	<b>29.791.087,33</b>	<b>50.421.032,82</b>
<b>Sum of fixed assets</b>	<b>32.676.786,99</b>	<b>53.078.364,10</b>
<b>B. Current assets</b>		
<b>I. Stocks</b>		
1. Raw materials and supplies	<b>80.151,81</b>	<b>0,00</b>
<b>II. Receivables and other assets</b>		
1. Trade receivables	47.963,30	517.980,04
2. Other assets	6.067.402,96	4.753.776,78
	<b>6.115.366,26</b>	<b>5.271.756,82</b>
<b>III. Petty cash and cash at bank</b>	<b>29.468.810,58</b>	<b>24.256.301,63</b>
<b>Sum of current assets</b>	<b>35.664.328,65</b>	<b>29.528.058,45</b>
<b>C. Accrued income</b>	<b>0,00</b>	<b>8.017,97</b>
	<b>68.341.115,64</b>	<b>82.614.440,52</b>

Liabilities (in euro)	31.12.2022	31.12.2021
<b>A. Equity</b>		
<b>I. Reserves</b>	73.639.709,35	70.044.531,78
<b>II. Annual result</b>	-16.990.112,31	4.073.458,57
<b>Sum of equity</b>	<b>56.649.597,04</b>	<b>74.117.990,35</b>
<b>B. Provisions</b>		
1. Pension provisions	93.854,15	103.847,12
2. Tax provisions	251.947,59	311.316,23
3. Other provisions	4.042.082,04	3.536.016,48
	<b>4.387.883,78</b>	<b>3.951.179,84</b>
<b>C. Liabilities</b>		
1. Liabilities to banks	0,00	0,00
2. Trade liabilities	1.954.427,28	1.856.459,59
3. Other liabilities	5.349.207,55	2.688.810,74
	<b>7.303.634,83</b>	<b>4.545.270,33</b>
<b>D. Deferred income</b>	<b>0,00</b>	<b>0,00</b>
	<b>68.341.115,64</b>	<b>82.614.440,52</b>

Bensheim, 28<sup>th</sup> April 2023

Dr. Rainer Brockhaus

Dr. Peter Schießl

CBM Christoffel-Blindenmission Christian Blind Mission e. V.



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# Annual Financial Statements 2022

Profit & Loss Account  
by cost accounts

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CBM Christoffel-Blindenmission  
Christian Blind Mission e.V.

P&L by cost accounts (in euro)	31.12.2022	31.12.2021
Cash and in kind donations	<b>364.794.903,34</b>	<b>232.933.920,95</b>
thereof: from other organisations	19.346.001,38	27.771.817,93
thereof: recurring donations	18.202.549,40	16.800.196,30
thereof: donations in kind	270.797.872,34	133.971.377,63
<b>Accrual effects on donations</b>	<b>-2.235.676,13</b>	<b>588.712,65</b>
thereof: booked to project liabilities	-8.149.651,31	-1.432.055,30
thereof: booked from project liabilities	5.913.975,18	2.020.767,95
<b>Donations - accrued</b>	<b>362.559.227,21</b>	<b>233.522.633,60</b>
<b>PROFIT AND LOSS ACCOUNT</b>		
<b>Donations and endowments</b>		
Donations - accrued	362.559.227,21	233.522.633,60
Legacies and bequests	20.034.952,85	17.839.303,73
Court fines	159.785,00	239.161,02
Endowments from public donors	16.851.875,74	13.644.214,97
<b>1a. Donations and endowments</b>	<b>399.605.840,80</b>	<b>265.245.313,32</b>
<b>1b. Turnover</b>	<b>90.749,20</b>	<b>94.330,53</b>
<b>2. Other operating income</b>	<b>2.232.711,81</b>	<b>9.287.425,31</b>
<b>Sum of income (Nos. 1a, 1b and 2)</b>	<b>401.929.301,82</b>	<b>274.627.069,17</b>
<b>3. Project support</b>	<b>337.272.517,75</b>	<b>204.314.995,85</b>
thereof: Donations in kind	270.797.872,34	133.971.377,63
<b>Personnel expenses</b>		
a) Wages and salaries	28.771.861,08	26.887.585,63
b) Social contributions and pensions	4.393.579,64	2.715.662,03
<b>4. Personnel expenses</b>	<b>33.165.440,72</b>	<b>29.603.247,66</b>
<b>5. Depreciation</b>	<b>964.895,68</b>	<b>1.087.082,01</b>
<b>6. Other operating expenses</b>	<b>49.083.388,78</b>	<b>35.643.378,72</b>
<b>Financial result</b>		
a) Earnings from securities incl. sales revenue / revaluation	1.587.028,89	76.960,24
b) Interest and similar income	20.158,95	81.282,82
c) Depreciation of financial assets	0,00	0,00
d) Interest and similar expenditure	40.359,05	63.149,42
<b>7. Financial result</b>	<b>1.566.828,80</b>	<b>95.093,65</b>
8. Taxes on income and earnings	0,00	0,00
<b>9. Result after tax / annual result</b>	<b>-16.990.112,31</b>	<b>4.073.458,57</b>

Bensheim, 28<sup>th</sup> April 2023

Dr. Rainer Brockhaus

Dr. Peter Schießl

CBM Christoffel-Blindenmission Christian Blind Mission e. V.



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# Annual Financial Statements 2022

Profit & Loss Account  
by tax spheres and DZI

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CBM Christoffel-Blindenmission  
Christian Blind Mission e.V.

P&L by tax spheres and DZI (in euro)	31.12.2022	31.12.2021
Cash and in kind donations CHARITABLE SPHERE	<b>364.794.903,34</b>	<b>232.933.920,95</b>
thereof: from other organisations	19.346.001,38	27.771.817,93
thereof: recurring donations	18.202.549,40	16.800.196,30
thereof: donations in kind	270.797.872,34	133.971.377,63
<b>Accural effects on donations</b>	<b>-2.235.676,13</b>	<b>588.712,65</b>
thereof: booked to project liabilities	-8.149.651,31	-1.432.055,30
thereof: booked from project liabilities	5.913.975,18	2.020.767,95
<b>Donations - accrued</b>	<b>362.559.227,21</b>	<b>233.522.633,60</b>
<b>PROFIT AND LOSS ACCOUNT CHARITABLE SPHERE*</b>		
<b>Donation earnings and endowments</b>		
Donations - accrued	362.559.227,21	233.522.633,60
Legacies and bequests	20.034.952,85	17.839.303,73
Court fines	159.785,00	239.161,02
Endowments from public donors	16.851.875,74	13.644.214,97
<b>1a. Donations and endowments</b>	<b>399.605.840,80</b>	<b>265.245.313,32</b>
<b>1b. Turnover</b>	<b>7.575,60</b>	<b>21.398,80</b>
<b>2. Other operating income</b>	<b>1.976.962,55</b>	<b>8.625.456,65</b>
<b>Sum of income (Nos. 1a, 1b and 2)</b>	<b>401.590.378,96</b>	<b>273.892.168,78</b>
Project support	337.272.517,75	202.922.186,89
Project development and monitoring	27.645.088,47	19.567.643,70
Project implementation	11.590.287,12	8.409.902,96
Advocacy and awareness raising	3.357.086,19	3.345.055,02
<b>3. Programme work expenses</b>	<b>379.864.979,52</b>	<b>234.244.788,56</b>
Fundraising	32.034.231,64	28.549.868,59
Administration	8.404.223,00	7.757.692,16
<b>4. Fundraising &amp; administration expenditures</b>	<b>40.438.454,64</b>	<b>36.307.560,75</b>
<b>5. ANNUAL RESULT CHARITABLE SPHERE</b>	<b>-18.713.055,20</b>	<b>3.339.819,46</b>
<b>ANNUAL RESULT BUSINESS OPERATIONS</b>	<b>79.342,15</b>	<b>68.648,03</b>
<b>ANNUAL RESULT ASSET MANAGEMENT</b>	<b>1.643.600,74</b>	<b>664.991,08</b>
<b>ANNUAL RESULT CBM Christoffel-Blindenmission Christian Blind Mission e.V.</b>	<b>-16.990.112,31</b>	<b>4.073.458,57</b>

\*N.B.: The charitable sphere also contains the charitable like sphere

Bensheim, 28<sup>th</sup> April 2023

Dr. Rainer Brockhaus

Dr. Peter Schießl

CBM Christoffel-Blindenmission Christian Blind Mission e. V.



