

To the Governing committee of

**International Catholic Migration
Commission**

Geneva

**Report of the Statutory Auditor on the Consolidated Financial
Statements for the year 2019 in accordance with Swiss GAAP FER**

(for the year ended 31.12.2019)

June 29, 2020
13529/21511402/1-1

REPORT OF THE STATUTORY AUDITOR

To the Governing committee of International Catholic Migration Commission, Geneva

Report of the Statutory Auditor on the Consolidated Financial Statements

As statutory auditor, we have audited the accompanying consolidated financial statements of International Catholic Migration Commission ("ICMC"), which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statement of activities, the consolidated cash flow statement and notes to the consolidated financial statements for the year then ended.

Management's Responsibility

The management is responsible for the preparation of these consolidated financial statements in accordance with Swiss GAAP FER and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements for the year ended December 31, 2019 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER and comply with Swiss law and ICMC statutes.



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 728 Code of Obligations (CO)) and that there are no circumstances incompatible with our independence.

In accordance with article 728a para. 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 consolidated financial statements according to the instructions of the management.

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

Geneva, June 29, 2020

BDO Ltd

Nigel Le Masurier

Licensed Audit Expert

pp Olivier Griot

Auditor in Charge
Licensed Audit Expert

Enclosures
Consolidated financial statements

INTERNATIONAL CATHOLIC MIGRATION COMMISSION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31

(US\$ 000's)

	Note	2019	2018
<u>ASSETS</u>			
Current assets			
Cash and cash equivalents	2/20.3	10 730	8 562
Accounts receivable and prepayments	4	460	660
Due from US donors (finished projects)	5	26	17
Due from US donors (ongoing projects)	5	579	583
Due from other donors (finished projects)	5	806	1 002
Due from other donors (ongoing projects)	5	362	305
Total Current assets		12 963	11 129
Non Current assets			
Tangible fixed assets	6	80	133
Total Non Current assets		80	133
TOTAL ASSETS		13 044	11 262
<u>LIABILITIES AND NET ASSETS</u>			
Current liabilities			
Accounts payable and accruals	7	1 945	1 855
Provisions	8	2 861	2 633
Unexpended funds on-going programs	9	1 398	2 640
Due to other donors (finished projects)	9	396	371
Due to other Donors (not started project)	9	2 457	0
Due to US Government (finished projects)	9	578	0
Total Current liabilities		9 635	7 499
Long term liabilities			
Subsidies - Fixed assets		1	2
Total Long term liabilities		1	2
TOTAL LIABILITIES		9 636	7 501
Fund capital			
Unallocated-designated (after proposed appropriations)			
Administration Reserve	11	1 349	1 349
General Reserve	11	2 139	1 908
Council Meeting funds	11	195	135
Restricted funds	11	77	838
Surplus/(Deficit) to be allocated	11	-353	-470
TOTAL NET ASSETS		3 407	3 760
TOTAL LIABILITIES AND NET ASSETS		13 044	11 262

The accompanying notes are an integral part of these financial statements.

INTERNATIONAL CATHOLIC MIGRATION COMMISSION

CONSOLIDATED STATEMENT OF ACTIVITIES

Year ended December 31
(US\$ 000's)

		2019			
		Unallocated	Allocated US Federal Funds	Other Funds	TOTAL All Funds
<u>PUBLIC SUPPORT AND REVENUE</u>	Note				
Public support :					
US Government grants	13/15a	992	9 387		10 378
Other grants and contributions	12/15b	896		15 703	16 599
Self funded projects :					
Development working group					0
Revenue :					
National contributions	14	201			201
Private donations		1 504			1 504
Investment income	16	0			0
Foreign exchange gains					0
Miscellaneous	17	730			730
Total public support and revenue		<u>4 323</u>	<u>9 387</u>	<u>15 703</u>	<u>29 413</u>
<u>EXPENSES</u>					
Management general					
Personnel costs		2 724			2 724
Office expenses		448			448
Travel		125			125
Equipment and maintenance		113			113
Project/program development		84			84
External relations		65			65
Fund raising		910			910
Meetings (Governing Committee, General Assembly)		104			104
Training		0			0
Miscellaneous	18	15			15
Foreign exchange losses		89			89
Programs					
Funded by US Government	13		9 387		9 387
Funded by Europe	12			1 821	1 821
Funded by UN	12			10 288	10 288
Funded by Other donors	12			3 595	3 595
Self funded project				0	0
Total expenses		<u>4 676</u>	<u>9 387</u>	<u>15 703</u>	<u>29 766</u>
Operating loss for the year		<u><u>-353</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>-353</u></u>

The accompanying notes are an integral part of these financial statements.

