

ICVA - International Council of Voluntary Agencies

Geneva

Report of the statutory auditor
to the Association Board

on the financial statements 2020



Report of the statutory auditor

to the Association Board of ICVA - International Council of Voluntary Agencies

Geneva

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the accompanying financial statements of ICVA - International Council of Voluntary Agencies, which comprise the balance sheet, the statement of income and expenses, the cash flow statement, the statement of changes in capital and funds and the notes, for the year ended 31 December 2020. As permitted by Swiss GAAP FER 21 the information in the performance report is not required to be subject to audit.

Board's responsibility

The Board is responsible for the preparation of the financial statements in accordance with Swiss GAAP FER and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended 31 December 2020 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER and comply with Swiss law, the association's deed and internal regulations.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 69b paragraph 3 CC in connection with article 728 CO) and that there are no circumstances incompatible with our independence.

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In accordance with article 69b paragraph 3 CC in connection with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Association Board.

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

PricewaterhouseCoopers SA

Marcello Stimato

Audit expert
Auditor in charge

Alexandre Meugnot

Geneva, 2nd March 2021

Enclosure:

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



International
Council of
Voluntary
Agencies

***International Council of
Voluntary Agencies
("ICVA")
Geneva***

***Financial Statements for the
year ended
31 December 2020***

ICVA (International Council of Voluntary Agencies, Geneva)

Balance sheet as at 31 December
(in Swiss francs)

Assets	Notes	2020	2019
Current assets			
Cash and cash equivalents	6	1'385'411	1'113'858
Accounts receivable	7	17'598	557'173
Prepaid expenses and accrued income	8	41'563	7'000
Total current assets		1'444'572	1'678'031
Non-current assets			
Financial assets	9	20'077	20'077
Property, plant and equipment, net		10'858	16'287
Total non-current assets		30'935	36'364
Total assets		1'475'506	1'714'395

Liabilities	Notes	2020	2019
Current liabilities			
Accounts payable		160'308	144'178
Short-term interest-bearing liabilities		6'825	6'825
Accrued expenses		41'246	28'478
Deferred income		38'785	210'408
Short-term provision	10	81'462	63'022
Total current liabilities		328'626	452'911
Non-current liabilities			
Long-term interest-bearing liabilities		6'825	12'101
Total non-current liabilities		6'825	12'101
Total liabilities		335'451	465'012
Restricted funds			
Specific project balances		526'999	316'860
Total restricted funds		526'999	316'860
Reserve			
General Reserve		932'523	927'387
Net result for the year		-319'467	5'136
Total reserves		613'056	932'523
Total liabilities		1'475'506	1'714'395

ICVA (International Council of Voluntary Agencies, Geneva)

**Statement of Income and Expenses for the financial year
ended 31 December
(in Swiss francs)**

	Notes	2020	2019
Net proceeds from Membership Fees and Grants			
ICVA Membership Fees		559'419	515'192
Australia - Department of Foreign Affairs - IDF		-	17'938
Denmark - Ministry of Foreign Affairs - DANIDA		-	416'120
European Civil Protection and Humanitarian Aid Operations (ECHO)		-	86'715
Germany - Ministry of Foreign Affairs - SO8		546'364	575'096
Luxemburg - Ministry of Foreign Affairs		107'712	110'114
Norway - Ministry of Foreign Affairs		150'300	166'633
Sweden - Ministry of Foreign Affairs - SIDA		305'101	321'853
Switzerland - Department of Foreign Affairs		450'000	250'000
United States Department of State - Bureau of Population, Refugees, and Migration (PRM)		-	63'083
Republic and Canton of Geneva		50'176	-
International Federation of Red Cross and Red Crescent (IFRC)		-	2'902
International Organization for Migration (IOM)		-	31'805
United Nations Development Programme (UNDP)		32'293	-
United Nations International Children's Emergency Fund (UNICEF)		25'269	112'871
United Nations High Commissioner for Refugees (UNHCR)		88'000	97'593
United Nations High Commissioner for Refugees (UNHCR) - PSEA Fund		376'034	6'600
Hilton Foundation		536'763	89'191
Open Society Foundations		-	210'033
		3'227'431	3'067'137
Other operating income		6'495	28'964
Operating Expenses			
Staff costs	-	2'003'511	- 1'922'968
Grants to local non-profit organizations	-	507'880	-
External Services	-	404'827	- 329'843
Premises charges	-	129'577	- 130'540
Maintenance, repairs and equipment	-	2'535	- 10'524
Travel expenses	-	44'936	- 365'145
IT expenses	-	37'541	- 33'018
Administration and office costs	-	9'830	- 18'184
Communications	-	45'331	- 78'449
Meeting, teleconference and webinar costs	-	55'468	- 67'357
Depreciation and valuation adjustments to fixed assets	-	5'429	- 5'429
Other costs	-	57'709	- 3'511
Net result before financial income and expenses	-	70'649	131'133
Financial income		113'676	53'487
Financial expenses	-	152'355	- 85'669
Net result after financial income and expenses	-	109'328	98'951
Net result before allocation to specific project balances	-	109'328	98'951
Reduction in Specific Project balances		1'004'487	709'000
Increase in Specific Project balances	-	1'214'626	- 802'815
Net result for the year	-	319'467	5'136