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Annual Financial  
Statements 2022  
Annex

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CBM Christoffel-Blindenmission  
Christian Blind Mission e.V.



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# General information

The annual financial statements as of 31<sup>st</sup> December 2022 have been prepared in accordance with German Generally Accepted Accounting Principles (HGB) pursuant to §§238<sup>ff.</sup> and in observance of the IDW (German Institute of Certified Public Accountants) directive on the accounting for charitable organizations (IDW RS HFA 14).

The profit & loss account has been compiled using the total cost method. In accordance with the recommendations of the DZI (German Central Institute for Social Issues), expenses have been broken down into three categories consisting of program expenditure, fundraising expenditure, and administrative expenditure.

CBM prepares accounts like a large capital company in the sense of § 267 HGB. As a charitable corporation under § 5 Para. 1 No. 9 KStG (Corporate Tax Code), it is not subject to corporation tax because it solely and directly serves tax-privileged, benevolent purposes in the sense of §§ 51 ff. AO (General Tax Code). An exception is business operations which are subject to tax. The accounting and valuation methods were retained unchanged.

CBM is registered at Darmstadt Magistrates' Court under the number VR 20949.

## Explanations to the balance sheet

### I. Accounting and evaluation principles

#### Intangible assets

Intangible assets acquired by purchase are carried at historical cost. If they are subject to wear and tear, they are reduced by planned depreciation.

#### Tangible assets

Tangible assets are carried at historical cost or at the lowest value to be applied.

Exceptions are assets from gifts and legacies not acquired by purchase. These are posted as income at the time of receipt. A value appraisal is obtained from an independent third-party expert to establish the value. A discount of 10 percent is deducted from the value and if a value cannot be established due to specific circumstances, such as position, type, proportion and charges, a value of EUR 1.00 is applied.

Minor-value items with a procurement value of greater than EUR 250.00 net and less than EUR 800.00 are written down to the full amount in their year of purchase.

Assets subject to wear and tear are depreciated linearly over their useful life. The normal period of operational use for business equipment depends upon the tax regulations, which correspond to the actual economic terms of use. Extraordinary depreciation is made if the time value to be applied is less than the book value on the balance sheet cut-off date. If the reasons for extraordinary depreciation made in previous years are no longer applicable, value additions are made.

#### Financial assets

Financial assets are assessed at historical costs or at the lowest value to be applied to them on the cut-off date. The Society makes use of the right of choice provided by § 253 (3), Clause 6, HGB and does not depreciate the fixed asset securities to the lowest rate in case of temporary value reduction. In case of permanent value reductions, depreciation is made to the lowest value to be applied. Value additions are made if the reasons for extraordinary depreciation made in previous years are no longer applicable.

Securities not acquired by purchase are assessed at the stock market or rate values at the time of their receipt, or at the lowest value to be applied to them on the cut-off date.

Other loans are stated at nominal values.

#### Stocks

Items in stock are carried at historical cost or at the lowest value to be applied to them.

#### Receivables and other assets

Trade receivables are assessed at the nominal amount.

Other assets are assessed individually and carried at their nominal amounts. They comprise of real estate from inheritances, which are up for sale (EUR 4,260,761.66).

#### Petty cash and credits with banks

Petty cash and credits with banks are applied at their nominal amounts.

#### Equity

Equity is exclusively composed of reserve funds and annual result. Effects from foreign currency conversion of assets and debts located in Country and Regional Hub Offices are offset against the reserves with no effect on income.

### Provisions

Provisions for pensions are determined actuarially using the Projected Unit Credit Method and carried in the liabilities section of the balance sheet in accordance with HGB. The pension obligation was assessed at the cash value of the proportionally acquired planned expectancies on the basis of the guideline tables 2018 G (RT 2018 G) from Prof. Dr. Klaus Heubeck and using an average market interest rate published by the German Bundesbank for the past 10 years of 1.78 percent p.a. as at 31<sup>st</sup> December 2022, in consideration of a flat-rate, residual term of the obligations of 15 years in accordance with § 253 (2), Clause 2 HGB and a pension index of 1.75 percent p.a. The difference between the assessment with the 10-year average interest and the assessment with the 7-year average interest pursuant to § 253 (6) HGB amounts to EUR 12,540.00 as per 31<sup>st</sup> December 2022. The provision for pension pledges of EUR 294,020.00 was balanced against the time value of the reinsurance to be applied (EUR 200,165.85), which corresponds to the continued procurement costs. The earnings gained from the reinsurance (EUR 3,736.00) were balanced against the interest expenditures from compounding the pension obligations (EUR 5,509.00).

Other provisions contain all the recognisable risks and uncertain obligations. The assessment was made with the likely fulfilment amount as part of a prudent, commercial judgement. In the case of provisions with a residual term longer than one year, account is taken of future price increases, cost rises and interest effects. Regional and country offices accounted for EUR 997,072.07, of which EUR 414,761.07 were for claims of staff members that they acquired against CBM during their period of service and which are due for payment when the staff members leave, and EUR 546,598.68 for outstanding invoices. A repayment to BMZ, due to unused project funds in 2022, was recognised in the amount of EUR 377,453.31. Income tax obligations for expatriated employees amounting to EUR 235,540.21, which CBM transfers to the local authorities. The provision for real estate transfer tax from inheritance resulting from the merger in accordance with the German Reorganization Act (Umwandlungsgesetz) still stands at EUR 182,073.34.

Partial retirement obligations were formed in accordance with the IDW accounting standard RS HFA 3. Top-up amounts for partial retirement have been reserved to the full at the beginning of partial retirement. Provisions for working wage and top-up amount were applied at cash value, whereby calculation was based upon guideline tables 2018 G by Prof. Dr. Klaus Heubeck and a calculated interest rate as per duration of 0.52 percent, 0.59 percent, 0.67 percent and 0.84 percent. The salary trend was 1.5 percent. This produces an amount to be fulfilled of EUR 1,527,420.00. In application of § 246 (2) HGB the time value (equals the procurement costs) of special assets was balanced at EUR 906,200.57 and was netted in the balance sheet. The interest expense from the partial retirement obligation amounts to EUR 6,618.00. Regular additional amounts to provisions for partial retirement are recorded in personnel expenditure.

### Liabilities

Liabilities were applied at their fulfilment amounts.

### Liability relationships, financial obligations

There were no liability relationships at balance sheet cut-off date.

Longer-term obligations that are not to be shown in the balance sheet according to HGB are explained below as additional information.

Contractually agreed longer-term financial obligations for normal operations (rent for offices, computer centre, software) are approximately EUR 2.2 million p.a. (previous year: EUR 0.6 million) (over the entire duration of the contracts in sum approx. EUR 3.2 million; term between 1 and 5 years).

Contractually agreed long-term - not yet fulfilled - financial obligations for project support to implementing partners' amounts to EUR 100.9 million (previous year: EUR 103.4 million), of which EUR 48.2 million is due in 2023. A total of EUR 32.1 million (previous year: EUR 39.0 million) is covered by pledges from institutional donors, such as BMZ, EU, and CBM Italy. The difference of EUR 68.8 million is covered by existing financial reserves as well as expected future income from donations. In the event of funding shortages, CBM has the right to adjust the contractually agreed pledges to project partners.

### Foreign currency conversion

Petty cash, credits with banks, receivables and liabilities in foreign currencies were converted to EUR at the average currency rate of the last trading day of financial year. Conversion effects resulting from this are considered either as income or as expenses (not balanced).

Assets with residual terms of more than one year after the balance sheet cut-off date were assessed at the lowest currency cash rate on the balance sheet cut-off date. Liabilities in foreign currencies were assessed at the highest currency cash rate on the balance sheet cut-off date.

Balance sheets compiled by country and regional offices in foreign currencies were converted at the respective cut-off date rate. Profit & Loss accounts compiled in foreign currencies were converted at the respective average rate for the year. Foreign currency differences from the conversion of the equity of the country and regional offices are offset against the reserves with no effect on income.