2018			
Unallocated	Allocated		TOTAL
	US Federal	Other	All
	Funds	Funds	Funds
1 183	10 206		11 389
965		20 031	20 996
		86	86
132			132
1 735			1 735
1			1
			0
779			779
4 795	10 206	20 117	35 118
3 089			3 089
423			423
108			108
140			140
66			66
66			66
1 130			1 130
113			113
20			20
38			38
72			72
	10 206		10 206
		6 048	6 048
		10 509	10 509
		3 474	3 474
		86	86
5 265	10 206	20 117	35 587
-470	0	0	-470

PUBLIC SUPPORT AND REVENUE

Public support :

US Government grants

Other grants and contributions

Self funded projects :

Development working group

Revenue :

National contributions

Private donations

Investment income

Foreign exchange gains

Miscellaneous

Total public support and revenue

EXPENSES

Management general

Personnel costs

Office expenses

Travel

Equipment and maintenance

Project/Program development

External relations

Fund raising

Meetings (Governing Committee, General Assembly)

Training

Miscellaneous

Foreign exchange losses

Programs

Funded by US

Funded by Europe

Funded by UN

Funded by Other donors

Self funded project

Total expenses

Operating loss for the year

INTERNATIONAL CATHOLIC MIGRATION COMMISSION

CONSOLIDATED STATEMENT OF CASH FLOW (total of all funds)

Year ended December 31

(US\$ 000's)

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating surplus for the year	-353	-470
Adjustments for		
- Depreciation	67	88
- Subsidies - Depreciation	-1	-7
- Provisions	229	175
- Provision to Council meeting fund	0	-180
- Restricted funds allocation	0	-43
Operating surplus before changes in working capital	<u>-58</u>	<u>-437</u>
(Increase)/Decrease in accounts receivable and prepayments	200	199
(Increase)/Decrease in amounts due from US Donors (finished projects)	-10	14
(Increase)/Decrease in amounts due from US Donors (on-going projects)	5	-225
(Increase)/Decrease in amounts due from other Donors (finished projects)	196	90
(Increase)/Decrease in amounts due from other Donors (on going projects)	-57	-251
Increase/(Decrease) in accounts payable and accruals	90	-728
Increase/(Decrease) in amounts unexpended funds on-going programs	-1 243	-2 668
Increase net in amounts due to other Donors (finished projects)	2 482	111
Increase/(Decrease) in amounts due to US Government (finished projects)	<u>577</u>	<u>-424</u>
Net cash provided by operating activities	<u>2 240</u>	<u>-4 319</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments to acquire tangible fixed assets	<u>-15</u>	<u>-76</u>
Net cash used in investing activities	<u>-15</u>	<u>-76</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
New loan for tangible assets	0	-4
Repayment of long term liabilities	<u>0</u>	<u>0</u>
Net cash used in financing activities	<u>0</u>	<u>-4</u>
Net increase in cash and cash equivalents	2 167	-4 399
Cash and cash equivalents at January 1	<u>8 562</u>	<u>12 961</u>
Cash and cash equivalents at December 31	<u><u>10 730</u></u>	<u><u>8 562</u></u>

The accompanying notes are an integral part of these financial statements.

INTERNATIONAL CATHOLIC MIGRATION COMMISSION

Notes to the Consolidated Financial Statements for the year ended December 31, 2019

Note 1 : General Information

International Catholic Migration Commission (ICMC) is a Swiss based organisation, and its consolidated financial statements are prepared applying the accounting principles of the Swiss GAAP FER and the presentation requirements of Swiss GAAP FER 21 “Accounting for charitable non-profit organisations” and Swiss law (see note 2.1). To enhance comparability for its Donors, ICMC presents its consolidated financial statements in US Dollars (“US\$”).

