



***IUCN, International Union for  
Conservation of Nature and Natural  
Resources  
Gland***

***Consolidated Financial Statements 2013  
and Report of the Statutory Auditor***



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 2013.

#### *Management’s responsibility*

Management is responsible for the preparation of the consolidated financial statements in accordance with the requirements of Swiss law, IUCN Statutes 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 as well as the 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 the 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 2013 comply with Swiss law and IUCN Statutes as well as with the consolidation and valuation principles described in the notes.



*Other Information*

The consolidation financial statements of IUCN for the year ended 31 December 2012 were audited by other auditors whose report, dated 15 May 2013, expressed an unqualified opinion on those statements.

**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 Management.

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

PricewaterhouseCoopers SA

Yves Cerutti  
Audit expert  
Auditor in charge

Dondu Ipek  
Audit expert

Geneva, 22 May 2014

Enclosure:

- Consolidated financial statements (balance sheet, income statement, funds and reserve statement, cash flow statement and notes)
- Annex A – 2013 Core Funds under Framework Agreements

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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

## CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2013

Report Currency: CHF ('000)

	Notes	2013	2012
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and short term bank deposits	III	46,498	29,922
Financial assets	IV	0	9,326
Membership dues receivable	V	4,261	3,563
Staff receivables	VI	258	360
Receivables from partner organisations	VII	77	1,283
Advances to implementing partners	VIII	3,333	1,983
Other accounts receivable		3,838	4,051
<b>Subtotal</b>		<b>58,265</b>	<b>50,488</b>
Framework agreements receivable	IX	705	1,232
Project agreements receivable	X	9,745	12,863
<b>Total current assets</b>		<b>68,715</b>	<b>64,583</b>
<b>Non-current assets</b>			
Fixed assets (net)	XI	34,485	34,493
Intangible assets (net)	XII	3,009	3,549
<b>Total non-current assets</b>		<b>37,494</b>	<b>38,042</b>
<b>TOTAL ASSETS</b>		<b>106,209</b>	<b>102,625</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Current liabilities</b>			
Membership dues paid in advance		1,250	921
Accounts payable and accrued liabilities	XIII	4,057	4,029
Social charges payable		411	508
Project agreements advances	X	44,939	44,193
Deferred unrestricted income	XV	989	1,002
Deferred income buildings	XV	711	711
New building loan	XVI	103	100
Miscellaneous current liabilities		253	288
<b>Total current liabilities</b>		<b>52,713</b>	<b>51,752</b>
<b>Provisions</b>			
Membership dues in arrears	V	1,943	2,210
Projects in deficit	XIV	897	728
Staff leave and repatriation	XIV	867	509
Staff termination	XIV	1,852	2,037
<b>Total provisions</b>		<b>5,559</b>	<b>5,484</b>
<b>Non-current liabilities</b>			
Long term deferred income	XV	21,217	22,245
New building loan	XVI	9,809	9,910
<b>Total non-current liabilities</b>		<b>31,026</b>	<b>32,155</b>
<b>Fund and Reserves</b>			
IUCN fund	XVII	6,128	6,227
Secretariat contingency fund		2,618	1,082
Currency translation adjustment		1,496	1,359
Reserve for statutory meetings		499	0
Other reserves		225	0
Cost centre reserves		5,272	4,070
Renovation fund		673	496
		<b>16,911</b>	<b>13,234</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>		<b>106,209</b>	<b>102,625</b>

See notes to the consolidated financial statements as indicated

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

## CONSOLIDATED INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

Report Currency: CHF ('000)

	Notes	2013		2012		
		Secretariat Unrestricted	Project Agreements	Secretariat Unrestricted	Project Agreements	Total
<b>EXTERNAL OPERATING INCOME</b>						
Membership dues		12,374	0	11,646	0	11,646
Retention of staff income tax	XVIII	1,214	0	1,541	0	1,541
Agreements income	XIX	341	78,793	252	74,937	75,189
Framework income		16,935	0	16,594		16,594
Other operating income	XX	3,519	423	3,627	2,169	5,796
<b>TOTAL EXTERNAL OPERATING INCOME</b>		<b>34,383</b>	<b>79,216</b>	<b>33,660</b>	<b>77,106</b>	<b>110,766</b>
<b>INTERNAL ALLOCATIONS</b>						
Framework allocated to projects		(640)	640	(311)	271	(40)
Cross charges from projects		27,890	(27,738)	25,493	(27,145)	(1,652)
Other internal allocations		110	(263)	778	914	1,692
<b>NET ALLOCATION</b>		<b>27,360</b>	<b>(27,360)</b>	<b>25,960</b>	<b>(25,960)</b>	<b>(0)</b>
<b>OPERATING EXPENDITURE</b>						
Personnel costs and consultancies		46,328	21,084	46,818	22,505	69,323
Travel and communications		2,217	13,671	2,673	10,273	12,946
Vehicles & equipment - costs & maintenance		2,802	2,823	2,954	2,523	5,477
Office and general administrative costs		4,799	2,221	5,150	1,956	7,106
Publications and printing costs		373	1,776	402	2,225	2,627
Workshops and grants to partners		769	5,050	988	11,086	12,074
Other operating expenditure		710	575	820	535	1,355
Project cross charges						0
<b>TOTAL OPERATING EXPENDITURE</b>		<b>57,998</b>	<b>47,200</b>	<b>59,805</b>	<b>51,103</b>	<b>110,908</b>
<b>NET OPERATING SURPLUS/ (DEFICIT)</b>		<b>3,745</b>	<b>4,655</b>	<b>(185)</b>	<b>43</b>	<b>(142)</b>
<b>OTHER INCOME (EXPENDITURE)</b>						
Interest income	XVI	577	33	633	14	647
Financial charges	XVI	(722)	(227)	(709)	(202)	(911)
Capital gains (losses)	IV	1,003	0	121	0	121
Net gains/(losses) on foreign exchange	XVII	134	(92)	11	(174)	(162)
Exchange differences on revaluation of project balances	XXI	0	(362)	0	(526)	(526)
Net movements in provision and write-offs		(1,197)	121	(1,712)	506	(1,206)
2012 Congress project surplus		0		814	(814)	0
<b>TOTAL OTHER INCOME (EXPENDITURE)</b>		<b>(205)</b>	<b>(528)</b>	<b>(842)</b>	<b>(1,196)</b>	<b>(2,038)</b>
<b>NET SURPLUS (DEFICIT) FOR THE YEAR</b>		<b>3,540</b>	<b>4,127</b>	<b>(1,027)</b>	<b>(1,153)</b>	<b>(2,180)</b>

