

ICVA - International Council of Voluntary Agencies

Geneva

Report of the statutory auditor
to the Association Board

on the financial statements 2022



Report of the statutory auditor

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

Geneva

Report on the audit of the financial statements

Opinion

We have audited the financial statements of ICVA - International Council of Voluntary Agencies (the Association), which comprise the balance sheet as at 31 December 2022, and the statement of income and expenses, the statement of changes in capital and funds, the cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements comply with Swiss GAAP FER, with Swiss law and the association's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law 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 financial statements' section of our report. We are independent of the Association in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, 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.

Other information

The Association Board is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Association Board's responsibilities for the financial statements

The Association Board is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the association's articles of incorporation, and for such internal control as the Association Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Association Board is responsible for assessing the Association'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 Association Board either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

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Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 Association'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 Association 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 Association'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 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 Association to cease to continue as a going concern.

We communicate with the Association 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 paragraph 3 CC in connection with article 728a paragraph 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists which has been designed for the preparation of the 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
Licensed audit expert
Auditor in charge

Alexandre Meugnot

Geneva, 16 March 2023

Enclosure:

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



International
Council of
Voluntary
Agencies

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

***Financial Statements for the
period ended
31 December 2022***

ICVA (International Council of Voluntary Agencies, Geneva)

Balance sheet as at 31 December
(in Swiss francs)

Assets	Notes	2022	2021
Current assets			
Cash and cash equivalents	6	1'598'285	1'049'367
Accounts receivable	7	107'913	97'304
Prepaid expenses and accrued income	8	144'716	41'485
Other current assets		49'775	37'760
Total current assets		1'900'689	1'225'916
Non-current assets			
Financial assets	9	494	20'077
Property, plant and equipment, net		-	5'429
Total non-current assets		494	25'506
Total assets		1'901'183	1'251'422
Liabilities			
Current liabilities			
Accounts payable		192'048	124'356
Short-term interest-bearing liabilities		-	7'403
Accrued expenses		23'589	40'800
Deferred income		63'610	110'610
Short-term provision	10	80'283	42'252
Total current liabilities		359'530	325'421
Total liabilities		359'530	325'421
Restricted funds			
Specific project balances		922'782	307'859
Total restricted funds		922'782	307'859
Reserve			
General Reserve		618'142	613'056
Net result for the year		729	5'086
Total reserves		618'871	618'142
Total liabilities		1'901'183	1'251'422

ICVA (International Council of Voluntary Agencies, Geneva)

Statement of Income and Expenses for the period
ended 31 December
(in Swiss francs)

	Notes	2022	2021
Net proceeds from Membership Fees and Grants			
ICVA Membership Fees		588'477	549'841
Denmark - Ministry of Foreign Affairs		349'905	221'220
European Civil Protection and Humanitarian Aid Operations (ECHO)		3'150	-
Germany - German Humanitarian Assistance of the German Federal Foreign Affairs (SO7)		597'362	558'678
Grand Duchy of Luxembourg - Ministry of Foreign Affairs		145'905	108'198
Norway - Ministry of Foreign Affairs		164'186	153'900
Sweden - Swedish International Development cooperation Agency (SIDA)		274'440	324'510
Switzerland - Swiss agency for development and Cooperation (SDC) – Department of Foreign Affairs		500'000	300'000
Republic and Canton of Geneva - International Solidarity Service		60'000	40'000
United Nations Development Programme (UNDP)		-	32'274
United Nations Children's Fund (UNICEF)		8'387	44'718
United Nations High Commissioner for Refugees (UNHCR)		111'252	88'000
United Nations High Commissioner for Refugees (UNHCR) - PSEA Fund		494'215	336'275
Association Humanitarian Quality Assurance Initiative (HQAI) - Facilitation Fund		21'600	-
European Commission – Country Delegation of the European Union		29'682	-
Belgium - Directorate-General for Development Cooperation		240'165	-
Conrad N. Hilton Foundation		490'215	272'182
Open Society Foundations		136'913	-
Swiss Solidarity/Chaîne du Bonheur		30'000	-
Members' and partners' contributions to projects		13'829	52'324
		4'259'683	3'082'120
Other operating income		247'199	90'851
Operating Expenses			
Staff costs		- 2'317'284	- 1'965'188
Grants to local non-profit organizations		- 389'037	- 423'730
External Services		- 624'411	- 543'411
Travel expenses		- 230'134	- 30'098
Premises charges		- 76'097	- 121'054
Communications		- 69'141	- 105'491
Meeting, teleconference and webinar costs		- 66'724	- 79'234
IT expenses		- 28'038	- 52'567
Administration and office costs		- 7'142	- 8'831
Maintenance, repairs and equipment		- 6'321	- 2'626
Depreciation and valuation adjustments to fixed assets		- 5'429	- 5'429
Other costs		- 24'702	- 21'615
		662'422	186'303
Financial income		41'955	32'549
Financial expenses		- 152'653	- 79'677
		551'724	233'431
Income from previous years	11	24'406	-
Expenses from previous years	12	- 22'170	-
		553'960	233'431
		553'960	233'431
Reduction in Specific Project balances		1'256'590	1'121'377
Increase in Specific Project balances		- 1'809'821	- 882'860
		729	5'086