Note 2 : Activity and summary of significant accounting policies

2.1 Activity and basis of presentation

Activity

ICMC is a non-profit association based in Geneva, Switzerland and registered under section 60 ff of the Swiss Civil Code. ICMC’s main mission is the protection and assistance to refugees, migrants and displaced persons. Translating these principles into concrete actions, ICMC provides a wide range of resettlement, integration and repatriation assistance programs. The number of people employed by ICMC at December 31, 2019 approximates 35 International and 541 National Staff.

Basis of presentation

The consolidated financial statements have been prepared in accordance with the provisions of the Swiss GAAP FER 21 Accounting for Charitable non-profit organisations (“FER 21”). The consolidated financial statements include the accounts of ICMC Geneva, its branch offices and subsidiaries, ICMC Inc. and ICMC Europe. All inter-organizational balances and transactions have been eliminated in consolidation.

Use of estimates in preparation of the financial statements

The preparation of financial statements in conformity with the Swiss GAAP FER and FER 21 (re-enacted on 1 January 2017) requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Although these estimates are based on management’s best knowledge of current events and actions, actual results ultimately may differ from those estimates.

Statement of financial position

The consolidated statement of financial position distinguishes between restricted and Unrestricted funds. Restricted net funds are those net assets received from third parties to implement projects. Unrestricted funds are those which are freely available and used for internally designated purposes.

Statement of activities

The consolidated statement of activities also distinguishes between Restricted and Unrestricted public support and revenue. Restricted use public support includes funds granted by the US Federal funds granted by US Government, and Other Grants and Projects. In addition, restricted use Funds include donations received the use of which is allocated to specific projects and/or time periods.

2.2 Fixed assets

Tangible fixed assets purchased from Unrestricted use Funds are capitalised and depreciated in equal instalments over the projected useful life of the assets.

Tangible fixed assets purchased from Restricted use Funds are normally expensed in the consolidated statement of activities in the year of purchase. It is considered improbable that such expenditures will generate future economic benefit to ICMC due to the short-term nature of program contracts and the terms of most grant contracts where rights over residual program assets are vested with the grantors.

The estimated useful life of fixed assets is as follows:

Office equipment: Computers 3 years, Telephone system 7 years, Software 3 years, Printer and Photocopy machines 4 years, Office furniture: 7 years, Motor vehicles: 3 years.

2.3. Foreign currency translation

ICMC's functional currency is the US\$. The main reasons for selecting the US\$ as the functional currency are that the largest part of received funds are in US\$ and the US\$ is the foreign currency that is most widely traded in the field.

Assets and liabilities denominated in currencies other than US\$ have been translated at the December 31, 2019 and 2018 rates of exchange per the *Wall Street Journal*. Public Support, Revenue and Expenses are translated into US\$ on a monthly basis using the month end exchange rates per the Wall Street Journal.

Exchange gains/losses resulting from the application of the accounting principles outlined above are credited/charged to the Statement of Activities.

2.4 Revenue and expenditure recognition

Contributions, funds and grants are normally received as a result of a specific program solicitation or with donor-imposed restrictions and are normally subject to a contract that defines the programs and services that ICMC must undertake. Public support revenue is recognised over the duration of the contract in proportion to the achievement of the conditions attached to the contributions or grants.

National contributions from members are recognised as revenue on receipt in the year they are due. Unpaid contributions are not recognised if collection is uncertain.

Contributions, without donor-imposed restrictions, if any, are reported as unrestricted support and increases in unrestricted fund capital.

Contributions with donor-imposed restrictions, if any, are reported as restricted support unless these restrictions are met in the same reporting period.

Contributions are recognized as income once the related service has been provided and collection is deemed to be certain. Contributions, as a general rule, are measured at the fair value on the date received. For contributed services, the fair value may be determined based upon the fair value of services received or fair value of asset or asset enhancement resulting from the service.

Pledged amounts not yet received are recognised in the statement of activities when expenditures are incurred in advance of the receipt of funds and a contract has been signed with the grantor. Each program is based on conditions of realisation and/or improvement; hence the revenue is recognised when the funds are effectively transferred by the donor.

