Audited Financial Statements for the period 2016–2019

The IUCN Members, by electronic vote taking place from 27 January to 10 February 2021:

Approved the audited Financial Statements for the years 2016 to 2019 submitted by the Director General (Annex hereafter).
IUCN, International Union for Conservation of Nature and Natural Resources

Gland

Report of the statutory auditor to the Council on the consolidated financial statements 2016
Report of the statutory auditor
to the Council of IUCN, International Union for Conservation of
Nature and Natural Resources
Gland

Report of the statutory auditor on the consolidated financial statements

As statutory auditor, we have audited the accompanying consolidated financial statements of IUCN, International Union for Conservation of Nature and Natural Resources (“IUCN”), which comprise the balance sheet, income and expenditure statement, funds and reserve statement, cash flow statement and notes, for the year ended 31 December 2016.

Management’s responsibility
Management is responsible for the preparation of the consolidated financial statements in accordance with the requirements of Swiss law, IUCN Statutes as well as the consolidation and valuation principles described in the notes. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. Management is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor’s responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards as well as International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity’s preparation of the consolidated financial statements 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 entity’s internal control system. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements for the year ended 31 December 2016 comply with Swiss law, IUCN Statutes, as well as with the consolidation and valuation principles described in the notes.
Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 69b paragraph 3 CC in connection with article 728 CO) and that there are no circumstances incompatible with our independence.

In accordance with article 69b paragraph 3 CC in connection with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of consolidated financial statements according to the instructions of Management.

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

PricewaterhouseCoopers SA

Yves Cerutti
Audit expert
Auditor in charge

Fanny Chapuis
Audit expert

Geneva, 13 June 2017

Enclosure:

- Consolidated financial statements (balance sheet, income and expenditure statement, funds and reserve statement, cash flow statement and notes)
- Annex A – Core Funds under Framework Agreements
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## IUCN – International Union for Conservation of Nature and Natural Resources

### Consolidated Balance Sheet as of 31 December 2016

Report Currency: CHF ('000)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and short term bank deposits</td>
<td>III</td>
<td>37,777</td>
<td>33,859</td>
</tr>
<tr>
<td>Financial assets</td>
<td>IV</td>
<td>14,005</td>
<td>14,492</td>
</tr>
<tr>
<td>Membership dues receivables (net)</td>
<td>VI</td>
<td>1,592</td>
<td>2,022</td>
</tr>
<tr>
<td>Staff receivables</td>
<td>VII</td>
<td>649</td>
<td>519</td>
</tr>
<tr>
<td>Receivables from partner organisations</td>
<td>VIII</td>
<td>277</td>
<td>773</td>
</tr>
<tr>
<td>Advances to implementing partners</td>
<td>IX</td>
<td>7,722</td>
<td>7,900</td>
</tr>
<tr>
<td>Prepayments</td>
<td></td>
<td>756</td>
<td>1,736</td>
</tr>
<tr>
<td>Donor funds receivable</td>
<td></td>
<td>2,793</td>
<td>2,649</td>
</tr>
<tr>
<td>Project agreements receivables</td>
<td>X</td>
<td>16,300</td>
<td>12,258</td>
</tr>
<tr>
<td>Framework agreements receivables</td>
<td>XI</td>
<td></td>
<td>623</td>
</tr>
<tr>
<td>Other account receivables</td>
<td></td>
<td>966</td>
<td>821</td>
</tr>
<tr>
<td><strong>Total Current assets</strong></td>
<td></td>
<td>82,837</td>
<td>77,652</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed assets (net)</td>
<td>XII</td>
<td>31,864</td>
<td>33,234</td>
</tr>
<tr>
<td>Intangible assets (net)</td>
<td>XIII</td>
<td>1,565</td>
<td>975</td>
</tr>
<tr>
<td><strong>Total Non-current assets</strong></td>
<td></td>
<td>32,839</td>
<td>34,799</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td></td>
<td>115,676</td>
<td>112,451</td>
</tr>
</tbody>
</table>

|                      |       |            |            |
| **LIABILITIES AND FUND BALANCES** |       |            |            |
| **Current liabilities** |       |            |            |
| Membership dues paid in advance | XIV  | 2,011      | 1,977      |
| Accounts payable and accrued liabilities | XIV  | 6,431      | 7,593      |
| Social charges payable |       | 331        | 608        |
| Project agreements advances | X     | 47,976     | 50,179     |
| Deferred income framework agreements | XVIII | -         | 103        |
| Deferred income buildings | XVIII | 645        | 511        |
| New building loan | XIX    | 167        | 171        |
| Hosted organisation advances | XVI   | 729        | 589        |
| Miscellaneous current liabilities |       | 82         | 225        |
| **Total Current liabilities** |     | 58,372     | 61,956     |
| **Provisions**       |       |            |            |
| Projects in deficit  | XVII  | 1,064      | 1,495      |
| Staff leave and repatriation |       | 1,331      | 2,042      |
| Staff termination    | XVII  | 1,495      | 1,450      |
| Other provisions     |       | 207        | 39         |
| **Total Provisions** |       | 4,097      | 5,026      |
| **Non-current liabilities** |       |            |            |
| Deferred income buildings | XVIII | 17,708     | 17,085     |
| New building loan | XIX    | 11,469     | 11,298     |
| **Total Non-current liabilities** |     | 29,177     | 28,383     |
| **Funds and Unrestricted Reserves** |       |            |            |
| Designated reserves  | XX     | 6,770      | 849        |
| Unrestricted reserves | XX     | 14,035     | 19,462     |
| **Total Funds and Unrestricted Reserves** |     | 20,805     | 20,311     |
| **TOTAL LIABILITIES AND FUND BALANCES** |     | 112,451    | 115,676    |

See notes to the consolidated financial statements as indicated
## CONSOLIDATED INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

Report Currency: CHF ('000)

<table>
<thead>
<tr>
<th>Notes</th>
<th>Secretariat Unrestricted</th>
<th>Project Agreements</th>
<th>Total</th>
<th>Secretariat Unrestricted</th>
<th>Project Agreements</th>
<th>Total</th>
</tr>
</thead>
</table>
### EXTERNAL OPERATING INCOME
- Membership dues: 12,932
- Retention of staff income tax: 1,319
- Agreements income: 90, 94,543
- Framework income: 13,877, 1,319
- Other operating income: 3,514
- TOTAL EXTERNAL OPERATING INCOME: 31,732, 98,123

<table>
<thead>
<tr>
<th>Notes</th>
<th>Secretariat Unrestricted</th>
<th>Project Agreements</th>
<th>Total</th>
<th>Secretariat Unrestricted</th>
<th>Project Agreements</th>
<th>Total</th>
</tr>
</thead>
</table>
### INTERNAL ALLOCATIONS
- Cross charges from projects: 36,722, 36,722
- Other internal allocations: 250, (250)
- TOTAL INTERNAL ALLOCATIONS: 36,972, (36,972)

### OPERATING EXPENDITURE
- Staff costs: 53,003, 6,771
- Consultants: 1,802, 18,272
- Grants to partners: 627, 5,595
- Travel: 3,017, 15,226
- Workshops and conferences: 523, 2,675
- Publications and printing costs: 296, 2,660
- Office and general administrative costs: 3,995, 3,159
- Vehicles & equipment - costs & maintenance: 927, 7,145
- Professional fees or costs: 661, 623
- Depreciation and amortization: 3,206, 2,311
- TOTAL OPERATING EXPENDITURE: 68,057, 59,717

### NET OPERATING SURPLUS/(DEFICIT)
- NET OPERATING SURPLUS/(DEFICIT): 647, 1,434

### OTHER INCOME/(EXPENDITURE)
- Interest income: 553, 30
- Financial charges: 557, (245)
- Capital gains/(losses): 86, 86
- Net gains/(losses) on foreign exchange: (396), (89)
- Exchange differences on revaluation of project balances: (2,163), 189
- 2016 Congress project surplus: 1,643, 1,643
- TOTAL OTHER INCOME/(EXPENDITURE): (834), (1,434)

### NET SURPLUS/(DEFICIT) FOR THE YEAR
- NET SURPLUS/(DEFICIT) FOR THE YEAR: (187), -
## CONSOLIDATED FUNDS AND RESERVE STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

**Report Currency: CHF ('000)**

<table>
<thead>
<tr>
<th></th>
<th>Designated Reserves</th>
<th>Unrestricted Reserves</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Reserve for Statutory Meetings</td>
<td>Programme Reserves</td>
<td>Renovation Fund</td>
</tr>
<tr>
<td>Balance as at 1 January 2015</td>
<td>946</td>
<td>458</td>
<td>5,301</td>
</tr>
<tr>
<td>Net surplus/(deficit) for the year</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Foreign exchange gain/(loss)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Allocation to renovation fund</td>
<td>-</td>
<td>-</td>
<td>57</td>
</tr>
<tr>
<td>Allocation to other designated reserves for WCEL</td>
<td>-</td>
<td>138</td>
<td>-</td>
</tr>
<tr>
<td>Release from other designated reserves for External review</td>
<td>-</td>
<td>(55)</td>
<td>-</td>
</tr>
<tr>
<td>Release from reserve for statutory meetings for Regional Conservation Forums</td>
<td>(367)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance as at 31 December 2015</td>
<td>103</td>
<td>541</td>
<td>5,301</td>
</tr>
<tr>
<td>Balance as at 1 January 2016</td>
<td>103</td>
<td>541</td>
<td>5,301</td>
</tr>
<tr>
<td>Net surplus/(deficit) for the year</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Foreign exchange gain/(loss)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Allocation to renovation fund</td>
<td>-</td>
<td>-</td>
<td>24</td>
</tr>
<tr>
<td>Release from other designated reserves</td>
<td>-</td>
<td>(541)</td>
<td>-</td>
</tr>
<tr>
<td>Release from reserve for statutory meetings</td>
<td>(103)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Release from Programme reserves</td>
<td>-</td>
<td>-</td>
<td>(5,301)</td>
</tr>
<tr>
<td>Balance as at 31 December 2016</td>
<td>-</td>
<td>-</td>
<td>849</td>
</tr>
</tbody>
</table>
### CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

**Report Currency: CHF (‘000)**

<table>
<thead>
<tr>
<th>Notes</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flow from operations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surplus/Deficit from operations</td>
<td>(187)</td>
<td>26</td>
</tr>
<tr>
<td>Effect of exchange rate</td>
<td>XXIV</td>
<td>(307)</td>
</tr>
<tr>
<td><strong>Net balance from operations</strong></td>
<td>(494)</td>
<td>1,170</td>
</tr>
<tr>
<td>Depreciation of fixed assets</td>
<td>XII</td>
<td>2,602</td>
</tr>
<tr>
<td>Amortisation and write-down of intangible assets</td>
<td>XIII</td>
<td>671</td>
</tr>
<tr>
<td><strong>Increase / (decrease) in provisions for projects in deficit</strong></td>
<td>XVII</td>
<td>431</td>
</tr>
<tr>
<td><strong>Increase / (decrease) in the provision for staff termination</strong></td>
<td>XVII</td>
<td>(45)</td>
</tr>
<tr>
<td><strong>Increase / (decrease) in staff leave and repatriation liabilities</strong></td>
<td></td>
<td>711</td>
</tr>
<tr>
<td><strong>Increase / (decrease) in other provisions</strong></td>
<td></td>
<td>(168)</td>
</tr>
<tr>
<td>(Increase) / decrease in membership dues receivables (net)</td>
<td>VI</td>
<td>430</td>
</tr>
<tr>
<td>(Increase) / decrease in staff receivables</td>
<td>VII</td>
<td>(130)</td>
</tr>
<tr>
<td>(Increase) / decrease in receivables from partner organisations</td>
<td>VIII</td>
<td>496</td>
</tr>
<tr>
<td>(Increase) / decrease in advances to implementing partners</td>
<td>IX</td>
<td>178</td>
</tr>
<tr>
<td>(Increase) / decrease in project agreement receivables</td>
<td>X</td>
<td>(4,042)</td>
</tr>
<tr>
<td>(Increase) / decrease in framework agreements receivable</td>
<td>XI</td>
<td>623</td>
</tr>
<tr>
<td>(Increase) / decrease in other accounts receivable</td>
<td></td>
<td>(145)</td>
</tr>
<tr>
<td>(Increase) / decrease in prepayments</td>
<td></td>
<td>980</td>
</tr>
<tr>
<td>(Increase) / decrease in donor funds receivable</td>
<td></td>
<td>(144)</td>
</tr>
<tr>
<td>Increase / (decrease) in membership dues paid in advance</td>
<td></td>
<td>(34)</td>
</tr>
<tr>
<td>Increase / (decrease) in accounts payable and accrued liabilities</td>
<td>XIV</td>
<td>1,162</td>
</tr>
<tr>
<td>Increase / (decrease) in social charges payable</td>
<td></td>
<td>277</td>
</tr>
<tr>
<td>Increase / (decrease) in project agreement advances</td>
<td>X</td>
<td>2,203</td>
</tr>
<tr>
<td>Increase / (decrease) in miscellaneous current liabilities</td>
<td></td>
<td>143</td>
</tr>
<tr>
<td>Increase / (decrease) in hosted organisations advances</td>
<td>XVI</td>
<td>(140)</td>
</tr>
<tr>
<td>(Gain)/loss on disposal of fixed assets</td>
<td>XII</td>
<td>43</td>
</tr>
<tr>
<td><strong>Total cash flow from operations</strong></td>
<td>5,608</td>
<td>11,198</td>
</tr>
<tr>
<td><strong>Cash flow from investing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of fixed assets</td>
<td>XII</td>
<td>(1,275)</td>
</tr>
<tr>
<td>Net movement in financial assets</td>
<td>IV</td>
<td>487</td>
</tr>
<tr>
<td>Purchase of intangible assets</td>
<td>XIII</td>
<td>(81)</td>
</tr>
<tr>
<td><strong>Total cash flow from investing activities</strong></td>
<td>(869)</td>
<td>(3,948)</td>
</tr>
<tr>
<td><strong>Cash flow from financing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase / (decrease) in loan</td>
<td>XIX</td>
<td>(167)</td>
</tr>
<tr>
<td>Increase / (decrease) in current deferred income</td>
<td>XVIII</td>
<td>(31)</td>
</tr>
<tr>
<td>Increase / (decrease) in long-term deferred income</td>
<td>XVII</td>
<td>(623)</td>
</tr>
<tr>
<td><strong>Total cash flow from financing activities</strong></td>
<td>(821)</td>
<td>(1,214)</td>
</tr>
<tr>
<td><strong>Net cash inflow for the year</strong></td>
<td>3,918</td>
<td>6,036</td>
</tr>
<tr>
<td><strong>Cash and short term deposits at the beginning of the year</strong></td>
<td>III</td>
<td>33,859</td>
</tr>
<tr>
<td><strong>Cash and short term deposits at the end of the year</strong></td>
<td>III</td>
<td>37,777</td>
</tr>
</tbody>
</table>
I. ACTIVITY

IUCN, International Union for Conservation of Nature and Natural Resources was constituted by statutes adopted in 1948 at a conference convened by the Republic of France, with membership comprised of states, governmental agencies, and international and national non-governmental organizations. IUCN has been registered in Gland, Switzerland as an association under article 60 of the Swiss Civil Code. The mission of IUCN is to influence, encourage and assist societies throughout the world to conserve the integrity and diversity of nature and to ensure that any use of natural resources is equitable and ecologically sustainable.

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DEFINITIONS

All amounts are expressed in thousands of Swiss francs (CHF) unless otherwise indicated.

1. Accounting convention

The financial statements are prepared under the historical cost convention except for financial assets and loans that are measured at revalued amounts or at fair values. The financial statements are prepared for the first time in accordance with the provisions of the Swiss Code of Obligations changes introduced on 1 January 2013. The law requires adoption for consolidated financial statements on 1 January 2016 at the latest. The financial figures of previous year in the balance sheet and income statement have been prepared according to the new structure. There were no changes in valuation, however reclassifications were made in the comparative balance sheet to be consistent with the current year’s presentation and in compliance with the new Swiss accounting law (Note II 14).

2. Basis of consolidation

The consolidated financial statements include all offices of IUCN and those entities over which IUCN has the power to govern the financial and operating policies so as to obtain benefits from their activities.

Branches:

- Asia Regional Office
  - Asia Regional Office (Thailand)
  - Bangladesh Country Office
  - Cambodia Country Office
  - China Country Office
  - India Country Office
  - Indonesia Project Office
  - Lao PDR Country Office
  - Maldives Project Office
  - Myanmar Project Office
  - Nepal Country Office
  - Pakistan Country Office
  - Sri Lanka Country Office
  - Thailand Country Office
  - Vietnam Country Office
- Eastern and Southern Africa Regional Office
  - Eastern and Southern Africa Regional Office (Kenya)
  - Djibouti Project Office
  - Mozambique Country Office
  - Rwanda Project Office
  - South Africa Country Office
  - Tanzania Country Office
  - Uganda Country Office
  - Zimbabwe Country Office
• Eastern Europe and Central Asia Regional Office (Serbia)
• Environmental Law Centre (Germany)
• Mediterranean Office (Spain)
• Oceania Regional Office (Fiji)
• Mexico, Central America and the Caribbean Regional Office
  • Mexico, Central America and the Caribbean Regional Office (Costa Rica)
  • El Salvador Project Office
  • Guatemala Project Office
  • Honduras Project Office
  • Mexico Project Office
• South America Regional Office
  • South America Regional Office (Ecuador)
  • Brazil Country Office
• UK Species Programme (United Kingdom)
• Western and Central Africa Regional Office
  • Western and Central Africa Regional Office (Burkina Faso)
  • Burkina Faso Country Office
  • Cameroon Country Office
  • Democratic Republic of Congo Country Office
  • Ghana Project Office
  • Guinea Project Office
  • Guinea Bissau Country Office
  • Mali Country Office
  • Mauritania Country Office
  • Niger Project Office
• West Asia Regional Office (Jordan)
• Washington, DC Office

Other entities:
• The International Union for the Conservation of Nature and Natural Resources, Registered Trustees (WASAA Trust Fund, Nairobi)
• UICN, Bureau de Représentation auprès de l’Union Européenne aisbl
• Associação UICN
• IUCN UK (A Company Limited by Guarantee)
• IUCN Maldives
• IUCN PNG Mangrove Rehabilitation and Management Project Association

3. Currency of accounts
   a) Reporting currency
      In accordance with IUCN’s Regulations, the reporting currency for the consolidated financial statements is Swiss francs (CHF).
b) Functional currency

A separate set of accounts is maintained for each country where IUCN has a presence. The functional currency for each country is the national currency of the country with the exception of Fiji (USD), Costa Rica (USD) and Serbia (EUR) where the currency chosen better reflects the economic environment in which the office operates.

4. Foreign exchange

The following accounting policies are applied when converting transactions and balances to the reporting currency:

- Transactions denominated in currencies other than the office ledger currency are converted to the ledger currency and recorded on the basis of the exchange rate prevailing at the date of the transaction. At the end of the year all balances maintained in transaction currencies are translated to the currency of the office ledger at the year-end rate. The gains and losses incurred are recognised in the income statement of each office ledger.

- Except for fixed assets which are stated at historical values, non-Swiss franc balances in the consolidated balance sheet are translated to CHF at the year-end exchange rate and the resulting net unrealised gain or loss included in the balance sheet as a currency translation adjustment reserve.

- Project balances are expressed in the currency of the ledger in which they reside. Project balances in currencies other than CHF are translated to CHF at the year-end exchange rate. The resulting net unrealised gain or loss is recognized in the currency translation adjustment reserve.

- If, as a result of the application of the above translation policies, a net deficit would occur on the currency translation adjustment reserve the deficit would be recognized in the income and expenditure statement.

5. Income

Income comprises membership dues from members, contributions from donors, investment income, Swiss government tax rebates, rental of office space, and sundry income from the sale of other goods and services.

a) Membership dues

Membership dues are fixed by the World Conservation Congress, the supreme governing body of IUCN, and are recognised as unrestricted income in the year they fall due.

b) Voluntary donations

Voluntary donations comprise framework agreements with donors for the core activities of IUCN and project agreements for project activities.

Framework agreements income

Framework agreements are normally for periods of more than one year and may be subject to general restrictions in their use in terms of geography or thematic area.

Framework agreements income is recognized in the income statement as unrestricted income once the agreement has been signed and in accordance with the amounts specified in the agreement for each calendar year. Framework agreements income received in advance of the period to which it relates is recorded as deferred unrestricted income.
Framework in-kind contributions
In-kind contributions of staff are recognised at fair value over the period of the employment contract as both income and expenditure in the Consolidated Income and Expenditure Statement. The fair value of in-kind staff is taken as the average cost that would be incurred by IUCN, if it were to directly employ a person in a similar position.

Project agreements income
Project agreements income is restricted for specific project activities detailed in project agreements and subject to specific conditions imposed by the donor. Income is recognised as expenditure is incurred. At year end, the balance of projects are recorded as “Project agreement receivables” (current assets) where expenditure incurred on projects exceeded amounts advanced by donors, and under “Project agreement advances” (current liabilities) where advances from donor exceeded expenditure incurred.

c) Retention of staff income tax
Non-Swiss staff resident in Switzerland are exempt from paying taxes on their IUCN earnings on the basis of a fiscal agreement between IUCN and the Swiss Government, which entered into effect on 1st January 1987. In order to ensure equitable treatment of both Swiss and non-Swiss staff at Headquarters, an internal tax is levied on non-Swiss staff resident in Switzerland. This is shown as Retention of staff income tax in the Consolidated Income and Expenditure Statement and is classified as unrestricted income.

6. Expenditure
All unrestricted expenditure and project expenditure is accounted for on an accruals basis.

7. Cross charges from projects
Cross charges from projects represent transfers between Project agreements and Secretariat unrestricted funds and comprise staff time charged to projects and indirect costs funded from projects.

   Staff time charges
IUCN staff costs are recorded as unrestricted costs. Staff working on projects charge their time spent on projects through a time recording system. Project agreements are charged the cost of staff time and the Secretariat unrestricted fund receives the income.

   Indirect cost recoveries
Indirect costs are recorded as unrestricted costs. Indirect costs funded from project agreements are cross charged to projects and the Secretariat unrestricted fund receives the income.

8. Financial assets
Financial assets are recorded at fair value. Gains or losses arising from changes in fair values of financial assets are recognized in the income statement in the year that they occur as are foreign exchange gains or losses resulting from the revaluation of financial assets denominated in currencies other than the CHF.

9. Fixed assets
   a) Purchased assets
Purchased fixed assets are capitalised when the purchase price is one thousand CHF or above, or the equivalent in other currencies, and when ownership resides with IUCN.
b) In-kind assets

In-kind contributions of fixed assets are capitalised at fair value and the donations recorded as deferred income which is then recognised in the income statement over the estimated useful life of the assets in line with the depreciation charges.

c) Depreciation

Fixed assets are depreciated over their estimated useful lives on the following basis:

- Computer hardware: 3 years
- Vehicles: 4 - 7 years
- Office furniture and equipment: 4 - 7 years
- Building renovations: 10 - 20 years
- Building installations: 20 years
- Building infrastructures: 50 years

d) Donations for the purchase of fixed assets

Cash donations received for the purchase of fixed assets are recorded as deferred income and recognised in the income statement over the estimated useful life of the corresponding asset in line with the depreciation charge.

10. Intangible assets

Purchased computer software is capitalized on the basis of the costs incurred to acquire the software and bring it to its point of use.

Software is depreciated over its estimated useful life on a straight line basis over 5 to 7 years.

The cost of developing in-house software is expensed in the year that the costs are incurred.


a) Provision for membership dues receivable

A general provision for outstanding membership dues is made to recognise the probability that not all dues will be received. The increase or decrease in the total provision is recognised in the income and expenditure statement. Provision for membership dues in arrears is calculated on the following basis, based on the outstanding balance at the close of the year.

Membership dues outstanding for:

- Four years or more: 100%
- Three years: 60%
- Two years: 40%
- One year: 20%

The provision against the arrears of some state members and state agencies is calculated on an individual basis after a review of their own special situations.

b) Provision for projects in deficit

A provision for projects in deficit is made in respect of those projects where expenditure has exceeded income and where the receipt of future additional funds to cover the excess expenditure is uncertain.
c) **Staff terminations**

Provision is made for the estimated cost of known redundancies. A redundancy is considered to be known when a management decision has been taken and communicated to the staff concerned.

Additional provision is made when there is a local legal obligation.

d) **Staff leave and repatriation**

Provision is made for holiday entitlement which had not been used by staff at the year-end. Staff members are not allowed to carry forward from one year to another a cumulative leave balance of more than 10 days and any outstanding leave days are normally covered as part of the normal staff notice period. The balance at the year-end also includes the estimated cost of repatriation of international staff.

12. **Loans at below market rate of interest**

Loans are initially measured at fair value. The benefit of the below-market rate of interest is measured as the difference between the initial carrying value of the loan and the proceeds received. The benefit is recorded as deferred income and recognised over the period of the loan. The market rate of interest is reviewed annually and the carrying value adjusted for significant movements in the market rate.

An amount equivalent to the interest that would have been incurred had the loan been acquired at a market rate is recognised as both an income and an expense in the income and expenditure statement on an annual basis.

13. **Hosted organisations**

IUCN hosts certain organisations. A hosted organisation has no legal status in the country of operation and therefore operates under the legal umbrella of IUCN. A hosted organisation is operationally autonomous and is accountable to its own management and governance structures and not to IUCN.

Income received and expenditure incurred on behalf of a hosted organisation is accounted for in separate project accounts and excluded from consolidation. Funds held by IUCN on behalf of hosted organisations are recorded on the balance sheet as hosted organisation advances.

14. **Reserves**

IUCN maintains the following reserves:

a) **Unrestricted reserves**

   IUCN Fund

   The IUCN Fund is maintained in order to preserve IUCN’s capital base. The use of the fund is governed by the IUCN Council and is maintained as a reserve of last resort.

   **Currency translation reserves**

   The Currency translation reserve represents changes in the value of the net assets of IUCN at the consolidation level as a result of movements of functional currencies against the Swiss franc.

   **Retained surpluses**

   The Retained surpluses represent other unrestricted reserves.
b) Designated reserves

Designated reserves represent funds set aside from unrestricted reserves to cover the cost of future events or activities. The designation may be reversed at any time by the IUCN Council.

Reserve for statutory meetings

The Reserve for statutory meetings represents amounts allocated from unrestricted funds to cover costs of future meetings of the World Conservation Congress and related preparatory meetings.

Programme reserves

Programme reserves are funds set aside for specific future programme activities or for when unrestricted income is received in one financial year but the associated expenditure is planned in a future financial year.

Renovation fund

The Renovation fund represents funds allocated from unrestricted funds for future renovations of the Headquarters building.

Other Designated reserves

Other Designated reserves represent amounts allocated from unrestricted funds to cover the cost of other future costs or activities.

15. New Swiss accounting law

The most significant impact of adoption of the new Swiss accounting law (see Note II. 1. Accounting convention) is the change to full accrual accounting for project agreements. Project expenditure, including expenditure incurred by implementing partners, is recognised in the year the expenditures occur. Project agreement income is recognised to match related project expenditure for the year.

The following prior year balance comparatives have been reclassified on the balance sheet to be consistent with the current year’s presentation and to be in compliance with the new Swiss accounting law:

<table>
<thead>
<tr>
<th></th>
<th>2015 Revised</th>
<th>2015 Published</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepayments</td>
<td>1,736</td>
<td>-</td>
</tr>
<tr>
<td>Other accounts receivable</td>
<td>821</td>
<td>2,557</td>
</tr>
<tr>
<td>Project agreement receivables</td>
<td>12,258</td>
<td>-</td>
</tr>
<tr>
<td><strong>Liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project agreement advances</td>
<td>(47,976)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Restricted reserves:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted reserves</td>
<td>-</td>
<td>(35,718)</td>
</tr>
<tr>
<td></td>
<td>(33,161)</td>
<td>(33,161)</td>
</tr>
</tbody>
</table>
III. CASH AND SHORT TERM BANK DEPOSITS

Cash and short-term bank deposits include all bank accounts and short-term deposit accounts operated by IUCN worldwide. The analysis by region or office is shown below.

<table>
<thead>
<tr>
<th>REGION OR OFFICE</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia</td>
<td>2,975</td>
<td>3,203</td>
</tr>
<tr>
<td>Eastern and Southern Africa</td>
<td>2,191</td>
<td>973</td>
</tr>
<tr>
<td>Eastern Europe and Central Asia</td>
<td>65</td>
<td>20</td>
</tr>
<tr>
<td>Europe</td>
<td>664</td>
<td>1,584</td>
</tr>
<tr>
<td>Environmental Law Centre, Bonn</td>
<td>270</td>
<td>426</td>
</tr>
<tr>
<td>Headquarters</td>
<td>22,466</td>
<td>20,334</td>
</tr>
<tr>
<td>Mediterranean</td>
<td>726</td>
<td>1,545</td>
</tr>
<tr>
<td>Mexico, Central America and the Caribbean</td>
<td>2,632</td>
<td>1,680</td>
</tr>
<tr>
<td>Oceania</td>
<td>785</td>
<td>509</td>
</tr>
<tr>
<td>South America</td>
<td>395</td>
<td>28</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>692</td>
<td>532</td>
</tr>
<tr>
<td>United States</td>
<td>1,332</td>
<td>590</td>
</tr>
<tr>
<td>Western and Central Africa</td>
<td>2,566</td>
<td>2,264</td>
</tr>
<tr>
<td>West Asia</td>
<td>18</td>
<td>171</td>
</tr>
<tr>
<td><strong>Balance at 31 December</strong></td>
<td><strong>37,777</strong></td>
<td><strong>33,859</strong></td>
</tr>
</tbody>
</table>

IV. FINANCIAL ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds</td>
<td>8,366</td>
<td>8,763</td>
</tr>
<tr>
<td>Microfinance</td>
<td>2,793</td>
<td>3,480</td>
</tr>
<tr>
<td>Equities</td>
<td>1,457</td>
<td>1,491</td>
</tr>
<tr>
<td>Convertibles</td>
<td>626</td>
<td>631</td>
</tr>
<tr>
<td>Other Investments</td>
<td>763</td>
<td>127</td>
</tr>
<tr>
<td><strong>Balance at 31 December</strong></td>
<td><strong>14,005</strong></td>
<td><strong>14,492</strong></td>
</tr>
</tbody>
</table>

At 31 December 2016, an unrealized foreign exchange gain of CHF 14 (2015 – CHF 59 loss) was recognised on the investment portfolio.

During the 2016 year, CHF 86 of capital gains (2015 - CHF 278 loss) was realised on the sale of investments.

The Government of Zimbabwe appropriated USD bank accounts of IUCN in 2008. In 2015, treasury bills were issued to IUCN as compensation for the appropriation. The treasury bills have maturity dates from 2017 to 2019. The treasury bills are recorded at estimated fair value.

V. DERIVATIVE FINANCIAL INSTRUMENTS

There were no forward currency contract commitments held at 31 December 2016 (2015 – CHF 7,388).
VI. MEMBERSHIP DUES RECEIVABLE AND PROVISION

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross membership dues receivable</td>
<td>4,285</td>
<td>3,649</td>
</tr>
<tr>
<td>Provision for dues in arrears</td>
<td>(2,693)</td>
<td>(1,627)</td>
</tr>
<tr>
<td>Net membership dues receivable at 31 December</td>
<td>1,592</td>
<td>2,022</td>
</tr>
</tbody>
</table>

The provision for membership dues in arrears has been calculated in accordance with the policy described in Note II.10 (a).

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>State member</td>
<td>300</td>
<td>453</td>
<td>593</td>
<td>1,609</td>
<td>3,015</td>
</tr>
<tr>
<td>Government agencies</td>
<td>95</td>
<td>96</td>
<td>144</td>
<td>330</td>
<td>665</td>
</tr>
<tr>
<td>International NGOs</td>
<td>10</td>
<td>8</td>
<td>8</td>
<td>19</td>
<td>45</td>
</tr>
<tr>
<td>National NGOs</td>
<td>95</td>
<td>65</td>
<td>82</td>
<td>210</td>
<td>452</td>
</tr>
<tr>
<td>Affiliates</td>
<td>31</td>
<td>17</td>
<td>22</td>
<td>38</td>
<td>108</td>
</tr>
<tr>
<td>Total membership dues receivable</td>
<td>531</td>
<td>639</td>
<td>849</td>
<td>2,266</td>
<td>4,285</td>
</tr>
<tr>
<td>Provision for membership dues</td>
<td>(531)</td>
<td>(562)</td>
<td>(648)</td>
<td>(954)</td>
<td>(2,693)</td>
</tr>
<tr>
<td>Net membership dues receivable</td>
<td>1</td>
<td>77</td>
<td>203</td>
<td>1,312</td>
<td>1,592</td>
</tr>
</tbody>
</table>

Movement in provision for membership dues

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 January</td>
<td>1,627</td>
<td>1,121</td>
</tr>
<tr>
<td>Addition to provision</td>
<td>1,269</td>
<td>511</td>
</tr>
<tr>
<td>Write off of deficits against provision</td>
<td>(203)</td>
<td>(5)</td>
</tr>
<tr>
<td>Balance at 31 December</td>
<td>2,693</td>
<td>1,627</td>
</tr>
</tbody>
</table>

VII. STAFF RECEIVABLES

Staff receivables comprise travel advances, payroll advances and loans to staff outstanding as at 31 December. Amounts due to staff are netted off against amounts due from staff.

