

Report of the statutory auditor on the limited statutory examination to the general meeting of International Code of Conduct for Private Security Service Providers' Association, Geneva

As statutory auditor, we have examined the financial statements (balance sheet, profit and loss statement and notes) of International Code of Conduct for Private Security Service Providers' Association for the financial year ended December 31, 2019.

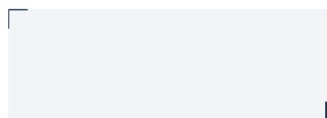
These financial statements are the responsibility of the Board of Directors. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on the Limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of association personnel and analytical procedures as well as detailed tests of association documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements, disclosing total Funds of the association of CHF 409'891 do not comply with Swiss law and the association's articles of incorporation.

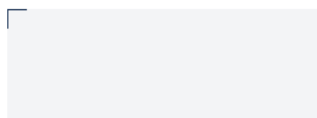
Berney Associés Audit SA

BA Qualified electronic signature



Vincent DUCOMMUN
Licensed Audit Expert
Auditor in charge

BA Qualified electronic signature



Sandra AMARI
Licensed Audit Expert

Enclosure : financial statements (balance sheet, profit and loss statement and notes)

1207 Genève
Rue du Nant 8
+41 58 234 90 00

1700 Fribourg
Boulevard de Pérolles 37
+41 58 234 93 00

1950 Sion
Place de la Gare 2
+41 27 322 75 40

1003 Lausanne
Rue Étraz 4
+41 58 234 91 00

1896 Vouvry
Rue Arthur Parchet 1
+41 58 234 90 20

En ligne
berneyassociés.com
info@berneyassociés.com

INTERNATIONAL CODE OF CONDUCT FOR PRIVATE SECURITY SERVICE PROVIDERS' ASSOCIATION (ICoCA), Geneva

BALANCE SHEET AS AT 31 DECEMBER 2019

	Notes	2019 CHF	2018 CHF
ASSETS			
Current assets			
Cash & cash equivalents	6.1	606,743	657,086
Restricted funds to be received	7	171,427	115,253
Accrued income and prepaid expenses		15,715	654
Total current assets		793,885	772,993
Non current Assets			
Financial asset (rent guarantee)	4	13,404	-
Total non current assets		13,404	-
TOTAL ASSETS		807,289	772,993
LIABILITIES AND EQUITY			
Current liabilities			
Deferred income	6.2	266,509	360,643
Restricted funds received in advance	7	63,369	-
Other current liabilities		44,808	-
Accrued expenses		22,712	51,864
Total current liabilities		397,398	412,507
Funds of the association			
Operating reserve	6.3	299,986	299,986
Result brought forward		60,500	-
Profit of the year		49,405	60,500
Total funds of the association		409,891	360,486
TOTAL LIABILITIES AND EQUITY		807,289	772,993

INTERNATIONAL CODE OF CONDUCT FOR PRIVATE SECURITY SERVICE PROVIDERS' ASSOCIATION (ICoCA), Geneva

PROFIT AND LOSS STATEMENT FROM 01.01.2019 to 31.12.2019

	Notes	2019 CHF	2018 CHF
REVENUES			
Restricted funds	7	667,504	542,765
<i>Government Contributions</i>			
- Switzerland		378,000	378,154
- USA		-	25,967
- UK		205,873	117,286
- DCAF		83,631	21,358
Unrestricted funds	8	677,779	798,628
<i>Government Contributions</i>	8.1	103,999	176,528
- Sweden		103,999	110,747
- UK		-	65,781
<i>Other contributions</i>		-	40,000
- DCAF		-	40,000
<i>Membership Dues</i>	8.2	573,780	582,100
-Joining Fees		22,982	17,376
-Annual Fees small		302,314	286,422
-Annual Fees medium		142,854	150,706
-Annual Fees large		98,639	122,502
-Observer Fees		6,991	5,094
Total revenues		1,345,283	1,341,393
EXPENSES			
Staff Costs		813,804	656,021
Administration Costs		112,590	95,250
Rental and office costs		83,502	91,837
Information management		44,027	67,914
Communication and Marketing Costs	9	45,319	33,427
Operating expenses	9	81,712	80,980
Travel expenses	9	92,689	50,350
Financial expenses		3,041	2,023
Loss (-gain) on foreign exchange		19,195	(18,404)
Total Expenses		1,295,879	1,059,399
Profit for the year before allocation to the operating reserve	6.3	49,405	281,994
Allocation to the operating reserve		-	(221,494)
Profit for the year	6.3	49,405	60,500

INTERNATIONAL CODE OF CONDUCT FOR PRIVATE SECURITY SERVICE PROVIDERS' ASSOCIATION (ICoCA), Geneva

NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

1. INTRODUCTION

The International Code of Conduct for Private Security Service Providers Association (ICoCA) is the multi-stakeholder oversight and governance mechanism for the International Code of Conduct for Private Security Providers ("the Code" ¹). The ICoCA was established in 2013 as an Association under Swiss Association Law. Its members fall into three pillars: the private security industry, civil society organizations, and governments. Each pillar is represented equally in the ICoCA's twelve-member Board of Directors. The operational oversight and administrative functions of the ICoCA are housed in its Secretariat, located in Geneva and led by the Association's Executive Director.

The purpose of the Association is to promote, govern and oversee implementation of the Code by its member and affiliate private security companies, and to ensure that they are accountable for their performance to the Code when working in complex environments. Oversight is enabled through three principal functions: (1) certification of member companies' management systems and policies, (2) monitoring and assessment of company operations, (3) handling of complaints alleging violations of the Code.

2. ACCOUNTING PRINCIPLES

2.1 Basis of preparation

These financial statements are prepared in accordance with the provisions of commercial accounting as set out in the Swiss Code of Obligations (Art. 957 to 963b CO, effective since 1 January 2013). The reporting period corresponds to the calendar year.

The accounting plan has changed in 2019 in order to be simplified and to better correspond to the Association's needs. Consequently, figures from 2018 have been retreated to match with the new accounting plan and are presented slightly differently compared to last year financial report with no impact on the association funds or profit / (loss) for the year. A detailed note on Board costs and Annual general assembly expenses has been added for more clarity.

¹ The Code was developed through a multi-stakeholder process and executed by numerous members of the private security service industry between 2010 and 2013. Reflecting its focus on implementation of the Code, the ICoCA is also frequently referred to by its shortened name, the "International Code of Conduct Association".

INTERNATIONAL CODE OF CONDUCT FOR PRIVATE SECURITY SERVICE PROVIDERS' ASSOCIATION (ICoCA), Geneva

NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

2.2 Revenue recognition

Core fund contributions, which are not project specific, are considered as unrestricted funds and are recognized on an accrual basis: the part of the grant related to the year is recognized as revenue; those committed to subsequent years are not presented in the balance sheet.

Earmarked fund donations, which are project specific or include a specific restriction, are considered as restricted funds. Restricted funds are recognized on an accrual basis based on the utilization of these funds during the year.

Membership dues, joining fees, and observer fees (note 7.2), which are considered as unrestricted funds, are recognized on an accrual basis: dues related to the year are recognized as revenue; those committed to the subsequent year Y+1 are carried over as Y+1 revenue and presented as deferred income (note 5.3).

2.3 Conversion in foreign currency

Assets and liabilities in foreign currencies are converted into Swiss Francs at the exchange rate prevailing on the balance sheet date.

Revenues and expenses in foreign currencies are converted at the month-end rate prevailing on the month when they are received or expensed.

2.4 Taxes

The Association was granted a cantonal and communal tax (ICC) exemption on 22 November 2013. This exemption is valid for 10 years.

The Association was granted a direct federal tax (IFD) exemption on 22 November 2013. This exemption is valid for an indefinite period.

The Association was granted a VAT exemption on 18 November 2019 for amounts exceeding CHF 100. This exemption is valid for an indefinite period.

3. LIABILITY TOWARD PENSION INSTITUTIONS

As at 31st December, the liability to the pension fund amounts to CHF 9'504 (2018: CHF 7'137).

INTERNATIONAL CODE OF CONDUCT FOR PRIVATE SECURITY SERVICE PROVIDERS' ASSOCIATION (ICoCA), Geneva

NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

4. DEBTS ARISING FROM RENTAL COMMITMENTS

On November 22nd, 2019, the Association signed a rent contract with Regus lasting from March 1st, 2020 to February 28th, 2022. A guarantee of CHF 13'404 has been paid, corresponding to 2 months' rent. It is refundable and held as security for performance of all ICoCAs' obligations under the agreement signed.

In CHF

	2019	2018
Rental commitment	174'252	-
TOTAL	174'252	-

5. PERSONNEL

The number of full time employees did not exceed 10 people during the year.

6. DETAIL OF CERTAIN BALANCE SHEET POSITIONS

6.1 Cash and cash equivalents

As at 31st December, ICoCA's cash and cash equivalents position is as follows:

In CHF

	2019	2018
UBS SA CHF	109,781	78,208
UBS SA USD	337,937	427,405
UBS SA GBP	159,025	151,472
TOTAL	606,743	657,086

In original currency

	2019	2018
UBS SA CHF	109,781	78,208
UBS SA USD	348,973	433,569
UBS SA GBP	123,965	120,668

INTERNATIONAL CODE OF CONDUCT FOR PRIVATE SECURITY SERVICE PROVIDERS' ASSOCIATION (ICoCA), Geneva

NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

6. DETAIL OF CERTAIN BALANCE SHEET POSITIONS (CONTINUED)

6.2 Deferred income

As at 31st December, the accounts of ICoCA show an income received in advance amounting to CHF 266'509 (2018: CHF 360'643). This deferred income corresponds to 2020 membership dues received in November and December 2019.

In CHF

	2019	2018
Income received in advance-Membership dues	263,519	360,446
Income received in advance-Observer fees	2,990	197
TOTAL	266,509	360,643

6.3 Funds of the association

in CHF	Profit (-loss) of the year	Result brought forward	Operating reserve
As at 31.12.2018	60,500	-	299,986
Allocation of Y-1 result	(60,500)	60,500	-
Result of the year	49,405	-	-
As at 31.12.2019	49,405	60,500	299,986

INTERNATIONAL CODE OF CONDUCT FOR PRIVATE SECURITY SERVICE PROVIDERS' ASSOCIATION (ICoCA), Geneva

NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

7. RESTRICTED FUNDS

In 2019, the Association received restricted funding from several governments and a non-profit organization:

	Balance as at 01.01.2019 CHF	Contributions paid during 2019 CHF	Use of funds CHF	Balance as at 31.12.2019 CHF
Swiss Federal Department of Foreign Affairs 01.01 to 31.12 2018	(78,154)	78,154	0	0
Swiss Federal Department of Foreign Affairs 01.01 to 31.12 2019	0	300,000	(378,000)	(78,000)
UK Foreign & Commonwealth Office 01.07.2018 to 31.03.2019	(37,099)	149,545	(112,446)	0
UK Foreign & Commonwealth Office 01.04.2019 to 31.03.2020	0	0	(93,427)	(93,427)
DCAF* 01.01.2019 to 31.01.2021	0	147,000	(83,631)	63,369
TOTAL	(115,253)	674,699	(667'504)	(108,058)

* The Geneva Centre for the Democratic Control of Armed Forces

Restricted funds to be received:

- CHF 93'427 are linked to a contribution granted by the UK government for the period from April 1, 2019 to March 31, 2020 and have been received in January 2020. The total amount booked in the accounts corresponds to the use of these funds during 2019 as per the revenue recognition policy described in note 2.2 (2018: CHF 37'099). As at December 31st, they are still to be received;
- CHF 78'000 correspond to the amount of the 2019 Swiss contribution to be received in April 2020, as mentioned in the contribution's contract (2018: CHF 78'154).

INTERNATIONAL CODE OF CONDUCT FOR PRIVATE SECURITY SERVICE PROVIDERS' ASSOCIATION (ICoCA), Geneva

NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

7. RESTRICTED FUNDS (CONTINUED)

Restricted funds received in advance:

- CHF 63,369 (2018: CHF 0) correspond to DCAF contribution received in advance for the funding of ICoCA Training Officer position.

8. UNRESTRICTED FUNDS

8.1 Government and other contributions

In 2019, ICoCA received an unrestricted government contribution from the Swedish government for a total amount of CHF 103'999 (2018: CHF 176'528).

8.2 Joining fees, Observer fees and Membership dues

Joining fees correspond to a one-time fee paid by private security companies who express an interest in becoming an ICoCA member at the same time they send their membership application.

On becoming members of the ICoCA, private security companies are expected to pay an **annual Membership due** which is determined according to the company's revenue, based on a fee structure approved by the Board of Directors and the General Assembly. Membership dues are invoiced once a year, in October, and if received between October and the end of the year are recognized as deferred income

ICoCA may grant non-voting observer status to persons or entities that are interested in participating in the work of the Association. An **annual Observer fee** is charged according to a fee structure approved by the Board of Directors.

In 2019, the Association received a total revenue of CHF 573'780 (2018: CHF 582'100).

9. BOARD OF DIRECTORS MEETINGS EXPENSES AND ANNUAL GENERAL ASSEMBLY COSTS

In 2019, Board of Directors meeting expenses amounted to CHF 28'128 (2018: 39'399) and Annual General Assembly costs amounted to CHF 31'698 (2018: 30'729).

Due to the accounting plan change, Board of Directors meeting expenses and Annual General Assembly costs are presented differently from previous years. They are now split under three different captions: Outreach and Marketing costs, Operating expenses and Travel expenses. 2018 figures have been retreated to be comparable.

INTERNATIONAL CODE OF CONDUCT FOR PRIVATE SECURITY SERVICE PROVIDERS' ASSOCIATION (ICoCA), Geneva

NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

10. SUBSEQUENT EVENTS

On 16 March 2020, the Swiss Federal Council declared the “exceptional situation” under the Epidemics Act due to the spread of the new Coronavirus COVID-19. The restrictions linked to this decision will have a significant impact on the Swiss economy and the organization in Switzerland. At the time of the publication of the financial statements, the financial impacts of COVID-19 and the subsequent restrictions for the Association cannot be reliably measured due to the uncertainties regarding the duration and the severity of the COVID-19 spread. The Board of Directors and the Management are currently defining and implementing measures to reduce unessential spending and ensure in particular the short-term availability of liquidity.