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To the Governing committee of

International Catholic Migration Commission

Geneva

Report of the Statutory Auditor on the Consolidated Financial Statements for the year 2020 in accordance with Swiss GAAP FER

(for the year ended 31.12.2020)

June 15, 2021
13746/21511402/1

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, 2020, 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, 2020 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 15, 2021

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	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>			
Current assets			
Cash and cash equivalents	2/20.3	9 960	10 730
Investment	20.4	986	0
Accounts receivable and prepayments	4	645	460
Due from US donors (finished projects)	5	0	26
Due from US donors (ongoing projects)	5	2 247	579
Due from other donors (finished projects)	5	12	806
Due from other donors (ongoing projects)	5	326	362
Total Current assets		<u>14 176</u>	<u>12 963</u>
Non Current assets			
Tangible fixed assets	6	81	80
Total Non Current assets		<u>81</u>	<u>80</u>
TOTAL ASSETS		<u><u>14 256</u></u>	<u><u>13 044</u></u>
<u>LIABILITIES AND NET ASSETS</u>			
Current liabilities			
Accounts payable and accruals	7	2 015	1 945
Provisions	8	3 186	2 861
Unexpended funds on-going programs	9	2 339	1 398
Due to other donors (finished projects)	9	493	396
Due to other donors (not started project)	9	2 014	2 457
Due to US Government (finished projects)	9	1 068	578
Total Current liabilities		<u>11 115</u>	<u>9 635</u>
Long term liabilities			
Subsidies	10	1	1
Total Long term liabilities		<u>1</u>	<u>1</u>
TOTAL LIABILITIES		<u><u>11 116</u></u>	<u><u>9 636</u></u>
Fund capital			
Unallocated-designated (after proposed appropriations)			
Administration Reserve	11	1 349	1 349
General Reserve	11	1 786	2 139
Council Meeting funds	11	195	195
Restricted funds	11	77	77
Surplus/(Deficit) to be allocated	11	-267	-353
TOTAL NET ASSETS		<u>3 140</u>	<u>3 407</u>
TOTAL LIABILITIES AND NET ASSETS		<u><u>14 257</u></u>	<u><u>13 044</u></u>

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)

		2020			
		Unallocated	Allocated US Federal Funds	Allocated Other Funds	TOTAL All Funds
<u>PUBLIC SUPPORT AND REVENUE</u>					
	Note				
Public support :					
US Government grants	13/15a	884	8 113		8 996
Other grants and contributions	12/15b	1 045		13 814	14 859
Self funded projects :					
Revenue :					
National contributions	14	178			178
Private donations		1 536			1 536
Foreign exchange gains		26			26
Miscellaneous	17	511			511
Financial Revenue:					
Unrealised gain on investments	16/20.4	236			236
Total public support and revenue		<u>4 417</u>	<u>8 113</u>	<u>13 814</u>	<u>26 343</u>
 <u>EXPENSES</u>					
Management general					
Personnel costs		2 868			2 868
Office expenses		625			625
Travel		25			25
Equipment and maintenance		130			130
Project/program development		62			62
External relations		38			38
Fund raising		902			902
Meetings (Governing Committee, General Assembly)		1			1
Training		1			1
Miscellaneous	18	33			33
Foreign exchange losses					
Programs					
Funded by US Government	13		8 113		8 113
Funded by Europe	12			907	907
Funded by UN	12			9 591	9 591
Funded by Other donors	12			3 316	3 316
Total expenses		<u>4 684</u>	<u>8 113</u>	<u>13 814</u>	<u>26 610</u>
Operating loss for the year		<u><u>-267</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>-267</u></u>

