The Lutheran World Federation

Le Grand-Saconnex

Report of the statutory auditor
to the Council

on the consolidated financial statements 2024

Report of the statutory auditor

to the Council of The Lutheran World Federation, Le Grand-Saconnex

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of The Lutheran World Federation, which comprise the consolidated balance sheet as at 31 December 2024, and the consolidated statement of comprehensive income, the consolidated statement of changes in reserve, the consolidated statement of cash flow for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Federation as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

Basis for opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section of our report. We are independent of the Federation in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to note 2.18, Financial risk management, b) Credit risk, to the financial statements, which indicates that The Lutheran World Federation has an account receivable of Euros 76'523'782 due from one major customer which accounts for approximately 75% of total accounts receivables before allowance for doubtful accounts as of December 31, 2024. An inability to collect this receivable on agreed due dates would hinder "The Lutheran World Federation's" ability to discharge its liabilities and fulfil its obligations as they fall due.

Our opinion is not modified in respect of this matter.

Federation Board's responsibilities for the consolidated financial statements

The Federation Board is responsible for the preparation of consolidated financial statements, that give a true and fair view in accordance with IFRS Accounting Standards and the provisions of Swiss law, and for such internal control as the Federation Board determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Federation Board is responsible for assessing the Federation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Federation Board either intends to liquidate the Federation or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISA and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law, ISA and SA-CH, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Federation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Federation Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Federation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Federation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Federation audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Federation as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Federation audit. We remain solely responsible for our audit opinion.

We communicate with the Federation Board or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

In accordance with article 69b para. 3 CC in conjunction with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Federation Board, for the preparation of the consolidated financial statements.

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

PricewaterhouseCoopers SA

Patrick Wagner
Licensed audit expert
Auditor in charge

Adelina Todorova

Geneva, 29 May 2025

Enclosure:

- Consolidated financial statements (consolidated balance sheet, consolidated statement of comprehensive income, consolidated statement of changes in reserve, consolidated statement of cash flow and notes)

THE LUTHERAN WORLD FEDERATION
CONSOLIDATED BALANCE SHEET
As at December 31, 2024

EURO		**2024**	2023
ASSETS			
Current Assets			
Cash & short term deposits	3.1	**33,484,981**	35,115,146
Financial assets - held for trading	3.2	**7,609,214**	6,971,337
Accounts receivable & prepayments	3.3	**67,071,779**	69,594,498
Program/project balances receivable	3.5	**13,560,438**	16,355,134
Membership fees receivable		**-**	14,395
Inventory	3.6	**2,140,164**	2,790,703
Total Current Assets		**123,866,576**	130,841,214
Fixed Assets	3.7	**5,314,171**	5,606,298
Right of use	2.12c	**2,078,800**	96,917
Defined benefit asset	3.19	**1,210,136**	-
Total Non-Current Assets		**8,603,107**	5,703,215
TOTAL ASSETS		**132,469,683**	136,544,429
LIABILITIES AND RESERVES			
Current Liabilities			
Accounts payable & accrued charges	3.8	**15,766,629**	21,442,177
Accounts payable to related parties	3.4b	**864,444**	635,046
Program/project balances payable	3.9	**18,145,144**	19,542,144
Credit line		**-**	512,733
Lease liabilities	2.12c	**251,680**	98,718
Total Current Liabilities		**35,027,897**	42,230,818
Long Term Liabilities			
Local staff funds	3.11	**11,275,485**	11,414,253
Long term provisions	3.10	**966,071**	1,469,497
Lease Liabilities	2.12c	**1,949,220**	-
Total Long Term Liabilities		**14,190,776**	12,883,750
Total Liabilities		**49,218,673**	55,114,568
Reserve			
Accumulated Reserve		**73,826,590**	80,745,732
Surplus / (deficit) for the year		**582,975**	(6,919,142)
Remeasurement of post-employment benefit obligations		**9,354,282**	8,129,792
Currency translation adjustment (CTA)		**(512,837)**	(526,521)
Total Reserve		**83,251,010**	81,429,861
TOTAL LIABILITIES AND RESERVES		**132,469,683**	136,544,429

THE LUTHERAN WORLD FEDERATION

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year Ended December 31, 2024

EURO		**2024**	2023
OPERATING INCOME			
Member churches & related organizations		**50,530,862**	54,032,976
Stiftung contribution		**98,058**	838,425
Other program support		**35,435,984**	41,337,062
AVH income		**56,892,949**	57,757,912
Membership fees		**2,630,057**	2,786,598
Assembly fees		**-**	2,983,516
Administration fees		**2,192,048**	2,420,267
Non-project income		**4,187,045**	3,687,784
Other income		**41,534**	5,113
Total Operating Income		**152,008,537**	165,849,653
Operating Expenditure			
Staff related costs		**(60,022,830)**	(62,426,140)
Other staff expenses		**-**	(1,128)
Travel & representation		**(3,656,628)**	(4,385,980)
Other operating expenses		**(25,004,755)**	(37,768,353)
Computer Services Recharge		**555,340**	508,198
Non-project expenses		**(4,465,974)**	(3,771,300)
Program/project expenditure		**(39,924,176)**	(49,417,940)
Medical Supplies and drugs (AVH)		**(20,049,871)**	(18,824,156)
Council & other governing bodies		**(329,999)**	(181,498)
Staff & office costs allocated to programs		**1,733,997**	1,987,438
Central Services Allocation (net - for reporting)		**108,784**	197,043
Total Operating Expenditure		**(151,056,108)**	(174,083,814)
Operating Result		**952,429**	**(8,234,161)**
Financial Result			
Fair value gains / (losses) on financial instruments	3.13	**483,248**	499,361
Net exchange (losses)/gains	3.13	**(752,528)**	907,419
Bank charges		**(100,174)**	(91,763)
Total Financial Result		**(369,454)**	1,315,017
Comprehensive result for the year before Other comprehensive income/(expense)		**582,975**	(6,919,143)
Other comprehensive income/(expense) current year			
Items that will not be reclassified to profit or loss			
Remeasurement of post-employment benefit obligations (net of taxes)		**1,224,490**	(87,484)
CTA		**13,684**	-
Comprehensive result for the year		**1,821,148**	(7,006,627)

THE LUTHERAN WORLD FEDERATION

CONSOLIDATED STATEMENT OF CHANGES IN RESERVE

Year ended December 31, 2024

EUR

	Accumulated reserve	Result of the year	Remeasurement of post-employment benefit obligations	CTA	Total
Balance as at January 1st, 2023	80,852,132	(106,400)	8,217,276	(526,521)	88,436,487
Allocation of prior year result	(106,400)	106,400			-
Comprehensive result for the year before other comprehensive income/(exp.)		(6,919,142)			(6,919,142)
Other comprehensive income/(expense) current year			(87,484)	-	(87,484)
Balance as at December 31st, 2023	**80,745,732**	**(6,919,142)**	**8,129,792**	**(526,521)**	**81,429,861**

	Accumulated reserve	Result of the year	Remeasurement of post-employment benefit obligations	CTA	Total
Balance as at January 1st, 2024	80,745,732	(6,919,142)	8,129,792	(526,521)	81,429,861
Allocation of prior year result	(6,919,142)	6,919,142			-
Comprehensive result for the year before other comprehensive income/(exp.)		582,975			582,975
Other comprehensive income/(expense) current year			1,224,490	13,684	1,238,174
Balance as at December 31st, 2024	**73,826,590**	**582,975**	**9,354,282**	**(512,837)**	**83,251,010**

