



# Independent Auditors Report

Years ended December 31, 2004 & 2003

Mark Hawkins, Ernst & Young

September 23, 2005

# International Co-operative Alliance

## Financial Statements - Swiss Francs



# Unqualified Audit Opinion



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To the Members of  
**INTERNATIONAL CO-OPERATIVE ALLIANCE, Geneva, Switzerland**

Geneva, April 29, 2005

**Independent auditors' report**

We have audited the accompanying balance sheet of International Co-operative Alliance as of December 31, 2004, and the related statements of income and expenses, cash flows and changes in funds and reserves for the year then ended (pages 4 to 15). These financial statements are the responsibility of the management of the International Co-operative Alliance. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of International Co-operative Alliance as of December 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Ernst & Young Ltd

Mark Hawkins  
UK Chartered Accountant  
(auditor in charge)

Geneviève Lemaire  
Canadian Chartered Accountant

**Enclosures:**

- Financial statements (balance sheet, statement of income and expenses, statement of changes in funds and reserves, statement of cash flows, and notes)

Offices in Aarau, Baden, Basel, Berne, Geneva, Kreuzlingen, Lausanne, Lucerne, Lugano, Neuchâtel, St.Gallen, Zug, Zurich.  
Member of the Swiss Chamber of Auditors.



# Independent Audit Report

- Introductory paragraph
- Scope paragraph
  - Reasonable assurance
  - Test basis (samples)
  - Assessing significant estimates made by management
- Opinion paragraph
  - Compliance with IFRS

## Overview of Funds

- In the 3 years 1999-2001 deficits of CHF 1'909k had left the ICA with a negative fund balance of CHF 599k at December 31, 2001.
- In 2002, this trend of deficits was reversed by an operating surplus of CHF 486k. Together with special contributions of CHF 565k, the fund balance returned to a positive CHF 416k at December 31, 2002.
- 2003 & 2004 have seen the reconstruction of the fund balances back to a level similar to pre-1999 through operating surpluses and through further special contributions.
- The December 31, 2004 total fund balance now stands at CHF 1'526k.

## Changes in Funds and Reserves

<b>CHF'000</b>	<b>2004</b>	<b>2003</b>
Total Funds 1 January	1'347	416
Operating surplus	169	821
FX movements	5	1
Special contribution	5	109
Total Funds 31 December	<u>1'526</u>	<u>1'347</u>

# Operating Surplus

CHF'000	2004	2003
<b>INCOME</b>		
Subscriptions	2'801	2'893
Meeting revenues	334	626
Administrative contributions	205	240
Special contributions	5	109
Other income	388	328
Funds before special contribution	<u>3'733</u>	<u>4'196</u>
<b>EXPENSES</b>		
Personnel expenses	-2'070	-1'907
Travel expenses	-304	-234
Premises and offices	-320	-376
Meeting expenses	-271	-207
Other expenses	-594	-542
	<u>-3'559</u>	<u>-3'266</u>
Surplus from operations	<u>174</u>	<u>930</u>

## Recommendation to General Assembly

- The Audit and Control Committee have indicated in the Annual Report that they recommend to the General Assembly that the audited accounts for the years 2003 and 2004 are approved.
- The Independent Auditors support this recommendation.