

**Better Cotton Initiative
Geneva**

**Report of the statutory auditors
to the General Assembly of the Members
on the financial statements
for the year end March 31, 2024**

Report of the statutory auditors
to the General Assembly of the Members of
Better Cotton Initiative, Geneva

Geneva, 9 September 2024

Opinion

We have audited the financial statements of Better Cotton Initiative, Geneva which comprise statement of financial position as at March 31, 2024, the statement of operations, cash flow statement, statement of changes in funds and capital for the year from March 31, 2023 to March 31, 2024, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position as at March 31, 2024, and of its statement of operations, the cash flows and the changes in funds and capital for the year then ended in accordance with Swiss GAAP FER, comply with Swiss law and Association's statutes.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and 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 Association in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, 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.

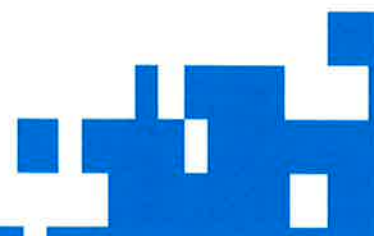
Other information

The Council is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's reports thereon.

Council of the Association's Responsibilities for the Financial Statements

The Council is responsible for the preparation of the financial statements, which give a true and fair view in accordance with Swiss GAAP FER, the provisions of Swiss law and the Association's statutes, and for such internal control as the Council determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council is responsible for assessing the Association'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 Council either intends to liquidate the Association or to cease operations, or has 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 a guarantee that an audit conducted in accordance with Swiss law and SA-CH 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.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

Report on Other Legal and Regulatory Requirements

In accordance with article 728a paragraph 1 item 3 CO and SA-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Council.

We recommend that the financial statements submitted to you be approved.

RSM Audit Switzerland SA

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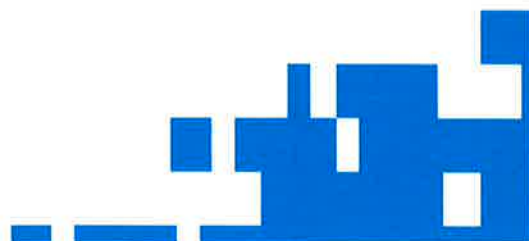
Jeremy Howarth
Audit expert
Auditor in charge

A blue ink signature of Meltem Kulak, featuring a large, flowing 'M' followed by a series of loops and a horizontal stroke.

Meltem Kulak

Encl:

- Financial statements (statement of financial position, statement of operations, cash flow statement, statement of changes in funds and capital, and the notes)





2024 Financial Statements

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About Better Cotton

Better Cotton Initiative, trademark registered as Better Cotton is a not-for-profit initiative founded in July 2009 and established in Switzerland as an association under Article 60 et seq of the Swiss Civil Code in Canton Vaud. Its registration was later moved to Canton Geneva in 2011.

Better Cotton is registered on the Registre du Commerce. The head office is in Chemin de Balexert 7-9, 1219 Châtelaine, Geneva.

Better Cotton has offices and representations in the countries listed in the table below. It also conducts activities, via local partners, in a range of other countries.

Better Cotton Offices	Countries with Better Cotton Representation
Switzerland	Pakistan
United Kingdom	United States
China	Brazil
India	Turkey

Sweden	Mozambique
Uzbekistan (since July 2023)	Burkina Faso
	Mali

Table: Offices and representations in 2024

Better Cotton works with a diverse range of stakeholders across the cotton supply chain to achieve its mission. Better Cotton aims to promote measurable and continuing improvements for the environment, farming communities, and cotton-producing areas' economies.

The Better Cotton Secretariat is responsible for managing the Membership Association, of which the main elements are detailed below.

In 2022, Better Cotton Council decided to change the financial year-end from 31st December to 31st March, to align with the cotton season and streamline the joint delivery of field funding for Better Cotton and the Growth and Innovation Fund (GIF). As a result of this adjustment, the previous year set of Financial Statements covers the 15-month period, from 1st January 2022 to 31st March 2023.

Our Principles & Criteria

Achieving our vision of a world where Better Cotton is the norm and cotton farmers and their communities thrive takes a holistic approach and a rigorous standard to match. A critical component of the Better Cotton Standard System is the Better Cotton Principles and Criteria, which lay out the global definition of Better Cotton through seven guiding principles. By following these principles, Better Cotton Farmers produce cotton in a way that is better for themselves, their communities and the environment.

Capacity Strengthening

Our Capacity Strengthening Programme puts farmers and farm workers front and centre. We know that to create positive change and deepen the impact of our programme, we must ensure that farmers and farm workers have access to the necessary tools, training and support that they need to continuously improve their practices.

More than 2.9 million cotton farmers globally have already benefitted from Better Cotton field training. This training is delivered by Better Cotton Programme Partners in cotton-producing countries around the world. These experienced field-level partners teach the Principles and Criteria of the Standard System and provide farmers with the support they need to implement the standard effectively.

By investing in capacity strengthening upfront, rather than simply checking outcomes through certification, we can have greater confidence in the credible implementation of the Standard System. Upfront investment in capacity building also has a significant impact on the percentage of participating farmers who go on to achieve a Better Cotton license.

In the 2022-23 cotton season, out of the 2.43 million farmers who received training, more than 2.13 million received a license to sell their cotton as Better Cotton. Beyond licensed Better Cotton Farmers, programme activities reach many more individuals in the wider farming community, including co-farmers, sharecroppers, business partners and permanent workers. We refer to this wider community as Farmers+.

Assurance Programme

An effective assurance system is an essential part of any sustainability programme. Assurance refers to the measures put in place to verify that something meets a certain performance level. The Better Cotton Assurance Programme verifies that farms and farmer groups meet all the core requirements of the Principles and Criteria before they can be licensed to sell Better Cotton.

Chain of Custody

Our Chain of Custody (CoC) connects supply with demand, providing documentation and evidence of Better Cotton as it moves through the supply chain. It ensures that the volume of Better Cotton claimed by Retailer and Brand Members does not exceed the volume produced by licensed farmers in any given time period.

Growing demand for supply chain visibility has created a need to be able to trace Better Cotton, and as part of the 2030 Strategy, we launched a new solution at the end of 2023. The solution has been funded by a Retailer & Brand Traceability panel; an advisory group of Retailer and Brand Members who have invested significant resources in the development of traceability. We worked with the panel to help their supply chains prepare for the successful go-live, but all parties sourcing cotton as Better Cotton can apply to use the solution.

In 2023, we released a revised version of the Chain of Custody Guidelines, now called the Chain of Custody *Standard*, which offers both mass balance and physical Chain of Custody (CoC) models. This supports the need for traceable Better Cotton whilst also continuing our important work at the farm level.