## II. Details regarding the balance sheet

### Development of fixed assets (in EUR)

Development of fixed assets 2022 (in euro)							
		Intangible assets		Fixed assets			
		Concessions purchased, protected commercial rights and similar rights, values and licenses to such rights and value	Total	Land, rights equivalent to land and buildings	Technical plant and machinery	Other plant, operational and business equipment	Total
<b>Acquisition costs</b>	1/1/2022	2,527,687.31	2,527,687.31	425,740.41	20,219.57	6,148,167.47	6,594,127.44
	Additions	4,410.71	4,410.71	20,009.01	2,688.97	1,717,132.19	1,739,830.17
	Accruals	0.00	0.00	0.00	0.00	0.00	0.00
	Disposals	7,719.92	7,719.92	193,769.29	0.00	1,222,053.03	1,415,822.32
	Rate effect	-188.80	-188.80	1,272.29	-4,254.10	-178,490.50	-181,472.31
	12/31/2022	2,524,189.30	2,524,189.30	253,252.42	18,654.43	6,464,756.14	6,736,662.98
<b>Depreciation</b>	1/1/2022	2,438,860.52	2,438,860.52	203,746.39	2,490.66	3,819,385.91	4,025,622.95
	Additions	54,981.60	54,981.60	5,229.11	2,536.91	902,148.06	909,914.08
	Accruals	0.00	0.00	0.00	0.00	0.00	0.00
	Disposals	0.00	0.00	193,769.29	0.00	949,162.49	1,142,931.78
	Rate effect	-12.59	-12.59	53.84	-53.25	88,717.25	88,717.85
	12/31/2022	2,493,829.53	2,493,829.53	15,260.05	4,974.32	3,861,088.73	3,881,323.10
<b>Residual book values</b>	1/1/2022	88,826.79	88,826.79	221,994.02	17,728.91	2,328,781.56	2,568,504.49
	12/31/2022	30,359.77	30,359.77	237,992.37	13,680.11	2,603,667.41	2,855,339.88

### Development of financial assets

Development of financial assets (in euro)	Acquisition costs				
	As at 01.01.2022	Additions	Disposals	Depreciation	As at 31.12.2022
<b>III. Financial assets</b>					
1. Securities	50,285,151.20	0.00	20,692,347.44	0.00	29,592,803.76
2. Loans	135,881.62	71,853.67	9,451.72	0.00	198,283.57
	50,421,032.82	71,853.67	20,701,799.16	0.00	29,791,087.33

### Development of receivables

Development of receivables and other assets (in euro)	Of which with a due date of			
	Total	up to 1 year	1 - 5 years	> 5 years
Trade receivables	47,963.30	47,963.30	0.00	0.00
Previous year	517,980.04	517,980.04	0.00	0.00
Other assets	6,067,402.96	6,067,402.96	0.00	0.00
Previous year	4,753,776.78	4,753,776.78	0.00	0.00
<b>Total</b>	6,115,366.26	6,115,366.26	0.00	0.00
<b>Total previous year</b>	5,271,756.82	5,271,756.82	0.00	0.00

### Development of provisions

Development of provisions (in euro)	As at 01.01.2022	Utilisation	Dissolution	Addition	Compounding /discounting	Rate effect	As at 31.12.2022
1. Pension provisions	103,847.12	2,034.72	7,522.93	-2,243.15	1,783.00	-24.83	93,854.15
2. Tax provisions	311,316.24	131,110.27	52.10	80,137.79	0.00	8,344.06	251,947.59
3. a. Other provisions	1,518,372.17	407,072.53	394,833.30	1,222,083.57	3,474.98	6,788.42	1,935,236.47
b1. Partial retirement	1,239,418.00	133,771.66	0.00	415,155.66	6,618.00	0.00	1,527,420.00
b2. Coverage assets partial retirement	-649,415.00	0.00	0.00	-256,785.57	0.00	0.00	-906,200.57
c. Annuity	86,340.00	23,061.12	0.00	18,058.12	0.00	0.00	81,337.00
d. Overtime hours	302,865.76	302,684.67	0.00	376,248.07	0.00	0.00	376,429.16
e. Holidays	338,985.17	311,569.91	0.00	357,028.83	0.00	281.49	384,162.60
f. Legacies	699,450.38	85,850.00	1,650.00	31,747.00	0.00	0.00	643,697.38
	3,536,016.48	1,264,009.89	396,483.30	2,163,535.68	10,092.98	7,069.91	4,042,082.04
	<b>3,951,179.84</b>	<b>1,397,154.89</b>	<b>404,058.33</b>	<b>2,241,430.32</b>	<b>11,875.98</b>	<b>15,389.14</b>	<b>4,387,883.78</b>

### Development of liabilities

Development of liabilities (in euro)	Total	Of which a due date of		
		up to 1 year	1 - 5 years	> 5 years
Liabilities to banks	0.00	0.00	0.00	0.00
<i>Previous year</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Trade liabilities	1,954,427.28	1,954,427.28	0.00	0.00
<i>Previous year</i>	<i>1,856,459.59</i>	<i>1,856,459.59</i>	<i>0.00</i>	<i>0.00</i>
Other liabilities	5,349,207.55	1,501,380.52	3,847,827.03	0.00
thereof: Taxes	208,854.53	208,854.53	0.00	0.00
thereof: Loans from Donors	730,421.79	730,421.79	0.00	0.00
thereof: Emergency Funds	3,847,827.03	3,847,827.03	0.00	0.00
<i>Previous year</i>	<i>2,688,810.74</i>	<i>2,688,810.74</i>	<i>0.00</i>	<i>0.00</i>
<i>thereof: Taxes</i>	<i>218,187.55</i>	<i>218,187.55</i>	<i>0.00</i>	<i>0.00</i>
<b>Total</b>	<b>7,303,634.83</b>	<b>3,455,807.80</b>	<b>3,847,827.03</b>	<b>0.00</b>
<i>Total previous year</i>	<i>4,545,270.33</i>	<i>4,545,270.33</i>	<i>0.00</i>	<i>0.00</i>

# Explanations to the profit & loss account

*Profit & loss by spheres* (in consideration of the DZI administration cost concept for organizations collecting donations):

	Charitable sphere and charitable like sphere				Sum
	Programs expenditures	Fundraising	Administration	Sum of fundraising & administration	
1a. Donations and endowments	399,605,841				399,605,841
1b. Turnover	7,576				7,576
2. Other operating income	1,648,272	18,022	310,668	328,690	1,976,963
<b>Sum of income (Nos. 1a, 1b and 2)</b>	<b>401,261,689</b>	<b>18,022</b>	<b>310,668</b>	<b>328,690</b>	<b>401,590,379</b>
3. Project support	337,272,518				337,272,518
4. Personnel expenses	20,860,880	7,692,946	4,611,615	12,304,560	33,165,441
5. Depreciation	711,081	96,901	156,914	253,815	964,896
6. Other operating expenses	21,021,709	22,209,304	3,136,240	27,845,311	48,867,020
<b>Sum of expenditures (Nos. 3 to 6)</b>	<b>379,866,188</b>	<b>32,034,232</b>	<b>8,369,455</b>	<b>40,403,686</b>	<b>420,269,874</b>
7. Financial result	1,208		-34,768	-34,768	-33,560
8. Taxes on income and on earnings					
<b>9. RESULT AFTER TAX / ANNUAL RESULT</b>	<b>21,396,709</b>	<b>-32,016,209</b>	<b>-8,093,555</b>	<b>-40,109,764</b>	<b>-18,713,055</b>

\*N.B.: The money donations (without material donations and gratuities from other organisations) are 74,629,441 euros (previous year: 71,190,725 euros)

Profit & loss by spheres (in consideration of the DZI administration cost concept for organisations collecting donations)	Charitable sphere and charitable like sphere	Business operations	Asset management	Sum CBM 2022	Sum CBM 2021
	Sum				
1a. Donations and endowments	399,605,841			399,605,841	265,245,313
1b. Turnover	7,576	79,342	3,831	90,749	94,331
2. Other operating income	1,976,963		255,749	2,232,712	9,287,425
<b>Sum of income (Nos. 1a, 1b and 2)</b>	<b>401,590,379</b>	<b>79,342</b>	<b>259,581</b>	<b>401,929,302</b>	<b>274,627,069</b>
3. Project support	337,272,518			337,272,518	204,314,996
4. Personnel expenses	33,165,441			33,165,441	29,603,248
5. Depreciation	964,896			964,896	1,087,082
6. Other operating expenses	48,867,020		216,369	49,083,389	35,643,379
<b>Sum of expenditures (Nos. 3 to 6)</b>	<b>420,269,874</b>		<b>216,369</b>	<b>420,486,243</b>	<b>270,648,704</b>
7. Financial result	-33,560		1,600,389	1,566,829	95,094
8. Taxes on income and on earnings					
<b>9. RESULT AFTER TAX / ANNUAL RESULT</b>	<b>-18,713,055</b>	<b>79,342</b>	<b>1,643,601</b>	<b>-16,990,112</b>	<b>4,073,459</b>



Emergency relief donations received are accounted for as income in accordance with the accounting principles for fundraising organizations as per IDW RS HFA 21. Further income from donations in the current year are set against expenses for project support in the same period.

