

ICVA - International Council of Voluntary Agencies

Geneva

Report of the statutory auditor to the Association
Board on the financial statements 2019

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 2019. 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 2019 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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PricewaterhouseCoopers SA is a member of the global PricewaterhouseCoopers network of firms, each of which is a separate and independent legal entity.

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, 2 March 2020

Enclosure:

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

Balance sheet as at 31 December
(in Swiss francs)

Assets	Notes	2019	2018
Current assets			
Cash and cash equivalents	6	1'113'858	847'235
Accounts receivable	7	557'173	633'089
Accrued income			
Prepaid expenses	8	7'000	7'916
Total current assets		1'678'031	1'488'240
Non-current assets			
Guarantee deposit	9	20'077	20'075
Equipment		27'145	27'145
Amortization		-10'858	-5'429
Total non-current assets		36'364	41'791
Total assets		1'714'395	1'530'031

Liabilities	Notes	2019	2018
Short-term liabilities			
Accounts payable	10	144'178	163'419
Accrued expenses	10	28'478	79'783
Deferred income	10	210'408	48'881
Total short-term liabilities		383'064	292'083
Long-term liabilities			
Lease liability		18'926	23'382
Total long-term liabilities		18'926	23'382
Total liabilities		401'990	315'465
Reserve			
General Reserve		927'387	546'220
Contingency reserve	12	63'022	64'133
Specific project balances		316'860	223'045
Net result for the year		5'136	381'168
Total reserves		1'312'405	1'214'565
Total liabilities		1'714'395	1'530'031

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

	Notes	2019	2018
Membership Fees/Board Contributions and Donations		3'067'137	3'228'977
ICVA Membership Fees/Sphere Board Contributions		515'192	535'943
Australia - Permanent Mission to the United Nations' International Development Fund (IDF)		17'938	47'684
Denmark - Ministry of Foreign Affairs		416'120	155'400
ECHO - European Commission Humanitarian Aid		86'715	465'760
Luxemburg		110'114	-
German Humanitarian Assistance		575'096	555'134
IOM		31'805	-
Norway		166'633	-
UNICEF		112'871	-
Sweden - Ministry of Foreign Affairs		321'853	342'255
Swiss Agency for Development and Cooperation (SDC)		250'000	300'000
UNHCR - The UN Refugee Agency		90'993	89'000
UNHCR GRF		6'600	-
PRM		63'083	199'622
IFRC		2'902	-
Open Society Foundations		210'033	-
Hilton Foundation		89'191	-
IKEA Foundation		-	538'179
Other Income		28'964	13'728
Staff costs	-	1'924'079	- 1'554'159
External Services	-	329'843	- 532'133
Premises charges	-	130'540	- 138'998
Maintenance, repairs and equipment	-	10'524	- 6'332
Travel expenses	-	365'145	- 382'080
IT expenses	-	33'018	- 50'487
Administration and office costs	-	18'184	- 16'389
Communications	-	78'407	- 109'744
Meeting, teleconference and webinar costs	-	67'399	- 82'062
Amortization (P&L)	-	5'429	- 5'429
Other costs	-	3'511	- 3'189
Net result before financial income and expenses		130'022	361'703
Financial income		53'487	-
Financial expenses	-	85'669	- 43'647
Net result after financial income and expenses		97'839	318'056
Net result before allocation to contingency reserves and specific project balances		97'839	318'056
Reduction in Contingency Reserves, Provisions and Specific Project balances		773'133	949'391
Increase in Contingency Reserves, Provisions and Specific Project balances	-	865'837	- 886'279
Net result for the year		5'136	381'168

Statement of changes in capital and funds for the year

	2019				
	Balance 01.01.2019	Allocations	Appropriation	All. Financial result	Balance 31.12.2019
Restricted funds					
Australia - Permanent Mission to the United Nations' International Development Fund (IDF)	-	17'938	-17'938		-
UNHCR - The UN Refugee Agency	-	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		-
US Department of State, Bureau of Population and Migration (PRM)	74'656	66'034	-140'690		-
ECHO	110'339	86'715	-197'054		-
Hilton Foundation 1		49'714	-49'714		-
Luxemburg	-	110'114	-34'131		75'983
Open Society Foundation	-	210'033	-12'872		197'161
UNICEF 1	-	48'881	-48'881		-
UNICEF 2	-	63'990	-63'990		-
IOM		31'805	-28'089		3'716
General Assembly	20'000	20'000			40'000
Personnel Contingency Reserve	64'133	63'022	-64'133		63'022
Total Restricted funds	287'178	865'837	-773'133	-	379'882
Unrestricted funds					
General reserve	546'220	381'168	-	-	927'387
Net surplus/deficit for the financial year	381'168	-381'168	-	5'136	5'136
Total reserves	1'214'566	865'837	-773'133	5'136	1'312'405

