

Report of the auditors
to the Governing Board of
International Centre for Trade and
Sustainable Development
Geneva

As auditors, we have audited the financial statements of International Centre for Trade and Sustainable Development, which comprise the balance sheet, statement of revenue and expenses, statement of cash flows and notes for the year ended December 31, 2009.

Executive Committee's responsibility

The Executive Committee is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the requirements of the Association. 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 Executive Committee 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 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 existence and effectiveness of the entity's internal control system.

An audit also includes evaluating the appropriateness of the 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 December 31, 2009 comply with Swiss law, the accounting policies disclosed in Note 2 and the articles of association.

PricewaterhouseCoopers SA



Philippe Tzaud
Audit expert
Auditor in charge



Marc Secretan
Audit expert

Geneva, March 29, 2010

Enclosure:

- Financial statements (balance sheet, statement of revenue and expenses, statement of cash flows and notes)

International Centre for Trade and Sustainable Development

BALANCE SHEET
DECEMBER 31, 2009 and 2008

<u>ASSETS</u>	<u>Notes</u>	<u>2009</u> CHF	<u>2008</u> CHF
Current assets			
Cash and current accounts		45,346	943,398
Accounts receivable and prepayments	3	143,212	104,594
Accrued core and thematic contribution revenues	7	824,880	200,988
Accrued project and programme contribution revenues	9	975,096	347,525
Total current assets		<u>1,988,534</u>	<u>1,596,505</u>
Fixed assets			
Office furniture	4	55,147	96,166
IT equipment	4	17,997	11,265
IT software	4	6,568	65,742
Web site and library	4	859	17,039
Total fixed assets		<u>80,571</u>	<u>190,212</u>
TOTAL ASSETS		<u><u>2,069,105</u></u>	<u><u>1,786,717</u></u>
<u>LIABILITIES</u>			
Current liabilities			
Payables and accrued expenses		2,513,525	1,686,764
Deferred project and programme contribution revenues	5	86,170	450,445
Total current liabilities		<u>2,599,695</u>	<u>2,137,209</u>
Reserve funds			
Fund balance		(530,590)	(350,492)
TOTAL LIABILITIES AND FUNDS		<u><u>2,069,105</u></u>	<u><u>1,786,717</u></u>

(see notes to the financial statements)

International Centre for Trade and Sustainable Development
STATEMENT OF REVENUE AND EXPENSES AND FUND BALANCES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2009 and 2008

<u>REVENUE</u>	<u>Notes</u>	<u>2009</u> CHF	<u>2008</u> CHF
Core and Thematic Contributions	6	7,731,592	7,398,914
Project and Programme Contributions	8	2,638,201	3,005,866
Other income		62,708	3,879
		<hr/>	<hr/>
Total revenue for the period		10,432,501	10,408,659
		<hr/>	<hr/>
 <u>EXPENSES</u>			
Personnel related costs		5,966,079	5,981,113
Dialogues		1,219,041	1,023,671
Publications and communication expenses		748,954	622,815
Research and technical services		1,676,349	1,568,088
General and administrative expenses		864,575	1,009,617
Depreciation and amortization expense		137,601	164,546
		<hr/>	<hr/>
Total expenses for the period		10,612,599	10,369,850
		<hr/>	<hr/>
Funding variation for the period		(180,098)	38,809
		<hr/>	<hr/>
Fund balance at beginning of period		(350,492)	(389,301)
		<hr/>	<hr/>
Fund balance at end of period		(530,590)	(350,492)
		<hr/> <hr/>	<hr/> <hr/>

(see notes to the financial statements)