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net travel advances</td>
<td>533</td>
<td>449</td>
</tr>
<tr>
<td>Payroll advances and staff loans</td>
<td>116</td>
<td>70</td>
</tr>
<tr>
<td>Balance at 31 December</td>
<td>649</td>
<td>519</td>
</tr>
</tbody>
</table>

VIII. RECEIVABLES FROM PARTNER ORGANISATIONS

Receivables from partner organisations represent balances due from organisations associated with IUCN that are outstanding as at 31 December.

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>RAMSAR Convention Secretariat</td>
<td>277</td>
<td>773</td>
</tr>
</tbody>
</table>
IX. ADVANCES TO IMPLEMENTING PARTNERS

Advances to implementing partners represent amounts advanced to IUCN partners for the implementation of project agreements that were not spent as at 31 December.

<table>
<thead>
<tr>
<th>Region/Location</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia</td>
<td>450</td>
<td>739</td>
</tr>
<tr>
<td>Eastern and Southern Africa</td>
<td>396</td>
<td>940</td>
</tr>
<tr>
<td>Eastern Europe and Central Asia</td>
<td></td>
<td>12</td>
</tr>
<tr>
<td>Environmental Law Centre, Bonn</td>
<td></td>
<td>166</td>
</tr>
<tr>
<td>Headquarters</td>
<td>4,924</td>
<td>3,874</td>
</tr>
<tr>
<td>Mediterranean</td>
<td>61</td>
<td>140</td>
</tr>
<tr>
<td>Mexico, Central America and the Caribbean</td>
<td>239</td>
<td>627</td>
</tr>
<tr>
<td>South America</td>
<td>69</td>
<td>601</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>251</td>
<td>25</td>
</tr>
<tr>
<td>United States</td>
<td>299</td>
<td>70</td>
</tr>
<tr>
<td>West Asia</td>
<td>127</td>
<td>103</td>
</tr>
<tr>
<td>Western and Central Africa</td>
<td>906</td>
<td>603</td>
</tr>
<tr>
<td><strong>Balance at 31 December</strong></td>
<td>7,722</td>
<td>7,900</td>
</tr>
</tbody>
</table>

X. PROJECT AGREEMENTS RECEIVABLES AND ADVANCES

Receivables and advances on project agreements represent respectively the total of projects with a negative cash balance and the total of projects with a positive cash balance at year end.

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project agreement receivables</td>
<td>(16,300)</td>
<td>(12,258)</td>
</tr>
<tr>
<td>Project agreement advances</td>
<td>50,179</td>
<td>47,976</td>
</tr>
<tr>
<td><strong>Balance at 31 December</strong></td>
<td>33,879</td>
<td>35,718</td>
</tr>
</tbody>
</table>

XI. FRAMEWORK AGREEMENTS RECEIVABLES

Framework agreements receivables represent framework agreements income due but not received as at the end of the year. As at 31 December 2016 there was CHF nil receivable compared to CHF 623 receivable at 31 December 2015.
XI. FIXED ASSETS

1. Movement in fixed assets

<table>
<thead>
<tr>
<th></th>
<th>Building Infrastructures</th>
<th>Building Installations</th>
<th>Other Land and Buildings</th>
<th>Vehicles, Equipment, Furniture &amp; Fixtures</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase value:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance as at 31 December, 2014</td>
<td>27,178</td>
<td>13,775</td>
<td>3,703</td>
<td>9,624</td>
<td>54,280</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>-</td>
<td>1,208</td>
<td>1,380</td>
<td>2,588</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(175)</td>
<td>(175)</td>
</tr>
<tr>
<td>Change in functional currency adjustment</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(297)</td>
<td>(297)</td>
</tr>
<tr>
<td>Balance as at 31 December, 2015</td>
<td>27,178</td>
<td>13,775</td>
<td>4,911</td>
<td>10,532</td>
<td>56,396</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>-</td>
<td>157</td>
<td>1,118</td>
<td>1,275</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>(15)</td>
<td>(1,794)</td>
<td>(1,809)</td>
</tr>
<tr>
<td>Change in functional currency adjustment</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>244</td>
<td>238</td>
</tr>
<tr>
<td>Balance as at 31 December, 2016</td>
<td>27,178</td>
<td>13,775</td>
<td>5,053</td>
<td>9,856</td>
<td>55,862</td>
</tr>
</tbody>
</table>

Depreciation:

<table>
<thead>
<tr>
<th></th>
<th>Building Infrastructures</th>
<th>Building Installations</th>
<th>Other Land and Buildings</th>
<th>Vehicles, Equipment, Furniture &amp; Fixtures</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as at 31 December, 2014</td>
<td>(7,922)</td>
<td>(5,010)</td>
<td>(628)</td>
<td>(7,685)</td>
<td>(21,245)</td>
</tr>
<tr>
<td>Charge for the year 2015</td>
<td>(544)</td>
<td>(575)</td>
<td>(227)</td>
<td>(972)</td>
<td>(2,318)</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>163</td>
<td>163</td>
</tr>
<tr>
<td>Change in functional currency adjustment</td>
<td>-</td>
<td>-</td>
<td>(6)</td>
<td>244</td>
<td>238</td>
</tr>
<tr>
<td>Balance as at 31 December, 2015</td>
<td>(8,466)</td>
<td>(5,585)</td>
<td>(861)</td>
<td>(8,250)</td>
<td>(23,162)</td>
</tr>
<tr>
<td>Charge for the year 2016</td>
<td>(544)</td>
<td>(575)</td>
<td>(281)</td>
<td>(1,202)</td>
<td>(2,602)</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>15</td>
<td>1,751</td>
<td>1,766</td>
</tr>
<tr>
<td>Balance as at 31 December, 2016</td>
<td>(9,010)</td>
<td>(6,160)</td>
<td>(1,127)</td>
<td>(7,701)</td>
<td>(23,998)</td>
</tr>
</tbody>
</table>

Net book value:

<table>
<thead>
<tr>
<th></th>
<th>Building Infrastructures</th>
<th>Building Installations</th>
<th>Other Land and Buildings</th>
<th>Vehicles, Equipment, Furniture &amp; Fixtures</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as at 31 December, 2015</td>
<td>18,712</td>
<td>8,190</td>
<td>4,050</td>
<td>2,282</td>
<td>33,234</td>
</tr>
<tr>
<td>Balance as at 31 December, 2016</td>
<td>18,168</td>
<td>7,615</td>
<td>3,926</td>
<td>2,155</td>
<td>31,864</td>
</tr>
</tbody>
</table>

Fixed assets purchased using unrestricted funds are depreciated over their estimated useful lives as per Note II.8.

2. Land

In 1990, the commune of Gland gave IUCN the right to use a plot of land for the purpose of building the IUCN Secretariat Headquarters. The right was granted at no cost for a period of 50 years, i.e. until August 2040. In 2008 the commune of Gland gave IUCN the right of use of an adjacent piece of land to the original plot for a period of 50 years, with the permission to construct an extension to the existing IUCN Headquarters building.

3. IUCN Headquarters building

Included in Building Infrastructures and Building Installations is the Headquarters building of IUCN. This consists of an original building and an extension.

a) Original building

The original building was financed by donations received from the Swiss Confederation, the Canton of Vaud and the Commune of Gland. Although IUCN formally owns the Headquarters building, it enjoys a restricted use and cannot dispose of it or use it as collateral without the approval of the Swiss Government. If disposed of, the Swiss Government has the right to recuperate its initial outlay plus a percentage of the value added, if applicable. The cost of the building is included in fixed assets and the net book value is matched by a corresponding value of deferred income to recognise the restricted nature of the building. The deferred income is released over the estimated useful life of the building in line with the depreciation of the building.
In 2014, the Canton of Vaud provided a grant of CHF 600 towards the renovation of the original building. The grant will be released over the estimated useful life of the building renovation (20 years).

b) Building extension

The building extension was financed by an interest free loan from the Swiss Government of CHF 20,000 payable in 50 equal yearly instalments of CHF 400, the first of which was paid in December 2010. In addition to the loan from the Swiss Government, IUCN received cash donations of CHF 4,092 and in-kind donations of CHF 1,787.

XIII. INTANGIBLE ASSETS

As at 31 December 2016 expenditure of CHF 4,698 (2015 - CHF 4,605) had been incurred on the development and implementation of an ERP system and portal applications. The ERP system went “live” at the IUCN Headquarters in July 2011 and has been depreciated from this point. In 2016, there was no write off of integration tools and code no longer in use (2015 - CHF 290).

Movement in Intangible assets

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Purchase value:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at 1 January</td>
<td>4,327</td>
<td>4,605</td>
</tr>
<tr>
<td>Additions</td>
<td>81</td>
<td>12</td>
</tr>
<tr>
<td>Write-down</td>
<td>-</td>
<td>(290)</td>
</tr>
<tr>
<td><strong>Balance at 31 December</strong></td>
<td>4,408</td>
<td>4,327</td>
</tr>
</tbody>
</table>

| **Amortisation:**       |       |       |
| Balance as of 1 January | (2,762)| (2,272)|
| Charge for the year     | (671) | (678) |
| Write-down              | -     | 188   |
| **Balance at 31 December** | (3,433)| (2,762) |

| **Net Book Value at 31 December** | 975 | 1,565 |

XIV. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities represent amounts owed to creditors and suppliers as at the end of the year. Of the total outstanding balance of CHF 7,593 as at 31 December 2016 (2015 – CHF 6,431), CHF 3,342 (2015 - CHF 2,169) is related to Headquarters and the balance to regional and country offices.

XV. PENSION FUND OBLIGATIONS

IUCN operates different pension plans, which conform to the legal regulations in the respective countries. On 31 December 2016, the liability to the pension schemes amounted to CHF 60 (2015 CHF 26).
XVI. HOSTED ORGANISATIONS ADVANCES

Hosted organisation advances represent funds held by IUCN on behalf of hosted organisations.

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 January</td>
<td>729</td>
<td>888</td>
</tr>
<tr>
<td>Income</td>
<td>5,204</td>
<td>4,597</td>
</tr>
<tr>
<td>Expenditure</td>
<td>(4,950)</td>
<td>(4,547)</td>
</tr>
<tr>
<td>Movement on funds</td>
<td>(394)</td>
<td>(209)</td>
</tr>
<tr>
<td>Balance at 31 December</td>
<td>589</td>
<td>729</td>
</tr>
</tbody>
</table>

XVII. PROVISIONS

1. Projects in deficit

The provision for projects in deficit is funded by unrestricted income and covers projects where negotiations are still ongoing but where IUCN considers that it may not be able to obtain additional funds from donors to cover expenditures already incurred.

Movement in project deficit provision

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 January</td>
<td>1,064</td>
<td>927</td>
</tr>
<tr>
<td>Additions to provision</td>
<td>835</td>
<td>499</td>
</tr>
<tr>
<td>Utilization of provision</td>
<td>(404)</td>
<td>(362)</td>
</tr>
<tr>
<td>Balance at 31 December</td>
<td>1,495</td>
<td>1,064</td>
</tr>
</tbody>
</table>

Region

<table>
<thead>
<tr>
<th>Region</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia</td>
<td>108</td>
<td>-</td>
</tr>
<tr>
<td>Eastern and Southern Africa</td>
<td>10</td>
<td>160</td>
</tr>
<tr>
<td>Eastern Europe and Central Asia</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td>Headquarters</td>
<td>938</td>
<td>737</td>
</tr>
<tr>
<td>Oceania</td>
<td>277</td>
<td>39</td>
</tr>
<tr>
<td>Western and Central Africa</td>
<td>73</td>
<td>112</td>
</tr>
<tr>
<td>West Asia</td>
<td>73</td>
<td>-</td>
</tr>
<tr>
<td><strong>Balance at 31 December</strong></td>
<td>1,495</td>
<td>1,064</td>
</tr>
</tbody>
</table>

2. Staff termination

The provision for staff termination is calculated separately for each office to comply with local labour laws. Irrespective of local labour law, provision is made for the estimated cost of staff termination when a decision has been made to terminate a member of staff and the decision has been communicated to the individual concerned.

Movement in provision for staff termination

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 January</td>
<td>1,495</td>
<td>1,838</td>
</tr>
<tr>
<td>Additions to provision</td>
<td>1,016</td>
<td>1,017</td>
</tr>
<tr>
<td>Utilization of provision</td>
<td>(1,061)</td>
<td>(1,360)</td>
</tr>
<tr>
<td><strong>Balance at 31 December</strong></td>
<td>1,450</td>
<td>1,495</td>
</tr>
</tbody>
</table>
XVIII. DEFERRED INCOME

Deferred unrestricted income represents income received in advance of the period to which it relates.

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred unrestricted income</td>
<td>103</td>
<td>-</td>
</tr>
<tr>
<td>US deferred rent</td>
<td>31</td>
<td>80</td>
</tr>
<tr>
<td>Donations for construction of HQ building extension</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donations in cash</td>
<td>2,956</td>
<td>3,058</td>
</tr>
<tr>
<td>Donations in kind</td>
<td>344</td>
<td>558</td>
</tr>
<tr>
<td>Donation in cash for renovation of original building</td>
<td>527</td>
<td>375</td>
</tr>
<tr>
<td></td>
<td>3,827</td>
<td>3,991</td>
</tr>
<tr>
<td>Headquarters original building</td>
<td>8,017</td>
<td>8,325</td>
</tr>
<tr>
<td>Interest free government loan</td>
<td>5,721</td>
<td>5,957</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>17,699</td>
<td>18,353</td>
</tr>
</tbody>
</table>

Current

| Deferred unrestricted income | 103 | - |
| Buildings:                   |     |   |
| Original building            | 339 | 329 |
| Building extension           | 172 | 316 |
| **Total buildings**          | 511 | 645 |
| **Total current deferred income** | 614 | 645 |

Non-current

| US deferred rent | 31 | 80 |
| Original building | 7,709 | 8,017 |
| Building extension | 9,345 | 9,611 |
| **Total long term deferred income** | 17,085 | 17,708 |

**Total deferred income** | 17,699 | 18,353

IUCN Washington DC Office entered into a long term rental contract and benefits from lower rental costs at the beginning of the ten year contract. In 2014, the lease was extended and will expire in 2025. The office is paying an annual increase in rent of 4%, which is higher than annual inflation estimated at 1.75%. The difference of the low initial rental costs and the higher annual rental increases is recorded as deferred income to straight line the cost over the rental period to 2025.

Donations received for the headquarters buildings (original and extension) are recorded as deferred income and recognised over the useful life of the corresponding purchased or donated assets (see Note XII 3).

The deferred income on the government loan represents the difference between the fair value of the loan CHF 11,469 (2015 - CHF 11,636) and the outstanding cash value of the loan CHF 17,190 (2015 - CHF 17,593) (see Note XIX). This difference represents the fair value of the interest saved on the interest free loan granted by the Swiss Government and is recognised over the period of the loan.
XIX. NEW BUILDING LOAN

Headquarters building extension loan

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current</td>
<td>171</td>
<td>167</td>
</tr>
<tr>
<td>Non-current</td>
<td>11,298</td>
<td>11,469</td>
</tr>
<tr>
<td><strong>Balance at 31 December</strong></td>
<td><strong>11,469</strong></td>
<td><strong>11,636</strong></td>
</tr>
</tbody>
</table>

The Swiss Government provided an interest free loan of CHF 20,000 to finance the headquarters building extension.

The loan is repayable in 50 annual instalments of CHF 400. The first instalment was paid in December 2010.

The fair value of the loan is estimated at CHF 11,469 (2015 - CHF 11,636). The outstanding cash value of the loan has been discounted at a rate of 2% (2015 - 2%) which represents the market interest rate for a 10-year loan based on current market conditions. The difference of CHF 5,721 (2015 - CHF 5,957) between the outstanding cash value and the fair value of the loan is the benefit derived from the interest-free loan and is recorded as deferred income (see Note XVIII).

The value of the interest that would have been paid on an equivalent commercial loan of 2% is estimated at CHF 344 (2015 - 2%, CHF 352). This has been recorded in the income and expenditure statement under Interest income to recognize the benefit of the interest free loan and under financial charges to recognize the interest that would have been paid.

XX. FUNDS AND UNRESTRICTED RESERVES

1. Unrestricted reserves

   Currency translation adjustments & foreign exchange gains and losses

   Exchange gains and losses at the individual ledger levels are dealt with in the income statement. The net unrestricted loss on exchange for the year amounted to CHF 396 (2015 - loss of CHF 211).

   Exchange gains and losses on consolidation and translation of ledgers maintained in other currencies to CHF are taken to the currency translation adjustment reserve. The net movement during 2016 was a loss of CHF 307 (2015 - gain of CHF 441).

2. Designated reserves

   a) Reserve for statutory meetings

   In 2016, CHF 103 (2015 – CHF 843) was released from the Reserve for statutory meetings to Retained surpluses to cover costs for the 2016 Congress.

   b) Other designated reserves

   CHF 541 (2015 – allocation to reserve CHF 83) was released from Other designated reserves to the Retained surpluses in respect of the World Commission on Environmental Law CHF 445 (2015 - allocation to reserve CHF 138) and External review CHF 96 (2015 – CHF 55).

   c) Programme Reserves

   The balance of Programme Reserves were transferred into Retained surpluses in line with the IUCN Reserve policy.
d) Renovation fund

A net allocation of CHF 24 (2015 - CHF 57) was made from Retained surpluses to the Renovation fund to cover future renovation costs of the IUCN Headquarters building.

XXI. RETENTION OF STAFF INCOME TAX

Swiss Government tax rebates amounted to CHF 1,319 (2015 – CHF 1,375) and represents the value of taxes that would have been paid by non-Swiss staff in the absence of the Fiscal Agreement between IUCN and the Swiss Government which exempts non-Swiss staff from payroll taxes and which entered into effect on 1 January 1987.

XXII. FRAMEWORK INCOME

Annex A lists Framework Agreements income by donor and details income allocations to the IUCN programme and operational units.


XXIII. OTHER OPERATING INCOME

Other operating income of CHF 3,514 (2015 - CHF 3,772) shown under Secretariat unrestricted funds includes overhead and management fees from Ramsar of CHF 536 (2015 - CHF 546), rental income of CHF 866 (2015 - CHF 793) and recognition of deferred income of donations for the headquarters original building and building extension CHF 645 (2015 - CHF 670). The balance of other operating income is made up of miscellaneous external income received by IUCN both at Headquarters and other offices around the world.

XXIV. EXCHANGE DIFFERENCES ON REVALUATION OF PROJECT BALANCES

Project balances are expressed in the currency of the country ledger. At the end of the year, project balances expressed in non CHF ledgers are revalued to CHF using the year-end exchange rates. The resulting unrealised gain or loss is recorded as an adjustment to project balances on the balance sheet (Restricted operating reserves) and the Currency translation adjustment reserve. The net adjustment is passed through the income and expenditure statement for project agreements to reflect the net movement on the project portfolio.

XXV. AUDIT FEE

The following fees were paid to the auditors of IUCN's financial statements.

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidated financial statement audit</td>
<td>189</td>
<td>208</td>
</tr>
<tr>
<td>Other audits</td>
<td>126</td>
<td>19</td>
</tr>
</tbody>
</table>

XXVI. 2016 WORLD CONSERVATION CONGRESS

The IUCN World Congress is IUCN’s highest governing body. It comprises the duly accredited delegates of the Members of IUCN and takes place every four years. The 2016 Congress held in Hawai’i, USA resulted in a surplus of CHF 1,643. The surplus has been allocated to unrestricted reserves.
XXVII. RELATED PARTIES

1. Identity of related parties
   a) The Commissions
   The Commissions of IUCN are networks of expert volunteers entrusted to develop and advance the institutional knowledge and experience and objectives of IUCN. The Commissions are established by Congress which determines their mandate.

   b) The National and Regional Committees
   National and Regional Committees are groupings of Members of IUCN from specific states or regions. Their role is to facilitate cooperation among Members and to coordinate the participation of Members in the programme and governance of IUCN.

   c) The Convention on Wetlands of International Importance (Ramsar)
   Ramsar is hosted by the IUCN Secretariat and operates under its legal personality. It is headed by a Secretary General with sole responsibility for the administration of the convention funds and for all administrative matters, with the exception of those requiring the exercise of legal personality. IUCN provides services to the Ramsar Secretariat in terms of financial and budgetary management, office facilities, human resources management and information technology.

   d) TRAFFIC International
   TRAFFIC International is a charity registered in the United Kingdom and is a joint venture between WWF International and IUCN. The IUCN Secretariat hosts TRAFFIC operations in its offices in Ecuador, Cameroon, Thailand and South Africa where they operate under the legal personality of IUCN.

   e) International Union for Conservation of Nature and Natural Resources - US
   The International Union for Conservation of Nature and Natural Resources - US is a US registered charity whose main purpose is to raise funds for conservation to be spent in partnership with IUCN and its members.

2. Transactions with related parties
   During the course of the year IUCN made contributions of CHF 1,443 to the Commissions (2015 - CHF 1,443). The amount is distributed across the expenditure headings that reflect the nature of the expenses incurred by the Commissions.

   During the year and as part of the services IUCN provides to Ramsar, IUCN received funds of CHF 5,729 (2015 – CHF 6,285) and incurred payments of CHF 5,650 (2015 - CHF 7,448) on behalf of Ramsar. At year-end the balance held in trust for Ramsar amounted to CHF 4,599 (2015 - CHF 4,652). These transactions are recorded in Ramsar accounts and financial statements and are therefore not presented in the financial statements of IUCN. During the year, IUCN received fees of CHF 536 (2015 - CHF 546) for the services provided to Ramsar and which are included in Other operating income.

   During the year IUCN made contributions of CHF 275 to TRAFFIC International (2015 - CHF 275).

   During the year IUCN received funds from the International Union for the Conservation of Nature and Natural Resources - US of USD 1,259 (CHF 1,254) and in 2015, USD 1,328 (CHF 1,319) was received.
Summary of legally controlled entities:

<table>
<thead>
<tr>
<th>Company</th>
<th>Year-end closing</th>
<th>Currency</th>
<th>Capital</th>
<th>Share of capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>The International Union for the Conservation of Nature and Natural Resources, Registered Trustees, (WASAA Trust Fund, Nairobi)</td>
<td>31.12</td>
<td>KES</td>
<td>243,563</td>
<td>100% 100%</td>
</tr>
<tr>
<td>UICN, Bureau de Représentation auprès de l’Union Européenne aisbl</td>
<td>31.12</td>
<td>EUR</td>
<td>77</td>
<td>100% 100%</td>
</tr>
<tr>
<td>Associação UICN</td>
<td>31.12</td>
<td>BLR</td>
<td>247</td>
<td>20% 20%</td>
</tr>
<tr>
<td>IUCN UK (A Company Limited by Guarantee)</td>
<td>31.12</td>
<td>GBP</td>
<td>34</td>
<td>NA NA</td>
</tr>
<tr>
<td>IUCN Maldives</td>
<td>registered</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IUCN PNG “Mangrove Rehabilitation and Management Project Association</td>
<td>registered</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

XXVIII. OPERATING LEASES

At 31 December 2016, IUCN has future minimum office rental commitments amounting to CHF 5,973 relating to expected rental fees until the end of the lease contract expiring from March 2017 to December 2025.

IUCN has leasing contracts for office equipment and vehicles amounting to CHF 136 expiring June 2017 to October 2019.

XXIX. BANK GUARANTEE

<table>
<thead>
<tr>
<th>Region/Media</th>
<th>2016 Secretariat Unrestricted expenditure</th>
<th>2016 Framework income allocation</th>
<th>2015 Secretariat Unrestricted expenditure</th>
<th>2015 Framework income allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central and West Africa</td>
<td>4,272</td>
<td>882</td>
<td>4,409</td>
<td>969</td>
</tr>
<tr>
<td>Eastern and Southern Africa</td>
<td>4,355</td>
<td>827</td>
<td>3,745</td>
<td>890</td>
</tr>
<tr>
<td>Asia</td>
<td>7,798</td>
<td>1,115</td>
<td>8,228</td>
<td>1,284</td>
</tr>
<tr>
<td>Meso America and Caribbean</td>
<td>3,979</td>
<td>545</td>
<td>3,784</td>
<td>572</td>
</tr>
<tr>
<td>South America and Brazil</td>
<td>1,190</td>
<td>481</td>
<td>1,182</td>
<td>504</td>
</tr>
<tr>
<td>European Regional Office, Brussels</td>
<td>820</td>
<td></td>
<td>894</td>
<td></td>
</tr>
<tr>
<td>Eastern Europe and Central Asia Regional Office</td>
<td>306</td>
<td></td>
<td>316</td>
<td></td>
</tr>
<tr>
<td>West Asia Region</td>
<td>1,218</td>
<td>439</td>
<td>1,216</td>
<td>436</td>
</tr>
<tr>
<td>Mediterranean Cooperation Centre</td>
<td>1,035</td>
<td></td>
<td>1,217</td>
<td></td>
</tr>
<tr>
<td>Oceania</td>
<td>1,910</td>
<td>442</td>
<td>1,718</td>
<td>463</td>
</tr>
<tr>
<td>Sub Total Regional Components</td>
<td>28,097</td>
<td>4,731</td>
<td>27,670</td>
<td>5,118</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Region/Media</th>
<th>2016 Secretariat Unrestricted expenditure</th>
<th>2016 Framework income allocation</th>
<th>2015 Secretariat Unrestricted expenditure</th>
<th>2015 Framework income allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director’s Office, Biodiversity Conservation Group</td>
<td>466</td>
<td>493</td>
<td>494</td>
<td>529</td>
</tr>
<tr>
<td>Species Programme</td>
<td>3,243</td>
<td>803</td>
<td>3,459</td>
<td>884</td>
</tr>
<tr>
<td>Protected Areas Programme</td>
<td>1,347</td>
<td>541</td>
<td>1,230</td>
<td>580</td>
</tr>
<tr>
<td>World Heritage Programme</td>
<td>1,038</td>
<td>407</td>
<td>1,011</td>
<td>437</td>
</tr>
<tr>
<td>Traffic International</td>
<td>573</td>
<td>275</td>
<td>530</td>
<td>273</td>
</tr>
<tr>
<td>Sub Total Biodiversity Conservation Group</td>
<td>6,667</td>
<td>2,518</td>
<td>6,724</td>
<td>2,705</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Region/Media</th>
<th>2016 Secretariat Unrestricted expenditure</th>
<th>2016 Framework income allocation</th>
<th>2015 Secretariat Unrestricted expenditure</th>
<th>2015 Framework income allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director’s Office, Nature-based Solutions Group</td>
<td>523</td>
<td>441</td>
<td>542</td>
<td>473</td>
</tr>
<tr>
<td>Ecosystem Management Programme</td>
<td>1,418</td>
<td>260</td>
<td>1,410</td>
<td>280</td>
</tr>
<tr>
<td>Forest &amp; Climate Change Programme</td>
<td>2,908</td>
<td>382</td>
<td>2,519</td>
<td>411</td>
</tr>
<tr>
<td>Marine &amp; Polar Programme</td>
<td>1,521</td>
<td>445</td>
<td>1,857</td>
<td>477</td>
</tr>
<tr>
<td>Water &amp; Food Security Programme</td>
<td>1,114</td>
<td>356</td>
<td>1,125</td>
<td>383</td>
</tr>
<tr>
<td>Business &amp; Biodiversity Programme</td>
<td>1,344</td>
<td>401</td>
<td>1,474</td>
<td>481</td>
</tr>
<tr>
<td>Economics and Social Science Programme</td>
<td>1,585</td>
<td>818</td>
<td>1,574</td>
<td>876</td>
</tr>
<tr>
<td>Sub Total Nature-based Solutions Group</td>
<td>10,411</td>
<td>3,103</td>
<td>10,501</td>
<td>3,381</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Region/Media</th>
<th>2016 Secretariat Unrestricted expenditure</th>
<th>2016 Framework income allocation</th>
<th>2015 Secretariat Unrestricted expenditure</th>
<th>2015 Framework income allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director’s Office, Programme &amp; Policy Group</td>
<td>427</td>
<td>480</td>
<td>406</td>
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<td>Science and Knowledge Unit</td>
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<tr>
<td>Global Policy Unit</td>
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<td>574</td>
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<tr>
<td>Environmental Law Programme</td>
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<td>504</td>
<td>1,146</td>
<td>533</td>
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<tr>
<td>GEF Coordination Unit</td>
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<td>684</td>
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<td>Sub Total PPG - Programme &amp; Policy Group</td>
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<th>Region/Media</th>
<th>2016 Secretariat Unrestricted expenditure</th>
<th>2016 Framework income allocation</th>
<th>2015 Secretariat Unrestricted expenditure</th>
<th>2015 Framework income allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commission on Education and Communication</td>
<td>229</td>
<td>232</td>
<td>239</td>
<td>232</td>
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<tr>
<td>Commission on Ecosystem Management</td>
<td>244</td>
<td>232</td>
<td>194</td>
<td>232</td>
</tr>
<tr>
<td>World Commission on Environmental Law</td>
<td>175</td>
<td>244</td>
<td>106</td>
<td>244</td>
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<tr>
<td>World Commission on Protected Areas</td>
<td>231</td>
<td>242</td>
<td>241</td>
<td>242</td>
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<tr>
<td>Species Survival Commission</td>
<td>277</td>
<td>261</td>
<td>282</td>
<td>261</td>
</tr>
<tr>
<td>Commission on Environment, Economics and Social Policy</td>
<td>224</td>
<td>232</td>
<td>191</td>
<td>232</td>
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<tr>
<td>Sub Total Commissions</td>
<td>1,378</td>
<td>1,443</td>
<td>1,253</td>
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<table>
<thead>
<tr>
<th>Region/Media</th>
<th>2016 Secretariat Unrestricted expenditure</th>
<th>2016 Framework income allocation</th>
<th>2015 Secretariat Unrestricted expenditure</th>
<th>2015 Framework income allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director’s office, Union Development Group</td>
<td>1,638</td>
<td>-</td>
<td>1,575</td>
<td>215</td>
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<tr>
<td>Governance</td>
<td>652</td>
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<td>604</td>
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<td>Sub Total Union Development</td>
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<td>-</td>
<td>2,179</td>
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<tr>
<th>Region/Media</th>
<th>2016 Secretariat Unrestricted expenditure</th>
<th>2016 Framework income allocation</th>
<th>2015 Secretariat Unrestricted expenditure</th>
<th>2015 Framework income allocation</th>
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<tr>
<td>Directorate</td>
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<td>159</td>
<td>1,663</td>
<td>161</td>
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<td>Office of the Legal Adviser</td>
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<td>475</td>
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<tr>
<td>Oversight Unit</td>
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<td></td>
<td>216</td>
<td></td>
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<tr>
<td>Planning, Monitoring &amp; Evaluation Unit</td>
<td>539</td>
<td>654</td>
<td>513</td>
<td>633</td>
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<tr>
<td>Global Communications Unit</td>
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<td>1,058</td>
<td>176</td>
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<td>Finance Group</td>
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<td>2,250</td>
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<tr>
<td>Human Resources Management Group</td>
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<td>1,152</td>
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<td>Strategic Partnerships Unit</td>
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<td></td>
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<td>General Services Unit</td>
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<td>3,096</td>
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<tr>
<td>Information Systems Group</td>
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<td></td>
<td>3,970</td>
<td></td>
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<td>Sub Total Corporate Support Units</td>
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<td>981</td>
<td>15,140</td>
<td>970</td>
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<table>
<thead>
<tr>
<th>Region/Media</th>
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<th>2016 Framework income allocation</th>
<th>2015 Secretariat Unrestricted expenditure</th>
<th>2015 Framework income allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>OVERALL TOTAL</td>
<td>68,015</td>
<td>15,811</td>
<td>67,212</td>
<td>17,145</td>
</tr>
</tbody>
</table>

Operating expenses as per the Income & Expenditure Statement | 68,057 | 15,811 | 66,880 | 17,145 |

Reconciliation of Framework Income to the Financial Statements

Overall Total allocations as above | 15,811 | 17,145 |
Realised foreign exchange on cash contributions | 6 | - |
Surplus/(Deficit) at year-end transferred to reserve | (1,941) | (1,187) |
Total Funding Framework Agreements | 13,877 | 15,958 |
ANNEX A - INCOME UNDER FRAMEWORK AGREEMENTS

Amounts in CHF ('000)

<table>
<thead>
<tr>
<th>Framework Agreement Partners</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ministry of Foreign Affairs (DANIDA) - Denmark</td>
<td>3,527</td>
<td>3,464</td>
</tr>
<tr>
<td>Environment Agency – Abu Dhabi (EAD) – United Arab Emirates</td>
<td>-</td>
<td>1,000</td>
</tr>
<tr>
<td>Agence Française de Développement (AFD), Ministry of Foreign Affairs and International Development (MAEDI), Ministry of Environment, Energy and the Sea (MEEM), Ministry of Overseas Territories (MOM) – France</td>
<td>924</td>
<td>933</td>
</tr>
<tr>
<td>MAVA Fondation pour la Nature - Switzerland</td>
<td>1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Ministry of Environment, Republic of Korea (MOE) - Korea</td>
<td>600</td>
<td>600</td>
</tr>
<tr>
<td>Ministry of Foreign Affairs - Finland</td>
<td>375</td>
<td>757</td>
</tr>
<tr>
<td>Norwegian Agency for Development Cooperation (NORAD) - Norway</td>
<td>2,507</td>
<td>2,514</td>
</tr>
<tr>
<td>Swedish International Development Agency (Sida) - Sweden</td>
<td>2,893</td>
<td>3,489</td>
</tr>
<tr>
<td>Swiss Agency for Development and Cooperation (SDC) - Switzerland</td>
<td>2,050</td>
<td>2,200</td>
</tr>
<tr>
<td><strong>Total Income under Framework Agreements</strong></td>
<td><strong>13,877</strong></td>
<td><strong>15,958</strong></td>
</tr>
</tbody>
</table>

Note:
Framework income allocations are made on the basis of budgeted income at the start of the year. The difference between allocations made and actual income received is taken to unrestricted reserves. This is compensated by balances on other funding sources to arrive at the overall result for the year.
IUCN, International Union for Conservation of Nature and Natural Resources

Gland

Report of the statutory auditor to the Council on the consolidated financial statements 2017

pwc
Report of the statutory auditor
to the Council of IUCN, International Union for Conservation of Nature and Natural Resources
Gland

Report on the audit of the consolidated financial statements

Opinion
We have audited the consolidated financial statements of IUCN, International Union for Conservation of Nature and Natural Resources, which comprise the consolidated balance sheet as at 31 December 2017, consolidated income and expenditure statement, consolidated funds and reserve statement, consolidated cash flow statement and notes for the year then ended, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements as at 31 December 2017 comply with Swiss law, IUCN Statutes, as well as with the consolidation and valuation principles described in the notes.