THE LUTHERAN WORLD FEDERATION

Consolidated Statement of Cash Flow
Year ended December 31, 2024
EURO

		2024	2023
Operating activities		**EUR**	EUR
Result for the year before other comprehensive income/(expense)		**582,975**	(6,919,143)
Adjustments for:			
- Depreciation	3.7	**1,001,065**	1,393,596
Operating surplus before changes in working capital		**1,584,040**	(5,525,547)
Changes in working capital			
Net (increase)/decrease in operating assets			
Accounts receivable & prepayments	3.3	**2,522,720**	11,161,782
Membership fees receivables		**14,395**	(14,395)
Programs/project balances receivable	3.5	**2,794,696**	(1,873,288)
Inventory	3.6	**650,539**	637,347
Net increase/(decrease) in operating liabilities			
Accounts payable & accrued charges	3.8	**(5,675,548)**	(3,333,156)
Accounts payable to related parties	3.4b	**229,398**	(692,436)
Unexpended balances	3.9	**(1,397,000)**	(6,448,454)
Local staff funds	3.11	**(138,768)**	(1,665,108)
Long term provision	3.10	**(503,426)**	404,255
Defined benefit liability	3.19	**28,038**	(87,484)
Net changes in working capital		**(1,474,956)**	(1,910,937)
Net cash generated from operating activities		**109,083**	(7,436,484)
Investing activities			
(Purchase)/Proceeds from sale of securities	3.2	**(179,678)**	(522,425)
Interests and dividends received on financial assets held as investments		**281,022**	247,005
(Purchase)/Proceeds from sale of fixed assets Geneva	3.7	**(7,068)**	(35,359)
(Purchase)/Proceeds from sale of fixed assets Field Offices	3.7	**(779,231)**	(783,302)
Net cash (used in) investing activities		**(684,955)**	(1,094,081)
Financing activities			
Payments of lease liabilities		**(237,432)**	(395,684)
Proceeds/(Repayment) of Credit line		**(512,733)**	490,872
Net cash (used in) financing activities		**(750,165)**	95,188
Net (decrease) in cash and cash equivalents		**(1,326,035)**	(8,435,377)
Effects of exchange rate changes on cash and cash equivalents		**(304,130)**	148,679
Cash & cash equivalents at the beginning of the year		**35,115,146**	43,401,844
Cash & cash equivalents at the end of the year		**33,484,981**	35,115,146

Notes to the Financial Statements for the year ended December 31st, 2024

1. Activities

The Lutheran World Federation (LWF) is a global communion of Christian churches in the Lutheran tradition, founded in 1947. Since March 1st, 2024 the LWF Secretariat is located at Chemin du Pavillon, 2, 1218 Le Grand Saconnex.

The LWF is a non-profit association incorporated and registered under Article 60 and following of the Swiss Civil Code.

The LWF's purpose is to:
- further the united witness to the Gospel of Jesus Christ and strengthen the member churches in carrying out the missionary command and in their efforts towards Christian unity worldwide.
- further worldwide among member churches diaconal action, alleviation of human need, promotion of peace and human rights, social and economic justice, care for God's creation and sharing of resources.
- further through cooperative study the self-understanding and the communion of member churches and help them to act jointly in common tasks.

The Assembly, composed of representatives of the member churches of the Federation, is the principal authority of the LWF. The Assembly is normally held every six years and is responsible for the Constitution, electing the President and the members of the Council, and giving general direction to the work of the Federation.

The Council is composed of the President, the Chairperson of the Finance Committee, and 48 persons elected by the Assembly. The term of office of the Council shall end at the close of the next ordinary Assembly. The Council is responsible for the business of the Federation in the interim between ordinary Assemblies. The Council elects the General Secretary and the Chairperson of the Finance Committee. The Council elects the Vice-Presidents, decides on the budgets of the Federation, and receives the audited accounts and approves them. The Council also elects from among its members an "Executive Committee" and Program Committees as required and appoints their chairpersons.

The LWF Communion Office, headed by the General Secretary, carries out the tasks of the LWF. The General Secretary is assisted in carrying out his duties by the Communion Office Leadership Team composed of the heads of departments/units within the Communion Office. The Council authorizes the structure and terms of reference of the Communion Office Leadership Team. The General Secretary is responsible to the Council for conducting the business of the Federation and carrying out the decisions of the Assembly and the Council.

In June 2019, LWF Council approved the new structure of the LWF Communion Office to better correspond to the goals of the LWF strategy. The financial statements of the LWF for the year ended December 31st, 2024 include the restructured four departments as detailed below:

Department for Theology, Mission and Justice (DTMJ)

The Department for Theology, Mission and Justice is primarily responsible for programs and themes geared towards supporting the presence and witness of the member churches of the Lutheran World Federation (LWF) globally and locally. DTMJ promotes communion building among member churches as outlined in LWF strategy 2025-2031.

DTMJ holds LWF's program work directed towards LWF member churches including the Action for Justice team, which is a hub for shared themes that are implemented across programmatic departments.

Department for World Service (DWS)

The Department for World Service is responsible for carrying out diaconal response to humanitarian emergencies and human needs on behalf of the Lutheran World Federation - a Communion of Churches (LWF).

In pursuance of its responsibility and based on its strategy, which is aligned to LWF strategy 2025-2031, DWS is dedicated to challenging and addressing the causes and effects of human suffering and poverty, linking local responses to national and international advocacy.

DWS include Programs that are implemented through Country programs and Emergency programs. Former DWS programs are not included in the consolidation as each of these has its own legal status, separate from that of the LWF, and the LWF exercises no control over them.

A defining feature of DWS is its local rootedness and global connectivity, linking local community voices with international dialogue, advocacy and peace work. DWS envisions people living in just societies, in peace and dignity, united in diversity, able to meet their basic needs, achieve their full potential, and claim their universal rights in order to improve their quality of life individually and collectively.

Office of the General Secretary (OGS)

The Office of the General Secretary consists of the General Secretary, the Assistant General Secretary for Ecumenical Relations, four Regional Secretaries and administrative staff.

The main functions of the OGS are to:

- Nurture and promote communion relationships with and among LWF member churches as well as connect local concerns with global initiatives.
- Promote Christian unity and ecumenical relations through research, dialogues, consultations, networking and visits.
- Nurture and promote relationships and partnerships in matters concerning human rights and international affairs.

Department for Planning and Coordination (DPC)

The Department for Planning and Coordination is responsible for the overall coordination of the planning, monitoring, evaluation and reporting of the LWF Communion Office of the Lutheran World Federation – a Communion of Churches (LWF) and for the assurance of overall quality and accountability.

DPC oversees and supports the work of the Communion Office in the areas of Planning, Finance, Human Resources, Communication, IT Services and Archiving in accordance with high professional

and ethical standards as outlined in LWF strategy 2025-2031. DPC aims to strengthen strategic leadership at all levels, ensures strong financial management and resource mobilisation efforts, alignment of systems and structures, investment in people and ensuring effective communications within the LWF.

2. Summary of significant accounting policies

The financial statements will be presented to the Council meeting for approval at the Organization's Council Meeting to be held in June 2025.

These financial statements were authorized for issue in May 2025 by the Federation's Board.

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

IFRS do not contain specific guidance for non-profit organisations and non-governmental organisations concerning the accounting treatment and the presentation of financial statements. Where IFRS is silent or does not give guidance on how to treat transactions specific to the not-for-profit sector, accounting policies selected are based on the general principles of IFRS, as detailed in the IASB Conceptual Framework for Financial Reporting.

2.2 Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention, except for securities which are stated at fair value. Fair value is the amount for which an asset or a liability could be exchanged between knowledgeable and willing parties in an arm's length transaction.

