

To the Board of Trustees of
International Disability Alliance, Le Grand-Saconnex

Lausanne, 27 October 2020

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the accompanying financial statements of International Disability Alliance, which comprise the balance sheet, income statement and notes for the year ended 31 December 2019.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors 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 2019 comply with Swiss law and the company'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 83b paragraph 3 Swiss Civil Code (CC) in relation with article 728 CO) and that there are no circumstances incompatible with our independence.

In accordance with article 83b paragraph 3 CC in relation to 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 Board.

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

Ernst & Young Ltd

Licensed audit expert
(Auditor in charge)

Licensed audit expert

Enclosure

- ▶ Financial statements (balance sheet, income statement and notes)

International Disability Alliance, Le Grand- Saconnex

BALANCE SHEET AS OF 31 DECEMBER 2019

	NOTE	2019 <u>CHF</u>	2018 <u>CHF</u>
ASSETS			
Current assets			
Cash and cash equivalents		1,549,440	932,226
Other trade and receivable		63,118	55,768
Prepaid expenses		10,290	34,082
Accrued income	8.A	606,831	264,221
Total current assets		2,229,679	1,286,298
Non Current assets			
Deposits		13,826	13,826
Fixed assets		17,842	4,540
Total non current assets		31,669	18,366
TOTAL ASSETS		2,261,348	1,304,664

International Disability Alliance, Le Grand- Saconnex

BALANCE SHEET AS OF 31 DECEMBER 2019

	NOTE	2019	2018
		<u>CHF</u>	<u>CHF</u>
LIABILITIES AND EQUITY			
Short-term liabilities			
Trade accounts payable		306,105	229,532
to third parties		302,292	228,545
to managements bodies		3,814	987
Remuneration and social security		17,001	8,966
Short-term interest-bearing liabilities		5,433	2,531
Accrued expenses		84,649	51,958
Deferred income	8.B	1,834,414	997,933
Total short-term liabilities		<u>2,247,603</u>	<u>1,290,920</u>
Equity			
Free reserve	7.A	13,744	13,744
Total equity		<u>13,744</u>	<u>13,744</u>
TOTAL EQUITY AND LIABILITIES		<u>2,261,348</u>	<u>1,304,664</u>

International Disability Alliance, Le Grand- Saconnex

INCOME STATEMENT 2019

	NOTE	2019 <u>CHF</u>	2018 <u>CHF</u>
Operating income	8.C	6,475,270	5,924,159
Operating expenses		-4,242,069	-3,838,852
Gross margin		<u>2,233,201</u>	<u>2,085,307</u>
Staff costs - Salaries and Benefits	8.D	-2,088,099	-1,931,172
Other operating expenses	8.D	-17,682	-8,203
Depreciations	8.D	-9,009	-3,544
Earnings before interest		<u>118,412</u>	<u>142,387</u>
Financial losses	8.E	-184,828	-183,998
Financial profits	8.F	60,921	41,611
Income related to other periods	8.G	5,496	-
ANNUAL BALANCE		<u>0</u>	<u>0</u>

1. Principles applied in these financial statements (where these are not specified by law):

- International Disability Alliance (IDA) is a non-profit organisation exclusively funded by subsidises and grants from public institutions (Swedish International Development Agency, Ministry of Foreign Affairs Australia), Non-governmental organisations (CBM, Sightsavers) or private foundations (Open Society Foundation).
- All expenses committed by IDA are allocated to grant agreements supported by budget proposals agreed with the Donors. Consequently, IDA cannot make benefits on any funding. At the end of the year, the remaining funds on each contract are deferred to the following year.
- For the present financial statement, the amount deferred is based on the expenses incurred for each grant up to 31/12/2019.

2. Applicable accounting law:

- The present financial statements have been prepared in accordance with the provisions on commercial accounting laid down in articles 957 – 963b Swiss Code of Obligations (CO) (effective 1 January 2013).

3. Statutes and location of the Organisation:

- The International Disability Alliance is a non-profit association governed by its Statutes approved by general meeting held on 7 June 2013 and by Article 60. et seq. of Swiss Civil Code.
- IDA Statutes have been Amended during the General Assembly held on 28 October 2017.
- The International Disability Alliance has three offices:
 - Geneva office is located at 150 Route de Ferney, CH1218 Grand Saconnex, Switzerland.
 - New York office is located at 205 East 42nd Street New York, NY 10017, United States.
 - Lyon office is located at 18 rue Dumont, 69004 Lyon, France.