Legacies and bequests are recorded as income at the time that funds are received. In case of real estate, this is recorded with the entry of CBM as owner in land register, see "Accounting and evaluation principles / Intangible assets".

Donations in kind are accounted as income at the time power of disposal was taken over or at the time of forwarding to third parties. If donations in kind were granted in foreign currency, they are converted using the exchange rate at the time when they were accounted for.

Endowments from public donors are recorded as income at time of receipt.

Other operating income of EUR 2,232,711.81 (previous year: EUR 9,287,425.31) contains non-periodic income of EUR 432,030.73 (prev. year: EUR 553,791.05).

Income from exchange rate gains totalled EUR 729,981.29 (prev. year: EUR 627,046.23).

Project funding includes all expenses for programme work that go directly to the beneficiaries or project partners in accordance with the purpose of the statutes. This includes payments and the forwarding of donations in kind to project partners or beneficiaries in the programme countries.

Non-periodic expenditure amounts to EUR 21,962.18 (prev. year: EUR 73,266.89).

Other operating expenditures contains expenses from currency conversions of EUR 277,080.80 (prev. year: EUR 172,942.64).

Financial result contains expenditures of EUR 11,876.00 (prev. year: EUR 6,657.00) for provision compounding.

# Legally dependent foundations

## Development of legally dependent foundations:

Development of legally dependent foundations (in euro)	Foundation capital as at 01.01.2022	Foundation capital as at 31.12.2022	Donations 2022	Annual result 2022	Donations to CBM 2022
Ernst-Christoffel Foundation	12,447,934.88	12,644,834.88	196,900.00	214,621.34	150,000.00
Ernst-Scheschonk Foundation	371,144.44	371,144.44	0.00	1,613.38	0.00
Abbas und Margarete Shah-Mohammedi-Stiftung für Blinde	763,235.00	763,235.00	0.00	3,322.66	0.00
<b>Sum</b>	<b>13,582,314.32</b>	<b>13,779,214.32</b>	<b>196,900.00</b>	<b>219,557.38</b>	<b>150,000.00</b>

Thanks to donations, asset stock of the Ernst-Christoffel-Stiftung rose by EUR 196,900.00 to EUR 12,644,834.88. In total, the Ernst-Christoffel-Stiftung contains 20 foundation funds with an overall volume of EUR 3,273,148.29. The Ernst-Christoffel-Stiftung donated EUR 150,000.00 to CBM.

The Ernst-Scheschonk-Stiftung did not support any projects in 2022 due to the difficult situation on the capital market.

Asset stock of the Abbas-und-Margarete-Shah-Mohammedi-Stiftung for the Blind, which supports blind and visually handicapped people in the Middle East, received in 2022 a donation under reservation of EUR 600,000.00.

## Other information

### Executive Management

Executive Management consists of following members:

Dr. Peter Schiebl (Fundraising & Administration)

Dr. Rainer Brockhaus (Communication & Programmes)

Including all components of salary (gross annual salary, company car and additional pension benefits), total remuneration for Executive Board is EUR 154,200.72 (Dr Peter Schiebl) and EUR 151,725.36 (Dr Rainer Brockhaus).

Ranges of gross salaries in CBM in Germany are as follows:

Ranges of gross salaries in Germany (in euro)	Bottom value	Average value in total	Top value
Management level*	74,891	93,161	119,212
Team leadership	51,569	71,050	99,206
Clerical work/experts	33,710	56,890	78,269

\*Head of department, director of division

Supervisory Board elected by the member association comprises the following members:

Dr. Siegfried Fischer (Chair)	Self-employed corporate advisor, Flörsheim
Dr. Amichia Biley (dep. Chair)	Executive MBA Finance, Pulheim
Dr. Nina Roßmann (dep. Chair)	Judge, Bensheim
Markus Bohni	Investment consultant and interim manager, Bad Soden
Gertrud Bohrer	Graduate psychologist, Lauf
Claus Duncker	Director of the German Blind Studies Institute, Marburg
Dr. Benjamin Härte	Pastor, Pulheim
Dr. Peter Heesch	Lawyer, Heidelberg
Dr. Helga Rau	Representative Evangelical Church in Hessen and Nassau (since 02/2022)
Dr. Volker Thiedemann	Pastor (retired) and Lawyer, Breiholz

In return for the presentation of vouchers for actual costs incurred (travel and accommodation expenses), EUR 1,627.15 was reimbursed to members of Supervisory Board in connection with committee sessions.

Total fee for the auditor

Expenditure for the auditor was EUR 99,761.81. This is broken down into EUR 74,600.00 for audit services and EUR 25,161.81 for tax consultancy.

Employee figures:

Personnel	Heads per 31.12.2022	Ø Heads 2022	Full-time equivalents per 31.12.2022
Fundraising & administration	220	206	183
Communication & programmes	442	435	409
<b>Total</b>	<b>662</b>	<b>641</b>	<b>592</b>

Personnel	Heads per 31.12.2021	Ø Heads 2021	Full-time equivalents per 31.12.2021
Fundraising & administration	196	191	179
Communication & programmes	423	464	407
<b>Total</b>	<b>619</b>	<b>655</b>	<b>586</b>

The declaration on the Corporate Governance Code is published under [www.cbm.de](http://www.cbm.de).

### Annual result

It is suggested that result for the year be added to the reserve fund.

## **Subsequent report**

After the reporting date of 31 December 2022, no events of particular significance for the association's net assets, financial position and results of operations occurred.

Bensheim, dated 28 April 2023

Dr. Rainer Brockhaus

Dr. Peter Schießl

CBM Christoffel-Blindenmission Christian Blind Mission e. V



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Annual Financial  
Statements 2022  
Management Report

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CBM Christoffel-Blindenmission  
Christian Blind Mission e.V.

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*Rounding-off differences to the exact mathematical values (money units, percentages etc.) can occur in tables and references for technical reasons.*

# **1 Fundamentals of CBM**

## **1.1 Business model**

CBM Christoffel-Blindenmission Christian Blind Mission e.V. (CBM) is an international non-governmental organization active in the field of development aid. Based on Christian values, it works to improve the lives of people with disabilities living in the poorest regions of the world.

CBM not only provides medical aid and enables prevention and rehabilitation, it also works towards a comprehensive realisation of human rights and the full social participation of people with disabilities. This includes equal opportunities for education and employment.

CBM invites people with an interest to help fulfil this mission and bring about an inclusive world through their personal dedication and financial commitment - whether this be as a donor, ambassador, member or supporter of political campaigns.

With its advocacy work, CBM seeks to achieve, that rights of people with disabilities are considered in development policies - and that this is also financed.

CBM is responsible for program work in developing countries financed by private and institutional donors which is implemented through its own structure and local partner organizations (charities) in countries of the global south.

CBM adds value by bundling energy and resources of people and institutions with the same kind of interests. Moreover, CBM contributes its expert knowledge, acquired over many years in development aid and disability to supplement and strengthen the commitment of its supporters.

## **1.2 Strategy and objectives**

In order to bring about the vision of an inclusive world for an even greater number of people, we are working to expand CBM's scope for action. The goal of CBM is to become the leading international organization in inclusive development aid.

The Strategy 2030 focuses on further growth of CBM - with a moderate expansion of the range of activities and further growth in income from both institutional donors and private donors.

Humanitarian aid will be further expanded and established as CBM's third independent area of work alongside eye health and community-based inclusive development. The sustainability of community-based inclusive development is strengthened by linking the promotion of community-based services with the respective support systems for people with disabilities. In collaboration with local stakeholders, especially self-help and disability rights organisations and national governments, CBM works to strengthen support systems for people with disabilities.

These programmatic developments will enable CBM to make an even more attractive offer to institutional donors.

