



***International Centre for Trade and
Sustainable Development
Geneva***

***Report of the statutory auditor
to the Governing Board
on the financial statements 2011***



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

Report of the statutory auditor on the financial statements

As auditor, we have audited the accompanying 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 31 December 2011.

Management's Responsibility

The management is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. 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 management 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 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 31 December 2011 comply with Swiss law, the accounting policies disclosed in Note 2 and the association's articles of association.

In addition, 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's Governing Board.

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

PricewaterhouseCoopers SA

A handwritten signature in black ink, appearing to be 'Philippe Tzaud', written over a horizontal line.

Philippe Tzaud

Audit expert

Auditor in charge

A handwritten signature in black ink, appearing to be 'Marc Secretan', written over a horizontal line.

Marc Secretan

Audit expert

Geneva, 13 March 2012

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

31 December 2011 and 2010

<u>ASSETS</u>	<u>Notes</u>	<u>2011</u> CHF	<u>2010</u> CHF
Current assets			
Cash and current accounts		741'709	1'443'228
Accounts receivable and prepayments	3	88'272	53'383
Accrued core and thematic contributions	7	306'900	632'723
Accrued project and programme contributions	9	163'062	
Total current assets		<u>1'299'943</u>	<u>2'129'334</u>
Fixed assets			
Office furniture	4		24'594
IT equipment	4		5'547
Total fixed assets			<u>30'141</u>
TOTAL ASSETS		<u>1'299'943</u>	<u>2'159'475</u>
<u>LIABILITIES</u>			
Current liabilities			
Payables and accrued expenses		1'341'408	1'761'982
Deferred project and programme contributions	5	36'665	371'511
Deferred core and thematic contributions	5		200'000
Total current liabilities		<u>1'378'073</u>	<u>2'333'493</u>
Reserve funds			
Fund balance		(78'130)	(174'018)
TOTAL LIABILITIES AND FUNDS		<u>1'299'943</u>	<u>2'159'475</u>

International Centre for Trade and Sustainable Development

STATEMENT OF REVENUE AND EXPENSES AND FUND BALANCES

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2011

		<u>2011</u>	<u>2010</u>
<u>REVENUE</u>	<u>Notes</u>	CHF	CHF
Core and Thematic Contributions	6	6'781'692	7'649'010
Project and Programme Contributions	8	730'367	989'729
Other income	8	252'270	51'985
		<hr/>	<hr/>
Total revenue for the period		7'764'329	8'690'724
		<hr/>	<hr/>
 <u>EXPENSES</u>			
Personnel related costs		5'402'188	5'738'184
Dialogues		698'908	601'085
Publications and communication expenses		156'038	210'861
Research and technical services		646'120	881'751
Office rent and utilities		245'006	256'072
Professional fees		126'174	185'481
IT support		129'196	78'333
Currency exchange gains/losses			98'450
Other general and administrative expenses		234'672	233'504
Depreciation and amortization expense	4	30'140	50'431
		<hr/>	<hr/>
Total expenses for the period		7'668'441	8'334'152
		<hr/>	<hr/>
Funding variation for the period		95'888	356'572
		<hr/>	<hr/>
Fund balance at beginning of period		(174'018)	(530'590)
		<hr/>	<hr/>
Fund balance at end of period		(78'130)	(174'018)
		<hr/> <hr/>	<hr/> <hr/>

International Centre for Trade and Sustainable Development

NOTES TO FINANCIAL STATEMENTS

décembre 2011

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

décembre 2011

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 exceeding the amount of CHF 1,000, are recorded at cost and are depreciated on a straight-line basis over the useful economic life of the asset. Smaller capital assets and IT Software assets are expensed when acquired.

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 were 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 was exempt from Swiss income and capital taxes during the period ending 31 December 2011. The Centre is not a Value Added Tax ("VAT") registrant in Switzerland and is therefore not entitled to recover VAT on purchased goods and services.

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. 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 gains or losses in the Statement of Revenue and Expenses and Fund Balances.

Note 3 - Accounts Receivable and Prepayments

	<u>2011</u>	<u>2010</u>
	CHF	CHF
Staff loans receivables	37'041	30'583
Staff travel advances		24'990
Bridges Publications Sarl	40'890	
Other receivables and prepayments	10'341	(2'189)
	<u>88'272</u>	<u>53'384</u>

International Centre for Trade and Sustainable Development

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

Note 4 - Fixed assets

	<u>IT equipment</u>	<u>IT software</u>	<u>Web-site & library</u>	<u>Office furniture</u>	<u>Total</u>
	CHF	CHF	CHF	CHF	CHF
Cost					
At beginning of the period	388'666	191'537	223'120	210'028	1'013'351
Acquisitions during the period					
Cost at end of period	<u>388'666</u>	<u>191'537</u>	<u>223'120</u>	<u>210'028</u>	<u>1'013'351</u>
Depreciation					
At beginning of the period	383'120	191'537	223'120	185'434	983'210
Charge for the period	<u>5'546</u>	<u>0</u>	<u>0</u>	<u>24'594</u>	<u>30'140</u>
Accumulated depreciation	<u>388'666</u>	<u>191'537</u>	<u>223'120</u>	<u>210'028</u>	<u>1'013'351</u>
Net Book Value	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2011 and 2010

Note 5 - Deferred Revenue

	<u>2011</u>	<u>2010</u>
	CHF	CHF
<u>Core and Thematic Contributions (Income statement)</u>		
Government of Sweden (SIDA)		<u>200'000</u>
Programme and Project Contributions		
Government of Norway (Ministry of Foreign Affairs)		167'250
Deutsche Gesellschaft für Technische Zusammenarbeit (GIZ)		90'736
InterAmerican Development Bank		81'240
Government of Brazil (Permanent Mission to WTO)	25'000	
Government of Taiwan (Permanent Mission to WTO)	11'665	
Other Sundry income		32'285
	<u>36'665</u>	<u>371'511</u>
	<u>36'665</u>	<u>571'511</u>