The new Chain of Custody Standard v1.0 is valid from October 2023. All suppliers sourcing mass balance and/or physical Better Cotton will need to adhere to the Standard by May 2025.

Claims Framework

When positive change is created, people or companies often want to communicate about it. Better Cotton is no different. A benefit of membership is the ability to make claims about commitments made— and the impact of those commitments.

However, claims must not be misleading and we are committed to ensuring that claims made about Better Cotton are credible, transparent, and accurate.

The Better Cotton Claims Framework is one component of the Standard System. It was created through a multi-stakeholder consultation process and is subject to an annual update. No Member is obliged to make any claims about Better Cotton, however, should they wish to communicate their commitment, the Claims Framework provides guidance and rules to ensure they do so in a credible and positive way. Claims are available according to a Member's eligibility. The Claims Framework includes the approval process for making a claim and the corrective action plan, process and steps taken by Better Cotton when misleading or unauthorised claims are found.

Monitoring, Evaluation & Learning

Better Cotton works with on-the-ground partners to train millions of cotton farmers around the world, supporting them to implement more sustainable farming practices that protect and restore the environment, while also improving their livelihoods. To ensure our programmes are making a difference, we are committed to measuring sustainability improvements everywhere Better Cotton is grown and to evaluating the environmental, social, and economic impact of the Standard System.

Whilst it is important to track the number of farmers participating in projects and meeting the Standard, or the volume of Better Cotton licensed, we must also understand whether, as a multi-stakeholder-driven sustainability standard system, we are making substantive contributions to more sustainable cotton production.

That's why Better Cotton seeks to measure the change cotton farmers achieve in a diverse set of contexts, from smallholders with limited access to mechanisation, to the most technologically advanced farming operations. Our data-driven Monitoring, Evaluation and Learning (MEL) Programme focuses on farm-level results, to measure what matters most according to Better Cotton's Theory of Change: continuous improvement of environmental, social and economic conditions in cotton cultivation.

Better Cotton uses complementary research and evaluation methods and work with independent organisations and researchers to assess the field-level results and impacts of programme activities and interventions. No single approach or methodology can meet all the needs for understanding the reach, efficiency, results, and ultimately impact of a sustainability initiative. A diversity of approaches is necessary to effectively measure results and impact both at scale and in depth.

Better Cotton Growth and Innovation Fund

The Better Cotton Growth and Innovation Fund (Better Cotton GIF or the Fund) is a field-level funding programme. It is designed to further the Better Cotton mission of sustainability in the cotton sector and help farming communities to survive and thrive while protecting and restoring the environment.

Retailer and Brand Members contribute to the Fund through a fee based on the volume of Better Cotton they source and declare (Volume-Based Fee or VBF). This fee enables brands to directly and efficiently support field-level programmes. Additionally, the Better Cotton GIF invites institutional donors and private foundations (currently IDH and the Laudes Foundation) to match the fees contributed by the private sector. The Better Cotton GIF also encourages programme partners to contribute to their own projects.

As part of Better Cotton's 2030 strategy, there is an aim to drive deeper change and achieve demonstrable farm-level impact while maintaining, and where possible growing, scale. The Better Cotton GIF has embarked on a new phase to better assist Better Cotton in achieving this.

The GIF's funding is directed towards projects which support farming communities to adopt practices consistent with the Principles and Criteria but also, in this new strategic period, to go above and beyond mere compliance. A smaller amount of funding is dedicated to innovative or

research-based projects. Following a rigorous review process of requested proposals, the Fund awards grants to projects which align with its annual priorities, long-term strategy and assessment criteria.

Better Cotton Status

The Better Cotton Initiative fits the definition of a Swiss charitable non-profit organisation raising its income from members and the public, receiving donations from grant-making Foundations and governmental organisations and providing services that benefit the general public.

Better Cotton has tax-exempt status in Switzerland because of its mission and is governed by a multi-stakeholder Council.

Financial Statements

Statement of Financial Position

€'000s	Notes	2024 31 Mar 2024	2022-23 31 Mar 2023
ASSETS			
Short-term Assets			
Cash and cash equivalents	2	30'759	30'342
Receivables from goods and services	3	12'729	11'485
Other short-term receivables		-	-
Prepayments and Accrued Income	4	794	677
Short-term Assets		44'281	42'504
Long-term Assets			
Financial Assets	5	170	90
Intangible Assets	6	317	84
Long-term Assets		487	174
TOTAL ASSETS		44'769	42'678
LIABILITIES, FUNDS & CAPITAL			
Short-term Liabilities			
Payables for goods and services	7	898	1'211
Other short-term liabilities		34	23
Short-time Liability for Farmer Support	8	4'904	6'686
Short-term provisions	9	1'270	758
Accrued Liabilities & Deferred Income	10	11'949	10'064
Short-term Liabilities		19'055	18'742
Long-term Liabilities			
Long-term financial liabilities		20	20
Long-term provisions	9	301	-
Long-term Liabilities		321	20
Funds - Restricted	11.1	12'896	12'959
Organisational Capital - Unrestricted		12'497	10'957
TOTAL LIABILITIES, FUNDS & CAPITAL		44'769	42'678

The accompanying notes are an integral part of these financial statements

Statement of Operations

€'000s	Notes	2024 12-month to 31 Mar 2024	2022-23 15-month to 31 Mar 2023
INCOME			
Membership fees, Grants and Donations			
Restricted	11-11.1	1'770	2'244
Unrestricted	11	9'153	10'673
Total Membership fees and Donations	11	10'923	12'917
Net Sales from Goods and Services	11-11.1	7'010	6'570
Other Operating Income Restricted	11	22'352	29'068
Total Operating Income		29'362	35'638
TOTAL INCOME		40'285	48'555
EXPENSES			
Contributions to Partners & Donations			
Restricted	12	(18'632)	(24'979)
Unrestricted	12	(828)	(472)
Operating Expenses			
Personnel Expenses	13	(12'054)	(12'598)
Operating Expenses	14	(6'760)	(8'135)
Depreciation and Amortisation		(39)	-
Operating Expenses Total		(38'312)	(46'184)
OPERATING RESULT		1'974	2'371
Net Financial Result		(434)	(207)
ANNUAL RESULT		1'539	2'164
Change in Funds Capital			
Allocated to income		(24'123)	(31'312)
Fund receipt and allocations		24'062	35'116
Change in funds		(63)	3'805
Annual Result before allocations		1'476	5'969
Change in restricted funds		63	(3'805)
Allocation to earned capital - unrestricted		(1'539)	(2'164)
Annual Result after allocation to capital		-	-