Basis for opinion
We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISAs) and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the “Auditor’s responsibilities for the audit of the consolidated financial statements” section of our report.

We are independent of the Group 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 in the annual report
The Management is responsible for the other information in the annual report. The other information comprises all information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of IUCN, International Union for Conservation of Nature and Natural Resources and our auditor’s reports thereon.

Our opinion on the consolidated financial statements does not cover the other information in the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information in the annual report and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.
Responsibilities of the Management for the consolidated financial statements
The Management is responsible for the preparation of the consolidated financial statements in accordance with the provisions of Swiss law, and for such internal control as the Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Management is responsible for assessing the Group’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 Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the consolidated financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated 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, ISAs and Swiss Auditing Standards 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 consolidated financial statements.

As part of an audit in accordance with Swiss law, ISAs and Swiss Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the 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 Group’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 consolidated 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 Group to cease to continue as a going concern.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Management or its relevant committee 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.
Report on other legal and regulatory requirements

In accordance with article 818 paragraph 1 CO in connection with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of consolidated financial statements according to the instructions of the Management.

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

PricewaterhouseCoopers SA

Geneva, 2 May 2018

Enclosure:

- Consolidated financial statements (consolidated balance sheet, consolidated income and expenditure statement, consolidated funds and reserve statement, consolidated cash flow statement and notes)
- Annex A –Core Funds under Framework Agreements
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### IUCN – International Union for Conservation of Nature and Natural Resources

**CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2017**

Report Currency: CHF (‘000)

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets</strong></td>
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<tr>
<td>Cash and short term bank deposits</td>
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<td>Financial assets</td>
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<td>Membership dues receivables (net)</td>
<td>V</td>
<td>1,646</td>
<td>1,592</td>
</tr>
<tr>
<td>Staff receivables</td>
<td>VI</td>
<td>453</td>
<td>649</td>
</tr>
<tr>
<td>Receivables from partner organisations</td>
<td>VII</td>
<td>475</td>
<td>277</td>
</tr>
<tr>
<td>Advances to implementing partners and grantees</td>
<td>VIII</td>
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<td>Project agreement receivables</td>
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<td>Framework agreements receivables</td>
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<td>Other account receivables</td>
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<td><strong>Total Current assets</strong></td>
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<td><strong>Non-current assets</strong></td>
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<td>Fixed assets (net)</td>
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<td>Intangible assets (net)</td>
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<td><strong>Total Non-current assets</strong></td>
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<td><strong>TOTAL ASSETS</strong></td>
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<td>131,373</td>
<td>115,676</td>
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<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>Current liabilities</strong></td>
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</tr>
<tr>
<td>Membership dues paid in advance</td>
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<td>Accounts payable and accrued liabilities</td>
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<td>13,907</td>
<td>7,593</td>
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<td>Social charges payable</td>
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<td>Deferred income buildings</td>
<td>XVII</td>
<td>463</td>
<td>511</td>
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<tr>
<td>New building loan</td>
<td>XVIII</td>
<td>174</td>
<td>171</td>
</tr>
<tr>
<td>Advances from hosted organisations</td>
<td>XV</td>
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<td>589</td>
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<td>Miscellaneous current liabilities</td>
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<td><strong>Total Current liabilities</strong></td>
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<td>61,956</td>
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<td><strong>Provisions</strong></td>
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<td>Projects in deficit</td>
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<td>Staff leave and repatriation</td>
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<td>2,042</td>
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<td>Staff termination</td>
<td>XVI</td>
<td>1,576</td>
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<td><strong>Total Provisions</strong></td>
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<td><strong>Non-current liabilities</strong></td>
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<tr>
<td>Long term deferred income</td>
<td>XVII</td>
<td>16,360</td>
<td>17,085</td>
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<td>New building loan</td>
<td>XVIII</td>
<td>11,124</td>
<td>11,298</td>
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<tr>
<td><strong>Total Non-current liabilities</strong></td>
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<td>28,383</td>
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<td><strong>Funds and Unrestricted Reserves</strong></td>
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<tr>
<td>Designated reserves</td>
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<td>2,025</td>
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<tr>
<td>Unrestricted reserves</td>
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<td>19,448</td>
<td>19,462</td>
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<tr>
<td><strong>Total Funds and Unrestricted Reserves</strong></td>
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<td>21,473</td>
<td>20,311</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES AND FUND BALANCES</strong></td>
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<td>131,373</td>
<td>115,676</td>
</tr>
</tbody>
</table>
## CONSOLIDATED INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

**Report Currency: CHF (’000)**

<table>
<thead>
<tr>
<th>Notes</th>
<th>Secretariat Unrestricted</th>
<th>Project Agreements</th>
<th>Total</th>
<th>Secretariat Unrestricted</th>
<th>Project Agreements</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EXTERNAL OPERATING INCOME</strong></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Membership dues</td>
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<td>11,735</td>
<td>12,932</td>
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<td>12,932</td>
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<td>Retention of staff income tax</td>
<td>XX</td>
<td>1,292</td>
<td>-</td>
<td>1,292</td>
<td>1,319</td>
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<tr>
<td>Agreements income</td>
<td>5</td>
<td>95,123</td>
<td>95,128</td>
<td>90</td>
<td>94,453</td>
<td>94,543</td>
</tr>
<tr>
<td>Framework income</td>
<td>XXI</td>
<td>12,578</td>
<td>-</td>
<td>12,578</td>
<td>13,877</td>
<td>-</td>
</tr>
<tr>
<td>Other operating income</td>
<td>XXII</td>
<td>4,450</td>
<td>278</td>
<td>4,728</td>
<td>3,514</td>
<td>3,670</td>
</tr>
<tr>
<td><strong>TOTAL EXTERNAL OPERATING INCOME</strong></td>
<td>30,060</td>
<td>95,401</td>
<td>125,461</td>
<td>31,732</td>
<td>98,123</td>
<td>129,855</td>
</tr>
<tr>
<td><strong>INTERNAL ALLOCATIONS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Framework allocations to projects</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cross charges from projects</td>
<td>36,402</td>
<td>(36,402)</td>
<td>-</td>
<td>36,722</td>
<td>(36,722)</td>
<td>-</td>
</tr>
<tr>
<td>Other internal allocations</td>
<td>961</td>
<td>(961)</td>
<td>-</td>
<td>250</td>
<td>(250)</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL INTERNAL ALLOCATIONS</strong></td>
<td>37,363</td>
<td>(37,363)</td>
<td>-</td>
<td>36,972</td>
<td>(36,972)</td>
<td>-</td>
</tr>
<tr>
<td><strong>OPERATING EXPENDITURE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff costs</td>
<td>52,077</td>
<td>6,576</td>
<td>58,653</td>
<td>53,003</td>
<td>6,771</td>
<td>59,774</td>
</tr>
<tr>
<td>Consultants</td>
<td>1,579</td>
<td>18,992</td>
<td>20,571</td>
<td>1,802</td>
<td>18,272</td>
<td>20,074</td>
</tr>
<tr>
<td>Grants to partners</td>
<td>481</td>
<td>4,920</td>
<td>5,401</td>
<td>627</td>
<td>5,595</td>
<td>6,222</td>
</tr>
<tr>
<td>Travel</td>
<td>2,365</td>
<td>12,085</td>
<td>14,450</td>
<td>3,017</td>
<td>15,226</td>
<td>18,243</td>
</tr>
<tr>
<td>Workshops and conferences</td>
<td>290</td>
<td>1,897</td>
<td>2,187</td>
<td>523</td>
<td>2,675</td>
<td>3,198</td>
</tr>
<tr>
<td>Publications and printing costs</td>
<td>299</td>
<td>2,303</td>
<td>2,602</td>
<td>296</td>
<td>2,660</td>
<td>2,956</td>
</tr>
<tr>
<td>Office and general administrative costs</td>
<td>3,894</td>
<td>4,835</td>
<td>8,729</td>
<td>3,995</td>
<td>3,159</td>
<td>7,154</td>
</tr>
<tr>
<td>Vehicles &amp; equipment - costs &amp; maintenance</td>
<td>955</td>
<td>6,911</td>
<td>7,866</td>
<td>927</td>
<td>4,722</td>
<td>5,649</td>
</tr>
<tr>
<td>Professional fees or costs</td>
<td>590</td>
<td>637</td>
<td>1,227</td>
<td>661</td>
<td>632</td>
<td>1,293</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>2,959</td>
<td>8</td>
<td>2,967</td>
<td>3,206</td>
<td>5</td>
<td>3,211</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING EXPENDITURE</strong></td>
<td>65,489</td>
<td>59,164</td>
<td>124,653</td>
<td>68,057</td>
<td>59,717</td>
<td>127,774</td>
</tr>
<tr>
<td><strong>NET OPERATING SURPLUS/(DEFICIT)</strong></td>
<td>1,934</td>
<td>(1,126)</td>
<td>808</td>
<td>647</td>
<td>1,434</td>
<td>2,081</td>
</tr>
<tr>
<td><strong>OTHER INCOME - EXPENDITURE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>XVIII</td>
<td>501</td>
<td>6</td>
<td>507</td>
<td>553</td>
<td>30</td>
</tr>
<tr>
<td>Financial charges</td>
<td>XVIII</td>
<td>(538)</td>
<td>(186)</td>
<td>(724)</td>
<td>(557)</td>
<td>(245)</td>
</tr>
<tr>
<td>Capital gains (losses)</td>
<td>IV</td>
<td>274</td>
<td>-</td>
<td>274</td>
<td>86</td>
<td>-</td>
</tr>
<tr>
<td>Net gains/(losses) on foreign exchange</td>
<td>292</td>
<td>718</td>
<td>1,010</td>
<td>(396)</td>
<td>(89)</td>
<td>(485)</td>
</tr>
<tr>
<td>Exchange differences on revaluation of project balances</td>
<td>XXIII</td>
<td>-</td>
<td>573</td>
<td>573</td>
<td>-</td>
<td>324</td>
</tr>
<tr>
<td>Net movements in provision and write-offs</td>
<td>(1,311)</td>
<td>15</td>
<td>(1,316)</td>
<td>(2,163)</td>
<td>189</td>
<td>(1,974)</td>
</tr>
<tr>
<td>2016 Congress project surplus</td>
<td>XXV</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,643</td>
<td>(1,643)</td>
</tr>
<tr>
<td><strong>TOTAL OTHER INCOME - EXPENDITURE</strong></td>
<td>(802)</td>
<td>1,126</td>
<td>324</td>
<td>(834)</td>
<td>(1,434)</td>
<td>(2,268)</td>
</tr>
<tr>
<td><strong>NET SURPLUS/(DEFICIT) FOR THE YEAR</strong></td>
<td>1,132</td>
<td>-</td>
<td>1,132</td>
<td>(187)</td>
<td>-</td>
<td>(187)</td>
</tr>
</tbody>
</table>
**CONSOLIDATED FUNDS AND RESERVE STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017**

Report Currency: CHF ('000)

<table>
<thead>
<tr>
<th></th>
<th>Designated Reserves</th>
<th>Unrestricted Reserves</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Reserve for Statutory Meetings</td>
<td>Other Designated Reserves</td>
<td>Programme Reserves</td>
</tr>
<tr>
<td>Balance as at 1 January 2016</td>
<td>103</td>
<td>541</td>
<td>5,301</td>
</tr>
<tr>
<td>Net surplus/(deficit) for the year</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Foreign exchange adjustment</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Allocation to renovation fund</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Release from other designated reserves</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Release from reserve for statutory meetings</td>
<td>(103)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Release from Programme reserves</td>
<td>-</td>
<td>-</td>
<td>(5,301)</td>
</tr>
<tr>
<td>Balance as at 31 December 2016</td>
<td>-</td>
<td>-</td>
<td>(849)</td>
</tr>
<tr>
<td>Balance as at 1 January 2017</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net surplus/(deficit) for the year</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Foreign exchange adjustment</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Allocation to renovation fund</td>
<td>-</td>
<td>-</td>
<td>16</td>
</tr>
<tr>
<td>Allocation to other designated reserves</td>
<td>-</td>
<td>671</td>
<td>-</td>
</tr>
<tr>
<td>Allocation to reserve for statutory meetings</td>
<td>489</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance as at 31 December 2017</td>
<td>489</td>
<td>671</td>
<td>(865)</td>
</tr>
</tbody>
</table>
### CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

**Report Currency:** CHF ('000)

<table>
<thead>
<tr>
<th>Notes</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cash flow from operations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surplus/(deficit) from operations</td>
<td>1,132</td>
<td>(187)</td>
</tr>
<tr>
<td>Effect of exchange rate</td>
<td>XIX</td>
<td>30</td>
</tr>
<tr>
<td><strong>Net balance from operations</strong></td>
<td>1,162</td>
<td>(494)</td>
</tr>
<tr>
<td>Depreciation of fixed assets</td>
<td>XI</td>
<td>2,329</td>
</tr>
<tr>
<td>Amortisation and write-down of intangible assets</td>
<td>XII</td>
<td>636</td>
</tr>
<tr>
<td>Increase /(decrease) in provisions for projects in deficit</td>
<td>XVI</td>
<td>676</td>
</tr>
<tr>
<td>Increase /(decrease) in staff leave and repatriation liabilities</td>
<td>93</td>
<td>711</td>
</tr>
<tr>
<td>Increase /(decrease) in the provision for staff termination</td>
<td>XVI</td>
<td>126</td>
</tr>
<tr>
<td>Increase /(decrease) in other provisions</td>
<td>(39)</td>
<td>(168)</td>
</tr>
<tr>
<td>(Increase) / decrease in membership dues receivables (net)</td>
<td>V</td>
<td>(54)</td>
</tr>
<tr>
<td>(Increase) / decrease in staff receivables</td>
<td>VI</td>
<td>196</td>
</tr>
<tr>
<td>(Increase) / decrease in receivables from partner organisations</td>
<td>VII</td>
<td>(198)</td>
</tr>
<tr>
<td>(Increase) / decrease in advances to implementing partners</td>
<td>VIII</td>
<td>(4,790)</td>
</tr>
<tr>
<td>(Increase) / decrease in prepayments</td>
<td>(264)</td>
<td>980</td>
</tr>
<tr>
<td>(Increase) / decrease in donor funds receivable</td>
<td>(525)</td>
<td>(144)</td>
</tr>
<tr>
<td>(Increase) / decrease in project agreement receivables</td>
<td>IX</td>
<td>2,227</td>
</tr>
<tr>
<td>(Increase) / decrease in framework agreements receivable</td>
<td>X</td>
<td>(510)</td>
</tr>
<tr>
<td>(Increase) / decrease in other accounts receivable</td>
<td>(256)</td>
<td>(145)</td>
</tr>
<tr>
<td>Increase /(decrease) in membership dues paid in advance</td>
<td>(568)</td>
<td>(34)</td>
</tr>
<tr>
<td>Increase /(decrease) in accounts payable and accrued liabilities</td>
<td>XIII</td>
<td>6,314</td>
</tr>
<tr>
<td>Increase /(decrease) in social charges payable</td>
<td>(254)</td>
<td>277</td>
</tr>
<tr>
<td>Increase /(decrease) in project agreement advances</td>
<td>IX</td>
<td>7,706</td>
</tr>
<tr>
<td>Increase /(decrease) in miscellaneous current liabilities</td>
<td>409</td>
<td>143</td>
</tr>
<tr>
<td>Increase /(decrease) in hosted organisations advances</td>
<td>XV</td>
<td>(80)</td>
</tr>
<tr>
<td>(Gain)/loss on disposal of fixed assets</td>
<td>XI</td>
<td>25</td>
</tr>
<tr>
<td><strong>Total cash flow from operations</strong></td>
<td>14,361</td>
<td>5,608</td>
</tr>
<tr>
<td><strong>Cash flow from investing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of fixed assets</td>
<td>XI</td>
<td>(845)</td>
</tr>
<tr>
<td>Net movement in financial assets</td>
<td>IV</td>
<td>(2,477)</td>
</tr>
<tr>
<td>Purchase of intangible assets</td>
<td>XII</td>
<td>(30)</td>
</tr>
<tr>
<td><strong>Total cash flow from investing activities</strong></td>
<td>(3,352)</td>
<td>(869)</td>
</tr>
<tr>
<td><strong>Cash flow from financing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase /(decrease) in loan</td>
<td>XVIII</td>
<td>(171)</td>
</tr>
<tr>
<td>Increase /(decrease) in current deferred income</td>
<td>XVII</td>
<td>1,045</td>
</tr>
<tr>
<td>Increase /(decrease) in long-term deferred income</td>
<td>XVII</td>
<td>(725)</td>
</tr>
<tr>
<td><strong>Total cash flow from financing activities</strong></td>
<td>149</td>
<td>(821)</td>
</tr>
<tr>
<td><strong>Net cash inflow for the year</strong></td>
<td>11,158</td>
<td>3,918</td>
</tr>
<tr>
<td><strong>Cash and short term deposits at the beginning of the year</strong></td>
<td>III</td>
<td>37,777</td>
</tr>
<tr>
<td><strong>Cash and short term deposits at the end of the year</strong></td>
<td>III</td>
<td>48,935</td>
</tr>
</tbody>
</table>
I. ORGANISATION AND ACTIVITY

IUCN, International Union for Conservation of Nature and Natural Resources is a membership organisation constituted by statutes adopted in 1948 at a conference convened by the Republic of France. The membership is comprised of states, governmental agencies, international and national non-governmental organizations, and indigenous peoples organisations. IUCN is registered in Gland, Switzerland as an association under article 60 of the Swiss Civil Code and is solely responsible, to the exclusion of its members, for all its transactions and commitments.

The highest governing body of IUCN is the World Conservation Congress which is composed of the membership of IUCN. The World Conservation Congress elects the Council which has authority to govern IUCN between meetings.

In 1986, IUCN concluded a fiscal agreement with the Swiss government which granted IUCN exemption from all Swiss taxes. IUCN has been granted observer status at the United Nations.

The mission of IUCN is to influence, encourage and assist societies throughout the world to conserve the integrity and diversity of nature and to ensure that any use of natural resources is equitable and ecologically sustainable.

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DEFINITIONS

All amounts are expressed in thousands of Swiss francs (CHF) unless otherwise indicated.

1. Accounting convention

The financial statements are prepared under the historical cost convention except for financial assets and loans that are measured at revalued amount or at fair value. The financial statements are prepared in accordance with the provisions of the Swiss Code of Obligations.

2. Basis of consolidation

The consolidated financial statements include all offices of IUCN and those entities over which IUCN has the power to govern the financial and operating policies so as to obtain benefits from their activities.

Branches:

- Asia Region
  - Asia Regional Office (Thailand)
  - Bangladesh Country Office
  - Cambodia Country Office
  - China Country Office
  - India Country Office
  - Indonesia Project Office
  - Lao PDR Country Office
  - Maldives Project Office
  - Myanmar Project Office
  - Nepal Country Office
  - Pakistan Country Office
  - Sri Lanka Country Office
  - Thailand Country Office
  - Vietnam Country Office
Eastern and Southern Africa Region
   • Eastern and Southern Africa Regional Office (Kenya)
   • Djibouti Project Office
   • Mozambique Country Office
   • Rwanda Project Office
   • South Africa Country Office
   • Tanzania Country Office
   • Uganda Country Office
   • Zimbabwe Country Office

• Eastern Europe and Central Asia Regional Office (Serbia)

• Environmental Law Centre (Germany)

• Mediterranean Office (Spain)

• Oceania Regional Office (Fiji)

• Mexico, Central America and the Caribbean Region
   • Mexico, Central America and the Caribbean Regional Office (Costa Rica)
   • El Salvador Project Office
   • Guatemala Project Office
   • Honduras Project Office
   • Mexico Project Office

• South America Region
   • South America Regional Office (Ecuador)
   • Brazil Country Office

• UK Species Programme (United Kingdom)

• Western and Central Africa Region
   • Western and Central Africa Regional Office (Burkina Faso)
   • Burkina Faso Country Office
   • Cameroon Country Office
   • Democratic Republic of Congo Country Office
   • Ghana Project Office
   • Guinea Project Office
   • Guinea Bissau Country Office
   • Mali Country Office
   • Mauritania Country Office
   • Niger Project Office

• West Asia Regional Office (Jordan)

• Washington, DC Office

Other entities:
   • The International Union for the Conservation of Nature and Natural Resources, Registered Trustees (WASAA Trust Fund, Nairobi)
   • UICN, Bureau de Représentation auprès de l’Union Européenne aisbl
   • Associação UICN
   • IUCN UK (A Company Limited by Guarantee)
   • IUCN Maldives
   • IUCN PNG Mangrove Rehabilitation and Management Project Association
3. Currency of accounts
   a) Reporting currency
      In accordance with IUCN’s Regulations, the reporting currency for the consolidated financial
      statements is Swiss francs (CHF).
   b) Functional currency
      A separate set of accounts is maintained for each country where IUCN has a presence. The
      functional currency for each country is the national currency of the country with the exception
      of Fiji (USD), Costa Rica (USD) and Serbia (EUR) where the currency chosen better reflects the
      economic environment in which the office operates.

4. Foreign exchange
   The following accounting policies are applied when converting transactions and balances to the
   reporting currency:
   
   • Transactions denominated in currencies other than the office ledger currency are converted to
     the ledger currency and recorded on the basis of the exchange rate prevailing at the date of the
     transaction. At the end of the year all balances maintained in transaction currencies are
     translated to the currency of the office ledger at the year-end rate. The gains and losses
     incurred are recognised in the income statement of each office ledger.
   
   • Except for fixed assets which are stated at historical values, non-Swiss franc balances in the
     consolidated balance sheet are translated to CHF at the year-end exchange rate and the
     resulting net unrealised gain or loss included in the balance sheet as a currency translation
     adjustment reserve.
   
   • Project balances are expressed in the currency of the ledger in which they reside. Project
     balances in currencies other than CHF are translated to CHF at the year-end exchange rate. The
     resulting net unrealised gain or loss is recognized in the currency translation adjustment
     reserve.
   
   • If, as a result of the application of the above translation policies, a net deficit would occur on the
     currency translation adjustment reserve the deficit would be recognized in the income and
     expenditure statement.

5. Income
   Income comprises membership dues from members, contributions from donors, investment income,
   Swiss government tax rebates, rental of office space, and sundry income from the sale of other goods
   and services.

   a) Membership dues
      Membership dues are fixed by the World Conservation Congress, the supreme governing body
      of IUCN, and are recognised as unrestricted income in the year they fall due.

   b) Voluntary donations
      Voluntary donations comprise framework agreements with donors for the core activities of
      IUCN and project agreements for project activities.

      Framework agreements income
      Framework agreements are normally for periods of more than one year and may be subject to
      general restrictions in their use in terms of geography or thematic area.
Framework agreements income is recognized in the income statement as unrestricted income once the agreement has been signed and in accordance with the amounts specified in the agreement for each calendar year. Framework agreements income received in advance of the period to which it relates is recorded as deferred unrestricted income.

Framework in-kind contributions

In-kind contributions of staff are recognised at fair value over the period of the employment contract as both income and expenditure in the Consolidated Income and Expenditure Statement. The fair value of in-kind staff is taken as the average cost that would be incurred by IUCN, if it were to directly employ a person in a similar position.

Project agreements income

Project agreements income is restricted for specific project activities detailed in project agreements and subject to specific conditions imposed by the donor. Income is recognised as expenditure is incurred. At year end, the balance of projects are recorded as “Project agreement receivables” (current assets) where expenditure incurred on projects exceeded amounts advanced by donors, and under “Project agreement advances” (current liabilities) where advances from donors exceeded expenditure incurred.

c) Retention of staff income tax

Non-Swiss staff resident in Switzerland are exempt from paying taxes on their IUCN earnings on the basis of a fiscal agreement between IUCN and the Swiss Government, which entered into effect on 1st January 1987. In order to ensure equitable treatment of both Swiss and non-Swiss staff at Headquarters, an internal tax is levied on non-Swiss staff resident in Switzerland. This is shown as Retention of staff income tax in the Consolidated Income and Expenditure Statement and is classified as unrestricted income.

6. Expenditure

All unrestricted expenditure and project expenditure is accounted for on an accruals basis.

7. Cross charges from projects

Cross charges from projects represent transfers between Project agreements and Secretariat unrestricted funds and comprise staff time charged to projects and indirect costs funded from projects.

Staff time charges

IUCN staff costs are recorded as unrestricted costs. Staff working on projects charge their time spent on projects through a time recording system. Project agreements are charged the cost of staff time and the Secretariat unrestricted fund receives the income.

Indirect cost recoveries

Indirect costs are recorded as unrestricted costs. Indirect costs funded from project agreements are cross charged to projects and the Secretariat unrestricted fund receives the income.

8. Financial assets

Financial assets are recorded at fair value. Gains or losses arising from changes in fair values of financial assets are recognized in the income statement in the year that they occur as foreign exchange gains or losses resulting from the revaluation of financial assets denominated in currencies other than the CHF.
9. Fixed assets

a) Purchased assets

Purchased fixed assets are capitalised when the purchase price is one thousand CHF or above, or the equivalent in other currencies, and when ownership resides with IUCN.

b) In-kind assets

In-kind contributions of fixed assets are capitalised at fair value and the donations recorded as deferred income which is then recognised in the income statement over the estimated useful life of the assets in line with the depreciation charges.

c) Depreciation

Fixed assets are depreciated over their estimated useful lives on the following basis:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer hardware</td>
<td>3 years</td>
</tr>
<tr>
<td>Vehicles</td>
<td>4 - 7 years</td>
</tr>
<tr>
<td>Office furniture and equipment</td>
<td>4 - 7 years</td>
</tr>
<tr>
<td>Building renovations</td>
<td>10 - 20 years</td>
</tr>
<tr>
<td>Building installations</td>
<td>20 years</td>
</tr>
<tr>
<td>Building infrastructures</td>
<td>50 years</td>
</tr>
</tbody>
</table>

d) Donations for the purchase of fixed assets

Cash donations received for the purchase of fixed assets are recorded as deferred income and recognised in the income statement over the estimated useful life of the corresponding asset in line with the depreciation charge.

10. Intangible assets

Purchased computer software is capitalized on the basis of the costs incurred to acquire the software and bring it to its point of use.

Software is depreciated over its estimated useful life on a straight line basis over 5 to 7 years.

The cost of developing in-house software is expensed in the year that the costs are incurred.


a) Provision for membership dues receivable

A general provision for outstanding membership dues is made to recognise the probability that not all dues will be received. The increase or decrease in the total provision is recognised in the income and expenditure statement. Provision for membership dues in arrears is calculated on the following basis, based on the outstanding balance at the close of the year.

<table>
<thead>
<tr>
<th>Membership dues outstanding for:</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Four years or more</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Three years</td>
<td>100%</td>
<td>60%</td>
</tr>
<tr>
<td>Two years</td>
<td>67%</td>
<td>40%</td>
</tr>
<tr>
<td>One year</td>
<td>33%</td>
<td>20%</td>
</tr>
</tbody>
</table>

The change in the level of provisions from 2016 to 2017 reflects a change in the rescission procedures. As of 2018, the IUCN membership will take decisions on a biannual basis to rescind members having arrears of dues of 2 years or more. Previously, such decisions were taken every four years.
The provision against the arrears of some state members and state agencies is calculated on an individual basis after a review of their own special situations.

Full provision is made against the dues owed by Members whose rights have been rescinded by the IUCN World Conservation Congress.

b) Provision for projects in deficit
A provision for projects in deficit is made in respect of those projects where expenditure has exceeded income and where the receipt of future additional funds to cover the excess expenditure is uncertain.

c) Staff terminations
Provision is made for the estimated cost of known redundancies. A redundancy is considered to be known when a management decision has been taken and communicated to the staff concerned.
Additional provision is made when there is a local legal obligation.

d) Staff leave and repatriation
Provision is made for holiday entitlement which has not been used by staff at the year-end. The balance at the year-end also includes the estimated cost of repatriation of international staff.

12. Loans at below market rate of interest
Loans are initially measured at fair value. The benefit of the below-market rate of interest is measured as the difference between the initial carrying value of the loan and the proceeds received. The benefit is recorded as deferred income and recognised over the period of the loan. The market rate of interest is reviewed annually and the carrying value adjusted for significant movements in the market rate.

An amount equivalent to the interest that would have been incurred had the loan been acquired at a market rate is recognised as both an income and an expense in the income and expenditure statement on an annual basis.

13. Hosted organisations
IUCN hosts certain organisations. A hosted organisation has no legal status in the country of operation and therefore operates under the legal umbrella of IUCN. A hosted organisation is operationally autonomous and is accountable to its own management and governance structures and not to IUCN.

Income received and expenditure incurred on behalf of a hosted organisation is accounted for in separate project accounts and excluded from consolidation. Funds held by IUCN on behalf of hosted organisations are recorded on the balance sheet as hosted organisation advances.

14. Reserves
IUCN maintains the following reserves:

a) Unrestricted reserves
IUCN Fund
The IUCN Fund is maintained in order to preserve IUCN’s capital base. The use of the fund is governed by the IUCN Council and is maintained as a reserve of last resort.

Currency translation reserves
The Currency translation reserve represents changes in the value of the net assets of IUCN at the consolidation level as a result of movements of functional currencies against the Swiss franc.

Retained surpluses
The Retained surpluses represent other unrestricted reserves.

b) Designated reserves
Designated reserves represent funds set aside from unrestricted reserves to cover the cost of future events or activities. The designation may be reversed at any time by the IUCN Council.

Reserve for statutory meetings
The Reserve for statutory meetings represents amounts allocated from unrestricted funds to cover costs of future meetings of the World Conservation Congress and related preparatory meetings.

Programme reserves
Programme reserves are funds set aside for specific future programme activities or for when unrestricted income is received in one financial year but the associated expenditure is planned in a future financial year.

Renovation fund
The Renovation fund represents funds allocated from unrestricted funds for future renovations of the Headquarters building.

Other Designated reserves
Other Designated reserves represent amounts allocated from unrestricted funds to cover the cost of other future costs or activities.

III. CASH AND SHORT TERM BANK DEPOSITS
Cash and short-term bank deposits include all bank accounts and short-term deposit accounts operated by IUCN worldwide. The analysis by region or office is shown below.