Interest income is recognised on an accrual basis and is presented as a component of investment income.

2.5 Income taxes

ICMC is a not-for-profit association and is exempt from Swiss corporate income and capital taxes exemption granted by the Geneva Cantonal authorities. The latest exemption was received on the 9th September 2016 for an undefined period.

2.6 Employee benefits

(i) Retirement benefit obligations - Secretariat employees in Switzerland

ICMC operates a Swiss pension scheme for all of its Secretariat employees in Geneva. The plan is a collective plan administered externally and it is funded based on annual premiums calculated by the external administrator of the multi-employers collective fund, in compliance with Swiss employee benefit legislation and the fund rules. The plan is accounted for as a defined contribution scheme under Swiss GAAP FER.

ICMC costs recognised in the financial statements under the Swiss law represent the annual employer's contribution to the plan for each employee, as no additional contribution will be supported by the organisation at the time of employee's retirement. At December 31, 2019, ICMC had made all requisite contributions for the 2019 plan year and there were no unfunded obligations with respect to this plan at year-end 2019.

(ii) Retirement benefit obligations - expatriate employees

In April 2007, a specific pension scheme was launched for all expatriate employees. Contributions are based on gross salary during the term of employment in the organization and no costs will be recognized in periods after the termination of service of the employees. The contributions are transferred to an external and independent insurance company that manages the funds in accordance with the policy agreed by the employees.

(iii) Other employee benefits

Certain employees are entitled to additional benefits that accrue based on the number of years of service. Such benefits are payable in full when the employee terminates his employment with ICMC or retires.

2.7 Shared Costs

The organisation applies a shared costs policy for meeting donors' requirements, in terms of accuracy and fairness. The monthly actual expenses incurred for common services that benefit for several projects are allocated on the basis of the monthly actual direct costs of the relevant projects.

2.8 Cash and cash equivalents

Cash and cash equivalents include petty cash and bank accounts.

2.9 Accounting Standards

The Organisation follows the principles of the Swiss GAAP FER (and specifically Swiss GAAP FER 21), and the new Swiss financial reporting law which enters into force on the 1st January 2013 and was adopted by ICMC on January 1, 2015.

Note 3 : Subsequent events and perspectives

The global disruptions related to COVID-19 health crisis have impacted the implementation of ICMC's programs, leading to a slowdown of their activities. While experiencing similar disruptions at Headquarters, ICMC has taken appropriate steps to limit the negative impact of COVID-19. Other than the matter discussed above, there have been no material events, favourable or unfavourable, incurred between the balance-sheet date and the date when then financial statements have been authorized for issue that would have impacted these statements.

Note 4 : Accounts receivable and prepayments

	2019	2018
	US\$	US\$
	(000's)	(000's)
Receivables from partners	0	135
Receivables from third parties	149	234
Prepaid expenses	292	277
Advance to employees	19	14
	460	660

Note 5 : Due from donors

	2019	2018
	US\$	US\$
	(000's)	(000's)
- US Donors (finished projects)		
BPRM	26	18
- US Donors (ongoing projects)		
USAID	0	583
BPRM	579	0
- Other Donors (finished projects)		
GFMD	0	153
HI/ECHO	553	0
DRC/ECHO	0	755
VDD	17	0
SMA	0	41
COA Netherlands	0	46
EC	236	7
	806	1,002
- Other Donors (ongoing projects)		
ECHO	0	49
CIC	279	241
Others	15	15
GFMD	68	0
	362	305

Note 6 : Tangible fixed assets**Cost**

	Office Equipment US\$ (000's)	Motor Vehicles US\$ (000's)	Total US\$ (000's)
At January 31, 2018	435	189	624
Additions	15	61	76
Disposals	-37	0	-37
At December 31, 2018	413	250	663
Additions	15	0	15
Disposals	-10	0	-10
At December 31, 2019	418	250	668

Accumulated depreciation

At January 1, 2018	325	154	479
Charge for the year	49	39	88
Accumulated depreciation on disposals	-37	0	-37
At December 31, 2018	337	193	530
Charge for the year	32	36	67
Accumulated depreciation on disposals	-10	0	-10
At December 31, 2019	358	229	587
Net Book value At December 31, 2019	60	22	80
Net Book value At December 31, 2018	76	57	133