The accompanying notes are an integral part of these financial statements

Cash Flow Statement

€'000s		2024 31 Mar 2024	2022-23 31 Mar 2023
	Notes		
1. Cash flow from operating activities			
Annual result (before allocation to organization capital)		1'539	2'164
Depreciation, Revaluations and Amortisation		39	-
(Decrease)/Increase in provisions		812	448
Decrease/(Increase) in securities (real estate deposits)		(79)	(6)
Decrease/(Increase) in receivables		(1'243)	(8'878)
Decrease/(Increase) in other receivables, pre-payments and accrued income		(184)	(777)
(Decrease)/Increase in payables, accruals, deferred income and other current liabilities		(195)	11'627
Cash inflow/outflow from operating activities		689	4'578
2. Investing activities			
Investments for intangible assets	6	(272)	(84)
Cash inflow/outflow from investing activities		(272)	(84)
3. Cash flow from financing activities			
(Decrease)/Increase in financial liabilities		0	1
Cash inflow/outflow from financing activities		0	1
Total Net Cashflow		417	4'495
Change in Cash Funds and Cash Equivalents			
Cash at beginning of year		30'342	25'847
Cash at end of year	2	30'759	30'342
Evidence of change in cash funds		417	4'495

Statement of Changes in Fund & Capital

Statement of Changes in Funds & Capital 2024

€'000s

Funds - Restricted	Opening Balance 01.04.2023	Receipts & Allocations	Internal Transfers	Allocated to Income in 2024	Allocated from Financial Result	Total Change	Closing Balance 31.03.2024
Grants and Donations	585	2'227	-	(1'770)	-	455	1'040
Partnership Funding	51	483	-	(534)	-	(51)	0
Utilisation of VBF*	12'323	21'352	-	(21'819)	-	(467)	11'856
Total Funds - Restricted	12'959	24'062	-	(24'123)	-	(63)	12'896

Organisational Capital	Opening Balance 01.04.2023	Receipts & Allocations	Internal Transfers	Allocated to Income in 2024	Allocated from Financial Result	Total Change	Closing Balance 31.03.2024
Initial Capital	-	-	-	-	-	-	-
Tied Capital & Reserves - Restricted	-	-	-	-	-	-	-
Earned Capital - Unrestricted	10'957	-	-	-	1'539	1'539	12'496
Total Organisational Capital	10'957	-	-	-	1'539	1'539	12'496

Statement of Changes in Funds & Capital 2022-23

€'000s

Funds - Restricted	Opening Balance 01.01.2022	Receipts & Allocations	Internal Transfers	Allocated to Income in 2022-23	Allocated from Financial Result	Total Change	Closing Balance 31.03.2023
Grants and Donations	809	2'019	-	(2'244)	-	(224)	585
Partnership Funding	15	918	-	(882)	-	36	51
Utilisation of VBF*	8'330	32'179	-	(28'186)	-	3'993	12'323
Total Funds - Restricted	9'154	35'116	-	(31'312)	-	3'805	12'959

Organisational Capital	Opening Balance 01.01.2022	Receipts & Allocations	Internal Transfers	Allocated to Income in 2022-23	Allocated from Financial Result	Total Change	Closing Balance 31.03.2023
Initial Capital	-	-	-	-	-	-	-
Tied Capital & Reserves - Restricted	-	-	-	-	-	-	-
Earned Capital - Unrestricted	8'793	-	-	-	2'164	2'164	10'957
Total Organisational Capital	8'793	-	-	-	2'164	2'164	10'957

* VBF – Volume Based Fees

Rounding difference may exist within summations.

Performance Report

See recently prepared 2024 Annual Report

Applicable Accounting Principles and Policies

Basis of preparation

The objective of the financial statements is to outline the financial position, the cashflow and the operations of an organisation. Financial statements help document the accountability of the BCI Council.

The financial statements have been prepared in accordance with Swiss Generally Accepted Accounting Principles or Swiss GAAP Core 1-6 and FER 21 "Accounting for charitable non-profit organisations" that aims to increase the significance and comparability of the reporting of charitable non-profit organisations and comply with the Swiss Code of Obligations. Swiss GAAP FER are accounting standards meant for entities that are legally established in Switzerland. The financial statements give a true and fair view of the financial position and results.

The financial statements have been prepared to include the branches in China and India, and all activities of the Association. Better Cotton Initiative Pakistan and BCI Growth and Innovation Foundation (GIF) are independent Entities. However, transactions between the entities are disclosed as related parties. The consolidated accounts which include Better Cotton Initiative Pakistan are prepared separately.

The financial statements have been prepared using the historical cost convention and therefore apply the principles of accruals, going concern, matching, consistency, materiality and prudence.

In 2022, Better Cotton financial year end was changed from December 31, to March 31 by the decision of Better Cotton Council. The reasons for this change were to better align with the cotton season and streamline reporting between Better Cotton and the Growth and Innovation Fund (GIF). An amendment was made to Article 5.4 of the Association's Statutes to reflect this change. Comparative information therefore cover 15 months ending 31 March 2023.

Relevant account balances have been disclosed, identifying restricted and unrestricted funds separately, where material.

Scope of the Financial Statements

The Better Cotton Association, its affiliate legal entities and Related Parties are summarised below:

Affiliate legal entities

Name of entity	Legal structure	Created	Location
Better Cotton Initiative (BCI) trademark registered- Better Cotton	Swiss Association under Article 60 et seq of the Swiss Civil Code	2009	Geneva, Switzerland
Better Cotton Initiative Shanghai Representative Office China	Resident Representative Office of a Foreign (Region) Enterprise	2012	Shanghai, China
Better Cotton Initiative India	Branch Office established with the Reserve Bank of India's ("RBI") permission.	November 2015 (began activities in 2016)	New Delhi, India
Better Cotton Initiative Uzbekistan	Branch Office established with the Ministry of Justice	May 2023	Tashkent, Uzbekistan

Related Parties

Name of entity	Legal structure	Created	Location
BCI Growth and Innovation Foundation (GIF)	A Foundation established by Charter in Geneva in 2016.	2016	Geneva, Switzerland
Better Cotton Initiative Pakistan	Established on 23 Jun 2017. Its license to operate as a local NGO was granted in April 2021.	2017 (activities commenced in 2018)	Lahore, Pakistan

Reserves Policy

Better Cotton's reserves policy is to maintain a minimum unrestricted reserve equivalent to 6 months of Better Cotton budgeted operational expenses.

Foreign Currency

The functional currency of Better Cotton is the Euro (EUR). Foreign currency transactions are converted using the published monthly average exchange rates issued by the Swiss Federal Department of Finance. Foreign currency balances at year-end are converted using the year-end exchange rate.

Realised and unrealised exchange gains and losses are calculated quarterly. They are included in the Statement of Operations and Financial Result at the year-end. The financial statements are presented exclusively in Euros € 000's, as authorised by the Swiss Federal Tax Authorities (AFC). Financial statements in Swiss CHF are disclosed in Note 18.