For both institutional donors and private donors, the aim is to diversify the donor portfolio by attracting donations from outside Germany. In the case of private donors, particularly high cultural and language barriers have to be overcome. For this reason, the geographical diversification of donations from private donors should preferably be achieved through inorganic growth, i.e. the integration of existing organisations into CBM. "Integration" in this context means that CBM gains control over the governance of the integrated organisation.

Important secondary conditions for achieving the goals are that sufficient financial reserves are available in addition to current income, that the share of administrative and advertising expenses in total expenses is kept as low as possible and that the requirements for the donation seal of the German Central Institute for Social Issues (DZI) are met.

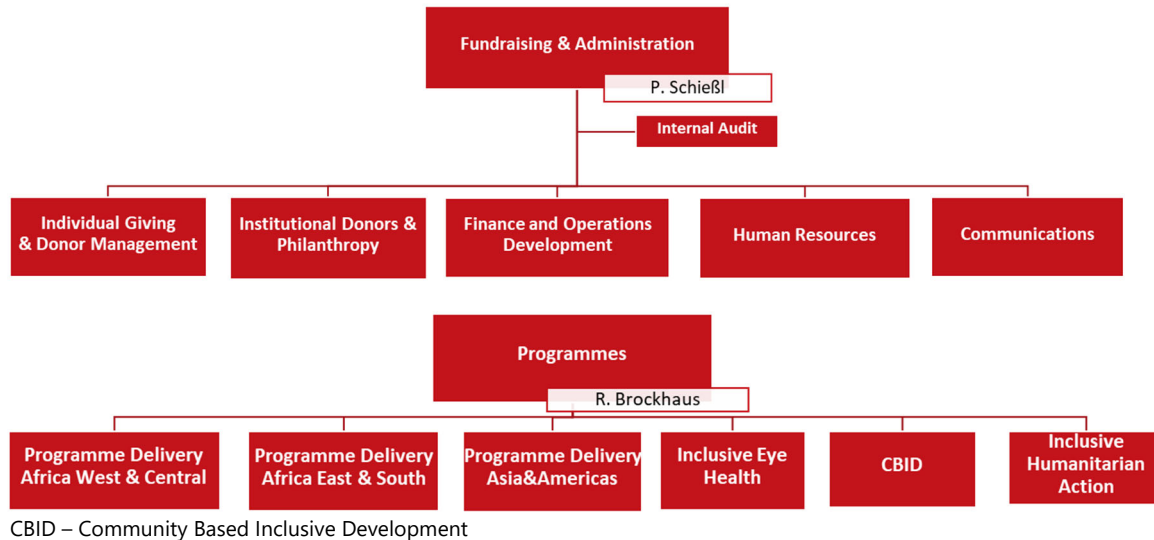
In order to be able to provide the necessary financial resources for the implementation of the strategy and at the same time take into account the uncertainties of the difficult economic environment, the Executive Board decided at the end of the year on structural measures for permanent cost savings. Educational work in Germany will be discontinued in the short term and four country offices will be closed by the end of 2024.



## 1.3 Governance

### Structure

CBM is managed by two Chief Executive Officers. A total of eleven divisions and a specialist team are organisationally assigned to the two Executive Board departments (as of 31<sup>st</sup> December 2022).



### Organization abroad

CBM has twenty-three offices in Africa, Asia and Latin America, which are assigned to the respective divisions for Programme Delivery. They monitor and develop projects on-the-spot in close cooperation with local partners, promote advocacy work for people with disabilities and ensure CBM's work is integrated into the policies of the respective governments and coordinated with other development organizations.

### Governance

CBM has 63 individual persons as members who support CBM through their voluntary work in the organs of the association and meet at least once a year for the general meeting. The general meeting is among others responsible for matters of principle, for discharge of the Executive Board and the election of the honorary Supervisory Board.

CBM is a member of Diakonie Hessen-Diakonisches Werk in Hessen und Nassau und Kurhessen-Waldeck e.V. This entails the right of the Evangelical Church in Hesse and Nassau (EKHN) to appoint a representative to the Supervisory Board. According to the statutes, the Supervisory Board consists of 6 to 9 persons elected by the General Meeting and the representative of the EKHN.

Supervisory Board nominates the full-time Chief Executive Officers and monitors their work. Supervisory Board approves annual financial statements, investment guidelines proposed by the Chief Executive Officers, strategic plans and the annual budget.

Chief Executive Officers manage the daily business. Real estate transactions, loans and transactions with a particularly high risk must be approved in advance by Supervisory Board.

## Related charitable organizations

CBM Christoffel-Blindenmission Christian Blind Mission e.V. is the sole member of Christian Blind Mission International (CBM USA) and Christian Blind Mission Ending Tropical Diseases (CBM ETD) in the USA.

CBM USA raises funds from institutional donors and private donors in the USA. Through CBM ETD, CBM receives large donations of medicines to fight neglected tropical diseases. Dr Peter Schießl represents CBM Christoffel-Blindenmission Christian Blind Mission e.V. on the Board of CBM USA and CBM ETD.

CBM is the founder of the CBM Stiftung (Foundation) based in Bensheim, Germany. The founder nominates members of the Advisory Board, who nominates and supervises the Executive Board. The Advisory Board is composed of Dr. Peter Schießl and Dr. Rainer Brockhaus. The independent foundation has the same statutory objectives as CBM and intends to make an attractive offer to donors and foundations, with a range of services from sub-foundations to the administration of foundations with a similar purpose. CBM Stiftung owns the property at Stubenwald-Allee 5 in Bensheim and leases it to CBM. The funds of the foundation are used for projects of CBM.

CBM is the founder of Christoffel Blindenmission Österreich - Gemeinnützige Stiftung (CBM Austria). The founder nominates members of the Supervisory Board of the foundation, which appoints and supervises the foundation's Executive Board. The foundation's Supervisory Board is composed of Dr. Rainer Brockhaus and Dr. Peter Schießl. The foundation pursues the same goals as CBM and is supported by CBM. The goal is to develop the donor base in Austria in the long term by way of appropriate fundraising and thereby obtain additional funds for projects.

In Italy, Kenya, Australia, New Zealand, Ireland, the United Kingdom and Switzerland, there are a number of organizations that use "CBM", "Christoffel Blindenmission" or "Christian Blind Mission" in their names. These are not linked to CBM via joint governance. They provide CBM with funds for project work. These organizations are hereinafter referred to as "Other CBM Organizations".

## 2 Economic report

### 2.1 Trends in relevant public donor markets

The German Ministry for Economic Cooperation and Development (BMZ) and the German Foreign Office are currently the two most important public donors for CBM, followed by funding programmes from the EU and from the US government (USAID).

The volume of funds in the BMZ funding pots relevant for German NGOs is basically stable to slightly increasing for the financial year 2023. However, the funds notified for future budget years ("commitment appropriations") are declining. This has a dampening effect on the number of longer-term funding through BMZ funds. In addition, in the current overall situation,

there is a risk of short-term funding cuts in the current budget. These were specifically on the cards for 2022, but fortunately have not materialised.

There is currently no discernible trend towards funding cuts among international public donors.

#### BMZ – development cooperation projects

BMZ's total budget for development cooperation in 2023 will fall slightly to EUR 12.2 billion. A much greater drop to just over EUR 10.0 billion was foreseen in the longer-term Budget planning from previous years, but fortunately did not materialise. The budget titles for the funding of German private project executing agencies and civil society projects will experience slight increases in the single-digit percentage range for 2023; the rather declining development of future funds ("commitment appropriations") was referred to above. In this environment, CBM no longer expects any significant growth from this budget title.

#### BMZ - transitional aid

For the budget title "Crisis Management and Reconstruction", the budget for 2023 provides for a significant reduction from EUR 879 million to EUR 576 million (of which EUR 131 million for non-governmental organisations). However, it is possible that the title will be increased beyond the original budget in the course of 2023, as is already the case in the current year. For CBM, a stable to increasing development of funding from this budget title is to be expected, especially through large-volume projects.

#### German Foreign Office

The German Federal Foreign Office's budget for humanitarian aid was EUR 2.5 billion in 2022 plus EUR 210 million from the supplementary budget. Germany is the second largest donor of humanitarian aid. All humanitarian funds are channelled through UN organizations, the International Committee of the Red Cross (ICRC) and non-governmental organizations.