4. Registrations of the Organisation:

- The International Disability Alliance is registered in Switzerland as followed:
 - Geneva Register of Commerce, Registration Number # CHE-178.278.102, date: 16 November 2016
 - Administration Fiscale Cantonale, Tax exemption number # 080.502.106
 - Federal Fiscal Administration, V.A.T. number # CHE-492.466.207
- The International Disability Alliance is registered in the United States since 10 January 2017 as Foreign Non-For-Profit Corporation (Section 1304) under Employer Identification Number # 98-1347819.
- The International Disability Alliance has a SIRET number in France since 2015 which allows the employment of staff on French territory (SIRET number 80427472800018).

5. Exchange rate:

- In 2018, the exchange rate used for daily transactions in IDA accounts was the official exchange rate from the Swiss Fiscal Federal Administration.
- <https://www.estv.admin.ch/estv/fr/home/mehrwertsteuer/dienstleistungen/fremdwaehrungskurse/monatsmittelkurse/aktueller-monatsmittelkurs.html>
- In 2019, IDA changed its exchange rate policy for daily transactions, and from 01/01/2019 onward, IDA will use the weekly exchange rates from *Union des Banques Suisses (UBS)*. IDA use the exchange rate received every Monday from UBS.
- https://ebanking-ch1.ubs.com/app/CGT/Workbench/wb/pageGroup/wb_pg_mi?peekOnload=true
- IDA decision to change exchange rate policy in 2019 was motivated with the fact the weekly UBS rate is closer to the market rate used on each banking transaction.
- For the annual closing work, IDA use UBS bank accounts annual certifications. The exchange rates for each currency as of 31/12/2019 are as followed:

	31/12/2019	31/12/2018
	Value for 1 CHF	Value for 1 CHF
USD	1,032684463	1,0144000
NOK	9,074507331	8,7839000
EURO	0,919986899	0,88740000
GBP	0,779531985	0,79650000
AUD	1,469073793	1,44090000
SEK	9,667010168	

At the end of the year, translation differences are calculated for each banks, cashboxes and suppliers open accounts by comparing the official exchange rate from UBS up to 31/12/2019 (table above), with the existing balance in IDA accounts.

6. Valuation Rules - Assets:

Since 01 January 2017 IDA implemented the following policy concerning assets valuation:

A. Fixed tangible assets:

- The minimum value of a fixed tangible asset is 500 CHF. The acquisition costs are included in the assets.
- The depreciations of tangible assets acquired since 01/01/2017 are calculated for a full year.
- The rules adopted for depreciation of fixed assets are the following:

IT Equipment: Laptop, Desktop, printer, scanner, server 3 years linear.

Other office equipment: Meeting room table, 3 years linear.

- An inventory of fixed tangible assets is performed at the end of each year and validated by IDA President, IDA Executive Director and IDA Operations and Finance Director. The most recent inventory list is dated from 31/12/2019.

B. Other non-current assets:

Deposits: Rental guarantee for NY and Geneva offices, lawyer retainer fees.

C. Current assets:

Cash and cash equivalents at hand: It includes the various current accounts from the International Disability Alliance at UBS (Geneva) and Citibank (New York), the savings account at UBS (Geneva), and petty cash from New York and Geneva Offices.

Other trade and receivables: All receivables older than 2 years are automatically considered as doubtful receivables and value adjustments are recorded. No other trade and receivables have been registered in 2019.

Prepaid expenses (deferred charges): Prepaid expenses are expenses registered in 2020 and paid in 2019.

Accrued income: Expenses committed in 2019 and allocated to funding contracts which will be paid in 2020.

7. Valuation Rules – Liabilities

A. EQUITY

- No equity capital was established when IDA was legally incorporated in Switzerland on 07 June 2013.

IDA Free reserve:

- IDA cannot generate operating profits or losses due to its source of funding. Profits can only result from exceptional operations such as 2016 exceptional profit of 13,744.47 CHF resulting from a tax refund for 2015 fiscal year, issued by the Swiss Federal Fiscal Administration/ VAT office. In such cases, exceptional profits can be affected to an equity fund upon validation from the IDA General Assembly.
- No exceptional profits were generated in 2019 and therefore no additional funds were affected to IDA equity fund which remained stable at 13,744 CHF on 31/12/2019.
- Equity fund is saved on the UBS saving account (IBAN: CH44 0027 9279 1304 13M1 A). The saving account balance up to 31.12.2019 was 13,698.52 CHF. The difference between the level of equity (13,744.45 CHF) and the saving account balance is due to financial charges. Those charges have been allocated to IDA Profit and Losses account in 2019.
- IDA episodically transfer funds to the saving account to level the balance to 13,744 CHF to match with IDA level of equity.

B. DEBT-DEFERRED INCOME

- Total subsidies granted for several years and not yet used as of 31st of December 2019.