Related Party Disclosures

Related parties are natural persons or legal entities that can control directly or indirectly or exercise significant influence over the financial decisions or operations of the other party. All material transactions, cash, receivables, payables, and contingent liabilities to related parties are disclosed in the notes.

Restricted and Unrestricted Funds

Better Cotton distinguishes between restricted and unrestricted funds. Income that the organisation generally receives for its charitable or membership activities where it has discretion over its use is treated as unrestricted funds.

Income that Better Cotton receives that must be used for a specific purpose or project is treated as Restricted Funds. Restricted Funds that have not been used at the end of the year are shown as carried forward in a separate section under the Statement of Change in Funds. These income sources include grants and donations, partnership contracts, and volume-based fees.

Income and Expense Recognition

Income from membership fees and Better Cotton Platform access fees are recognised as deferred income when a binding commitment is received. They are released to the income statement over the period of the service. Costs are recognised over the period when the services were delivered. Long-term contracts are recognised when amounts are due.

Membership Fees

Annual membership fee income is classified as unrestricted. There are five different membership categories, Civil Society, Producer Organisations, Supplier and Manufacturers, Retailer Brands and Associate Members. Each category has a different fee structure.

Better Cotton Platform Access Fees

Some Suppliers and Manufacturers do not become members but participate in a Retailer and Brand Member's supply chain. Such organisations pay an access fee for the Better Cotton Platform. This is treated as service charge income.

Volume Based Fees

Retailers and Brand Members pay a Volume Based Fee (VBF). It is calculated based on the total Better Cotton Claim Units (BCCUs) recorded in the Better Cotton Platform (BCP). The number of BCCUs correspond to the volume Better Cotton sourced as such by Retailer and Brand Members.

The current year fee is estimated based on the volume recorded in Metric Tons in the prior year and invoiced in advance at the start of the year. A reconciliation is performed towards the end of the year to calculate the actual volume purchased in the current year. Any additional fees are invoiced at the end of the year.

A proportion of VBF income is utilised by Better Cotton to perform assurance checks and collect, analyse and manage data around the effectiveness of the Better Cotton Standard. In addition, Better Cotton had a Strategic Partnership Agreement with Aid by Trade Foundation (AbTF) based in Hamburg, and some VBF income was utilised to contribute to AbTF Implementation costs. AbTF used the funds to cover farmer capacity building, assurance, and data management costs. The Strategic Partnership Agreement ended on 31st December 2022 but we will continue to have certain financial obligations to AbTF until 31 March 2025.

Based on agreements with the Retailer and Brands, the remainder of the VBF is donated to Field Funding which is disbursed to selected Programme Partners through the Better Cotton Growth and Innovation Foundation (GIF). As the VBF income can only be utilised for limited and predefined activities, it is treated as restricted Income. The transfer of funds is reported in the Statement of Funds, Partnerships, and Field funding.

Grants and Donations

Donations are recognised as income upon receipt. Grants based on annual or multi-year agreements are recorded as income in the reporting period when the funds are utilised. They are considered receivable when payments are due under the terms of the agreement, or when expenditure has incurred in advance and is recoverable under the grant agreement.

Assets and Liabilities Valuation

The financial statements comply with the principle of consistency in terms of valuation basis, presentation and disclosure from year to year. Any changes are disclosed.

Assets from donations are included at fair value upon receipt or value in use at the time of receipt. Assets that are subject to restrictions of use or ownership are recognised separately in the notes. Liabilities and funding are split into liabilities, Fund Income (restricted) and Organisational Capital (unrestricted and restricted).

Tangible Assets

Tangible assets are stated at cost less accumulated depreciation, which is calculated annually using the straight-line method over the expected useful economic life of the asset. Assets' values are routinely revised by comparing book value with the recoverable value (the higher of market value and user value). Any impairments are adjusted to reflect the lower of book value and recoverable value. Any amounts written off are included in expenses.

Assets below 10,000€ are expensed when purchased.

Intangible Assets

Intangible fixed assets are stated at cost, net of amortisation and any provision for impairment. Amortisation is calculated to write off the cost of intangible fixed assets by equal annual instalments over their expected useful lives.

Our development costs for traceability and adaptations for the change of our Chain of Custody are capitalised as intangible assets and amortised over 3 years. Amortisation is not charged on assets during construction until they are complete and in use.

Cash and Cash Equivalents

Cash balances include petty cash, bank accounts, deposit accounts and fiduciary deposits with a maturity of less than 90 days after the balance sheet date. Other liquid assets held by the Secretariat in Geneva and branch offices abroad are included in the Statement of Financial Position section.

Cashflow statement

A cash flow statement shows the changes in liquid assets since the previous year. The statement has been prepared using the "indirect method".

Receivables

Receivables are valued at nominal value in Euros, revalued at the average official Swiss Federal rate at month-end, less any provisions for doubtful debts. The doubtful debt provision includes an estimate of overdue VBF invoices and any membership fees and BCP invoices that are unlikely to be recovered.

Deferred Income

Membership and BCP fees invoiced and received during the year but relevant to a future period are included as Deferred Income in the financial statements.

Taxation and VAT/MWSt

Better Cotton Initiative is registered as an "Association of Public Interest" in Canton Geneva, with the Administration Fiscale Cantonale, Department des Finances.

The Republique and Canton of Geneve granted federal tax (IFD) exoneration on September 2, 2011, for an indefinite period based on article 56 lettre g) LIFD.

On September 2, 2011, Better Cotton was granted exoneration for ten years from Geneva Cantonal and Community (ICC) taxes based on Article 9, point 1, LIPM, letter f) point 3. This exemption was renewed in December 2019 for an unlimited period.

Better Cotton has voluntarily registered for VAT/MWSt at 7.7% for membership fee income and other services that are subject to VAT.

Provisions

Short and long-term provisions are recognised when probable obligations arise based on a past event before the balance sheet date, and it is probable that an outflow of economic benefit will be required to settle the obligation. Provisions reflect management's best estimate of the expenditure required to settle that obligation at the balance sheet date.

Events after Balance Sheet date

These events are disclosed and included if they are material for the user, relevant and have occurred before signing the financial statements.

Notes to the Accounts

1. Related Parties

Name of entity	Legal Structure	Location	Created	Governance
BCI Growth & Innovation Foundation	Foundation created by Charter.	Geneva, Switzerland	27 Apr 2016	3 Board Members who are Better Cotton Executive Directors. Better Cotton Association allocates resources, including employee time, for the Foundation's activities as it has no employees or a separate location.
Better Cotton Initiative Pakistan	Incorporated as Guarantee Limited Company under section 16 of the Companies Act. This entity received a license to operate as a Local NGO in Pakistan in April 2021.	Lahore, Pakistan	23 Jun 2017	5 Board Members. Its Executive management includes the Better Cotton Regional Director based in Pakistan. A National Office Agreement NOA has been developed to outline the roles and responsibilities of the two organisations.