ICVA (International Council of Voluntary Agencies, Geneva)

**Cash Flow Statement for the financial year
ended 31 December 2020
(in Swiss francs)**

	2020	2019
Net result for the year	- 319'467	5'136
Change in funds	210'139	93'815
Depreciation and valuation adjustments to fixed assets	5'429	5'429
Allocations to provision	- 10'208	- 1'112
Financial results	54'276	- 26'603
Result for the year (before change in net working capital)	- 59'831	76'665
Decrease/(Increase) in Accounts receivable	568'223	75'916
Decrease/(Increase) in Prepaid expenses and accrued income	- 34'563	916
(Decrease)/Increase in Accounts payable and accrued expenses	28'899	- 70'546
(Decrease)/Increase in Deferred income	- 171'623	161'527
Cash flow from operating activities	331'105	244'478
Financial assets (Guarantee deposit/equipment lease)	- -	2
Cash flow from investing activities	- -	2
Interest paid	- 7'379	-
Interest received	-	-
Lease repayments	- 5'276	- 4'456
Cash flow from financing activities	- 12'655	- 4'456
Net increase/decrease in cash and cash equivalents	318'450	240'020
Cash & cash equivalents, beginning of year	1'113'858	847'235
Effect of foreign currency conversions on cash & cash equivalents - unrealised (loss)/ gain	- 46'897	26'603
Cash & cash equivalents, end of year	1'385'411	1'113'858
Change in Cash & cash equivalents	318'450	240'020

ICVA (International Council of Voluntary Agencies, Geneva)

Statement of changes in capital and funds for the financial year
ended 31 December

2020					
Restricted funds	Balance 01.01.2020	Allocations	Appropriation	Total variation	Balance 31.12.2020
Republic and Canton of Geneva - Annual conference	-	10'176	-10'176	-	-
Republic and Canton of Geneva - NGO FORA 2020	-	40'000	-40'000	-	-
UNHCR - PSEA	-	376'034	-376'034	-	-
UNHCR - 2020	-	88'000	-88'000	-	-
Hilton III - NGO FORA 2020	-	184'208	-184'208	-	-
Hilton IV - NGO FORA 2021/2022	-	180'934	-	180'934	180'934
Swiss Department of Foreign Affairs ("FDFA") 2021-2023	-	150'000	-	150'000	150'000
UNDP 2020/2021	-	32'293	-18'948	13'345	13'345
UNICEF 2021	-	25'269	-	25'269	25'269
Luxemburg I	75'983	-	-75'983	-75'983	-
Luxemburg II - NGO FORA 2020	-	107'712	-107'712	-	-
Open Society Foundation	197'161	-	-99'710	-99'710	97'451
IOM	3'716	-	-3'716	-3'716	-
General Assembly	40'000	20'000	-	20'000	60'000
Total restricted funds	316'860	1'214'626	-1'004'487	210'139	526'999
Reserve				-	
General reserve	932'522	-319'467	-	-319'467	613'055
Total reserve	932'522	-319'467	-	-319'467	613'055
Total restricted funds and reserve					1'140'054

2019					
Restricted funds	Balance 01.01.2019	Allocations	Appropriation	Total variation	Balance 31.12.2019
Australia - Department of Foreign Affairs - IDF	-	17'938	-17'938	-	-
UNHCR	-	76'000	-76'000	-	-
UNHCR - GRF	-	6'600	-6'600	-	-
UNHCR - ASIA	-	14'993	-14'993	-	-
Netherlands - Ministry of Foreign Affairs	18'051	-	-18'051	-18'051	-
US Department of State, Bureau of Population and Migration (PRM)	74'656	66'034	-140'690	-74'656	-
ECHO	110'339	86'715	-197'054	-110'339	-
Hilton Foundation 1	-	49'714	-49'714	-	-
Luxemburg	-	110'114	-34'131	75'983	75'983
Open Society Foundation	-	210'033	-12'872	197'161	197'161
UNICEF 1	-	48'881	-48'881	-	-
UNICEF 2	-	63'990	-63'990	-	-
IOM	-	31'805	-28'089	3'716	3'716
General Assembly	20'000	20'000	-	20'000	40'000
Total Restricted funds	223'045	802'815	-709'001	93'815	316'860
Reserve					
General reserve	927'387	5'136	-	5'136	932'523
Total reserves	927'387	5'136	-	5'136	932'523
Total restricted funds and reserve					1'249'383

