

To the General Assembly of
International Disability Alliance, Le Grand-Saconnex

Lausanne, 22 July 2022

Report of the statutory auditor on the financial statements

As statutory auditor in accordance with art. 28 of the statutes, 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 2021.

Board's responsibility

The Board is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the articles of association. 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 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 2021 comply with Swiss law and the company's articles of association.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 69b Swiss Civil Code (CC) in relation with article 728 CO) and that there are no circumstances incompatible with our independence.

In accordance with article 69b 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)



FINANCIAL STATEMENTS, 31/12/2021

International Disability Alliance, Le Grand- Saconnex

IDA BALANCE SHEET Assets from 01/01/2021 to 31/12/2021

ASSETS	NOTE	2021	2020
		CHF	CHF
Current assets			
Cash and cash equivalents	7.C	3'406'602	2'943'474
Other trade and receivable	7.C	290'992	132'529
Prepaid expenses	7.C	27'232	0
Other receivables with sub-grantees	7.C	670'386	0
Accrued income from donors	7.D	917'027	169'231
Receivables from donors	7.C	8'541'514	0
Total current assets		13'853'753	3'245'233
Non Current assets			
Deposits	7.B	25'983	14'443
Fixed assets	7.A	16'573	12'481
Receivables from donors	7.C	1'754'009	0
Other receivables with sub-grantees	7.C	42'754	0
Total non current assets		1'839'319	26'924
TOTAL ASSETS		15'693'072	3'272'157

International Disability Alliance, Le Grand- Saconnex

IDA BALANCE SHEET Liabilities from 01/01/2021 to 31/12/2021

LIABILITIES AND EQUITY	NOTE	2021 <u>CHF</u>	2020 <u>CHF</u>
Short-term liabilities			
Trade accounts payable		1'139'297	602'504
to third parties	8.D	458'721	598'769
to managements bodies	8.D	10'191	3'736
to sub-grantees	8.D	670'386	0
Remuneration and social security	8.C	28'331	1'466
Accrued expenses	8.C	248'471	149'736
Deferred income	8.D	12'466'465	2'504'706
Total short-term liabilities		13'882'565	3'258'413
Long-term liabilities			
Trade accounts payable to sub-grantees	8.B	42'754	0
Deferred income	8.E	1'754'009	0
Total long-term liabilities		1'796'763	0
Equity			
Other voluntary reserves	8.A	13'744	13'744
Total equity		<u>13'744</u>	<u>13'744</u>
TOTAL EQUITY AND LIABILITIES		<u>15'693'072</u>	<u>3'272'157</u>

INCOME STATEMENT
For the period from 01 January 2021 to 31 December 2021

Income		<u>2021</u> CHF	<u>2020</u> CHF
	NOTE		
Operating income	9.C	8'123'721	5'949'836
Operating expenses		-4'801'141	-3'040'862
Gross margin		<u>3'322'581</u>	<u>2'908'975</u>
Staff costs - Salaries and Benefits	9.D	-3'248'323	-2'811'107
Other operating expenses	9.D	-4'648	-3'583
Depreciations	9.D	-16'262	-13'081
Earnings before interest		<u>53'347</u>	<u>81'205</u>
Financial losses	9.E	-315'049	-228'063
Financial income	9.F	261'702	146'859
ANNUAL BALANCE		<u><u>0</u></u>	<u><u>0</u></u>

Notes to the financial statements

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

- International Disability Alliance (IDA) is a non-profit organisation funded by Development Aid Agencies, UN Agencies, Non-governmental Organisations, and Private Foundations.
- As a Non-Profit-Organization, IDA is not allowed to make any profits on the funding contracts signed with its donors. In case a funding is not entirely spent by the end of the year, the remaining funds 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 31/12/2021.
- IDA audited financial period started on 01 January 2021 and ended on 31 December 2021.

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 thrice, during the General Assembly held on 28 October 2017, the General Assembly held on 04 November 2019 and the General Assembly held on 21 October 2021.
- The International Disability Alliance has five 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.
 - Belgrade office is located at 33/II Knez Mihailova, 11000 Belgrade, Serbia.
 - Thatta Sindh office is located at 30, Opposite Pak Steel Colony, Ghulamullah Road, Makli District Thatta Sindh, Pakistan.

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-178.278.102
- The International Disability Alliance is registered in the United States since 10 January 2017 as Foreign Non-For-Profit Corporation-
- The International Disability Alliance has a SIRET number in France since 2015 which allows the employment of staff on French territory.
- The International Disability Alliance is registered in Serbia since March 2020.

- The International Disability Alliance has an employer registration in the Spain social security system since July 2021.

5. Activities of IDA

- 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 twenty-four months, so this annual report has been drawn up on the basis of business continuity.

6. Exchange rate:

- In 2020, IDA adjusted its exchange rate policy to a unique monthly exchange rate provided by the *Union des Banques Suisses (UBS)*. IDA monthly updates are based on the exchange rates received every first Monday of the month from UBS.
- IDA followed the same policy in 2021.
- For the annual closing work, IDA use UBS bank accounts annual certifications. The exchange rates for each currency as of 31/12/2021 are as followed:

	31/12/2021	31/12/2020
	Value for 1 CHF	Value for 1 CHF
USD/CHF	1.097514	1.131286
EUR/CHF	0.965103	0.924593
NOK/CHF	9.678208	9.686009
AUD/CHF	1.509546	1.466061
SEK/CHF	9.936728	9.290739
GBP/CHF	0.810303	0.827599

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 31/12/2021 (table above), with the existing balance in IDA accounts.

7. 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 31/12/2021.

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 2021.
- Prepaid expenses (deferred charges): Prepaid expenses are expenses registered in 2022 and paid in 2021.
- Other receivables with sub-grants: As of 1st of January 2021, IDA has been recording accounts payable upon signature of sub-grants agreements for the entire amount of the contract. This generated an increase of CHF 713'140 of agreed expenses and of trade accounts payable to third parties (short term and long term). This has no impact on equity and income statement, since the amount recognized is directly related to the expenses incurred during the year. If the same principle would have been applied as of 1st of January 2020, the impact on 2020 figures would have been an increase of CHF 1'331'623.71 of the aforementioned accounts, with no impact on equity and income statement.
- Receivables from donors: As of 1st of January 2021, IDA has been recording accounts receivable upon signature of grants received from donors for the entire amount of the engagement. This generated an increase of CHF 10'295'523 (CHF 8'541'514 for 2022 and CHF 1'754'009 for 2023 and beyond) of accounts receivable from donors and of deferred income from donors. This has no impact on equity and income statement, since the income recognized is directly related to the expenses incurred during the year. If the same principle would have been applied as of 1st of January 2020, the impact on 2020 figures would have been an increase of CHF 15'680'530 of the aforementioned accounts, with no impact on equity and income statement.

- D. **Accrued income from donors:** Expenses committed in 2021 and allocated to funding contracts which will be paid in 2022.

2021 Accrued income	2021	2020
	CHF	CHF
Foreign, Commonwealth & Development Office (FCDO)	462,179	82,619
Ministry of Foreign Affairs of The Netherlands	229,164	0
Humanite & Inclusion (Formerly Handicap International)	207,236	0
Other funding	14,784	0
CBM International	3,664	61,269
Sightsavers	0	11,931
World Health Organization	0	8,637
Disabled People Organisation - Denmark	0	4,774
	917,027	169,231

8. Valuation Rules – Liabilities

A. EQUITY

- No equity capital was established when IDA was legally incorporated in Switzerland on 07 June 2013.
- IDA other voluntary 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 2021 and therefore no additional funds were affected to IDA equity fund which remained stable at 13,744 CHF on 31/12/2021.

B. LONG-TERM LIABILITIES

- Trade accounts payable to sub-grants: This account includes the amount payable upon signature of the sub-grants agreements from the 01st January 2023 to the end of the contract. This generated an increase of long-term liabilities of CHF 42'754 and has no impact on equity and income statement.

C. SHORT-TERM LIABILITIES

- Remuneration and social security: Payments of Social contributions, pensions and other insurance contributions related to IDA payrolls in Switzerland, United States and France.
- Accrued expenses: Provisions for untaken paid leaves and annual audits. The balance of paid leaves at the end of the year should be at zero for any IDA employee; any exception to the rule should be validated by the IDA Executive Committee after a first approval of the Executive Director.

D. TRADE ACCOUNT PAYABLE

- To third parties: Open suppliers and partners balance as of 31/12/2021.
- To managements bodies: Balances related to supplier accounts of Senior Management Team are registered as “*trade account payable to management bodies*”
- To sub-grantees: included the amount payable upon signature of the sub-grant agreements for the engagement to be spent in 2022. This generated an increase of CHF 670'386 of short-term liabilities and has no impact on equity and income statement.

E. DEFERRED INCOME

This account includes payments received from donors in 2021 to International Disability Alliance and not yet charged to projects as of 31.12.2021 (CHF 3'924'951) and the accounts receivable upon signature of grants received from donors for the entire amount of the engagement, Short-term liabilities (CHF 8'541'514) less than one year and Long-term liabilities (CHF1'754'009) more than one year.

2021 Deferred income received	2021	2020
	CHF	CHF
Norwegian Agency for Development Cooperation	1'602'621	295'880
Swedish International Development Cooperation Agency	841'631	210'000
US Private Foundation - Anonymous	309'121	291'587
European Commission	232'714	274'496
Open Society Foundation	206'247	118'000
Sightsavers	179'319	57'892
United Nations International Children's Emergency Fund	164'260	0
CBM International	149'312	36'356
Department of Foreign Affairs and Trade / Australia	67'776	1'126'932
Disabled People Organisation - Denmark	66'590	51'340
Light for the world	47'805	0
Norwegian Federation of Deaf Blind	43'432	0
Others	9'149	392
Foreign, Commonwealth & Development Office (FCDO)	3'658	0
Joseph P. Kennedy Jr Foundation	1'316	24'876
International labour organization	0	16'956
	3'924'951	2'504'706

2021 Deferred income receivables from donors	2021	2020
	CHF	CHF
Long-term liabilities	1'754'009	0
Short-term liabilities	8'541'514	0
	10'295'523	0

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

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

Operating income per donor

	2021	2020
	CHF	CHF
Foreign, Commonwealth & Development Office (FCDO)	1,632,562	594,243
Department of Foreign Affairs and Trade / Australia	1,576,080	1,084,526
Norwegian Agency for Development Cooperation	1,517,998	941,435
CBM International	644,884	336,190
Sightsavers	508,342	683,185
Swedish International Development Cooperation Agency	442,756	615,787
Humanite & Inclusion (Formerly Handicap International)	435,067	3,732
US Private Foundation - Anonymous	344,856	512,257
Ministry of Foreign Affairs of The Netherlands	335,629	0
United Nations Agencies	197,326	0
United Nations International Children's Emergency Fund	170,359	0
Open Society Foundation	142,512	332,894
European Commission / FNDB (WFDB FS)	58,252	342
Disabled People Organisation - Denmark	37,163	5,675
JP Kennedy, JR Foundation	23,560	99,072
International labour organization	22,243	834
World Health Organization	14,335	32,495
Other donors	10,374	74,278
Ministry of Foreign Affairs of Finland	9,423	436,363
Disability Rights Fund	196,529	196,529
	8,123,721	5,949,836

- B. Expenses by budget headlines:** The presentation of the previous year figures has been modified with minor reclassification for comparison purposes with no impact on equity and income statement

	2021 CHF	2020 CHF	% vs N-1
Staff costs	-3'248'323	-2'811'107	16%
01 HUMAN RESOURCES	-3'128'960	-2'687'374	16%
01.b RA Secretariat	-119'363	-123'733	-4%
Operating Expenses	-4'801'141	-3'040'861	58%
A. Governance / General Assembly / Board meeting	-33'315	-92'003	-64%
02 GOVERNANCE	-33'315	-92'003	-64%
B. Program Costs	-4'011'463	-2'349'100	71%
03 HUMAN RIGHTS	-340'616	-83'452	308%
04 INTERNATIONAL COOPERATION	-170'026	-217'525	-22%
05 THEMATIC ADVOCACY	-737'471	-428'134	72%
06 SDGS AND HUMANITARIAN	-104'492	-256'505	-59%
07 SUPPORT TO IDA MEMBERS	-1'731'728	-859'284	102%
08 TECH CAPACITY DEVELOPMENT	-565'416	-233'411	142%
09 TRUST FUND	-242'730	-5'030	4725%
11 COMMUNICATION - M&E-SURVEY	-118'984	0	
Fiscal Sponsorship	0	-279'029	-100%
Project Financial costs transferred to Financial Losses and Profits	0	15'590	-100%
Taxes and Finance costs transferred to Operating costs	0	-2'320	-100%
C. Executive Direction and Senior Management	-54'332	-114'154	-52%
10 EXEC DIRECT & SENIOR MGT	-54'332	-114'154	-52%
D. Support Costs	-702'030	-485'603	45%
12 ADMIN, AUDIT AND LEGAL COST (Taxes)	-480'233	-258'821	86%
13 SUPPORT COSTS	-242'459	-239'431	1%
Support costs transferred to Depreciations	16'262	13'081	24%
Support costs transferred to Others operating costs	4'648	0	
Support costs transferred to income from others periods	-248	-432	-43%
Depreciations	-16'262	-13'081	24%
Other Operating costs	-4'648	-3'583	30%
Financial Losses and Profits	-53'347	-81'206	-34%
TOTAL EXPENSES	-8'123'721	-5'949'836	37%

Note on budget headlines

- Budget headlines build on the revised IDA budget framework created in 2020 and adjusted in 2021. The budget is divided into 14 units (numbered above from 1 to 13. The last one being the financial losses and profits).
- 01 Human resources: Covers salaries and benefits costs for IDA staffs and other employees under IDA payroll and covered by IDA fiscal sponsorships.
- 01.b RA Secretariat: Reasonable Accommodation costs for IDA Secretariat staffs.
- 02 Governance: Covers costs of governance such as Board meetings and IDA General Assembly.
- 03 to 09: Cover program costs
- 10 Executive Direction and Senior Management: Covers costs of secretariat coordination and senior management travels, fundraising and coordination with IDA partners
- 12 Admin, Audit and legal costs: Cover the information management systems costs, legal, compliance, due diligence, fiscal and audit costs.

- 13 Support costs: Cover IDA office rent, utilities, telecommunications, and IT costs.
- 14 Financial losses and profit: detailed below in points E and F.

Note on fiscal sponsorships

- The International Disability Alliance supports the work of the African Disability forum, the World Federation of Deafblind, TCI Global, the Pan-African Network of Organisations of Persons with Disabilities and CBM United States (the fiscal sponsorship recipients) with grant management and contracting employees on their behalf.
- The revised IDA budget framework distributes the fiscal sponsorship costs within the 14 IDA budget headlines instead of aggregating it into one separated budget headline.

C. Financial losses:

	2021	2020
	CHF	CHF
Interest and other debt charges	-50'823	-28'848
Bank fees	-43'940	0
Interest	-6'883	0
Foreign exchange losses	-86'837	-199'216
Foreign exchange losses	-83'902	-98'860
Translation differences	-2'935	-37'775
	-137'660	-228'063

D. Financial income

	2021	2020
	CHF	CHF
Other Financial Profits	70	70
Foreing exchange Profits	83'995	83'776
	84'065	146'427

Overall, the balance of financial losses and profits amount to 53,595 CHF and represents 0.66% of the total expenses, compared to 1.37% % in 2020.

E. Balance to pension schemes

	2021	2020
	CHF	CHF
	-16,052	-1,544

F. Up to 31/12/2021 IDA has 43 employees:

	31/12/2021		31/12/2020	
	EFT		EFT	
Geneva Office		15		17
<i>Fiscal sponsor</i>	<i>0</i>		<i>2</i>	
New York Office		8		8
<i>Fiscal sponsor</i>	<i>1</i>		<i>1</i>	
Serbian Office		4		3
French Office		4		2
Indian Office		2		2
Canadian Office		1		1
Pakistan Office		4		
Peru Office		1		
Kenya Office		1		
Ethiopia Office		0		1
Sudan Office		1		1
Spain Office		2		1
<i>Fiscal sponsor</i>	<i>0</i>		<i>1</i>	
		43		36

10. Subsequent events

- None