<table>
<thead>
<tr>
<th>REGION OR OFFICE</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia</td>
<td>2,294</td>
<td>2,975</td>
</tr>
<tr>
<td>Eastern and Southern Africa</td>
<td>2,633</td>
<td>2,191</td>
</tr>
<tr>
<td>Eastern Europe and Central Asia</td>
<td>341</td>
<td>65</td>
</tr>
<tr>
<td>Europe</td>
<td>1,495</td>
<td>664</td>
</tr>
<tr>
<td>Environmental Law Centre, Bonn</td>
<td>378</td>
<td>270</td>
</tr>
<tr>
<td>Headquarters</td>
<td>32,722</td>
<td>22,466</td>
</tr>
<tr>
<td>Mediterranean</td>
<td>388</td>
<td>726</td>
</tr>
<tr>
<td>Mexico, Central America and the Caribbean</td>
<td>2,210</td>
<td>2,632</td>
</tr>
<tr>
<td>Oceania</td>
<td>327</td>
<td>785</td>
</tr>
<tr>
<td>South America</td>
<td>272</td>
<td>395</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>440</td>
<td>692</td>
</tr>
<tr>
<td>United States</td>
<td>1,896</td>
<td>1,332</td>
</tr>
<tr>
<td>Western and Central Africa</td>
<td>3,241</td>
<td>2,566</td>
</tr>
<tr>
<td>West Asia</td>
<td>298</td>
<td>18</td>
</tr>
<tr>
<td><strong>Balance at 31 December</strong></td>
<td><strong>48,935</strong></td>
<td><strong>37,777</strong></td>
</tr>
</tbody>
</table>
IV. FINANCIAL ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds</td>
<td>10,834</td>
<td>8,366</td>
</tr>
<tr>
<td>Microfinance</td>
<td>2,987</td>
<td>2,793</td>
</tr>
<tr>
<td>Equities</td>
<td>1,183</td>
<td>1,457</td>
</tr>
<tr>
<td>Convertibles</td>
<td>886</td>
<td>626</td>
</tr>
<tr>
<td>Other Investments</td>
<td>592</td>
<td>763</td>
</tr>
<tr>
<td><strong>Balance at 31 December</strong></td>
<td><strong>16,482</strong></td>
<td><strong>14,005</strong></td>
</tr>
</tbody>
</table>

At 31 December 2017, an unrealized foreign exchange gain of CHF 3 (2016 – CHF 14 gain) was recognised on the investment portfolio.

During the year, CHF 274 of capital gains (2016 - CHF 86 gain) were realised on the sale of investments.

The Government of Zimbabwe appropriated USD bank accounts of IUCN in 2008. In 2015, treasury bills were issued to IUCN as compensation for the appropriation. The treasury bills have maturity dates to 2019. The treasury bills are recorded at estimated fair value of CHF nil and are included under Bonds.

V. MEMBERSHIP DUES RECEIVABLE AND PROVISION

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross membership dues receivable</td>
<td>3,885</td>
<td>4,285</td>
</tr>
<tr>
<td>Provision for dues in arrears</td>
<td>(2,239)</td>
<td>(2,693)</td>
</tr>
<tr>
<td><strong>Net membership dues receivable at 31 December</strong></td>
<td><strong>1,646</strong></td>
<td><strong>1,592</strong></td>
</tr>
</tbody>
</table>

The provision for membership dues in arrears has been calculated in accordance with the policy described in Note II.11 (a) and as adjusted in 2017. The change in the membership dues in arrears provision calculation in 2017 compared to 2016 resulted in an increased provision of CHF474.
Movement in provision for membership dues

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 January</td>
<td>2,693</td>
<td>1,627</td>
</tr>
<tr>
<td>Addition to /release from provision</td>
<td>(26)</td>
<td>1,269</td>
</tr>
<tr>
<td>Write off of deficits against provision</td>
<td>(428)</td>
<td>(203)</td>
</tr>
<tr>
<td>Balance at 31 December</td>
<td>2,239</td>
<td>2,693</td>
</tr>
</tbody>
</table>

VI. STAFF RECEIVABLES

Staff receivables comprise travel advances, payroll advances and loans to staff outstanding as at 31 December.

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel advances</td>
<td>434</td>
<td>533</td>
</tr>
<tr>
<td>Payroll advances and staff loans</td>
<td>19</td>
<td>116</td>
</tr>
<tr>
<td>Balance at 31 December</td>
<td>453</td>
<td>649</td>
</tr>
</tbody>
</table>

VII. RECEIVABLES FROM PARTNER ORGANISATIONS

Receivables from partner organisations represent balances due from organisations associated with IUCN that are outstanding as at 31 December.

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>RAMSAR Convention Secretariat</td>
<td>475</td>
<td>277</td>
</tr>
</tbody>
</table>

VIII. ADVANCES TO IMPLEMENTING PARTNERS

Advances to implementing partners represent amounts advanced to IUCN partners for the implementation of project agreements that were not spent as at 31 December.

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia</td>
<td>517</td>
<td>450</td>
</tr>
<tr>
<td>Eastern and Southern Africa</td>
<td>408</td>
<td>396</td>
</tr>
<tr>
<td>Headquarters</td>
<td>9,477</td>
<td>4,924</td>
</tr>
<tr>
<td>Mediterranean</td>
<td>15</td>
<td>61</td>
</tr>
<tr>
<td>Mexico, Central America and the Caribbean</td>
<td>274</td>
<td>239</td>
</tr>
<tr>
<td>South America</td>
<td>252</td>
<td>69</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>220</td>
<td>251</td>
</tr>
<tr>
<td>United States</td>
<td>22</td>
<td>299</td>
</tr>
<tr>
<td>West Asia</td>
<td>172</td>
<td>127</td>
</tr>
<tr>
<td>Western and Central Africa</td>
<td>1,155</td>
<td>906</td>
</tr>
<tr>
<td>Balance at 31 December</td>
<td>12,512</td>
<td>7,722</td>
</tr>
</tbody>
</table>
IX. PROJECT AGREEMENTS RECEIVABLES AND ADVANCES

Receivables and advances on project agreements represent respectively the total of projects with a negative cash balance and the total of projects with a positive cash balance at year end.

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project agreement receivables</td>
<td>(14,073)</td>
<td>(16,300)</td>
</tr>
<tr>
<td>Project agreement advances</td>
<td>57,885</td>
<td>50,179</td>
</tr>
<tr>
<td><strong>Balance at 31 December</strong></td>
<td>43,812</td>
<td>33,879</td>
</tr>
</tbody>
</table>

X. FRAMEWORK AGREEMENTS RECEIVABLES

Framework agreements receivables represent framework agreements income due but not received as at the end of the year. As at 31 December 2017 there was CHF 510 receivable compared to CHF nil receivable at 31 December 2016.

XI. FIXED ASSETS

1. Movement in fixed assets

<table>
<thead>
<tr>
<th></th>
<th>Building Infrastructures</th>
<th>Building Installations</th>
<th>Other Land and Buildings</th>
<th>Vehicles, Equipment, Furniture &amp; Fixtures</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Purchase value:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance as at 31 December, 2015</td>
<td>27,178</td>
<td>13,775</td>
<td>4,911</td>
<td>10,532</td>
<td>56,396</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>-</td>
<td>157</td>
<td>1,118</td>
<td>1,275</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>(15)</td>
<td>(1,794)</td>
<td>(1,809)</td>
</tr>
<tr>
<td><strong>Balance as at 31 December, 2016</strong></td>
<td>27,178</td>
<td>13,775</td>
<td>5,053</td>
<td>9,856</td>
<td>55,862</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>-</td>
<td>228</td>
<td>617</td>
<td>845</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(1,707)</td>
<td>(1,707)</td>
</tr>
<tr>
<td><strong>Balance as at 31 December, 2017</strong></td>
<td>27,178</td>
<td>13,775</td>
<td>5,281</td>
<td>8,766</td>
<td>55,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Building Infrastructures</th>
<th>Building Installations</th>
<th>Other Land and Buildings</th>
<th>Vehicles, Equipment, Furniture &amp; Fixtures</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Depreciation:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance as at 31 December 2015</td>
<td>(8,466)</td>
<td>(5,585)</td>
<td>(861)</td>
<td>(8,250)</td>
<td>(23,162)</td>
</tr>
<tr>
<td>Charge for the year 2016</td>
<td>(544)</td>
<td>(575)</td>
<td>(281)</td>
<td>(1,202)</td>
<td>(2,602)</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>15</td>
<td>1,751</td>
<td>1,766</td>
</tr>
<tr>
<td><strong>Balance as at 31 December 2016</strong></td>
<td>(9,010)</td>
<td>(6,160)</td>
<td>(1,127)</td>
<td>(7,701)</td>
<td>(23,998)</td>
</tr>
<tr>
<td>Charge for the year 2017</td>
<td>(544)</td>
<td>(575)</td>
<td>(278)</td>
<td>(932)</td>
<td>(2,329)</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,685</td>
<td>1,685</td>
</tr>
<tr>
<td><strong>Balance as at 31 December 2017</strong></td>
<td>(9,554)</td>
<td>(6,735)</td>
<td>(1,405)</td>
<td>(6,948)</td>
<td>(24,642)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Building Infrastructures</th>
<th>Building Installations</th>
<th>Other Land and Buildings</th>
<th>Vehicles, Equipment, Furniture &amp; Fixtures</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net book value:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance as at 31 December 2016</td>
<td>18,168</td>
<td>7,615</td>
<td>3,926</td>
<td>2,155</td>
<td>31,864</td>
</tr>
<tr>
<td>Balance as at 31 December 2017</td>
<td>17,624</td>
<td>7,040</td>
<td>3,876</td>
<td>1,818</td>
<td>30,358</td>
</tr>
</tbody>
</table>

Fixed assets purchased using unrestricted funds are depreciated over their estimated useful lives as per Note II.9.
2. Land

In 1990, the commune of Gland gave IUCN the right to use a plot of land for the purpose of building the IUCN Secretariat Headquarters. The right was granted at no cost for a period of 50 years, i.e. until August 2040. In 2008, the commune of Gland gave IUCN the right of use of an adjacent piece of land to the original plot for a period of 50 years, with the permission to construct an extension to the existing IUCN Headquarters building.

3. IUCN Headquarters building

Included in Building Infrastructures and Building Installations is the Headquarters building of IUCN. This consists of an original building and an extension.

a) Original building

The original building was financed by donations received from the Swiss Confederation, the Canton of Vaud and the Commune of Gland. Although IUCN formally owns the Headquarters building, it enjoys a restricted use and cannot dispose of it or use it as collateral without the approval of the Swiss Government. If disposed of, the Swiss Government has the right to recuperate its initial outlay plus a percentage of the value added, if applicable. The cost of the building is included in fixed assets and the net book value is matched by a corresponding value of deferred income to recognise the restricted nature of the building. The deferred income is released over the estimated useful life of the building in line with the depreciation of the building.

In 2014, the Canton of Vaud provided a grant of CHF 600 towards the renovation of the original building. The grant will be released over the estimated useful life of the building renovation (20 years).

b) Building extension

The building extension was financed by an interest free loan from the Swiss Government of CHF 20,000 payable in 50 equal yearly instalments of CHF 400, the first of which was paid in December 2010. In addition to the loan from the Swiss Government, IUCN received cash donations of CHF 4,092 and in-kind donations of CHF 1,787.
XII. INTANGIBLE ASSETS

As at 31 December 2017 expenditure of CHF 4,728 (2016 - CHF 4,698) had been incurred on the development and implementation of an ERP system and portal applications. The ERP system went “live” at the IUCN Headquarters in July 2011 and has been depreciated from this point.

Movement in Intangible assets

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Purchase value:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at 1 January</td>
<td>4,408</td>
<td>4,327</td>
</tr>
<tr>
<td>Additions</td>
<td>30</td>
<td>81</td>
</tr>
<tr>
<td><strong>Balance at 31 December</strong></td>
<td>4,438</td>
<td>4,408</td>
</tr>
<tr>
<td><strong>Amortisation:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance as of 1 January</td>
<td>(3,433)</td>
<td>(2,762)</td>
</tr>
<tr>
<td>Charge for the year</td>
<td>(636)</td>
<td>(671)</td>
</tr>
<tr>
<td><strong>Balance at 31 December</strong></td>
<td>(4,069)</td>
<td>(3,433)</td>
</tr>
<tr>
<td><strong>Net Book Value at 31 December</strong></td>
<td>369</td>
<td>975</td>
</tr>
</tbody>
</table>

XIII. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities represent amounts owed to creditors and suppliers as at the end of the year. Of the total outstanding balance of CHF 13,907 as at 31 December 2017 (2016 – CHF 7,593), CHF 10,025 (2016 - CHF 3,342) is related to Headquarters and the balance to regional and country offices.

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and supplier accruals</td>
<td>6,082</td>
<td>5,532</td>
</tr>
<tr>
<td>Accruals for implementing partners</td>
<td>7,825</td>
<td>2,061</td>
</tr>
<tr>
<td><strong>Balance at 31 December</strong></td>
<td>13,907</td>
<td>7,593</td>
</tr>
</tbody>
</table>

XIV. PENSION FUND OBLIGATIONS

IUCN operates different pension plans in different countries, each conforming to the legal regulations in the respective country. On 31 December 2017, the liability to the pension schemes amounted to CHF 0 (2016 CHF 60).

XV. HOSTED ORGANISATIONS ADVANCES

Hosted organisation advances represent funds held by IUCN on behalf of hosted organisations.

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 January</td>
<td>589</td>
<td>729</td>
</tr>
<tr>
<td>Income</td>
<td>3,736</td>
<td>5,204</td>
</tr>
<tr>
<td>Expenditure</td>
<td>(3,848)</td>
<td>(4,950)</td>
</tr>
<tr>
<td></td>
<td>477</td>
<td>983</td>
</tr>
<tr>
<td>Movement on funds held</td>
<td>34</td>
<td>(394)</td>
</tr>
<tr>
<td><strong>Balance at 31 December</strong></td>
<td>511</td>
<td>589</td>
</tr>
</tbody>
</table>
XVI. PROVISIONS

1. Projects in deficit

The provision for projects in deficit is funded by unrestricted income and covers projects where negotiations are still ongoing but where IUCN considers that it may not be able to obtain additional funds from donors to cover expenditures already incurred.

Movement in project deficit provision

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 January</td>
<td>1,495</td>
<td>1,064</td>
</tr>
<tr>
<td>Additions to provision</td>
<td>1,351</td>
<td>835</td>
</tr>
<tr>
<td>Utilization of provision</td>
<td>(675)</td>
<td>(404)</td>
</tr>
<tr>
<td>Balance at 31 December</td>
<td>2,171</td>
<td>1,495</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Region</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia</td>
<td>497</td>
<td>108</td>
</tr>
<tr>
<td>Eastern and Southern Africa Region</td>
<td>302</td>
<td>10</td>
</tr>
<tr>
<td>Eastern Europe and Central Asia</td>
<td>17</td>
<td>16</td>
</tr>
<tr>
<td>Headquarters</td>
<td>457</td>
<td>938</td>
</tr>
<tr>
<td>Mediterranean</td>
<td>79</td>
<td>-</td>
</tr>
<tr>
<td>Oceania</td>
<td>426</td>
<td>277</td>
</tr>
<tr>
<td>Western and Central Africa</td>
<td>106</td>
<td>73</td>
</tr>
<tr>
<td>West Asia</td>
<td>287</td>
<td>73</td>
</tr>
<tr>
<td>Balance at 31 December</td>
<td>2,171</td>
<td>1,495</td>
</tr>
</tbody>
</table>

2. Staff termination

The provision for staff termination is calculated separately for each office to comply with local labour laws. Irrespective of local labour law, provision is made for the estimated cost of staff termination when a decision has been made to terminate a member of staff and the decision has been communicated to the individual concerned.

Movement in provision for staff termination

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 January</td>
<td>1,450</td>
<td>1,495</td>
</tr>
<tr>
<td>Additions to provision</td>
<td>913</td>
<td>1,016</td>
</tr>
<tr>
<td>Utilization of provision</td>
<td>(787)</td>
<td>(1,061)</td>
</tr>
<tr>
<td>Balance at 31 December</td>
<td>1,576</td>
<td>1,450</td>
</tr>
</tbody>
</table>
XVII. DEFERRED INCOME

Deferred unrestricted income represents income received in advance of the period to which it relates.

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred unrestricted income</td>
<td>1,196</td>
<td>103</td>
</tr>
<tr>
<td>US deferred rent</td>
<td>-</td>
<td>31</td>
</tr>
<tr>
<td>Donations for construction of HQ building extension</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donations in cash</td>
<td>2,855</td>
<td>2,956</td>
</tr>
<tr>
<td>Donations in kind</td>
<td>273</td>
<td>344</td>
</tr>
<tr>
<td>Total donations</td>
<td>3,624</td>
<td>3,827</td>
</tr>
<tr>
<td>Headquarters original building</td>
<td>7,708</td>
<td>8,017</td>
</tr>
<tr>
<td>Interest free government loan</td>
<td>5,491</td>
<td>5,721</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>18,019</td>
<td>17,699</td>
</tr>
</tbody>
</table>

**Current**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred unrestricted income</td>
<td>1,196</td>
<td>103</td>
</tr>
<tr>
<td>Buildings:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Original building</td>
<td>339</td>
<td>339</td>
</tr>
<tr>
<td>Building extension</td>
<td>124</td>
<td>172</td>
</tr>
<tr>
<td><strong>Total buildings</strong></td>
<td>463</td>
<td>511</td>
</tr>
<tr>
<td><strong>Total current deferred income</strong></td>
<td>1,659</td>
<td>614</td>
</tr>
</tbody>
</table>

**Non-current**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>US deferred rent</td>
<td>-</td>
<td>31</td>
</tr>
<tr>
<td>Original building</td>
<td>7,400</td>
<td>7,709</td>
</tr>
<tr>
<td>Building extension</td>
<td>8,960</td>
<td>9,345</td>
</tr>
<tr>
<td><strong>Total long term deferred income</strong></td>
<td>16,360</td>
<td>17,085</td>
</tr>
</tbody>
</table>

**Total deferred income**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>18,019</td>
<td>17,699</td>
</tr>
</tbody>
</table>

IUCN Washington DC Office entered into a long term rental contract and benefits from lower rental costs at the beginning of the ten year contract. In 2014, the lease was extended and will expire in 2025. With the original lease, the office is paying an annual increase in rent of 4%, which is higher than annual inflation estimated at 1.75%. The difference of the low initial rental costs and the higher annual rental increases is recorded as deferred income to straight line the cost over the relevant rental period. The low initial rental cost benefits were gradually eliminated in the lease extension.

Donations received for the headquarters buildings (original and extension) are recorded as deferred income and recognised over the useful life of the corresponding purchased or donated assets (see Note XI 3).

The deferred income on the government loan represents the difference between the fair value of the loan CHF 11,298 (2016 - CHF 11,469) and the outstanding cash value of the loan CHF 16,789 (2016 - CHF 17,190) (see Note XVIII). This difference represents the fair value of the interest saved on the interest free loan granted by the Swiss Government and is recognised over the period of the loan.
XVIII. NEW BUILDING LOAN

Headquarters building extension loan

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td>174</td>
<td>171</td>
</tr>
<tr>
<td>Non-current</td>
<td>11,124</td>
<td>11,298</td>
</tr>
<tr>
<td><strong>Balance at 31 December</strong></td>
<td>11,298</td>
<td>11,469</td>
</tr>
</tbody>
</table>

The Swiss Government provided an interest free loan of CHF 20,000 to finance the headquarters building extension.

The loan is repayable in 50 annual instalments of CHF 400. The first instalment was paid in December 2010.

The fair value of the loan is estimated at CHF 11,298 (2016 - CHF 11,469). The outstanding cash value of the loan has been discounted at a rate of 2% (2016 - 2%) which represents the market interest rate for a 10-year loan based on current market conditions. The difference of CHF 5,491 (2016 - CHF 5,721) between the outstanding cash value and the fair value of the loan is the benefit derived from the interest-free loan and is recorded as deferred income (see Note XVII).

The value of the interest that would have been paid on an equivalent commercial loan of 2% is estimated at CHF 336 (2016 - 2%, CHF 344). This has been recorded in the income and expenditure statement under Interest income to recognize the benefit of the interest free loan and under financial charges to recognize the interest that would have been paid.

XIX. FUNDS AND UNRESTRICTED RESERVES

1. Unrestricted reserves
   
   **Currency translation adjustments & foreign exchange gains and losses**

   Exchange gains and losses at the individual ledger levels are dealt with in the income statement. The net unrestricted loss on exchange for the year amounted to CHF 292 gain (2016 - loss of CHF 396).

   Exchange gains and losses on consolidation and translation of ledgers maintained in other currencies to CHF are taken to the currency translation adjustment reserve. The net movement during 2017 was a gain of CHF 30 (2016 - loss of CHF 307).

2. Designated reserves
   
   a) Reserve for statutory meetings

   In 2017, CHF 489 (2016 – CHF 103) was allocated to the Reserve for statutory meetings from Retained surpluses to cover future costs for the 2020 Congress (CHF 239) and the Regional Conservation Fora (CHF 250).

   b) Other designated reserves

   In 2017, CHF 671 (2016 – release from reserve CHF 541) was allocated to Other designated reserves in respect of: the IUCN Commissions - CHF 214 (2016 - release from reserve - CHF 445), External review - CHF 75 (2016 – release from reserve - CHF 96) and systems investments - CHF 382 (2016 – nil).
c) Programme Reserves
   No transfers were made to Programme Reserves during 2017 (2016 – release from reserves – CHF 5,301).

d) Renovation fund
   A net allocation of CHF 16 (2016 - CHF 24) was made from Retained surpluses to the Renovation fund to cover future renovation costs of the IUCN Headquarters building.

XX. RETENTION OF STAFF INCOME TAX

   Swiss Government tax rebates amounted to CHF 1,292 (2016 – CHF 1,319) and represents the value of taxes that would have been paid by non-Swiss staff in the absence of the Fiscal Agreement between IUCN and the Swiss Government which exempts non-Swiss staff from payroll taxes and which entered into effect on 1 January 1987.

XXI. FRAMEWORK INCOME

   Annex A lists Framework Agreements income by donor and details income allocations to the IUCN programme and operational units.

   Framework income includes in-kind contributions of CHF 481 (2016 - CHF 307).

XXII. OTHER OPERATING INCOME

   Other operating income of CHF 4,450 (2016 - CHF 3,514) shown under Secretariat unrestricted funds includes overhead and management fees from Ramsar Convention Secretariat of CHF 515 (2016 - CHF 536), rental income of CHF 960 (2016 - CHF 866) and recognition of deferred income of donations for the headquarters original building and building extension CHF 511 (2016 - CHF 645). The balance of other operating income is made up of miscellaneous external income received by IUCN both at Headquarters and other offices around the world.

XXIII. EXCHANGE DIFFERENCES ON REVALUATION OF PROJECT BALANCES

   Project balances are expressed in the currency of the country ledger. At the end of the year, project balances expressed in non-CHF ledgers are revalued to CHF using the year-end exchange rates. The resulting unrealised gain or loss is recorded as an adjustment to project balances on the balance sheet and the Currency translation adjustment reserve. The net adjustment is passed through the income and expenditure statement for project agreements to reflect the net movement on the project portfolio.

XXIV. AUDIT FEE

   The following fees were paid to the auditors of IUCN’s financial statements.

<table>
<thead>
<tr>
<th>Service</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidated financial statement audit</td>
<td>165</td>
<td>189</td>
</tr>
<tr>
<td>Other audits</td>
<td>48</td>
<td>126</td>
</tr>
</tbody>
</table>
XXV. RELATED PARTIES

1. Identity of related parties

a) The Commissions

The Commissions of IUCN are networks of expert volunteers entrusted to develop and advance the institutional knowledge and experience and objectives of IUCN. The Commissions are established by Congress which determines their mandate.

b) The National and Regional Committees

National and Regional Committees are groupings of Members of IUCN from specific states or regions. Their role is to facilitate cooperation among Members and to coordinate the participation of Members in the programme and governance of IUCN.

c) The Convention on Wetlands of International Importance (Ramsar)

Ramsar is hosted by the IUCN Secretariat and operates under its legal personality. It is headed by a Secretary General with sole responsibility for the administration of the convention funds and for all administrative matters, with the exception of those requiring the exercise of legal personality. IUCN provides services to the Ramsar Secretariat in terms of financial and budgetary management, office facilities, human resources management and information technology.

d) TRAFFIC International

TRAFFIC International is a charity registered in the United Kingdom and is a strategic alliance between WWF International and IUCN. The IUCN Secretariat hosts TRAFFIC operations in its offices in Cameroon, Thailand and South Africa where they operate under the legal personality of IUCN.

e) International Union for Conservation of Nature and Natural Resources – US

The International Union for Conservation of Nature and Natural Resources – US is a US registered charity whose main purpose is to raise funds for conservation to be spent in partnership with IUCN and its members.

2. Transactions with related parties

During the course of the year IUCN made contributions of CHF 1,300 to the Commissions (2016 – CHF 1,443). The amount is distributed across the expenditure headings that reflect the nature of the expenses incurred by the Commissions.

During the year and as part of the services IUCN provides to Ramsar, IUCN received funds of CHF 5,488 (2016 – CHF 5,729) and incurred payments of CHF 5,237 (2016 – CHF 5,650) on behalf of Ramsar. At year-end the balance held in trust for Ramsar amounted to CHF 4,466 (2016 – CHF 4,599). These transactions are recorded in Ramsar accounts and financial statements and are therefore not presented in the financial statements of IUCN. During the year, IUCN received fees of CHF 515 (2016 – CHF 536) for the services provided to Ramsar and which are included in Other operating income.

During the year IUCN made contributions of CHF 446 to TRAFFIC International (2016 – CHF 275).

During the year IUCN received funds from the International Union for the Conservation of Nature and Natural Resources – US of USD 791 (CHF 743) and in 2016, USD 1,259 (CHF 1,254) was received.
Summary of legally controlled entities:

<table>
<thead>
<tr>
<th>Company</th>
<th>Year-end closing</th>
<th>Currency</th>
<th>Capital</th>
<th>Share of capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>The International Union for the Conservation of Nature and Natural Resources, Registered Trustees, (WASAA Trust Fund, Nairobi)</td>
<td>31.12</td>
<td>KES</td>
<td>220,840</td>
<td>100% 100%</td>
</tr>
<tr>
<td>UICN, Bureau de Représentation auprès de l’Union Européenne aisbl</td>
<td>31.12</td>
<td>EUR</td>
<td>77</td>
<td>100% 100%</td>
</tr>
<tr>
<td>Associação UICN</td>
<td>31.12</td>
<td>BLR</td>
<td>223</td>
<td>20% 20%</td>
</tr>
<tr>
<td>IUCN UK (A Company Limited by Guarantee)</td>
<td>31.12</td>
<td>GBP</td>
<td>115</td>
<td>NA NA</td>
</tr>
<tr>
<td>IUCN Maldives</td>
<td>31.12</td>
<td>MVR</td>
<td>540</td>
<td>100% 100%</td>
</tr>
<tr>
<td>IUCN PNG “Mangrove Rehabilitation and Management Project Association</td>
<td>dormant</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

XXVI. OPERATING LEASES

At 31 December 2017, IUCN has future minimum office rental commitments amounting to CHF 6,007 (2016 – CHF 5,973) relating to expected rental fees until the end of the lease contract expiring from March 2018 to December 2025.

IUCN has leasing contracts for office equipment and vehicles amounting to CHF 205 (2016 – CHF 136) expiring June 2017 to July 2022.

XXVII. BANK GUARANTEE

At 31 December 2017, IUCN had bank guarantees totalling Mozambique Metical 2,862 (CHF 47) (2016 – EUR 2,071 – CHF 2,220) in favour of an IUCN donor. Cash for an equivalent amount is pledged at the corresponding bank.
<table>
<thead>
<tr>
<th>Region/Programme</th>
<th>Secretariat expenditure</th>
<th>2017 Secretariat allocation</th>
<th>2016 Secretariat expenditure</th>
<th>Framework core allocation</th>
<th>2017 Framework core allocation</th>
<th>2016 Framework core allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central and West Africa Region</td>
<td>3,738</td>
<td>789</td>
<td>4,272</td>
<td>882</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eastern and Southern Africa Region</td>
<td>4,095</td>
<td>739</td>
<td>4,355</td>
<td>827</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asia Region</td>
<td>7,420</td>
<td>998</td>
<td>7,798</td>
<td>1,115</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meso America and Caribbean</td>
<td>4,274</td>
<td>480</td>
<td>3,979</td>
<td>545</td>
<td></td>
<td></td>
</tr>
<tr>
<td>South America and Brazil</td>
<td>1,469</td>
<td>383</td>
<td>1,190</td>
<td>481</td>
<td></td>
<td></td>
</tr>
<tr>
<td>European Regional Office, Brussels</td>
<td>844</td>
<td>-</td>
<td>820</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eastern Europe and Central Asia Regional Office</td>
<td>396</td>
<td>-</td>
<td>396</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>West Asia Region</td>
<td>1,030</td>
<td>386</td>
<td>1,218</td>
<td>439</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mediterranean Cooperation Centre</td>
<td>1,353</td>
<td>-</td>
<td>1,035</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oceania</td>
<td>1,623</td>
<td>389</td>
<td>1,910</td>
<td>442</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Washington DC Office</td>
<td>1,085</td>
<td>-</td>
<td>1,125</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sub Total Regional Components</strong></td>
<td><strong>27,327</strong></td>
<td><strong>4,164</strong></td>
<td><strong>28,097</strong></td>
<td><strong>4,731</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Director's Office, Biodiversity Conservation Group</td>
<td>377</td>
<td>493</td>
<td>466</td>
<td>493</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Species Programme</td>
<td>3,056</td>
<td>676</td>
<td>3,243</td>
<td>803</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Protected Areas Programme</td>
<td>1,570</td>
<td>529</td>
<td>1,347</td>
<td>541</td>
<td></td>
<td></td>
</tr>
<tr>
<td>World Heritage Programme</td>
<td>1,003</td>
<td>385</td>
<td>1,038</td>
<td>407</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Traffic International</td>
<td>446</td>
<td>446</td>
<td>573</td>
<td>275</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sub Total Biodiversity Conservation Group</strong></td>
<td><strong>4,652</strong></td>
<td><strong>2,529</strong></td>
<td><strong>6,667</strong></td>
<td><strong>2,518</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Director's Office, Nature-based Solutions Group</td>
<td>508</td>
<td>440</td>
<td>523</td>
<td>441</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ecosystem Management Programme</td>
<td>1,321</td>
<td>324</td>
<td>1,418</td>
<td>260</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Forest &amp; Climate Change Programme</td>
<td>2,597</td>
<td>321</td>
<td>2,908</td>
<td>382</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marine &amp; Polar Programme</td>
<td>1,783</td>
<td>424</td>
<td>1,521</td>
<td>445</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water &amp; Food Security Programme</td>
<td>1,049</td>
<td>298</td>
<td>1,114</td>
<td>356</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business &amp; Biodiversity Programme</td>
<td>1,185</td>
<td>338</td>
<td>1,344</td>
<td>401</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Governance and Rights Programme</td>
<td>1,134</td>
<td>532</td>
<td>1,585</td>
<td>818</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sub Total Nature-based Solutions Group</strong></td>
<td><strong>9,577</strong></td>
<td><strong>2,677</strong></td>
<td><strong>10,411</strong></td>
<td><strong>3,103</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Director's Office, Programme &amp; Policy Group</td>
<td>414</td>
<td>455</td>
<td>427</td>
<td>480</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic Knowledge</td>
<td>504</td>
<td>291</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Science and Knowledge Unit</td>
<td>894</td>
<td>762</td>
<td>842</td>
<td>795</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Global Policy Unit</td>
<td>641</td>
<td>600</td>
<td>609</td>
<td>574</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environmental Law Programme</td>
<td>1,100</td>
<td>413</td>
<td>1,153</td>
<td>504</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GEF Coordination Unit</td>
<td>681</td>
<td>607</td>
<td>669</td>
<td>684</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sub Total PPG - Programme &amp; Policy Group</strong></td>
<td><strong>4,234</strong></td>
<td><strong>3,128</strong></td>
<td><strong>3,700</strong></td>
<td><strong>3,037</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commission on Education and Communication</td>
<td>124</td>
<td>209</td>
<td>229</td>
<td>232</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commission on Ecosystem Management</td>
<td>179</td>
<td>209</td>
<td>244</td>
<td>232</td>
<td></td>
<td></td>
</tr>
<tr>
<td>World Commission on Environmental Law</td>
<td>138</td>
<td>220</td>
<td>175</td>
<td>244</td>
<td></td>
<td></td>
</tr>
<tr>
<td>World Commission on Protected Areas</td>
<td>184</td>
<td>218</td>
<td>231</td>
<td>242</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Species Survival Commission</td>
<td>246</td>
<td>235</td>
<td>277</td>
<td>251</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commission on Environment, Economics and Social Policy</td>
<td>175</td>
<td>229</td>
<td>224</td>
<td>232</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sub Total Commissions</strong></td>
<td><strong>1,046</strong></td>
<td><strong>1,300</strong></td>
<td><strong>1,378</strong></td>
<td><strong>1,443</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Director's office, Union Development Group</td>
<td>851</td>
<td>-</td>
<td>1,638</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Governance</td>
<td>636</td>
<td>-</td>
<td>652</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sub Total Union Development</strong></td>
<td><strong>1,487</strong></td>
<td><strong>2,291</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Directorate</td>
<td>1,471</td>
<td>145</td>
<td>1,558</td>
<td>159</td>
<td></td>
<td></td>
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<tr>
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<td>539</td>
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<td>Information Systems Group</td>
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<td>-</td>
<td>4,249</td>
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<td><strong>Sub Total Corporate Support Units</strong></td>
<td><strong>15,343</strong></td>
<td><strong>740</strong></td>
<td><strong>15,471</strong></td>
<td><strong>981</strong></td>
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<tr>
<td><strong>OVERALL TOTAL</strong></td>
<td><strong>65,466</strong></td>
<td><strong>14,538</strong></td>
<td><strong>68,015</strong></td>
<td><strong>15,811</strong></td>
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<td><strong>Non-operating expenditure</strong></td>
<td><strong>23</strong></td>
<td>-</td>
<td><strong>42</strong></td>
<td></td>
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<td><strong>Operating expenses as per the Income &amp; Expenditure Statement</strong></td>
<td><strong>65,489</strong></td>
<td><strong>14,538</strong></td>
<td><strong>68,057</strong></td>
<td><strong>15,811</strong></td>
<td></td>
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**Reconciliation of Framework Income to the Financial Statements**

<table>
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<tr>
<th>Description</th>
<th>2017</th>
<th>2016</th>
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<tr>
<td>Overall Total allocations as above</td>
<td>14,538</td>
<td>15,811</td>
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<tr>
<td>Realised foreign exchange on cash contributions</td>
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<td>Surplus/(Deficit) at year-end transferred to unrestricted reserve</td>
<td>(1,960)</td>
<td>(1,941)</td>
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<td><strong>Total Funding Framework Agreements</strong></td>
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<td>13,877</td>
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### Framework Agreement Partners

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<thead>
<tr>
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<th>2017</th>
<th>2016</th>
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<tr>
<td>Ministry of Foreign Affairs (DANIDA) - Denmark</td>
<td>-</td>
<td>3,527</td>
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<td>Agence Française de Développement (AFD), Ministry for Europe and Foreign Affairs (MEAE), Ministry of Ecological and Inclusive Transition (MTES), Ministry of Agriculture and Food (MAA); Ministry of Overseas Territories (MOM) – France</td>
<td>481</td>
<td>924</td>
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<td>MAVA Fondation pour la Nature – Switzerland</td>
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<td>1,000</td>
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<td>Ministry of Environment, Republic of Korea (MOE) – Korea</td>
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<td>600</td>
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<td>Ministry of Foreign Affairs – Finland</td>
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<td>375</td>
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<tr>
<td>Norwegian Agency for Development Cooperation (NORAD) – Norway</td>
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<td>2,507</td>
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<td>Swedish International Development Agency (Sida) – Sweden</td>
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<td>Swiss Agency for Development and Cooperation (SDC) – Switzerland</td>
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<td>U.S. Department of State</td>
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<tr>
<td><strong>Total Funding Framework Agreements</strong></td>
<td><strong>12,578</strong></td>
<td><strong>13,877</strong></td>
</tr>
</tbody>
</table>

Framework income allocations are made on the basis of budgeted income at the start of the year. The difference between allocations made and actual income received is taken to unrestricted reserves. This is compensated by balances on other funding sources to arrive at the overall result for the year.
IUCN, International Union for Conservation of Nature and Natural Resources
Gland

Report of the statutory auditor to the Council on the consolidated financial statements 2018
Report of the statutory auditor
to the Council of IUCN, International Union for Conservation of Nature and Natural Resources
Gland

Report on the audit of the consolidated financial statements

Opinion
We have audited the consolidated financial statements of IUCN, International Union for Conservation of Nature and Natural Resources, which comprise the consolidated balance sheet as at 31 December 2018, consolidated income and expenditure statement, consolidated funds and reserve statement, consolidated cash flow statement and notes for the year then ended, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements as at 31 December 2018 comply with Swiss law, IUCN Statutes, as well as with the consolidation and valuation principles described in the notes.

