

**The Global Initiative against Transnational  
Organized Crime  
Geneva**

---

**Report of the statutory auditor**  
To the General Meeting of Members  
On the limited statutory examination  
For the year ended 31 December 2021

---

**Report of the statutory auditor to the General Meeting of Members on the limited statutory examination of The Global Initiative against Transnational Organized Crime, Geneva**

As statutory auditor, we have examined the financial statements (balance sheet, statement of income and expenses and notes) of The Global Initiative against Transnational Organized Crime for the financial year ended 31 December 2021.

These financial statements are the responsibility of the Board. 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 entity personnel and analytical procedures as well as detailed tests of entity 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 do not comply with Swiss law and the association's articles of incorporation.

MAZARS LTD

Jean-Marc Jenny  
Licensed audit expert  
Auditor in charge

Henrique Gonçalves  
Licensed audit expert

Geneva, 20 May 2022

**Enclosure**

- Financial statements for the year ended 31 December 2021 (Balance sheet, statement of income and expenses, notes)

# The Global Initiative Against Transnational Organized Crime Geneva

Balance Sheet as of 31st December 2021  
(in Swiss Francs)

	2020	2021
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	2'088'131	438'735
Grants receivables	13'362	247'306
Sister organisation receivables	183'197	184'498
Other current receivables	46'734	27'618
Accrued income	1'185'898	2'696'426
Transitory expenses	102'018	61'285
<b>Current assets</b>	<b>3'619'340</b>	<b>3'655'868</b>
<b>Non-current assets</b>		
Fixed assets	16'253	11'627
Financial assets	25'567	50'841
<b>Non-current assets</b>	<b>41'820</b>	<b>62'468</b>
<b>Total Assets</b>	<b>3'661'160</b>	<b>3'718'336</b>
<b>LIABILITIES</b>		
<b>Short-term liabilities</b>		
Vendors payables	138'574	112'756
Sister organisation payables	64'170	420'798
Other current payables	222'414	298'531
Accrued expenses	215'207	313'877
Deferred income	2'403'344	1'505'982
<b>Short-term liabilities</b>	<b>3'043'709</b>	<b>2'651'944</b>
<b>Association own funds</b>		
Balance brought forward	-151'187	617'451
Excess of income over expenditures	768'638	448'941
<b>Total association own funds</b>	<b>617'451</b>	<b>1'066'392</b>
<b>Total Liabilities</b>	<b>3'661'160</b>	<b>3'718'336</b>

# The Global Initiative Against Transnational Organized Crime Geneva

Statement of Income and Expenses for the year ended 31 December 2021 compared to 2020  
(in Swiss Francs)

	2020	2021
<b>INCOME</b>		
Grants received	7'355'324	6'783'444
Revenue from sister organisation	450'162	383'705
Income received in advance	313'546	919'528
Accrued income variation	217'093	1'496'463
Donations in kind	141'554	120'680
<b>Total Revenues</b>	<b>8'477'679</b>	<b>9'703'820</b>
<b>PROGRAMME EXPENDITURE</b>		
Personnel costs and salary consultants	-3'549'127	-4'153'944
Salary and consultant fees from sister organisation	-613'548	-929'342
Consultant costs	-2'390'901	-3'138'439
Consultant costs in kind	-4'853	-10'780
Grants	0	-49'943
Travel expenses	-223'826	-373'910
Professional services	-102'814	-103'624
Communications, media and outreach	-140'061	-138'659
<b>Total Expenditure related to programs</b>	<b>-7'025'130</b>	<b>-8'898'641</b>
<b>Net contribution to overheads</b>	<b>1'452'549</b>	<b>805'179</b>
<b>OVERHEAD COSTS</b>		
Rental and maintenance	-29'470	-30'335
Rent in kind	-108'742	-102'048
Administration costs	-367'095	-367'230
VAT not recoverable	0	-3'698
Overhead	-195'172	-60'406
Depreciation	-3'308	-4'626
<b>Total Overhead Costs</b>	<b>-703'787</b>	<b>-568'343</b>
<b>Earnings before financial results</b>	<b>748'762</b>	<b>236'836</b>
<b>FINANCIAL RESULTS</b>		
Interests received	12'551	2'287
Exchange gain & losses	27'262	-20'123
Bank fees	-30'782	-40'858
<b>Total financial results and expenses</b>	<b>9'031</b>	<b>-58'694</b>
<b>OPERATION FROM PREVIOUS YEARS</b>		
Operating revenue from previous years	25'922	275'503
Operating charge from previous years	-15'077	-4'704
<b>Total revenue and charges from previous years, net</b>	<b>10'845</b>	<b>270'799</b>
<b>Excess of income over expenditures</b>	<b>768'638</b>	<b>448'941</b>

# The Global Initiative Against Transnational Organized Crime Geneva

Notes to the financial statements for the year ended 31st December 2021

(in Swiss Francs)

## Association domicile

Avenue de France 23, 1202 Genève

## Scope of the association

Promote cross-border and catalytic processes that attract new players and facilitate remodeling of reflection, coordination and responses to transnational organized crime; invigorate the global debate around transnational organized crime in order to promote sustainable translation and implementation of new approaches within a multilateral framework, regional and national levels; undertake research and develop new policy options to help inform a strategic development at national, regional and international levels; create the basic materials of a global strategy on organized transnational crime.

## Accounting principles applied in the preparation of the financial statements

These financial statements have been prepared in accordance with the provisions of commercial accounting as set out in the Swiss Code of Obligations (Art. 957 to 963b CO).