International Centre for Trade and Sustainable Development

STATEMENT OF CASH FLOW

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2009 and 2008

	<u>Notes</u>	<u>2009</u> CHF	<u>2008</u> CHF
Cash flow from operating activities			
Funding variation for the period		(180,098)	38,809
Adjustment for depreciation and amortization	4	<u>137,601</u>	<u>164,546</u>
Operating (Deficit)/Surplus before working capital changes		(42,497)	203,355
Working capital changes:			
(Increase)/Decrease in accounts receivable and prepayments	3	(38,618)	29,497
(Increase)/Decrease in accrued core/thematic contributions	7	(623,892)	477,445
(Increase) in accrued project/programme contributions	9	(627,571)	(225,627)
Decrease in accrued project/programme contrb'ns carried fwd	9	0	109,706
Increase/(Decrease) in payables and accrued expenses		826,761	(34,261)
(Decrease)/Increase in deferred project/programme contrb'ns	5	(364,275)	350,445
(Decrease) in deferred core/thematic contributions	7	0	(3,470,499)
Net cash (Used) by operations		<u>(870,092)</u>	<u>(2,559,939)</u>
Cash flow from investing activities			
Acquisition of fixed assets	4	<u>(27,960)</u>	<u>(140,468)</u>
Net cash (Used) in investing activities		<u>(27,960)</u>	<u>(140,468)</u>
Net (decrease) increase in cash and cash equivalents		(898,052)	(2,700,407)
Cash at the beginning of the period		943,398	3,643,805
Cash at the end of the period		<u><u>45,346</u></u>	<u><u>943,398</u></u>

(see notes to the financial statements)

International Centre for Trade and Sustainable Development

NOTES TO FINANCIAL STATEMENTS

December 2009

Note 1 - Organization

The Founding Statutes of the International Centre for Trade and Sustainable Development (hereinafter called "Centre") were adopted on June 20, 1996. The Centre is constituted in Geneva as an Association under Article 60 of the Swiss Civil Code.

The goal of the Centre is to contribute to the achievement of sustainable development in its economic, environmental, social, and political dimensions. The Centre's objectives are to:

- a) Contribute to a better understanding of development and environment concerns in the trade policy process;
- b) Enable participation in trade policy making, with special attention to the needs of those who are formally excluded or excluded, de-facto, for reasons of funding, geography or political conditions, including NGOs, other civil society organizations, developing country participants, and other key actors;
- c) Stimulate the interest of NGOs and other key actors in trade and sustainable development;
- d) Bridge the gap in information and communication between the NGO and trade policy communities.

Note 2 - Basis of presentation and significant accounting policies

These financial statements have been prepared by applying the following significant accounting policies on a consistent basis:

a. Historical cost basis

These financial statements have been prepared under the historical cost convention.

b. Accruals basis

Expenses are accrued in the period when the associated benefits are received.

c. Revenue recognition - contributions

Core and thematic contributions refer to donations that have not been earmarked for a specific project or programme. Core and thematic contributions are recorded as revenue in the period to which they contractually relate, regardless of when received.

Project and programme contributions refer to donations that the donor stipulates should fund a particular project or programme of the Centre and are recognized as revenue over the period to which they contractually relate. Project and programme revenues are periodically recognized in relation to the estimated percentage of completion of the project or programme.

International Centre for Trade and Sustainable Development

NOTES TO FINANCIAL STATEMENTS

December 2009

Note 2 - Accounting policies (continued)

d. Revenue recognition - other

Revenue from the sale of publications is recorded when the publications are dispatched to the customer. Revenue from the sale of services is recorded in the period during which they are provided.

e. Fixed assets - tangible assets

Tangible assets are recorded at cost and are depreciated on a straight-line basis over the useful economic life of the asset.

f. Fixed assets - intangible assets

Costs incurred in creating the Centre's library, databases and Web-site are expensed in the year incurred. Costs capitalized as fixed assets in prior years are being amortized on a straight-line basis over 4 years.

g. Taxes

At the present time, no Swiss income or capital taxes are levied against the Centre and, accordingly, no provision for such taxes has been recorded. The Centre is exempt from Swiss income and capital taxes as applicable for associations.

h. Foreign exchange differences

Transactions denominated in currencies other than the Swiss Franc are translated into Swiss Francs at the rate of exchange at the date of the transaction. Any differences arising upon the settlement of transactions in foreign currencies are recorded as foreign exchange gains or losses in the Statement of Revenue and Expenses and Fund Balances. Period end balances for assets and liabilities held in foreign currencies are converted to Swiss Francs at the market rate. Any differences are recorded in the financial statements as unrealized gains or losses in the Statement of Revenue and Expenses and Fund Balances.

i. Reclassification of expenses

Certain general and administrative expenses have been reclassified for 2009. The 2008 results have been restated on the basis of the same reclassification.

