
International Centre for Trade and Sustainable Development

Geneva

***Report of the statutory auditor
to the Governing Board on the financial
statements 2017***





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 statutory 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, cash flow statement and notes, for the year ended 31 December 2017.

Management's responsibility

The Management is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the association'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 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 2017 comply with Swiss law and the association's articles of incorporation.

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.

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 Governing Board.

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

PricewaterhouseCoopers SA



Marc Secretan

Audit expert
Auditor in charge



Alexandre Meugnot

Geneva, 30 April 2018

Enclosure:

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

*International Centre for Trade and
Sustainable Development
Geneva*

*Report of Statutory auditor to the Governing Board
on the financial Statements 2017*

International Centre for Trade and Sustainable Development
BALANCE SHEET
FOR THE PERIOD ENDED DECEMBER 31, 2017 and 2016

<u>ASSETS</u>	<u>Notes</u>	<u>2017</u> CHF	<u>2016</u> CHF
Current assets			
Cash and current accounts		1,276,323	873,863
Accounts receivable and prepayments	3	346,260	453,524
Accrued core and thematic contributions	6(a)	559,674	946,355
Accrued project and programme contributions	6(b)	261,884	343,446
Total current assets		2,444,141	2,617,188
Fixed assets			
Office furniture	4	54,234	72,312
IT equipment	4	16,123	27,276
Total fixed assets		70,357	99,588
TOTAL ASSETS		2,514,498	2,716,776
<u>LIABILITIES</u>			
Current liabilities			
Accounts payables		1,518,490	1,013,757
Accrued expenses		549,055	527,486
Deferred project and programme contributions	5	167,507	948,958
Total current liabilities		2,235,052	2,490,201
Fund balance		279,446	226,575
TOTAL LIABILITIES AND FUNDS		2,514,498	2,716,776

(see notes to the financial statements)

International Centre for Trade and Sustainable Development
STATEMENT OF REVENUE AND EXPENSES AND FUND BALANCES
FOR THE PERIOD ENDED DECEMBER 31, 2017 and 2016

<u>REVENUE</u>	<u>Notes</u>	<u>2017</u> CHF	<u>2016</u> CHF
Core and Thematic Contributions - Govs	7	5,634,899	7,744,969
Project and Programme Contributions	8	2,421,810	542,685
Other income		3,142	6,923
Total revenue for the period		<u>8,059,851</u>	<u>8,294,577</u>
 <u>EXPENSES</u>			
Operating expenses			
Personnel related costs		4,930,118	5,318,657
Dialogues		1,198,198	531,494
Publications and communication expenses		239,893	256,638
Research and technical services		948,149	1,034,524
Office rent and utilities		237,128	280,823
Professional fees	3(a)	157,356	156,471
IT support		87,623	317,857
Other general and administrative expenses		141,605	214,736
Depreciation and amortization expense	4	39,830	55,881
Subtotal operating expenses		<u>7,979,900</u>	<u>8,167,081</u>
 Finance related expenses			
Currency exchange (gains) / losses		14,134	71,522
Bank charges and interest expenses		12,946	20,877
Subtotal finance related expenses		<u>27,080</u>	<u>92,399</u>
Total expenses for the period		<u>8,006,980</u>	<u>8,259,480</u>
Funding variation for the period		52,871	35,097
Fund balance at beginning of the period		226,575	191,478
Fund balance at end of the period		<u>279,446</u>	<u>226,575</u>

(see notes to the financial statements)

International Centre for Trade and Sustainable Development

STATEMENT OF CASH FLOW

FOR THE PERIOD ENDED DECEMBER 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<u>Notes</u>	<u>CHF</u>	<u>CHF</u>
Cash flow from operating activities		
Funding variation for the period	52,871	35,097
Adjustment for depreciation and amortization	4 39,830	55,881
Operating (Deficit)/Surplus before working capital changes	92,701	90,978
Working capital changes:		
(Increase)/Decrease in accounts receivable and prepayments	3 107,265	277,244
(Increase)/Decrease in accrued core/thematic contributions	7 386,681	(946,355)
(Increase)/Decrease in accrued project/programme contributions	9 81,556	138,472
Increase/(Decrease) in payables and accrued expenses	526,308	(779,064)
Increase/(Decrease) in deferred project/programme contributions	7 (781,451)	948,958
Total change in working capital	320,359	(360,745)
Net cash (Used) by operations	413,060	(269,767)
Cash flow from investing activities		
Acquisition of fixed assets	4 (10,600)	0
Net cash (Used) in investing activities	(10,600)	0
Net (decrease) increase in cash and cash equivalents	402,460	(269,767)
Cash at the beginning of the period	873,863	1,143,630
Cash at the end of the period	1,276,323	873,863

(see notes to the financial statements)

International Centre for Trade and Sustainable Development

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

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 in accordance with the provisions of commercial accounting as set out in the Swiss Code of Obligations (Art. 957 to 963b CO, effective since 1 January 2013) 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.