#### European Commission

The implementation of the funds from the EU-Budget title "Global Europe: Neighbourhood, Development and International Cooperation Instrument" of almost EUR 80 billion for the years 2021 to 2027 is now in full swing. Accordingly, many local delegations in CBM project countries have published calls for proposals, partly in the mandate area of CBM. Despite high competition among NGOs, we expect an increase in funding from the EU budget.

In order to expand CBM's donor portfolio, a framework contract partnership (Certificate) was drawn up with the EU Commission's Directorate-General for Civil Protection and Humanitarian Aid (ECHO). This entitles CBM to submit its own ECHO project applications for funding. The funding title is estimated at EUR 7.1 billion in the EU financial framework 2021-2027, of which EUR 1.7 billion is allocated for 2023.

## 2.2 Trends in the German private donor market

A study issued by the Association for Consumer Research (GfK) in February 2023 ([www.spendenrat.de/spendenninfos/bilanz-des-helfens-2022](http://www.spendenrat.de/spendenninfos/bilanz-des-helfens-2022)) reports donations in 2022 of EUR 5.7 billion. This means a minus of -1.6 percent compared to the previous year. This result is the second best (after the record year 2021) since the survey started in 2005.

The number of those willing to donate in Germany has decreased, from Twenty million people in the previous year 2021 to 18.7million people. This means that the number of donors is lower than ever before. The distributions of donations by age group remains almost stable: the 50–59-year-olds and the 60-69 year-olds each account for 18% of donors, and people over 70 account for over 43%. People over 70 are thus still significant more willing to donate than other groups. The donation reach (proportion of donors in the population) fell by 2.1 percent to 28%. Together with the stable donation frequency of 7.1 times per year in a long-term comparison and the increase in the average donation per act of donation from EUR 42 to EUR 43, this has led to the second best donation result since 2005.

In the course of the year, the start of the Ukraine war on 20 February 2022 became a strong driver of donations. In March 2023, the volume of donations increased by 163 per cent compared to the same month in the previous year. The donation volume for emergency and disaster relief rose by EUR 217 million to EUR 1,438 million in the year as a whole. Other purposes stagnated slightly or declined significantly. For purposes of illness and disability, which are particularly relevant for CBM, EUR 355 million were donated in 2022; in 2021, the figure was EUR 381 million (2020: EUR 460 million).

## 2.3 Business development

### Important events in the financial year

The most significant performance indicators for CBM are cash donations, endowments from public donors, project support via payments to partners and the DZI ratio, which limits fundraising and administration expenditures relative to total expenditures:

- Cash donations of the year decreased to EUR 94.0 million (previous year: EUR 99.0 million).
- Endowments from public donors increased to EUR 16.9 million (previous year: EUR 13.6 million).
- Project support via payments to partners decreased to EUR 66.5 million (previous year: EUR 70.3 million).
- DZI ratio was 9.6 percent (incl. donations in kind) for 2022 (previous year: 13.4 percent).

## Result for financial year

The following is a comparison of fiscal year 2022 versus fiscal year 2021:

Operational result (in k-euro)	Charitable sphere	Business operations	Asset management	Sum 2022	Sum 2021
<b>Income</b>	401,590	79	260	<b>401,929</b>	274,627
<b>Expenditures</b>	420,270	0	216	<b>420,486</b>	270,649
<b>Financial result</b>	-34	0	1,600	<b>1,567</b>	95
<b>Annual result</b> (Sum of income, expenditures, financial result and taxes)	-18,713	79	1,644	<b>-16,990</b>	4,073

\*All values are commercially rounded-off

\*N.B.: The charitable sphere also contains the charitable like sphere

In 2022, CBM's income increased by EUR 127,302 thousand to EUR 401,929 thousand (previous year: EUR 274,627 thousand):

- Donations in kind from the Mectizan Donation Program (MDP) increased by EUR 136,827 thousand to EUR 270,798 thousand (previous year: EUR 133,971 thousand).
- Excluding donations in kind from MDP, the income decreased by EUR 9,525 thousand to EUR 131,131 thousand (previous year: EUR 140,656 thousand). This is mainly due to less endowments from other CBM organisations.

CBM expenses increased by EUR 149,837 thousand to EUR 420,486 thousand (previous year: EUR 270,649 thousand):

- In line with the change in income, a decrease in expenses of EUR 136,827 thousand was recorded for donations in kind from the Mectizan Donation Program (MDP).
- The other expenses increased of EUR 13,440 thousand and the personnel expenses increased of EUR 3,562 thousand.

The year-end result is EUR -16,990 thousand (previous year profit of EUR 4,073 thousand). This results from the fact that funds from previous years were spent in 2022. In addition, this reduced the reserves that serve to fulfil the contractually agreed longer-term obligations from projects with implementation partners that have not yet been fulfilled. These obligations currently stand at EUR 100,873 thousand (previous year: EUR 103,414 thousand), of which EUR 32,146 thousand (previous year: EUR 38,975 thousand) are covered by commitments from institutional donors such as BMZ, EU and CBM Italy. The difference of EUR 68,727 thousand (previous year: EUR 64,439 thousand) is covered by existing financial reserves as well as planned and expected donation income in the future. In the event of funding shortages, CBM has the right to adjust the contractually agreed obligations to project partners.

## CHARITABLE SPHERE:

### Donations, endowments, turnover and other operating income

#### *Charitable sphere: Cash donations (without donations in kind MSD)*

While private donors in Germany, foundations and service clubs all recorded high growth rates, donations from other CBM organizations declined.

International cooperation with foundations and other organizations was further strengthened. For example, CBM received EUR 4,0 million from END FUND and EUR 2,6 million from Sightsavers to fight neglected tropical diseases.

#### **Donations collected**

in k-euro	2021	2022	Change 2022/2021	in %
Cash donations	98.963	93.997	-4.966	-5,0%

thereof:

Private donors	69.966	74.447	4.481	6,4%
Foundations and service clubs	9.781	10.190	409	4,2%
Companies	1.645	1.644	-1	-0,1%
CBM USA, CBM Stiftung and CBM Austria	2.858	4.113	1.255	43,9%
Other CBM organisations	14.713	3.603	-11.109	-75,5%

\*All values are commercially rounded-off

Donations from private donors included EUR 5,419 thousand from Bündnis Entwicklung Hilft - Gemeinsam für Menschen in Not e.V. (BEH) and EUR 72 thousand from Sternstundene.V.. Funds from BEH are stated as donations for emergency aid.

Donations for emergency response totalled EUR 8,150 thousand (previous year: EUR 1,432 thousand). They are initially included in project liabilities as "Donations of the financial year not yet used in accordance with the statutes". In 2022, project liabilities were reduced EUR 5,914 thousand (previous year: EUR 2,021 thousand) through the incurrence of expenses for emergency aid with an effect on income. The balance of project liabilities from emergency aid donations increased accordingly by EUR 2,236 thousand and the donation income of EUR 93,997 thousand is below the donation income by this amount.

### Charitable sphere: Donations and endowments

Donations and allowances are as follows for the last two years:

#### Donations collected

in k-euro	2021	2022	Change 2022/2021	in %
Cash donations	98,963	93,997	-4,966	-5.0%

#### 1. Donations and endowments

a1) Cash donations - accrued income	99,551	91,761	-7,790	-7.8%
a2) Donations in kind	133,971	270,798	136,826	102.1%
b) Legacies and bequests	17,839	20,035	2,196	12.3%
c) Court fines	239	160	-79	-33.2%
d) Endowments from public donors	13,644	16,852	3,208	23.5%
<b>Sum</b>	<b>265,245</b>	<b>399,606</b>	<b>134,361</b>	<b>50.7%</b>

\*All values are commercially rounded-off

The income from Donations in-kind are mainly from the drug donation programme against onchocerciasis (river blindness) of Merck Sharp & Dohme (MSD). Since the donations in kind are passed on directly, these earnings are offset against project expenses in the same amount.

Income from legacies and bequests increased by EUR 2,196 thousand to EUR 20,035 thousand due to an increased number of bequests.

In 2022, CBM received a total of EUR 16,852 thousand (previous year: EUR 13,644 thousand) endowments from public donors.

### Charitable sphere: Other operating income

Other operating income is EUR 1,977 thousand (previous year: EUR 8,625 thousand).