Note 7 : Accounts payable and accruals

	2019	2018
	US\$	US\$
	(000's)	(000's)
Social costs	1,026	1,140
Withholding tax	76	67
Payable to third parties	149	11
Accruals for project audit fees	152	99
Accruals for statutory audit fees	164	171
Accruals others	378	367
Total Accounts payable and accruals	1,945	1,855

Note 8 : Provisions

	<u>2019</u>	<u>2018</u>
	US\$	US\$
	(000's)	(000's)
Provision for other employee benefits		
At January 1	2,430	2,238
Increase in liability (charged to Personnel costs)	640	896
Less paid out in year	<u>-388</u>	<u>-704</u>
	<u>2,682</u>	<u>2,430</u>

As the other employee benefits concern mainly severance and vacation accruals for the employees who worked on the programs in which the term is less than one year, this debt is considered as short-term debt.

	<u>2019</u>	<u>2018</u>
	US\$	US\$
	(000's)	(000's)
Other provisions		
At January 1	203	220
Increase in liability:		
Other	1	75
Paid out in the year:		
Other	<u>-25</u>	<u>-92</u>
At December 31	<u>179</u>	<u>203</u>
Total Provisions	<u>2,861</u>	<u>2,633</u>

Note 9 : Due to donors

	2019	2018
	US\$	US\$
	(000's)	(000's)
- Unexpended funds for ongoing projects		
BPRM	66	953
ECHO	207	0
Other European agencies	119	715
UNOCHA	0	400
ICMC – Self funded projects	10	10
Private Foundation	809	238
Aurora Prize	165	300
Co-funding MADE	22	24
	1,398	2,640
- Other Donors (finished projects)		
UN bodies	396	349
Other	0	22
	396	371
- US Donors (finished projects)		
BPRM	578	0
	578	0
- Other Donors (not started projects)		
UNHCR	2,457	0
	2,457	0

Note 10 : Long term liabilities

	2019	2018
	US\$	US\$
	(000's)	(000's)
At January 1	0	4
Repayment during the year	0	-4
	0	0

Note 11 : Movements in unrestricted use fund balances

<u>US\$ (000's)</u>	<u>Administration Reserve</u>	<u>General Reserve</u>	<u>Council Meeting Funds</u>	<u>Restricted Funds</u>	<u>Unallocated surplus/ (deficit)</u>	<u>Total</u>
2018						
Balance at January 1, 2018	1,349	2,511	315	181	97	4,453
Allocations to the reserve/funds	0	97	0	0	-97	0
Withdrawals from the reserve/funds	0	0	-180	-43	0	-224
Transfers between reserve/funds	0	-700	0	700	0	0
Operating surplus for the year	0	0	0	0	-470	-470
Balance at December 31, 2018	1,349	1,908	135	838	-470	3,760
2019						
Balance at January 1, 2019	1,349	1,908	135	838	-470	3,760
Allocations to the reserve/funds	0	701	0	-701	0	0
Withdrawals from the reserve/funds	0	0	60	-60	0	0
Transfers between reserve/funds	0	-470	0	0	470	0
Operating surplus for the year	0	0	0	0	-353	-353
Balance at December 31, 2019	1,349	2,139	195	77	-353	3,407

The purpose of the Administration Fund is to cover the minimum basic need to secure the continuity of the Organization headquarters function when the General Fund is endowed to secure the operational activities.

Note 12 : Other grants and contributions

		2019	2018
		US\$	US\$
		(000's)	(000's)
UNHCR	Pakistan	673	289
	Greece	4,018	4,720
	Staff Deployment	5,118	5,479
	Malaysia	105	21
UNOCHA	Jordan	373	0
European Commission (ECHO)	Jordan	0	3,210
European Commission (ECHO)	Pakistan	795	1,975
Europe		1,025	457
European Union (EASO)		517	406
Swiss Government		0	260
Others		1,183	856
GIZ –GFMD		178	113
Swiss Government –GFMD		233	151
Several donors –GFMD		113	429
CIC		1,372	1,665
Total Restricted grants and contributions		15,703	20,031
Indirect expense recoveries (Note 15b)		896	965
Total all funds		16,599	20,996

As at December 31, 2019, for current other grants and contributions programs (which are generally less than one year) the pledged amount still to be received from other donors was KUS\$ 1,381 (2018: KUS\$ 1,527).

