



Council of the European Union
General Secretariat

Brussels, 23 February 2024

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INFORMATION

From:	General Secretariat of the Council
To:	Working Party on Commodities
Subject:	PROBA/Coffee: 60th meeting of the Finance and Administration Committee (5 March 2024) - Agenda related documents

Delegations will find attached, for information, the following documents for the 60th meeting of the Finance and Administrative Committee meeting, to be held online on 5 March 2024:

- Revised draft agenda
- Financial situation as at 31 January 2024
- Report on outstanding contributions for coffee year 2023/24 and previous years
- Draft Administrative Budget for financial year 2024/25
- Administrative Accounts of the Organization for financial year 2022/23 and Report of the Auditors
- Special Fund Accounts of the Organization for financial year 2022/23 and Report of the Auditors
- Trust Fund Accounts of the Organization for financial year 2022/23 and Report of the Auditors
- Salary scale and basis for contribution to the Provident Fund for staff in the General Service and Professional and Higher categories



Finance and Administration Committee

60th Meeting

5 March 2024

London, United Kingdom

Draft Agenda

Item	Document
1. Draft Agenda – to adopt	FA-361/24
2. Report of the intersessional meeting held on 7 September 2023 – to consider and, if appropriate, to approve	FA-360/23
3. Financial situation – to note The Head of Finance and Administration will report on the financial situation as at 31 January 2024 and the cash forecast.	FA-362/24
4. Outstanding contributions – to consider	
4.1 Report on collection of contributions from Members in arrears The Head of Finance and Administration will report on progress in recovering arrears, including contacts with Members with longstanding arrears.	FA-363/24
5. Draft Administrative Budget for financial year 2024/25 – to consider The Committee will consider the draft Administrative Budget for financial year 2024/25.	FA-364/24
6. Accounts for the financial year 2022/23	
6.1 Administrative Accounts of the Organization and Auditors' Report– to consider and, if appropriate, to recommend for approval Rule 14 of the Financial Rules of the Organization provides that the Committee shall examine the financial statements and audit reports and shall present them to the Council for approval and publication with such comments as it deems appropriate.	FA-365/24
6.2 Accounts of the Special Fund and Auditors' Report – to consider and, if appropriate, to recommend for approval The Accounts of the Special Fund and Auditors' Report will be considered by the Committee and presented for the approval of exporting Members.	FA-366/24
6.3 Accounts of the Trust Fund and Auditors' Report – to consider and, if appropriate, to recommend for approval The Accounts of the Trust Fund and Auditors' Report will be considered by the Committee and presented for the approval of the Council	FA-367/24

- 6.4 Promotion Fund – to note** verbal
- 7. Salary scales and basis for contributions to the Provident Fund – to consider** [FA-368/24](#)
and, if appropriate, to recommend for approval
The Committee will consider proposals for the revision of salary scales and the basis for contributions to the Provident Fund for staff in the General Service and Professional and higher categories.
- 8. Premises – to consider** verbal
The Executive Director will present up-to-date information about the future premises.
- 9. Other business – to consider** verbal
- 10. Next meeting – to note** verbal
Members are invited to suggest matters for consideration at the next meeting.
The next meeting will take place at a date to be determined by the Committee.

REFERENCE DOCUMENTS
Financial Rules and Financial Regulations of the International Coffee Organization
Rules of the International Coffee Organization
Terms of reference for the Finance and Administration Committee
International Coffee Agreement 2007 (ICA 2007)



**INTERNATIONAL
COFFEE
ORGANIZATION**

FA 362/24

19 February 2024
Original: English

E

Finance and Administration Committee
60th Meeting
5 March 2024
London, United Kingdom

Financial situation as at 31 January 2024

RESTRICTED

Background

This paper provides information on the financial situation of the Organization as at 31 January 2024 as per the unaudited management accounts at that date.

Action

The Finance and Administration Committee is requested to note this document.

FINANCIAL SITUATION AS AT 31 JANUARY 2024

Statement of Assets and Liabilities

1. In accordance with recommendations made during the 125th Council Session in September 2019, the Financial Situation as at 31 January 2024 contains the Statement of Assets and Liabilities section (**TABLE A**), as compared to the unaudited balances as at 31 January 2024, the Statement of Revenue and Expenditures as compared to a four-month portion of the total budget of 2023/24, and a Provision for Outstanding Contributions consisting of arrears.

2. The most significant variances are in the following areas:

- (a) Outstanding Current Contributions and Arrears (Decrease of £116,678 and £119,228 from 30 September 2023, respectively) - shown in **TABLE A** (a country-by-country breakdown of contributions and arrears is also provided in **TABLE F**). The decrease resulted in a smooth cash inflow compared to the same time last year, though there are still significant outstanding contributions as at 31 January 2024.
- (b) Debtors (Decrease of £259,697) – The decrease is due to offsetting debtors and creditors accounts relating to the former premises at Berners Street, since the former landlord, Mr Pasha, confirmed that there was no financial obligation between him and the ICO.
- (c) Cash Balance at Bank (Increase of £1,083,355) - This is higher than the balance as at 31 January 2023, due to saving efforts made by the Secretariat over the last few years, as well as a slight improvement in the turnover on outstanding contributions. £2,500,000 is in the short-term Certificate of Deposit (three Certificate of Deposits with six months' maturity) to earn interest (approximately 2% to 3% annually). The cash balance as at 31 January 2024 is sufficient to finance the Organization's operations for the rest of this coffee year if no contributions are received from this moment on.

Revenue and Expenditure

3. The year-to-date budget in **Tables B** and **C** simply shows a four-month portion of the total budget of 2023/24, in comparison to the year-to-date actual figures.

Revenue

4. The Organization's management accounts for the four months to 31 January 2024 show contributions due for the 2023/24 coffee year of £856,690 and for the arrears of £753,463.

5. Income from external sources (excluding contributions) for the four months to 31 January 2024 amounts to £34,209, against a year-to-date Budget of £14,798, a positive variance of £19,411. This is mainly due to the increase on the short-term deposit amounts and the fact that the interest rate for the short-term recovered. **(TABLE B)**.

Expenditure

6. Total expenditure for the four months to 31 January 2024 amounted to £687,043, which represents a positive variance of £181,624 against the year-to-date Budget.

7. The most significant variances occurred in the following areas **(TABLE C)**:

- (a) Language services under contract (positive variance of £21,349). This is a timing difference as more translation and interpretation services are expected for the upcoming Council in March 2024.
- (b) Personnel (positive variance of £126,685). This is due to two of the three new posts (approved at the last Council in September 2023) having not been filled since the beginning of the 2023/24 coffee year. The Secretariat has been using temporary outside services in the interim.
- (c) Council meeting costs (positive variance of £7,955). This is due to a timing difference because the budget is mainly for the Council session in London in September 2024.
- (d) Programme of Activities (positive variance of £10,762). The year-to-date budget is £25,334. This variance is merely a timing difference, given the four-month portion of the total budget of the Programme of Activities.

Provision for Outstanding Contributions

8. As at 31 January 2024, £65,704 was recorded as a Provision for Outstanding Contributions, consisting of arrears from 2021/22 **(TABLE D)**, relating to Members who owed more than two years of contributions at the end of the 2023/24 coffee year,

considering the net recovery on the Provisions for the Outstanding Contributions for the first four months of the coffee year 2023/24.

9. Taking the above variances in income and expenditure into account, the management accounts show a positive variance of £1,983,325 in surplus as at 31 January 2024.

Reserve Fund

10. The Reserve Fund balance as at 31 January 2024 increased to £3,612,155 (**TABLE E**) from the balance as at 30 September 2023.

11. In conclusion, the expenditure up to 31 January 2024 is deemed to be within the 2023/24 Budget. The Secretariat will continue communicating with Members in arrears to make prompt payments.

TABLE A
INTERNATIONAL COFFEE ORGANIZATION
MANAGEMENT ACCOUNTS
STATEMENT OF ASSETS AND LIABILITIES

Note	As at 31 January 2024 £	As at 31 January 2023 £	Variance
CURRENT ASSETS			
1 Contributions outstanding for current year (Table F)	856,690	973,368	(116,678)
2 Contributions outstanding from previous years (Table F)	753,463	872,691	(119,228)
Less: Provisions for outstanding contributions	(656,975)	(616,621)	(40,354)
Debtors	113,105	372,802	(259,697)
Balance with bankers and cash in hand	<u>3,028,953</u>	<u>1,945,598</u>	<u>1,083,355</u>
	4,095,236	3,547,838	547,398
LESS: CURRENT LIABILITIES			
Creditors	334,308	336,321	(2,013)
3 Amounts held on behalf of Members	4,773	25,776	(21,003)
4 Less: Amount set aside	<u>144,000</u>	<u>113,826</u>	<u>30,174</u>
	<u>3,612,155</u>	<u>3,071,915</u>	<u>540,240</u>
5 RESERVE FUND	<u>3,612,155</u>	<u>3,071,915</u>	<u>540,240</u>

TABLE B
INTERNATIONAL COFFEE ORGANIZATION
MANAGEMENT ACCOUNTS
REVENUE AND EXPENDITURE
FOR THE FOUR MONTHS TO 31 JANUARY 2024

	YTD Actual	YTD Budget	YTD Variance	Year End Budget
	£	£	£	£
Revenue				
a) Contributions of Members	2,701,863 ²	2,600,000	101,863	2,600,000 ^{1/}
b) External sources				
Interest	17,908	4,032	13,876	12,096
Other income				
1. Provision of statistical data	9,901	6,667	3,234	20,000
2. Accounting/payroll service	2,400	2,433	(33)	7,300
3. Income from TF Project	4,000	1,666	2,333	5,000
Total from external sources	34,209	14,798	19,411	44,396
Total revenue	2,736,072	2,614,798	121,274	2,644,396
Total expenditure (see Table C)	687,043	868,667	(181,624)	2,606,000
Provisions for outstanding contributions	(65,704)	(38,396)	(27,308)	38,396
Surplus/Deficit	1,983,325	1,707,735	275,590	

1/ Corresponding to £1,114 per vote.

2/ Russia's voting rights and membership were restored following the payment of its arrears in November 2023 and the pro-rata portion of its 2023/24 contributions became due.

TABLE C
INTERNATIONAL COFFEE ORGANIZATION
MANAGEMENT ACCOUNTS
SUMMARY OF EXPENDITURE BY ITEM
FOR THE FOUR MONTHS TO 31 JANUARY 2024

	YTD Actual	YTD Budget	YTD Variance	Year End Budget
	£	£	£	£
1. Premises	128,116	129,667	1,551	389,000
2. Language services under contract	6,484	27,833	21,349	83,500
3. Special contracts	0	3,333	3,333	10,000
4. Travel	14,898	15,000	102	45,000
5. Communications	2,668	3,067	399	9,200
6. Official representation				
7. Personnel	510,315	637,000	126,685	1,911,000
8. Other operating costs	5,738	12,433	6,696	37,300
9. Furniture and equipment	0	0	0	0
10. Computer-related costs	3,874	6,667	2,792	20,000
11. Council meeting costs	378	8,333	7,955	25,000
12. Programme of Activities	14,572	25,334	10,762	76,000
Total	687,043	868,667	181,624	2,606,000

TABLE D
INTERNATIONAL COFFEE ORGANIZATION
PROVISION FOR OUTSTANDING CONTRIBUTIONS
31 JANUARY 2024

	2021/22
	£
Ghana	4,765
Rwanda	900
Tanzania	10,483
Tunisia	11,436
Uganda	38,120
Total	65,704

TABLE E
INTERNATIONAL COFFEE ORGANIZATION
RESERVE FUND AS AT 31 JANUARY 2024

	<u>31 January 2024</u>	<u>30 September 2023</u>
Balance as at 30 September 2023	<u>1,628,829</u>	<u>1,514,970</u>
Add:		
Transfer from 'Set Aside' Account		
Carried from Income and Expenditure Account	2,049,030	153,351
Recovery from Provision for the outstanding contributions ^{1/}		25,775
Less:		
Amounts transferred re Termination of contracts		
Provision for the outstanding contribution ^{1/}		(26,446)
Prior year Adjustment	(65,704)	(38,821)
Balance as at 31 January 2024	<u>3,612,155</u>	<u>1,628,829</u>

TABLE F
INTERNATIONAL COFFEE ORGANIZATION
CONTRIBUTIONS TO THE ADMINISTRATIVE BUDGET FOR THE FINANCIAL YEAR 2023/24
AT 31 JANUARY 2024

Member	2023/24 Assessed	Received to 31 January 2024	Outstanding 31 January 2024
	£	£	£
Angola	6,500	6,500	0
Bolivia ^{1/}	6,500		6,500
Brazil	436,800	436,800	0
Burundi	9,100	2,845	6,255
Cameroon	9,100		9,100
Colombia	136,500	136,500	0
Costa Rica	18,200	18,200	0
Côte d'Ivoire	20,800		20,800
El Salvador	11,700		11,700
Ethiopia	46,800		46,800
European Union	865,800	865,800	0
Gabon	6,500		6,500
Honduras	65,000		65,000
India	70,200		70,200
Indonesia	78,000		78,000
Japan	187,200	187,200	0
Kenya	14,300	14,300	0
Madagascar	6,500		6,500
Mexico	37,700		37,700
Nepal	6,500		6,500
Nicaragua	35,100	35,100	0
Nigeria	6,500		6,500
Norway	24,700	24,700	0
Panama	6,500		6,500
Papua New Guinea	14,300	11,867	2,433
Peru	44,200		44,200
Philippines	6,500		6,500
Russian Federation ^{2/}	101,863		101,863
Rwanda	10,400		10,400
Switzerland	92,300	92,300	0
Thailand	9,100		9,100
Timor-Leste	7,800	6,561	1,239
Togo	6,500	6,500	0
United Kingdom	130,000		130,000
Vietnam	166,400		166,400
Total	2,701,863	1,845,173	856,690

1/ Bolivia is on an instalment plan, as approved at the 134th Session of the Council in Colombia in October 2022.
2/ Russia's voting rights and membership were restored following the payment of its arrears in November 2023 and the pro-rata portion of its 2023/24 contributions became due.