Basis for opinion
We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISAs) and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the “Auditor’s responsibilities for the audit of the consolidated financial statements” section of our report.

We are independent of the Group 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 in the annual report
The Management is responsible for the other information in the annual report. The other information comprises all information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of IUCN, International Union for Conservation of Nature and Natural Resources and our auditor’s reports thereon.

Our opinion on the consolidated financial statements does not cover the other information in the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information in the annual report and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.
Responsibilities of the Management for the consolidated financial statements

The Management is responsible for the preparation of the consolidated financial statements in accordance with the provisions of Swiss law, and for such internal control as the Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Management is responsible for assessing the Group'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 Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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, ISAs and Swiss Auditing Standards 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 consolidated financial statements.

As part of an audit in accordance with Swiss law, ISAs and Swiss Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the 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 Group’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 consolidated 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 Group to cease to continue as a going concern.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Management or its relevant committee 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.
Report on other legal and regulatory requirements

In accordance with article 818 paragraph 1 CO in connection with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of consolidated financial statements according to the instructions of the Management.

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

PricewaterhouseCoopers SA

Yves Cerutti
Audit expert
Auditor in charge

Marcello Stimato
Audit expert

Geneva, 3 June 2019

Enclosure:

- Consolidated financial statements (consolidated balance sheet, consolidated income and expenditure statement, consolidated funds and reserve statement, consolidated cash flow statement and notes)
- Annex A –Core Funds under Framework Agreements
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Consolidated Balance Sheet as of 31 December 2018

Consolidated Income and Expenditure Statement for the Year ended 31 December 2018

Consolidated Cash Flow Statement for the Year Ended 31 December 2018

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<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
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<td>ORGANISATION AND ACTIVITY</td>
<td>6</td>
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<td>II.</td>
<td>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DEFINITIONS</td>
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<td>III.</td>
<td>CASH AND SHORT TERM BANK DEPOSITS</td>
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<td>FINANCIAL ASSETS</td>
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<td>V.</td>
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<td>STAFF RECEIVABLES</td>
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<td>RECEIVABLES FROM PARTNER ORGANISATIONS</td>
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<td>ADVANCES TO IMPLEMENTING PARTNERS</td>
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<td>PROJECT AGREEMENTS RECEIVABLES AND ADVANCES</td>
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<td>INTANGIBLE ASSETS</td>
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<td>ACCOUNTS PAYABLE AND ACCRUED LIABILITIES</td>
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<td>XIV.</td>
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<td>PROVISIONS</td>
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<td>DEFERRED INCOME</td>
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<td>NEW BUILDING LOAN</td>
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<td>FUNDS AND UNRESTRICTED RESERVES</td>
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<td>RETENTION OF STAFF INCOME TAX</td>
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<td>AUDIT FEE</td>
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<td>RELATED PARTIES</td>
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<td>STAFF HEADCOUNT</td>
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<td>OPERATING LEASES</td>
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<td>XXVIII.</td>
<td>BANK GUARANTEES</td>
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<td>ANNEX A</td>
<td>CORE FUNDS UNDER FRAMEWORK AGREEMENTS</td>
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## IUCN – International Union for Conservation of Nature and Natural Resources

### CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2018

Report Currency: CHF (‘000)

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<td>Advances to implementing partners and grantees</td>
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<td>Fixed assets (net)</td>
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<td><strong>TOTAL ASSETS</strong></td>
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<tbody>
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<td><strong>LIABILITIES AND FUND BALANCES</strong></td>
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<td>Accounts payable and accrued liabilities</td>
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<td>Advances from hosted organisations</td>
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<td><strong>Funds and Unrestricted Reserves</strong></td>
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<td><strong>TOTAL LIABILITIES AND FUND BALANCES</strong></td>
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</table>
## IUCN – International Union for Conservation of Nature and Natural Resources

### Consolidated Income and Expenditure Statement for the Year Ended 31 December 2018

Report Currency: CHF (‘000)

<table>
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<tr>
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<th>Secretariat Unrestricted</th>
<th>Project Agreements</th>
<th>Total</th>
<th>Secretariat Unrestricted</th>
<th>Project Agreements</th>
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<td>Membership dues</td>
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<td>11,229</td>
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<td>12,578</td>
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<td></td>
</tr>
<tr>
<td>Cross charges from projects</td>
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<td>36,042</td>
<td>(36,042)</td>
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<td>36,042</td>
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<tr>
<td>Other internal allocations</td>
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<td>(78)</td>
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<td>961</td>
<td>(961)</td>
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<td>961</td>
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<tr>
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<td>(37,363)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Operating Expenditure</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff costs</td>
<td></td>
<td>53,187</td>
<td>6,736</td>
<td>59,923</td>
<td>52,077</td>
<td>6,576</td>
<td>58,653</td>
</tr>
<tr>
<td>Consultants</td>
<td></td>
<td>1,687</td>
<td>16,586</td>
<td>18,273</td>
<td>1,579</td>
<td>18,992</td>
<td>20,571</td>
</tr>
<tr>
<td>Grants to partners</td>
<td></td>
<td>484</td>
<td>3,271</td>
<td>3,755</td>
<td>481</td>
<td>4,920</td>
<td>5,401</td>
</tr>
<tr>
<td>Travel</td>
<td></td>
<td>2,860</td>
<td>12,201</td>
<td>15,061</td>
<td>2,365</td>
<td>12,085</td>
<td>14,450</td>
</tr>
<tr>
<td>Workshops and conferences</td>
<td></td>
<td>269</td>
<td>2,099</td>
<td>2,368</td>
<td>290</td>
<td>1,897</td>
<td>2,187</td>
</tr>
<tr>
<td>Publications and printing costs</td>
<td>249</td>
<td>2,791</td>
<td>3,040</td>
<td>299</td>
<td>2,303</td>
<td>637</td>
<td>2,940</td>
</tr>
<tr>
<td>Office and general administrative costs</td>
<td>3,923</td>
<td>3,850</td>
<td>7,773</td>
<td>3,894</td>
<td>4,835</td>
<td>8,629</td>
<td>8,629</td>
</tr>
<tr>
<td>Vehicles &amp; equipment - costs &amp; maintenance</td>
<td>909</td>
<td>9,170</td>
<td>10,079</td>
<td>955</td>
<td>6,911</td>
<td>7,866</td>
<td>7,866</td>
</tr>
<tr>
<td>Professional fees or costs</td>
<td></td>
<td>593</td>
<td>955</td>
<td>1,548</td>
<td>590</td>
<td>637</td>
<td>1,227</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>2,459</td>
<td>6</td>
<td>2,465</td>
<td>2,959</td>
<td>8</td>
<td>2,967</td>
<td>2,967</td>
</tr>
<tr>
<td><strong>Total Operating Expenditure</strong></td>
<td></td>
<td>66,620</td>
<td>57,665</td>
<td>124,285</td>
<td>65,489</td>
<td>59,164</td>
<td>124,653</td>
</tr>
<tr>
<td><strong>Net Operating Surplus/(Deficit)</strong></td>
<td></td>
<td>1,094</td>
<td>(368)</td>
<td>726</td>
<td>1,934</td>
<td>(1,126)</td>
<td>808</td>
</tr>
<tr>
<td><strong>Other Income - Expenditure</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>XVIII</td>
<td>515</td>
<td>8</td>
<td>523</td>
<td>501</td>
<td>6</td>
<td>507</td>
</tr>
<tr>
<td>Financial charges</td>
<td>XVIII</td>
<td>(542)</td>
<td>(157)</td>
<td>(699)</td>
<td>(538)</td>
<td>(186)</td>
<td>(724)</td>
</tr>
<tr>
<td>Capital gains (losses)</td>
<td>IV</td>
<td>(408)</td>
<td>-</td>
<td>(408)</td>
<td>274</td>
<td>-</td>
<td>274</td>
</tr>
<tr>
<td>Net gains/(losses) on foreign exchange</td>
<td>(504)</td>
<td>(552)</td>
<td>(1,056)</td>
<td>292</td>
<td>718</td>
<td>1,010</td>
<td></td>
</tr>
<tr>
<td>Exchange differences on revaluation of project balances</td>
<td>XXIII</td>
<td>-</td>
<td>(106)</td>
<td>(106)</td>
<td>-</td>
<td>573</td>
<td>573</td>
</tr>
<tr>
<td>Net movements in provision and write-offs</td>
<td>(1,186)</td>
<td>1,175</td>
<td>(11)</td>
<td>(1,331)</td>
<td>15</td>
<td>(1,316)</td>
<td></td>
</tr>
<tr>
<td><strong>Total Other Income - Expenditure</strong></td>
<td></td>
<td>(2,125)</td>
<td>368</td>
<td>(1,757)</td>
<td>(802)</td>
<td>1,126</td>
<td>324</td>
</tr>
<tr>
<td><strong>Net Surplus/(Deficit) For The Year</strong></td>
<td></td>
<td>(1,031)</td>
<td>-</td>
<td>(1,031)</td>
<td>1,132</td>
<td>-</td>
<td>1,132</td>
</tr>
</tbody>
</table>
### Consolidated Funds and Reserve Statement for the Year ended 31 December 2018

**Report Currency: CHF (’000)**

<table>
<thead>
<tr>
<th>Designated Reserves</th>
<th>Unrestricted Reserves</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reserve for Statutory Meetings</strong></td>
<td><strong>Other Designated Reserves</strong></td>
<td><strong>Renovation Fund</strong></td>
</tr>
<tr>
<td>Balance as at 1 January 2017</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net surplus/(deficit) for the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Foreign exchange adjustment</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Allocation to renovation fund</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Allocation to other designated reserves</td>
<td>-</td>
<td>671</td>
</tr>
<tr>
<td>Allocation to reserve for statutory meetings</td>
<td>489</td>
<td>-</td>
</tr>
<tr>
<td><strong>Balance as at 31 December 2017</strong></td>
<td><strong>489</strong></td>
<td><strong>671</strong></td>
</tr>
<tr>
<td>Balance as at 1 January 2018</td>
<td>489</td>
<td>671</td>
</tr>
<tr>
<td>Net surplus/(deficit) for the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Foreign exchange adjustment</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Allocation to renovation fund</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Allocation to other designated reserves</td>
<td>-</td>
<td>269</td>
</tr>
<tr>
<td>Allocation to reserve for statutory meetings</td>
<td>343</td>
<td>-</td>
</tr>
<tr>
<td><strong>Balance as at 31 December 2018</strong></td>
<td><strong>832</strong></td>
<td><strong>940</strong></td>
</tr>
</tbody>
</table>
## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

*Report Currency: CHF ('000)*

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flow from operations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surplus/(deficit) from operations</td>
<td>(1,031)</td>
<td>1,132</td>
</tr>
<tr>
<td>Effect of exchange rate</td>
<td>XIX (575)</td>
<td>30</td>
</tr>
<tr>
<td><strong>Net balance from operations</strong></td>
<td>(1,606)</td>
<td>1,162</td>
</tr>
<tr>
<td>Depreciation of fixed assets</td>
<td>XI 2,139</td>
<td>2,329</td>
</tr>
<tr>
<td>Amortisation and write-down of intangible assets</td>
<td>XII 354</td>
<td>636</td>
</tr>
<tr>
<td>Increase / (decrease) in provisions for projects in deficit</td>
<td>XVI (243)</td>
<td>676</td>
</tr>
<tr>
<td>Increase / (decrease) in staff leave and repatriation liabilities</td>
<td>(160)</td>
<td>93</td>
</tr>
<tr>
<td>Increase / (decrease) in the provision for staff termination</td>
<td>XVI 150</td>
<td>126</td>
</tr>
<tr>
<td>Increase / (decrease) in other provisions</td>
<td>- (39)</td>
<td></td>
</tr>
<tr>
<td>(Increase) / decrease in membership dues receivables (net)</td>
<td>V (326)</td>
<td>(54)</td>
</tr>
<tr>
<td>(Increase) / decrease in staff receivables</td>
<td>VI 59</td>
<td>196</td>
</tr>
<tr>
<td>(Increase) / decrease in receivables from partner organisations</td>
<td>VII 137</td>
<td>(198)</td>
</tr>
<tr>
<td>(Increase) / decrease in advances to implementing partners</td>
<td>VIII (1,953)</td>
<td>(4,790)</td>
</tr>
<tr>
<td>(Increase) / decrease in prepayments</td>
<td>(140)</td>
<td>(264)</td>
</tr>
<tr>
<td>(Increase) / decrease in donor funds receivable</td>
<td>(989)</td>
<td>(525)</td>
</tr>
<tr>
<td>(Increase) / decrease in project agreement receivables</td>
<td>IX (613)</td>
<td>2,227</td>
</tr>
<tr>
<td>(Increase) / decrease in framework agreements receivable</td>
<td>X (202)</td>
<td>(510)</td>
</tr>
<tr>
<td>(Increase) / decrease in other accounts receivable</td>
<td>(383)</td>
<td>(256)</td>
</tr>
<tr>
<td>Increase / (decrease) in membership dues paid in advance</td>
<td>125</td>
<td>(568)</td>
</tr>
<tr>
<td>Increase / (decrease) in accounts payable and accrued liabilities</td>
<td>XIII (66)</td>
<td>6,314</td>
</tr>
<tr>
<td>Increase / (decrease) in social charges payable</td>
<td>(285)</td>
<td>(254)</td>
</tr>
<tr>
<td>Increase / (decrease) in project agreement advances</td>
<td>IX 4,484</td>
<td>7,706</td>
</tr>
<tr>
<td>Increase / (decrease) in miscellaneous current liabilities</td>
<td>(34)</td>
<td>409</td>
</tr>
<tr>
<td>Increase / (decrease) in hosted organisations advances</td>
<td>XV (15)</td>
<td>(80)</td>
</tr>
<tr>
<td>(Gain)/loss on disposal of fixed assets</td>
<td>XI 33</td>
<td>25</td>
</tr>
<tr>
<td><strong>Total cash flow from operations</strong></td>
<td>466</td>
<td>14,361</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flow from investing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of fixed assets</td>
<td>XI (634)</td>
<td>(845)</td>
</tr>
<tr>
<td>Net movement in financial assets</td>
<td>IV 334</td>
<td>(2,477)</td>
</tr>
<tr>
<td>Purchase of intangible assets</td>
<td>XII (112)</td>
<td>(30)</td>
</tr>
<tr>
<td><strong>Total cash flow from investing activities</strong></td>
<td>(412)</td>
<td>(3,352)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flow from financing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase / (decrease) in loan</td>
<td>XVIII (174)</td>
<td>(171)</td>
</tr>
<tr>
<td>Increase / (decrease) in current deferred income</td>
<td>XVII (483)</td>
<td>1,045</td>
</tr>
<tr>
<td>Increase / (decrease) in long-term deferred income</td>
<td>XVII (676)</td>
<td>(725)</td>
</tr>
<tr>
<td><strong>Total cash flow from financing activities</strong></td>
<td>(1,333)</td>
<td>149</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net cash inflow for the year</strong></td>
<td>(1,279)</td>
<td>11,158</td>
</tr>
<tr>
<td><strong>Cash and short term deposits at the beginning of the year</strong></td>
<td>III 48,935</td>
<td>37,777</td>
</tr>
<tr>
<td><strong>Cash and short term deposits at the end of the year</strong></td>
<td>III 47,656</td>
<td>48,935</td>
</tr>
</tbody>
</table>
I. ORGANISATION AND ACTIVITY

IUCN, International Union for Conservation of Nature and Natural Resources is a membership organisation constituted by statutes adopted in 1948 at a conference convened by the Republic of France. The membership is comprised of states, governmental agencies, international and national non-governmental organizations, and indigenous peoples organisations. IUCN is registered in Gland, Switzerland as an association under article 60 of the Swiss Civil Code and is solely responsible, to the exclusion of its members, for all its transactions and commitments.

The highest governing body of IUCN is the World Conservation Congress which is composed of the membership of IUCN. The World Conservation Congress elects the Council which has authority to govern IUCN between meetings.

In 1986, IUCN concluded a fiscal agreement with the Swiss government which granted IUCN exemption from all Swiss taxes. IUCN has been granted observer status at the United Nations.

The mission of IUCN is to influence, encourage and assist societies throughout the world to conserve the integrity and diversity of nature and to ensure that any use of natural resources is equitable and ecologically sustainable.

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DEFINITIONS

All amounts are expressed in thousands of Swiss francs (CHF) unless otherwise indicated.

1. Accounting convention

The financial statements are prepared under the historical cost convention except for certain financial assets and loans that are measured at revalued amount or at fair value. The financial statements are prepared in accordance with the provisions of the Swiss Code of Obligations.

2. Basis of consolidation

The consolidated financial statements include all offices of IUCN and those entities over which IUCN has the power to govern the financial and operating policies so as to obtain benefits from their activities.

Branches:

- Asia Region
  - Asia Regional Office (Thailand)
  - Bangladesh Country Office
  - Cambodia Country Office
  - China Country Office
  - India Country Office
  - Indonesia Project Office
  - Lao PDR Country Office
  - Maldives Project Office
  - Myanmar Project Office
  - Nepal Country Office
  - Pakistan Country Office
  - Sri Lanka Country Office
  - Thailand Country Office
  - Vietnam Country Office
• Eastern and Southern Africa Region
  • Eastern and Southern Africa Regional Office (Kenya)
  • Mozambique Country Office
  • Rwanda Project Office
  • South Africa Country Office
  • Tanzania Country Office
  • Uganda Country Office
  • Zimbabwe Country Office

• Eastern Europe and Central Asia Regional Office (Serbia)
• Environmental Law Centre (Germany)
• Mediterranean Office (Spain)
• Oceania Regional Office (Fiji)
• Mexico, Central America and the Caribbean Region
  • Mexico, Central America and the Caribbean Regional Office (Costa Rica)
  • El Salvador Project Office
  • Guatemala Project Office
  • Honduras Project Office
  • Mexico Project Office

• South America Region
  • South America Regional Office (Ecuador)
  • Brazil Country Office

• UK Species Programme (United Kingdom)
• Western and Central Africa Region
  • Western and Central Africa Regional Office (Burkina Faso)
  • Burkina Faso Country Office
  • Cameroon Country Office
  • Democratic Republic of Congo Country Office
  • Ghana Project Office
  • Guinea Bissau Country Office
  • Mali Country Office
  • Mauritania Country Office
  • Niger Project Office
  • Senegal Country Office

• West Asia Regional Office (Jordan)
• Washington, DC Office

Other entities:
• The International Union for the Conservation of Nature and Natural Resources, Registered Trustees (WASAA Trust Fund, Nairobi)
• UICN, Bureau de Représentation auprès de l’Union Européenne aisbl
• Associação UICN
• IUCN UK (A Company Limited by Guarantee)
• IUCN Maldives
• IUCN PNG Mangrove Rehabilitation and Management Project Association
3. Currency of accounts
   a) Reporting currency
      In accordance with IUCN’s Regulations, the reporting currency for the consolidated financial
      statements is Swiss francs (CHF).
   b) Functional currency
      A separate set of accounts is maintained for each country where IUCN has a presence. The
      functional currency for each country is the national currency of the country with the exception of
      Fiji (USD), Costa Rica (USD) and Serbia (EUR) where the currency chosen better reflects the
      economic environment in which the office operates.

4. Foreign exchange
   The following accounting policies are applied when converting transactions and balances to the reporting
   currency:
      • Transactions denominated in currencies other than the office ledger currency are converted to
        the ledger currency and recorded on the basis of the exchange rate prevailing at the date of the
        transaction. At the end of the year all balances maintained in transaction currencies are translated
        to the currency of the office ledger at the year-end rate. The gains and losses incurred are
        recognised in the income statement of each office ledger.
      • Except for fixed assets which are stated at historical values, non-Swiss franc balances in the
        consolidated balance sheet are translated to CHF at the year-end exchange rate and the resulting
        net unrealised gain or loss included in the balance sheet as a currency translation adjustment
        reserve.
      • Project balances are expressed in the currency of the underlying donor contract. At the end of the
        year, project balances are translated to the currency of the office ledger in which they reside at
        the year-end rate. The gains and losses incurred are recognised in the income statement of each
        office ledger. Project balances are further revalued from the ledger currency to CHF at the year-
        end exchange rate. The resulting net unrealised gain or loss is recognized in the currency
        translation adjustment reserve.
      • If, as a result of the application of the above translation policies, a net deficit would occur on the
        currency translation adjustment reserve the deficit would be recognized in the income and
        expenditure statement.

5. Income
   Income comprises membership dues from members, contributions from donors, investment income,
   Swiss government tax rebates, rental of office space, and sundry income from the sale of other goods and
   services.
   a) Membership dues
      Membership dues are fixed by the World Conservation Congress, the supreme governing body of
      IUCN, and are recognised as unrestricted income in the year they fall due.
   b) Voluntary donations
      Voluntary donations comprise framework agreements with donors for the core activities of IUCN
      and project agreements for project activities.
Framework agreements income
Framework agreements are normally for periods of more than one year and may be subject to general restrictions in their use in terms of geography or thematic area.

Framework agreements income is recognized in the income statement as unrestricted income once the agreement has been signed and in accordance with the amounts specified in the agreement for each calendar year. Framework agreements income received in advance of the period to which it relates is recorded as deferred unrestricted income.

Staff in-kind contributions
In-kind contributions of staff are recognised at fair value over the period of the employment contract as both income and expenditure in the Consolidated Income and Expenditure Statement. The fair value of in-kind staff is taken as the average cost that would be incurred by IUCN, if it were to directly employ a person in a similar position.

Project agreements income
Project agreements income is restricted for specific project activities detailed in project agreements and subject to specific conditions imposed by the donor. Income is recognised as expenditure is incurred. At year end, the balance of projects are recorded as “Project agreement receivables” (current assets) where expenditure incurred on projects exceeded amounts advanced by donors, and under “Project agreement advances” (current liabilities) where advances from donors exceeded expenditure incurred.

c) Retention of staff income tax
Non-Swiss staff resident in Switzerland are exempt from paying taxes on their IUCN earnings on the basis of a fiscal agreement between IUCN and the Swiss Government, which entered into effect on 1st January 1987. In order to ensure equitable treatment of both Swiss and non-Swiss staff at Headquarters, an internal tax is levied on non-Swiss staff resident in Switzerland. This is shown as Retention of staff income tax in the Consolidated Income and Expenditure Statement and is classified as unrestricted income.

6. Expenditure
All unrestricted expenditure and project expenditure is accounted for on an accruals basis.

7. Cross charges from projects
Cross charges from projects represent transfers between Project agreements and Secretariat unrestricted funds and comprise staff time charged to projects and indirect costs funded from projects.

Staff time charges
IUCN staff costs are recorded as unrestricted costs. Staff working on projects charge their time spent on projects through a time recording system. Project agreements are charged the cost of staff time and the Secretariat unrestricted fund receives the income.

Indirect cost recoveries
Indirect costs are recorded as unrestricted costs. Indirect costs funded from project agreements are cross charged to projects and the Secretariat unrestricted fund receives the income.
8. Financial assets

Financial assets are recorded at fair value except for bonds, which are recorded at their acquisition cost, less impairment, plus accrued interest as the intention is to hold them to maturity.

Gains or losses arising from changes in fair values of financial assets, with the exception of bonds, are recognized in the income statement in the year that they occur as are foreign exchange gains or losses resulting from the revaluation of financial assets denominated in currencies other than the CHF. Gains related to Bonds are recognized in the income statements when they are disposed of and are accounted under financial income.

9. Fixed assets
   a) Purchased assets

   Purchased fixed assets are capitalised when the purchase price is one thousand CHF or above, or the equivalent in other currencies, and when ownership resides with IUCN.

   b) In-kind assets

   In-kind contributions of fixed assets are capitalised at fair value and the donations recorded as deferred income which is then recognised in the income statement over the estimated useful life of the assets in line with the depreciation charges.

   c) Depreciation

   Fixed assets are depreciated over their estimated useful lives on the following basis:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer hardware</td>
<td>3 - 5 years</td>
</tr>
<tr>
<td>Vehicles</td>
<td>4 - 7 years</td>
</tr>
<tr>
<td>Office furniture and equipment</td>
<td>4 - 7 years</td>
</tr>
<tr>
<td>Building renovations</td>
<td>10 - 20 years</td>
</tr>
<tr>
<td>Building installations</td>
<td>20 years</td>
</tr>
<tr>
<td>Building infrastructures</td>
<td>50 years</td>
</tr>
</tbody>
</table>

   d) Donations for the purchase of fixed assets

   Cash donations received for the purchase of fixed assets are recorded as deferred income and recognised in the income statement over the estimated useful life of the corresponding asset in line with the depreciation charge.

10. Intangible assets

Purchased computer software is capitalized on the basis of the costs incurred to acquire the software and bring it to its point of use.

Software is depreciated over its estimated useful life on a straight line basis over 5 to 7 years.

The cost of developing in-house software is expensed in the year that the costs are incurred.


   a) Provision for membership dues receivable

   A general provision for outstanding membership dues is made to recognize the probability that not all dues will be received. The increase or decrease in the total provision is recognized in the income and expenditure statement. Provision for membership dues in arrears is calculated on the following basis, based on the outstanding balance at the close of the year.
Membership dues outstanding for:

<table>
<thead>
<tr>
<th>Duration</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Three years or more</td>
<td>100%</td>
</tr>
<tr>
<td>Two years</td>
<td>67%</td>
</tr>
<tr>
<td>One year</td>
<td>33%</td>
</tr>
</tbody>
</table>

The provision against the arrears of some state members and state agencies is calculated on an individual basis after a review of their own special situations.

Full provision is made against the dues owed by Members whose rights have been rescinded by the IUCN World Conservation Congress or vote of the membership.

b) Provision for projects in deficit

A provision for projects in deficit is made in respect of those projects where expenditure has exceeded income and where the receipt of future additional funds to cover the excess expenditure is uncertain.

c) Staff terminations

Provision is made for the estimated cost of known redundancies. A redundancy is considered to be known when a management decision has been taken and communicated to the staff concerned.

Additional provision is made when there is a local legal obligation.

d) Staff leave and repatriation

Provision is made for holiday entitlement which has not been used by staff at the year-end. The balance at the year-end also includes the estimated cost of repatriation of international staff.

12. Loans at below market rate of interest

Loans are initially measured at fair value. The benefit of the below-market rate of interest is measured as the difference between the initial carrying value of the loan and the proceeds received. The benefit is recorded as deferred income and recognised over the period of the loan. The market rate of interest is reviewed annually and the carrying value adjusted for significant movements in the market rate.

An amount equivalent to the interest that would have been incurred had the loan been acquired at a market rate is recognised as both an income and an expense in the income and expenditure statement on an annual basis.

13. Hosted organisations

IUCN hosts certain organisations. A hosted organisation has no legal status in the country of operation and therefore operates under the legal umbrella of IUCN. A hosted organisation is operationally autonomous and is accountable to its own management and governance structures and not to IUCN.

Income received and expenditure incurred on behalf of a hosted organisation is accounted for in separate project accounts and excluded from consolidation. Funds held by IUCN on behalf of hosted organisations are recorded on the balance sheet as hosted organisation advances.
14. Reserves

IUCN maintains the following reserves:

a) Unrestricted reserves

IUCN Fund

The IUCN Fund is maintained in order to preserve IUCN’s capital base. The use of the fund is governed by the IUCN Council and is maintained as a reserve of last resort.

Currency translation reserves

The Currency translation reserve represents changes in the value of the net assets of IUCN at the consolidation level as a result of movements of functional currencies against the Swiss franc.

Retained surpluses

The Retained surpluses represent other unrestricted reserves.

b) Designated reserves

Designated reserves represent funds set aside from unrestricted reserves to cover the cost of future events or activities. The designation may be reversed at any time by the IUCN Council.

Reserve for statutory meetings

The Reserve for statutory meetings represents amounts allocated from unrestricted funds to cover costs of future meetings of the World Conservation Congress and related preparatory meetings.

Renovation fund

The Renovation fund represents funds allocated from unrestricted funds for future renovations of the Headquarters building.

Other Designated reserves

Other Designated reserves represent amounts allocated from unrestricted funds to cover the cost of other future costs or activities.

III. CASH AND SHORT TERM BANK DEPOSITS

Cash and short-term bank deposits include all bank accounts and short-term deposit accounts operated by IUCN worldwide. The analysis by region or office is shown below.