ICVA (International Council of Voluntary Agencies, Geneva)

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

Restricted funds	2022					Balance 31.12.2022
	Balance 01.01.2022	Opening adjustment (a)	Allocations	Appropriation	Total variation	
Republic and Canton of Geneva - International Solidarity Service - NGO FORA 2022	-		60'000	-21'263	38'737	38'737
United Nations High Commissioner for Refugees (UNHCR) - 2022	-		111'252	-111'252	-	-
United Nations High Commissioner for Refugees (UNHCR) - PSEA 2022	-		494'215	-356'727	137'488	137'488
Conrad N. Hilton Foundation IV - NGO FORA 2021/2022	113'185		-	-113'185	-113'185	-
Conrad N. Hilton Foundation V	165'034		-	-165'034	-165'034	-
Conrad N. Hilton Foundation VI	-		490'215	-30'082	460'133	460'133
Swiss agency for development and Cooperation – Department of Foreign Affairs 2021-2023	-19'377		200'000	-197'058	2'942	-16'435
Belgium - Directorate-General for Development Cooperation	-		240'165	-37'292	202'873	202'873
United Nations Children's Fund (UNICEF) IV 2021-2022	20'703	22'170	8'387	-51'260	-20'703	-
Grand Duchy of Luxembourg - Ministry of Foreign Affairs IV	-		145'905	-62'354	83'551	83'551
Open Society Foundations	8'937		-	-8'937	-8'937	-
European Commission – Country Delegation of the European Union	-		29'682	-72'146	-42'464	-42'464
Swiss Solidarity/Chaîne du Bonheur	-		30'000	-30'000	-	-
Total restricted funds	288'482	22'170	1'809'821	-1'256'590	575'401	863'883
Reserve						
General reserve	618'142		729	-	729	618'871
Total reserve	618'142		729	-	729	618'871
Total restricted funds and reserve	906'624					1'482'754

NB: Negative balance as at December 31, 2022 represent a receivable due by the donor to ICVA. It is included in the Accounts receivable line (see Note 7).

(a) Please refer to Note 12 for further information.

Restricted funds	2021					Balance 31.12.2021
	Balance 01.01.2021		Allocations	Appropriation	Total variation	
Republic and Canton of Geneva - International Solidarity Service - NGO FORA 2021	-		40'000	-40'000	-	-
United Nations High Commissioner for Refugees (UNHCR) - 2021	-		88'000	-88'000	-	-
United Nations High Commissioner for Refugees (UNHCR) - PSEA 2021	-		336'275	-336'275	-	-
Conrad N. Hilton Foundation IV - NGO FORA 2021/2022	180'934		-	-67'749	-67'749	113'185
Conrad N. Hilton Foundation V	-		233'395	-68'361	165'034	165'034
Swiss agency for development and Cooperation – Department of Foreign Affairs 2021-2023	150'000		-	-169'377	-169'377	-19'377
UNDP 2020/2021	13'345		32'274	-45'619	-13'345	-
United Nations Children's Fund (UNICEF) III 2021	25'269		1'845	-27'114	-25'269	-
United Nations Children's Fund (UNICEF) IV 2021-2022	-		42'873	-22'170	20'703	20'703
Grand Duchy of Luxembourg - Ministry of Foreign Affairs III	-		108'198	-108'198	-	-
Open Society Foundations	97'451		-	-88'514	-88'514	8'937
General Assembly	60'000		-	-60'000	-60'000	-
Total restricted funds	526'999		882'860	-1'121'377	-238'517	288'482
Reserve						
General reserve	613'056		5'086	-	5'086	618'142
Total reserve	613'056		5'086	-	5'086	618'142
Total restricted funds and reserve	1'140'055					906'624

ICVA (International Council of Voluntary Agencies, Geneva)

