ETH Zurich Annual Report 2022

Annual consolidated financial statements in brief

The annual consolidated financial statements were prepared in accordance with International Public Sector Accounting Standards (IPSASs). ETH Singapore SEC Ltd. and the Rübel Geobotanical Research Institution Foundation are consolidated in the annual financial statements. The ETH Zurich Foundation and several independent foundations are reported as investments in associated entities.

A consolidated deficit of 73 million Swiss francs was reported for 2022 (a reduction of 167 million Swiss francs compared with the previous year). It comprised the operating surplus of 3 million Swiss francs (a reduction of 32 million Swiss francs), the share of surplus/deficit of associated entities amounting to a negative 33 million Swiss francs (a reduction of 60 million Swiss francs) and net finance expense of 44 million Swiss francs (a reduction of 76 million Swiss francs).

The operating revenue generated in 2022 amounted to 1,880 million Swiss francs (an increase of 43 million Swiss francs or 2 percent compared with the previous year). The total federal contribution, which is made up of the federal financial contribution (in the narrower sense) and the contribution to accommodation, was up slightly to 1,331 million Swiss francs (an increase of 20 million Swiss francs or 2 percent). Revenue from donations and bequests came to 105 million Swiss francs (an increase of 17 million Swiss francs or 19 percent). Revenue from research contributions rose to 372 million Swiss francs (an increase of 6 million Swiss francs or 2 percent).

Operating expenses climbed to 1,877 million Swiss francs (an increase of 74 million Swiss francs or 4 percent), mainly as a result of higher personnel expenses (up by 42 million Swiss francs or 4 percent). These rose due to the increase in average full-time equivalents by 167 FTEs to 10,584 FTEs (an increase of 2 percent), which resulted in a rise in salaries and wages (up by 18 million Swiss francs or 2 percent). Net pension costs also rose (by 17 million Swiss francs or 16 percent), the main driver being a rise in current and past service cost. Other operating expenses rose (by 30 million Swiss francs or 6 percent) due especially to a year-on-year increase in out-of-pocket expenses and energy costs in combination with a year-on-year decrease in the amount recognised as assets in the course of completing large construction projects, which reduced expenses. Conversely, accommodation expense for property owned by the federal government showed a fall.

Total consolidated assets fell by 80 million Swiss francs (3 percent) to 3,060 million Swiss francs at the end of 2022. Consolidated liabilities were down by 147 million Swiss francs on the previous year to 1,213 million Swiss francs. This was due primarily to the reduction in the net defined benefit liability to 152 million Swiss francs (a decrease of 134 million Swiss francs), which was, in turn, the result of a reduction in the present value of the defined benefit obligations due to actuarial gains and a relatively smaller decrease in the fair value of the plan assets.

Consolidated equity rose by 67 million Swiss francs to 1,847 million Swiss francs. The change was mostly the result of the rise in valuation reserves (which were up by 140 million Swiss francs) attributable to the above-mentioned remeasurement of the net defined benefit liability. Donations, grants, co-financing were down on the prior-year amount (by 9 million Swiss francs) due primarily to the negative net income from the asset management mandates, which was offset to a large extent by a net inflow from donation agreements. Reserves with internal dedication were down year on year (by 24 million Swiss francs) due to the use of funds on teaching and research projects. Reserves without dedication showed a decline of 27 million Swiss francs. This reduction primarily reflected the additional funds required that could not be covered by the total federal contribution in the course of operating activities. The change also reflected use on the projects funded from those reserves. As a result of these effects, the reported equity ratio rose from 57 percent in the previous year to 60 percent at the end of 2022.