<table>
<thead>
<tr>
<th>REGION OR OFFICE</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia</td>
<td>2,022</td>
<td>2,294</td>
</tr>
<tr>
<td>Eastern and Southern Africa</td>
<td>1,677</td>
<td>2,633</td>
</tr>
<tr>
<td>Eastern Europe and Central Asia</td>
<td>226</td>
<td>341</td>
</tr>
<tr>
<td>Europe</td>
<td>1,804</td>
<td>1,495</td>
</tr>
<tr>
<td>Environmental Law Centre, Bonn</td>
<td>470</td>
<td>378</td>
</tr>
<tr>
<td>Headquarters</td>
<td>34,864</td>
<td>32,722</td>
</tr>
<tr>
<td>Mediterranean</td>
<td>760</td>
<td>388</td>
</tr>
<tr>
<td>Mexico, Central America and the Caribbean</td>
<td>1,396</td>
<td>2,210</td>
</tr>
<tr>
<td>Oceania</td>
<td>(17)</td>
<td>327</td>
</tr>
<tr>
<td>South America</td>
<td>147</td>
<td>272</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>440</td>
<td>440</td>
</tr>
<tr>
<td>United States</td>
<td>1,203</td>
<td>1,896</td>
</tr>
<tr>
<td>Western and Central Africa</td>
<td>1,911</td>
<td>3,241</td>
</tr>
<tr>
<td>West Asia</td>
<td>753</td>
<td>298</td>
</tr>
<tr>
<td>Balance at 31 December</td>
<td>47,656</td>
<td>48,935</td>
</tr>
</tbody>
</table>
### IV. FINANCIAL ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds</td>
<td>11,192</td>
<td>10,834</td>
</tr>
<tr>
<td>Microfinance</td>
<td>1,599</td>
<td>2,987</td>
</tr>
<tr>
<td>Equities</td>
<td>1,824</td>
<td>1,183</td>
</tr>
<tr>
<td>Convertibles</td>
<td>790</td>
<td>886</td>
</tr>
<tr>
<td>Other Investments</td>
<td>743</td>
<td>592</td>
</tr>
<tr>
<td><strong>Balance at 31 December</strong></td>
<td><strong>16,148</strong></td>
<td><strong>16,482</strong></td>
</tr>
</tbody>
</table>

At 31 December 2018, an unrealized foreign exchange loss of CHF 29 (2017 – CHF 3 gain) was recognised on the investment portfolio.

During the year, the investment portfolio recorded a capital loss of CHF 408 (2017 - CHF 274 gain).

The Government of Zimbabwe appropriated USD bank accounts of IUCN in 2008. In 2015, treasury bills were issued to IUCN as compensation for the appropriation. The treasury bills have maturity dates to 2019. The treasury bills are recorded at estimated fair value of CHF nil and are included under Bonds.

### V. MEMBERSHIP DUES RECEIVABLE AND PROVISION

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross membership dues receivable</td>
<td>3,861</td>
<td>3,885</td>
</tr>
<tr>
<td>Provision for dues in arrears</td>
<td>(1,889)</td>
<td>(2,239)</td>
</tr>
<tr>
<td><strong>Net membership dues receivable at 31 December</strong></td>
<td><strong>1,972</strong></td>
<td><strong>1,646</strong></td>
</tr>
</tbody>
</table>

The provision for membership dues in arrears has been calculated in accordance with the policy described in Note II.11 (a).

#### 2017

<table>
<thead>
<tr>
<th></th>
<th>2015 and prior</th>
<th>2016</th>
<th>2017</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total membership dues receivable</td>
<td>758</td>
<td>964</td>
<td>2,163</td>
<td>3,885</td>
</tr>
<tr>
<td>Provision for membership dues</td>
<td>(758)</td>
<td>(744)</td>
<td>(737)</td>
<td>(2,239)</td>
</tr>
<tr>
<td><strong>Net membership dues receivable</strong></td>
<td>0</td>
<td>220</td>
<td>1,426</td>
<td>1,646</td>
</tr>
</tbody>
</table>

#### 2018

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>State member</td>
<td>406</td>
<td>695</td>
<td>1,811</td>
<td>2,912</td>
</tr>
<tr>
<td>Government agencies</td>
<td>140</td>
<td>205</td>
<td>321</td>
<td>666</td>
</tr>
<tr>
<td>Indigenous peoples</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>International NGOs</td>
<td>1</td>
<td>4</td>
<td>18</td>
<td>23</td>
</tr>
<tr>
<td>National NGOs</td>
<td>41</td>
<td>57</td>
<td>104</td>
<td>202</td>
</tr>
<tr>
<td>Affiliates</td>
<td>10</td>
<td>27</td>
<td>19</td>
<td>56</td>
</tr>
<tr>
<td><strong>Total membership dues receivable</strong></td>
<td><strong>598</strong></td>
<td><strong>989</strong></td>
<td><strong>2,274</strong></td>
<td><strong>3,861</strong></td>
</tr>
<tr>
<td>Provision for membership dues</td>
<td>(419)</td>
<td>(573)</td>
<td>(897)</td>
<td>(1,889)</td>
</tr>
<tr>
<td><strong>Net membership dues receivable</strong></td>
<td><strong>179</strong></td>
<td><strong>416</strong></td>
<td><strong>1,377</strong></td>
<td><strong>1,972</strong></td>
</tr>
</tbody>
</table>
### Notes to the Consolidated Financial Statements for the Year ended 31 December 2018

All amounts in CHF (’000) unless otherwise stated

---

**Movement in provision for membership dues**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 January</td>
<td>2,239</td>
<td>2,693</td>
</tr>
<tr>
<td>Addition to /(release from) provision</td>
<td>129</td>
<td>(26)</td>
</tr>
<tr>
<td>Write off of deficits against provision</td>
<td>(479)</td>
<td>(428)</td>
</tr>
<tr>
<td><strong>Balance at 31 December</strong></td>
<td><strong>1,889</strong></td>
<td><strong>2,239</strong></td>
</tr>
</tbody>
</table>

---

**VI. STAFF RECEIVABLES**

Staff receivables comprise travel advances, payroll advances and loans to staff outstanding as at 31 December.

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel advances</td>
<td>375</td>
<td>434</td>
</tr>
<tr>
<td>Payroll advances and staff loans</td>
<td>18</td>
<td>19</td>
</tr>
<tr>
<td><strong>Balance at 31 December</strong></td>
<td><strong>393</strong></td>
<td><strong>453</strong></td>
</tr>
</tbody>
</table>

---

**VII. RECEIVABLES FROM PARTNER ORGANISATIONS**

Receivables from partner organisations represent balances due from organisations associated with IUCN that are outstanding as at 31 December.

<table>
<thead>
<tr>
<th>Organisation</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>RAMSAR Convention Secretariat</td>
<td>338</td>
<td>475</td>
</tr>
</tbody>
</table>

---

**VIII. ADVANCES TO IMPLEMENTING PARTNERS**

Advances to implementing partners represent amounts advanced to IUCN partners for the implementation of project agreements that were not spent as at 31 December.

<table>
<thead>
<tr>
<th>Region</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia</td>
<td>156</td>
<td>517</td>
</tr>
<tr>
<td>Eastern and Southern Africa</td>
<td>493</td>
<td>408</td>
</tr>
<tr>
<td>Europe</td>
<td>96</td>
<td>-</td>
</tr>
<tr>
<td>Headquarters</td>
<td>10,124</td>
<td>9,477</td>
</tr>
<tr>
<td>Mediterranean</td>
<td>31</td>
<td>15</td>
</tr>
<tr>
<td>Mexico, Central America and the Caribbean</td>
<td>244</td>
<td>274</td>
</tr>
<tr>
<td>Oceania</td>
<td>155</td>
<td>-</td>
</tr>
<tr>
<td>South America</td>
<td>683</td>
<td>252</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>172</td>
<td>220</td>
</tr>
<tr>
<td>United States</td>
<td>165</td>
<td>22</td>
</tr>
<tr>
<td>West Asia</td>
<td>109</td>
<td>172</td>
</tr>
<tr>
<td>Western and Central Africa</td>
<td>2,037</td>
<td>1,155</td>
</tr>
<tr>
<td><strong>Balance at 31 December</strong></td>
<td><strong>14,465</strong></td>
<td><strong>12,512</strong></td>
</tr>
</tbody>
</table>
IX. PROJECT AGREEMENTS RECEIVABLES AND ADVANCES

Receivables and advances on project agreements represent respectively the total of projects with a negative cash balance and the total of projects with a positive cash balance at year end.

<table>
<thead>
<tr>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project agreement receivables</td>
<td>(14,686)</td>
</tr>
<tr>
<td>Project agreement advances</td>
<td>62,369</td>
</tr>
<tr>
<td><strong>Balance at 31 December</strong></td>
<td><strong>47,683</strong></td>
</tr>
</tbody>
</table>

X. FRAMEWORK AGREEMENTS RECEIVABLES

Framework agreements receivables represent framework agreements income due but not received as at the end of the year. As at 31 December 2018 there was CHF 712 receivable compared to CHF 510 receivable at 31 December 2017.

XI. FIXED ASSETS

1. Movement in fixed assets

<table>
<thead>
<tr>
<th>Purchase value:</th>
<th>Building</th>
<th>Building</th>
<th>Other</th>
<th>Vehicles,</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Infrastructures</td>
<td>Installations</td>
<td>Land and Buildings</td>
<td>Equipment, Furniture &amp; Fixtures</td>
<td></td>
</tr>
<tr>
<td>Balance as at 31 December, 2016</td>
<td>27,178</td>
<td>13,775</td>
<td>5,053</td>
<td>9,856</td>
<td>55,862</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>-</td>
<td>228</td>
<td>617</td>
<td>845</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(1,707)</td>
<td>(1,707)</td>
</tr>
<tr>
<td><strong>Balance as at 31 December, 2017</strong></td>
<td><strong>27,178</strong></td>
<td><strong>13,775</strong></td>
<td><strong>5,281</strong></td>
<td><strong>8,766</strong></td>
<td><strong>55,000</strong></td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>-</td>
<td>53</td>
<td>581</td>
<td>634</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(701)</td>
<td>(701)</td>
</tr>
<tr>
<td><strong>Balance as at 31 December, 2018</strong></td>
<td><strong>27,178</strong></td>
<td><strong>13,775</strong></td>
<td><strong>5,334</strong></td>
<td><strong>8,646</strong></td>
<td><strong>54,933</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Depreciation:</th>
<th>Building</th>
<th>Building</th>
<th>Other</th>
<th>Vehicles,</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as at 31 December, 2016</td>
<td>(9,010)</td>
<td>(6,160)</td>
<td>(1,127)</td>
<td>(7,701)</td>
<td>(23,998)</td>
</tr>
<tr>
<td>Charge for the year 2017</td>
<td>(544)</td>
<td>(575)</td>
<td>(278)</td>
<td>(932)</td>
<td>(2,329)</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,685</td>
<td>1,685</td>
</tr>
<tr>
<td><strong>Balance as at 31 December, 2017</strong></td>
<td><strong>(9,554)</strong></td>
<td><strong>(6,735)</strong></td>
<td><strong>(1,405)</strong></td>
<td><strong>(6,948)</strong></td>
<td><strong>(24,642)</strong></td>
</tr>
<tr>
<td>Charge for the year 2018</td>
<td>(544)</td>
<td>(575)</td>
<td>(302)</td>
<td>(718)</td>
<td>(2,139)</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>665</td>
<td>665</td>
</tr>
<tr>
<td><strong>Balance as at 31 December, 2018</strong></td>
<td><strong>(10,098)</strong></td>
<td><strong>(7,310)</strong></td>
<td><strong>(1,707)</strong></td>
<td><strong>(7,001)</strong></td>
<td><strong>(26,116)</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net book value:</th>
<th>Building</th>
<th>Building</th>
<th>Other</th>
<th>Vehicles,</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as at 31 December 2017</td>
<td>17,624</td>
<td>7,040</td>
<td>3,876</td>
<td>1,818</td>
<td>30,358</td>
</tr>
<tr>
<td>Balance as at 31 December 2018</td>
<td>17,080</td>
<td>6,465</td>
<td>3,627</td>
<td>1,645</td>
<td>28,817</td>
</tr>
</tbody>
</table>

Fixed assets purchased using unrestricted funds are depreciated over their estimated useful lives as per Note II.9.

2. Land

In 1990, the commune of Gland gave IUCN the right to use a plot of land for the purpose of building the IUCN Secretariat Headquarters. The right was granted at no cost for a period of 50 years, i.e. until August 2040. In 2008, the commune of Gland gave IUCN the right of use of an adjacent piece of land to the original plot for a period of 50 years, with the permission to construct an extension to the existing IUCN Headquarters building.
3. IUCN Headquarters building

Included in Building Infrastructures and Building Installations is the Headquarters building of IUCN. This consists of an original building and an extension.

a) Original building

The original building was financed by donations received from the Swiss Confederation, the Canton of Vaud and the Commune of Gland. Although IUCN formally owns the Headquarters building, it enjoys a restricted use and cannot dispose of it or use it as collateral without the approval of the Swiss Government. If disposed of, the Swiss Government has the right to recuperate its initial outlay plus a percentage of the value added, if applicable. The cost of the building is included in fixed assets and the net book value is matched by a corresponding value of deferred income to recognise the restricted nature of the building. The deferred income is released over the estimated useful life of the building in line with the depreciation of the building.

In 2014, the Canton of Vaud provided a grant of CHF 600 towards the renovation of the original building. The grant will be released over the estimated useful life of the building renovation (20 years).

b) Building extension

The building extension was financed by an interest free loan from the Swiss Government of CHF 20,000 payable in 50 equal yearly instalments of CHF 400, the first of which was paid in December 2010. In addition to the loan from the Swiss Government, IUCN received cash donations of CHF 4,692 and in-kind donations of CHF 1,815.

XII. INTANGIBLE ASSETS

The intangible assets consist of an ERP system and portal applications.

<table>
<thead>
<tr>
<th>Movement in Intangible assets</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Purchase value:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at 1 January</td>
<td>4,438</td>
<td>4,408</td>
</tr>
<tr>
<td>Additions</td>
<td>112</td>
<td>30</td>
</tr>
<tr>
<td><strong>Balance at 31 December</strong></td>
<td>4,550</td>
<td>4,438</td>
</tr>
<tr>
<td><strong>Amortisation:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance as of 1 January</td>
<td>(4,069)</td>
<td>(3,433)</td>
</tr>
<tr>
<td>Charge for the year</td>
<td>(354 )</td>
<td>(636 )</td>
</tr>
<tr>
<td><strong>Balance at 31 December</strong></td>
<td>(4,423)</td>
<td>(4,069)</td>
</tr>
<tr>
<td><strong>Net Book Value at 31 December</strong></td>
<td>127</td>
<td>369</td>
</tr>
</tbody>
</table>

XIII. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities represent amounts owed to creditors and suppliers as at the end of the year. Of the total outstanding balance of CHF 13,841 as at 31 December 2018 (2017 – CHF 13,907), CHF 9,472 (2017 - CHF 10,025) is related to Headquarters and the balance to regional and country offices.

<table>
<thead>
<tr>
<th>Accounts payable and supplier accruals</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and supplier accruals</td>
<td>5,301</td>
<td>6,082</td>
</tr>
<tr>
<td>Accruals for implementing partners</td>
<td>8,540</td>
<td>7,825</td>
</tr>
<tr>
<td><strong>Balance at 31 December</strong></td>
<td>13,841</td>
<td>13,907</td>
</tr>
</tbody>
</table>
**XIV. PENSION FUND OBLIGATIONS**

IUCN operates different pension plans in different countries, each conforming to the legal regulations in the respective country. On 31 December 2018, the liability to the pension schemes amounted to CHF nil (2017 CHF nil).

**XV. HOSTED ORGANISATIONS ADVANCES**

Hosted organisation advances represent funds held by IUCN on behalf of hosted organisations.

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 January</td>
<td>511</td>
<td>589</td>
</tr>
<tr>
<td>Income</td>
<td>4,168</td>
<td>3,736</td>
</tr>
<tr>
<td>Expenditure</td>
<td>(4,223)</td>
<td>(3,848)</td>
</tr>
<tr>
<td>Movement on funds held</td>
<td>456</td>
<td>477</td>
</tr>
<tr>
<td>Balance at 31 December</td>
<td>496</td>
<td>511</td>
</tr>
</tbody>
</table>

**XVI. PROVISIONS**

1. **Projects in deficit**

The provision for projects in deficit is funded by unrestricted income and covers projects where negotiations are still ongoing but where IUCN considers that it may not be able to obtain additional funds from donors to cover expenditures already incurred.

**Movement in project deficit provision**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 January</td>
<td>2,171</td>
<td>1,495</td>
</tr>
<tr>
<td>Additions to provision</td>
<td>1,337</td>
<td>1,351</td>
</tr>
<tr>
<td>Utilization of provision</td>
<td>(1,580)</td>
<td>(675)</td>
</tr>
<tr>
<td>Balance at 31 December</td>
<td>1,928</td>
<td>2,171</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Region</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia</td>
<td>323</td>
<td>497</td>
</tr>
<tr>
<td>Eastern and Southern Africa Region</td>
<td>289</td>
<td>302</td>
</tr>
<tr>
<td>Eastern Europe and Central Asia</td>
<td>16</td>
<td>17</td>
</tr>
<tr>
<td>Headquarters</td>
<td>490</td>
<td>457</td>
</tr>
<tr>
<td>Mediterranean</td>
<td>49</td>
<td>79</td>
</tr>
<tr>
<td>Oceania</td>
<td>243</td>
<td>426</td>
</tr>
<tr>
<td>Western and Central Africa</td>
<td>152</td>
<td>106</td>
</tr>
<tr>
<td>West Asia</td>
<td>366</td>
<td>287</td>
</tr>
<tr>
<td><strong>Balance at 31 December</strong></td>
<td>1,928</td>
<td>2,171</td>
</tr>
</tbody>
</table>

Provisions totalling CHF 641k were made by the West Asia Regional Office following a review of closed projects, of which CHF 562 was utilised to write off project balances.

2. **Staff termination**

The provision for staff termination is calculated separately for each office to comply with local labour laws. Irrespective of local labour law, provision is made for the estimated cost of staff termination when a decision has been made to terminate a member of staff and the decision has been communicated to the individual concerned.
IUCN – International Union for Conservation of Nature and Natural Resources
Notes to the Consolidated Financial Statements for the Year ended 31 December 2018
All amounts in CHF ('000) unless otherwise stated

Movement in provision for staff termination

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance at 1 January</strong></td>
<td>1,576</td>
<td>1,450</td>
</tr>
<tr>
<td>Additions to provision</td>
<td>962</td>
<td>913</td>
</tr>
<tr>
<td>Utilization of provision</td>
<td>(812)</td>
<td>(787)</td>
</tr>
<tr>
<td><strong>Balance at 31 December</strong></td>
<td>1,726</td>
<td>1,576</td>
</tr>
</tbody>
</table>

XVII. DEFERRED INCOME

Deferred unrestricted income represents income received in advance of the period to which it relates.

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred unrestricted income</td>
<td>709</td>
<td>1,196</td>
</tr>
<tr>
<td>Donations for construction of HQ building extension</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donations in cash</td>
<td>2,753</td>
<td>2,855</td>
</tr>
<tr>
<td>Donations in kind</td>
<td>243</td>
<td>273</td>
</tr>
<tr>
<td>Donation in cash for renovation of original building</td>
<td>465</td>
<td>496</td>
</tr>
<tr>
<td></td>
<td>3,461</td>
<td>3,624</td>
</tr>
<tr>
<td>Headquarters original building</td>
<td>7,431</td>
<td>7,708</td>
</tr>
<tr>
<td>Interest free government loan</td>
<td>5,260</td>
<td>5,491</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>16,861</td>
<td>18,019</td>
</tr>
</tbody>
</table>

|                                      | 2018   | 2017   |
| Current                             |        |       |
| Deferred unrestricted income        | 709    | 1,196  |
| Buildings:                          |        |       |
| Original building                   | 339    | 339    |
| Building extension                  | 128    | 124    |
| **Total buildings**                 | 467    | 463    |
| **Total current deferred income**   | 1,176  | 1,659  |

|                                      | 2018   | 2017   |
| Non-current                         |        |       |
| Original building                   | 7,092  | 7,400  |
| Building extension                  | 8,593  | 8,960  |
| **Total long term deferred income** | 15,685 | 16,360 |
| **Total deferred income**           | 16,861 | 18,019 |

Donations received for the headquarters buildings (original and extension) are recorded as deferred income and recognised over the useful life of the corresponding purchased or donated assets (see Note XI 3).

The deferred income on the government loan represents the difference between the fair value of the loan CHF 11,124 (2017 - CHF 11,298) and the outstanding cash value of the loan CHF 16,384 (2017 - CHF 16,789) (see Note XVIII). This difference represents the fair value of the interest saved on the interest free loan granted by the Swiss Government and is recognised over the period of the loan.
**XVIII. NEW BUILDING LOAN**

Headquarters building extension loan

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td>177</td>
<td>174</td>
</tr>
<tr>
<td>Non-current</td>
<td>10,947</td>
<td>11,124</td>
</tr>
<tr>
<td><strong>Balance at 31 December</strong></td>
<td><strong>11,124</strong></td>
<td><strong>11,298</strong></td>
</tr>
</tbody>
</table>

The Swiss Government provided an interest free loan of CHF 20,000 to finance the headquarters building extension.

The loan is repayable in 50 annual instalments of CHF 400. The first instalment was paid in December 2010.

The fair value of the loan is estimated at CHF 11,124 (2017 - CHF 11,298). The outstanding cash value of the loan has been discounted at a rate of 2% (2017 - 2%) which represents the market interest rate for a 10-year loan based on current market conditions. The difference of CHF 5,260 (2017 - CHF 5,491) between the outstanding cash value and the fair value of the loan is the benefit derived from the interest-free loan and is recorded as deferred income (see Note XVII).

The value of the interest that would have been paid on an equivalent commercial loan of 2% is estimated at CHF 328 (2017 - 2%, CHF 336). This has been recorded in the income and expenditure statement under Interest income to recognize the benefit of the interest free loan and under financial charges to recognize the interest that would have been paid.

**XIX. FUNDS AND UNRESTRICTED RESERVES**

1. Unrestricted reserves

   **Currency translation adjustments & foreign exchange gains and losses**

   Exchange gains and losses at the individual ledger levels are dealt with in the income statement. The net unrestricted loss on exchange for the year amounted to CHF 504 loss (2017 - gain of CHF 292).

   Exchange gains and losses on consolidation and translation of ledgers maintained in other currencies to CHF are taken to the currency translation adjustment reserve. The net movement during 2018 was a gain of CHF 575 loss (2017 - gain of CHF 30).

2. Designated reserves

   a) **Reserve for statutory meetings**

      In 2018 CHF 343 (2017 – CHF 489) was allocated to the Reserve for statutory meetings from Retained surpluses to cover future costs for the 2020 Congress (CHF 93) and the Regional Conservation Fora (CHF 250).

   b) **Other designated reserves**

      In 2018, CHF 269 (2017 – CHF 671) was allocated to Other designated reserves in respect of: the IUCN Commissions - CHF 224 (2017 - CHF 214), External review - CHF 45 (2017 - CHF 75) and systems investments - CHF nil (2017 – CHF 382).
c) Renovation fund

A net allocation of CHF 11 (2017 - CHF 16) was made from Retained surpluses to the Renovation fund to cover future renovation costs of the IUCN Headquarters building.

XX. RETENTION OF STAFF INCOME TAX

Swiss Government tax rebates amounted to CHF 1,487 (2017 – CHF 1,292) and represents the value of taxes that would have been paid by non-Swiss staff in the absence of the Fiscal Agreement between IUCN and the Swiss Government which exempts non-Swiss staff from payroll taxes and which entered into effect on 1 January 1987.

XXI. FRAMEWORK INCOME

Annex A lists Framework Agreements income by donor and details income allocations to the IUCN programme and operational units.

Framework income includes in-kind contributions of CHF 430 (2017 - CHF 481).

XXII. OTHER OPERATING INCOME

Other operating income of CHF 6,041 (2017 - CHF 4,450) shown under Secretariat unrestricted funds includes overhead and management fees from Ramsar Convention Secretariat of CHF 574 (2017 - CHF 515), rental income of CHF 1,174 (2017 - CHF 960), recognition of deferred income of donations for the headquarters original building and building extension CHF 468 (2017 - CHF 511) and in-kind contributions of staff other than Framework staff in-kind of CHF 979 (2017 – nil). The balance of other operating income is made up of miscellaneous external income received by IUCN both at Headquarters and other offices around the world.

XXIII. EXCHANGE DIFFERENCES ON REVALUATION OF PROJECT BALANCES

Project balances are expressed in the currency of the underlying donor contract. At the end of the year, project balances are translated to the currency of the office ledger in which they reside at the year-end rate. Project balances expressed in non-CHF ledgers are further revalued to CHF using the year-end exchange rates. The resulting unrealised gain or loss is recorded as an adjustment to project balances on the balance sheet and the Currency translation adjustment reserve. The net adjustment is passed through the income and expenditure statement for project agreements to reflect the net movement on the project portfolio.

XXIV. AUDIT FEE

The following fees were paid to the auditors of IUCN’s financial statements.

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidated financial statement audit</td>
<td>171</td>
<td>165</td>
</tr>
<tr>
<td>Other audits</td>
<td>37</td>
<td>48</td>
</tr>
</tbody>
</table>
XXV. RELATED PARTIES

1. Identity of related parties
   
a) The Commissions
   The Commissions of IUCN are networks of expert volunteers entrusted to develop and advance the institutional knowledge and experience and objectives of IUCN. The Commissions are established by Congress which determines their mandate.

b) The National and Regional Committees
   National and Regional Committees are groupings of Members of IUCN from specific states or regions. Their role is to facilitate cooperation among Members and to coordinate the participation of Members in the programme and governance of IUCN.

c) The Convention on Wetlands of International Importance (Ramsar)
   Ramsar is hosted by the IUCN Secretariat and operates under its legal personality. It is headed by a Secretary General with sole responsibility for the administration of the convention funds and for all administrative matters, with the exception of those requiring the exercise of legal personality. IUCN provides services to the Ramsar Secretariat in terms of financial and budgetary management, office facilities, human resources management and information technology.

d) TRAFFIC International
   TRAFFIC International is a charity registered in the United Kingdom. IUCN is a founder member and sits on the Board. The IUCN Secretariat hosts TRAFFIC operations in its offices in Cameroon, Thailand and South Africa where they operate under the legal personality of IUCN.

e) International Union for Conservation of Nature and Natural Resources – US
   The International Union for Conservation of Nature and Natural Resources – US is a US registered charity whose main purpose is to raise funds for conservation to be spent in partnership with IUCN and its members.

2. Transactions with related parties
   During the course of the year IUCN made contributions of CHF 1,300 to the Commissions (2017 – CHF 1,300). The amount is distributed across the expenditure headings that reflect the nature of the expenses incurred by the Commissions.

   During the year and as part of the services IUCN provides to Ramsar, IUCN received funds of CHF 6,730 (2017 – CHF 5,488) and incurred payments of CHF 6,498 (2017 – CHF 5,237) on behalf of Ramsar. At year-end the balance held in trust for Ramsar amounted to CHF 5,196 (2017 – CHF 4,466). These transactions are recorded in Ramsar accounts and financial statements and are therefore not presented in the financial statements of IUCN. During the year, IUCN received fees of CHF 574 (2017 – CHF 515) for the services provided to Ramsar and which are included in Other operating income.

   During the year IUCN made contributions of CHF 449 to TRAFFIC International (2017 – CHF 446).

   During the year IUCN received funds from the International Union for the Conservation of Nature and Natural Resources – US of USD 437 (CHF 430) and in 2017, USD 791 (CHF 743) was received.

Summary of legally controlled entities:
XXVI. STAFF HEADCOUNT

IUCN’s headcount including staff in-kind is as follows:

<table>
<thead>
<tr>
<th>Company</th>
<th>Year-end closing</th>
<th>Currency</th>
<th>Capital</th>
<th>Share of capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>The International Union for the Conservation of Nature and Natural</td>
<td>31.12</td>
<td>KES</td>
<td>235,156</td>
<td>100%</td>
</tr>
<tr>
<td>Resources, Registered Trustees, (WASAA Trust Fund, Nairobi)</td>
<td></td>
<td></td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>IUCN, Bureau de Représentation auprès de l’Union Européenne aisbl</td>
<td>31.12</td>
<td>EUR</td>
<td>103</td>
<td>100%</td>
</tr>
<tr>
<td>Associação UICN</td>
<td>31.12</td>
<td>BLR</td>
<td>-</td>
<td>20%</td>
</tr>
<tr>
<td>IUCN UK (A Company Limited by Guarantee)</td>
<td>31.12</td>
<td>GBP</td>
<td>209</td>
<td>NA</td>
</tr>
<tr>
<td>IUCN Maldives</td>
<td>31.12</td>
<td>USD</td>
<td>-</td>
<td>100%</td>
</tr>
<tr>
<td>IUCN PNG &quot;Mangrove Rehabilitation and Management Project Association</td>
<td>31.12</td>
<td></td>
<td></td>
<td>dormant</td>
</tr>
</tbody>
</table>

Average employees during the year

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average employees during the year</td>
<td>891</td>
<td>910</td>
</tr>
</tbody>
</table>

XXVII. OPERATING LEASES

At 31 December 2018, IUCN has future minimum office rental commitments amounting to CHF 4,648 (2017 – CHF 6,007) relating to expected rental fees until the end of the lease contract of which CHF 3,900 (2017 – CHF 4,737) expires in 1 to 5 years and CHF 748 (2017 – CHF 1,269) expires in 6 to 8 years.

IUCN has leasing contracts for office equipment and vehicles amounting to CHF 160 (2017 – CHF 205) expiring in 1 to 5 years.

XXVIII. BANK GUARANTEES

At 31 December 2018, IUCN had bank guarantees in Mozambique Metical 2,862 (2017- MZN 2,862) and Kuwaiti Dinar 19 (2017 – KWD nil), for a total value CHF 108 (2017 – CHF 47) in favour of IUCN donors. Cash for an equivalent amount is pledged at corresponding banks.
### ANNEX A – CORE FUNDS UNDER FRAMEWORK AGREEMENTS

All amounts in CHF (‘000)

<table>
<thead>
<tr>
<th>Sub Total Corporate Support Units</th>
<th>2018</th>
<th>2017</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sub Total Regiona Components</td>
<td>27,774</td>
<td>4,155</td>
<td>27,327</td>
<td>4,164</td>
</tr>
<tr>
<td>Sub Total Biodiversity Conservation Group</td>
<td>6,674</td>
<td>1,799</td>
<td>6,452</td>
<td>2,529</td>
</tr>
<tr>
<td>Sub Total Nature-based Solutions Group</td>
<td>9,456</td>
<td>2,292</td>
<td>9,577</td>
<td>2,677</td>
</tr>
<tr>
<td>Sub Total Comissions</td>
<td>4,110</td>
<td>2,553</td>
<td>4,234</td>
<td>3,128</td>
</tr>
<tr>
<td>Sub Total Union Development</td>
<td>2,037</td>
<td>-</td>
<td>1,487</td>
<td>-</td>
</tr>
<tr>
<td>OVERALL TOTAL</td>
<td>66,937</td>
<td>11,669</td>
<td>65,466</td>
<td>14,538</td>
</tr>
<tr>
<td>Non-operating expenditure</td>
<td>(317)</td>
<td>-</td>
<td>23</td>
<td>-</td>
</tr>
<tr>
<td>Operating expenses as per the Income &amp; Expenditure Statement</td>
<td>66,620</td>
<td>11,669</td>
<td>65,490</td>
<td>14,538</td>
</tr>
</tbody>
</table>

### Reconciliation of Framework Income to the Financial Statements

<table>
<thead>
<tr>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Total allocations as above</td>
<td>11,669</td>
</tr>
<tr>
<td>Surplus/(Deficit) at year-end transferred to unrestricted reserve</td>
<td>(440)</td>
</tr>
<tr>
<td>Total Funding Framework Agreements</td>
<td>11,229</td>
</tr>
</tbody>
</table>
## ANNEX A – CORE FUNDS UNDER FRAMEWORK AGREEMENTS

All amounts in CHF ('000)

<table>
<thead>
<tr>
<th>Framework Agreement Partners</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agence Française de Développement (AFD), Ministry for Europe and Foreign Affairs (MEAE), Ministry of Ecological and Inclusive Transition (MTES), Ministry of Agriculture and Food (MAA); Ministry of Overseas Territories (MOM) – France</td>
<td>1,178</td>
<td>481</td>
</tr>
<tr>
<td>MAVA Fondation pour la Nature – Switzerland</td>
<td>-</td>
<td>1,000</td>
</tr>
<tr>
<td>Ministry of Environment, Republic of Korea (MOE) – Korea</td>
<td>634</td>
<td>500</td>
</tr>
<tr>
<td>Ministry of Foreign Affairs – Finland</td>
<td>419</td>
<td>410</td>
</tr>
<tr>
<td>Norwegian Agency for Development Cooperation (NORAD) – Norway</td>
<td>2,432</td>
<td>2,524</td>
</tr>
<tr>
<td>Swedish International Development Agency (Sida) – Sweden</td>
<td>4,319</td>
<td>4,627</td>
</tr>
<tr>
<td>Swiss Agency for Development and Cooperation (SDC) – Switzerland</td>
<td>1,500</td>
<td>2,200</td>
</tr>
<tr>
<td>U.S. Department of State</td>
<td>747</td>
<td>836</td>
</tr>
<tr>
<td><strong>Total Funding Framework Agreements</strong></td>
<td><strong>11,229</strong></td>
<td><strong>12,578</strong></td>
</tr>
</tbody>
</table>

Framework income allocations are made on the basis of budgeted income at the start of the year. The difference between allocations made and actual income received is taken to unrestricted reserves. This is compensated by balances on other funding sources to arrive at the overall result for the year.
IUCN, International Union for Conservation of Nature and Natural Resources
Gland

Report of the statutory auditor
to the Council

on the consolidated financial statements 2019
Report of the statutory auditor

to the Council of IUCN, International Union for Conservation of Nature and Natural Resources

Gland

Report of the statutory auditor on the consolidated financial statements

As statutory auditor, we have audited the accompanying consolidated financial statements of IUCN, International Union for Conservation of Nature and Natural Resources, which comprise the consolidated balance sheet, consolidated income and expenditure statement, consolidated funds and reserve statement, consolidated cash flow statement and notes, for the year ended 31 December 2019.