**Notes to the 2020 Financial Statements
(in Swiss francs)**

1. Presentation

The International Council of Voluntary Agencies ("ICVA") is a global consortium of humanitarian non-governmental organizations. It was founded in 1962 and established as an association within the meaning of Article 60 et seq. of the Swiss Civil Code. Its headquarters are located in Geneva, Switzerland. ICVA's mission is to make humanitarian action more principled and effective by working collectively and independently to influence policy and practice.

2. Significant accounting policies

ICVA financial statements have been prepared in accordance with the Statutes of ICVA, the applicable provisions of the Civil Code (article 69a) and of the Swiss Code of Obligations and the Swiss Generally Accepted Accounting Principles (Swiss GAAP RPC including Swiss GAAP RPC 21).

As permitted by Swiss GAAP FER 21, the accounts were prepared in compliance with the conceptual framework, the fundamental recommendations and recommendation 21.

Information required by Swiss GAAP FER 21 on the performance of the Association, and not disclosed in the financial report, is included in the annual report. The statement of income and expenses is presented using the classification of expenses by nature.

Scope of the Financial Statements

To ensure comparability with the current financial year, certain items from the previous year have been reclassified.

3. Valuation principles

The financial statements have been prepared using historical cost principles and are presented in Swiss francs.

Accounts Receivables

Accounts receivable are amounts due from parties for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets.

These receivables are valued at their nominal values. Credit default risks are accounted for by specific allowances.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are converted into Swiss francs at year-end exchange rate.

Transactions in foreign currencies are recorded in Swiss francs at the rate received or, if not exchanged into Swiss Francs, at the exchange rate in force on the first day of the month of the transaction.

Property, plant and equipment

Property, plant and equipment are valued at purchase cost less any depreciation required by generally accepted accounting principles. Depreciation is charged on a straight-line basis over the useful life of the fixed asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. For financial leases, the useful life corresponds to the duration of the contractual lease.

Revenue recognition

Revenue is recognized when it is likely that the economic benefits associated with the transaction are received and when the economic benefits can reliably be estimated.

Notes to the 2020 Financial Statements
(in Swiss francs)

Donations

Donations are recognized as income when ICVA acquires control. They are considered as unrestricted funds, unless the donor stipulates a specific restriction.

When the donor requires their donation to be allocated to a specific cause, the donation is recorded as an allocated fund. Allocated funds that are unused at Balance Sheet date are presented under the section "Specific Project Balances" in the Balance Sheet.

Contributions in kind

ICVA regularly receives donations in kind, primarily in the form of free use of goods or services from members and partners. These contributions in kind are not recorded in the financial accounts, since it is difficult to determine a reliable monetary equivalent for their value.

Programme expenditure

Expenditures are recognised when they are incurred and are valued at transaction costs.

Related parties

Related parties include Board members of ICVA, but not member organizations, since ICVA is a network of independent non-governmental organizations, which do not exert a significant influence on its decisions.

Provisions

Provisions are recorded when it is likely that a specific liability will materialize in the future and if this liability can be valued accurately.

4. Tax exemption

ICVA qualifies for exemption from local and federal income tax and capital tax, according to Article 9.1 (f) of the Law on taxation of legal persons ("LIPM"). The local exemption was renewed on March 22, 2011 for a period of 10 years.

5. Management of financial risks

Risks are periodically analysed on an organisation-wide basis, which gives rise to a report that is submitted to the Board of Directors. In terms of financial risks, we draw your attention to the following items:

Foreign exchange risk

ICVA is exposed to exchange rate fluctuations, since a large part of its income and expenses are in foreign currencies. ICVA has no active foreign exchange risk hedging policy and tends to convert currencies as and when they are required. The reserves are kept mainly in Swiss francs.

Banking risk

ICVA avoids banking risk by working with UBS Switzerland, which has low risk of default.