This includes EUR 371 thousand (previous year: EUR 4,643 thousand) from contributions from other CBM organizations to cover expenses of CBM for project development and monitoring. In addition, this amount includes various items such as EUR 404 thousand for the release of provisions, EUR 261 thousand profit from the disposal of real estate, EUR 535 thousand exchange rate gains and EUR 144 thousand in promised funding from Aktion Mensch for the Week of Sight.

## Charitable sphere: Program expenditures

Program expenditure is as follows for the last two years:

### **Expenses for programme work**

in k-euro	2021	2022	Change 2022/2021	in %
a) Project support	204,315	337,273	132,958	65.1%
a1) Payments to partners	70,344	66,475	-3,869	-5.5%
a2) Donations in kind	133,971	270,798	136,826	102.1%
b) Programmatic (own) expenses	29,930	42,592	12,663	42.3%
<b>Total</b>	<b>234,245</b>	<b>379,865</b>	<b>145,620</b>	<b>62.2%</b>

\*All figures are commercially rounded

Direct project funding by CBM, without the involvement of partner organisations, has been reported under other programme expenses since 2022, which has led to a shift of EUR 4,219 thousand.

### **Charitable sphere: Project support**

Project support includes payments to partners and donations in kind, which are forwarded to partner organizations.

Among the donations in-kind, the donation of medicines from the MSD company against onchocerciasis (river blindness) is particularly noteworthy; these donations in-kind are provided to the Health Ministries in affected countries according to their requirement. CBM also arranges actions required for distribution and quality assurance along the supply chain.

In the year under review EUR 337,273 thousand was spent on project support, of which EUR 13,648 thousand spent in Asia, EUR 316,564 thousand in Africa, EUR 3,425 thousand in Latin America and EUR 3,636 thousand to interregional work. The increase of EUR 132,958 thousand compared to the previous year is primarily due to drug donations from MSD (up EUR 136,826 thousand), as distribution programmes have picked up again after temporary restrictions due to Corona and health authorities' stocks have been replenished.

### **Charitable sphere: Project implementation**

Other Project implementation includes expenses for own project implementation, capacity building of partners, awareness raising and project development and monitoring.

In the 2022 financial year, CBM spent EUR 12,662 thousand more on other programme expenses than in the previous year, which is mainly due to the postponement of direct project funding of EUR 4,219 thousand, the increase in personnel expenses of EUR 1,825 thousand and two large self-implemented projects in Nigeria (EUR 684 thousand) and Kenya (EUR 746 thousand).



Project implementation includes material expenses of CBM for its own implementation of projects as well as expenses for resources and activities that are part of the project plans agreed with partners. This includes, for example, material resources such as vehicles, or lobbying of CBM staff with authorities and governments in connection with projects. CBM spent EUR 6,880 thousand on project implementation.

CBM spent EUR 1,809 thousand on capacity building of partners, which is implemented and supported by the country and regional offices.

Awareness raising with educational offers and campaign work includes expenses on measures for technical information, for information on prevention and for political work, as far as it does not take place in the countries of the Global South. CBM spent EUR 3,835 thousand on awareness raising.

Project development and monitoring includes expenses for the selection and planning of funding measures as well as expenses for their technical control and impact monitoring. They are largely incurred in the country and regional offices and in CBM's initiatives. CBM spent EUR 30,068 thousand on this.

### **Charitable sphere: Fundraising expenditures**

Fundraising expenditures are related to fundraising, advertising, public relations, marketing, communication, and promotion.

The underlying activities serve to generate income and help to make the organization better known (incl. strengthening the brand and increasing visibility of CBM's work).

Through advertising and public relations activities, CBM informs stakeholders about humanitarian situations in which it wants to intervene, explains the needs, and presents the social, communal, political or environmental conditions of its program work.

In 2022 CBM expended EUR 32,034 thousand (previous year: EUR 28,550 thousand). Causes for the increase were:

- increased staff in fundraising to support the planned growth,
- an increase in support for CBM Austria's planned growth, and
- general price increases.

### **Charitable sphere: Administration expenditures**

Administration expenditures ensure that basic operational functions and the operational processes are available to support the realization of the organization's charitable purposes.

CBM expended EUR 8,404 thousand (previous year: EUR 7,758 thousand) for Administration in 2022. The main reasons for the increase were:

- higher personnel expenses,
- higher expenses for information technology and,
- the increase in external consulting expenses.

## **CHARITABLE LIKE SPHERE**

Within German tax regulations, selected economically focused activities must be shown separately from the charitable sphere. These activities are charged to customers with no or a special rate of value-added tax. Since 2021 Income and expenses for these activities are reported under the so called CHARITABLE LIKE SPHERE.

CBM in Germany trains other non-governmental organizations in inclusive development aid. The surplus was EUR 8 thousand (previous year: EUR 21 thousand).

## **BUSINESS OPERATIONS**

Following the German tax regulations for profit-oriented corporations (income tax and value added tax are to be fully taken into account), the sponsoring as well as services against fee are reported in the business activities. Income and expenses for these activities are reported under BUSINESS OPERATIONS.

CBM's business operations, primarily include income from sponsoring and from the accounting and support of other charitable organisations.

The surplus was EUR 79 thousand (previous year: EUR 69 thousand).

## **ASSET MANAGEMENT**

CBM's asset management includes financial investments as well as activities such as renting out real estate or intangible assets such as rights from music titles. This sphere is exempt from income taxes. Income and expenses for these activities are reported under ASSET MANAGEMENT.

As main part of asset management, CBM invests financial reserves in a special purpose vehicle (SPV) which was established in January 2017. Real estate properties and real estate funds, which were given to CBM as legacy or bequest are part of the asset management sphere. If possible real estate properties are sold immediately.

The surplus was EUR 1,644 thousand (previous year: EUR 655 thousand). It originates predominantly from the sale of securities of the SVP to cover liquidity requirements.

## **Investments and financing**

No large-scale investments in fixed assets were made in 2022. Expenses in connection with the further development of the IT System "Salesforce" and the implementation of the IT-System "NGO Online" are directly accounted for in the profit & loss account.

### **2.4 Income**

Explanations on the income are contained in chapter 2.3 Business development under "Result for financial year".

### **2.5 Liquidity and financials**

With financial investments amounting to EUR 59,260 thousand (previous year: EUR 74,677 thousand) CBM has adequate liquidity.

Liquidity serves to compensate short-term liabilities in an amount of EUR 7,304 thousand and other provisions of EUR 4,042 thousand to ensure that off-balance sheet obligations to projects already committed can be met. The latter are currently at EUR 100,873 thousand (previous year: EUR 103,414 thousand), of which EUR 32,146 thousand (previous year: EUR 38,975 thousand) are covered by expected income from commitments from external donors such as the BMZ, the EU and other CBM organisations.

In the event of funding shortages, CBM has the right to adjust the contractually agreed commitments to project partners.

The ability to pay – even for large call-ups for payments from partners, was met at all times in 2022.

The main reasons for the decline in liquidity in 2022 is higher expenses for program work.

## **2.6 Assets**

The balance sheet total has decreased to EUR 68,341 thousand (previous year EUR 82,614 thousand).

Financial assets decreased significantly due to the sale of shares in a Special Purpose Vehicle (SPV). Long-term financial assets include EUR 29,593 thousand (previous year: EUR 50,285 thousand) invested in a special purpose vehicle (SPV). Market value of the SPV stands at EUR 30,127 thousand (previous year: EUR 61,393 thousand).

The following investment guidelines exist for the SPV:

- Allowed investments are classified as low-risk or more volatile components. Low-risk investments must make up at least 40 percent of the assets. More volatile investments can be done up to 60 percent of assets, of which a maximum of 50 percent may be invested into shares.
- Share of non-Euro currencies may not be higher than 30 percent (for the purpose of international risk diversification).
- Investments must comply to the guidelines for ethically sustainable financial investments made by the German Protestant Church.

The investment guideline was complied with and to the full extent in 2022.

Due to the annual result, CBM's equity decreased to EUR 56,650 thousand (previous year: EUR 74,118 thousand). This equals an equity rate of 83 percent (previous year: 90 percent).

Provisions increased by EUR 437 thousand to EUR 4,388 thousand (previous year: EUR 3,951 thousand). This is mainly due to higher other provisions in the Country Offices (mainly for long-term legal obligations towards staff).

## **Overall view**

In the past financial year, CBM largely achieved its financial goals. As targeted, liquidity reserves were reduced by increasing programme expenditure in the countries of the global South. As in previous years, donations from institutional donors were increased significantly. Although growth in private donations was also achieved once again, adjusted for donations to Ukraine, income from private donations stagnated.

