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

***Report of the statutory auditor
to the Governing Board
on the financial statements 2016***





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

Geneva

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 2016.

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 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 2016 comply with Swiss law, the accounting policies disclosed in Note 2 and the association's articles of incorporation.

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 Governing Board.

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

PricewaterhouseCoopers SA

Marc Secretan

Alexandre Meugnot

Audit expert
Auditor in charge

Geneva, 19 April 2017

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 2016**

International Centre for Trade and Sustainable Development
BALANCE SHEET
FOR THE PERIOD ENDED DECEMBER 31, 2016 and 2015

<u>ASSETS</u>	<u>Notes</u>	<u>31.12.2016</u> CHF	<u>31.12.2015</u> CHF
Current assets			
Cash and current accounts		873'863	1'143'630
Accounts receivable and prepayments	3	453'524	730'769
Accrued core and thematic contributions	6(a)	946'355	0
Accrued project and programme contributions	6(b)	343'446	481'918
Total current assets	4	<u>2'617'188</u>	<u>2'356'317</u>
Fixed assets			
Office furniture	4	72'312	91'538
IT equipment	4	27'276	63'931
Total fixed assets		<u>99'588</u>	<u>155'469</u>
TOTAL ASSETS		<u>2'716'776</u>	<u>2'511'786</u>
<u>LIABILITIES</u>			
Current liabilities			
Accounts payables		1'013'757	1'810'575
Accrued expenses		527'486	509'733
Deferred project and programme contributions	5	948'958	0
Total current liabilities		<u>2'490'201</u>	<u>2'320'308</u>
Fund balance		226'575	191'478
TOTAL LIABILITIES AND FUNDS		<u>2'716'776</u>	<u>2'511'786</u>

(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, 2016 and 2015

<u>REVENUE</u>	<u>Notes</u>	<u>2016</u> CHF	<u>2015</u> CHF
Core and Thematic Contributions - Govts	7	7'744'969	6'970'339
Project and Programme Contributions	8	542'685	4'565'354
Other income		6'923	109'172
Total revenue for the period		<u>8'294'577</u>	<u>11'644'866</u>
<u>EXPENSES</u>			
Personnel related costs		5'318'657	6'391'417
Dialogues		531'494	2'181'677
Publications and communication expenses		256'638	535'699
Research and technical services		1'034'524	1'504'624
Office rent and utilities		280'823	282'208
Professional fees	3(a)	156'471	(34'520)
IT support		317'857	140'059
Other general and administrative expenses		214'736	363'643
Depreciation and amortization expense	4	55'881	35'959
Subtotal operating expenses for the period		<u>8'167'081</u>	<u>11'400'766</u>
Currency exchange losses / (gains)		71'522	169'089
Bank charges and interest expenses		20'877	38'046
Subtotal finance related expenses		<u>92'399</u>	<u>207'135</u>
Total expenses for the period		<u>8'259'480</u>	<u>11'607'902</u>
Funding variation for the period		35'097	36'964
Fund balance at beginning of period		191'478	154'514
Fund balance at end of period		<u>226'575</u>	<u>191'478</u>

(see notes to the financial statements)

International Centre for Trade and Sustainable Development

STATEMENT OF CASH FLOW

FOR THE PERIOD ENDED DECEMBER 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<u>Notes</u>	CHF	CHF
Cash flow from operating activities		
Funding variation for the period	35'097	36'964
Adjustment for depreciation and amortization	4 <u>55'881</u>	<u>35'959</u>
Operating (Deficit)/Surplus before working capital changes	90'978	72'923
Working capital changes:		
(Increase)/Decrease in accounts receivable and prepayments	3 277'244	(342'650)
(Increase)/Decrease in accrued core/thematic contributions	6 (946'355)	0
(Increase)/Decrease in accrued project/programme contributions	6 138'472	(64'753)
Increase/(Decrease) in payables and accrued expenses	(779'064)	371'999
Increase/(Decrease) in deferred project/programme contributions	5 <u>948'958</u>	<u>(1'592'669)</u>
Total change in working capital	<u>(360'745)</u>	<u>(1'628'073)</u>
Net cash (Used) by operations	<u>(269'767)</u>	<u>(1'555'150)</u>
Cash flow from investing activities		
Acquisition of fixed assets	4 <u>0</u>	<u>(121'854)</u>
Net cash (Used) in investing activities	<u>0</u>	<u>(121'854)</u>
Net (decrease) increase in cash and cash equivalents	(269'767)	(1'677'004)
Cash at the beginning of the period	<u>1'143'630</u>	<u>2'820'635</u>
Cash at the end of the period	<u>873'863</u>	<u>1'143'630</u>