	2018				
	Balance 01.01.2018	Allocations	Appropriation	All. Financial result	Balance 31.12.2018
Restricted funds					
Australia - Permanent Mission to the United Nations' International Development Fund (IDF)	-	47'684	-47'684	-	-
UNHCR - The UN Refugee Agency	-	89'000	-89'000	-	-
Netherlands - Ministry of Foreign Affairs	142'228	-	-124'178	-	18'051
US Department of State, Bureau of Population and Migration (PRM)	103'736	199'622	-228'702	-	74'656
ECHO		465'840	-355'501	-	110'339
General Assembly	80'000	20'000	-80'000	-	20'000
Personnel Contingency Reserve	24'325	64'133	-24'325	-	64'133
Total Restricted funds	350'290	886'279	-949'391	-	287'178
Unrestricted funds					
General reserve	528'203	18'017	-	-	546'220
Net surplus/deficit for the financial year	18'017	-18'017	-	381'168	381'168
Total reserves	896'510	886'279	-949'391	381'168	1'214'565

Cash Flow Statement
ended 31 December 2019
(in Swiss francs)

	2019	2018
Intermediate result before change in funds	97'839	318'056
Change in funds	-	-
Depreciation and amortisation	5'429	5'429
(Decrease)/Increase in provisions	-	-
Unrealised foreign exchange loss/ (gain)	- 26'603	36'952
Result for the year (before change in net working capital)	76'665	360'437
Decrease/(Increase) in Accounts receivable	75'916 -	42'708
Decrease/(Increase) in Accrued income and prepaid expenses	916	6'491
(Decrease)/Increase in Accounts payable and accrued expenses	- 70'546 -	44'610
(Decrease)/Increase in Deferred income	161'527 -	311'220
Decrease/(Increase) in Lease of equipment	-	-
Sphere Deconsolidation	-	-
CASH FLOW FROM OPERATING ACTIVITIES	244'478 -	31'611
INVESTING ACTIVITIES		
Financial assets (Guarantee deposit/equipment lease)	- 2 -	27'145
CASH FLOW FROM INVESTING ACTIVITIES	- 2 -	27'145
FINANCING ACTIVITIES		
CASH FLOW FROM FINANCING ACTIVITIES	- 4'456	23'382
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	240'020 -	35'374
Cash & cash equivalents, beginning of year	847'235	919'561
Effect of foreign currency conversions on cash & cash equivalents - unrealised (loss)/ gain	26'603 -	36'952
Cash & cash equivalents, end of year	1'113'858	847'235

Notes to the 2019 financial statements

1. Presentation

ICVA (the International Council of Voluntary Agencies) is a global consortium of humanitarian non-governmental organizations.

ICVA was founded in 1962 and established as an association within the meaning of Article 60 et seq. of the Swiss Civil Code.

The ICVA 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

2a Accounting Conventions

ICVA financial statements have been prepared in accordance with the Statutes of ICVA (as approved by the 16th ICVA General Assembly on 10 March 2015),

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, which was revised in 2015).

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

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.

The Treasurer and Executive Director reviewed the ICVA annual financial statements on 26th February 2020, and the Board will approve them on 15th March 2020.

2b Valuation principles

Receivables are stated at their nominal value, less any value corrections.

2c Scope of the financial statements

Derogation from the continuity and disclosure principles : in order to ensure comparability with the current exercise, certain items from the previous year have been reclassified.

2d Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are converted into Swiss francs at the rate of exchange as at the year-end,

but Accounts Receivable in foreign currencies which are received before the closing of the annual accounts are recorded at

the exchange rate applied at the transaction date.

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 (using www.oanda.org).

2e Fixed assets

Normally, tangible assets are considered to be fixed assets when they are expected to be used for more than one year.

As an exception to this principle, ICVA charges the full cost in the year of acquisition of tangible assets since the most of the assets purchased are computer and conferencing equipment and it is difficult to determine, in a reliable way, their useful life and residual value.

2f Depreciation

Since ICVA expenses assets upon purchase, no depreciation is calculated.