## **3 Prognostic report**

### **3.1 Development of program work**

The concepts developed for eye work and community-based development cooperation will continue to be implemented consistently whilst an implementation plan for the Strategy 2030 is prepared. Meanwhile strong linkages into local support systems is given a greater emphasis in ongoing project development. A new concept is being developed for advocacy work in view of the greater importance of strengthening support systems for people with disabilities. A new concept is also being developed for CBM's work in the field of humanitarian aid.

### **3.2 Development of fundraising**

Acquisition of new donors, donor retention and the expansion of permanent donations remain on the agenda of fundraising with individual donors in order to further increase the total volume of donations from private donors. The baby boomer generation in particular is to be increasingly addressed for this purpose. The communication channels direct response TV, social media and e-mail will be further expanded. The cross-channel coordination of all CBM communication content in Germany will be further improved. The cross-media approach to donors is not only intended to improve retention, but also to achieve growth through conversion and upgrading.

In the area of institutional fundraising, the funding volume is to be further expanded with CBM's established donors in Germany, primarily the BMZ and the Federal Foreign Office. Efforts to attract new donors will focus on the USA, with USAID playing a special role. Additional human resources will be made available for this.

### **3.3 (Financial) Plans 2023**

The following plans were adopted for 2023 with the relevant indicators being:

- Cash donations of EUR 134.0 million
- Endowments from public donors of EUR 21.3 million
- Project support via payments to partners of EUR 71.2 million
- DZI ratio for fundraising and administration of 11.4 percent

The plan adopted by the Supervisory Board foresees a deficit totalling EUR 13.9 million.

The net loss for the year mainly results from the charitable sphere and is used to successively and purposefully allocate the funds not used in previous years to the project work.

Cornerstones of financial plans 2023 in charitable sphere are:

- Donations in kind from the Mectizan Donation Program (MDP), which do not affect the operating result, are expected to be approx. EUR 200 million.
- Without Donations in kind, income is planned at EUR 138.3 million and expenditures at EUR 152.7 million.
- EUR 112.4 million are planned for program work (excluding donations in kind) and EUR 40.3 million for fundraising and administration.

Balanced results are planned for charitable like sphere and the business operations. A surplus of EUR 0.5 million is planned on asset management.

Financial plan 2023 is as follows:

in k-euro	Actual 2022	Plan 2023
<b>Charitable sphere and charitable like sphere</b>		
Donation and endowments	399,606	337,479
thereof: donations in kind	270,798	200,000
Turnover & other operating income	1,985	860
<b>Total income</b>	<b>401,590</b>	<b>338,339</b>
Programs expenditures	-379,865	-312,396
Fundraising and administration expenditures	-40,438	-40,322
<b>Total expenditures</b>	<b>-420,303</b>	<b>-352,718</b>
<b>Annual result Charitable</b>	<b>-18,713</b>	<b>-14,379</b>
<b>Year-end result Business operations</b>	<b>79</b>	<b>0</b>
<b>Year-end result Asset management</b>	<b>1,644</b>	<b>503</b>
<b>Year-end result Christoffel-Blindenmission Christian Blind Mission e.V.</b>	<b>-16,990</b>	<b>-13,876</b>

\*All figures are commercially rounded

### 3.4 Corona pandemic and Russia-Ukraine war

The effect of war in Ukraine was reflected in the significant decline in private donations to CBM in the first half of 2022, however, this was compensated for in the second half of the year. The planning for 2023 is based on the assumption that the trend towards a recovery in CBM's donation income observed in the second half of 2022 will continue and that donations from private donors in Germany to CBM will increase again, albeit below the rate of inflation.

We no longer expect noticeable negative effects from the spread of the Corona virus, especially in countries of the global South.

CBM is a member of the "Bündnis Entwicklung hilft" (Alliance for Development) and receives donations through this channel, which are used for its commitment in Ukraine. In the planning for 2023, this amounts to EUR 4 million, which will be spent in the same amount.

## **4 Internal controls, Risks and opportunities**

### **Internal control system**

CBM's internal control system is particularly based on the following pillars:

- Regular monitoring of budget against target / actuals (year-to-date)
- Authority matrix for approvals of ordering and invoice approval
- Account allocation guidelines for accounts and cost centres
- Audit checks

As part of regular budget monitoring (target/actual comparisons), the cumulative budgets allocated to the individual quarters for both the organisational units and the projects are compared with the expenses by the respective responsible managers and in the Finance and Operations Development business unit. Major overruns or underruns are clarified.

CBM has separated the functions of ordering and procurement, processing incoming invoices, approving invoices and executing payments from each other in its competence regulations and organisational structure. All invoices and all forwarding of funds to partners are checked and approved with regard to posting and payment according to the dual control principle. The entire process is system-supported by means of workflows in a financial accounting system that is standardised across all CBM locations.

Organisational manuals and account allocation guidelines for the use of accounts and cost centres exist for the relevant business processes. Posting to cost centres is also used to assign expenses to the tax spheres and to allocate costs according to the DZI system. The account allocation guidelines are reviewed once a year and adjusted if necessary.

Internal Audits are carried out in accordance with risk-oriented audit planning across all business areas of CBM as well as ad hoc audits as required.

### **Risk management system**

CBM possesses an early-warning system on risk. Risks are assessed systematically using an annual, rolling risk inventory where all Regional and Country Offices are constantly captured and evaluated. The results are depicted in CBM's risk landscape and reported to the Supervisory Board.

For risks with a certain level of valuation or with specific relevance to compliance of CBM, measures are taken to regularly monitor or to reduce the effects.

Risk management is a responsibility of the operational divisions. Risk controlling as a second line of defence is done independently by division Finance and Operations Development.

The risk management system concentrates on risks to income, on liquidity risks, on strategic risks, on operational risks and on reputational risks. Risks in financial investments have a lower priority.

Instruments to control risks to income and liquidity are

- yearly budgeting including a 5-years rolling financial plan,
- quarterly monitoring of budgets and year-to-date actuals (income and expenditures),
- quarterly forecasting of totals (income and expenditures) and
- monthly monitoring of budgets and year-to-date actuals on donations and endowments.

Instruments to control strategic risks are

- on-going observation of private donor market,
- on-going observation of institutional donor market and
- on-going observation of other organizations in the development sector.

Instruments to control operational and reputational risks are

- methods and tools on program work (partner assessment, cooperative project development and approval, acknowledgment of receipt of funds, quarterly project progress report, semi-annual narrative report, financial year-end closing report, annual statistics and project completion report) and
- systematic monitoring and assessment of press publications concerning CBM.

## Major risks

There are no single risks or groups of risks that threaten the existence of CBM.

Risks with potential damages of more than Euro 250 thousand and which have a high likelihood to occur (>50 percent chance) are defined as major risks. Before corrective action, there were 20 risks (previous year 19 risks) that were categorised as major risks. After implementing mitigating measures four major risks (previous year three major risks) remain.

- Strategic risk "Economic development":

If the business economy breaks down, there could be negative effects on donations. Although the business economy collapsed in 2020 and 2021, CBM was nevertheless able to increase its income or keep it largely constant in 2022 (see 2.3 and 3.2 above). In this sense we will continue to observe this risk, also against the background of the Ukraine crisis, and adapt fundraising activities and cost structures.

- Liquidity risk "multi-year projects":

Projects with pledges extending over several years and new types of project financing tie up financial reserves. In the event income drops, it needs to be ensured that project support to implementing partners as well as the ability of CBM to work stays intact. Liquidity reserves of CBM are endowed so that funding to projects and / or measures to compensate any reduction of income can be financed. CBM has defined a scenario-based amount of EUR 41 million as the minimum liquidity to cover risks. This minimum threshold was not breached in 2022.

### **Main opportunities**

The strategy adopted at the end of 2022 for the period up to 2030 focuses CBM on further growth in programmatic expenditure and the income required for this in the coming years. At the same time, the internationalisation of the donor portfolio envisaged in this framework will make CBM more resilient to possible crisis developments.

In 2023, the implementation of the strategy will be prepared and the positive effects will start to materialise in 2024.

Bensheim, dated 28 April 2023

CBM Christoffel-Blindenmission Christian Blind Mission e.V.

Dr. Peter Schießl

Dr. Rainer Brockhaus