TABLE F (CONTD 1)

INTERNATIONAL COFFEE ORGANIZATION

CONTRIBUTIONS TO THE ADMINISTRATIVE BUDGET FOR THE FINANCIAL YEAR 2023/24
OUTSTANDING FROM PREVIOUS YEARS
AT 31 JANUARY 2024

Member	£
Bolivia, Plurinational State of	9,354
Central African Republic	63,054
Congo D.R. of	4,686
Cote d'Ivoire	370
Cuba	6,395
Ecuador	3,875
Gabon	318
Ghana	9,475
Liberia	78,840
Madagascar	5,570
Malawi	58,656
Nigeria	5,570
Panama	104
Peru	36,087
Russia	2,128
Rwanda	9,812
Sierra Leone	11,230
Tanzania	20,845
Tunisia	21,914
Venezuela	20,173
Vietnam	33,214
Yemen	52,260
Zambia	39,944
Zimbabwe	42,476
Total	536,350

TABLE F (Contd 2)
INTERNATIONAL COFFEE ORGANIZATION
CONTRIBUTIONS TO THE ADMINISTRATIVE BUDGET FOR THE FINANCIAL YEAR 2023/24
AT 31 JANUARY 2024

Member	Previous years
	£
Former Member countries who owe arrears:	
Congo, Republic of	39,505
Dominican Republic	30,729
Guinea	108,759
Uganda	38,120
	217,113
Total Outstanding Contributions from previous years	
	753,463

Finance and Administration Committee
60th Meeting
5 March 2024
London, United Kingdom

**Report on outstanding
contributions for coffee
year 2023/24 and previous
coffee years**

RESTRICTED

Background

1. The Secretariat has prepared the attached tables to show the situation of outstanding contributions for coffee year 2023/24 and previous coffee years. **Table A** shows outstanding contributions for coffee year 2023/24, **Table B** shows outstanding contributions for previous coffee years and **Table C** shows outstanding contributions with, where possible, a breakdown by coffee year.
2. At the time of this report, the arrears over two years from the 2023/24 coffee year have been reduced by about GBP 177,500 compared to 2022/23.

Action

The Committee is requested to consider the information contained in this document.

TABLE A
OUTSTANDING CONTRIBUTIONS FOR COFFEE YEAR 2023/24
AS AT 19 FEBRUARY 2024

Member	2023/24 Assessed	Received to 19 February 2024	Outstanding 19 February 2024
	£	£	£
Angola	6,500	6,500	0
Bolivia ^{1/}	6,500		6,500
Brazil	436,800	436,800	0
Burundi	9,100	2,845	6,255
Cameroon	9,100		9,100
Colombia	136,500	136,500	0
Costa Rica	18,200	18,200	0
Côte d'Ivoire	20,800		20,800
El Salvador	11,700		11,700
Ethiopia	46,800		46,800
European Union	865,800	865,800	0
Gabon	6,500		6,500
Honduras	65,000		65,000
India	70,200		70,200
Indonesia	78,000		78,000
Japan	187,200	187,200	0
Kenya	14,300	14,300	0
Madagascar	6,500		6,500
Mexico	37,700		37,700
Nepal	6,500		6,500
Nicaragua	35,100	35,100	0
Nigeria	6,500		6,500
Norway	24,700	24,700	0
Panama	6,500		6,500
Papua New Guinea	14,300	11,867	2,433
Peru	44,200		44,200
Philippines	6,500		6,500
Russian Federation ^{2/}	101,863		101,863
Rwanda	10,400		10,400
Switzerland	92,300	92,300	0
Thailand	9,100		9,100
Timor-Leste	7,800	6,561	1,239
Togo	6,500	6,500	0
United Kingdom	130,000		130,000
Vietnam	166,400		166,400
Total	2,701,863	1,845,173	856,690

1/ Bolivia is on an instalment plan, as approved at the 134th Session of the Council in Colombia in October 2022.

2/ Russia's voting rights and membership were restored following the payment of its arrears in November 2023 and the pro-rata portion of its 2023/24 contributions became due.

TABLE B
CONTRIBUTIONS TO THE ADMINISTRATIVE BUDGET
OUTSTANDING FROM PREVIOUS YEARS
AS AT 19 FEBRUARY 2024

Member	£
Bolivia, Plurinational State of	9,354
Central African Republic	63,054
Congo D.R. of	4,686
Cote d'Ivoire	370
Cuba	6,395
Ecuador	3,875
Gabon	318
Ghana	9,475
Liberia	78,840
Madagascar	5,570
Malawi	58,656
Nigeria	5,570
Panama	104
Peru	36,087
Russia	2,128
Rwanda	9,812
Sierra Leone	11,230
Tanzania	20,845
Tunisia	21,914
Venezuela	20,173
Vietnam	33,214
Yemen	52,260
Zambia	39,944
Zimbabwe	42,476
Total	536,350

TABLE B (cont'd)

**CONTRIBUTIONS TO THE ADMINISTRATIVE BUDGET
FORMER MEMBER COUNTRIES WITH ARREARS
AS AT 19 FEBRUARY 2024**

Member	Previous years
	£
Former Member countries who owe arrears:	
Congo, Republic of	39,505
Dominican Republic	30,729
Guinea	108,759
Uganda	38,120
	217,113
Total Outstanding Contributions from previous years	
	753,463

TABLE C
CONTRIBUTIONS TO THE ADMINISTRATIVE BUDGET
FROM 1991 TO 2023 - AS AT 19 FEBRUARY 2024

(In £)

	prior years	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	Sub-total ²	Total ³
Bolivia									5,177			4,178	9,354	9,354
Central African Republic		8,826	8,826	8,826	8,826	7,355	7,355	6,520	6,520				63,054	63,054
Congo D.R. of										4,686			4,686	4,686
Congo Republic of ¹	39,505													39,505
Cuba									6,395				6,395	6,395
Cote d'Ivoire												370	370	370
Dominican Republic ¹	30,729													30,729
Ecuador										3,875			3,875	3,875
Gabon												318	318	318
Ghana										4,710	4,765		9,475	9,475
Guinea ¹	108,759													108,759
Liberia	21,670	7,355	7,355	7,355	7,355	7,355	7,355	6,520	6,520				78,840	78,840
Madagascar												5,570	5,570	5,570
Malawi	1,486	7,355	7,355	7,355	7,355	7,355	7,355	6,520	6,520				58,656	58,656
Nigeria												5,570	5,570	5,570
Panama												104	104	104
Peru											36,087		36,087	36,087
Russia												2,128	2,128	2,128
Rwanda											900	8,912	9,812	9,812
Sierra Leone									6,520	4,710			11,230	11,230
Tanzania										10,362	10,483		20,845	20,845

Tunisia										10,478	11,436	21,914	21,914
Uganda ¹											38,120	38,120	38,120
Venezuela												20,173	20,173
Vietnam												33,214	33,214
Yemen	2,445	7,355	7,355	7,355	7,355	7,355	7,355	7,355	7,133	6,520	6,520		
Zambia			4,839	7,355	7,355	7,355	7,355	7,355		6,520	6,520	39,944	39,944
Zimbabwe		16	7,355	7,355	7,355	7,355	7,355	7,355		6,520	6,520	42,476	42,476
Total	202,149	25,981	30,907	43,085	45,601	44,130	51,263	45,640	63,732	38,821	65,704	536,350	753,463

¹ Non-member country.

² Member countries only.

³ Includes non-member countries.

PUBLIC



**INTERNATIONAL
COFFEE
ORGANIZATION**

FA 366/24

19 February 2024

Original: English

E

Finance and Administration Committee
60th Meeting
5 March 2024
London, United Kingdom

**Special Fund Accounts of the
Organization for financial year
2022/23 and Report of the Auditors**

RESTRICTED

Background

The International Coffee Organization presents the Accounts of the Special 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
SPECIAL FUND

STATEMENT OF ASSETS AND LIABILITIES

(Expressed in United States dollars)

As at 30 September

	<u>2023</u>	<u>2022</u>
CURRENT ASSETS		
Balance with Bankers	89,149	89,149
Interest receivable	0	0
	<u>89,149</u>	<u>89,149</u>
LESS: CURRENT LIABILITIES AND PROVISIONS		
Creditors and Provisions for accrued expenses	5,392	3,892
NET ASSETS	<u>83,757</u>	<u>85,257</u>
RESERVE FUND	<u>83,757</u>	<u>85,257</u>

INTERNATIONAL COFFEE ORGANIZATION

SPECIAL FUND ACCOUNT

INCOME AND EXPENDITURE ACCOUNT

(Expressed in United States dollars)

For the year ended
30 September

	<u>2023</u>	<u>2022</u>
Interest earned	0	0
Less: Administrative expenditure	<u> </u>	<u> </u>
Surplus/(Deficit) carried to reserve fund	<u><u>(1,500)</u></u>	<u><u>(1,000)</u></u>

INTERNATIONAL COFFEE ORGANIZATION

SPECIAL FUND ACCOUNT

RESERVE FUND
AS AT 30 SEPTEMBER 2023

(Expressed in United States dollars)

Balance brought forward at 1 October 2022	<u>85,257</u>
Add:	
Deficit carried from Income and Expenditure Account	(1,500)
Balance at 30 September 2023	<u><u>83,757</u></u>

INTERNATIONAL COFFEE ORGANIZATION
SPECIAL FUND
NOTES FOR THE YEAR ENDED 30 SEPTEMBER 2023

1. Reserve Fund: US\$ 84,007

	<u>US\$</u>
Balance at 1 October 2022	85,257
Plus:	
Deficit carried from Income and Expenditure Account	<u>(1,500)</u>
Balance at 30 September 2023	83,757

2. Foreign currency balances

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

3. Accounting policies

6a. 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.

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

Opinion

We have audited the Special Fund accounts of the International Coffee Organization (the 'Organization') for the period ended 30 September 2023 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 LLP

Registered Auditors
Leytonstone House
Leytonstone
London
E11 1GA

Date:

Finance and Administration Committee
60th Meeting
5 March 2024
London, United Kingdom

**Draft Administrative Budget for
financial year 2024/25**

RESTRICTED

Introduction

1. This document contains the draft Administrative Budget for financial year 2024/25.
2. The Administrative Budget, in line with the standard for multilateral international organizations where staff carry out all the planned activities, can be divided into three broad categories: Premises (17%); Personnel (71%) and Other Expenses (12%). Expenditure on premises is the same as last year, though it may be revised following a decision at the Spring Session of the Council regarding the location of the ICO headquarters. Similarly, the budget and Members' contributions are the same as for 2023/24, considering the need to keep enhancing ICO activities and carry out the mandate of the Organization at normal activity levels. However, it is still lower than 2018/19 and similar to 2019/20, previous 'non-emergency' budgets. If we consider inflation, this represents a 17% real-terms reduction overall.