(see notes to the financial statements)

International Centre for Trade and Sustainable Development

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

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, 2016

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 2016. 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. Presentation

To conform to the presentation adopted in the current year, certain amounts from prior year have been reclassified.

h. General information - 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, 2016 and 2015

Note 3- Accounts Receivable and Prepayments	<u>2016</u>	<u>2015</u>
	CHF	CHF
Staff advances receivable	388'230	675'032
Bridges Publications Sarl	20'410	20'021
Other receivables and prepayments	44'884	35'716
	<u>453'524</u>	<u>730'769</u>

Note 3(a)

To conform to the presentation adopted in the current year, certain amounts from prior year have been reclassified. The reason for the negative expenditure was due to the write-off of previously accrued expenditure from prior years.

Professional fees

Consultancy costs	79'537	(140'592)
Audit & accounting costs	71'750	106'072
Legal and taxation costs	5'184	0
	<u>156'471</u>	<u>(34'520)</u>

International Centre for Trade and Sustainable Development

BALANCE SHEET

FOR THE PERIOD ENDED DECEMBER 31, 2016 and 2015

Note 4 - Fixed assets

	IT equipment	Office furniture	Total
	<u>CHF</u>	<u>CHF</u>	<u>CHF</u>
Cost			
At beginning of the period	517'696	301'566	819'262
Acquisitions during the period	0	0	0
Cost at end of period	<u>517'696</u>	<u>301'566</u>	<u>819'262</u>
Depreciation			
At beginning of the period	453'765	210'028	663'793
Charge for the period	36'655	19'226	55'881
Accumulated depreciation	<u>490'420</u>	<u>229'254</u>	<u>719'674</u>
Net Book Value	<u>27'276</u>	<u>72'312</u>	<u>99'588</u>

International Centre for Trade and Sustainable Development

NOTES TO FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2016 and 2015

Note 5 - Deferred Revenue (Balance Sheet)

	<u>2016</u>	<u>2015</u>
Programme and Project Contributions (Balance Sheet)		
Government of the Netherlands (DGIS)	322'092	0
Government of Switzerland (FOEN)	15'000	0
Government of New Zealand	27'388	0
Government of Norway (MoFA)	17'715	0
Government of France, Ministry of Environment, Energy & Sea	17'245	0
Government of Australia (DFAT)	229'942	0
Government of Canada ((DFATD)	9'993	0
Government of Germany, Ministry Of Environment & Nature Conservation	52'857	0
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)	64'793	0
Swedish Energy Agency	5'458	0
Total Petrochemicals	10'782	0
KR Foundation	170'429	0
Chinese Academy of Social Sciences (CASS)	5'264	0
Total Programme and Project Contributions (Balance Sheet)	<u>948'958</u>	<u>0</u>

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

6(a) Core and thematic contributions (Balance Sheet)

Government of United Kingdom (DFID)	946'355	0
Total Core and thematic contributions (Balance Sheet)	<u>946'355</u>	<u>0</u>

6(b) Programme and Project Contributions (Balance Sheet)

Government of the Netherlands (DGIS)	322'092	108'220
Government of United Kingdom (DFID)	0	21'706
Government of Switzerland (SECO)	0	100'000
United Nations Environmental Programme	0	9'932
International Trade Centre (ITC)	0	4'966
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)	0	10'822
Food and Agriculture Organization of the United Nations	0	9'932
Inter-American Development Bank	0	4'960
World Bank	10'189	0
International Food & Agricultural Trade Policy Council	0	8'875
International Chamber of Commerce	0	9'517
Nederlandse Organisatie voor toegepast (TNO)	11'165	0
AECOM International Development Inc.	0	24'824
SAANA Consulting Ltd	0	898
London School of Economics (LSE-IGC)	0	9'220
African Wildlife Foundation	0	3'937
Africa Practice East Africa Ltd	0	9'892
Foreign Trade Association	0	9'932
Techno Brain	0	4'966
TradeMark East Africa (TMEA)	0	99'320
Fondation des Immeubles pour les Organisations Internationales	0	30'000
Total Programme and Project Contributions (Balance Sheet)	<u>343'446</u>	<u>481'918</u>