Preparation of the consolidated financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates and the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change. Those areas that involved a higher degree of judgment or uncertainty are explained further in the relevant Notes, including: estimated fair value of certain financial assets (Notes 2.10 and 3.2), estimation of retirement benefit obligations (Notes 2.17 and 3.19), estimation of uncertainties and judgements made in relation to lease accounting (Note 2.12c), measurement of receivables (Notes 2.10 and 3.3) and, recognition and measurement of provisions (Notes 2.15, 2.17a, 3.10 and 3.11).

2.3 Adoption of new standards, amendments and interpretations effective in 2024

New and revised standards and interpretations were reviewed to identify the nature of the future changes in accounting policy and to estimate the effect of any necessary changes in the consolidated income statement and financial position upon their adoption.

No new IFRS Accounting Standards have been adopted by LWF since 2020. There were no new IFRS Accounting Standards amendments or interpretations that became effective in 2024 that had a material impact on the consolidated financial statements. The same standard applies to 2023 and 2024.

2.4 Basis of consolidation

The financial statements of the LWF includes the Communion Office as well as the Country Program offices of the Department for World Service.

Department for World Service Country Offices/Programs are registered locally. DWS country programs or DWS emergency programs operate locally as legal entities. They are registered under local laws that govern not-for-profit or humanitarian organisations and therefore DWS programs are not corporate companies.
Each registration is processed on the basis of the LWF Geneva statute document, thereby giving them the affiliated status to LWF Geneva. The LWF Communion Office controls the management of all filed offices/programs listed below:

Angola - Federaçâo Luterana Mundial - The Lutheran World Federation
Burundi - ONG Fédération Luthérienne Mondiale
Central Africa Republic - La Fédération Luthérienne Mondiale
Cameroon - La Fédération Luthérienne Mondiale
Chad - La Fédération Luthérienne Mondiale
Central America - Federacíon Lutherana Mundial
Colombia/Venezuela - Federacíon Lutherana Mundial
Ethiopia - The Lutheran World Federation
Haiti - La Fédération Luthérienne Mondiale
Iraq - The Lutheran World Federation
Jerusalem - The Lutheran World Federation
Jordan - The Lutheran World Federation
Kenya/Somalia - The Lutheran World Federation
Myanmar - The Lutheran World Federation*
Nepal - Lutheran World Federation
Poland – The Lutheran World Federation
South Sudan - The Lutheran World Federation
Uganda - Lutheran World Federation
Ukraine – The Lutheran World Federation
Zambia – The Lutheran World Federation

*The Myanmar Country Programme has ceased its activities and operations on July 31, 2024, date of official closing of the Country Programme.

Former DWS programs are not included in the consolidation as each of these has its own legal status, separate from that of the LWF, and the LWF exercises no control over them.

2.5 Revenue and expenditure recognition

Restricted use funds are normally received as a result of a specific solicitation and with imposed by donors' restrictions and are recognized as income over the duration of the program/project in proportion to the achievement of the conditions attached to the contributions. Contributions received but not yet recognized as income are included with the Current Liabilities. Contributions not yet received relating to expenditure already recognized are included with the Current Assets.

In some instances**,** In-kind contributions and donations of goods (comprising humanitarian aid supplies) and equipment (in the form of medical equipment) are recognised equally as both income and expenditure in the Consolidated Financial Statements at fair value.

Membership fees are invoiced to the member churches based on the fair fees determined by LWF Council and are recognized at the beginning of the year at its invoiced amount. The outstanding balances of memberships fees due at the end of the year are recognized as receivable at invoice value and fully provided for.

Investment unrealized value is recognized on an accrual basis. The investment income together with the unrealized valuation, plus the foreign exchange gains/(losses), plus the investments realized gains/(losses) are allocated to reserves. LWF Council in 2016 amended the methodology of allocation of net investment result effective from 2019, the investment result is allocated to the LWF dedicated reserve.

2.6 Area projects and general subsidies

Expenditure in respect of area projects in foreign countries is based upon remittances to respective local churches or organizations. In accordance with established practice, examination by the auditors has been made on the underlying documentation substantiating such transfers in conformity with the agreed list of projects in the composite statement of needs.

2.7 Foreign currency transactions

The consolidated financial statements are presented in Euro.

The reporting currency of LWF is the Euro. The books of account are maintained in Euro. Assets and liabilities, excluding securities and fixed assets, denominated in currencies other than the Euro have been translated at the December 31st, 2024 rate of exchange per the European Commission ”ECB” website. Foreign exchange gains/losses are included within the Financial Result section of the Consolidated Income and expenditure Statement.

Monthly income and expenditure have been translated into Euro using the previous month exchange rate per the European Commission “InforEuro” website. Exchange gains/losses resulting from the application of the accounting principles outlined above are credited/charged to the Statement of Income and Expenditure.

2.8 Derivative financial instruments

The LWF may, at certain times, use derivative financial instruments, comprising forward foreign exchange contracts to manage its exposure to foreign exchange risk. Derivative financial instruments are stated at fair value. The fair value of forward exchange contracts is determined using quoted forward rates at the balance sheet date. Derivatives are not designated as effective accounting hedge instruments and as a result any gain or loss of fair value is recognized in the Income and Expenditure Statement.

2.9 Cash and cash equivalents

Cash and cash equivalents include cash on hand and highly liquid investments with original maturities of three months or less which are readily convertible to known amounts of cash. Bank overdrafts are classified as short-term financial debt within current liabilities on the balance sheet.

2.10 Financial assets

Financial assets are classified as financial assets at fair value through profit or loss (FVPL), at fair value through other comprehensive income (FVOCI) and at amortised cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. Purchases and sales of financial assets are recognised at the settlement date i.e. the date that the asset is delivered to or by the Federation. Financial assets are classified as current assets, unless they are expected to be realised beyond twelve months of the balance sheet date. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Federation has transferred substantially all risks and rewards of ownership.

Detailed disclosures can be found in Note 3.2 to the consolidated financial statements. Information on financial risk management is described in the Note 2.18.

Dividends and interest earned are included in the financial result line.

a) Financial assets held for Trading

Assets held for trading are measured at fair value through Profit and Loss. A financial asset is classified in this category if acquired for the purpose of being sold in the near term. Derivatives are classified as Held for trading unless they are designated and effective hedging instruments. When recognised initially, they are measured at fair value, and transaction costs are expensed in the income statement. Related gains/losses on Investments are recognised in the income statement.

b) Accounts Receivable

Receivables are stated at the original amount less provision made for impairment of these receivables. Provision for impairment is made when LWF will not be able to collect the full amounts due. The amount of the provision is the difference between the carrying amount and the recoverable amount.

c) Held to maturity Investment

Held to maturity investments are measured at amortized cost.
Debt securities with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Federation has the positive intention and ability to hold to maturity. These investments are measured at amortised cost using the effective interest method, less any impairment losses. For held-to-maturity investments, gains or losses are recognised in the income statement when derecognised or impaired.

d) Financial Assets at Fair Value through other Comprehensive Income (FVOCI)

FVOCI are non-derivative financial assets that are designated as such. They are measured initially at fair value, plus directly attributable transaction costs. At the end of each period, the book value is adjusted to the fair value with a corresponding entry in other comprehensive income and accumulated in the respective reserve in equity. When denominated in a foreign currency, any monetary item is adjusted for the effect of any change in exchange rates with unrealised gain or loss booked in the income statement.