Action

This document will be reviewed by the Finance and Administration Committee.

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ANNEX

I	Table A: Estimated revenue and expenditure Table B: Expenditure by item and sub-item
II	Travel completed and planned during coffee year 2023/24
IIIa	Establishment Table
IIIb	Organigram
IV	Movements of the Reserve Fund as at 30 September 2023
V	Programme of Activities and Budget Forecast for Coffee Year 2024/25
VI	Activity-Based Budget for coffee year 2024/25

**DRAFT ADMINISTRATIVE BUDGET
FOR FINANCIAL YEAR 2024/25**

1. This Budget has been prepared on a similar accounting basis to previous years, while also considering the approval of Resolution 470 by the Council at its 126th Session.

Contributions

2. The estimated total revenue for financial year 2024/25 is £2,657,700, compared to: (i) £2,644,396, as authorized for financial year 2023/24; and (ii) £2,270,383, the actual revenue in financial year 2022/23 (see **Table A** in **Annex I**). Based upon contributions of £2,600,000, which are the same as the approved 2023/24 budget, the contribution per vote remains at £1,300.

3. Interest income is forecast at £30,000. This amount is estimated based on the increased interest rate during 2023/24. The Organization received interest with an average rate of 2% during 2022/23; this has now increased to 3% in coffee year 2023/24.

4. Estimated revenue from external sources amounts to £27,700. This consists of revenue from other international organizations relating to accounting and payroll services provided by the Organization, as well as income from subscriptions to statistics and administrative charges for the Trust Fund projects.

Provision for Members in persistent arrears

5. A provision for outstanding contributions from Members in persistent arrears of £65,700 is included in **Table A** of **Annex I** (i.e. those who owed more than two years of contributions to the Administrative Budget as at 1 October 2023). The amount is net of the Recovery on Provision for outstanding contributions (please see **FA-363/24**).

Expenditure

6. **Table B** in **Annex I** shows the proposed expenditure for financial year 2024/25 and compares this to authorized expenditure in 2023/24 and the actual revenue in financial year 2022/23. The following table provides a summary of this information.

NET EXPENDITURE
FINANCIAL YEAR 2024/25 COMPARED TO PREVIOUS FINANCIAL YEARS

Financial year	Net expenditure	Increase/(decrease)	
		Amount	Percentage
	<u>£000</u>	<u>£000</u>	<u>%</u>
2022/23	2,117	51	(2.3)
2023/24	2,606	489	23.1
2024/25	2,600	(6)	(0.0)

Premises

7. The term of the premises lease runs from April 2017 to June 2025. As the decision about relocating the ICO headquarters after June 2025 will not be discussed until the Council Session in March 2024, for now the rent remains as £290,000, the same full annual rent amount as the 2023/24 budget year. This may be revised in the final draft budget. An amount of £54,000 has been provided under Item 1.4 (Dilapidations/Refurbishment costs for relocation) as a part of the estimated costs.

8. The amount of £9,000 under Item 1.2 in **Table B of Annex I** reflects the estimated charge for rates as issued by the Valuation Office Agency.

9. The amount of £90,000 under Item 1.3 in **Table B of Annex I** reflects the estimated service charge of £10.2 per square foot based on the annual service charge reported by the landlord, which is linked to the Retail Price Index and adjusted periodically. Other costs included under this item are: building insurance; cleaning; electricity; replacement of lights; air conditioning; and alarm system maintenance.

Interpretation and translation

10. The provision for interpretation is based on a programme of two Council Sessions, one in the Spring and one in September, and other meetings which may require interpretation services. As a cost-saving measure, provision is made for only two and three days of interpretation at each Session, respectively.

11. The provision for translation is for work contracted to a new language services provider. Wherever possible, computer-assisted translation tools will be employed as a cost-saving measure, always alongside suitable quality and efficiency measures. Partial automation of translation work will enable recurring content to be automatically translated. As a result, the budget for translation costs has decreased by £25,000 from the previous year.

Travel

12. Many Members have invited the Executive Director to visit them, and efforts are being made to maximize the ICO's presence and implement new activities. Thus far, expenses have been funded by the organizers of the events whenever this is possible, and the Travel budget for 2024/25 remains as £45,000, as in 2023/24 (**Annex II**).

Personnel

13. **Annex IIIa** shows the proposed Establishment Table of the Organization for 2024/25 (with a related Organigram in **Annex IIIb**). The following table presents a breakdown of the cost of personnel for each category of staff in the financial years 2022/23 to 2024/25.

	Number of posts			Personnel cost		
	2022/23	2023/24	2024/25	2022/23	2023/24	2024/25
				£000	£000	£000
Total	12	15	15	1,444	1,911	1,842
Professional staff	11	14	14	1,400	1,862	1,790
General Service staff	1	1	1	44	49	52

14. The Secretariat has conducted a review of all posts in the Establishment Table since December 2023. The draft Budget proposes a **decrease** in Personnel Costs of £70,000 in the financial year 2024/25, which is mainly due to the following factors.

15. The Head of Operations (to be regraded from D-1 to P-5/D-1) and Chief Economist (P-4/P-5) will retire during 2024/25. The recruitment of these posts at a lower grade will enable the ICO to make savings.

16. The calculation of the annual personnel cost (Salary, Post Adjustment, Provident Fund and Dependency Allowances), except for National Insurance, private health insurance, travel and life insurances and home leave, is based on the UN Salary Scale released in early 2023, with an average increase of about 3% in line with the expected inflation rate and an exchange rate of US\$1.382/GBP (the average rate of the last 12 months as of December 2023).

Computer-Related Costs

17. There is an increase of £5,000 for 2024/25 under Computer-Related Costs due to the recent inflation and the need to keep the website up to date, enhance the database infrastructure, and enable auto-translation on social media tools, and so on.

Council meeting costs

18. Under this budget scenario, expenditures under Item 11 of **Table B** in **Annex I**, 'Council meeting costs', remained the same as the previous year, i.e. £25,000. This assumes that, in 2024/25, one Council session will be held outside of UK, and the other in hybrid (or virtual) format in London. Provision has been made for an electronic hub for interpreters, venues and other meeting-related expenses during the sessions of the Council and other ICO meetings.

Support for the Programme of Activities

19. The 'Programme of Activities' is primarily an allocation of consultancy funds to complement staff expertise for the implementation of the ICO's Five-Year Action Plan (document [ICC-120-11](#)). The Programme of Activities was £76,000 in the 2023/24 budget and for 2024/25, it has been increased by a further £10,000 to £86,000, due to plans to update the ICO's communication and operations infrastructure, including social media and the statistics database (**Annex V**).

Other costs

20. Communications and Other Operating expenses were reduced over the last few years, as a part of a move to a paperless office and a cost-saving measure. However, there is expected to be an increase in supplier costs due to inflation.

Reserve Fund

21. The estimated cost of liquidation of the Organization at 30 September 2024 is £1,090,000 (as compared to £1,438,000 at 30 September 2023) based on an exchange rate of US\$1.382/GBP (average rate of the last 12 months as of December 2023).

22. The decrease is mainly due to: (i) the retirement of the Head of Operations and Chief Economist, which reduced the estimated outstanding annual leave pay-out and other entitlements upon liquidation as at 30 September 2024, as per the Staff Regulations and Staff Rules; and (ii) Premises costs, which were set as a 9-month lump sum rental cost up to June 2025, given that this is the current lease expiration date, as well as miscellaneous charges upon liquidation, which were indicated in the lease agreement as a clause for termination of the contract.

Summary of liquidation cost, as at 30 September 2024

	£ 000's	£ 000's
Premises		
Rent and car parking	218	
Service charge and rates	51	
Electricity, heat and maintenance	8	
Dilapidations	97	
		374
Personnel		
Salaries of staff to liquidate Organization	99	
Termination indemnity - Professional staff	538	
Termination indemnity - General Service staff	0	
Repatriation costs	36	
		673
Communications		
Postage, telephone, etc.	3	
Other expenses	40	
		43
Total cost of Liquidation		1,090

Surplus/(Deficit)

23. By maintaining the current overall level of contributions and income from external resources, the proposed budget would result in a zero deficit.

TABLE A
ADMINISTRATIVE BUDGET 2024/25
ESTIMATED REVENUE AND EXPENDITURE
(FIGURES IN £ STERLING)

	Actual 2022/23	Authorized 2023/24	Proposed 2024/25
Revenue			
(a) Contributions of Members	2,234,784 ¹	2,600,000 ²	2,600,000 ³
(b) External sources			
Interest	12,969	12,096	30,000
Accounting services	7,800	7,300	7,800
Statistical data subscriptions	14,830	20,000	14,900
Administrative fee for Trust Fund		5,000	5,000
External sources	35,599	44,396	57,700
Total revenue	2,270,383	2,644,396	2,657,700
Net expenditure	2,117,031	2,606,000	2,592,000
Less: Provisions for outstanding contributions	38,821	38,396	65,700
Surplus/(Deficit)	114,530 ⁴	0	0

- 1/ The 2022/23 contribution corresponds to £1,114 per vote, (decrease of 17% in relation to 2019/20).
- 2/ The 2023/24 contribution corresponds to £1,300 per vote) (lower than £1,471 in 2017/18 and similar to £1,304 in 2018/19 and 2019/20).
- 3/ The 2024/25 contribution corresponds to £1,300 per vote (the same as 2023/24)
- 4/ Figures are based on the audited financial reports for 2022/23

TABLE B
ADMINISTRATIVE BUDGET 2024/25
EXPENDITURE BY ITEM AND SUB-ITEM
(FIGURES IN £ STERLING)

Item and sub-item	Actual ^{1/} 2022/ 23	Authorized 2023/24	Proposed 2024/25	<u>Increase/(Decrease)</u> <u>2023/24 versus</u> <u>2024/25</u>	
				Amount	Percent
1. Premises	387,140	389,000	443,000	54,000	13.9%
1.1 Rent	289,925	290,000	290,000		
1.2 Rates	8,403	9,000	9,000		
1.3 Service charge, utilities and maintenance	88,812	90,000	90,000		
1.4 Dilapidations/Refurbishment costs for relocation	0	0	54,000		
2. Language services under contract	86,757	83,500	70,000	(13,500)	(16.2)%
2.1 Interpretation	23,307	23,500	35,000		
2.2 Translation	63,450	60,000	35,000		
3. Special contracts	0	10,000	10,000	-	-
3.1 Coffee price service	0	0	0		
3.2 Professional fees	0	10,000	10,000		
4. Travel	44,423	45,000	45,000	-	-
4.1 Fares for official travel	26,870	30,000	30,000		
4.2 Subsistence allowance	17,553	15,000	15,000		
5. Communications	7,814	9,200	10,200	1,000	10.9%
5.1 Postage	122	200	200		
5.2 Telephone and fax	7,692	9,000	10,000		
6. Personnel	1,444,027	1,911,000	1,841,000	(70,000)	(3.7%)
6.1 Basic salaries (net)	589,870	862,000	739,000		
6.2 Post adjustments	385,497	506,000	563,000		
6.3 Personal representation allowance	5,000	5,000	5,000		
6.4 Dependency allowance	37,813	43,000	42,000		
6.5 Education grant	61,210	46,000	35,000		
6.6 Provident Fund	271,056	385,000	353,000		
6.7 Insurance	54,934	58,000	58,000		

Item and sub-item	Actual ^{1/} 2022/ 23	Authorized 2023/24	Proposed 2024/25	<u>Increase/(Decrease)</u> <u>2023/24 versus</u> <u>2024/25</u>	
				Amount	Percent
6.8 Installation/Repatriation	0	0	46,000		
6.9 Fares for home leave	3,626	6,000	-		
6.10 Temporary/Outside service	35,021	0	0		
7. Other operating costs	36,514	37,300	36,800	(500)	(1.3%)
7.1 Photocopiers and printers	4,597	5,000	3,000		
a. Rental and service					
7.2 Office supplies and stationery					
a. Document production	757	1,000	1,000		
b. General	1,864	1,800	2,300		
7.3 Publications	645	1,500	1,500		
7.4 Other expenses	28,651	28,000	29,000		
8. Computer-related costs	19,902	20,000	25,000	5,000	25.0%
9. Council meeting costs	24,827	25,000	25,000	-	-
10. Support for the Programme of Activities	65,627	76,000	86,000		13.2%
Total	2,117,031	2,606,000	2,592,000	14,000	(0.5%)

1/ Figures are based on the audited financial reports for 2022/23

**TRAVEL COMPLETED AND PLANNED BY THE EXECUTIVE DIRECTOR
COFFEE YEAR 2023/24**

October

- Rome, Italy – Participated in International Coffee Day at the Brazilian Embassy with key players from the Italian coffee sector and attended meetings at the UN Food and Agriculture Organization.
- Addis Ababa, Ethiopia – Participated in the IWCA event. Expenses partially covered by partners/ICO Members.