Management’s responsibility

Management is responsible for the preparation of the consolidated financial statements in accordance with the requirements of Swiss law and the consolidation and valuation principles described in the notes. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. Management is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor’s responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity’s preparation of the consolidated financial statements 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 entity’s internal control system. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements for the year ended 31 December 2019 comply with Swiss law, IUCN Statutes, as well as with the consolidation and valuation principles described in the notes.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 69b paragraph 3 CC in connection with article 728 CO) and that there are no circumstances incompatible with our independence.
In accordance with article 69b paragraph 3 CC in connection with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of consolidated financial statements according to the instructions of the Association Management.

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

PricewaterhouseCoopers SA

Yves Cerutti
Audit expert
Auditor in charge

Marcello Stimato
Audit expert

Geneva, 25 May 2020

Enclosure:

• Consolidated financial statements (consolidated balance sheet, consolidated income and expenditure statement, consolidated funds and reserve statement, consolidated cash flow statement and notes)

• Annex A –Core Funds under Framework Agreements
# IUCN – International Union for Conservation of Nature and Natural Resources

## CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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## IUCN – International Union for Conservation of Nature and Natural Resources

### CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2019

Report Currency: CHF ('000)

|-------|-------------|-------------|

### ASSETS

#### Current assets
- Project agreement receivables


#### Non-current assets


### LIABILITIES AND FUND BALANCES

#### Current liabilities


#### Provisions


#### Non-current liabilities


#### Funds and Unrestricted Reserves


## CONSOLIDATED INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

Report Currency: CHF ('000)

<table>
<thead>
<tr>
<th></th>
<th>Notes</th>
<th>Secretariat Unrestricted</th>
<th>Project Agreements</th>
<th>Total</th>
<th>Secretariat Unrestricted</th>
<th>Project Agreements</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EXTERNAL OPERATING INCOME</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Membership dues</td>
<td></td>
<td>12,765</td>
<td>-</td>
<td>12,765</td>
<td>12,768</td>
<td>-</td>
<td>12,768</td>
</tr>
<tr>
<td>Retention of staff income tax</td>
<td>XXI</td>
<td>1,426</td>
<td>-</td>
<td>1,426</td>
<td>1,487</td>
<td>-</td>
<td>1,487</td>
</tr>
<tr>
<td>Agreements income</td>
<td></td>
<td>88</td>
<td>88,849</td>
<td>88,937</td>
<td>33</td>
<td>93,129</td>
<td>93,162</td>
</tr>
<tr>
<td>Framework income</td>
<td>XXII</td>
<td>11,632</td>
<td>-</td>
<td>11,632</td>
<td>11,229</td>
<td>-</td>
<td>11,229</td>
</tr>
<tr>
<td>Other operating income</td>
<td>XXIII</td>
<td>5,880</td>
<td>280</td>
<td>6,160</td>
<td>6,041</td>
<td>324</td>
<td>6,365</td>
</tr>
<tr>
<td><strong>TOTAL EXTERNAL OPERATING INCOME</strong></td>
<td></td>
<td>31,791</td>
<td>89,129</td>
<td>120,920</td>
<td>31,558</td>
<td>93,453</td>
<td>125,011</td>
</tr>
</tbody>
</table>

| **INTERNAL ALLOCATIONS** |       |                           |                    |       |                           |                    |       |
| Cross charges from projects |       | 35,035                    | (35,035)           | -     | 36,078                    | (36,078)           | -     |
| Other internal allocations |       | 561                       | (561)              | -     | 78                        | (78)               | -     |
| **TOTAL INTERNAL ALLOCATIONS** |       | 35,596                    | (35,596)           | -     | 36,156                    | (36,156)           | -     |

| **OPERATING EXPENDITURE** |       |                           |                    |       |                           |                    |       |
| Staff costs            |       | 53,955                    | 4,898              | 58,853| 53,187                    | 6,736              | 59,923|
| Consultants            |       | 1,193                     | 17,523             | 18,716| 1,687                     | 16,586             | 18,273|
| Grants to partners     |       | 466                       | 3,234              | 3,700 | 484                       | 3,271              | 3,755 |
| Travel                 |       | 3,099                     | 12,124             | 15,223| 2,860                     | 12,201             | 15,061|
| Workshops and conferences |     | 417                       | 1,367              | 1,784 | 269                       | 2,099              | 2,368 |
| Publications and printing costs | 344   | 1,363                     | 1,707              | 249   | 2,791                     | 3,040              |        |
| Office and general administrative costs | 3,866 | 1,576                     | 5,442              | 3,923 | 3,850                     | 7,773              |        |
| Vehicles & equipment – costs & maintenance | 830   | 9,523                     | 10,353             | 909   | 9,170                     | 10,079             |        |
| Professional fees or costs | 567   | 646                       | 1,213              | 593   | 955                       | 1,548              |        |
| Depreciation and amortization | 2,160 | 15                        | 2,175              | 2,459 | 6                         | 2,465              |        |
| **TOTAL OPERATING EXPENDITURE** |       | 66,897                    | 52,269             | 119,166| 66,620                    | 57,665             | 124,285|

| **NET OPERATING SURPLUS/(DEFICIT)** |       | 489                        | 1,264              | 1,753  | 1,094                     | (368)              | 726   |

| **OTHER INCOME – EXPENDITURE** |       |                           |                    |       |                           |                    |       |
| Interest income         | XIX   | 457                       | 16                 | 473    | 515                       | 8                  | 523   |
| Financial charges       | XIX   | (397)                     | (99)               | (495)  | (542)                     | (157)              | (699) |
| Capital gains (losses)  | IV    | 441                       | -                  | 441    | (408)                     | -                  | (408) |
| Net gains/(losses) on foreign exchange | (628) | (803)                     | (1,431)            | (504)  | (552)                     | (1,056)            |       |
| Exchange differences on revaluation of project balances | XXIV  | -                         | (351)              | (351)  | -                         | (106)              | (106) |
| Net movements in provision and write-offs | (538) | (28)                      | (566)              | (1,186) | 1,175                     | (11)               |       |
| **TOTAL OTHER INCOME – EXPENDITURE** |       | (665)                     | (1,264)            | (1,929) | (2,125)                    | 368                | (1,757)|

| **NET SURPLUS/(DEFICIT) FOR THE YEAR** |       | (176)                     | -                  | (176)  | (1,031)                    | -                  | (1,031)|
## Consolidated Funds and Reserve Statement for the Year ended 31 December 2019

**Report Currency: CHF (‘000)**

<table>
<thead>
<tr>
<th>Designated Reserves</th>
<th>Unrestricted Reserves</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reserve for Statutory Meetings</td>
<td>Other Designated Reserves</td>
<td>Renovation Fund</td>
</tr>
<tr>
<td>---------------------</td>
<td>-----------------------</td>
<td>-------</td>
</tr>
<tr>
<td>Balance as at 1 January 2018</td>
<td>489</td>
<td>671</td>
</tr>
<tr>
<td>Net surplus/(deficit) for the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Foreign exchange adjustment</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Allocation to renovation fund</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Allocation to other designated reserves</td>
<td>-</td>
<td>269</td>
</tr>
<tr>
<td>Allocation to reserve for statutory meetings</td>
<td>343</td>
<td>-</td>
</tr>
<tr>
<td><strong>Balance as at 31 December 2018</strong></td>
<td>832</td>
<td>940</td>
</tr>
<tr>
<td>Balance as at 1 January 2019</td>
<td>832</td>
<td>940</td>
</tr>
<tr>
<td>Net surplus/(deficit) for the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Foreign exchange adjustment</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Allocation to renovation fund</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Release from other designated reserves</td>
<td>-</td>
<td>(14)</td>
</tr>
<tr>
<td>Release to reserve for statutory meetings</td>
<td>(832)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Balance as at 31 December 2019</strong></td>
<td>-</td>
<td>926</td>
</tr>
</tbody>
</table>
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019**

Report Currency: CHF ('000)

<table>
<thead>
<tr>
<th>Notes</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flow from operations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surplus/(deficit) from operations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Effect of exchange rate</td>
<td>XX</td>
<td>(284)</td>
</tr>
<tr>
<td><strong>Net balance from operations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation of fixed assets</td>
<td>XII</td>
<td>2,102</td>
</tr>
<tr>
<td>Amortisation and write-down of intangible assets</td>
<td>XIII</td>
<td>72</td>
</tr>
<tr>
<td>Increase / (decrease) in provisions for projects in deficit</td>
<td>XVII</td>
<td>447</td>
</tr>
<tr>
<td>Increase / (decrease) in staff leave and repatriation liabilities</td>
<td></td>
<td>(45)</td>
</tr>
<tr>
<td>Increase / (decrease) in the provision for staff termination</td>
<td>XVII</td>
<td>(149)</td>
</tr>
<tr>
<td>Increase / (decrease) in other provisions</td>
<td></td>
<td>30</td>
</tr>
<tr>
<td>(Increase) / decrease in membership dues receivables (net)</td>
<td>VI</td>
<td>961</td>
</tr>
<tr>
<td>(Increase) / decrease in staff receivables</td>
<td>VII</td>
<td>117</td>
</tr>
<tr>
<td>(Increase) / decrease in receivables from partner organisations</td>
<td>VIII</td>
<td>(29)</td>
</tr>
<tr>
<td>(Increase) / decrease in advances to implementing partners</td>
<td>IX</td>
<td>4,640</td>
</tr>
<tr>
<td>(Increase) / decrease in prepayments</td>
<td></td>
<td>(246)</td>
</tr>
<tr>
<td>(Increase) / decrease in donor funds receivable</td>
<td></td>
<td>190</td>
</tr>
<tr>
<td>(Increase) / decrease in project agreement receivables</td>
<td>X</td>
<td>(3,422)</td>
</tr>
<tr>
<td>(Increase) / decrease in framework agreements receivable</td>
<td>XI</td>
<td>(705)</td>
</tr>
<tr>
<td>(Increase) / decrease in other accounts receivable</td>
<td></td>
<td>(60)</td>
</tr>
<tr>
<td>Increase / (decrease) in membership dues paid in advance</td>
<td></td>
<td>1,149</td>
</tr>
<tr>
<td>Increase / (decrease) in accounts payable and accrued liabilities</td>
<td>XIV</td>
<td>(3,059)</td>
</tr>
<tr>
<td>Increase / (decrease) in social charges payable</td>
<td></td>
<td>326</td>
</tr>
<tr>
<td>Increase / (decrease) in project agreement advances</td>
<td>X</td>
<td>10,944</td>
</tr>
<tr>
<td>Increase / (decrease) in miscellaneous current liabilities</td>
<td></td>
<td>(271)</td>
</tr>
<tr>
<td>Increase / (decrease) in hosted organisations advances</td>
<td>XVI</td>
<td>(803)</td>
</tr>
<tr>
<td>(Gain) / loss on disposal of fixed assets</td>
<td>XII</td>
<td>19</td>
</tr>
<tr>
<td><strong>Total cash flow from operations</strong></td>
<td></td>
<td>11,368</td>
</tr>
<tr>
<td><strong>Cash flow from investing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of fixed assets</td>
<td>XII</td>
<td>(608)</td>
</tr>
<tr>
<td>Net movement in financial assets</td>
<td>IV</td>
<td>128</td>
</tr>
<tr>
<td>Purchase of intangible assets</td>
<td>XIII</td>
<td>(191)</td>
</tr>
<tr>
<td><strong>Total cash flow from investing activities</strong></td>
<td></td>
<td>(671)</td>
</tr>
<tr>
<td><strong>Cash flow from financing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase / (decrease) in loan</td>
<td>XIX</td>
<td>(177)</td>
</tr>
<tr>
<td>Increase / (decrease) in current deferred income</td>
<td>XVIII</td>
<td>745</td>
</tr>
<tr>
<td>Increase / (decrease) in long-term deferred income</td>
<td>XVIII</td>
<td>(692)</td>
</tr>
<tr>
<td><strong>Total cash flow from financing activities</strong></td>
<td></td>
<td>(124)</td>
</tr>
<tr>
<td><strong>Net cash inflow for the year</strong></td>
<td></td>
<td>10,573</td>
</tr>
<tr>
<td><strong>Cash and short term deposits at the beginning of the year</strong></td>
<td>III</td>
<td>47,656</td>
</tr>
<tr>
<td><strong>Cash and short term deposits at the end of the year</strong></td>
<td>III</td>
<td>58,229</td>
</tr>
</tbody>
</table>
I. ORGANISATION AND ACTIVITY

IUCN, International Union for Conservation of Nature and Natural Resources is a membership organisation constituted by statutes adopted in 1948 at a conference convened by the Republic of France. The membership is comprised of states, governmental agencies, international and national non-governmental organisations, and indigenous peoples organisations. IUCN is registered in Gland, Switzerland as an association under article 60 of the Swiss Civil Code and is solely responsible, to the exclusion of its Members, for all its transactions and commitments.

The highest governing body of IUCN is the World Conservation Congress, which is composed of the membership of IUCN. The World Conservation Congress elects the Council, which has authority to govern IUCN between meetings.

In 1986, IUCN concluded a fiscal agreement with the Swiss government, which granted IUCN exemption from all Swiss taxes. IUCN has been granted observer status at the United Nations.

The mission of IUCN is to influence, encourage and assist societies throughout the world to conserve the integrity and diversity of nature and to ensure that any use of natural resources is equitable and ecologically sustainable.

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DEFINITIONS

All amounts are expressed in thousands of Swiss francs (CHF) unless otherwise indicated.

1. Accounting convention

The financial statements are prepared under the historical cost convention except for certain financial assets and loans that are measured at revalued amount or at fair value. The financial statements are prepared in accordance with the provisions of the Swiss Code of Obligations.

2. Basis of consolidation

The consolidated financial statements include all offices of IUCN and those entities over which IUCN has the power to govern the financial and operating policies so as to obtain benefits from their activities.

Branches:

• Asia Region
  • Asia Regional Office (Thailand)
  • Bangladesh Country Office
  • Cambodia Country Office
  • China Country Office
  • India Country Office
  • Lao PDR Country Office
  • Maldives Project Office
  • Myanmar Project Office
  • Nepal Country Office
  • Pakistan Country Office
  • Sri Lanka Country Office
  • Thailand Country Office
  • Vietnam Country Office

• Eastern and Southern Africa Region
  • Eastern and Southern Africa Regional Office (Kenya)
  • Mozambique Country Office
  • Rwanda Project Office
  • South Africa Country Office
IUCN – International Union for Conservation of Nature and Natural Resources

Notes to the Consolidated Financial Statements for the Year ended 31 December 2019

All amounts in CHF ('000) unless otherwise stated

- Tanzania Country Office
- Uganda Country Office
- Zimbabwe Country Office
- Eastern Europe and Central Asia Regional Office (Serbia)
- Environmental Law Centre (Germany)
- Mediterranean Office (Spain)
- Oceania Regional Office (Fiji)
- Mexico, Central America and the Caribbean Region
  - Mexico, Central America and the Caribbean Regional Office (Costa Rica)
  - El Salvador Project Office
  - Guatemala Project Office
  - Honduras Project Office
  - Mexico Project Office
- South America Region
  - South America Regional Office (Ecuador)
  - Brazil Country Office
- UK Species Programme (United Kingdom)
- Western and Central Africa Region
  - Western and Central Africa Regional Office (Senegal)
  - Burkina Faso Country Office
  - Cameroon Country Office
  - Democratic Republic of Congo Project Office
  - Ghana Project Office
  - Guinea Bissau Country Office
  - Mali Country Office
  - Mauritania Country Office
  - Niger Project Office
  - Senegal Country Office
- West Asia Regional Office (Jordan)
- Washington, DC Office

Other entities:
- The International Union for the Conservation of Nature and Natural Resources, Registered Trustees (WASAA Trust Fund, Nairobi)
- UICN, Bureau de Représentation auprès de l’Union Européenne aisbl
- Associação UICN
- IUCN UK (A Company Limited by Guarantee)
- IUCN Maldives
- IUCN PNG Mangrove Rehabilitation and Management Project Association

3. Currency of accounts
   
a) Reporting currency

   In accordance with IUCN’s Regulations, the reporting currency for the consolidated financial statements is Swiss francs (CHF).
b) Functional currency

A separate set of accounts is maintained for each country where IUCN has a presence. The functional currency for each country is the national currency of the country with the exception of Fiji (USD), Costa Rica (USD) and Serbia (EUR) where the currency chosen better reflects the economic environment in which the office operates.

4. Foreign exchange

The following accounting policies are applied when converting transactions and balances to the reporting currency:

- Transactions denominated in currencies other than the office ledger currency are converted to the ledger currency and recorded on the basis of the exchange rate prevailing at the date of the transaction. At the end of the year all balances maintained in transaction currencies are translated to the currency of the office ledger at the year-end rate. The gains and losses incurred are recognised in the income statement of each office ledger.

- Except for fixed assets which are stated at historical values, non-Swiss franc balances in the consolidated balance sheet are translated to CHF at the year-end exchange rate and the resulting net unrealised gain or loss included in the balance sheet as a currency translation adjustment reserve.

- Project balances are expressed in the currency of the underlying donor contract. At the end of the year, project balances are translated to the currency of the office ledger in which they reside at the year-end rate. The gains and losses incurred are recognised in the income statement of each office ledger. Project balances are further revalued from the ledger currency to CHF at the year-end exchange rate. The resulting net unrealised gain or loss is recognised in the currency translation adjustment reserve.

- If, as a result of the application of the above translation policies, a net deficit would occur on the currency translation adjustment reserve the deficit would be recognised in the income and expenditure statement.

5. Income

Income comprises membership dues from Members, contributions from donors, investment income, Swiss government tax rebates, rental of office space, and sundry income from the sale of other goods and services.

a) Membership dues

Membership dues are fixed by the World Conservation Congress, the supreme governing body of IUCN, and are recognised as unrestricted income in the year they fall due.

b) Voluntary donations

Voluntary donations comprise framework agreements with donors for the core activities of IUCN and project agreements for project activities.

Framework agreements income

Framework agreements are normally for periods of more than one year and may be subject to general restrictions in their use in terms of geography or thematic area.

Framework agreements income is recognised in the income statement as unrestricted income once the agreement has been signed and in accordance with the amounts specified in the agreement for each calendar year. Framework agreements income received in advance of the period to which it relates is recorded as deferred unrestricted income.
IUCN – International Union for Conservation of Nature and Natural Resources
Notes to the Consolidated Financial Statements for the Year ended 31 December 2019
All amounts in CHF (‘000) unless otherwise stated

Staff in-kind contributions

In-kind contributions of staff are recognised at fair value over the period of the employment contract as both income and expenditure in the Consolidated Income and Expenditure Statement. The fair value of in-kind staff is taken as the average cost that would be incurred by IUCN, if it were to directly employ a person in a similar position.

Project agreements income

Project agreements income is restricted for specific project activities detailed in project agreements and subject to specific conditions imposed by the donor. Income is recognised as expenditure is incurred. At the year end, the balance of projects are recorded as “Project agreement receivables” (current assets) where expenditure incurred on projects exceeded amounts advanced by donors, and under “Project agreement advances” (current liabilities) where advances from donors exceeded expenditure incurred.

c) Retention of staff income tax

Non-Swiss staff resident in Switzerland are exempt from paying taxes on their IUCN earnings on the basis of a fiscal agreement between IUCN and the Swiss Government, which entered into effect on 1st January 1987. In order to ensure equitable treatment of both Swiss and non-Swiss staff at Headquarters, an internal tax is levied on non-Swiss staff resident in Switzerland. This is shown as Retention of staff income tax in the Consolidated Income and Expenditure Statement and is classified as unrestricted income.

6. Expenditure

All unrestricted expenditure and project expenditure is accounted for on an accruals basis.

7. Cross charges from projects

Cross charges from projects represent transfers between Project agreements and Secretariat unrestricted funds and comprise staff time charged to projects and indirect costs funded from projects.

Staff time charges

IUCN staff costs are recorded as unrestricted costs. Staff working on projects charge their time spent on projects through a time recording system. Project agreements are charged the cost of staff time and the Secretariat unrestricted fund receives the income.

Indirect cost recoveries

Indirect costs are recorded as unrestricted costs. Indirect costs funded from project agreements are cross charged to projects and the Secretariat unrestricted fund receives the income.

8. Financial assets

Financial assets are recorded at fair value. Gains or losses arising from changes in fair values of financial assets are recognised in the income statement in the year that they occur as are foreign exchange gains or losses resulting from the revaluation of financial assets denominated in currencies other than the CHF.

9. Fixed assets

a) Purchased assets

Purchased fixed assets are capitalised when the purchase price is one thousand CHF or above, or the equivalent in other currencies, and when ownership resides with IUCN.
b) In-kind assets

In-kind contributions of fixed assets are capitalised at fair value and the donations recorded as deferred income which is then recognised in the income statement over the estimated useful life of the assets in line with the depreciation charges.

c) Depreciation

Fixed assets are depreciated over their estimated useful lives on the following basis:

- Computer hardware: 3–5 years
- Vehicles: 4–7 years
- Office furniture and equipment: 4–7 years
- Building renovations: 10–20 years
- Building installations: 20 years
- Building infrastructures: 50 years

d) Donations for the purchase of fixed assets

Cash donations received for the purchase of fixed assets are recorded as deferred income and recognised in the income statement over the estimated useful life of the corresponding asset in line with the depreciation charge.

10. Intangible assets

Purchased computer software is capitalized on the basis of the costs incurred to acquire the software and bring it to its point of use.

Software is depreciated over its estimated useful life on a straight line basis over 5 to 7 years.

The cost of developing in-house software is expensed in the year that the costs are incurred.


a) Provision for membership dues receivable

A general provision for outstanding membership dues is made to recognise the probability that not all dues will be received. The increase or decrease in the total provision is recognised in the income and expenditure statement. Provision for membership dues in arrears is calculated on the following basis, based on the outstanding balance at the close of the year.

Membership dues outstanding for:

- Three years or more: 100%
- Two years: 67%
- One year: 33%

The provision against the arrears of some state members and state agencies is calculated on an individual basis after a review of their own special situations.

Full provision is made against the dues owed by Members whose rights have been rescinded by the IUCN World Conservation Congress or vote of the membership.

b) Provision for projects in deficit

A provision for projects in deficit is made in respect of those projects where expenditure has exceeded income and where the receipt of future additional funds to cover the excess expenditure is uncertain.
c) Staff terminations

Provision is made for the estimated cost of known redundancies. A redundancy is considered to be known when a management decision has been taken and communicated to the staff concerned.

Additional provision is made when there is a local legal obligation.

d) Staff leave and repatriation

Provision is made for holiday entitlement which has not been used by staff at the year-end. The balance at the year-end also includes the estimated cost of repatriation of international staff.

12. Loans at below market rate of interest

Loans are initially measured at fair value. The benefit of the below-market rate of interest is measured as the difference between the initial carrying value of the loan and the proceeds received. The benefit is recorded as deferred income and recognised over the period of the loan. The market rate of interest is reviewed annually and the carrying value adjusted for significant movements in the market rate.

An amount equivalent to the interest that would have been incurred had the loan been acquired at a market rate is recognised as both an income and an expense in the income and expenditure statement on an annual basis.

13. Hosted organisations

IUCN hosts certain organisations. A hosted organisation has no legal status in the country of operation and therefore operates under the legal umbrella of IUCN. A hosted organisation is operationally autonomous and is accountable to its own management and governance structures and not to IUCN.

Income received and expenditure incurred on behalf of a hosted organisation is accounted for in separate project accounts and excluded from consolidation. Funds held by, or advanced by, IUCN on behalf of hosted organisations are recorded on the balance sheet as advances from/to hosted organisations.

14. Reserves

IUCN maintains the following reserves:

a) Unrestricted reserves

IUCN Fund

The IUCN Fund is maintained in order to preserve IUCN’s capital base. The use of the fund is governed by the IUCN Council and is maintained as a reserve of last resort.

Currency translation reserves

The Currency translation reserve represents changes in the value of the net assets of IUCN at the consolidation level as a result of movements of functional currencies against the Swiss franc.

Retained surpluses

The Retained surpluses represent other unrestricted reserves.

b) Designated reserves

Designated reserves represent funds set aside from unrestricted reserves to cover the cost of future events or activities. The designation may be reversed at any time by the IUCN Council.

Reserve for statutory meetings

The Reserve for statutory meetings represents amounts allocated from unrestricted funds to cover costs of future meetings of the World Conservation Congress and related preparatory meetings.
Renovation fund
The Renovation fund represents funds allocated from unrestricted funds for future renovations of the Headquarters building.

Other Designated reserves
Other Designated reserves represent amounts allocated from unrestricted funds to cover the cost of other future costs or activities.

III. CASH AND SHORT TERM BANK DEPOSITS
Cash and short-term bank deposits include all bank accounts and short-term deposit accounts operated by IUCN worldwide. The analysis by region or office is shown below.

<table>
<thead>
<tr>
<th>REGION OR OFFICE</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia</td>
<td>2,670</td>
<td>2,022</td>
</tr>
<tr>
<td>Eastern and Southern Africa</td>
<td>2,653</td>
<td>1,677</td>
</tr>
<tr>
<td>Eastern Europe and Central Asia</td>
<td>35</td>
<td>226</td>
</tr>
<tr>
<td>Europe</td>
<td>2,539</td>
<td>1,804</td>
</tr>
<tr>
<td>Environmental Law Centre, Bonn</td>
<td>856</td>
<td>470</td>
</tr>
<tr>
<td>Headquarters</td>
<td>41,858</td>
<td>34,864</td>
</tr>
<tr>
<td>Mediterranean</td>
<td>243</td>
<td>760</td>
</tr>
<tr>
<td>Mexico, Central America and the Caribbean</td>
<td>1,430</td>
<td>1,396</td>
</tr>
<tr>
<td>Oceania</td>
<td>766</td>
<td>(17)</td>
</tr>
<tr>
<td>South America</td>
<td>341</td>
<td>147</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>542</td>
<td>440</td>
</tr>
<tr>
<td>United States</td>
<td>705</td>
<td>1,203</td>
</tr>
<tr>
<td>Western and Central Africa</td>
<td>2,822</td>
<td>1,911</td>
</tr>
<tr>
<td>West Asia</td>
<td>769</td>
<td>753</td>
</tr>
<tr>
<td><strong>Balance at 31 December</strong></td>
<td><strong>58,229</strong></td>
<td><strong>47,656</strong></td>
</tr>
</tbody>
</table>

IV. FINANCIAL ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds</td>
<td>12,023</td>
<td>11,192</td>
</tr>
<tr>
<td>Microfinance</td>
<td>1,616</td>
<td>1,599</td>
</tr>
<tr>
<td>Equities</td>
<td>914</td>
<td>1,824</td>
</tr>
<tr>
<td>Convertibles</td>
<td>753</td>
<td>790</td>
</tr>
<tr>
<td>Other Investments</td>
<td>714</td>
<td>743</td>
</tr>
<tr>
<td><strong>Balance at 31 December</strong></td>
<td><strong>16,020</strong></td>
<td><strong>16,148</strong></td>
</tr>
</tbody>
</table>

At 31 December 2019, an unrealized foreign exchange loss of CHF 68 (2018 – CHF 29 loss) was recognised on the investment portfolio.

During the year, the investment portfolio recorded a capital gain of CHF 411 (2018 – CHF 408 loss).

At 31 December 2019, the investment portfolio included bank balances of CHF 605 (2018 – CHF 67). These are included under cash and short-term bank deposits.
V. DERIVATIVE FINANCIAL INSTRUMENTS

The following forward currency contract commitments existed at 31 December 2019:

<table>
<thead>
<tr>
<th>Other currency</th>
<th>CHF</th>
<th>Maturity date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conversion of SEK to CHF</td>
<td>20,000</td>
<td>2,033</td>
</tr>
<tr>
<td>Conversion of SEK to CHF</td>
<td>19,375</td>
<td>2,014</td>
</tr>
<tr>
<td>Conversion of NOK to CHF</td>
<td>10,500</td>
<td>1,128</td>
</tr>
</tbody>
</table>

The contracts for the conversions of SEK and NOK to CHF are all forward currency contracts.

At 31 December 2019, the market value of forward currency contracts was a loss of CHF 30 (2018 – nil). A provision for the full value of the loss is included under net movement in provision and write-offs in the Consolidated Income and Expenditure statement.

VI. MEMBERSHIP DUES RECEIVABLE AND PROVISION

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross membership dues receivable</td>
<td>2,260</td>
<td>3,861</td>
</tr>
<tr>
<td>Provision for dues in arrears</td>
<td>(1,249)</td>
<td>(1,889)</td>
</tr>
<tr>
<td><strong>Net membership dues receivable at 31 December</strong></td>
<td><strong>1,011</strong></td>
<td><strong>1,972</strong></td>
</tr>
</tbody>
</table>

The provision for membership dues in arrears has been calculated in accordance with the policy described in Note II.11 (a).

2018

<table>
<thead>
<tr>
<th></th>
<th>2016 and prior</th>
<th>2017</th>
<th>2018</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total membership dues receivable</strong></td>
<td>598</td>
<td>989</td>
<td>2,274</td>
<td>3,861</td>
</tr>
<tr>
<td>Provision for membership dues</td>
<td>(419)</td>
<td>(573)</td>
<td>(897)</td>
<td>(1,889)</td>
</tr>
<tr>
<td><strong>Net membership dues receivable</strong></td>
<td>179</td>
<td>416</td>
<td>1,377</td>
<td>1,972</td>
</tr>
</tbody>
</table>

2019

<table>
<thead>
<tr>
<th></th>
<th>2017 and prior</th>
<th>2018</th>
<th>2019</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>State member</td>
<td>174</td>
<td>367</td>
<td>1,045</td>
<td>1,586</td>
</tr>
<tr>
<td>Government agencies</td>
<td>74</td>
<td>111</td>
<td>294</td>
<td>479</td>
</tr>
<tr>
<td>Indigenous peoples</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>International NGOs</td>
<td>3</td>
<td>6</td>
<td>12</td>
<td>21</td>
</tr>
<tr>
<td>National NGOs</td>
<td>15</td>
<td>40</td>
<td>87</td>
<td>142</td>
</tr>
<tr>
<td>Affiliates</td>
<td>14</td>
<td>6</td>
<td>11</td>
<td>31</td>
</tr>
<tr>
<td><strong>Total membership dues receivable</strong></td>
<td>280</td>
<td>530</td>
<td>1,450</td>
<td>2,260</td>
</tr>
<tr>
<td>Provision for membership dues</td>
<td>(280)</td>
<td>(429)</td>
<td>(540)</td>
<td>1,249</td>
</tr>
<tr>
<td><strong>Net membership dues receivable</strong></td>
<td>-</td>
<td>101</td>
<td>910</td>
<td>1,011</td>
</tr>
</tbody>
</table>
### Movement in provision for membership dues

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 January</td>
<td>1,889</td>
<td>2,239</td>
</tr>
<tr>
<td>Addition to /(release from) provision</td>
<td>-</td>
<td>129</td>
</tr>
<tr>
<td>Write off of deficits against provision</td>
<td>(640)</td>
<td>(479)</td>
</tr>
<tr>
<td>Balance at 31 December</td>
<td>1,249</td>
<td>1,889</td>
</tr>
</tbody>
</table>

### VII. STAFF RECEIVABLES

Staff receivables comprise travel advances, payroll advances and loans to staff outstanding as at 31 December.

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel advances</td>
<td>268</td>
<td>375</td>
</tr>
<tr>
<td>Payroll advances and staff loans</td>
<td>8</td>
<td>18</td>
</tr>
<tr>
<td>Balance at 31 December</td>
<td>276</td>
<td>393</td>
</tr>
</tbody>
</table>

### VIII. RECEIVABLES FROM PARTNER ORGANISATIONS

Receivables from partner organisations represent balances due from organisations associated with IUCN that are outstanding as at 31 December.

<table>
<thead>
<tr>
<th>Organisation</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>RAMSAR Convention Secretariat</td>
<td>367</td>
<td>338</td>
</tr>
</tbody>
</table>

### IX. ADVANCES TO IMPLEMENTING PARTNERS

Advances to implementing partners represent amounts advanced to IUCN partners for the implementation of project agreements that were not spent as at 31 December.