Note 3 - Accounts Receivable and Prepayments

	<u>2009</u>	<u>2008</u>
	CHF	CHF
Staff loans receivable	55,142	73,251
Staff travel advances	21,824	20,819
Other receivables and prepayments	66,246	10,524
	<u>143,212</u>	<u>104,594</u>

International Centre for Trade and Sustainable Development

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009

Note 4- Fixed assets

	IT equipment	IT software	Web-site & library	Office furniture	Total
	<u>CHF</u>	<u>CHF</u>	<u>CHF</u>	<u>CHF</u>	<u>CHF</u>
Cost					
At beginning of the period	363,760	188,483	223,120	210,026	985,389
Acquisitions during the period	<u>24,906</u>	<u>3,054</u>	<u>-</u>	<u>-</u>	<u>27,960</u>
Cost at end of period	<u>388,666</u>	<u>191,537</u>	<u>223,120</u>	<u>210,026</u>	<u>1,013,349</u>
Depreciation					
At beginning of the period	<u>352,495</u>	<u>122,741</u>	<u>206,081</u>	<u>113,860</u>	<u>795,177</u>
Charge for the period	<u>18,174</u>	<u>62,228</u>	<u>16,180</u>	<u>41,019</u>	<u>137,601</u>
Accumulated depreciation	<u>370,669</u>	<u>184,969</u>	<u>222,261</u>	<u>154,879</u>	<u>932,778</u>
Net Book Value	<u><u>17,997</u></u>	<u><u>6,568</u></u>	<u><u>859</u></u>	<u><u>55,147</u></u>	<u><u>80,571</u></u>

International Centre for Trade and Sustainable Development

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009 and 2008

Note 5 - Deferred project and programme contributions revenue

	<u>2009</u>	<u>2008</u>
	CHF	CHF
Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ)	86,170	-
Government of Norway (Ministry of Foreign Affairs)	-	283,261
Government of Denmark (Ministry of Foreign Affairs)	-	167,184
	<u>86,170</u>	<u>450,445</u>

Note 6 - Core and thematic contributions (Income statement)

Core and thematic contributions recognised during the period include the following :

	<u>2009</u>	<u>2008</u>
U.K. Government (DFID)	2,599,621	2,850,738
Government of Sweden (SIDA)	2,380,160	2,200,331
Government of the Netherlands (DGIS)	1,417,323	1,270,168
Government of Denmark (Ministry of Foreign Affairs)	509,608	543,855
Government of Finland (Ministry of Foreign Affairs)	-	299,860
William & Flora Hewlett Foundation	-	32,974
Accrued contributions (see note 7 below)	824,880	200,988
	<u>7,731,592</u>	<u>7,398,914</u>

Note 7 - Core and thematic contributions (Balance Sheet)

Accrued core and thematic contributions consists of:

U.K. Government (DFID)	646,356	-
Government of Finland (Ministry of Foreign Affairs)	178,524	-
	<u>824,880</u>	<u>0</u>

Accrued core and thematic contribution carried forward from prior years consists of:

Government of the Netherlands (DGIS)	-	200,988
	<u>0</u>	<u>200,988</u>

International Centre for Trade and Sustainable Development

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009 and 2008

Note 8 - Project and programme contribution revenues (Income statement)

Project and programme contributions recognized during the period include the following:

	2009	2008
	CHF	CHF
Government of Norway (Ministry of Foreign Affairs)	536,796	383,261
International Institute for Sustainable Development (IISD)	240,000	-
U.K. Government (DFID)	203,059	-
Government of Denmark (Ministry of Foreign Affairs)	167,184	333,261
OXFAM/NOVIB	150,670	119,571
Asociación Latinoamericana de Industrias Farmacéuticas (ALIFAR)	99,668	-
l'Agence Intergouvernementale de la Francophonie (AIF)	70,210	-
Geneva International Academic Network (GIAN)	60,000	-
World Health Organization (WHO)	55,539	-
United Nations Environment Programme	21,779	-
Brandeis	21,204	-
Commonwealth Secretariat	18,845	186,962
Royal Institute of International Affairs	18,151	-
William & Flora Hewlett Foundation	-	813,503
Government of Sweden (Ministry of Foreign Affairs)	-	290,260
Government of Finland (Ministry of Foreign Affairs)	-	247,056
U.N. Foundation	-	131,772
Government of Switzerland (SECO)	-	100,000
United Nations Development Programme	-	28,288
International Fund for Agricultural Development (IFAD)	-	16,375
Friedrich Ebert Stiftung	-	8,032
Accrued contributions (see note below)	975,096	347,525
	<u>2,638,201</u>	<u>3,005,866</u>