€'000s	2024	2022-23
Receivables - BCI GIF and BCI Pakistan	276	111
Expenses*:		
Collaboration agreement - BCI Pakistan	1'059	615
Donation - Field funding for GIF funded projects	17'145	22'610
Funds Balance - (after utilization of VBF)	11'856	12'323

* 2024: 12-month to 31 Mar 2024
2022-23: 15-month to 31 Mar 2023

The operations in Pakistan are delivered via our local strategic partner, BCI Pakistan.

On 6 April 2023, Better Cotton has formalised the legal obligation to transfer the unused Volume Based Fee (VBF) to the related party BCI Growth and Innovation Foundation. The amount of unpaid donation is reflected in short-term liabilities (see Note 8)

2. Cash and Cash Equivalents

The Better Cotton Secretariat has bank accounts in Switzerland, China and India.

Better Cotton has no loans, overdrafts, marketable securities or unmatured forward currency futures contracts. Cash balances at year-end were:

<u>€'000s</u>	<u>2024</u> 31 Mar 2024	<u>2022-23</u> 31 Mar 2023
EUR	18'002	26'599
GBP	5'190	551
CHF	4'267	509
US\$	2'538	2'562
CNY	647	75
Other (INR, UZS)	115	46
Total	30'759	30'342

3. Receivables

Receivables include debtors from members, BCP invoices and outstanding amounts from donors. These are shown net of the allowance for doubtful debts.

The increase of the receivables is mainly attributable to the change of the financial year. A significant portion of the VBF is invoiced in February and March each year.

<u>€'000s</u>	<u>2024</u> 31 Mar 2024	<u>2022-23</u> 31 Mar 2023
Receivables for Volume Based Fee	10'199	9'982
Receivables for Membership, BCP access and other receivables	2'224	1'607
Donors and Grants	514	146
Related parties	276	111
less Allowance for Doubtful Debts	(484)	(361)
Net Receivables from goods and services	12'729	11'485

4. Prepayments and Accrued Income

Prepayment and Accrued Income include restricted and unrestricted Income from grants and partnership contracts.

<u>€'000s</u>	<u>2024</u> 31 Mar 2024	<u>2022-23</u> 31 Mar 2023
Prepayments	676	562
Accrued Income - Restricted	110	114
Accrued Income - Unrestricted	8	1
Total	794	677

5. Financial Assets and Valuations

Financial Assets comprise of security deposits for offices.

<u>€'000s</u>	<u>2024</u> 31 Mar 2024	<u>2022-23</u> 31 Mar 2023
Guarantee deposits		
Geneva	20	19
London	51	49
Shanghai & New Delhi	5	6
Others	94	16
Total	170	90

6. Intangible Assets

This asset represents the "Better Cotton Platform" software development costs and related amortisation. In 2022, we started to invest to develop the Better Cotton (online) Platform to accommodate the new Chain of Custody Model. The new model is expected to yield measurable economic benefits for several years.

The costs of the Traceability Platform developments is amortised over three years on a straight-line basis since the project went live in late 2023.

€'000s	2024 31 Mar	2022-23 31 Mar 2023
Software Development Costs		
Opening Balance brought forward	689	605
Additions & (Disposals)	272	84
Gross Value carried forward	961	689
Amortisation		
Accumulated Amortisation brought forward	605	605
Additions & (Disposals)	-	-
Annual Amortisation	39	-
Accumulated Amortisation carried forward	644	605
Net Carrying Amount at year end	317	84

7. Payables for Goods and Services

Payables include the fees in connection with the maintenance and development of the Better Cotton Platform and external services for Better Cotton programmes, software and systems licenses, tax and social contributions.

8. Short-term Liability for Farmer Support

The short-term liability of €4,9 million is the amount of VBF confirmed to be donated to the GIF but not yet transferred. This is shown as a short-term liability at 31 March, 2024. The agreement was signed on 6 April 2023 committing Better Cotton to transfer the amount to the BCI Growth and Innovation Foundation.

9. Statement of Provisions

At 31 March 2024, short and long term provisions were held as follows:

€'000s	2024 31 Mar	2022-23 31 Mar 2023
Short-term Provisions		
Opening Balance brought forward		
Other	75	47
Due diligence work for our IP network	142	122
Compliance project	300	-
Establishment of Impact Target	112	-
Value Proposition Revision	99	-
Governance Restructuring	30	-
Opening Balance brought forward	758	169
Increases/(Decreases) in Provisions		
Other	172	28
Due diligence work for our IP network	(91)	20
Compliance project	15	300
Establishment of Impact Target	(92)	112
Value Proposition Revision	(99)	99
Governance Restructuring	(30)	30
Crisis Management - Earthsight Report	227	-
Transition to Certification	158	-
Organisational Development/Change Management	152	-
Re-examination of Field Funding Structure	100	-
Closing Balance carried forward		
Other	247	75
Due diligence work for our IP network	51	142
Compliance project	315	300
Establishment of Impact Target	20	112
Value Proposition Revision	-	99
Governance Restructuring	-	30
Crisis Management - Earthsight Report	227	-
Transition to Certification	158	-
Organisational Development/Change Management	152	-
Re-examination of Field Funding structure	100	-
Closing Balance carried forward	1'270	758

€'000s	2024 31 Mar	2022-23 31 Mar 2023
Long-term Provisions		
Opening Balance brought forward		
Due diligence work for our IP network	-	142
Opening Balance brought forward		142
Increases/(Decreases) in Provisions		
Due diligence work for our IP network	-	(142)
Crisis Management - Earthsight Report	115	
Transition to Certification	186	
Closing Balance carried forward		
Due diligence work for our IP network	-	-
Crisis Management - Earthsight Report	115	-
Transition to Certification	186	-
Closing Balance carried forward	301	-

10. Accrued Liabilities and Deferred Income

Membership fees and BCP fees invoiced and received during the year are recognised according to the service delivery period. Outstanding balances are included as deferred Income in the financial statements.