For quoted equity instruments, the fair value is the market value being calculated by reference to share exchange quoted selling prices at close of business on the balance sheet date. For non-quoted financial assets, they are re-valued at fair value based on observable market transactions and if not available based on prices given by reputable financial institutions or on the price of the latest transaction.

2.11 Inventories

Inventories purchased from Restricted use Funds are expensed in the year of purchase. Rights over inventories would not generate future economic benefit to the LWF due to the short-term nature of program contracts and the terms of contracts where rights over residual program assets are vested with the grantors.

The only material inventories purchased from Unrestricted use Funds are held at the DWS program in Jerusalem. These inventories consist of medical supplies for the Augusta Victoria Hospital (AVH) that the program runs. They are accounted for at cost which does not exceed market value and recognized by the first-in, first-out method.

2.12 Fixed assets

a) Tangible

Tangible fixed assets purchased from Restricted use Funds are expensed in the year of purchase. It is considered improbable that such expenditures will generate future economic benefit to the LWF due to the short-term nature of program contracts and the terms of contracts where rights over residual program assets are vested with the grantors.

Tangible assets comprising computer equipment and associated software development costs, purchased from Unrestricted use Funds are capitalized and amortized as detailed in 2.13. Such assets with a cost lower than EUR 1,300 are not capitalized.

Larger assets, comprising buildings and land improvements, vehicles and office equipment are capitalized and amortized as detailed in 2.13. Such assets with a cost lower than EUR 10,000 are not capitalized.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the Income and Expenditure Statement.

Repairs and maintenance costs are charged in the Income and Expenditure Statement during the financial period in which they are incurred.

Subsequent expenditure is capitalized only when it increases the probable future economic benefits of the asset.

b) Intangible

Acquired computer software is capitalized on the basis of the costs incurred to acquire and bring the specific software to use. Amortization is calculated on the straight-line method as detailed in 2.13.

Costs associated with maintaining software are charged in the Income and Expenditure Statement during the financial period in which they are incurred.

c) Lease

(i) The group's leasing activities and how these are accounted for.

The group leased the Geneva offices with the WCC until the April 30th, 2024. As per the lease agreement, all maintenance costs and service charges were covered by the lessor. Contracts may contain both lease and non-lease components, however, for leases of real estate for which the group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.
In the course of 2023, a new lease contract was signed for a period of 8 years, starting March 1st, 2024 for new office space located at Chemin du Pavillon, 2, 1218 Le Grand Saconnex.

Since 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the lease payments.

The lease payments are discounted using an interest rate. As that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate at which a similar borrowing could be obtained from an independent financial institution under comparable terms and conditions.

DWS Country Programs are renting buildings and vehicles locally. All rental agreements have an initial duration of 12 months or less and might be reconducted each year for another term of maximum 12 months.
Based on historical practices and considering that most of the projects implemented in the Country Programs have a maximum duration of 12 months, the most likely probable duration of these rental agreements cannot exceed 12 months. Consequently, the lease payments associated with these short-term leases are recognised as an expense on a straight-line basis over the lease.

(ii) Amounts recognised in the balance sheet.

The balance sheet shows the following amounts relating to leases:

EUR	**31.12.2024** **EUR '000**	**31.12.2023** **EUR '000**
Contracts as lease contracts	2,201	99
Of which are:		
Current lease liabilities	252	99
Non-current lease liabilities	1,949	-
Total	**2,201**	**99**

(iii) Amounts recognised in the statement of profit or loss.

The statement of profit or loss shows the following amounts relating to leases:

EUR	**31.12.2024** **EUR '000**	**31.12.2023** **EUR '000**
Depreciation charge of righ-of-use assets	339	388
Interest expenses (inlcuded in finance cost)	19	4
Total	**358**	**392**

The total cash outflow for leases in 2024 was EUR 237,433 (2023: EUR 395,684).

(iv) The potential future lease payments for the next 12 months (fixed rental costs) have been estimated by category, as follow:

EUR	31.12.2024 EUR '000	31.12.2023 EUR '000
Buildings	1,597	2,278
Vehicles	74	125
Total	**1,671**	**2,403**

2.13 Fixed assets - depreciation

a) Secretariat

The fixed assets located in Geneva are depreciated using the straight-line method, over their estimated useful lives, as follow:

Computers equipment	4 years
Laptops	3 years
Software	4 years
Equipment	5 years

Depreciation for a full year commences in the year of purchase.

The useful lives are reviewed and adjusted if appropriate at each balance sheet date.

b) Field

Based on the experience of the useful life expectancy, the rate of depreciation is set by each individual country program not to exceed the following rate per year by category:

Building	25 years
Plant & equipment	15 years
Vehicles	5 years
Office furniture & equipment	5 years
Computers	4 years

Depreciation for a full year commences in the year of purchase.

The useful lives are reviewed and adjusted if appropriate at each balance sheet date.

2.14 Impairment

The carrying amount of the LWF's assets, other than financial assets (see Note 2.10) and inventories (see Note 2.11), are reviewed at each balance sheet date to determine whether there is any indication of impairment or, if earlier, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of the asset's net selling price or its value in use. Impairment losses are recognized in the Income and Expenditure Statement.

An impairment loss is reversed if there is an upward revision of the recoverable amount. An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the

carrying amount that would have been determined net of depreciation or amortization, if no impairment loss had been recognized.

2.15 Provisions

Provisions are recognized when there is a legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle down that obligation, and the amounts can be reliably estimated.

2.16 Reserves

LWF Reserves are classified as defined in LWF Reserves policy into categories as below:

a) Accumulated reserve
This reserve represents an unrestricted amount and is used to account for all resources over which the LWF has discretionary control. It can be used to cover ongoing commitments in case of emergencies.

b) Remeasurement of post-employment benefit obligations (net of taxes)
See note 2.17

c) CTA
This reserve is directly linked to the Remeasurement of post-employment benefit obligation, originally stated in CHF, but reported in EUR in the Financial Statements.

2.17 Employee benefit costs

a) Employee termination/repatriation benefits/accrued vacation (ALTO)
Based on the contractual liability, these benefits are recognized proportionately and accrued over the employment period of the personnel. They exist to meet any termination and settling out expenses under present contractual LWF working conditions for both Geneva (assignment, leave and accrued vacation monetary equivalent) and country programs (ALTO – assignment, leave, termination for overseas staff) based staff.

b) Retirement benefit obligations
The LWF consolidated financial statements shows the pension liabilities in accordance with IFRS (IAS 19 revised) for financial year 2024. The pension liability is determined in accordance with IAS19 revised and based on the pension arrangement with Stiftung Abendrot (affiliation contract).

In accordance with IFRS/IAS 19 the plan assets of the fund are measured at fair value. Components of the assets are so-called free assets as well as reserves for volatility reserves and employer contribution reserves. Actuarial gains and losses arise from changes in the assumptions made, deviations between the effective return and the anticipated return on the plan assets are recorded in other comprehensive income/(expenses) (OCI) (see note 3.19).

Staff employed locally by the LWF, receive social benefits in accordance with the legislation of the countries concerned and the local collective staff agreements. The cost of such benefits is recognized on an accrued basis in these consolidated financial statements.

2.18 Financial risk management

The LWF is exposed to a variety of financial risks namely: market (including foreign currency risk and pricing risk); credit risk; liquidity risk and interest rate risk. The LWF seeks to actively minimize potential adverse effects arising from this exposure as detailed below.

a) Market risk

Foreign currency risk

Foreign currency risk arises primarily from contributions that are denominated in a currency other than Euro. The main currencies giving rise to this risk are the U.S. Dollar, Swiss Franc, Norwegian Kroner and Swedish Kroner. The LWF ensures that net exposure is kept to an acceptable level, by selling foreign currencies at spot rates where necessary to address short-term needs.