November

- Espírito Santo/Rio/São Paulo/Minas Gerais with participation from Brazilian researchers, private sector, partners, such as Rabobank, and producers. Expenses totally covered by the organizers.
- San José, Costa Rica – Participated in an event organized by SinterCafe, including meetings related to the EUDR. Expenses partially covered by partners/ICO Members.
- NY, USA – Participated in Illycaffè events, including a sustainability panel at the UN headquarters. Expenses totally covered by Illycaffè.

December

- Dubai, UAE - Participated in COP 28 in Dubai, including panels about sustainability and MoU signatures.
- Ho Chi Minh/Vietnam – Participated in the Asian International Coffee Conference in Vietnam. Expenses partially covered by partners/ICO Members.

January

- Berlin, Germany – Participated in Grüne Woche event – panels, roundtable regarding EUDR, pop-up for two days.

February

- Addis Ababa, Ethiopia – Participated in the First African Coffee Week, organized by AFCA, IACO and ACRAM, including meetings with African ministers and the Commissioners of African Union and panels related to regulations, living and prosperous income, women in coffee, etc.

March

- Nashville, USA – will participate in the Conservation International seminar, NCA Annual Convention, and the coffee private sector leadership meeting. Expenses will be partially covered by the organizers.

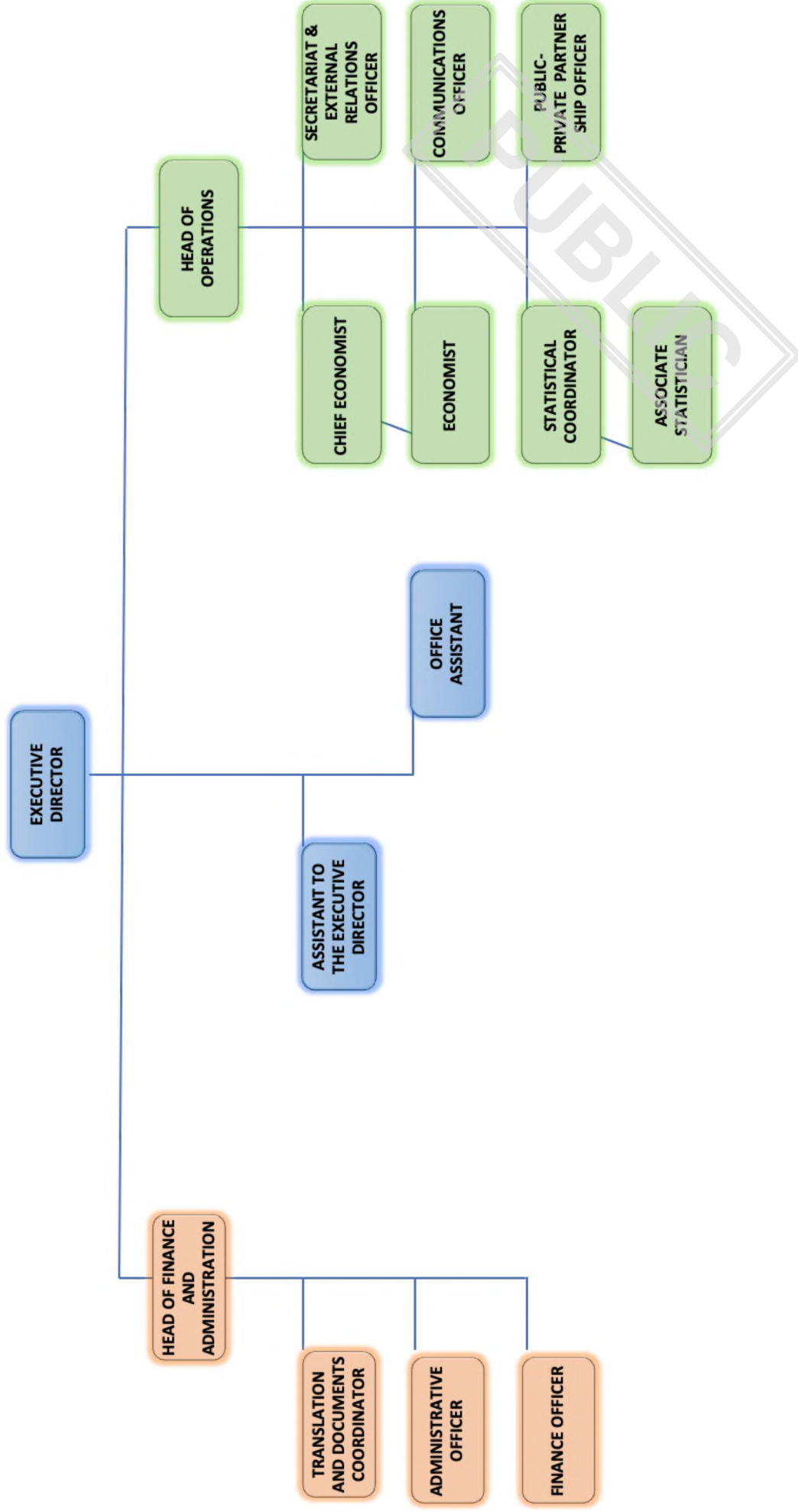
ADMINISTRATIVE BUDGET 2024/25

ESTABLISHMENT TABLE

2024/25	Post title	Classification
15	TOTAL	
3	OFFICE OF THE EXECUTIVE DIRECTOR	
1	Executive Director	USG
1	Assistant to the Executive Director	P-1 / P-2
1	Office Assistant	G-4 / G-5
8	OPERATIONS DIVISION	
1*	Head of Operations	P-5 / D-1
1	Chief Economist	P-4 / P-5
1	Public-Private Partnership Officer	P-3/ P-4
1	Statistical Coordinator	P-2 / P-3
1	Secretariat and External Relations Officer	P-1 / P-2
1	Associate Statistician	P-1 / P-2
1	Communications Officer	P-1 / P-2
1	Economist	P-1 / P-2
4	ADMINISTRATION DIVISION	
1	Head of Finance and Administration	P-4 / P-5
1	Translation and Documents Coordinator	P-1 / P-2
1	Administrative Officer	P-1 / P-2
1	Finance Officer	P-1 / P-2

*... Regraded from D-1 to P-5 / D-1

ORGANIGRAM



**MOVEMENTS OF RESERVE FUND
AS AT 30 SEPTEMBER 2023**

	£
Balance as at 30 September 2021	1,465,877
<u>Add:</u>	
Surplus carried to Reserve Fund	118,649
Transfer from 'Set Aside' Account	64,000
Recovery from Provision for the outstanding contributions	13,505
<u>Less:</u>	
Provision for outstanding contributions	(65,205)
Amounts transferred re termination of contract	(81,856)
Balance as at 30 September 2022	1,514,970
<u>Add:</u>	
Surplus carried to Reserve Fund	153,351
Transfer from 'Set Aside' Account	0
Recovery from Provision for the outstanding contributions	25,775
<u>Less:</u>	
Amounts transferred re termination of contract	(26,446)
Provision for outstanding contributions	(38,821)
Balance as at 30 September 2023^{1/}	1,628,829

1/ *Figures are based on the audited financial reports for 2022/23*

**PROGRAMME OF ACTIVITIES AND BUDGET FORECAST FOR
COFFEE YEAR 2024/25**

A. Guiding principles:

This document outlines the proposed Programme of Activities (PoA), including planned results, deliverables, and associated budget forecast for coffee year 2024/25. It has been drafted in accordance with the:

I. Guiding mandated actions as defined by the International Coffee Agreement 2007 (and the ICA 2022 upon entry into force), including:

- i. Collection, exchange and publication of statistical and technical information¹ including the daily composite indicator price (I-CIP).
- ii. Studies, surveys, technical reports and other documents concerning relevant aspects of the coffee sector, as well as the periodic survey on Obstacles to Consumption, report on compliance on Mixtures and Substitutes; report on status of all projects approved by the Council.
- iii. Providing a forum for consultations on coffee matters among governments and with the private sector, and promoting international cooperation on coffee matters; including cooperation with the United Nations and its specialized agencies (FAO, ITC, UNIDO, UNDP, ILO amongst others) as well as with international and regional financial institutions (IFAD, World Bank, IFC, African Development Bank, Inter-American Development Bank amongst others) as well as with civil society and academia to mobilize support and resources to the development and sustainability of the coffee sector and specifically for the farmers;
- iv. Promotion of consumption and market development activities.
- v. Conduct of two regular sessions of the Council a year, and special sessions as required, as well as regular and intersessional meetings of Committees and advisory bodies.

II. The three strategic goals outlined in the Five-Year Action Plan for the International Coffee Organization, approved by the Council during its 120th Session on 29 September 2017, as a provisional framework pending the development and launch of the renewed Five-Year Action Plan, namely:

- i. Delivering world-class data, analysis and information to the industry and policy-makers.
- ii. Using the Organization's convening power to provide a forum for dialogue between and within the public and private sectors.

¹ On world production, prices, exports, imports and re-exports, distribution and consumption of coffee, including information on production, consumption, trade and prices for coffees in different market categories and products containing coffee.

- iii. Facilitating the development of projects and promotion programmes through public-private partnerships

B. CURRENT DISTRIBUTION OF RESOURCES:

The ICO administrative budget 2024/25 has been forecast with the objective of enabling the Secretariat to effectively and efficiently deliver its strategic and administrative functions afforded by the International Coffee Agreement (ICA) 2007, the decisions adopted by the International Coffee Council (ICC), through the implementation of the proposed annual Programme of Activities (PoA) utilizing the resources outlined herein:

i. In-house Human Capital:

The ICO Operations Division (OPS) team, is the main implementing division for substantive activities, drawing upon its specialized staff knowledge and expertise, and thus constitutes the main human capital resource dedicated to the implementation of the planned programme of activities, complemented by external consultants hired on an ad-hoc needs basis, and in close collaboration with the Office of the Executive Director (OED) and of the Finance and Administration Division (FAD).

ii. Financial Resources:

The main source of financial contributions (both monetary and in kind) to support operational costs are from assessed contributions paid by ICO Members and , significantly, from voluntary contributions made by ICO Members, donors, development partners, the private sector and other organizations. These are principally allocated to the specific activities under the purview of the Coffee Public-Private Task Force and the implementation of its 2030 Road Map for exporting Members.

iii. Overall distribution of resources at present for Coffee Year 2023/24²³⁴⁵:

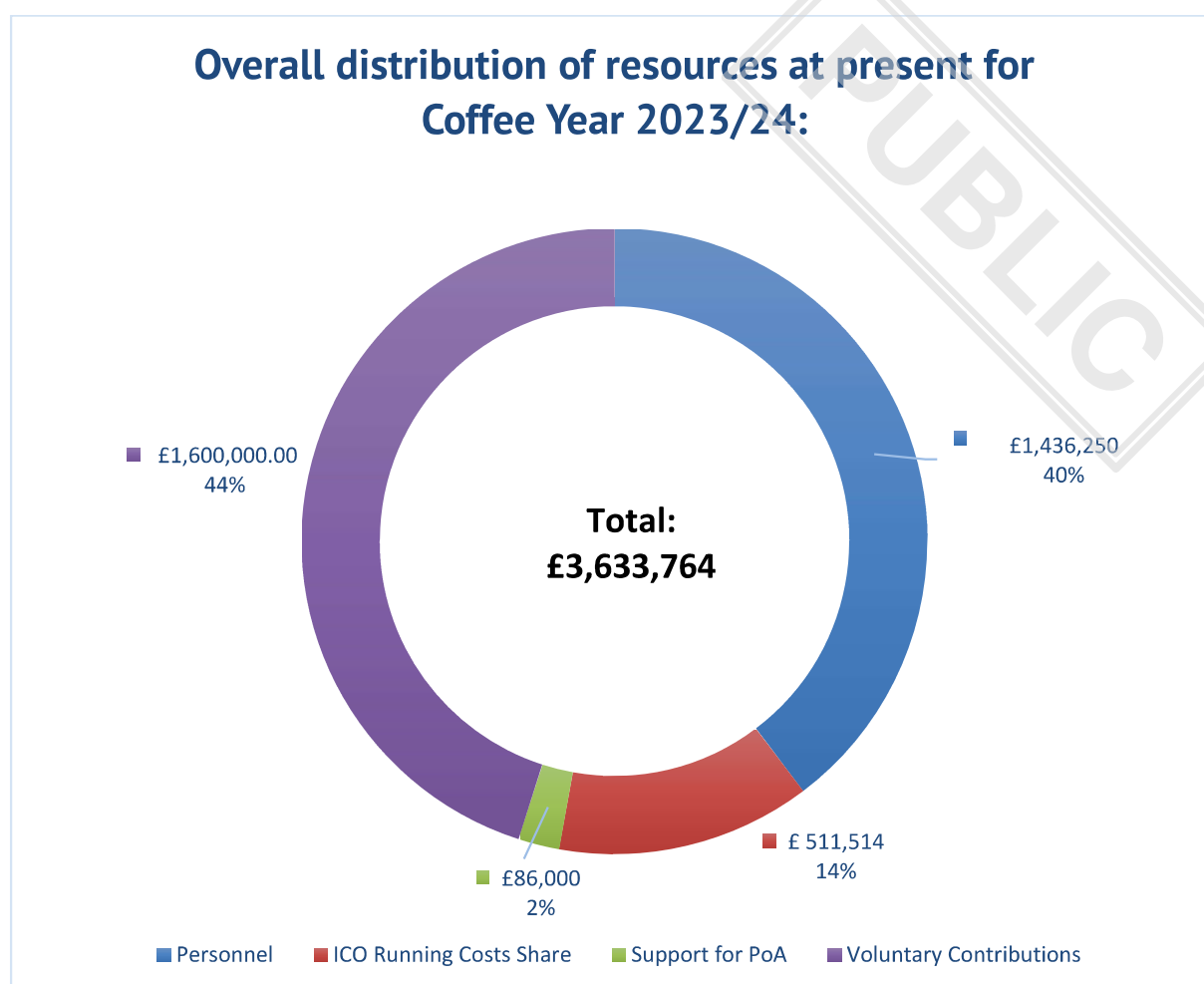
To carry out the PoA, the ICO has access to the following resources:

² Personnel refers to 100% of the staff from the Operations Division and a share of the cost of the other ICO staff

³ ICO Running Costs Share refers to running costs required for the Operations Division to carry out the PoA for 2024/25

⁴ Support for the Programme of Activities (PoA) refers to the specific budget allocation for consultancies and other support services to complement in-house resources and expertise

⁵ Voluntary contributions are those made by ICO members, donors, development partners, the private sector and other organizations, both in kind and in cash, mainly for the work of the CPPTF and the realization of its Road Map 2030 in exporting Members



The administrative Budget allows for an increase of the critical mass to carry out the Programme of Activities even if it is still below the resources required and available in 2016/17 Budget.

PROPOSED PROGRAMME OF ACTIVITIES FOR COFFEE YEAR 2024/25

STRATEGIC GOALS, PLANNED RESULTS, DELIVERABLES AND ASSOCIATED BUDGET FORECASTS

STRATEGIC GOAL I - Delivering world-class data, analysis and information to the industry and policy-makers.

A core function of the Organization is to be the world's most respected coffee statistical authority, enhancing market transparency by providing Members and third parties with easy access to accurate and comprehensive statistical data, and high-quality analytics related to the world coffee economy to the benefit of all stakeholders in the coffee supply chain, including decision-makers responsible for coffee policy. This function can be accomplished by improving the quality of the statistics and economic analysis produced by the Organization. to ensure that the ICO statistics are collected from Members, processed and disseminated efficiently, promptly and accurately, and that statistical capacity is built on a need basis in Member countries.

Planned Result I.A:
Enhanced market transparency through collection, processing, validation, analyses and delivery of high-quality data and statistics

DELIVERABLES BY CATEGORY AND SUBCATEGORY	OPERATIONAL COSTS	HUMAN RESOURCE COSTS
Facilitation of the intergovernmental process and expert bodies		
Providing statistical services for meetings (Member states, ICC, ad-hoc expert group meetings, etc.)		
Two sessions of the International Coffee Council (and ad-hoc ICC meetings if needed)		Staff
Meetings of the Finance and Administration Committee		Staff
Meetings of the Joint Committee (Economics Committee - if established) - Statistics-related tasks)		
2-4 Meetings of the Statistical Roundtable		Staff
Seminars, workshops and training events		Staff
Strengthening ICO Members' statistical function and focal points and engaging with Members, subscribers, international organizations, private sector and data providers	£4,000	Staff
Assessment of Members' compliance with ICO-SCI/E and ICO-SCI/I Indicators		Staff
Consultation, advice, advocacy, communication		
Inputs on ICO internal processes:		
Calculations of votes and contributions		Staff

<i>Coffee stats for the CDR (Chapter), Annual Review (Chapters), other publications</i>			Staff
<i>Coffee stats and calculation for the WGEF</i>			Staff
Providing ICO Members with support related to statistics and data			Staff
Technical Materials (Documents, newsletters, bulletins, charts, etc.)			Staff
Ad hoc statistical briefings/inputs for publications, external ICO interventions in response to external consultations			Staff

Planned Result I.B:

Positioning of the ICO as the world's most respected coffee statistical authority enhanced and recognized through the elaboration and dissemination of relevant statistical data and economic analysis related to the global coffee sector and the global economy

DELIVERABLES BY CATEGORY AND SUBCATEGORY	OPERATIONAL COSTS	HUMAN RESOURCES COSTS
Consultation, advice, advocacy, communication		
Maintenance/upgrading of the ICO World Coffee statistics database and other ICO tools, (rates increase from developer), Global Knowledge Hub and other ICO Toolkits (including one-off migration costs)	£5,000	Staff/external consultants
60 years of data is held online, however there is only one back up copy, we would like to create a second back up copy to adhere to standards of data storage management. This back up copy will be held away from the current service provider.	£3,000	Staff/external consultants
Promotion of ICO statistics and mobilization of additional subscribers and resources		Staff
Mandatory statistics development and publication (Subscription/access to external databases/sources)	£10,000	Staff
<i>Monthly Coffee Market Report (12 total)</i>		Staff
<i>Quarterly Statistical Bulletin (4 total)</i>		Staff
<i>Monthly Trade Statistics Report among others (12 total)</i>		Staff
<i>Coffee Report and Outlook (2 total)</i>		Staff
Drafting the Coffee Development Report 2024/25	£34,000	Staff/external consultants

Conducting, by request, economic research and empirical analysis with ICO data, surveys and external data/studies		Staff
Monitoring and assessing new regulations, standards and other stress factors affecting the coffee sector, engaging with regulators and coffee producers		Staff
Preparation of ICA mandatory studies (MLA, Obstacles, etc.)		Staff
Technical materials (documents, newsletters, bulletins, briefs, etc.)		Staff
Preparation of articles, presentations, interviews and other relevant content as inputs for external media		Staff

PUBLIC

STRATEGIC GOAL II - Using the Organization's convening power to provide a forum for dialogue between and within the public and private sectors

Strengthen its role as the forum for discussion of coffee matters between Members and with the private sector by acting as a convener, catalyst and source of reference, so as to improve the consistency of coffee policy-making on a global level. It should also identify the particular actions necessary to increase the engagement of Members and third parties with a view to providing better coordination of the various initiatives that address the major challenges facing the coffee sector. This will be achieved by improving the ICO's outreach and its profile as a global knowledge-centre of excellence and analysis of the coffee sector by: (i) delivering high-quality research/analysis in the area of socio-economics of coffee production, trade/consumption, sustainability; (ii) increasing the satisfaction of Members and users; and (iii) advocating for and increasing the interest of donors/partners in the opportunities and challenges of the global coffee sector including new regulations and standards.

Planned Result II.A/B

Strengthening ICO engagement with Members and other external stakeholders by providing a multi-sectorial leadership forum for dialogue and knowledge exchange on issues impacting the coffee sector

DELIVERABLES BY CATEGORY AND SUBCATEGORY	OPERATIONAL COSTS	HUMAN RESOURCES COSTS
Facilitation of the intergovernmental process and expert bodies		
Providing operational and technical services for meetings (Member states, ICC, ad-hoc expert group meetings ,etc.)		Staff
<i>Two regular sessions of the International Coffee Council (and ad-hoc ICC meetings as needed)</i>		Staff
<i>Meetings of the Finance and Administration Committee</i>		Staff
<i>Meetings of the Joint Committee (Economics Committee - when established)</i>		Staff
<i>Meetings of the CPPTF (3-4) (or Working Party - if established)</i>	£3,000 + CPPTF budget	Staff
<i>7th CEO and Global Leaders Forum</i>	CPPTF budget	Staff
<i>Meetings of the Private Sector Consultative Board (PSCB) or the Board of Affiliate Members (BAM) if established.</i>		Staff
<i>Meetings of the Working Group for the Entry into Force of the ICA 2022 (WGEF)</i>		Staff
<i>Webinars, seminars. Workshops and Expert Group Meetings organized with Members, international organizations, etc.</i>		Staff
Briefing members and facilitation of ICA signature/ratification		Staff

Consultation, advice, advocacy, communication		
Consultations and advocacy to increase the engagement of ICO Members, private sector and other stakeholders in the CPPTF and the realization of the roadmap		Staff
Managing the CPPTF (or the Working Party if established)	CPPTF budget	Staff/External consultants
Mobilization of funds through voluntary contributions, sponsorships and donations to ICO activities and the CPPTF (or Working party if established) for the 2030 Road Map	£4,000	Staff
Engaging IGOs, IFIs and NGOs in ICO events and participation in external events (travel costs)	£4,000	Staff
Implementation of signed MoUs, and development, negotiation, signature of new MoUs and cooperation agreements		Staff
External and media relations and communication (press releases, social media, website)	£2,000	Staff
Outreach programmes, special events and information materials	£2,000	Staff

REMARKS: The operation of the CPPTF and the actions in exporting Member countries will depend on external voluntary contributions by the private sector, bilateral donors, and international development and financial institutions.

PUBLIC

STRATEGIC GOAL III - Facilitating the development of projects and promotion programmes through public-private partnerships

In order to address specific challenges that constrain the development of the coffee sector in Member countries, the Organization shall facilitate and actively promote the development and implementation of coffee development projects. Furthermore, the ICO shall work towards promoting coffee consumption both in exporting and importing Member countries. The main focus of Strategic Goal III is to: (i) Support ICO Members and coffee stakeholders in the identification, design, fundraising, implementation, monitoring and evaluation of technical cooperation projects with a focus on public-private partnerships. (ii) Provide Members and all coffee stakeholders with tools and actions to foster the promotion of coffee and consumption with a focus on public-private partnerships.