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

2019				
Unallocated	Allocated US Federal Funds	Allocated Other Funds	TOTAL All Funds	
992	9 387		10 378	<u>PUBLIC SUPPORT AND REVENUE</u>
896		15 703	16 599	Public support : US Government grants
				Other grants and contributions
				Self funded projects :
201			201	Revenue : National contributions
1 504			1 504	Private donations
			0	Foreign exchange gains
730			730	Miscellaneous
<hr/> 4 323	<hr/> 9 387	<hr/> 15 703	<hr/> 29 413	Total public support and revenue
				<u>EXPENSES</u>
				Management general
2 724			2 724	Personnel costs
448			448	Office expenses
125			125	Travel
113			113	Equipment and maintenance
84			84	Project/Program development
65			65	External relations
910			910	Fund raising
104			104	Meetings (Governing Committee, General Assembly)
0			0	Training
15			15	Miscellaneous
89			89	Foreign exchange losses
	9 387		9 387	Programs
		1 821	1 821	Funded by US
		10 288	10 288	Funded by Europe
		3 595	3 595	Funded by UN
				Funded by Other donors
<hr/> 4 676	<hr/> 9 387	<hr/> 15 703	<hr/> 29 766	Total expenses
<hr/> <hr/> -353	<hr/> <hr/> 0	<hr/> <hr/> 0	<hr/> <hr/> -353	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>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating surplus for the year	-267	-353
Adjustments for		
- Depreciation	50	67
- Subsidies - Depreciation	-1	-1
- Unrealized Gain on Investment	-236	
- Provisions	325	229
- Provision to Council meeting fund	0	0
- Restricted funds allocation	0	0
Operating surplus before changes in working capital	<u>-129</u>	<u>-58</u>
(Increase)/Decrease in accounts receivable and prepayments	-185	200
(Increase)/Decrease in amounts due from US Donors (finished projects)	26	-10
(Increase)/Decrease in amounts due from US Donors (on-going projects)	-1 668	5
(Increase)/Decrease in amounts due from other Donors (finished projects)	794	196
(Increase)/Decrease in amounts due from other Donors (on going projects)	37	-57
Increase/(Decrease) in accounts payable and accruals	70	90
Increase/(Decrease) in amounts unexpended funds on-going programs	942	-1 243
Increase net in amounts due to other Donors (finished and not started projects)	-346	2 482
Increase/(Decrease) in amounts due to US Government (finished projects)	<u>490</u>	<u>577</u>
Net cash provided by operating activities	<u>158</u>	<u>2 240</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments to acquire tangible fixed assets	-51	-15
Investment in fund	<u>-750</u>	<u>0</u>
Net cash used in investing activities	<u>-801</u>	<u>-15</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
New loan for tangible assets	0	0
Repayment of long term liabilities	<u>0</u>	<u>0</u>
Net cash used in financing activities	<u>0</u>	<u>0</u>
Net increase in cash and cash equivalents	-770	2 167
Cash and cash equivalents at January 1	10 730	8 562
Cash and cash equivalents at December 31	<u>9 960</u>	<u>10 730</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, 2020

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, 2020 approximates 31 International and 483 Local 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, 2020 and 2019 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.

The 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, 2020, ICMC had made all requisite contributions for the 2020 plan year and there were no unfunded obligations with respect to this plan at year-end 2020.

(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 Swiss financial reporting.

Note 3 : Subsequent events and perspectives

There were no subsequent events that would have a material impact on the financial statements. The Association anticipates that the level of activity for the coming years will increase slightly due to the global environment.

However, ICMC has received an order from the Ministry of the Interior to cease its activities in Pakistan. At the date of this report, this order is being appealed by ICMC in the courts of Pakistan.

Note 4 : Accounts receivable and prepayments

	2020	2019
	US\$	US\$
	(000's)	(000's)
Receivables from third parties	237	149
Prepaid expenses	400	292
Advance to employees	8	19
	645	460

Note 5 : Due from donors

	2020	2019
	US\$	US\$
	(000's)	(000's)
- US Donors (finished projects)		
BPRM	0	26
- US Donors (ongoing projects)		
USAID	6	0
BPRM	2,241	579
	2,247	579
- Other Donors (finished projects)		
HI/ECHO	0	553
VDD	0	17
EC	12	236
	12	806
- Other Donors (ongoing projects)		
CIC	215	279
Others	0	15
GFMD	111	68
	326	362

Note 6 : Tangible fixed assets**Cost**

	Office Equipment US\$ (000's)	Motor Vehicles US\$ (000's)	Total US\$ (000's)
At January 1, 2019	413	250	663
Additions	15	0	15
Disposals	-10	0	-10
At December 31, 2019	418	250	668
Additions	51	0	51
Disposals	-83	0	-83
At December 31, 2020	387	250	636

Accumulated depreciation

At January 1, 2019	337	193	530
Charge for the year	32	36	67
Accumulated depreciation on disposals	-10	0	-10
At December 31, 2019	358	229	587
Charge for the year	30	20	50
Accumulated depreciation on disposals	-82	0	-82
At December 31, 2020	306	248	555
Net Book value At December 31, 2020	81	1	81
Net Book value At December 31, 2019	60	21	81

Note 7 : Accounts payable and accruals

	2020	2019
	US\$	US\$
	(000's)	(000's)
Social costs	1,096	1,026
Withholding tax	78	76
Payable to third parties	260	149
Accruals for project audit fees	119	152
Accruals for statutory audit fees	171	164
Accruals others	291	378
Total Accounts payable and accruals	2,015	1,945

Note 8 : Provisions

	<u>2020</u>	<u>2019</u>
	US\$	US\$
	(000's)	(000's)
Provision for other employee benefits		
At January 1	2,682	2,430
Increase in liability (charged to Personnel costs)	634	640
Less paid out in year	<u>-355</u>	<u>-388</u>
	<u>2,961</u>	<u>2,682</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>2020</u>	<u>2019</u>
	US\$	US\$
	(000's)	(000's)
Other provisions		
At January 1	179	203
Increase in liability:		
Other	46	1
Paid out in the year:		
Other	<u>0</u>	<u>-25</u>
At December 31	<u>225</u>	<u>179</u>
Total Provisions	<u>3,186</u>	<u>2,861</u>

Note 9 : Due to donors

	<u>2020</u>	<u>2019</u>
	<u>US\$</u>	<u>US\$</u>
	<u>(000's)</u>	<u>(000's)</u>
- Unexpended funds for ongoing projects		
BPRM	0	66
ECHO	81	207
Other European agencies	819	119
UNOCHA	328	0
ICMC – Self funded projects	10	10
Private Foundation	786	809
Aurora Prize	109	165
Co-funding MADE	22	22
GIZ	184	0
	<u>2,339</u>	<u>1,398</u>
- Other Donors (finished projects)		
UN bodies	493	396
Other	0	0
	<u>493</u>	<u>396</u>
- US Donors (finished projects)		
BPRM	1,068	578
	<u>1,068</u>	<u>578</u>
- Other Donors (not started projects)		
UNHCR	2,014	2,457
	<u>2,014</u>	<u>2,457</u>

Note 10 : Long term liabilities

	<u>2020</u>	<u>2019</u>
	<u>US\$</u>	<u>US\$</u>
	<u>(000's)</u>	<u>(000's)</u>
At January 1	1	1
Repayment during the year	0	1
	<u>1</u>	<u>1</u>

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>
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
2020						
Balance at January 1, 2020	1,349	2,139	195	77	-353	3,407
Allocations to the reserve/funds	0	0	0	0	0	0
Transfers between reserve/funds	0	-353	0	0	353	0
Operating surplus for the year	0	0	0	0	-267	-267
Balance at December 31, 2020	1,349	1,786	195	77	-267	3,140

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

	<u>2020</u>	<u>2019</u>
	US\$	US\$
	<u>(000's)</u>	<u>(000's)</u>
UNHCR		
Pakistan	1,454	673
Greece	3,977	4,018
Staff Deployment	3,598	5,118
Malaysia	76	105
UNOCHA		
Jordan	486	373
European Commission (ECHO) Pakistan	574	795
Europe	333	1,025
European Union (EASO)	417	517
GIZ Pakistan	116	0
Others	579	1,183
GIZ –GFMD	235	178
Swiss Government –GFMD	154	233
Several donors –GFMD	212	113
CIC	1,603	1,372
Total Restricted grants and contributions	13,814	15,703
Indirect expense recoveries (Note 15b)	1,045	896
Total all funds	14,859	16,599

As at December 31, 2020, 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\$ 642 (2019: KUS\$ 1,381).

Note 13 : US Government grants

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

	<u>2020</u>	<u>2019</u>
	US\$	US\$
	<u>(000's)</u>	<u>(000's)</u>
BPRM		
RSC-Middle East	5,472	6,464
Humanitarian - Jordan	2,118	2,413
Gender violence – Indonesia and Malaysia	517	477
USAID		
Syria	0	33
Geneva	6	0
Total Restricted US Grants	8,113	9,387
Indirect expense recoveries (note 15a)	884	992
Total all funds	8,996	10,379

As at December 31, 2020, 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\$ 10,342 (2019 KUS\$ 7,086).

Note 14: National contributions

	<u>2020</u>	<u>2019</u>
	US\$	US\$
	(000's)	(000's)
Bishops Conference of Belgium	3	3
Bishops Conference of Australia - Archdiocese	3	3
Bishops Conference of Canada	3	3
Bishops Conference of Germany	4	4
Bishops Conference of Italy - Migrants	24	22
Bishops Conference of Austria	4	3
Bishops Conference of Switzerland	3	3
Bishops Conference of USA - MRS	75	75
Bishops Conference of New Zealand	3	3
Bishops Conference Poland	1	0
Bishops Conference Spain	4	4
Bishops Conference of Korea	4	4
Bishops Conference of Ireland	0	3
Bishops Conference of Denmark	3	3
Bishops Conference of Malta	3	3
Bishop Conference of Luxembourg	3	3
Holy See	28	28
Lupina Foundation	0	12
Fundacion Universitaria San Antonio	0	12
Others	10	10
	<u>178</u>	<u>201</u>

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:

	<u>2020</u>	<u>2019</u>
	US\$	US\$
	(000's)	(000's)
<u>At predetermined recovery rate:</u>		
BPRM - RSC -Middle East	609	689
- Humanitarian - Jordan	220	251
- Gender violence - Indonesia and Malaysia	54	50
USAID - Syria	0	2
-Geneva	1	0
	<u>884</u>	<u>992</u>

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 2020 and 2019.

Note 16 : Investment income

	<u>2020</u>	<u>2019</u>
	US\$	US\$
	(000's)	(000's)
Unrealised gain on investments	236	0
	<u>236</u>	<u>0</u>

Note 17 : Miscellaneous income

	<u>2020</u>	<u>2019</u>
	US\$	US\$
	(000's)	(000's)
Rental income	44	23
Other unrestricted funding	427	676
Other	40	31
	<u>511</u>	<u>730</u>

Note 18 : Miscellaneous expenses

	<u>2020</u>	<u>2019</u>
	US\$	US\$
	(000's)	(000's)
Contributions/Subscriptions to Voluntary Agencies	14	15
Other	19	0
	<u>33</u>	<u>15</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, 2020 and 2019 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>31/12/20</u>	<u>USD</u> <u>(000)</u>		<u>Local</u> <u>currency</u> <u>(000)</u>	<u>Conversion</u> <u>rate</u> <u>31/12/19</u>	<u>USD</u> <u>(000)</u>
Total petty cash			<u>22</u>				<u>26</u>
Bank accounts							
USD	5,207	1.0000	5,207	6,900	1.0000	6,900	
EUR	2,627	1.2216	3,209	2,258	1.1214	2,532	
CHF	575	1.1301	650	538	1.0336	556	
YTL	413	0.1345	56	511	0.1681	86	
PKR	108,002	0.0063	676	81,021	0.0065	527	
JOD	54	1.4124	76	33	1.4124	46	
Other			<u>64</u>			<u>58</u>	
Total bank accounts			<u>9,938</u>			<u>10,704</u>	
Total Cash and cash equivalents			<u>9,960</u>			<u>10,730</u>	

20.4 Investments and Financials incomes

In 2020, ICMC invested 750 KUSD in a Socially Responsible Investment Fund. This investment generated in 2020 236 KUSD of unrealised gains.

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 2020 is CHF 154,296 (US\$ 163,199). The cost for the coming years is expected to be stable and in line with the 2020 cost. The remaining obligation is USD US\$ 163,199 at 31st December of 2020.

	31/12/20 USD
Within one year	163,199
Between 1 to 5 years	0
Over 5 years	0
	<u>163,199</u>

Note 22: Headquarter- management remuneration

Directors and Heads of departments (five staff members) paid in Switzerland, received KUS\$894 (KCHF791), all together in 2020, in comparison of 2019 KUS\$841 (KCHF814). Governing Committee members did not receive any remuneration in 2020 (or 2019).

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 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 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 (2019 CHF 175,000). There were no non-audit fees related services provided by the group auditors during the period.

Note 25: Key figures in Swiss Francs

	2020	2019
	CHF	CHF
	(000's)	(000's)
<u>Balance Sheet:</u>		
Assets	12,643	12,620
Liabilities	9,863	9,323
Capital funds	2,779	3,297
<u>Profit and Loss account</u>		
Income	23,311	28,457
Expenses	<u>23,547</u>	<u>28,798</u>
Surplus	-236	-341