Foreign currency risk arises from non-Euro securities held in the investment portfolio and for which advice is given by professional investment managers.

The LWF is also exposed to securities price risk because of investments measured at fair value through profit and loss. Unrealized gains/losses arising from fluctuations in prices are actively monitored by professional investment managers. There is no exposure to commodity price risk.

b) Credit risk

Securities transactions are held only with well-established banks and financial institutions. The funds are invested either in short term deposits or in premium securities.

The LWF's principal receivables are with its member churches, governmental and intergovernmental agencies where credit risk is considered low, except for receivables from the Palestinian National Authority (PNA) in relation with Augusta Victoria Hospital.

The Augusta Victoria Hospital (AVH) is a not-for-profit entity, owned by LWF, providing cancer treatment to patients from East Jerusalem, West Bank and Gaza upon referral by the Palestinian National Authority.

The LWF Jerusalem continues to face credit risk, which is defined as the risk that counterparties will cause a financial loss by failing to discharge their obligations. Concentration credit risk is the level of revenue risk a portfolio holds as a result of relying on a small pool of customers. Financial instruments that potentially subject the hospital to concentration of credit risk consists primary of accounts receivables from the PNA of Euro 76,523,782 (2023: Euro 71,593,127), which accounts approximately 75% (2023: 73%) of accounts receivables as of December 31, 2024. The inability of the PNA to settle its receivables may result in financial losses and liquidity issues. Historically, the amounts due from PNA was partially settled based on the availability of cash from its own resources in addition to funding from international donors.

Out of the Euro 76,523,782 (2023: Euro 71,593,127) PNA receivable, Euro 12,348,605 (2023: Euro 9,907,174) are current (0-3 months), Euro 12,742,351 (2023: Euro 14,829,451) are (4-6 months past due), Euro 21,010,853 (2023: Euro 26,828,653) are (7-12 months past due), and the remaining balance of Euro 30,421,973 (2023: Euro 20,027,849) are over one year past due as at December 31, 2024.

As at year-end, LWF Jerusalem has recognised impairment provisions on patient and other receivables including PNA balances, totalling Euro 36,027,294. (2023: 28,685,450).

Management mitigates the associated credit risk by agreeing on due dates by signing an agreement with the Palestinian Authority to gradually reduce its debt to Augusta Victoria Hospital. Furthermore, the management continue to follow up on collection with the PNA.

Another significant amount included in other receivables is the Value Added Tax that has not been refunded since August 2014 and is still accumulating. The VAT department recognizes this amount. At December 31st, 2024, the VAT receivable amounted to EUR 21,934,525 (2023: EUR 20,788,744). Efforts are in place to obtain refund of the VAT. The VAT matter is before a Court of Law in Israel.

There is no other significant concentration of credit risk. The maximum exposure to credit risk is limited to the carrying amount of the monetary financial assets.

Credit ratings have been set as of March 2025.

EUR	Credit rating LT/ST	31.12.24	31.12.23
	A	15,219,958	14,881,574
	No rating	997,957	602,219
Cash on hand	N/A	8,492	16,637
Misc. Banks	*	17,258,574	19,614,694
Total		33,484,981	35,115,125

* Cash in bank and on hand held locally by the DWS field offices.

c) Liquidity risk

LWF investment committee prudently manages the liquidity risk through maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. LWF treasury maintains flexibility in funding by maintaining sufficient cash in treasury.

Management monitors the cash flow forecasts, liquidity reserve and cash and cash equivalents (Note 3.1) on the basis of expected cash flows. This is generally carried out at local level in the operating field offices of LWF, in accordance with practice. In addition, LWF liquidity management practice involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements.

Liquidity risk is defined as the risk that the LWF will encounter difficulty in meeting obligations associated with financial liabilities. The schedule below presents expected cash outflow resulting from financial liabilities broken down by time brackets:

As at December 31st, 2024	**Expected timing of cash outflow**				
Items	**0-3**	**4-6**	**7-9**	**10-12**	**Total**
Accounts payable	9,444,892	2,161,681	1,101,800	465,871	15,766,629
Other current liabilities	11,387,565	2,606,307	1,328,423	561,694	19,009,588
	20,832,457	**4,767,988**	**2,430,223**	**1,027,565**	**34,776,217**

As at December 31st, 2023	Expected timing of cash outflow				
Items	0-3	4-6	7-9	10-12	Total
Accounts payable	15,372,347	3,518,316	1,793,271	758,244	21,442,177
Other current liabilities	14,465,451	3,310,752	1,687,476	713,511	20,177,190
	29,837,797	**6,829,067**	**3,480,747**	**1,471,755**	**41,619,367**

The AVH faced liquidity risks in 2024 due to late slower settlement of accounts receivables from PNA. To address this, management increased LWF Jerusalem's bank credit lines, temporarily limited intake of high-cost PNA-referred patients, and, following the termination of US funding, implemented a contingency plan that further restricts chemotherapy day-care admissions and enacts minimal staff reductions. Negotiations with Israeli Sick Funds to introduce radiotherapy and chemotherapy services have concluded on pricing, with contracts pending signature.

d) Interest rate risk

There is no significant short-term exposure to changes in interest rates as cash and cash equivalents are held as cash on hand, on-demand deposits, or in short-term deposits with maturities of three months or less.

Exposure to interest rate fluctuations arises from the holdings of fixed income securities held for investment purposes. This is actively managed by the external investment portfolio managers.

e) Financial instrument by category

EUR	**Assets at fair value through the P&L**	**Amortized costs**	**Total**
December, 1st, 2024			
Trade & other receivable		67,071,779	67,071,779
Other financial assets	7,609,214		7,609,214
Cash and cash equivalent		33,484,981	33,484,981
Total	**7,609,214**	**100,556,760**	**108,165,973**

EUR	**Assets at fair value through the P&L**	**Amortized costs**	**Total**
December, 1st, 2023			
Trade & other receivable		69,594,498	69,594,498
Other financial assets	6,971,337		6,971,337
Cash and cash equivalent		35,115,125	35,115,125
Total	**6,971,337**	**104,709,623**	**111,680,960**

3. Details relating to the Consolidated Financial statements

This section provides a breakdown of the main items on the Balance Sheet, Income and Expenditure Statement, the Cash Flow Statement and the Statement of Changes in Reserves.

3.1 Cash and Cash Equivalents

EUR	31.12.2024	31.12.2023
Cash on hand and banks - Geneva	16,359,768	15,545,798
Cash on hand and banks - DWS Field Offices	17,125,213	19,569,326
Consolidated total	**33,484,981**	**35,115,125**

3.2 Financial assets at fair value through the P&L

LWF investments are recognised and subsequently measured at fair value through profit or loss, and comprise units held in a global bond fund and a global equity fund which are classified as financial assets. The fair value of the units is fully determined by reference to published price quotations in an active market. Purchases and sales of units are recognised on the trade date, which is the date that the investment managers commit to purchase or sell the asset, on behalf of the LWF. Realised or unrealised gains and losses arising from changes in the fair value of financial assets are included in the Consolidated Statement of Comprehensive Income under Net finance income/(expense), in the period in which they arise.