Counterparty risk

The counterparty risk is limited, insofar as most of the third party receivables are due from governments or public bodies with whom ICVA has grant agreements.

Current liquid assets and reserves

The reserves of ICVA are indispensable in preserving its operational capacity to react quickly and in managing varying timelines for grant transfers, including transfers made only on a reimbursement basis. ICVA policy ensures that sufficient cash is available at all times for its activities and the majority of ICVA's reserves are composed of cash or cash equivalents.

Notes to the 2020 Financial Statements
(in Swiss francs)

6. Cash & cash equivalents

	2020	2019
Bank accounts	1'381'774	1'105'157
Cash	3'637	8'701
Total	1'385'411	1'113'858

7. Accounts Receivables

	2020	2019
Membership Fees	46'246	36'352
Provision Membership Fees	-28'648	-
	-	71'945
United States Department of State - Bureau of Population, Refugees, and Migration (PRM)		
OFDA USA	-	4'088
Netherlands - Ministry of Foreign Affairs	-	105'000
European Civil Protection and Humanitarian Aid Operations (ECHO)	-	101'850
International Organization for Migration (IOM)	-	12'794
Open Society Foundations	-	210'033
Others	-	15'111
Total accounts receivables	17'598	557'173

ICVA had no open receivables at 31 December 2020 with Donors as no contractual milestone was reached which would have triggered recognition of a receivable.

ICVA performed an individual analysis of Membership Fees due at 31 December 2020 and assessed that a provision was necessary to cover the risk of no collection at 31 December 2020 for chf 28'648 (2019: chf 0).

8. Prepaid expenses and accrued income

	2020	2019
Prepaid expenses and accrued income	41'563	7'000

The prepaid expenses and accrued income are mainly composed of insurance premiums and receivable for indemnities related to reduced working time.

9. Financial assets

	2020	2019
Rental Deposits	20'077	20'077

The guarantee deposits include the rental deposits with a financial institution for offices and parkings.

10. Personnel expenses

The number of full-time equivalents as at 31 December 2020 was 17.8 (2019: 15.6).

The total remuneration paid to individuals entrusted with management is not disclosed, as permitted by Swiss GAAP FER 21.

A provision of chf 81'462 as of 31 December 2020 (2019: chf 63'022) was recorded for the employees leave balance at the year-end.

11. Pension plan obligation

ICVA employees working for three months per year or more and based in Switzerland, benefit from a scheme covering retirement, invalidity pension, and death according to the provisions of the Federal Law for occupational retirement (LOB).

The occupational benefits are provided by the pension fund "Nest", according to a defined-contribution benefit plan:

- investment yield has no impact on premiums,
- the employer does not guarantee the benefit amount.

The Plan is composed of the contributions of ICVA and the employees, and it plan covers the usual occupational benefits: retirement, invalidity pension, and death benefits. Risks are insured by Nest.

The capital ratio of the pension fund is 111% at 31 December 2020 (2019: 112%).

As of December 31st, 2020, no LPP amount is due (2019: chf 43'823).

Notes to the 2020 Financial Statements
(in Swiss francs)

12. Off-balance sheet commitments

Commitments related to office contracts

ICVA rents office space in Geneva for its headquarters under renewable contracts for a period of 5 years, with a notice period for termination of six months. The contracts were reconducted in 2020 for a period of 5 years.

The future payments are:

	2020	2019
To 1 year	76'980	25'660
From 1 to 5 years	256'386	-
	333'366	25'660

Leasing movement schedule

ICVA contracted a leasing agreement with a supplier on January 1st, 2018 for two printers for a 60 months period. This leasing is considered as a finance lease and has been activated. The future payments are:

	2020	2019
To 1 year	8'100	8'100
From 1 to 5 years	8'100	16'200
	16'200	24'300

13 Board compensation

The members of the Board are not compensated except for reimbursements of travel and accommodation costs when these are not covered by their own organization.

14 Subsequent events

Subsequent to end of the financial year, the COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020.

The outbreak and the response of Governments in dealing with the pandemic is interfering with general activity levels within the community, the economy and the operations of our business. The scale and duration of these developments remain uncertain as at the date of this report however they may have an impact on earnings, cash flow and financial condition. It is not possible to estimate the impact of the outbreak's near-term and longer effects or Governments' varying efforts to combat the outbreak and support businesses. This being the case, it is not considered practicable to provide a quantitative or qualitative estimate of the potential impact of this outbreak on ICVA at this time. Nevertheless as of 26 January 2021, 85% of FY21 budgeted income has been signed or informally committed, bringing comfort on future of the association from a going concern prospective.