€'000s	2024 31 Mar 2024	2022-23 31 Mar 2023
Accrued Liabilities	1'205	872
Deferred Income:		
Membership & BCP Access Fees	10'627	9'111
Other	117	81
Total	11'949	10'064

11. Income Analysis

€'000s	2024 12-month to 31 Mar 24		2022-23 15-month to 31 Mar 23	
	Restricted	Unrestricted	Restricted	Unrestricted
Membership fees & Donations				
Membership Fees		9'147		10'573
Donations/Grants				
Retailers & Brands	1304	6	1'029	100
Various Traders	105		-	
The Deutsche Gesellschaft für Internationale	265		537	
ISEAL Alliance - ISEAL Innovations Fund	-		232	
Helvetas Swiss Intercooperation	-		219	
International Finance Corporation (IFC) - World Bank	55		227	
Other source	41		-	-
Membership fees & Donations	1'770	9'153	2'244	10'673
Sales from Goods and Services				
Access Fees Better Cotton Platform & Traceability Solution		6'676		6'350
Events and Training		249		181
Partnership Fees		85		39
Sales from Goods and Services		7'010	0	6'570
Other Operating Income				
VBF utilised for BCI assurance & data collection activities	3'190		3'785	
GIF Management costs – recovery from Volume Based Fee	543		520	
Volume Based Fees (VBF) for Field Funding for Strategic Partner	1'182		1'765	
Volume Based Fees for BCI Growth & Innovation	16'904		22'115	
GIF Cooperation agreement	242		495	
Partnership funding	291		388	
Other Operating Income Total	22'352	0	29'068	0
Total Restricted/Unrestricted	24'122	16'163	31'312	17'243
Total Income Restricted & Unrestricted		40'285		48'555

11.1 Restricted Income Funds

Statement of Changes in Funds: Income - Restricted 2024

€'000s

Funds - Restricted	Opening Balance 01.04.2023	Receipts & Allocations	Internal Transfers	Allocated to Income in 2024	Total Change	Closing Balance 31.03.2024
Grants & Donations	1	-	-	(1)	(1)	-
Various RBs - Deliver Phase 2, 3 & 4 to develop a Better Cotton traceability solution	471	1'600	-	(1'304)	296	767
Various Traders - Deliver activities to develop a Better Cotton traceability solution	-	105	-	(105)	-	-
GIZ GmbH -Piloting a Better Cotton Start-Up in Uzbekistan	37	-	-	(37)	(37)	0
GIZ GmbH - Promoting Better Cotton Farming Practices, India, phase II	76	27	-	(102)	(76)	-0
International Finance Corporation (IFC) - New Country Start-up Process in Uzbekista	-	55	-	(55)	0	-
Afreximbank - Baseline assessment of the needs of smallholder cotton farmers in West and Central Africa	-	119	-	(2)	118	118
Dalberg - Pilot in Mozambique to demonstrate	-	46	-	(7)	39	39
GIZ - BCUBIS Project - Enhancing traceability in raw cotton supply chains in Pakistan	-	95	-	(95)	-	-
GIZ - TRAWAY Project - Paving the way to Better Cotton traceability, from farmer group to end-buyer	-	69	-	(31)	38	38
IDH - Landscape model pilot	-	36	-	(20)	16	16
ISEAL - Promoting robust GHG accounting, reporting, claims and incentives	-	62	-	1	63	63
Rockefeller - Travel award for participants to attend convening at the Bellagio Centre	-	12	-	(12)	-	-
Total Grants & Donations	585	2'227	-	(1'770)	455	1'040
Partnership Funding						
IDH - Living income pilot	-	33	-	(33)	-	-
Verité, Inc. - Supply Chain Tracing and Engagement Methodologies (STREAMS)	51	68	-	(119)	(51)	-
World Bank - Promoting socially sustainable and environmental practices in cotton production in Uzbekistan	-	140	-	(140)	-	-
GIF* Cooperation agreement	-	242	-	(242)	-	-
Total Partnership Funding	51	483	-	(534)	(51)	-
Utilisation of VBF **						
VBF utilised for BCI assurance & data collection activities	-	-	3'190	(3'190)	-	-
VBF utilised for GIF Management costs	-	-	543	(543)	-	-
Field funding for strategic partner	-	-	1'183	(1'183)	-	-
Donations for GIF projects *	12'323	21'352	(4'915)	(16'904)	(467)	11'856
Total Utilisation of VBF **	12'323	21'352	-	(21'819)	(467)	11'856
Total Funds - Restricted	12'959	24'061	-	(24'123)	-62	12'896

* Related party of transaction

** Volume Based Fees

Rounding difference may exist within summations.

Payment to Strategic Partner

Better Cotton makes these payments to our strategic partner, AbTF, under a Strategic Partnership Agreement.

The Strategic Partnership Agreement between AbTF and Better Cotton ended on 31st December 2022 . We will continue to have certain financial obligations to AbTF until 31 March 2025.

Statement of Changes in Funds: Income - Restricted 2022-23						
€'000s						
Funds - Restricted	Opening Balance 01.01.2022	Receipts & Allocations	Internal Transfers	Allocated to Income in 2022-23	Total Change	Closing Balance 31.03.2023
Grants & Donations	(1)	-	-	1	1	0
Various RBs - Deliver Phase 2 & 3 to develop a Better Cotton traceability solution	300	1'175	-	(1'004)	171	471
Various RBs - Deliver Phase 1 to enable traceability for Better Cotton	25	-	-	(25)	(25)	-
HELVETAS - WAPRO Phase II, Pakistan	42	48	-	(90)	(42)	-
GIZ GmbH -Piloting a Better Cotton Start-Up in Uzbekistan	79	145	-	(188)	(42)	37
GIZ GmbH - Promoting Better Cotton Farming Practices, India, phase II	256	170	-	(350)	(180)	76
ISEAL Innovations Fund - Control mechanisms for blended materials	19	7	-	(26)	(19)	0
ISEAL Innovations Fund - Delta Framework Pilot (India)	-	10	-	(9)	1	1
ISEAL Innovations Fund- Delta Project	75	48	-	(123)	(75)	-
ISEAL Innovations Fund - ATLA Project	14	60	-	(74)	(14)	-
HELVETAS - WAPRO Phase II, India & Guidance to the Steering Committee	-	129	-	(129)	-	-
International Finance Corporation (IFC) - New Country Start-up Process in Uzbekista	-	227	-	(227)	-	-
Total Grants & Donations	809	2'019	-	(2'244)	(224)	585
Partnership Funding						
GIZ GmbH - - Sustainability and Value Added in the Cotton Economy in Uzbekistan	15	25	-	(40)	(15)	-
Verité, Inc. - Supply Chain Tracing and Engagement Methodologies (STREAMS)	-	398	-	(348)	51	51
GIF* Cooperation agreement	-	495	-	(495)	-	-
Total Partnership Funding	15	918	0	(882)	36	51
Utilisation of VBF **						
VBF utilised for BCI assurance & data collection activities	-	-	3'785	(3'785)	-	-
VBF utilised for GIF Management costs	-	-	520	(520)	-	-
Field funding for strategic partner	-	-	1'765	(1'765)	-	-
Donations for GIF projects *	8'330	32'179	(6'070)	(22'115)	3'993	12'323
Total Utilisation of VBF **	8'330	32'179	-	(28'186)	3'993	12'323
Total Funds - Restricted	9'154	35'116	-	(31'312)	3'805	12'959

* Related party of transaction

** Volume Based Fees

Rounding difference may exist within summations.