Planned Result III.A:

Identification, development and fund mobilization of technical assistance and investment projects for exporting countries

DELIVERABLES BY CATEGORY AND SUBCATEGORY	OPERATIONAL COSTS	HUMAN RESOURCES COSTS
Facilitation of the intergovernmental process and expert bodies		
Meetings of the Joint Committee (Economics Committee - if established) - Project-related tasks		Staff
Technical cooperation projects preparation and fund mobilization / CPPTF Budget	£5,000	External consultants
Consultation, advice, advocacy, communication		
Advocacy for the promotion of cooperation with bilateral, regional and multilateral development agencies and donors, to further the sustainable development of the coffee sector, with a focus on regulatory framework and long-term sustainability and resilience.		Staff
Advocacy and advice for the establishment of partnerships and collaboration with the donor community/mobilization of resources for coffee development projects (Trust Fund)		Staff
Providing advisory services and cooperation with IGOs, private sector, civil society/academia		Staff
Maintenance and promotion of the ICO tools (Gender Tracker, Sustainability Map)	ICO/External funding	Staff
Support the operation and promotion of the Centre for Circular Economy for Coffee	C4CEC funds	Staff

Planned Result III.B:
Enhance the promotion of coffee consumption through strengthening cooperation with the private sector

DELIVERABLES BY CATEGORY AND SUBCATEGORY	OPERATIONAL COSTS	HUMAN RESOURCES COSTS
Facilitation of the intergovernmental process and expert bodies		
Meetings of the Joint Committee (Economics Committee - if established) - promotion and marketing tasks		Staff
Support Members to launch campaigns and organize coffee promotion events and activities in UK and abroad		Staff
Consultation, advice, advocacy, communication		
Conceptualization and implementation of the International Coffee Day and support to ICO Members and stakeholders / CPPTF Budget	£10,000	Staff/external consultants
Maintenance and promotion of the ICO Market Development Toolkit		Staff
Consultations and advice in support of the monitoring and implementation of regional domestic consumption programmes		Staff
Outreach programmes, special events and information materials		Staff
Maintenance and upgrading of digital platforms and media content		Staff
Communication/social media support and promotion and mobilization of resources and funding for the ICD and other coffee consumption promotional campaigns		Staff/external consultants

ACTIVITY-BASED BUDGET FOR COFFEE YEAR 2024/25

Background

1. The Secretariat has prepared a cost analysis summary that analyses the outputs of the Organization from a financial perspective. It seeks to present the relative costs of the main activities of the Organization.

2. The Activity-based Budget for 2024/25 has been prepared, as supplementary information, on the basis that the approximate allocation of time spent on activities has been re-analysed to reflect the restructuring of the Organization. The method of calculation is examined in greater detail below.

Methodology

3. The Secretariat undertook a review of six goals of the Organization:

- (a) Delivering world-class data, analysis and information to the industry and policy-makers.
- (b) Using the Organization's convening power to provide a forum for dialogue between and within the public and private sectors.
- (c) Facilitating the development of projects and promotion programmes through public-private partnerships.
- (d) Ensuring the coherence and the sustainability of the Organization's financial resources based on a reliable internal control system and effective risk management.
- (e) Ensuring effective human resource management, management of support services and good conditions of work.

4. An analysis of the work of individual staff members was undertaken to determine the amount of time spent on each activity, expressed in broad terms as a percentage of the individual's work.

5. The Organization's activities were costed in terms of personnel and other directly attributable costs, as well as fixed costs that were allocated to the activities on the basis of staff members' working time on each activity.

**ACTIVITY-BASED BUDGET FOR COFFEE YEAR 2024/25 –
Allocation based on the main activities**

REF	GOAL	BUDGET ITEMS	COSTS (£)	TOTAL (£)	%
I	Delivering world-class data, analysis and information to the industry and policy-makers	Premises	94,290		
		Personnel	415,600		
		Others	48,300		
		Support for the Programme of Activities	56,000	<u>614,190</u>	<u>24%</u>
II	Using the Organization's convening power and to provide a forum for dialogue between and within the public and private sectors	Premises	163,137		
		Personnel	634,400		
		Others	83,567		
		Support for the Programme of Activities	15,000	<u>896,104</u>	<u>34%</u>
III	Facilitating the development of projects and promotion programmes through public-private partnerships	Premises	80,820		
		Personnel	386,250		
		Others	41,400		
		Support for the Programme of Activities	15,000	<u>523,470</u>	<u>20%</u>
IV	Ensuring the coherence and the sustainability of the Organization's financial resources based on a reliable internal control system and an effective risk management	Premises	43,396		
		Personnel	188,301		
		Others	23,766		
		Support for the Programme of Activities	-	<u>255,463</u>	<u>10%</u>
V	Ensuring an effective human resource management, a management of support services and good conditions of work	Premises	61,357		
		Personnel	216,449		
		Others	32,967		
		Support for the Programme of Activities	-	<u>310,773</u>	<u>12%</u>
Draft Budget – Activity based			2,600,000	2,600,000	100%



INTERNATIONAL
COFFEE
ORGANIZATION

FA 368/24

19 February 2024
Original: English

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Finance and Administration Committee
60th Meeting
5 March 2024
London, United Kingdom

**Salary scale and basis for
contribution to the Provident Fund
for staff in the General Service and
Professional and Higher categories**

RESTRICTED

Background

This document contains a proposal for the revision of the salary scale and basis for contribution to the Provident Fund for staff in the General Service and Professional and Higher categories, based on recommendations made by the International Civil Service Commission (ICSC).

Action

This document will be reviewed by the Finance and Administration Committee before being passed, with its recommendation, to the International Coffee Council.

SALARY SCALES AND BASIS FOR CONTRIBUTIONS TO THE PROVIDENT FUND

Introduction

1. The salary scales and related allowances applicable to the staff of the Organization take into consideration those applied under the United Nations common personnel system and based on recommendations made by the International Civil Service Commission (ICSC).
2. As per the Administrative Budget for the 2023/24 coffee year, there are currently 15 posts consisting of staff and the Executive Director. Rule 103.2 of the ICO Staff Rules and Regulations states that salary increments shall be given with satisfactory performance. There is no change in category or grades during the 2023/24 year.

STAFF IN THE GENERAL SERVICE CATEGORY

3. On 23 May 2023, the IMO informed the Organization of the following:
 - (a) General Service salary scales were reviewed, retroactive to February 2023, based on the average movement of the Consumer Price Index (CPI) and Average Weekly Earnings (AWE) or whenever that figure has increased by 5.7% or more over the level reached at the time of the previous revision.
 - (b) An interim adjustment has taken place. Thus, a revised salary scale and basis for contributions to the Provident Fund (shown in **Annex I**) had an increase of 5.1% applied in June 2023, retroactively to 1 February 2023.

STAFF IN THE PROFESSIONAL AND HIGHER CATEGORIES

4. No revised salary scale for staff in the Professional and higher categories has been issued to date.
5. Under the provisions of Rule 106.1 of the Staff Regulations and Staff Rules (document [ICC-119-17](#)), contributions to the Provident Fund for staff in the Professional and Higher categories are assessed on the basis of a table corresponding to the scale of pensionable remuneration for staff in said categories in the United Nations. The table currently applicable for this purpose is attached as **Annex II**.
6. The scale of pensionable remuneration has been revised with effect from 1 January 2024 by the ICSC. This revised scale (**Annex III**) represents an increase of approximately 1.5% in relation to the scale currently applicable. The last increase in the scale of pensionable remuneration was in February 2023.

Financial considerations

7. If the revised Provident Fund scale is approved, the additional funds required for the remainder of the financial year 2023/24 can be met from within the authorized provision for Item 7 (Personnel) of the Budget.

Recommendation

8. On the basis of the criteria hitherto applied in establishing the remuneration of staff, it is proposed that the Council approve the implementation of the revised salary scales and the basis for the contributions to the Provident Fund for staff in the General Service and Professional and Higher categories.

General Service category
Table showing annual gross and net salaries after application of staff assessment (in pounds sterling)
Effective 1 February 2023
Duty Station – LONDON

Grade	I	II	III	IV	V	VI	VII	VIII	IX	X	XI
G.1											
Gross	27,804	28,954	30,105	31,268	32,465	33,662	34,859	36,057	37,254	38,451	39,649
Gross Pensionable	27,353	28,505	29,657	30,810	31,963	33,115	34,268	35,420	36,571	37,724	38,876
Total Net/Net Pensionable	22,028	22,914	23,800	24,686	25,572	26,458	27,344	28,230	29,116	30,002	30,888
G.2											
Gross	31,245	32,578	33,912	35,246	36,580	37,914	39,247	40,581	41,915	43,249	44,582
Gross Pensionable	30,789	32,071	33,353	34,635	35,916	37,198	38,481	39,760	41,043	42,325	43,606
Total Net/Net Pensionable	24,669	25,656	26,643	27,630	28,617	29,604	30,591	31,578	32,565	33,552	34,539
G.3											
Gross	35,231	36,728	38,226	39,723	41,220	42,718	44,215	45,712	47,231	48,770	50,309
Gross Pensionable	34,630	36,066	37,505	38,941	40,379	41,817	43,253	44,691	46,126	47,562	49,041
Total Net/Net Pensionable	27,619	28,727	29,835	30,943	32,051	33,159	34,267	35,375	36,483	37,591	38,699
G.4											
Gross	39,715	41,386	43,058	44,730	46,401	48,118	49,836	51,554	53,273	54,991	56,709
Gross Pensionable	38,934	40,540	42,146	43,752	45,357	46,963	48,592	50,263	51,933	53,603	55,276
Total Net/Net Pensionable	30,937	32,174	33,411	34,648	35,885	37,122	38,359	39,596	40,833	42,070	43,307
G.5											
Gross	44,739	46,617	48,542	50,467	52,392	54,317	56,242	58,167	60,092	62,018	63,970
Gross Pensionable	43,755	45,557	47,357	49,203	51,076	52,949	54,825	56,697	58,570	60,444	62,318
Total Net/Net Pensionable	34,655	36,041	37,427	38,813	40,199	41,585	42,971	44,357	45,743	47,129	48,515
G.6											
Gross	50,475	52,629	54,784	56,938	59,092	61,246	63,421	65,606	67,790	69,975	72,159
Gross Pensionable	49,210	51,306	53,403	55,499	57,597	59,695	61,788	63,886	65,984	68,079	70,176
Total Net/Net Pensionable	38,819	40,370	41,921	43,472	45,023	46,574	48,125	49,676	51,227	52,778	54,329
G.7											
Gross	56,949	59,357	61,766	64,206	66,648	69,090	71,532	73,975	76,417	78,859	81,301
Gross Pensionable	55,508	57,852	60,196	62,539	64,883	67,225	69,570	71,912	74,417	76,932	79,444
Total Net/Net Pensionable	43,480	45,214	46,948	48,682	50,416	52,150	53,884	55,618	57,352	59,086	60,820

The difference between steps I-X within grades indicate annual increments awarded on the basis of satisfactory service. Step XI at all grades is only awarded to staff with over 20 years of service within the United Nations system, who have been at step X for five years and demonstrated an entirely satisfactory service record.

DEPENDENCY ALLOWANCES (net per annum):				LANGUAGE ALLOWANCES (to be included in pensionable remuneration):	
Spouse	Pounds 268 (for eligible staff on board and in receipt of amount prior to 1 August 2007).			First language	Pounds 1,641 net per annum.
				Second language	Pounds 821 net per annum.
	Pounds 285 (for eligible staff on board and already in receipt of amount prior to 1 October 1999).				
	Pounds 430 (for eligible staff on board and already in receipt of amount prior to 1 July 1999).				
First dependent child of a married staff member	Pounds 1,434				
First dependent child of single, widowed, or divorced staff member	Pounds 1,434				
Each additional dependent child	Pounds 614 (for staff who become eligible on or after 1 November 2015).				
Each additional dependent child	Pounds 962 (for eligible staff on board and already in receipt of amount prior to 1 November 2015).				
a/	Staff assessment is calculated on the basis of the 36-month average of Pounds 0.774 to US\$ 1.00. The official United Nations exchange rate for a given month will continue to be used for operational and Pension Fund purposes.				
b/	Long-service step:				
	The qualifying criteria for in-grade increases to the long-service step are as follows:				
	(a) The staff member should have had at least 20 years of service within the United Nations Common System and five years of service at the top regular step of the current grade.				
	(b) The staff member's service should have been satisfactory.				
Gross:	Gross salaries have been derived through the application of staff assessment to Total Net salaries. Gross salaries are established for purposes of separation payments and as the basis for calculating tax reimbursements whenever UN salaries are taxed				
Gross Pens:	Gross Pensionable salaries have been derived through application of staff assessment to Net Pensionable salaries. Gross Pensionable is the basis for determining Pension Fund contributions under Article 25 of UNJSPF Regulations and for determining Pension benefits				
Total Net:	Total net remuneration is the sum of the non-pensionable component and the net pensionable salary.				
Net Pens:	Net Pensionable is that part of net salary which is used to derive to the Gross Pensionable Salary. Net Pensionable salary is the Total Net salary less the Non-pensionable component, i.e. 100 per cent of total net salaries.				
NPC:	Non-Pensionable Component is that part of net salary excluded from application of staff assessment in determination of the Gross Pensionable salary. The Non-Pensionable Component has been established at 0 percent.				