<table>
<thead>
<tr>
<th>Region</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia</td>
<td>483</td>
<td>156</td>
</tr>
<tr>
<td>Eastern and Southern Africa</td>
<td>594</td>
<td>493</td>
</tr>
<tr>
<td>Europe</td>
<td>93</td>
<td>96</td>
</tr>
<tr>
<td>Headquarters</td>
<td>5,614</td>
<td>10,124</td>
</tr>
<tr>
<td>Mediterranean</td>
<td>17</td>
<td>31</td>
</tr>
<tr>
<td>Mexico, Central America and the Caribbean</td>
<td>190</td>
<td>244</td>
</tr>
<tr>
<td>Oceania</td>
<td>(14)</td>
<td>155</td>
</tr>
<tr>
<td>South America</td>
<td>583</td>
<td>683</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>104</td>
<td>172</td>
</tr>
<tr>
<td>United States</td>
<td>345</td>
<td>165</td>
</tr>
<tr>
<td>West Asia</td>
<td>258</td>
<td>109</td>
</tr>
<tr>
<td>Western and Central Africa</td>
<td>1,558</td>
<td>2,037</td>
</tr>
<tr>
<td><strong>Balance at 31 December</strong></td>
<td><strong>9,825</strong></td>
<td><strong>14,465</strong></td>
</tr>
</tbody>
</table>
X. PROJECT AGREEMENTS RECEIVABLES AND ADVANCES

Receivables and advances on project agreements represent respectively the total of projects with a negative cash balance and the total of projects with a positive cash balance at year end.

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project agreement receivables</td>
<td>(18,108)</td>
<td>(14,686)</td>
</tr>
<tr>
<td>Project agreement advances</td>
<td>73,313</td>
<td>62,369</td>
</tr>
<tr>
<td><strong>Balance at 31 December</strong></td>
<td><strong>55,205</strong></td>
<td><strong>47,683</strong></td>
</tr>
</tbody>
</table>

XI. FRAMEWORK AGREEMENTS RECEIVABLES

Framework agreements receivables represent framework agreements income due but not received as at the end of the year. As at 31 December 2019 there was CHF 1,417 receivable compared to CHF 712 receivable at 31 December 2018.

XII. FIXED ASSETS

1. Movement in fixed assets

<table>
<thead>
<tr>
<th></th>
<th>Building Infrastructures</th>
<th>Building Installations</th>
<th>Other Land and Buildings</th>
<th>Vehicles, Equipment, Furniture &amp; Fixtures</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Purchase value:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance as at 31 December, 2017</td>
<td>27,178</td>
<td>13,775</td>
<td>5,281</td>
<td>9,714</td>
<td>55,948</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>-</td>
<td>53</td>
<td>581</td>
<td>634</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>701</td>
<td>701</td>
</tr>
<tr>
<td><strong>Balance as at 31 December, 2018</strong></td>
<td><strong>27,178</strong></td>
<td><strong>13,775</strong></td>
<td><strong>5,334</strong></td>
<td><strong>9,594</strong></td>
<td><strong>55,881</strong></td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>-</td>
<td>10</td>
<td>598</td>
<td>608</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>(6)</td>
<td>258</td>
<td>(264)</td>
</tr>
<tr>
<td><strong>Balance as at 31 December, 2019</strong></td>
<td><strong>27,178</strong></td>
<td><strong>13,775</strong></td>
<td><strong>5,338</strong></td>
<td><strong>9,934</strong></td>
<td><strong>56,225</strong></td>
</tr>
</tbody>
</table>

|                                |                          |                        |                          |                                          |       |
| **Depreciation:**              |                          |                        |                          |                                          |       |
| Balance as at 31 December, 2017| (9,554)                  | (6,735)                | (1,405)                  | (7,896)                                  | (25,590) |
| Charge for the year            | (544)                    | (575)                  | (302)                    | (718)                                    | (2,139) |
| Disposals                      | -                        | -                      | -                        | 665                                      | 665   |
| **Balance as at 31 December, 2018** | **10,098**               | **7,310**              | **1,707**                | **7,949**                                | **27,064** |
| Charge for the year            | (544)                    | (575)                  | (284)                    | (699)                                    | (2,102) |
| Disposals                      | -                        | -                      | 3                        | 240                                      | 243   |
| **Balance as at 31 December, 2019** | **10,642**               | **7,885**              | **1,988**                | **8,408**                                | **28,923** |

|                                |                          |                        |                          |                                          |       |
| **Net book value:**            |                          |                        |                          |                                          |       |
| Balance as at 31 December 2018 | 17,080                   | 6,465                  | 3,627                    | 1,645                                    | 28,817|
| Balance as at 31 December 2019 | 16,536                   | 5,890                  | 3,350                    | 1,526                                    | 27,302|

Fixed assets purchased using unrestricted funds are depreciated over their estimated useful lives as per Note II.9.

December 2017 opening Fixed Asset balances were changed to correctly reflect disposal of fully depreciated equipment of CHF 948.

2. Land

In 1990, the commune of Gland gave IUCN the right to use a plot of land for the purpose of building the IUCN Secretariat Headquarters. The right was granted at no cost for a period of 50 years, i.e. until August 2040. In
2008, the commune of Gland gave IUCN the right of use of an adjacent piece of land to the original plot for a period of 50 years, with the permission to construct an extension to the existing IUCN Headquarters building.

3. IUCN Headquarters building

Included in Building Infrastructures and Building Installations is the Headquarters building of IUCN. This consists of an original building and an extension.

a) Original building

The original building was financed by donations received from the Swiss Confederation, the Canton of Vaud and the Commune of Gland. Although IUCN formally owns the Headquarters building, it enjoys a restricted use and cannot dispose of it or use it as collateral without the approval of the Swiss Government. If disposed of, the Swiss Government has the right to recuperate its initial outlay plus a percentage of the value added, if applicable. The cost of the building is included in fixed assets and the net book value is matched by a corresponding value of deferred income to recognise the restricted nature of the building. The deferred income is released over the estimated useful life of the building in line with the depreciation of the building.

In 2014, the Canton of Vaud provided a grant of CHF 600 towards the renovation of the original building. The grant will be released over the estimated useful life of the building renovation (20 years).

b) Building extension

The building extension was financed by an interest free loan from the Swiss Government of CHF 20,000 payable in 50 equal yearly instalments of CHF 400, the first of which was paid in December 2010. In addition to the loan from the Swiss Government, IUCN received cash donations of CHF 4,692 and in-kind donations of CHF 1,815.

XIII. INTANGIBLE ASSETS

The intangible assets consist of an ERP system and portal applications.

Movement in Intangible assets

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Purchase value:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at 1 January</td>
<td>4,550</td>
<td>4,438</td>
</tr>
<tr>
<td>Additions</td>
<td>191</td>
<td>112</td>
</tr>
<tr>
<td><strong>Balance at 31 December</strong></td>
<td>4,741</td>
<td>4,550</td>
</tr>
<tr>
<td><strong>Amortisation:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance as of 1 January</td>
<td>(4,423)</td>
<td>(4,069)</td>
</tr>
<tr>
<td>Charge for the year</td>
<td>(72)</td>
<td>(354)</td>
</tr>
<tr>
<td><strong>Balance at 31 December</strong></td>
<td>(4,495)</td>
<td>(4,423)</td>
</tr>
<tr>
<td><strong>Net Book Value at 31 December</strong></td>
<td><strong>246</strong></td>
<td><strong>127</strong></td>
</tr>
</tbody>
</table>

XIV. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities represent amounts owed to creditors and suppliers as at the end of the year. Of the total outstanding balance of CHF 10,782 as at 31 December 2019 (2018 – CHF 13,841), CHF 6,973 (2018 – CHF 9,472) is related to Headquarters and the balance to regional and country offices.
IUCN – International Union for Conservation of Nature and Natural Resources

Notes to the Consolidated Financial Statements for the Year ended 31 December 2019

All amounts in CHF ('000) unless otherwise stated

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and supplier</td>
<td>5,067</td>
<td>5,301</td>
</tr>
<tr>
<td>accruals</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accruals for implementing</td>
<td>5,715</td>
<td>8,540</td>
</tr>
<tr>
<td>partners</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Balance at 31 December</strong></td>
<td><strong>10,782</strong></td>
<td><strong>13,841</strong></td>
</tr>
</tbody>
</table>

XV. PENSION FUND OBLIGATIONS

IUCN operates different pension plans in different countries, each conforming to the legal regulations in the respective country. On 31 December 2019, the liability to the pension schemes amounted to CHF nil (2018 – CHF nil).

XVI. HOSTED ORGANISATIONS ADVANCES

Hosted organisation advances represent funds held by IUCN on behalf of hosted organisations. At 31 December 2019, the balances are due from organisations associated with IUCN resulting from outstanding funds from donors on hosted organisation projects.

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 January</td>
<td>496</td>
<td>511</td>
</tr>
<tr>
<td>Income</td>
<td>1,798</td>
<td>4,168</td>
</tr>
<tr>
<td>Expenditure</td>
<td>(2,566)</td>
<td>(4,223)</td>
</tr>
<tr>
<td><strong>Movement on funds held</strong></td>
<td>(272)</td>
<td>456</td>
</tr>
<tr>
<td><strong>Balance at 31 December</strong></td>
<td>(307)</td>
<td>496</td>
</tr>
</tbody>
</table>

XVII. PROVISIONS

1. Projects in deficit

The provision for projects in deficit is funded by unrestricted income and covers projects where negotiations are still ongoing but where IUCN considers that it may not be able to obtain additional funds from donors to cover expenditures already incurred.

Movement in project deficit provision

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 January</td>
<td>1,928</td>
<td>2,171</td>
</tr>
<tr>
<td>Additions to provision</td>
<td>610</td>
<td>1,337</td>
</tr>
<tr>
<td>Utilisation of provision</td>
<td>(163)</td>
<td>(1,580)</td>
</tr>
<tr>
<td><strong>Balance at 31 December</strong></td>
<td><strong>2,375</strong></td>
<td><strong>1,928</strong></td>
</tr>
</tbody>
</table>

Region

<table>
<thead>
<tr>
<th>Region</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia</td>
<td>568</td>
<td>323</td>
</tr>
<tr>
<td>Eastern and Southern Africa</td>
<td>433</td>
<td>289</td>
</tr>
<tr>
<td>Europe</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td>Headquarters</td>
<td>423</td>
<td>490</td>
</tr>
<tr>
<td>Mediterranean</td>
<td>47</td>
<td>49</td>
</tr>
<tr>
<td>Oceania</td>
<td>152</td>
<td>243</td>
</tr>
<tr>
<td>Western and Central Africa</td>
<td>272</td>
<td>152</td>
</tr>
<tr>
<td>West Asia</td>
<td>464</td>
<td>366</td>
</tr>
<tr>
<td><strong>Balance at 31 December</strong></td>
<td><strong>2,375</strong></td>
<td><strong>1,928</strong></td>
</tr>
</tbody>
</table>
2. Staff termination

The provision for staff termination is calculated separately for each office to comply with local labour laws. Irrespective of local labour law, provision is made for the estimated cost of staff termination when a decision has been made to terminate a member of staff and the decision has been communicated to the individual concerned.

Movement in provision for staff termination

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 January</td>
<td>1,726</td>
<td>1,576</td>
</tr>
<tr>
<td>Additions to provision</td>
<td>777</td>
<td>962</td>
</tr>
<tr>
<td>Utilization of provision</td>
<td>(926)</td>
<td>(812)</td>
</tr>
<tr>
<td>Balance at 31 December</td>
<td>1,577</td>
<td>1,726</td>
</tr>
</tbody>
</table>

XVIII. DEFERRED INCOME

Deferred unrestricted income represents income received in advance of the period to which it relates.

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred unrestricted income</td>
<td>1,454</td>
<td>709</td>
</tr>
<tr>
<td>Donations for construction of HQ building extension</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donations in cash</td>
<td>2,652</td>
<td>2,753</td>
</tr>
<tr>
<td>Donations in kind</td>
<td>216</td>
<td>243</td>
</tr>
<tr>
<td>Donation in cash for renovation of original building</td>
<td>434</td>
<td>465</td>
</tr>
<tr>
<td></td>
<td>3,302</td>
<td>3,461</td>
</tr>
<tr>
<td>Headquarters original building</td>
<td>7,123</td>
<td>7,431</td>
</tr>
<tr>
<td>Interest free government loan</td>
<td>3,444</td>
<td>5,260</td>
</tr>
<tr>
<td>Total</td>
<td>15,323</td>
<td>16,861</td>
</tr>
</tbody>
</table>

Current

Deferred unrestricted income | 1,454 | 709 |

Buildings:

Original building | 339 | 339 |
Building extension | 128 | 128 |
Total buildings    | 467 | 467 |

Total current deferred income | 1,921 | 1,176 |

Non-current

Original building | 6,784 | 7,092 |
Building extension | 6,618 | 8,593 |

Total long term deferred income | 13,402 | 15,685 |

Total deferred income | 15,323 | 16,861 |

Donations received for the headquarters buildings (original and extension) are recorded as deferred income and recognised over the useful life of the corresponding purchased or donated assets (see Note XI 3).
The deferred income on the government loan represents the difference between the fair value of the loan CHF 12,537 (2018 – CHF 11,124) and the outstanding cash value of the loan CHF 15,981 (2018 – CHF 16,384) (see Note XIX). This difference represents the fair value of the interest saved on the interest free loan granted by the Swiss Government and is recognised over the period of the loan.

XIX. NEW BUILDING LOAN

Headquarters building extension loan

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td>243</td>
<td>177</td>
</tr>
<tr>
<td>Non-current</td>
<td>12,294</td>
<td>10,947</td>
</tr>
<tr>
<td><strong>Balance at 31 December</strong></td>
<td><strong>12,537</strong></td>
<td><strong>11,124</strong></td>
</tr>
</tbody>
</table>

The Swiss Government provided an interest free loan of CHF 20,000 to finance the headquarters building extension.

The loan is repayable in 50 annual instalments of CHF 400. The first instalment was paid in December 2010.

The fair value of the loan is estimated at CHF 12,537 (2018 – CHF 11,124). The outstanding cash value of the loan has been discounted at a rate of 1.25% (2018 – 2%) which represents the market interest rate for a 10-year loan based on current market conditions. The difference of CHF 3,444 (2018 – CHF 5,260) between the outstanding cash value and the fair value of the loan is the benefit derived from the interest-free loan and is recorded as deferred income (see Note XVIII).

The impact of changing the discount rate from 2% to 1.25% was an increase in the fair value of the loan of CHF 1,591 and a corresponding decrease in deferred income. This adjustment has not been passed through the income and expenditure statement as it has no impact on the result for the year.

The value of the interest that would have been paid on an equivalent commercial loan of 1.25% is estimated at CHF 200 (2018 – 2%, CHF 328). This has been recorded in the income and expenditure statement under Interest income to recognise the benefit of the interest free loan and under financial charges to recognise the interest that would have been paid.

XX. FUNDS AND UNRESTRICTED RESERVES

1. Unrestricted reserves

   Currency translation adjustments & foreign exchange gains and losses

   Exchange gains and losses at the individual ledger levels are dealt with in the income statement. The net unrestricted loss on exchange for the year amounted to CHF 628 loss (2018 – loss of CHF 504).

   Exchange gains and losses on consolidation and translation of ledgers maintained in other currencies to CHF are taken to the currency translation adjustment reserve. The net movement during 2019 was a loss of CHF 284 (2018 – loss of CHF 575).

2. Designated reserves

   a) Reserve for statutory meetings

   In 2019, CHF 832 (2018 – CHF 343 allocation) was released from the Reserve for statutory meetings from Retained surpluses to cover costs for the 2020 Congress (CHF 425) and the Regional Conservation Fora (CHF 407).
b) Other designated reserves


c) Renovation fund

A net allocation of CHF 10 (2018 – CHF 11) was made from Retained surpluses to the Renovation fund to cover future renovation costs of the IUCN Headquarters building.

XXI. RETENTION OF STAFF INCOME TAX

Swiss Government tax rebates amounted to CHF 1,426 (2018 – CHF 1,487) and represents the value of taxes that would have been paid by non-Swiss staff in the absence of the Fiscal Agreement between IUCN and the Swiss Government which exempts non-Swiss staff from payroll taxes and which entered into effect on 1 January 1987.

XXII. FRAMEWORK INCOME

Annex A lists Framework Agreements income by donor and details income allocations to the IUCN Programme and operational units.


XXIII. OTHER OPERATING INCOME

Other operating income of CHF 5,880 (2018 – CHF 6,041) shown under Secretariat unrestricted funds includes overhead and management fees from Ramsar Convention Secretariat of CHF 561 (2018 – CHF 574), rental income of CHF 1,231 (2018 – CHF 1,174), recognition of deferred income of donations for the headquarters original building and building extension CHF 467 (2018 – CHF 468), and in-kind contributions of staff other than Framework staff in-kind of CHF 1,017 (2018 – CHF 979). The balance of other operating income is made up of miscellaneous external income received by IUCN at both Headquarters and other offices around the world.

XXIV. EXCHANGE DIFFERENCES ON REVALUATION OF PROJECT BALANCES

Project balances are expressed in the currency of the underlying donor contract. At the end of the year, project balances are translated to the currency of the office ledger in which they reside at the year-end rate. Project balances expressed in non-CHF ledgers are further revalued to CHF using the year-end exchange rates. The resulting unrealised gain or loss is recorded as an adjustment to project balances on the balance sheet and the Currency translation adjustment reserve. The net adjustment is passed through the income and expenditure statement for project agreements to reflect the net movement on the project portfolio.

XXV. AUDIT FEE

The following fees were paid to the auditors of IUCN’s financial statements.

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidated financial statement audit</td>
<td>194</td>
<td>171</td>
</tr>
<tr>
<td>Other audits</td>
<td>49</td>
<td>37</td>
</tr>
</tbody>
</table>
XXVI. RELATED PARTIES

1. Identity of related parties
   a) The Commissions
      The Commissions of IUCN are networks of expert volunteers entrusted to develop and advance the institutional knowledge and experience and objectives of IUCN. The Commissions are established by Congress which determines their mandate.
   
   b) The National and Regional Committees
      National and Regional Committees are groupings of Members of IUCN from specific states or regions. Their role is to facilitate cooperation among Members and to coordinate the participation of Members in the programme and governance of IUCN.
   
   c) The Convention on Wetlands of International Importance (Ramsar)
      Ramsar is hosted by the IUCN Secretariat and operates under its legal personality. It is headed by a Secretary General with sole responsibility for the administration of the convention funds and for all administrative matters, with the exception of those requiring the exercise of legal personality. IUCN provides services to the Ramsar Secretariat in terms of financial and budgetary management, office facilities, human resources management and information technology.
   
   d) TRAFFIC International
      TRAFFIC International is a charity registered in the United Kingdom. IUCN is a founder member and sits on the Board. The IUCN Secretariat hosts TRAFFIC operations in its offices in Cameroon, Thailand and South Africa where they operate under the legal personality of IUCN.
   
   e) International Union for Conservation of Nature and Natural Resources – US
      The International Union for Conservation of Nature and Natural Resources – US is a US registered charity whose main purpose is to raise funds for conservation to be spent in partnership with IUCN and its Members.

2. Transactions with related parties
   During the course of the year IUCN made contributions of CHF 1,300 to the Commissions (2018 – CHF 1,300). The amount is distributed across the expenditure headings that reflect the nature of the expenses incurred by the Commissions. Unspent allocations are included under Other Designated Reserves
   
   During the year and as part of the services IUCN provides to Ramsar, IUCN received funds of CHF 4,932 (2018 – CHF 6,730) and incurred payments of CHF 4,559 (2018 – CHF 6,498) on behalf of Ramsar. At year-end the balance held in trust for Ramsar amounted to CHF 3,827 (2018 – CHF 5,196). These transactions are recorded in Ramsar accounts and financial statements and are therefore not presented in the financial statements of IUCN. During the year, IUCN received fees of CHF 561 (2018 – CHF 574) for the services provided to Ramsar and which are included in Other operating income.
   
   During the year IUCN made contributions of CHF 418 to TRAFFIC International (2018 – CHF 449).
   
   During the year, IUCN received funds from the International Union for the Conservation of Nature and Natural Resources – US of USD 531 (CHF 515) and in 2018, USD 437 (CHF 430) was received.
Summary of legally controlled entities:

<table>
<thead>
<tr>
<th>Company</th>
<th>Year-end closing</th>
<th>Currency</th>
<th>Capital</th>
<th>Share of capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>The International Union for the Conservation of Nature and Natural Resources, Registered Trustees, (WASAA Trust Fund, Nairobi)</td>
<td>31.12</td>
<td>KES</td>
<td>234,857</td>
<td>100%</td>
</tr>
<tr>
<td>UICN, Bureau de Représentation auprès de l’Union Européenne aisbl</td>
<td>31.12</td>
<td>EUR</td>
<td>104</td>
<td>100%</td>
</tr>
<tr>
<td>Associação UICN</td>
<td>31.12</td>
<td>BLR</td>
<td>292</td>
<td>20%</td>
</tr>
<tr>
<td>IUCN UK (A Company Limited by Guarantee)</td>
<td>31.12</td>
<td>GBP</td>
<td>130</td>
<td>NA</td>
</tr>
<tr>
<td>IUCN Maldives</td>
<td>31.12</td>
<td>USD</td>
<td>-</td>
<td>100%</td>
</tr>
<tr>
<td>IUCN PNG “Mangrove Rehabilitation and Management Project Association</td>
<td></td>
<td></td>
<td></td>
<td>dormant</td>
</tr>
</tbody>
</table>

XXVII. STAFF HEADCOUNT

IUCN’s headcount including staff in-kind is as follows:

<table>
<thead>
<tr>
<th>Average employees during the year</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>833</td>
<td>891</td>
</tr>
</tbody>
</table>

XXVIII. OPERATING LEASES

At 31 December 2019, IUCN has future minimum office rental commitments amounting to CHF 4,757 (2018 – CHF 4,648) relating to expected rental fees until the end of the lease contract of which CHF 4,325 (2018 – CHF 3,900) expires in 1 to 5 years and CHF 432 (2018 – CHF 748) expires in 6 to 7 years.

IUCN has leasing contracts for office equipment and vehicles amounting to CHF 141 (2018 – CHF 160) expiring in 1 to 5 years.

XXIX. BANK GUARANTEES


XXX. SUBSEQUENT EVENTS

The COVID-19 outbreak has developed rapidly in 2020, with a significant number of infections across many geographies. Government restrictions on the free movement and association of staff and project participants are expected to have some impact on programme delivery during the course of 2020.
IUCN has assessed the impact that COVID-19 will have on its operations in 2020 by reviewing both unrestricted and restricted income streams. The impact on unrestricted income is expected to be minimal. There is a risk that some Members may delay, or, in extreme cases, be unable to pay their membership dues, leading to the requirement for additional provisions for unpaid dues in 2020, but this is not expected to be material. Framework income is not expected to be impacted as 2020 budgeted income is supported by contracts with government agencies.

A review of all project plans has been performed. Although a decline in activity expenditure is forecasted, the decline is not expected to be material. Project plans are being revised where necessary, and in collaboration with IUCN donors, to minimise the impact by prioritising project activities that are not impacted by COVID-19. In addition, alternative project modalities are being used where appropriate, e.g. virtual technology to conduct workshops and other collaborative events. As a result, we expect the financial impact of COVID-19 on project implementation to be limited in 2020.

Due to the COVID-19 emergency, the IUCN World Conservation Congress, scheduled to be held in June 2020 in Marseille, France, has been postponed to January 2021. The postponement decision has no impact on the 2019 financial statements. Any additional costs related to the postponement of the Congress will be recognised in 2020.

Overall, IUCN considers that these subsequent events have no impact on the 2019 financial statements. Furthermore, Management concluded that there is no material uncertainty that may cast significant doubt upon the organisation’s ability to continue as a going concern. We will continue to monitor the situation throughout 2020 and take steps to maintain operations to the extent possible without jeopardizing the health of our staff or our partners.
### ANNEX A – CORE FUNDS UNDER FRAMEWORK AGREEMENTS

All amounts in CHF ('000)

<table>
<thead>
<tr>
<th>2019</th>
<th>2019</th>
<th>2018</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Secretariat core expenditure</strong></td>
<td><strong>Framework core allocation</strong></td>
<td><strong>Secretariat core expenditure</strong></td>
<td><strong>Framework core allocation</strong></td>
</tr>
<tr>
<td>Central and West Africa Region</td>
<td>2,903</td>
<td>754</td>
<td>3,314</td>
</tr>
<tr>
<td>Eastern and Southern Africa Region</td>
<td>4,800</td>
<td>625</td>
<td>4,575</td>
</tr>
<tr>
<td>Asia Region</td>
<td>6,905</td>
<td>886</td>
<td>7,417</td>
</tr>
<tr>
<td>Meso America and Caribbean</td>
<td>3,627</td>
<td>440</td>
<td>4,577</td>
</tr>
<tr>
<td>South America and Brazil</td>
<td>1,252</td>
<td>326</td>
<td>1,458</td>
</tr>
<tr>
<td>European Regional Office, Brussels</td>
<td>1,017</td>
<td>-</td>
<td>986</td>
</tr>
<tr>
<td>Eastern Europe and Central Asia Regional Office</td>
<td>454</td>
<td>-</td>
<td>378</td>
</tr>
<tr>
<td>West Asia Region</td>
<td>909</td>
<td>330</td>
<td>1,147</td>
</tr>
<tr>
<td>Mediterranean Cooperation Centre</td>
<td>1,492</td>
<td>-</td>
<td>1,430</td>
</tr>
<tr>
<td>Oceania</td>
<td>1,514</td>
<td>296</td>
<td>1,494</td>
</tr>
<tr>
<td>Washington DC Office</td>
<td>900</td>
<td>-</td>
<td>998</td>
</tr>
<tr>
<td><strong>Sub Total Regional Components</strong></td>
<td>25,773</td>
<td>3,657</td>
<td>27,774</td>
</tr>
<tr>
<td>Director’s Office, Biodiversity Conservation Group</td>
<td>357</td>
<td>356</td>
<td>388</td>
</tr>
<tr>
<td>Species Programme</td>
<td>3,452</td>
<td>449</td>
<td>3,342</td>
</tr>
<tr>
<td>Protected Areas Programme</td>
<td>1,557</td>
<td>374</td>
<td>1,336</td>
</tr>
<tr>
<td>World Heritage Programme</td>
<td>1,032</td>
<td>333</td>
<td>1,159</td>
</tr>
<tr>
<td>Traffic International</td>
<td>418</td>
<td>218</td>
<td>449</td>
</tr>
<tr>
<td><strong>Sub Total Biodiversity Conservation Group</strong></td>
<td>6,816</td>
<td>1,730</td>
<td>6,674</td>
</tr>
<tr>
<td>Director’s Office, Nature-based Solutions Group</td>
<td>456</td>
<td>356</td>
<td>466</td>
</tr>
<tr>
<td>Ecosystem Management Programme</td>
<td>1,824</td>
<td>408</td>
<td>1,542</td>
</tr>
<tr>
<td>Forest &amp; Climate Change Programme</td>
<td>1,880</td>
<td>236</td>
<td>1,966</td>
</tr>
<tr>
<td>Marine &amp; Polar Programme</td>
<td>1,658</td>
<td>233</td>
<td>1,876</td>
</tr>
<tr>
<td>Water &amp; Food Security Programme</td>
<td>812</td>
<td>237</td>
<td>1,019</td>
</tr>
<tr>
<td>Business &amp; Biodiversity Programme</td>
<td>1,194</td>
<td>238</td>
<td>1,260</td>
</tr>
<tr>
<td>Governance and Rights Programme</td>
<td>1,202</td>
<td>593</td>
<td>1,327</td>
</tr>
<tr>
<td><strong>Sub Total Nature-based Solutions Group</strong></td>
<td>9,026</td>
<td>2,301</td>
<td>9,456</td>
</tr>
<tr>
<td>Director’s Office, Programme &amp; Policy Group</td>
<td>404</td>
<td>356</td>
<td>401</td>
</tr>
<tr>
<td>Economic Knowledge</td>
<td>889</td>
<td>575</td>
<td>730</td>
</tr>
<tr>
<td>Science and Knowledge Unit</td>
<td>805</td>
<td>634</td>
<td>753</td>
</tr>
<tr>
<td>Global Policy Unit</td>
<td>725</td>
<td>547</td>
<td>716</td>
</tr>
<tr>
<td>Environmental Law Programme</td>
<td>1,164</td>
<td>333</td>
<td>1,230</td>
</tr>
<tr>
<td>GEF Coordination Unit</td>
<td>605</td>
<td>-</td>
<td>580</td>
</tr>
<tr>
<td><strong>Sub Total PPG - Programme &amp; Policy Group</strong></td>
<td>4,592</td>
<td>2,439</td>
<td>4,410</td>
</tr>
<tr>
<td>Commission on Education and Communication</td>
<td>273</td>
<td>-</td>
<td>204</td>
</tr>
<tr>
<td>Commission on Ecosystem Management</td>
<td>210</td>
<td>-</td>
<td>145</td>
</tr>
<tr>
<td>World Commission on Environmental Law</td>
<td>141</td>
<td>-</td>
<td>118</td>
</tr>
<tr>
<td>World Commission on Protected Areas</td>
<td>227</td>
<td>-</td>
<td>182</td>
</tr>
<tr>
<td>Species Survival Commission</td>
<td>143</td>
<td>-</td>
<td>221</td>
</tr>
<tr>
<td>Commission on Environment, Economics and Social Policy</td>
<td>177</td>
<td>-</td>
<td>185</td>
</tr>
<tr>
<td><strong>Sub Total Commissions</strong></td>
<td>1,171</td>
<td>-</td>
<td>1,055</td>
</tr>
<tr>
<td>Director’s office, Union Development Group</td>
<td>3,131</td>
<td>-</td>
<td>1,406</td>
</tr>
<tr>
<td>Governance</td>
<td>685</td>
<td>-</td>
<td>631</td>
</tr>
<tr>
<td><strong>Sub Total Union Development</strong></td>
<td>3,816</td>
<td>-</td>
<td>2,037</td>
</tr>
<tr>
<td>Directorate</td>
<td>1,099</td>
<td>-</td>
<td>1,284</td>
</tr>
<tr>
<td>Office of the Legal Adviser</td>
<td>589</td>
<td>-</td>
<td>626</td>
</tr>
<tr>
<td>Oversight Unit</td>
<td>219</td>
<td>-</td>
<td>214</td>
</tr>
<tr>
<td>Planning, Monitoring &amp; Evaluation Unit</td>
<td>595</td>
<td>417</td>
<td>525</td>
</tr>
<tr>
<td>Global Communications Unit</td>
<td>1,091</td>
<td>-</td>
<td>958</td>
</tr>
<tr>
<td>Finance Group</td>
<td>1,682</td>
<td>-</td>
<td>1,659</td>
</tr>
<tr>
<td>Global Programme Operations Unit</td>
<td>1,797</td>
<td>245</td>
<td>1,866</td>
</tr>
<tr>
<td>Human Resources Management Group</td>
<td>1,205</td>
<td>-</td>
<td>1,094</td>
</tr>
<tr>
<td>Strategic Partnerships Unit</td>
<td>753</td>
<td>544</td>
<td>622</td>
</tr>
<tr>
<td>General Services Unit</td>
<td>3,060</td>
<td>-</td>
<td>2,947</td>
</tr>
<tr>
<td>Information Systems Group</td>
<td>3,634</td>
<td>-</td>
<td>3,736</td>
</tr>
<tr>
<td><strong>Sub Total Corporate Support Units</strong></td>
<td>15,724</td>
<td>1,206</td>
<td>15,531</td>
</tr>
</tbody>
</table>

**OVERALL TOTAL**

| 66,918 | 11,333 | 66,937 | 11,669 |

Non-operating expenditure

(21) | (317) |

Operating expenses as per the Income & Expenditure Statement

| 66,897 | 11,333 | 66,620 | 11,669 |

Reconciliation of Framework Income to the Financial Statements

| 2019 | 2018 |

Total Framework Funding

| 11,632 | 11,229 |
### Framework Agreement Partners

<table>
<thead>
<tr>
<th>Framework Agreement Partners</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agence Française de Développement (AFD), Ministry for Europe and Foreign Affairs (MEAE), Ministry of Ecological and Inclusive Transition (MTES), Ministry of Agriculture and Food (MAA); Ministry of Overseas Territories (MOM) – France</td>
</tr>
<tr>
<td>Ministry of Environment, Republic of Korea (MOE) – Korea</td>
</tr>
<tr>
<td>Ministry of Foreign Affairs – Finland</td>
</tr>
<tr>
<td>Norwegian Agency for Development Cooperation (NORAD) – Norway</td>
</tr>
<tr>
<td>Swedish International Development Agency (Sida) – Sweden</td>
</tr>
<tr>
<td>Swiss Agency for Development and Cooperation (SDC) – Switzerland</td>
</tr>
<tr>
<td>U.S. Department of State</td>
</tr>
<tr>
<td>Total Funding Framework Agreements</td>
</tr>
</tbody>
</table>

Framework income allocations are made on the basis of budgeted income at the start of the year. The difference between allocations made and actual income received is taken to unrestricted reserves. This is compensated by balances on other funding sources to arrive at the overall result for the year.