11.2 Grants details

No.	Grantor	Dates	Purpose	Grant Amount
1	African Export-Import Bank	03/2024 to 08/2024	Baseline assessment of the needs of smallholder cotton farmers in West and Central Africa	EUR 119'297
2	Dalberg Catalyst	03/2024 to 12/2024	Pilot in Mozambique to demonstrate the viability of the carbon component of the Impact Marketplace	USD 100'000
3	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH	04/2023 to 11/2023	BCUBIS Project - Enhancing traceability in raw cotton supply chains in Pakistan	EUR 99'991
4		09/2023 to 08/2024	TRAWAY Project - Paving the way to Better Cotton traceability, from farmer group to end-buyer	EUR 100'000
5		05/2021 to 06/2023	Promoting Better Cotton Farming Practices; Sustainability & Value Addition in Maharashtra, India, phase II	EUR 1'399'981
6		05/2021 to 12/2023	Piloting a Better Cotton Start-Up in Uzbekistan: Better Cotton, Sustainability and Value Added in the Cotton Economy	EUR 362'987
7	Stichting IDH	10/2023 to 09/2025	Better Cotton Landscape Model Pilot to trial a new, landscape-based approach to implementing the Better Cotton system at farm level	EUR 63'820
8	International Finance Corporation (IFC)	05/2022 to 06/2023	Better Cotton New Country Start-up Process in Uzbekistan	USD 300'000
9	The ISEAL Innovations Fund & ISEAL Alliance	10/2023 to 09/2024	Promoting robust Greenhouse Gases (GHG) accounting, reporting, claims and incentives: approaches for agricultural commodity supply chains	CHF 80'000
10	The Rockefeller Foundation	07/2023 to 08/2023	Travel award to facilitate participants' travel to attend convening at the Bellagio Centre	USD 20'000
11	Various Retailers & Brands	01/2022 to 03/2024	Deliver the Phase 2 activities of the BCI programme to develop a Better Cotton traceability solution	EUR 1'325'000
12		04/2023 to 06/2024	Deliver the Phase 3 activities of the BCI programme to develop and deliver Better Cotton's traceability programme	EUR 1'500'000
13		01/2024 to 06/2025	Deliver the Phase 3 and 4 activities of the BCI programme to develop and roll out a Better Cotton traceability solution	EUR 350'000
14	Various Traders	05/2023 to 03/2024	Deliver activities of the BCI programme to develop a Better Cotton traceability solution	EUR 105'000

12. Contributions to Partners & Donations

The contributions to partners & donations include:

- The NOA agreement which defines the obligation of BCI Pakistan entity and Better Cotton. Better Cotton's operations in Pakistan are delivered through a grant agreement with the local organisation since 1 October 2022. This funding is therefore recognised as a contribution to partners.
- The Donation agreement which formalise the legal obligation for Better Cotton to transfer the confirmed 2023 Volume Based fee (VBF) to the BCI Growth and Innovation Foundation. The accrued donation to the BCI Growth and Innovation Foundation is recognised at yearend.

€'000s	2024 12-month to 31 Mar 24	2022-23 15-month to 31 Mar 23
Field funding for GIF funded projects	17'145	22'610
Field funding for strategic partner	1'183	1'765
Partner organisations	1'069	673
Field funding for implementing partners	63	403
	19'460	25'451

13. Personnel Expenses

The costs of personnel include the costs of all Better Cotton staff, and internal consultants globally. The increase supported organisational growth, the 2030 strategy and development of traceability. In addition, adjustments on salaries were made in the countries facing hyperinflation. As elsewhere, the presented increased is partly due to the longer financial year.

Council members are volunteers and do not receive any financial remuneration for their activities as members of the Council. Reimbursement of expenses is made to organisations that cannot support travel and meeting costs required to participate in the Council.

€'000s	2024 12-month to 31 Mar 24	2022-23 15-month to 31 Mar 23
Council Members - Travel Expenses	-	16
Personnel Expenses		
ExecutiveTeam & Management	930	2,092
Staff Costs (FTE)	9,145	8,278
Subcontractors and Consultants	1,978	2,228
Total - Personnel Expenses	12,054	12,598

Following the restructuring in January 2024, a larger executive group (EG) was implemented and similarly an expanded leadership forum was launched to which all senior managers, directors and EG members were invited. In financial year 2024, Executive & Management personnel expenses only include EG members.

Senior Directors' Remuneration

€ '000s	Senior Director FTEs per salary band
100-150	3
150 - 200	1
200 - 250	1

Number of Full-Time Employees (FTE)

Number of Full Time Employees (FTE)	2024		2022-23	
	Avg FTE	End of Year	Avg FTE	End of Year
In Switzerland	40	42	42	44
Outside Switzerland	97	110	118	90
Total	137	152	160	134
Sub Contracted Staff/Consultants	36	46	38	28

14. Operating expenses

€'000s	2024 12-month to 31 Mar 24	2022-23 15-month to 31 Mar 23
Consultancy and professional services	3,163	3,406
IT related costs	1,249	1,730
Travel & representation costs	1,167	1,165
Premises related costs	342	630
Strategic Partnerships (Turkey & China)	680	582
Recruitment and development of staff	160	250
Other operating costs	-	372
	6,760	8,135

15. Pension Liabilities and Assets

Better Cotton contributes to a defined contribution scheme for its employees, with its contribution calculated as a % of salaries. At year-end, it has liabilities to funds of €179k. Better Cotton has different pension plans for staff in different countries, with the contributions as follows:

Total amount expensed Better Cotton's contributions	€'000s	2024	2022-23
		12-month to 31 Mar 2024	15-month to 31 Mar 23
Employees based in Geneva, Switzerland		287	332
Employees based in London, UK		155	141
Employees based in New Delhi, India		47	55
Employees based in Shanghai, China		-	4
Total		489	532

16. Foreign Exchange Balances

Better Cotton's functional currency is Euro. Non-euro currency balances held at the year-end total the equivalent of €12,757k. Net realised FX losses during 2024 were €223k and net unrealised losses were €9k.

<u>€'000s</u>	<u>2021</u> 31 Dec 2021	<u>2022-23</u> 31 Mar 2023
Non-Euro currency cash balances		
GBP	5'190	551
CHF	4'267	509
US\$	2'538	2'562
CNY	647	75
INR	115	46
Total	<u>12'757</u>	<u>3'743</u>

17. Subsequent Events

In January 2024, the Council approved upward fee revisions for membership (effective from 1 April 2024) and non-member access to the Better Cotton Platform (effective from 1 March 2024). The impact of the new fee levels will be felt during the new Financial Year.

18. Presentation of Financial Statements in CHF '000s

Better Cotton accounting records are maintained in Euro. For the presentation of these accounts in Swiss francs (CHF), the EUR accounts are translated into CHF at March 31, 2024 closing rates for all balance sheet accounts, except capital and funds, that are translated at historical rates. All rates used are those provided by "AFC - Administration fédérale des contribution".