Pensionable remuneration for staff in the Professional and higher categories
In US dollars - effective 1 February 2023

Level	STEPS												
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII
USG	373,673												
ASG	346,919												
D-2	283,883	289,812	295,745	301,681	307,620	313,554	319,485	325,417	331,351	337,282			
D-1	255,267	260,477	265,692	270,905	276,103	281,317	286,530	291,731	296,949	302,155			
P-5	221,471	225,903	230,340	234,766	239,203	243,629	248,070	252,499	256,930	261,363	307,365	312,570	317,781
P-4	182,591	186,808	191,026	195,246	199,464	203,690	207,973	212,251	216,525	220,799	225,085	229,351	233,631
P-3	149,558	153,389	157,295	161,195	165,101	169,004	172,906	176,817	180,716	184,618	188,528	192,429	196,338
P-2	116,030	119,429	122,824	126,220	129,620	133,022	136,421	139,812	143,212	146,606	150,001	153,441	156,928
P-1	89,733	92,504	95,274	98,047	100,814	103,678	106,560	109,444	112,328	115,213	118,094	120,973	123,859

Pensionable remuneration associated with pay points for staff beyond the maximum salaries on the unified salary scale
In US dollars - effective 1 February 2023

Level	PP1	PP2
P-4	237,912	242,190
P-3	200,237	204,158
P-2	160,422	
P-1	126,740	

Common scale of staff assessment applicable to Professional and higher categories and General Service and related categories
Effective 1 January 2019

Total assessable payment (United States dollars)	Staff assessment rates used in conjunction with pensionable remuneration (percentage)
First 20,000	19
Next 20,000	23
Next 20,000	26
Next 20,000	28

Pensionable remuneration for staff in the Professional and higher categories
In US dollars - effective 1 January 2024

Level/	STEPS												
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII
USG	383,996												
ASG	351,191												
D-2	285,974	291,905	297,836	303,773	309,711	315,645	321,573	327,512	333,443	339,374			
D-1	257,356	262,565	267,784	272,999	278,192	283,409	288,621	293,822	299,039	304,245	309,455	314,659	319,873
P-5	223,565	227,998	232,434	236,861	241,297	245,723	250,162	254,590	259,024	263,452	267,889	272,312	276,754
P-4	184,401	188,677	192,956	197,232	201,508	205,784	210,068	214,344	218,620	222,891	227,177	231,443	235,722
P-3	151,138	155,041	158,947	162,846	166,754	170,655	174,580	178,544	182,499	186,455	190,424	194,379	198,340
P-2	117,035	120,431	123,826	127,221	130,649	134,144	137,641	141,120	144,615	148,105	151,597	155,097	158,584
P-1	90,263	93,148	96,029	98,915	101,795	104,683	107,562	110,450	113,330	116,218	119,099	121,980	124,865

Pensionable remuneration associated with pay points for staff beyond the maximum salaries on the unified salary scale
In US dollars - effective 1 January 2024

Level	PP1	PP2
P-4	240,005	244,284
P-3	202,296	206,252
P-2	162,073	
P-1	127,746	

Common scale of staff assessment applicable to Professional and higher categories and General Service and related categories
Effective 1 January 2019

Total assessable payment (United States dollars)	Staff assessment rates used in conjunction with pensionable remuneration (percentage)
First 20,000	19
Next 20,000	23
Next 20,000	26
Next 20,000	28
Remaining assessable amount	29



**INTERNATIONAL
COFFEE
ORGANIZATION**

FA 367/24

19 February 2024

Original: English

E

Finance and Administration Committee
60th Meeting
5 March 2024
London, United Kingdom

**Trust Fund Accounts of the
Organization for financial year
2022/23 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)

INTERNATIONAL COFFEE ORGANIZATION

Trust Fund

(Expressed in GBP)

As at 31 December 2023

	2023	2022
CURRENT ASSETS		
Balance with Bankers	259,069	223,203
Receivable from donor	11,820	1,192
LESS: CURRENT LIAB AND PROVISIONS		
Inter-Fund account due to Admin Fund Accruals	898	40,000
NET ASSETS	269,991	184,395
RESERVE FUND	269,991	184,395
	0	0
INCOME & EXPENDITURES		
Contributions from donors		
CPPTF Operations - ANNEX I	114,499	100,400
Living Income Benchmark - ANNEX II	172,172	235,885
UNIDO-Global Coffee Fund - ANNEX III	5,000	
ICO/ILO-Vision Zero Fund- ANNEX IV	20,000	
Total Contributions	311,671	336,285
Expenditures		
CPPTF Operations - ANNEX I		
3.2 TWS Facilitation/Future Market Transparency	15,881	9,727
3.3 CPPTF TW3 Policy/Int/ Funds	18,750	
4. Quick Wins	29,030	
5. TF Meetings	16,488	
6. M&E System Setup	7,200	
7. Audit fee/ICO Tech/Admin	5,317	4,895
8. CPPTF Communication and Support		2,680
9. Contingency	2,015	
10. Implementation Road map		89,126
11. CGLF		7,847
	94,681	
Living Income Benchmark - ANNEX II		
LI1. NewForesight	43,476	43,476
LI2. SAI Anker Institute	62,921	40,000
	106,397	
UNIDO-Coffee Sustainability&Resilience Fund - ANNEX III	4,997	
	4,997	
ICO/ILO-Vision Zero Fund- ANNEX IV	20,000	
	20,000	
Total Expenditures	226,075	197,751
Surplus/(Deficit) carried to Reserve Fund	85,596	138,534

ANNEX I - CPP Task Force Operation

Fund from the prior year 2022* ¹	31,986
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Contributions from donors - Task Force 2023

Tchibo GmbH	10,000
NKG	7,500
Nestle	20,000
Illy	7,000
Sucafina SA	4,999
Lavazza	10,000
Ecom	5,000
Sucden	5,000
Volcafe	7,500
Olam International	7,500
Starbucks	10,000
JDE	20,000
	<hr/>
	114,499
Total Contrirubtions	146,485

Expenditures

CPPTF Operations

3.2 TWS Facilitation/Future Market Transparency	15,881
3.3 CPPTF TW3 Policy/Int/ Funds	18,750
4. Quick Wins	29,030
5. TF Meetings	16,488
6. M&E System Setup	7,200
7. Audit fee/ICO Tech/Admin	5,317
8. CPPTF Communication and Support	
9. Contingency	2,015
	<hr/>
	94,681
Surplus/(Deficit) carried to Reserve Fund	<hr/> <hr/>
	51,804

**1..... From Reserve Fund balance as of 1 January 2023*

ANNEX II - Living Income Benchmark

Fund from the prior year 2022*1

152,409

Contributions from donors

Louis Dreyfuss Company	8,250
Nestle	57,127
Sucden	14,000
OFI/ Olam	6,205
NKG	5,000
Starbucks	29,320
JDE	23,471
Tchibo GmbH	28,800
	<hr/>
	172,172

Total Contrirubtions

324,581

Expenditures

NewForesight	43,476
SAI Anker Institute	62,921
	<hr/>
Total Expenditures	106,397

Surplus/(Deficit) carried to Reserve Fund

218,184

**1..... From Reserve Fund balance as of 1 January 2023*

ANNEX III - UNIDO-Global Coffee Fund

Fund from the Prior Year 2022

-

Contributions from donors

UNIDO

5,000

Total Contrirubtions

5,000

Expenditures

Coffee Sustainability&Resiliance Fund

5,000

Total Expenditures

5,000

Surplus/(Deficit) carried to Reserve Fund

-

ANNEX IV - ICO/ILO-Vision Zero Fund

Fund from the Prior Year 2022

-

Contributions from donors

All Japan Coffee

20,000

Association

Total Contrirubtions

20,000

Expenditures

ICO/ILO-VFZ Project

20,000

Total Expenditures

20,000

Surplus/(Deficit) carried to Reserve Fund

-

INTERNATIONAL COFFEE ORGANIZATION
TRUST FUND
NOTES FOR THE YEAR ENDED 31 DECEMBER 2023

1. Reserve Fund:

	<u>GBP</u>
Balance at 1 January 2023	<u>184,395</u>
Surplus carried from Income and Expenditure Account	<u>85,596</u>
Balance at 31 December 2023	<u><u>269,991</u></u>

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 unrealized 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.

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 2023 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 LLP

Registered Auditors
Leytonstone House
Leytonstone
London
E11 1GA

Date:



**INTERNATIONAL
COFFEE
ORGANIZATION**

FA 365/24

19 February 2024
Original: English

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Finance and Administration Committee
60th Meeting
5 March 2024
London, United Kingdom

**Administrative Accounts of the
Organization for financial year
2022/23 and Report of the Auditors**

RESTRICTED

Background

In accordance with Rule 14 of the Financial Rules and Financial Regulations of the International Coffee Organization, the Executive Director presents the Annual Accounts of the Organization for the period referred to above and the Report of the Auditors thereon.

Action

In accordance with Rule 14 of the Financial Rules and Financial Regulations of the Organization, the Finance and Administration Committee shall submit for approval the Annual Accounts and the Auditor's Report together with its observations thereon to the Council at its next Session.

INTERNATIONAL COFFEE ORGANIZATION

ADMINISTRATIVE ACCOUNT

STATEMENT OF ASSETS AND LIABILITIES

Note		As at 30 September 2023	As at 30 September 2022
		£	£
	CURRENT ASSETS		
1	Contributions outstanding for current year	239,630	393,998
2	Contributions outstanding from previous years	733,253	635,489
	Less: Provisions for outstanding contributions	- 591,271	- 578,225
	Debtors	187,752	302,744
	Balance with bankers and cash in hand	1,636,566	1,235,820
		2,205,929	1,989,826
	LESS: CURRENT LIABILITIES AND PROVISIONS		
	Creditors and Provisions	428,179	336,732
3	Amounts held on behalf of Members	4,922	25,776
4	LESS: AMOUNTS SET ASIDE	144,000	112,348
		1,628,829	1,514,970
5	RESERVE FUND	1,628,829	1,514,970

INTERNATIONAL COFFEE ORGANIZATION

MANAGEMENT ACCOUNTS

REVENUE AND EXPENDITURE

FOR THE PERIOD TO 30 SEPTEMBER 2023

	Regular Fund			
	YTD Actual	YTD Budget	YTD Variance	Year End Budget
	£	£	£	£
Revenue				
(a) Contributions of Members	2,234,784	2,228,000	6,784	2,228,000
Contributions for Trust Fund				
(b) External sources				
Interest	12,969	700	12,269	700
Other income				
1. Provisional Statistical Data	14,830	14,420	410	14,420
2. Accounting/Payroll Service	7,800	7,200	600	7,200
3. Income from TF Project Service	0	0	0	0
Total from external sources	35,599	22,320	13,279	2,251,020
Total revenue	2,270,383	2,250,320	20,063	4,479,020
Total expenditure (see Table B)	2,117,031	2,167,600	-50,569	2,167,600
Less: Provisions for outstanding contribution	38,821	82,720	-43,899	2,221,500
Surplus/Deficit	114,530	0	114,530	89,920

1. Corresponding to £1,114 per vote

2. The voting rights and membership of Bolivia and Burundi were restored following the payment of their arrears during this coffee year, and the pro-rata portion of their 2022/23 contributions became due.