Note 6 - Core and thematic contributions (Income statement)

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

	<u>2011</u>	<u>2010</u>
	CHF	CHF
Government of United Kingdom (UK) (DFID)	2'390'234	1'920'729
Government of Sweden (SIDA)	2'147'400	1'799'802
Government of the Netherlands (DGIS)	1'198'439	1'417'323
Government of Denmark (Ministry of Foreign Affairs)	580'820	818'973
Government of Finland (Ministry of Foreign Affairs)		286'880
Government of Norway (Ministry of Foreign Affairs)	157'899	413'020
Australia - AusAid		359'560
Accrued contributions (see note 7 below)	306'900	632'723
	<u>6'781'692</u>	<u>7'649'010</u>

Note 7 - Accrued Core and thematic contributions (Balance Sheet)

Core and thematic contributions not received but accrued:

Government of United Kingdom (UK) (DFID)		632'723
Government of Finland (Ministry of Foreign Affairs)	306'900	
	<u>306'900</u>	<u>632'723</u>

International Centre for Trade and Sustainable Development

NOTES TO FINANCIAL STATEMENTS

December 31, 2011 and 2010

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

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

	<u>2011</u>	<u>2010</u>
	CHF	CHF
Government of Norway (Ministry of Foreign Affairs)	167'250	
OXFAM/NOVIB	122'070	171'325
Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ)	88'797	159'985
InterAmerican Development Bank (IADB)	81'240	42'012
World Health Organization (WHO)	7'400	313'940
World Trade Organization (WTO)	7'360	37'427
Government of United Kingdom (UK) (DFID)		243'561
Food and Agriculture Organization of the United Nations (FAO)		21'479
Meridian Institute	46'962	
Government of South Africa (Department of Trade and Industry)	22'130	
Government of Taiwan	12'735	
Columbia University	11'361	
Accrued contributions (see note 9 below)	163'062	
	<u>730'367</u>	<u>989'729</u>
Other sundry income	252'270	51'985
	<u>252'270</u>	<u>51'985</u>
	<u>982'637</u>	<u>1'041'714</u>

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

	<u>2011</u>	<u>2010</u>
	CHF	CHF
Accrued project and programme contributions		
Government of Switzerland (SECO)	115'250	
Government of Switzerland (FOEN)	10'000	
Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ)	8'617	
German NGO Forum Environment and Development	24'620	
COP17 Durban Symposium	4'575	
	<u>163'062</u>	

NOTES TO FINANCIAL STATEMENTS

December 31, 2011 and 2010

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

	<u>2011</u>	<u>2010</u>
	CHF	CHF
Sources		
Government of United Kingdom (UK) (DfID)	597'559	243'561
Government of Sweden (SIDA)	438'425	309'950
Government of the Netherlands (DGIS)	302'465	
Government of Norway (Ministry of Foreign Affairs)	167'250	
Government of Denmark (Ministry of Foreign Affairs)	106'484	363'988
Government of Norway	32'238	
Government of Finland (Ministry of Foreign Affairs)	22'595	182'000
Government of South Africa (Department of Trade and Industry)	22'130	
Government of Australia		169'892
OXFAM/NOVIB	31'510	171'325
InterAmerican Development Bank (IADB)	81'240	
Meridian Institute	46'962	
German NGO Forum Environment and Development	24'620	
Columbia University	11'361	
Other sundry donors	46'463	
	<u>1'931'302</u>	<u>1'440'716</u>
Funds Allocated from Thematic Funding Sources	10'360	689'617
	<u><u>1'941'662</u></u>	<u><u>2'130'334</u></u>
 Uses		
Personnel and overhead related costs	1'712'093	1'855'593
Dialogues	171'919	149'764
Publications and communication expenses	15'505	40'539
Research and technical services	42'145	84'438
	<u><u>1'941'662</u></u>	<u><u>2'130'334</u></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, 2011

Note 12- Core and Thematic Funding by Outcome

		Outcome 1	Outcome 2	Outcome 3	Outcome 4	Outcome 5
		EMPOWERING STAKEHOLDERS	STRENGTHENING THE MULTILATERAL TRADING SYSTEM	DOHA & MULTILATERAL NEGOTIATIONS	TRADE, CLIMATE CHANGE & SUSTAINABLE DEVELOPMENT	REGIONAL TRADE ARRANGEMENTS
<u>2011 TOTAL</u>	<u>CHF</u>	<u>CHF</u>	<u>CHF</u>	<u>CHF</u>	<u>CHF</u>	<u>CHF</u>
<u>Thematic</u>						
Government of United Kingdom (UK) (DFID)	2'390'234	746'948	298'779	448'169	597'559	298'779
Government of Sweden (SIDA)	2'147'400	843'147	183'483	424'549	438'425	257'797
Government of the Netherlands (DGIS)	1'198'439	338'503	135'951	267'070	302'465	154'450
Government of Denmark (Ministry of Foreign Affairs)	580'820	238'093	67'762	144'172	106'484	24'308
Government of Finland (Ministry of Foreign Affairs)	306'900	33'336	153'450	60'675	22'595	36'844
Government of Norway	157'899	61'997	13'492	31'217	32'238	18'956
Total Thematic contributions by Outcome	6'781'692	2'262'025	852'917	1'375'852	1'499'764	791'134
Project & Programme Contributions	730'367					
Other sundry income	252'270					
Total Core, Thematic and Project contributions	7'764'329					