Note 9 - Project and programme contribution revenues (Balance sheet)

Accrued project and programme contributions recognized during the period include the following:

Government of Switzerland (SECO)	325,000	-
Government of Finland (Ministry of Foreign Affairs)	267,786	-
U.K. Government (DFID)	240,000	300,000
World Health Organization (WHO)	55,539	-
International Food and Agricultural Trade Policy Council (IPC)	47,011	-
United Nations Environment Programme (UNEP)	20,760	-
Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ)	19,000	-
U.N. Foundation	-	47,525
	<u>975,096</u>	<u>347,525</u>

International Centre for Trade and Sustainable Development

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009 and 2008

Note 10 - Sources and Uses of Global-Platform-Related Project Grants

	<u>2009</u>	<u>2008</u>
	CHF	CHF
Sources		
Government of Norway	461,519	383,261
U.K. Government (DfID)	443,059	300,000
Government of Finland (Ministry of Foreign Affairs)	267,786	247,056
International Institute for Sustainable Development (IISD)	240,000	
Government of Denmark (Ministry of Foreign Affairs)	167,184	333,261
OXFAM/NOVIB	150,670	119,571
International Food & Agricultural Trade Policy Council (IPC)	47,011	
United Nations Environment Programme	42,539	
Commonwealth Secretariat	18,844	186,962
Royal Institute of International Affairs	18,152	
Government of Sweden (Ministry of Foreign Affairs)		290,260
U.N. Foundation		179,298
	<u>1,856,764</u>	<u>2,039,669</u>
Funds Allocated from Thematic Funding Sources	834,715	
	<u>2,691,479</u>	
Uses		
Personnel and overhead related costs	1,784,632	1,350,987
Dialogues	511,706	295,451
Publications and communication expenses	141,669	59,172
Research and technical services	253,472	334,059
	<u>2,691,479</u>	<u>2,039,669</u>

Note 11 - Recoupment of the fund balance deficit

The Governing Board believes it will be able to recoup the fund balance deficit over the next few years.

International Centre for Trade and Sustainable Development

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009

Note 12- Core and Thematic Funding by Outcome

CHF

		Outcome 1: EMPOWERING STAKEHOLDERS	Outcome 2: HARNESSING TRADE FOR DEVELOPMENT	Outcome 3: ARTICULATING POVERTY AND DEVELOPMENT LINKAGES IN REGIONAL NEGOTIATIONS	Outcome 4: PROMOTING FOOD AND LIVELIHOOD SECURITY IN TRADE NEGOTIATIONS	Outcome 5: TRADE, CLIMATE CHANGES AND NATURAL RESOURCES	Outcome 6: PROMOTING A BALANCED GLOBAL INTELLECTUAL PROPERTY SYSTEM
	<u>2009 TOTAL</u>						
<u>Thematic</u>							
U.K. Government (DFID)	3,245,977	1,108,475	206,750	310,126	495,404	310,125	815,097
Government of Sweden (SIDA)	2,380,160	891,035	130,914	904,254		453,957	
Government of the Netherlands (DGIS)	1,417,323	888,047	49,935		211,625	267,716	
Government of Finland (Ministry of Foreign Affairs)	178,524	89,262	89,262				
Total Thematic contributions by Outcome	<u>7,221,984</u>	<u>2,976,819</u>	<u>476,861</u>	<u>1,214,380</u>	<u>707,029</u>	<u>1,031,798</u>	<u>815,097</u>
<u>Core</u>							
Government of Denmark (Ministry of Foreign Affairs)	509,608						
Total Core contributions	<u>509,608</u>						
Total Core and Thematic contributions	<u>7,731,592</u>						