## Revenue recognition

Revenues are recognised on the basis of donor specific contracts using the percentage of completion method and related accruals have been booked in the balance sheet.

## Contribution

Contributors	in CHF	in %
Australia	3'587	0.04%
Belgium	69'374	0.71%
Canada	352'652	3.63%
Europe Union	1'743'154	17.96%
Germany	1'090'853	11.24%
Institute for Security Studies as implementing	640'520	6.60%
New Zealand	26'549	0.27%
Norway	1'911'012	19.69%
Smaller projects and sister organisations	424'497	4.37%
Switzerland	238'044	2.45%
<i>Core Contribution</i>	<i>100'000</i>	<i>1.03%</i>
<i>Rent in kind</i>	<i>109'906</i>	<i>1.13%</i>
<i>Civil Society Engagement in UNTOC Mechanism 1</i>	<i>-5'488</i>	<i>-0.06%</i>
<i>Civil Society Engagement in UNTOC Mechanism 2</i>	<i>33'627</i>	<i>0.35%</i>
The Netherlands	9'673	0.10%
UNDP	10'774	0.11%
United Kingdom	1'928'550	19.87%
United Nations	71'744	0.74%
United States of America	1'182'838	12.19%
<b>Total</b>	<b>9'703'820</b>	<b>100.00%</b>

# The Global Initiative Against Transnational Organized Crime Geneva

Notes to the financial statements for the year ended 31st December 2021

(in Swiss Francs)

## Contribution received from the United Kingdom

Following the specific requirement of the donor the following projects have been funded by the United Kingdom. Specific exchange rate have been used as stated on the grants agreements.

Projects Name	Contract N°	in GBP
Civil Society Observatory for E and S Africa	204227-109	695'621
Civil Society Observatory for E and S Africa	204227-112	754'386
Civil Society Observatory of the Illicit economy in Guinea-Bissau	C19800	88'448
Organised Crime and Violence in Jamaica	300358-121	0
Political Economy of Organised Crime in the Levant Region	300358-122	16'026
Global Security Rapid Analysis - COMRETOC	300358-146	29'159

## Expenditure recognition

Expenses are recognized in the financial statements on an accrual basis.

## VAT Affiliation

In December 2020, the organization obtained its affiliation to the Swiss VAT regime. Certain conditions remain underlying. VAT savings for 2020 were already accounted for in the 2020 financials statements. Further savings related to 2018 and 2019 have been recognised in 2021 when fully validated by Swiss authorities.

## Declaration of full-time equivalents

The association employs about sixty consultants - employees (2020 - forty) of which less than ten are located in Switzerland.

## Pension liabilities

	2020	2021
Liability to pension scheme as at 31st December	CHF 7'834.80	CHF 8'469.90

## Lease commitment not considered in the financials

The Swiss confederation is providing an in-kind contribution covering the rent for the Geneva's office space. This contractual agreement ends by 31 December 2023.

## Exchange Rates applied

Devises	2020	2021
AUD	0.6857	0.6701
CAD	0.6987	0.7246
DKK for 100	14.7608	14.1011
EUR	1.0946	1.0453
GBP	1.2130	1.2469
JPY for 100	0.8634	0.8032
NOK for 100	10.4358	10.4725
NZD	0.6429	0.6302
PKR for 100	0.5552	0.5181
SEK for 100	10.8575	10.2091
SGD	0.6739	0.6837
THB for 100	2.9763	2.7703
USD	0.8908	0.9233
ZAR	0.0609	0.0581

# The Global Initiative Against Transnational Organized Crime Geneva

Notes to the financial statements for the year ended 31st December 2021

(in Swiss Francs)

## Operation from previous years

Operating revenue from previous years

2020

As a result of a VAT affiliation from January 1, 2020 (note VAT affiliation above) the association has reassessed the VAT related to its previous years projects and accordingly adjusted the related recharges for the years 2018 and 2019, along with its own declarations. In addition other minor revenues related to previous years are recognised in this balance.

2021

Following the VAT affiliation, the final assessment from the Swiss authorities was concluded in 2021. The association received back all the payments that were made in excess for the years 2018 and 2019.

Operating charge from previous years

2020

An exhaustive verification of the expenditure over the last three years has highlighted an incorrect amount of overhead on one of the projects financed by Norway requiring a correction.

2021

Subsequent to the VAT affiliation, the association received the invoices for the radio and television fees related to Swiss public transmissions.

## Contingencies and litigations

During the 2020 year, a third party individual instigated proceedings against three GI staff members alleging defamation for a paper published under the EU-funded ENACT programme in 2018.

The GI-TOC has engaged legal counsel who considers that the claim has no merit, and they have recommended that to defend by all means necessary against the allegations which have been filed in the High Court of Kenya. An interlocutory procedural motion was refused in March 2021. Once the case begins, the process is likely to take upwards of 18-24 months to conclude. There were no significant developments in 2021 in relation to this case.

In August 2021, a third party Somali lodged a case with the Kenyan Constitutional Court claiming that GI-TOC researchers had breached his human rights in investigations on corruption relating to government tendering in the fishing industry, a piece of work funded under an UK grant. An appeal was lodged by the GI-TOC and the case has not been heard.

Accordingly, and in line with Swiss regulations, a contingent liability has been made in the financial statements to cover litigation costs and the required percentage of a potential judgement.

## Subsequent events

The Management assessed subsequent events occurring after the date of the annual financial statements for the year ended December 31, 2021. It has not noted the existence of any significant event likely to require a modification of the annual accounts.