Note 13 : US Government grants

Funds have been granted by the US Government in respect of the following programs:

		2019	2018
		US\$	US\$
		(000's)	(000's)
BPRM	RSC-Middle East	6,464	6,045
	Humanitarian - Jordan	2,413	2,185
	Gender violence – Indonesia and Malaysia	477	448
	Humanitarian – Pakistan	0	0
USAID	Syria	33	1,528
Total Restricted US Grants		9,387	10,206
Indirect expense recoveries (note 15a)		992	1,183
Total all funds		10,379	11,389

As at December 31, 2019, for current US Government programs (which are generally less than one year) the pledged amount still to be received from the US Government was KUS\$ 7,086 (2018 KUS\$ 3,705).

Note 14: National contributions

	2019	2018
	US\$	US\$
	(000's)	(000's)
Bishops Conference of Belgium	3	4
Bishops Conference of Australia - Archdiocese	3	4
Bishops Conference of Canada	3	4
Bishops Conference of Germany	4	4
Bishops Conference of Italy - Migrants	22	0
Bishops Conference of Austria	3	3
Bishops Conference of Switzerland	3	3
Bishops Conference of USA - MRS	75	75
Bishops Conference of New Zealand	3	3
Bishops Conference Poland	0	3
Bishops Conference Spain	4	4
Bishops Conference of Korea	4	4
Bishops Conference of Ireland	3	3
Bishops Conference of Denmark	3	3
Bishops Conference of Malta	3	3
Bishop Conference of Luxembourg	3	0
Holy See	28	0
Lupina Foundation	12	0
Fundacion Universitaria San Antonio	12	0
Others	10	12
	201	132

Note 15a : Contributions - US Government grant

ICMC has recovered a portion of its indirect expenses as a grant from the US Government under the following programs:

	2019	2018
	US\$	US\$
	(000's)	(000's)
<u>At predetermined recovery rate:</u>		
BPRM - RSC -Middle East	689	725
- Humanitarian - Jordan	251	262
- Gender violence - Indonesia and Malaysia	50	54
USAID - Syria	2	142
	992	1,183

Note 15b : Contributions - Other Grants

ICMC has recovered a portion of its indirect expenses as a grant for basic infrastructure costs from other donors. These indirect expense recoveries are based on fixed rates that represent a percentage of total allowable expenditure. These were set at various rates for 2018 and 2019.

Note 16 : Investment income

	<u>2019</u>	<u>2018</u>
	US\$	US\$
	(000's)	(000's)
Interest received on short term deposit	0	1
	<u>0</u>	<u>1</u>

Note 17 : Miscellaneous income

	<u>2019</u>	<u>2018</u>
	US\$	US\$
	(000's)	(000's)
Rental income	23	24
Other unrestricted funding	676	649
Other	31	107
	<u>730</u>	<u>779</u>

Note 18 : Miscellaneous expenses

	<u>2019</u>	<u>2018</u>
	US\$	US\$
	(000's)	(000's)
Contributions/Subscriptions to Voluntary Agencies	15	20
Other	0	18
	<u>15</u>	<u>38</u>

Note 19 : Related party transactions

All inter-organizational balances and transactions have been eliminated in the consolidated financial statements. There were no transactions with those charged with governance.

Note 20 : Financial instruments

ICMC does not enter into foreign currency exchange contracts and does not hold any off-balance sheet financial instruments.

20.1 Credit risk

Financial assets that potentially subject ICMC to concentrations of credit risk consist of cash and cash equivalents, investments and receivables from grantors. Cash and cash equivalents are placed with high credit quality financial institutions, investments are only made in highly rated government or state debt and grant receivables are primarily due from the US Government or other large political institutions.

20.2 Fair values

As at December 31, 2019 and 2018 the fair value of cash and cash equivalents, investments and other current assets and liabilities are not materially different from their carrying amounts.