International Centre for Trade and Sustainable Development

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

Note 2 - Accounting policies (continued)

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.

d. 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.

e. 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 2017. 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.

f. 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.

g. Staff

There were fewer than 50 full time employees on average during the year.

International Centre for Trade and Sustainable Development

BALANCE SHEET

FOR THE PERIOD ENDED DECEMBER 31, 2017 and 2016

Note 3 - Accounts Receivable and Prepayments	<u>2017</u>	<u>2016</u>
	CHF	CHF
Staff advances receivable	291,524	388,230
Bridges Publications SARL	20,799	20,410
Other receivables and prepayments	33,937	44,884
	<u>346,260</u>	<u>453,524</u>
Note 3(a) Professional fees	<u>2017</u>	<u>2016</u>
	CHF	CHF
Consultancy costs	74,301	79,537
Audit & accounting costs	72,516	71,750
Legal and taxation costs	10,539	5,184
	<u>157,356</u>	<u>156,471</u>

International Centre for Trade and Sustainable Development

BALANCE SHEET

FOR THE PERIOD ENDED DECEMBER 31, 2017 and 2016

Note 4 - Fixed assets

	IT equipment	Office furniture	Total
	CHF	CHF	CHF
Cost			
At beginning of the period	517,696	301,566	819,262
Acquisitions during the period	10,599	0	10,599
Cost at end of period	<u>528,295</u>	<u>301,566</u>	<u>829,861</u>
Depreciation			
At beginning of the period	490,420	229,254	719,674
Charge for the period	21,752	18,078	39,830
Accumulated depreciation	<u>512,172</u>	<u>247,332</u>	<u>759,504</u>
Net Book Value	<u><u>16,123</u></u>	<u><u>54,234</u></u>	<u><u>70,357</u></u>

International Centre for Trade and Sustainable Development

NOTES TO FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2017 and 2016

Note 5 - Deferred Revenue

	<u>2017</u>	<u>2016</u>
Programme and Project Contributions (Balance Sheet)	CHF	CHF
Netherlands Ministry of Foreign Affairs (DGIS)	0	322,092
Swiss Federal Office for the Environment (FOEN)	0	15,000
New Zealand Ministry of Foreign Affairs and Trade	0	27,388
Norway Ministry of Climate and Environment	23,655	17,715
France Ministry of Environment, Energy and the Sea	0	17,245
Canada Environment and Climate Change	8,344	0
Australian Government (DFAT)	0	229,942
Canada Foreign Affairs, Trade and Development	0	9,993
Germany, Federal Environment Ministry (BMU)	24,373	52,857
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)	11,693	64,793
Inter-American Development Bank	38,740	0
Sweden -The State Energy Authority	5,845	5,458
Total Petrochemicals	8,598	10,782
KR Foundation	16,227	170,429
Air Liquide EMS	7,516	0
Chinese Academy of Social Sciences	0	5,264
HeidelbergCement AG	17,148	0
Solvay S.A.	5,368	0
Total Programme and Project Contributions	<u>167,507</u>	<u>948,958</u>

Note 6 - Accrued Programme and Project contributions (Balance Sheet)

6(a) - Core and thematic contributions (Balance Sheet)	CHF	CHF
UK Department for International Development (DFID)	559,674	946,355
Total Core and thematic contributions	<u>559,674</u>	<u>946,355</u>
6(b) - Programme and Project Contributions (Balance Sheet)	CHF	CHF
Netherlands Ministry of Foreign Affairs (DGIS)	50,000	322,092
Swiss Federal Department of Foreign Affairs (FDFA)	4,000	0
France Ministry of Environment, Energy and the Sea	16,370	0
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)	9,939	0
United Nations Food and Agriculture Organization	19,521	0
The World Bank	0	10,189
United Nations Conference on Trade and Development	31,234	0
United Nations Economic Commission for Africa	9,663	0
Organisation internationale de la Francophonie	4,650	0
International Chamber of Commerce	3,049	0
Nederlandse Organisatie voor Toegepaste Wetenschap (TNO)	0	11,165
National Foreign Trade Council	5,850	0
World Economic Forum	15,000	0
KR Foundation	39,202	0
R Sanchez Caballero	2,245	0
Global Trade Professionals Alliance	2,120	0
King & Spalding LLP Atlanta GA	4,874	0
ALAI-Asociación Latino Americana de Internet	34,149	0
Centre for Governance & Innovation	9,761	0
Other income	257	0
Total Programme and Project Contributions	<u>261,884</u>	<u>343,446</u>