**Cash Flow Statement for the financial year
ended 31 December 2022
(in Swiss francs)**

	2022	2021
Net result for the year	729	5'086
Change in funds	575'401 -	238'517
Depreciation and valuation adjustments to fixed assets	5'429	5'429
Allocations to provision	39'091 -	37'710
Result for the year (before change in net working capital)	620'650 -	265'712
Decrease/(Increase) in Accounts receivable	27'852 -	61'830
Decrease/(Increase) in Prepaid expenses and accrued income	- 115'245 -	37'682
(Decrease)/Increase in Accounts payable and accrued expenses	50'481 -	36'398
(Decrease)/Increase in Deferred income	- 47'000	71'825
Cash flow from operating activities	536'738 -	329'797
Deposit repayment	19'583	-
Financial assets (Guarantee deposit/equipment lease)	-	-
Cash flow from investing activities	19'583	-
Lease repayments	- 7'403 -	6'247
Cash flow from financing activities	- 7'403 -	6'247
Net increase/decrease in cash and cash equivalents	548'918 -	336'044
Cash & cash equivalents, beginning of year	1'049'367	1'385'411
Cash & cash equivalents, end of year	1'598'285	1'049'367
Change in Cash & cash equivalents	548'918 -	336'044

ICVA (International Council of Voluntary Agencies, Geneva)

Notes to the 2022 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.

ICVA (International Council of Voluntary Agencies, Geneva)

Notes to the 2022 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 April 9, 2019 for an unlimited period.

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 and the BCGE, which have 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.

ICVA (International Council of Voluntary Agencies, Geneva)

Notes to the 2022 Financial Statements (in Swiss francs)

6. Cash & cash equivalents

	2022	2021
Bank accounts	1'594'500	1'045'626
Cash	3'785	3'741
Total	1'598'285	1'049'367

7. Accounts Receivables

	2022	2021
Membership Fees	77'222	94'678
Provision Membership Fees	-28'208	-27'148
Swiss agency for development and Cooperation – Department of Foreign Affairs	16'435	19'377
European Commission – Country Delegation of the European Union	42'464	-
Others	-	10'397
Total accounts receivables	107'913	97'304

ICVA has open receivables at the end of the year with Donors listed above, as the expenses incurred during the period exceed the transfers received before the end of the year. Further fund will be received in next period, thus it triggered recognition of a receivable.

ICVA performed an individual analysis of Membership Fees due at 31 December 2022, and assessed that a provision was necessary to cover the risk of no collection at 31 December 2022 for 28'208.

8. Prepaid expenses and accrued income

	2022	2021
Prepaid expenses and accrued income	144'716	41'485

The prepaid expenses and accrued income are mainly composed of insurance premiums and payment for services not yet rendered on the field.

9. Financial assets

	2022	2021
Rental Deposits	494	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 over the period ended 31 December 2022 was 20.5 (2021: 18.8).

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

A provision of 80'284 as of 31 December 2022 (2021: 42'252) was recorded for the employees leave balance at the year-end.

11. Income from previous years

Incomes from previous years represents mainly the VAT corrections submitted in 2022 for the periods from 2017 to 2020. These VAT corrections were a net gain for ICVA of CHF 24'326. Also, an application fee of CHF 80 for a closed period has been invoiced to a member during the period.

12. Expenses from previous years

It represents an adjustment of a fund opening balance to reconcile with a report provided to the donor. The grant period was postponed, the fund should not have been used in 2021. This changes unknown at the closing of the 2021 accounts is a cost of CHF 22'170 in 2022.

ICVA (International Council of Voluntary Agencies, Geneva)

Notes to the 2022 Financial Statements (in Swiss francs)

13. 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 "Patimonia", 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 the pension funds.

The capital ratio of the pension fund is 99% at 31 December 2022 (2021: 110%). The ratio is 100% in January 2023.

As of December 31st, 2022, LPP amount due was CHF 35'182 (2021: 35'516).

14. Off-balance sheet commitments

Commitments related to office contracts

On June 30, 2022, ICVA left the office space rent in Geneva for its headquarters, no commitment exists anymore for it. From July 1, 2022, ICVA rents a new office space in Geneva for its headquarters under renewable contracts for a period of 5 years, with a notice period for termination of nine months.

Commitments related to office contracts are as at December 31:

	2022	2021
To 1 year	29'194	50'232
From 1 to 5 years	116'777	39'312
	145'971	89'544

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 was considered as a finance lease and had been activated. The future payments were:

	2022	2021
To 1 year	-	8'100
From 1 to 5 years	-	-
	-	8'100

During 2022, the leasing agreement has been terminated.

15. 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.

16. Subsequent events

Subsequent to the end of the financial year, there have been no significant events impacting the annual accounts of 2022 between the balance sheet date and the date of signing the financial statements.