20.3 Foreign currency risk

Financial assets that potentially subject ICMC to concentrations of currency risk consist of cash and short-term deposits, investments and receivables from grantors in another currency than US\$. The current expenses incurred for HQ in Switzerland are paid in CHF whereas few CHF are received as income. In that situation the organisation is highly sensitive to the variation of US\$ and EUR against CHF. Foreign currency movements are continuously monitored by the organisation but currently there is no use of currency exchange contracts. An analysis of cash assets by currency is provided here:

	<u>Local</u> <u>currency</u> <u>(000)</u>	<u>Conversion</u> <u>rate</u> <u>31/12/19</u>	<u>USD</u> <u>(000)</u>		<u>Local</u> <u>currency</u> <u>(000)</u>	<u>Conversion</u> <u>rate</u> <u>31/12/18</u>	<u>USD</u> <u>(000)</u>
Total petty cash			<u>26</u>				<u>112</u>
Bank accounts							
USD	6,900	1.0000	6,900		6,631	1.0000	6,631
EUR	2,258	1.1214	2,532		1,086	1.1467	1,245
CHF	538	1.0336	556		255	1.0187	260
YTL	511	0.1681	86		274	0.1891	52
PKR	81,021	0.0065	527		9,095	0.0072	66
JOD		1.4124	46		131	1.4124	185
Other			<u>58</u>				<u>11</u>
Total bank accounts			<u>10,704</u>				<u>8,450</u>
Total Cash and cash equivalents			<u>10,730</u>				<u>8,562</u>

Note 21: Headquarter lease agreement

From September 2007, ICMC signed a non-cancellable lease agreement until December 31, 2012. After this date, an automatic extension has been made on an annual basis. The annual rent was agreed at CHF 143,676 (approximately US\$ 147,451). As required by Swiss law, the annual amount of the rent will be revised from time to time. The cost for 2019 is CHF 154,296 (US\$ 155,209). The cost for the coming years is expected to be stable and in line with the 2019 cost.

Note 22: Headquarter- management remuneration

Directors and Heads of departments (five staff members) paid in Switzerland, received KUS\$841 (KCHF814), all together in 2019, in comparison of 2018 KUS\$835 (KCHF819). Governing Committee members did not receive any remuneration in 2019 (or 2018).

Note 23: Scope of consolidation

<u>Entity</u>	<u>Based in</u>	<u>Legal status</u>	<u>Relation</u>	<u>Consolidated Method</u>	<u>Shareholder</u>	<u>%</u>
ICMC	Switzerland Geneva	Association	Parent entity	Full consolidation		
ICMC Europe	Belgium Brussels	Association	Affiliate entity	Full consolidation		
ICMC Greece	Greece Athens	Association	Branch	Full consolidation		
ICMC Inc.	USA Washington- Boston	Corporation Not for profit	Affiliate entity	Full consolidation		
ICMC Jordan	Jordan Amman	Corporation Not for profit	Subsidiary	Full consolidation	Geneva	100
ICMC Lebanon	Lebanon Beirut	Association	Branch	Full consolidation		
ICMC LLC Lebanon	Lebanon Beirut	Corporation	Subsidiary	Full consolidation	Geneva	100
ICMC Malaysia	Malaysia Kuala Lumpur	Association	Branch	Full consolidation		
ICMC Pakistan	Pakistan Islamabad	Association	Branch	Full consolidation		
ICMC Syria	Syria Damascus	Association	Branch	Full consolidation		
ICMC Turkey	Turkey Istanbul	Association	Branch	Full consolidation		

Note 24: Audit remuneration

Fees for audit services in relation to the consolidated financial statements amount to CHF 175,000 (2018 CHF 171,000). There were no non-audit related services provided by the group auditors during the period.

Note 25: Key figures in Swiss Francs

	2019	2018
	CHF	CHF
	(000's)	(000's)
<u>Balance Sheet:</u>		
Assets	12,620	11,055
Liabilities	9,323	7,363
Capital funds	3,297	3,692
<u>Profit and</u>		
<u>Loss account</u>		
Income	28,457	34,472
Expenses	<u>28,798</u>	<u>34,932</u>
Surplus	-341	-460