International Centre for Trade and Sustainable Development

NOTES TO FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2017 and 2016

Note 7 - Core and thematic contributions (Income statement)

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

	<u>2017</u>	<u>2016</u>
	CHF	CHF
Netherlands Ministry of Foreign Affairs (DGIS)	1,500,000	1,534,703
UK Department for International Development (DFID)	1,630,857	1,705,249
Denmark Ministry for Foreign Affairs	712,979	728,521
Sweden Ministry of Foreign Affairs (SIDA)	1,231,389	2,365,677
Norway Ministry of Foreign Affairs	0	464,464
	<u>5,075,225</u>	<u>6,798,614</u>
 Note 6 - Accrued Core contributions		
UK Department for International Development (DFID)	559,674	946,355
	<u>5,634,899</u>	<u>7,744,969</u>

International Centre for Trade and Sustainable Development

NOTES TO FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2017 and 2016

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

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

	<u>2017</u>	<u>2016</u>
	<u>CHF</u>	<u>CHF</u>
Major Projects & Programme Contributions		
Australian Government (DFAT)	613,528	164,275
Netherlands Ministry of Foreign Affairs (DGIS)	322,092	0
Deutsche Gesellschaft fürInternationale Zusam(GiZ)	225,095	0
KR Foundation	154,202	153,265
ALAI-Asociación Latinoamericana de Internet	84,722	0
Germany Federal Environment Ministry (BMU)	69,263	0
New Zealand Ministry of Foreign Affairs and Trade	60,681	0
Canada Environment and Climate Change	18,740	8,748
UK Department for International Development (DFID)	0	101,610
	<u>1,548,323</u>	<u>427,897</u>
Other Projects and programme contributions		
Article 6 provisions of the Paris Agreement	139,736	0
Institute for Global Environmental Strategies	25,760	14,063
World Bank	0	10,183
European Roundtable on Climate & Sustainable Transition	97,845	0
Trade and Sustainable Development Symposium	270,313	0
United Nations Food and Agriculture Organization	24,353	0
Nederlandse Organisatie voor Toegepast(TNO)	22,866	0
TradeMark East Africa	25,466	0
Chinese Academy of Social Sciences	5,264	0
SETI - Alliance Members contributions	0	69,188
Minor Projects and Programme contributions	<u>611,603</u>	<u>93,434</u>
Accrued contributions - Note (6b)	<u>261,884</u>	<u>21,354</u>
Project and Programme Contributions	<u>2,421,810</u>	<u>542,685</u>

International Centre for Trade and Sustainable Development

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

Note 9 - Core and Thematic Funding by Outcome

	2017 TOTAL	Goal 1: Global and Regional Governance	Goal 2: Inclusive Economic Transformation	Goal 3: Society and the Natural Environment	Goal 4: New Policy Areas	Goal 5: Diverse Stakeholder Engagement
<u>Thematic</u>	CHF	CHF	CHF	CHF	CHF	CHF
Netherlands Ministry of Foreign Affairs (DGIS)	1,500,000	301,543.00	130,155	344,626	79,082	644,594
UK Department for International Development (DFID)	2,190,531	440,360.00	190,073	503,275	115,488	941,335
Denmark Ministry for Foreign Affairs	712,979	143,330.00	61,865	163,807	37,589	306,388
Sweden Ministry of Foreign Affairs (SIDA)	1,231,389	247,545.00	106,848	282,912	64,920	529,164
	5,634,899	1,132,778	488,941	1,294,620	297,079	2,421,481
Major Project & Programme Contributions						
Australian Government (DFAT)	613,528	0	591,651	21,877	0	0
Netherlands Ministry of Foreign Affairs (DGIS)	372,092	0	0	0	322,092	50,000
Deutsche Gesellschaft fürInternationale Zusam(GIZ)	235,034	14,920	106,467	0	14,920	98,726
KR Foundation	193,404	0	0	193,405	0	0
Latin American Internet Association	118,872	0	0	0	0	118,872
Germany Federal Environment Ministry (BMU)	69,263	0	0	69,263	0	0
New Zealand Ministry of Foreign Affairs and Trade	60,680	0	0	51,000	0	9,681
	1,662,873	14,920	698,118	335,545	337,012	277,279
Minor Project & Programme contributions						
	762,079	5,264	25,466	345,673	0	385,676
Total Project & Programme contributions	2,424,952	20,184	723,584	681,218	337,012	662,955
Total Core, Thematic Project contributions	8,059,851	1,152,962	1,212,525	1,975,838	634,091	3,084,436