Where capital leases exist, assets are depreciated over the duration of the lease, using the straight line method

2g Revenue recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will inure to ICVA and can be reliably estimated.

Donations

Donations are recognised in the statement of income and expenses once they definitively belong to ICVA. They are considered as unrestricted funds, unless the donor stipulates a specific restriction.

When the donor wishes to see a donation allocated to a specific cause, the donation is considered to be an allocated fund.

Allocated funds that have not been used at the end of the year are presented in a separate section of the balance sheet.

Funding contracts

Income from funding contracts signed between donors and ICVA is recognised in the year in which the financed expenditure is incurred.

Outstanding grant amounts at the accounting closure that will be used in future years are recognised under the section "Specific Project Balances".

2h Bequests

Bequests and legacies that are accepted but not liquidated are deemed to be contingent assets. They will be recognised as revenue when they are effectively transferred to ICVA, which will also acquire control thereof.

2i Contributions in kind

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

2j Programme expenditure

Expenditures are recognised when incurred.

2k Related parties

Related parties include Board members of ICVA, but not member organizations of ICVA, since ICVA is a network of independent non-governmental organizations.

2l Provisions

Provisions are made when it is reasonably certain that a specific liability will materialize and it can be valued accurately.

3. 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.

4. Performance report

In accordance with the Swiss Gaap RPC 21, ICVA produces an Annual narrative Report.

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:

5a Foreign exchange risk

ICVA is exposed to exchange rate fluctuations, insofar as 67% of its income and 19% of its 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.

5b Banking risk

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

5c 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.

5d 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 made up of cash or cash equivalents.

6. Cash & cash equivalents

	2019	2018
Bank accounts	1'105'157	841'694
Cash	8'701	5'541
Total	1'113'858	847'235

7. Accounts Receivable

	2019	2018
Membership Fees	36'352	89'583
PRM USA	71'945	301'235
OFDA USA	4'088	4'088
Netherlands - Ministry of Foreign Affairs	105'000	105'000
ECHO	101'850	90'035
IOM	12'794	-
OSF	210'033	-
Others	15'111	43'147
Total	557'173	633'088

Funding contract receivables come from contractual commitments signed with donors.

8. Prepaid expenses

	2019	2018
Prepaid expenses	7'000	7'916

The prepaid expenses are mainly made of insurances for the ICVA field staff, travels for meetings taking place in 2020.

9. Guarantee deposit

	2019	2018
Rental Deposits	20'077	20'075

The rental deposit includes the bank deposits for the office and parking.

10. Short-term liabilities

	2019	2018
Accounts payable	144'178	163'419
Accrued expenses	28'478	79'783
Deferred income	210'408	48'881
Total	383'064	292'083

11. Detail of income and expenditure

The detail of income and expenditure are shown in the 'Statement of Income and Expenditure'.

12. Personnel expenses

The number of full-time equivalents as at 31 December 2019 was 15.6 (2018: 13.9).

As permitted by Swiss GAAP FER 21, the total amount of remuneration paid to the persons entrusted with management is not disclosed.

A Personnel Contingency Reserve of CHF 63,021.52 as of 31 December 2019 (2018: CHF 64,132.75) represents the employees leave balance at the year-end.

13. Pension plan obligation

ICVA employees on contracts of three months or more 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 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 funded by the contributions of ICVA and the employees.

The plan covers the usual occupational benefits: retirement and invalidity pension, and death benefits. Risks are insured by Nest.

As at 31 December 2019, 14 employees were affiliated to the pension plan (2018: 14). As of December 31st, 2019 no LPP amount is due.

NEST	2019	2018
Vested benefits	1'556'630	686'845
Premiums paid	149'320	133'728
Capital ratio	112.0%	108.5%

14. Off-balance sheet commitments

14a Commitment linked to office contracts

ICVA leases office space for its headquarters under renewable lease contracts, with six months notice and leases printers for a period of five years, currently to January 2023.
The minimum future office space leases of 6 months as of 31/12/19 and that cannot be terminated, totalled CHF 45'570 (2018: CHF 45'570).

14b Leasing movement schedule

ICVA entered in a leasing agreement with Inergy on January 1st, 2018 for two printers for a 60 months period. This leasing is considered a finance lease and as such has been activated.

Value in CHF as of 01.01.2019	2019 Amortization amount in CHF		Value in CHF as of 31.12.2019
21'716	5'429		16'287

14c Board compensation

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

15. Subsequent events

There have been no significant events impacting the annual accounts of 2019 between the balance sheet date and the date of signing the financial statements.