NOTES TO FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2016 and 2015

Note 7 - Core and thematic contributions (Income statement)

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

	<u>2016</u>	<u>2015</u>
	CHF	CHF
Government of the Netherlands (DGIS)	1'534'703	1'187'333
Government of United Kingdom (DFID)	1'705'249	2'482'893
Government of Finland (MoFA)	0	545'800
Government of Denmark (MoFA)	728'521	710'226
Government of Sweden (SIDA)	2'365'677	1'579'354
Government of Norway (MoFA)	464'464	464'734
	<u>6'798'614</u>	<u>6'970'339</u>
Accrued Core contributions		
Government of United Kingdom (DFID)	946'355	0
	<u><u>7'744'969</u></u>	<u><u>6'970'339</u></u>

International Centre for Trade and Sustainable Development

NOTES TO FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2016 and 2015

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

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

	<u>2016</u>	<u>2015</u>
	CHF	CHF
Major Projects & Programme Contributions		
Government of Australia (DFAT)	164'275	1'033'403
Government of Canada ((DFATD)	8'748	711'092
Government of Switzerland (SECO)	0	649'570
Government of Sweden (SIDA)	0	488'635
Government of Finland (Ministry of Foreign Affairs)	0	372'441
World Economic Forum	0	176'135
Government of United Kingdom (FCO)	101'610	134'656
Government of Switzerland (FOEN)	0	30'000
Government of Norway (MoFA)	0	12'745
KR Foundation	153'265	0
	<u>427'897</u>	<u>3'608'677</u>
Other Projects and programme contributions		
World Bank	10'183	0
Institute for Global Environmental Strategies Japan	14'062	0
Nederlandse Organisatie voor toegepast (TNO)	0	60'371
Government of Denmark (MoFA)	0	50'000
Food and Agriculture Organization of the United Nations	0	71'664
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)	0	98'244
Organisation for Economic Co-operation&Development	0	3'142
SETI - Alliance Members contributions	69'188	79'394
Trade Development Symposium Partners contributions	0	111'945
Minor Projects and programme contributions	<u>93'434</u>	<u>474'760</u>
Accrued contributions	<u>21'354</u>	<u>481'918</u>
Total Project and Programme Contributions	<u>542'685</u>	<u>4'565'355</u>

International Centre for Trade and Sustainable Development

December 31, 2016

Note 9 - Core and Thematic Funding by Outcome

		Outcome 1 Global scale-up of the Engagement of Diverse Groups of Stakeholders	Outcome 2 A fair rules-based and effective multilateral trading system promoting sustainable development	Outcome 3 Agricultural trade policies contribute to food security and poverty reduction	Outcome 4 Trade contributes to inclusive growth and sustainable development in LDCs and Africa	Outcome 5 Innovation, creativity and technology contribute to sustainable development	Outcome 6 Trade-related policies foster sustainable use of natural resources	Outcome 7 Policies on climate change, energy and trade contribute to sustainable development.
2016 TOTAL	CHF		CHF		CHF	CHF	CHF	CHF
Government of the Netherlands (DGIS)	1'534'703	516'890	429'505	75'547	216'532	73'685	70'972	151'572
Government of United Kingdom (DFID)	2'651'604	893'064	742'083	130'528	374'115	127'310	122'623	261'881
Government of Denmark (MoFA)	728'521	245'367	203'885	35'862	102'787	34'978	33'690	71'951
Government of Sweden (SIDA)	2'365'677	796'764	662'063	116'453	333'774	113'582	109'400	233'642
Government of Norway (MoFA)	464'464	156'432	129'986	22'864	65'531	22'300	21'479	45'872
	7'744'969	2'608'518	2'167'523	381'254	1'092'740	371'854	358'164	764'917
Major Project & Programme Contributions								
Government of United Kingdom (DFID)	101'610		101'610					
Government of Australia (DFAT)	164'275				164'275			
KR Foundation	153'265							153'265
Government of Canada (DFATD)	8'747							8'747
	427'897	0	101'610	0	164'275	0	0	162'012
Minor Project & Programme Contributions	114'788	0	0	0	0	0	0	114'788
Total Project & Programme Contributions	542'685	0	101'610	0	164'275	0	0	276'800
Other income	6'923	6'923						
Total Core, Thematic and Project contributions	8'294'577	2'615'441	2'269'133	381'254	1'257'015	371'854	358'164	1'041'717