EUR	31.12.2024	31.12.2023
Held as Investment	7,609,214	6,971,337

3.3 Accounts receivable and prepayments

EUR		31.12.2024		31.12.2023
Membership fees		1,871,987		1,985,387
./. Provision membership fees	-	1,871,987	-	1,970,992
Membership fees - Net amount		**-**		**14,395**
Accounts receivables		102,090,716		97,925,168
./. Impairment of receivables	-	36,027,294	-	28,685,493
Account receivables - Net amount		**66,063,422**		**69,239,675**
Prepayments		**1,008,356**		**354,822**
Total		**67,071,779**		**69,608,892**

Accounts receivables comprise mainly the dues from PA (Palestinian Authority) as patient treatment bills of the Augusta Victoria Hospital in Jerusalem, contributions due but not yet received, outstanding contributions and donations not yet received from donors and partners.

Other receivables include advances to employees, amounts due for reimbursable taxes, sundry receivables.

The PA receivables are recognised when they are originated and based on the transaction price (patient service bills raised). Receivables are impaired based on ECL model, which is a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the LWF in accordance with the contract and the cash flows that the LWF expects to receive).

The main receivables are in AVH Hospital, LWF applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all patients and other receivables. To measure the expected credit losses, patient and other receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of services rendered over a period of 5 years before December 31st, 2023 and 4 years before December 31st, 2022 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the patients to settle the receivables.
Patient and other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment planwith the Hospital, and a failure to make contractual payments for a period of greater than 360 days past due.

Impairment of financial assets
The Hospital has two types of financial assets that are subject to the expected credit loss model the patient and other receivables and the cash and cash equivalents, the identified impairment loss was immaterial.

The carrying amount of the LWF's assets, other and inventories are reviewed at each balance sheet date to determine whether there is any indication of impairment or, if earlier, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

The aging of the Accounts receivable and Prepayments is as follows:

EUR	**31.12.2024**	**31.12.2023**
Accounts receivable overdue since less than 12 months	39,799,958	50,167,179
Prepayments overdue since less than 12 months	1,008,356	354,822
Sub-total	**40,808,314**	**50,522,001**
Accounts receivable overdue more than 12 months	26,263,465	19,072,546
Total	**67,071,779**	**69,594,547**

3.4 Related parties

a) Identity of related parties
Related parties are detailed in Note 2.4.

The field programs that are former Department for World Service programs are considered related parties with LWF-DWS. They are: RDRS Bangladesh, LWD Cambodia, LWS India Trust, Indonesia, ELDS Malawi, Diaconia Peru, ELCSA South Africa, TCRS Tanzania, LDS Zimbabwe and Swaziland.

Also included are the Lutheran Foundation for Inter-confessional Research, with offices in Strasbourg, and the Endowment Fund registered as LWB Stiftung.

b) Transactions with related parties

The LWF maintains "inter-company" accounts with related parties and receives funds/makes payments on their behalf. At December 31st, 2024 the balances outstanding with related parties were as follows:

Accounts payable to related agencies	**31.12.2024**	**31.12.2023**
Assembly	198,772	40,417
LWB Stiftung	113,826	17,460
The Lutheran Foundation for Interconfessional Research	70,672	95,529
Balance with Associated programs/DWS Field offices	481,175	481,638
Total	**864,444**	**635,046**

During the year the LWF received EUR 13,000 from the Lutheran Foundation for Inter-confessional Research for management charges for services rendered. The LWF received an equal amount from the LWB-Stiftung also for services rendered.

All transactions with the LWB-Stiftung and the Lutheran Foundation for Inter-confessional Research are current transactions as required at arm-length.

The DWS field office reconciling items are the current account balances with LWF field offices /programs outstanding balances.

Other than compensation arising in the ordinary course of business, there were no transactions with key management personnel or Council Members. No persons related or connected by business to them, have received any remuneration or other compensation from the LWF during the year.

3.5 Details of the program/project balances

Program/Projects balances receivable	**31.12.2024**	**31.12.2023**
Office of General Secretary	174,931	1,344,653
Dept for Theology, Mission and Justice	1,937,235	1,141,911
Dept for Planning and Coordination	-	-
Dept for World Service	11,448,272	13,868,570
Total	**13,560,438**	**16,355,134**

Program/Projects balances payable	**31.12.2024**	**31.12.2023**
Office of General Secretary	-	3,686
Dept for Theology, Mission and Justice	4,545,131	3,813,343
Dept for Planning and Coordination	-	18,602
Dept for World Service	13,437,797	15,610,917
Unallocated donor funds	162,216	95,596
Total	**18,145,144**	**19,542,144**

3.6 Inventory

EUR	31.12.2024	31.12.2023
Pharmaceuticals	1,418,188	1,318,047
Medical instruments and supplies	360,584	1,062,379
Laboratory supplies	277,732	331,300
Linen and uniforms	68,462	32,030
Printed forms and stationery	30,133	69,842
Other supplies	83,912	88,718
Total	**2,239,011**	**2,902,316**
Allowance for obsolete items (*)	(98,847)	(111,614)
Inventory (net)	**2,140,164**	**2,790,702**

Beginning balance for the year	**111,614**	97,051
Provision for the year	(12,767)	14,563
Ending balance for the year	**98,847**	**111,614**

3.7 Fixed Assets

2024

Historical cost	Computers	Vehicles	Equipment	Land & Buildings	Furniture & Fittings	Total
Balance at Jan. 1, 2024	262,853	2,817,945	4,367,396	8,295,791	1	15,743,986
Additions at cost Geneva	7,068	-	-	-	-	7,068
Additions at cost Field offices	-	68,380	314,502	479,986	-	862,868
Disposals	-	(451,931)	(7,305)	(40,401)	-	(499,636)
Balance at Dec. 31, 2024	269,920	2,434,394	4,674,593	8,735,376	1	16,114,285
Depreciation						
Balance at Jan. 1, 2024	(233,192)	(2,612,433)	(3,529,489)	(3,762,573)	-	(10,137,687)
Charge for the year	(19,344)	-	-	-	-	(19,344)
DWS field office assets	-	(92,733)	(508,858)	(500,728)	-	(1,102,319)
Disposals	-	451,931	7,305	-	-	459,235
Balance at Dec. 31, 2024	(252,536)	(2,253,235)	(4,031,042)	(4,263,301)	-	(10,800,114)
Net book value Dec. 31,2024	**17,385**	**181,159**	**643,551**	**4,472,075**	**1**	**5,314,171**

2023

Historical cost	Computers	Vehicles	Equipment	Land & Buildings	Furniture & Fittings	Total
Balance at Jan. 1, 2023	227,494	3,076,779	4,281,118	8,095,077	1	15,680,469
Additions at cost Geneva	35,359				-	35,359
Additions at cost Field offices		248,310	118,843	200,714	-	567,867
Disposals	-	(507,144)	(32,565)		-	(539,709)
Balance at Dec. 31, 2023	262,853	2,817,945	4,367,396	8,295,791	1	15,743,986
Depreciation						
Balance at Jan. 1, 2023	(211,325)	(2,940,837)	(3,026,180)	(3,316,712)	-	(9,495,054)
Charge for the year	(21,867)				-	(21,867)
DWS field office assets	-	(178,740)	(530,698)	(445,861)	-	(1,155,299)
Disposals	-	507,144	27,389		-	534,533
Balance at Dec. 31, 2023	(233,192)	(2,612,433)	(3,529,489)	(3,762,573)	-	(10,137,687)
Net book value Dec. 31,2023	**29,661**	**205,512**	**837,907**	**4,533,218**	**1**	**5,606,299**

3.8 Accounts payable and accrued charges

Accounts payables & accrued charges are mainly arising from the payments due to suppliers in field operations and project supplies received. All dues as of December 31st, 2024 are less than one year as detailed below:

EUR	**31.12.2024**	**31.12.2023**
AVH Hospital Medical/Other Supplies	8,127,574	11,544,884
Jerusalem Program	1,449,793	1,345,291
Kenya Program	2,421,586	1,644,996
Uganda Program	926,444	1,238,803
Other Accounts Payable	196,946	486,962
DWS-Field Programs	2,002,720	4,400,344
Others	641,567	780,897
Total	**15,766,629**	**21,442,177**

3.9 Program & Project balances Payable

EUR	**31.12.2024**	**31.12.2023**
Programs & projects	17,930,801	19,272,149
Cardwell Trust	76,390	72,165
RVOG comp. Funds	43,534	114,412
ELC Congo	2,288	2,288
JCMWA	(454)	(454)
DWS Global Emrg. Fund	46,638	46,638
Africa women and DTMJ ELCZ	11,031	11,031
DTMJ - Communion Solidarity Fund	34,187	23,188
ELCZ Support Fund, Sweden	727	728
Total	**18,145,144**	**19,542,145**

3.10 Provisions

Movement 2024	ALT	ALTO	Medical Malpractices	Total
Balance at Jan. 1, 2024	689,040	200,333	580,124	1,469,497
Creation	109,405	177,755	0	287,160
Use of provisions	-91,336	-183,389	-313,118	-587,843
Release of unused provisions	-152,743	-50,000	0	-202,743
Balance at Dec. 31, 2024	**554,366**	**144,699**	**267,006**	**966,071**

Movement 2023	ALT	ALTO	Medical Malpractices	Total
Balance at Jan. 1, 2023	464,362	162,554	150,249	777,165
Creation	289,854	153,572	429,875	873,301
Use of provisions	-65,176	-115,793	0	-180,969
Release of unused provisions	0	0	0	0
Balance at Dec. 31, 2023	**689,040**	**200,333**	**580,124**	**1,469,497**

3.11 Local staff funds

EUR	**31.12.2024**	**31.12.2023**
Local Staff Provisions	11,064,260	11,141,228
Field Staff Provisions	211,225	273,025
Total	**11,275,485**	**11,414,253**

The local staff provisions' amounts are restricted for field programs' local staff which can only be used as specified based on contractual liabilities. Staff employed locally by the LWF receive social benefits in accordance with the legislation of the countries concerned and the local collective staff agreements. The cost of such benefits is recognized on an accrued basis in these consolidated financial statements.

The field staff provisions are established to cover potential tax liabilities of expatriate employees in the field.

3.12 Programs & projects write-off

The programs and projects write-off amounts represent the portion of expenditures not funded by any donor but incurred as part of the project /program activities. These are unrecoverable balances of programs or projects (Deficits) written off to LWF unrestricted donations/funds.

In 2023 and 2024, no expenses for Program Monitoring on projects were covered by the Lutheran World Federation's own funds.

3.13 Net financial result

EUR	31.12.2024	31.12.2023
Financial assets at fair value through P&L		
Fair value gains/(losses)	483,248	499,361
Net	**483,248**	**499,361**
Exchange gains/losses		
Net exchange gains/(losses)	(752,528)	907,419
Net	**(752,528)**	**907,419**

3.14 Taxes

The LWF is exempt from Federal and Cantonal income taxes in Switzerland.

3.15 Augusta Victoria Hospital (AVH)

Medical Malpractice Claims:
AVH purchases professional and general liability insurance to cover medical malpractice claims. In 2024, the limit of coverage amounted to USD 2,500,000 (2023: USD 2,500,000) equivalent to EUR 2'406'399 (2023: EUR 2'281'838) for every claim.

According to the estimates by the insurers, the maximum liability of the Hospital in the medical malpractice claims outstanding at December 31st, 2024, in the form of the excess (deductible) amounts the Hospital is required to settle in accordance with the terms of the insurance policies, was as follows:

Potential Claims	Period of Insurance	Estimated Excess Payable by Hospital		Estimated Amount Payable by Insurance Company	
		USD	EURO	USD	EURO
9	Up to 2006	225,000	216,575	2,900,000	2,791,414
2	2007	50,000	48,128	200,000	192,511
1	2008	25,000	24,064	350,000	336,895
1	2009	25,000	24,064	50,000	48,128
1	2010	25,000	24,064	100,000	96,256
0	2011-2018	-	-	-	-
2	2019	50,000	48,128	250,000	240,639
0	2020-2023	-	-	-	-
3	2024	75,000	72,192	325,000	312,831
TOTAL		**475,000**	**457,214**	**4,175,000**	**4,018,674**

Medical Malpractice Liabilities:
As of December 31, 2024, there were seven medical malpractice lawsuits filed against the Hospital still pending in the court. The Hospital has accrued for the estimated costs that could likely to be incurred as result of court decision based on the excess (deductible) amounts that the hospital is required to settle in according with the terms of the medical malpractice insurance policy estimated at Euro 267,006 (2023: Euro 580,124) and has been reported as such in the accompanying financial statements.

Changes to this account during the years ending December 31, 2024 and 2023 were as follows:

	31.12.2024	31.12.2023
Beginning balance for the year	580,124	150,249
Add: Provision made during the year	-	429,875
Less: Payments during the year	(313,118)	-
Ending balance for the year	**267,006**	**580,124**

Legal Claims:
During 2024, one public liability claim against the Hospital was filed in the court. Our legal firm estimates the probable loss as follows:

	31.12.2024	31.12.2023
Public Liability (Court Case Reference: 51697-01-24)	20,986	19,890
	20,986	**19,890**

Labor Cases
During 2024, there were no labor cases against the Hospital. (2023: None)

3.17 Donations in kind

In some instances**,** In-kind contributions and donations of goods (comprising humanitarian aid supplies) and equipment (in the form of medical equipment) are recognised equally as both income and expenditure in the Consolidated Financial Statements at fair value.

Donations in-kind contributions are recognized in the financial statements and an equal amount of expenditure is recorded at fair value. In 2024, the amount included in revenue and expenditure related to in-kind contributions is EUR 499,493 and was EUR 511,436 in 2023.

3.18 Capital commitments

There were no capital expenditure commitments at December 31st, 2024 (2023: none).

3.19 Retirement benefit obligations

Headquarters and expatriate field staff (see note 2.17*b)* above)

In 2020, the 37 International staff members located in various countries outside Switzerland who were not subject to OASI and enrolled in the pension fund "Stiftung Abendrot "were removed from the Swiss based pension plans.
This was to comply the rule by the Federal Law, enrolment in a Swiss Pension Fund (2nd pillar) is only applicable if the individual is enrolled in the Swiss Social security (1st pillar), as both pillars are interconnected regarding benefits.
When LWF moved from its self-administered Staff Welfare Plan to the Abendrot Pension Fund in 2012, all staff with no exception, and retirees, were transferred from the LWF Staff Welfare Plan to Abendrot Pension Fund. Abendrot Pension Fund applied a tolerance to those staff who were not enrolled in the Swiss social security (1st pillar). In 2020, Abendrot Pension Fund ended the enrolment of international field staff to enforce the law.

Abendrot Pension Fund formally notified the LWF that staff who are not enrolled in the Swiss Social Security (1st pillar) shall no longer be eligible to be enrolled in Abendrot Pension Fund scheme. Their membership ended on September 30th, 2020, and their vested benefits were transferred to the staff concerned. This operation has been considered as settlement. The impact is an income of EUR 420'000 recognized through the P&L.

See the table below:
All figures are in KEUR.