C. DEBT-OTHER SHORT-TERM LIABILITIES

Trade accounts payable: Open suppliers and partners balance as of 31/12/2019; Balances related to supplier accounts of Senior Management Team are registered as “*trade account payable to management bodies*”

Remuneration and social security: Payments of Social contributions, pensions and other insurance contributions related to IDA payrolls in Switzerland, United States and France.

Short term interest-bearing liabilities: Balance of IDA Mastercard account.

Accrued expenses: Provisions for paid leaves, attendance fees for IDA President and annual audits.

8. Information, breakdowns, and explanations related to balance sheet and income statement items:

- A. Accrued Income:** This account includes the payments not yet made by the donor, while the corresponding projects have been partially or fully realized.

2019 Accrued income	2019	2018
	CHF	CHF
Ministry of Foreign Affairs of Germany	5,454	5,571
Sightsavers	113,212	0
Other funding	31,886	0
CBM International	37,594	48,658
Humanity & Inclusion (<i>Formerly Handicap International</i>)	28,397	45,792
Ministry of Foreign Affairs Luxembourg	0	8,265
Foreign, Commonwealth & Development Office (FCDO)	48,684	133,345
Fundación ONCE	0	22,590
Disability Rights Advocacy Fund	341,603	0
	606,831	264,221

- B. Deferred Income:** This account includes payments from donors processed in 2019 to International Disability Alliance and not yet charged to projects.

2019 Deferred income	2019	2018
	CHF	CHF
CBM International	57,683	40,094
Department of Foreign Affairs and Trade / Australia - AUSAID	306,717	405,456
Foreign, Commonwealth & Development Office (FCDO)	0	18,098
Disability Rights Fund	140,162	92,149
Disabled People Organisation - Denmark	0	57,550
Humanity & Inclusion (<i>Formerly Handicap International</i>)	3,743	0
International labour organization	3,880	0
Joseph P. Kennedy Jr Foundation	114,270	0
Ministry of Foreign Affairs of Norway	224,905	6,901
Others	0	17,343
Open Society Foundation	292,477	247,793
Sightsavers	28,414	0
UNICEF	48,925	0
US Private Foundation - Anonymous	338,399	112,549
European Commission	274,838	0
	1,834,414	997,933

C. **Operating Income per donor:** IDA operating income is exclusively based on grants and subsidies.

2019 Operating income per donor

	2019	2018
	CHF	CHF
Swedish International Development Cooperation Agency	627,108	664,836
Sightsavers	438,423	309,834
Ministry of Foreign Affairs of Finland	662,700	572,124
Ministry of Foreign Affairs of Germany	54,374	59,639
US Private Foundation - Anonymous	344,174	342,100
Humanity & Inclusion (<i>Formerly Handicap International</i>)	400,636	169,214
Open Society Foundation	441,123	641,505
Ford Foundation	25,003	136,640
Disability Rights Fund	327,143	257,607
Department of Foreign Affairs and Trade / Australia - AUSAID	894,514	548,815
Disabled People Organisation - Denmark	118,585	0
Fundación ONCE	0	52,458
CBM International	679,985	595,957
Ministry of Foreign Affairs of Norway	107,518	282,401
Department of Foreign Affairs and Trade / Australia - IDF	0	83,823
Foreign, Commonwealth & Development Office (FCDO)	1,177,795	1,092,406
Joseph P. Kennedy Jr Foundation	79,770	0
Other donors	71,595	114,802
International labour organization	24,825	0
	6,475,270	5,924,159