The closing rate of 1 EUR = 0.9890 CHF for assets and liabilities. (March 31, 2023: 1 EUR = 1.00642 CHF).

Income and expenses have been translated at the average rate for the period of 1 EUR = 0.97356 CHF (March 31, 2023: 1 EUR = 1.01692 CHF). Any resulting currency translation adjustment are deferred and shown separately under Funds.

Statement of Financial Position

Presentation in CHF '000s		
CHF'000s	2024 31 Mar 2024	2022-23 31 Mar 23
ASSETS		
Short-term Assets		
Cash and cash equivalents	30'420	30'537
Receivables from goods and services	12'588	11'559
Other short-term receivables	-	-
Prepayments and Accrued Income	785	681
Short-term Assets	43'794	42'777
Long-term Assets		
Financial Assets	168	90
Intangible Assets	313	84
Long-term Assets	481	174
TOTAL ASSETS	44'274	42'951
LIABILITIES, FUNDS & CAPITAL		
Short-term Liabilities		
Payables for goods and services	888	1'219
Other short-term liabilities	34	23
Short-time Liability for Farmer Support	4'850	6'729
Short-term provisions	1'256	763
Accrued Liabilities & Deferred Income	11'817	10'129
Short-term Liabilities	18'844	18'863
Long-term Liabilities		
Long-term financial liabilities	20	21
Long-term provisions	298	-
Long-term Liabilities	318	21
Funds - Restricted	13'371	13'433
Organisational Capital - Unrestricted	12'889	11'391
<i>Currency translation adjustment</i>	<i>(1'148)</i>	<i>(757)</i>
TOTAL LIABILITIES, FUNDS & CAPITAL	44'274	42'951

Statement of Operations

Presentation in CHF '000s		
CHF'000s	2024 12 mths to 31 Mar 2024	2022-23 15 mths to 31 Mar 2023
INCOME		
Membership fees, Grants and Donations		
Restricted	1'724	2'282
Unrestricted	8'911	10'853
Total Membership fees and Donations	10'635	13'135
Net Sales from Goods and Services	6'825	6'681
Other Operating Income Restricted	21'761	29'560
Total Operating Income	28'586	36'241
TOTAL INCOME	39'221	49'376
EXPENSES		
Contributions to Partners & Donations		
Restricted	(18'140)	(25'402)
Unrestricted	(806)	(480)
Operating Expenses		
Personnel Expenses	(11'735)	(12'811)
Operating Expenses	(6'581)	(8'272)
Depreciation and Amortisation	(38)	-
Operating Expenses Total	(37'301)	(46'965)
OPERATING RESULT	1'920	2'411
Net Financial Result	(422)	(211)
ANNUAL RESULT	1'498	2'200
Change in Funds Capital		
Allocated to income	(23'486)	(31'843)
Fund receipt and allocations	23'425	35'710
Change in funds	(61)	3'867
Annual Result before allocations	1'438	6'067
Change in restricted funds	61	(3'867)
Allocation to earned capital - unrestricted	(1'498)	(2'200)
Annual Result after allocation to capital	-	-

Cash Flow Statement

Presentation in CHF '000s		
CHF'000s	2024 31 Mar 2024	2022-23 31 Mar 2023
1. Cash flow from operating activities		
Annual result (before allocation to organization capital)	1'498	2'201
Depreciation, Revaluations and Amortisation	38	-
(Decrease)/Increase in provisions	803	451
Decrease/(Increase) in securities (real estate deposits)	(78)	(6)
Decrease/(Increase) in receivables	(1'230)	(8'935)
Decrease/(Increase) in other receivables, pre-payments and accrued income	(182)	(782)
(Decrease)/Increase in payables, accruals, deferred income and other current liabilities	(193)	11'701
Cash inflow/outflow from operating activities	657	4'630
2. Investing activities		
Investments for intangible assets	(269)	(84)
Cash inflow/outflow from investing activities	(269)	(84)
3. Cash flow from financing activities		
(Decrease)/Increase in financial liabilities	0	1
Cash inflow/outflow from financing activities	0	1
<i>Currency translation adjustment</i>	<i>(505)</i>	<i>(1'026)</i>
Total Net Cashflow	(117)	3'521
Change in Cash Funds and Cash Equivalents		
Cash at beginning of year	30'537	27'016
Cash at end of year	30'420	30'537
Evidence of change in cash funds	(117)	3'521

Statement of Changes in Funds & Capital

Presentation in CHF '000s

Statement of Changes in Funds & Capital 2024

CHF'000s

Funds - Restricted	Opening Balance 01.04.2023	Receipts & Allocations	Internal Transfers	Allocated to Income in 2024	Allocated from Financial Result	Total Change	Closing Balance 31.03.2024
Grants and Donations	615	2'168	-	(1'724)	-	444	1'059
Partnership Funding	52	470	-	(520)	-	(51)	1
Utilisation of VBF*	12'766	20'788	-	(21'244)	-	(455)	12'311
Total Funds - Restricted	13'433	23'425	-	(23'486)	-	-61	13'371

Organisational Capital	Opening Balance 01.04.2023	Receipts & Allocations	Internal Transfers	Allocated to Income in 2024	Allocated from Financial Result	Total Change	Closing Balance 31.03.2024
Initial Capital	-	-	-	-	-	-	-
Tied Capital & Reserves - Restricted	-	-	-	-	-	-	-
Earned Capital - Unrestricted	11'391	-	-	-	1'498	1'498	12'889
Total Organisational Capital	11'391	-	-	-	1'498	1'498	12'889

Statement of Changes in Funds & Capital 2022-23

CHF'000s

Funds - Restricted	Opening Balance 01.01.2022	Receipts & Allocations	Internal Transfers	Allocated to Income in 2022-23	Allocated from Financial Result	Total Change	Closing Balance 31.03.2023
Grants and Donations	844	2'053	-	(2'282)	-	(229)	615
Partnership Funding	16	933	-	(897)	-	36	52
Utilisation of VBF*	8'706	32'724	-	(28'664)	-	4'060	12'766
Total Funds - Restricted	9'566	35'710	-	(31'843)	-	3'867	13'433

Organisational Capital	Opening Balance 01.01.2022	Receipts & Allocations	Internal Transfers	Allocated to Income in 2021	Allocated from Financial Result	Total Change	Closing Balance 31.03.2023
Initial Capital	-	-	-	-	-	-	-
Tied Capital & Reserves - Restricted	-	-	-	-	-	-	-
Earned Capital - Unrestricted	9'191	-	-	-	2'200	2'200	11'391
Total Organisational Capital	9'191	-	-	-	2'200	2'200	11'391