	EUR '000	*EUR '000*
1. Development of Obligations and Assets	***2024***	***2023***
Present value of funded obligation (01.01.N)	(36,103)	(33,414)
Fx impact	(896)	(1,054)
Change in consolidation scope	-	-
Employer Service Cost	(1,109)	(1,061)
Employee contributions	(425)	(441)
Past Service Cost / Plan amendments	-	26
Interest cost	(543)	(765)
Curtailments / settlements	-	-
Benefits paid pensioner	1,789	2,260
Transfer from joiners	-	-
Transfer to leavers' plans	1,107	620
Increase to minimum liability	-	-
Actuarial gain (loss) on benefit obligation	(2,116)	(2,274)
Currency gain (loss)	-	-
Present value of funded obligation (31.12.N)	(38,296)	(36,103)
Defined benefit obligation participants	(16,449)	(15,274)
Defined benefit obligation pensioners	(21,848)	(20,828)
Fair value of plan assets (BOY)	39,601	38,746
Change in consolidation scope	-	-
Expected return on plan assets	582	862
Employer's contributions	1,102	1,152
Employees' contributions	425	441
Curtailments / settlements	-	-
Benefits paid	(1,789)	(2,260)
Transfer from joiners	-	-
Transfer to leavers' plans	(1,107)	(620)
Admin expense	(21)	(30)
Actuarial gain (loss) on plan assets	700	350
Currency gain (loss)	-	-
Fair value of plan assets (31.12.N)	**39,492**	**38,641**

2. Balance Sheet (31.12.N)	***2024***	***2023***
Fair value of plan assets	39,955	40,526
Defined benefit obligation	(38,745)	(37,864)
Funded status	1,210	2,662
Unrecognised asset due to IAS19.64	-	(2,662)
Unrecognized actuarial (gains) loss	-	-
Defined Benefit Asset	**1,210**	**-**

3. Profit & Loss Statement	*2024*	*2023*
Employer Service Cost	(1,109)	(1,061)
Interest cost	(543)	(765)
Expected return on plan assets	543	765
Admin expense	(21)	(30)
Past service cost recognised in year	-	26
Curtailment, settlement, plan amendment gain (loss)	-	-
Net periodic pension cost	**(1,130)**	**(1,065)**

4. Movements in net asset recognised in balance sheet		
Net asset in balance sheet (01.01.N)	-	-
True-up opening balance sheet	-	-
Change in consolidation scope	-	-
Expense recognised in the profit & loss statement	(1,143)	(1,117)
Employer's contributions (following year expected	1,115	1,208
Prepaid (accrued) pension cost	(29)	91
whereof operating income (expense)	(68)	(10)
whereof financing income (expense)	39	101
Total gains / (losses) recognized in OCI	1,224	(87)
Net liability in balance sheet (31.12.N)	**1,210**	**-**
Actual return on plan assets	1,282	1,212
	3.2%	3.1%
Expected employer's cash contributions for following year	1,031	1,145

5. Principal actuarial assumptions	*2024*	*2023*
Discount rate	0.95%	1.50%
Average future salary increases	1.00%	2.00%
Future pension increases	0.00%	0.00%
Credit rate on savings capital	2.00%	2.00%
Mortality tables used	BVG 2020 GT	BVG 2020 GT
Average retirement age	64/64	64/64
Average life expectancy of a pensioner at retirement		
- Women	25.81	25.70
- Men	24.05	23.93

6. Asset allocation	*2024*	*2023*
Cash	5.20%	5.6%
Bonds (inkl. Mortgages)	10.10%	11.0%
Equities	30.80%	30.2%
Property	29.30%	28.2%
Other	24.60%	25.0%
Total	100.0%	100.0%

7. Defined benefit pension plans	*2024*	*2023*
Remeasurements DBO	(2,116)	(2,274)
- actuarial gains / (losses) arising from plan experience	(359)	126
- actuarial gains / (losses) arising from demographic	-	-
- actuarial gains / (losses) arising from financial assumptions	(1,757)	(2,400)
Remeasurements Assets	700	350
Return on plan assets, excluding amount recognised in net	39	96
Changes in the effect of asset ceiling, excluding amount	2,601	1,740
True-up of opening balance sheet	-	-
Total recognised in OCI	**1,224**	**(87)**

8. Sensitivities	*change*	*change DBO*
Discount rate + 0.25%	(938)	(837)
Discount rate - 0.25%; proj 0.00% (31.12.2019)	985	877
Salary increase + 0.25%	67	65
Salary increase - 0.25%	(66)	(63)
pension increase + 0.25%	671	596
pension increase - 0.25% (not lower than 0%)	-	-

Staff employed locally

Staff employed locally by the LWF receives social benefits in accordance with the legislation of the countries concerned and the local collective staff agreements. The cost of such benefits is recognized on an accrual basis in these consolidated financial statements.

In the opinion of management, actuarial calculations would not have resulted in any material adjustments to these financial statements and the net periodic pension costs for these employees would have closely approximated the contributions.

3.20 Key management compensations

The salaries and benefits of the General Secretary and the Communion Office Leadership Team (COLT) are set by the Governing Board, LWF Board of Trustees. Their total benefits amounted to CHF 1,165,416 (2023: CHF 1,179,986), comprised as follows:

Figures in CHF	**31.12.2024**	**31.12.2023**
Short-term employee benefits	950,396	962,581
Post-employment benefits	215,020	217,405
Total	**1,165,416**	**1,179,986**

No other salaries or benefits (e.g. fringe benefits or loans) were granted to them.

The LWF has a Code of Conduct for all Staff, including members of the Governing Board and other key management staff. Under the Code of Conduct, staff are required to disclose any potential conflict of interest to the Human Resources Department for Investigation.

Day to day management of the organization has been delegated by the Council to the General Secretary and the Communion Office Leadership Team.

3.21 Subsequent event

Between December 31st, 2024 and the date of authorization for issue of the financial statements, there was no significant event which could have an impact on the figures for the year ended December 31st, 2024.

3.22 LWF Staff Statistics (FTE)

In 2024, LWF employed a total 2,338 regular staff (2023 were 2,356). The headquarter staff were 65, international staff based in the country programs were 32 while 2,241 are staff on national contracts in the LWF country programs.
Volunteers and incentive staff are not included in the headcount of regular employees.

3.23 Pension Liability

On December 31st, 2024, there was no liability to the pension scheme in Switzerland (December 31st, 2023: EUR 4,279).

3.24 Audit Fees

The total audit fees paid in 2024 was EUR 108,370 (2023: EUR 112,841) for audit of the LWF Geneva Headquarter including the consolidated reports and for other projects audits/ services.
For Country program audits and services, LWF paid EUR 445,582 in 2024 (2023: EUR 538,978).

3.25 Expenditures allocated in accordance with ZEWO classification (standard 9)

In EUR

2024

Zewo classification	Project related expenditures	Fundraising related expenditures	Administrative related expenditures
Staff related expenditures	43,295,346	1,447,713	14,163,219
Operating expenditures (other than payroll)	80,362,722	735,252	10,265,550
Contributions made to implementing partners	0	0	0
Depreciation of fixed assets	0	0	1,155,761
TOTAL EXPENSES	**123,658,067**	**2,182,965**	**25,584,530**
Share of each category in %	*81.7%*	*1.4%*	*16.9%*

2023

Zewo classification	Project related expenditures	Fundraising related expenditures	Administrative related expenditures
Staff related expenditures	44,911,564	1,621,794	14,249,445
Operating expenditures (other than payroll)	101,135,848	538,507	9,156,340
Contributions made to implementing partners	0	0	0
Depreciation of fixed assets	0	0	1,155,298
TOTAL EXPENSES	**146,047,413**	**2,160,300**	**24,561,083**
Share of each category in %	*84.5%*	*1.3%*	*14.2%*