D. Expenses by budget headlines:

	2019 CHF	2018 CHF	% vs N-1
Staff costs	-2,088,099	-1,931,172	8.13%
Salaries and Benefits	-1,870,127	-1,754,271	
Reasonable Accommodation Staffs	-217,972	-176,901	
Operating Expenses	-4,242,069	-3,838,852	10.50%
A. Governance / General Assembly / Board meeting	-262,279	-214,567	22.24%
Governance / General Assembly / Board meeting	-264,949	-214,649	
Governance costs transferred to Taxes & Finance	2670	82	
B. Project Costs	-3,333,531	-3,165,435	5.31%
Support to Members - Fellowships and NOLB Programs	-521,063	-497,833	
Influencing Agenda 2030 implementation and monitoring	-683,986	-1,167,274	
Influencing for CRPD compliance of Human Rights System	-369,018	-219,858	
Building technical capacities for advocacy and accountability	-945,050	-559,614	
Support to Indigenous Persons with Disabilities	-32,710	-51,109	
Art 11 project-Inclusion of Persons with disabilities in Humanitarian Action	-330,888	-306,073	
Fiscal Sponsorships	-474,974	-389,872	
Project Financial costs transferred to Taxes and Finance	24,133	26,193	
Project Financial costs transferred to Other Operating Costs	25	5	
C. Fundraising and Strategic Coordination	-260,081	-158,737	63.84%
Fundraising and Strategic Coordination	-261,000	-161,093	
Fundraising Financial costs transferred to Taxes & Finance	919	2,356	
D. Support Costs	-386,178	-300,113	28.68%
Support Costs	-459,006	-331,782	
Support costs transferred to Depreciations	9,009	3,544	
Support costs transferred to Others operating costs	60	58	
Support costs transferred to Taxes and Finance	69,255	28,067	
Support costs transferred to income from others periods	-5,496	0	
Depreciations	-9,009	-3,544	154.19%
Other Operating costs	-17,682	-8,203	115.55%
Taxes & Finance	-123,907	-142,387	-12.98%
Taxes and Finance costs	-44,528	-93,828	
Governance costs transferred to Taxes and Finance	-2,670	-82	
Project Financial costs transferred to Taxes and Finance	-24,133	-26,193	
Support costs transferred to Taxes and Finance	-69,255	-28,067	
Fundraising Financial cost transferred to Taxes & Finance	-919	-2,356	
Taxes and Finance costs transferred to Others Operating costs	17,597	8,140	
Income related to other periods	5,496	0	
TOTAL EXPENSES	-6,475,270	-5,924,159	9.30%

Note on Fundraising and Strategic Coordination costs (from budget above)

A new budget headline has been created in 2018 to cover the following expenses: 1/ Secretariat Coordination and Executive Director travels; 2/ Fundraising costs; 3/ Coordination costs with IDDC and IDA strategic partners; 4/ IDA Program Committee; 5/ Communication and Social Media costs

Note on Fiscal sponsorships:

The International Disability Alliance supports the work of the UN Special Rapporteur on the Rights of Persons with Disabilities, the TCI Asia-Pacific and CBM United States (the fiscal sponsorship recipients) with grant management and contracting employees on their behalf.

These entities could not directly engage with some Donors due to administrative capacities, national legislation ruling civil society funding or registration issues.

Within the frame of fiscal sponsorship, IDA limits its support to receiving funds, ensuring compliance of the spending with Swiss and US legislation (where IDA is legally incorporated), and with Donors' regulations.

IDA fully respects the independence of the Fiscal Sponsorship Recipient and does not interfere with any decisions of their Management. The Fiscal sponsorship Recipient is ultimately responsible for any decision-making regarding the allocation of its resources. Therefore, IDA cannot be held responsible for any results and/or outcomes stated in the grant application, which would be partially or wholly not achieved by the Fiscal Sponsorship Recipient in the agreed time frame.

E. Financial losses:

	2019	2018
	CHF	CHF
Interest expenses	-26,678	-21,228
Foreign exchange losses	-158,150	-162,770
	<u>-184,828</u>	<u>-183,998</u>

F. Financial profits

	2019	2018
	CHF	CHF
Other Financial Profits	71	72
Foreign exchange Profits	60,850	41,539
	<u>60,921</u>	<u>41,611</u>

Overall, the balance of financial losses and profits represented 1.91% of the total budget, compared to 2.39% in 2018.

G. Income related to other periods:

	2019	2018
	CHF	CHF
	<u>5,496</u>	<u>0</u>

H. Balance to pension schemes

2019 CHF	2018 CHF
-1,404	253

I. Up to 31/12/2019 IDA has 28 employees:

	31/12/2019 EFT	31/12/2018 EFT
Geneva Office	14	11
<i>incl fiscal sponsor</i>	2	2
New York Office	7	6
<i>incl fiscal sponsor</i>	1	1
Serbian Office	3	1
French Office	2	1
Indian Office	1	1
Canadian Office	1	0
	28	20

9. COVID-19 and subsequent events

- In March 2020, the World Health Organization (WHO) declared the spread of COVID-19 a pandemic. This spread and the responses of governments to deal with the pandemic are influencing everyday life and the economy.
- The Board of Directors considers as of the date of this report, that this event did not have any effect on 2019 financial accounts, since the pandemic started after the end of IDA financial year (01 January 2019 to 31 December 2019).
- For 2020 financial year, the COVID-19 pandemic will have a negative effect on IDA 2020 budget which is forecast at the date of the report, to be 40% lower than the initial forecast realised in January 2020.
- The magnitude and duration of this impact are, however, still uncertain at the date of this report. When preparing the annual report, the board of directors considered the continued activities of the company positively. It is considered realistic that the company can continue its activities for the next twelve months, so this annual report has been drawn up on the basis of business continuity.