INTERNATIONAL COFFEE ORGANIZATION

MANAGEMENT ACCOUNTS

SUMMARY OF EXPENDITURE BY ITEM

FOR THE PERIOD TO 30 SEPTEMBER 2023

		Regular Fund			Year End
		YTD Actual	YTD Budget	YTD Variance	Budget
		£	£	£	£
1.	Premises	387,140	384,000	-3,140	384,000
2.	Language services under contract	86,757	93,000	6,243	93,000
3.	Special contracts	0	12,000	12,000	12,000
4.	Travel	44,423	45,000	577	45,000
5.	Communications	7,814	8,600	786	8,600
6.	Official representation	0	0	0	0
7.	Personnel	1,444,027	1,477,500	33,473	1,477,500
8.	Other operating costs	36,514	35,500	-1,014	35,500
9.	Furniture and equipment		0	0	0
10.	Computer related costs	19,902	20,000	98	20,000
11.	Council meeting costs	24,827	25,000	173	25,000
12.	Programme of Activities	65,627	67,000	1,373	67,000
Total		2,117,031	2,167,600	50,569	2,167,600

INTERNATIONAL COFFEE ORGANIZATION

ADMINISTRATIVE ACCOUNT

DEBTORS

AS AT 30 SEPTEMBER 2023

	£
Government of the United Kingdom:	
Value Added Tax	45,318
Prepayments	75,746
Interfund account due from Special Fund	4,142
Private Medical Insurance - Staffs	882
Provident Fund	60,143
Interest Receivable	1,520
Total	187,752

INTERNATIONAL COFFEE ORGANIZATION

ADMINISTRATIVE ACCOUNT

AMOUNTS HELD ON BEHALF OF MEMBERS AND FORMER MEMBERS
AS AT 30 SEPTEMBER 2023

Member	£
Benin	1,344
El Salvador	551
Honduras	38
Madagascar	2
Nigeria	2,828
Timor-Leste	148
Uganda	11
Total	4,922

INTERNATIONAL COFFEE ORGANIZATION

ADMINISTRATIVE ACCOUNT

AMOUNTS SET ASIDE
AS AT 30 SEPTEMBER 2023

	Balance as at 30 Sep 2022 £	Transfer to Inc. & Expend. for the year £	Transfer from Inc. & Expend. for the year £	Balance as at 30 Sep 2023 £
Interpretation/Translation	-	-	45,000	45,000
Audit Fee	10,000	-	-	10,000
Programme of Activities	20,000	(4,000)	-	16,000
Personnel Costs	57,744	-	2,256	60,000
Premises	8,000	(8,000)	-	-
Replacement of Computers	16,604	(3,604)	-	13,000
Total	112,348	(15,604)	47,256	144,000

INTERNATIONAL COFFEE ORGANIZATION

ADMINISTRATIVE ACCOUNT

ADMINISTRATIVE EXPENDITURE

FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Administrative Budget adopted by the Council £	Expenditure incurred or set aside as shown in Income and Expenditure £	Regular Fund £
1 Premises	384,000	387,140 -	3,140
2 Language services under contract	93,000	86,757	6,243
3 Special contracts			
4 Travel 1	45,000	44,423	577
5 Communications	8,600	7,814	786
6 Official representation			
7 Personnel	1,477,500	1,444,027	33,473
8 Other operating costs	47,500	36,514	10,986
9 Furniture and equipment			
10 Computer related costs	20,000	19,902	98
11 Council meeting costs	25,000	24,827	173
12 Programme of Activities	67,000	65,627	1,373
Total	2,167,600	2,117,031	50,569

1..... Transfer of £20,000 from Personnel to Travel Costs (ICC-135-6)

INTERNATIONAL COFFEE ORGANIZATION

ADMINISTRATIVE ACCOUNT

PROVISION FOR OUTSTANDING CONTRIBUTIONS
AS AT 30 SEPTEMBER 2023

	2022/23 £
Congo D.R. of	4,686
Ecuador	3,875
Ghana	4,710
Sierra Leone	4,710
Tanzania	10,362
Tunisia	10,478
Net Provision for the Outstanding Contributions as of 30/9/2023	38,821
Total	
Recovery on the Provision for the Outstanding Contributions	-25,796
Net Provision for the Outstanding Contributions as of 30/9/2023	13,025

INTERNATIONAL COFFEE ORGANIZATION
ADMINISTRATIVE ACCOUNT
AS AT 30 SEPTEMBER 2023
RESERVE FUND - 5000

As at 30 September
2023

As at 30 September
2022

Balance as at 30 September 2022	1,514,970	1,465,877
Add:		
Transfer from 'Set Aside' Account	0	64,000
Carried from Income and Expenditure Account	153,351	118,649
Recovery on Provision for the outstanding Contributions	<u>25,775</u>	<u>13,505</u>
Less:		
Amounts transferred - resignation/Termination of contracts	- 26,446	- 65,205
Provision for the outstanding contributions	- 38,821	- 81,856
Prior Year Adjustment		
Balance as at 30 September 2023	<u>1,628,829</u>	<u>1,514,970</u>

INTERNATIONAL COFFEE ORGANIZATION

ADMINISTRATIVE ACCOUNT

CREDITORS AND PROVISIONS

AS AT 30 SEPTEMBER 2023

	£
Advance from Foreign Office - VAT	77,961
Positively Coffee	103,079
Millennial Media	101,466
All Japan Coffee Association	2,263
HB Surveyors (Net)	34,296
Suppliers	26,200
Accruals	51,931
Trust Fund	4,214
WCC India	18,948
Miscellaneous	7,820
Total	428,179

INTERNATIONAL COFFEE ORGANIZATION

CONTRIBUTIONS TO THE ADMINISTRATIVE BUDGET
FOR THE FINANCIAL YEAR 2022/23

Member	Contribution at £1114 per vote assessed 30-Sep-23	Received to 30-Sep-23	Outstanding 30-Sep-23
	£	£	£
Angola	5,570	5,570	0
Bolivia *	4,178	0	4,178
Brazil	364,278	364,278	0
Burundi **	2,606	2,606	0
Cameroon	7,798	7,786	12
Colombia	120,312	120,312	0
Costa Rica	15,596	15,596	0
Côte d'Ivoire	18,938	18,568	370
El Salvador	10,026	10,026	0
Ethiopia	40,104	40,104	0
European Union			
Austria			
Belgium/Luxembourg			
Bulgaria			
Croatia			
Cyprus			
Czech Republic			
Denmark			
Estonia			
Finland			
France			
Germany			
Greece			
Hungary			
Ireland			
Italy			
Latvia			
Lithuania			
Malta			
Netherlands			
Poland			
Portugal			
Romania			
Slovakia			
Slovenia			
Spain			
Sweden			
United Kingdom			
	741,924	741,924	0

Member	Contribution at £1114 per vote assessed 30-Sep-22	Received to 30-Sep-23	Outstanding 30-Sep-23
	£	£	£
Gabon	5,570	5,253	317
Honduras	62,384	62,384	0
India	59,042	59,032	10
Indonesia	62,384	62,384	0
Japan	118,084	118,084	0
Kenya	12,254	12,254	0
Madagascar	5,570	0	5,570
Mexico	31,192	31,192	0
Nepal	5,570	5,570	0
Nicaragua	28,964	28,964	0
Nigeria	5,570	0	5,570
Norway	16,710	16,710	0
Panama	5,570	5,466	104
Papua New Guinea	12,254	0	12,254
Peru	38,990	2,903	36,087
Philippines	5,570	5,570	0
Russian Federation	98,032	0	98,032
Rwanda	8,912	0	8,912
Switzerland	56,814	56,814	0
Thailand	7,798	7,798	0
Togo	5,570	5,570	0
United Kingdom	82,436	82,436	0
Vietnam	168,214	100,000	68,214
Total	2,234,784	1,995,154	239,630

* *Bolivia paid the first instalment of its arrears (£4,676.97) in December 2022 and the pro-rata portion of its 2022/23 contributions became due.*

** *Burundi's voting rights and membership were restored following the payment of its arrears in June 2023 and the pro-rata portion of its 2022/23 contributions became due.*

ADMINISTRATIVE ACCOUNT

OUTSTANDING CONTRIBUTIONS FROM PREVIOUS YEARS AS AT 30/09/2023

	1991 - 95 prior years £	2001 - 12 prior years £	2012/13 £	2013/14 £	2014/15 £	2015/16 £	2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £	2021/22 £	Total £
Bolivia										5,177			5,177
Central African Republic			8,826	8,826	8,826	8,826	7,355	7,355	6,520	6,520			63,054
Congo D.R. of		39,505									4,686		4,686
Congo Republic of													39,505
Cuba										6,395			6,395
Dominican Republic		30,729											30,729
Ecuador											3,875		3,875
Ghana											4,710	4,765	9,475
Guinea		108,759											108,759
Liberia	9,862	11,808	7,355	7,355	7,355	7,355	7,355	7,355	6,520	6,520			78,840
Malawi		1,486	7,355	7,355	7,355	7,355	7,355	7,355	6,520	6,520			58,656
Panama													0
Papua New Guinea													0
Russia												76,240	76,240
Rwanda												900	900
Sierra Leone									6,520	4,710			11,230
Tanzania										10,362		10,483	20,845
Tunisia												11,436	21,914
Uganda											10,478		38,120
Venezuela							7,133	6,520	6,520				20,173
Yemen		2,445	7,355	7,355	7,355	7,355	7,355	7,355	6,520	6,520			52,260
Zambia					4,839	7,355	7,355	7,355	6,520	6,520			39,844
Zimbabwe				16	7,355	7,355	7,355	7,355	6,520	6,520			42,476
Total	9,862	192,287	25,981	30,907	43,085	45,601	44,130	51,263	45,640	63,732	38,821	141,944	733,253

INTERNATIONAL COFFEE ORGANIZATION
ADMINISTRATIVE ACCOUNT
NOTES FOR THE YEAR ENDED 30 SEPTEMBER 2023

1. Contributions outstanding from 2022/23: £239,630

The amounts under this item are shown in Annex J.

2. Contributions outstanding from previous years: £733,253

The amounts under this item are shown in Annex K.

3. Provisions for outstanding contributions: £591,271

The amounts under this item are shown in Annex K.

4. Amounts held on behalf of Members and former Members: £4,922

The amounts under this item are shown in Annex D.

5. Amounts set aside: £144,000

This item represents expenditure for which provision was made in the Administrative Budget for 2022/23 and earlier years but not incurred before 30 September 2023 and which has been carried forward to be used in the financial year 2023/24 for the purposes for which it had been provided.

6. Reserve Fund: £1,628,829

	£
Balance as at 1 October 2022	1,514,970
Add:	
Carried from Income and Expenditure Account	153,351
Transfer from 'Set Aside' Account	0
Recovery on Provision for the outstanding Contributions	25,775
Less:	
Amounts transferred re Termination of Contracts	(26,446)
Provision for the outstanding contributions	(38,821)
Balance as at 30 September 2023	<u>1,628,289</u>

7. Administrative Expenditure: £2,117,031

The expenditure in 2022/23 was £2,117,031 compared to the authorized expenditure of £2,167,600. The amounts under this item are shown in Annex B.

8. Surplus carried to Reserve Fund: £50,298

Revenue received in excess/(deficit)
of the amount provided:

	£
Interest	12,269
Other income	7,794
Authorized expenditure	50,569
Provisions for outstanding contributions	43,899
Surplus carried to Reserve Fund	<u>114,531</u>

Contributions assessed for the financial year 2022/23 amounted to £2,234,784 (Annex J).

9. Positively Coffee: £103,079

The Board of the Institute for Scientific Information on Coffee (ISIC) agreed to fund the Positively Coffee Programme from 2002 to 2009, contributing £50,000 per annum. The Promotion Fund agreed to contribute US\$50,000 per annum, also up to 2008/09. The Organization administered this income on behalf of the Positively Coffee Programme but the amounts did not pass through the Income and Expenditure Account. A summary of income and expenditure to 30 September 2023 is as follows:

	£
Balance brought forward at 1 October 2022	103,079
Expenditure	0
Available balance at 30 September 2023	<u>103,079</u>

The balance is included in Creditors and Provisions.

10. Obligation under leases

The Organization leases offices at 222 Gray's Inn Road, London, under an agreement which expires on 16 June 2025.

11. US dollar balances

US dollar balances have been converted to sterling at a rate of US\$1.21970 = £1, being the closing exchange rate on 30 September 2023.

12. Accounting Policies

a. Basis of accounting

The accounts have been prepared on a historical cost and going concern basis and in accordance with the International Coffee Organization's Accounting Policies as detailed below.

The Executive Director acknowledges that the continuing ability of the organization to meet its financial obligation and continue as a going concern is dependent on the members continuing to be in a position to make contributions.

The Executive Director expects contributions to continue to be made as budgeted.

In light of this, the Executive Director has considered the appropriateness of the going concern basis of accounting in the preparation of these financial statements.

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 the approval of the Members.

e. Provision for outstanding contributions

A provision is included for all outstanding contributions greater than 2 years for the year ending 30 September 2023.

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

Opinion

We have audited the administrative accounts of the International Coffee Organization (the 'Organization') for the year ended 30 September 2023 which comprise the Statement of Assets and Liabilities, an Income and Expenditure account, Annexes A to I 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 12.

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 12 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.

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.



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Date: