FA 345/23

3 March 2023
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Finance and Administration Committee
57th Meeting
16 March 2023
London, United Kingdom

Trust Fund Accounts of the Organization for financial year 2021/22 and Report of the Auditors

RESTRICTED

Background

The International Coffee Organization presents the Accounts of the Trust Fund for the period referred to above and the Report of the Auditors thereon.

Action

The Committee is requested to review the Accounts before being passed, with its recommendations, to the Council.

INTERNATIONAL COFFEE ORGANIZATION

Trust Fund

(Expressed in GBP)

As at of 31 December 2022

	2022			2021		
CURRENT ASSETS						
Balance with Bankers	223,203				54,928	
Inter-Fund account due from Admin Fund	1,192					
LESS: CURRENT LIAB AND PROVISIONS						
Inter-Fund account due to Admin Fund	0				(9,067)	
Accounts payable	(40,000)				0	
NET ASSETS	184,395				45,861	
RESERVE FUND	184,395				45,861	
INCOME & EXPENDITURES						
Contributions from donors						
GBP Donors				13,271		
CPPTF Operations - ANNEX I	100,400			109,000		
Living Income Benchmark - ANNEX II	235,885					
Total Contributions		336,285			122,271	
Expenditures						
CPPTF Operations						
Implementation Roadmap		89,126				
CGLF		7,847			17,385	
Audit fee/ICO Tech/Admin		4,895			781	
CPPTF Communication and Support		2,680			38,472	
PSC		0			6,349	
TWS Facilitation/Future Market Consultancy-2021		9,727			27,755	
Living Income Benchmark						
LI1. NewForesight		43,476				
LI2. SAI Anker Institute		40,000				
			197,751			90,742
Surplus/(Deficit) carried to Reserve Fund			138,534			31,529

ANNEX I - CPP Task Force Operation

Fund from the prior year 2021*1		45,861
Contributions from donors - Task Force 2023		
Nestle	20,000	
Lavazza	10,000	
OFI/ Olam	5,000	
Illy	11,500	
Neumann Gruppe	9,500	
Tchibo GmbH	10,000	
Sucafina SA	4,900	
Starbucks	10,000	
JDE	9,500	
Volcafe	7,500	
Louis Dreyfuss Company	2,500	
Total Contirubtions		100,400
Expenditures		
4. Implementation Roadmap		
Wageningen	39,126	
Transfer to Living Income Benchmark Project *2	50,000	
5.Meetings and logistics CPPTF/CGLF	7,847	
7. Audit of Trust Fund and ICO tech/admin	4,895	
8. CPPTF Communication and Support	2,680	
TWS Facilitation/Future Market Consultancy-2021	9,727	
		114,275
Surplus/(Deficit) carried to Reserve Fund		31,986

**1….. Reserve Fund balance as of 1 January 2022*
**2….. ANNEX II*

ANNEX II - Living Income Benchmark

Fund from the Prior Year 2021		-
Contributions from donors		
Starbucks	25,000	
Nestle	41,400	
Louis Dreyfuss Company	8,280	
Ofi	6,205	
NKG	5,000	
JDE	100,000	
Total Contirubtions		185,885
Fund Transfer from CPPTF Operation 2023 *1	50,000	
		50,000
Expenditures		
NewForesight	43,476	
SAI Anker Institute	40,000	
Total Expenditures		83,476
		152,409
Surplus/(Deficit) carried to Reserve Fund		

**1….. ANNEX I*

INTERNATIONAL COFFEE ORGANIZATION

TRUST FUND

NOTES FOR THE YEAR ENDED 31 December 2022

1. Reserve Fund: GBP 184,395

	GBP
Balance at 31 December 2021	45,861
Surplus carried from Income and Expenditure Account	138,534
Balance at 31 December 2022	184,395

2. Foreign currency balances

Foreign currency balances are expressed in GB Pounds at cost. Exchange differences are shown in the Income and Expenditure Account when realized, but full provision is made for unrealize exchange losses.

3. Accounting policies

a. Basis of accounting

The accounts have been prepared on a going concern basis.

b. Tangible fixed assets

Tangible fixed assets are written off through the Income and Expenditure Account in the financial year in which they are acquired.

c. Unbudgeted expenditure

Unbudgeted expenditure approved by the Members is taken directly from reserves.

d. Deferral of expenditure

Expenditure which is authorized but not incurred may be carried forward to subsequent financial years subject to approval of the Members.

e. Expenditure

Allocations to meet the cost of authorized activities are made directly from reserves.

4. Accounting Period

The date of the audited reports is dated as of 31 December 2022.

Barnes Roffe

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE INTERNATIONAL COFFEE ORGANIZATION (ICO) IN RESPECT OF THE TRUST FUND.

Opinion

We have audited the Trust Fund accounts of the International Coffee Organization (the 'Organization') for the period ended 31 December 2022 which comprise the Statement of Assets and Liabilities, an Income and Expenditure account and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared, in all material respects, in accordance with Article 23 of the International Coffee Agreement 2007 and the relevant accounting policies in note 3.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to note 3 to the financial statements, which describes the basis of accounting. The financial statements are provided for the information of the organisation's members. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The Executive Director's use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- The Executive Director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the organization's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Responsibilities of the Executive Director

The Executive Director is responsible for the preparation of the financial statements in accordance with Article 23 of the International Coffee Agreement 2007 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Director is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Organization or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the Organization's members, as a body, in accordance with our engagement letter dated 6 November 2020. Our audit work has been undertaken so that we might state to the Organization's members those matters we are required to state to them in auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Organization and the Organization's members as a body, for our audit work, for this report, or for the opinions we have formed.

Barnes Roffe

Barnes Roffe LLP

Barnes Roffe LLP
Registered Auditors
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Date: 01 March 2023