See notes to the consolidated financial statements as indicated

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

## CONSOLIDATED FUNDS AND RESERVE STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

Report Currency: CHF ('000)

	Designated reserves			Unrestricted reserves				Total
	Reserve for statutory meetings	Other reserves	Cost centre reserves	Renovation fund	Currency translation adjustment	IUCN fund	Secretariat contingency fund	
<b>Balance as at 1 January 2012</b>	774	0	3,660	303	1,323	6,286	1,832	14,178
Net surplus/deficit for the year			513			(59)	(1,443)	(989)
Foreign exchange adjustment			(103)		36		9	45
Allocation to cost centre reserves				193			103	0
Allocation to Renovation fund							(193)	0
Release of Reserve for statutory meetings	(774)						774	0
<b>Balance as at 31 December 2012</b>	0	0	4,070	496	1,359	6,227	1,082	13,234
<b>Balance as at 1 January 2013</b>	0	0	4,070	496	1,359	6,227	1,082	13,234
Net surplus/deficit for the year			2,434			(99)	1,205	3,540
Net foreign exchange adjustment			(1,232)		137		1,232	137
Allocation to Cost centre reserves				177			(177)	0
Allocation to Renovation fund							(225)	0
Allocation to Other reserves	499	225					(499)	0
Allocation to Reserve for statutory meetings	499	225	5,272	673	1,496	6,128	2,618	16,911
<b>Balance as at 31 December 2013</b>	499	225	5,272	673	1,496	6,128	2,618	16,911

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

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

Report Currency: CHF ('000)

	Notes	2013	2012
<b>Cash flow from operations</b>			-
Net Balance from Operations		2,741	(350)
Depreciation of fixed assets	XI	2,229	2,406
Amortisation and impairment of Intangible assets	XII	656	746
Increase / (decrease) in provisions for membership dues in arrears	V	(267)	523
Increase / (decrease) in provisions for projects in deficit	XIV	169	(20)
Increase / (decrease) in the provision for staff termination	XIV	358	463
Increase / (decrease) in staff leave and repatriation liabilities	XIV	(185)	(42)
(Increase) / decrease in membership dues receivables	V	(698)	676
(Increase) / decrease in staff receivables	VI	102	(212)
(Increase) / decrease in receivables from partner organisations	VII	1,206	(164)
(Increase) / decrease in advances to implementing partners	VIII	(1,350)	889
(Increase) / decrease in other accounts receivable		213	(67)
Increase / (decrease) in membership dues paid in advance		329	(40)
Increase / (decrease) in accounts payable and accrued liabilities	XIII	28	(820)
Increase / (decrease) in social charges payable		(97)	(268)
Increase / (decrease) in miscellaneous current liabilities		(35)	162
(Increase)/decrease in framework agreements receivable	IX	527	178
(Increase)/decrease in project agreements receivable	X	3,118	(3,427)
Increase/(decrease) in project agreements advances	X	746	108
Loss on disposal of fixed assets	XI	686	169
Increase/(decrease) in Reserve for statutory meetings	XVII	499	(774)
Increase/(decrease) in Other reserves	XVII	225	0
Increase/(decrease) in Renovation fund reserve	XVII	177	193
<b>Total Cash flow from operations</b>		<b>11,377</b>	<b>328</b>
<b>Cash flow from investing activities</b>			
Purchase of fixed assets	XI	(2,907)	(539)
Net movement in financial assets	IV	9,326	(67)
Purchase of intangible assets	XII	(116)	(93)
<b>Total Cash flow from investing activities</b>		<b>6,303</b>	<b>(699)</b>
<b>Cash flow from financing activities</b>			
Increase/(decrease) in loan	XVI	(101)	(97)
Increase/(decrease) in current deferred income	XV	(13)	(1,500)
Increase/(decrease) in long-term deferred income	XV	(1,028)	(1,015)
Increase/(decrease) in IUCN fund reserve	XVIII	(99)	(59)
<b>Total Cash flow from financing activities</b>		<b>(1,241)</b>	<b>(2,670)</b>
<b>Net Cash inflow for the year</b>		<b>16,439</b>	<b>(3,041)</b>
<b>Cash and short term deposits at the beginning of the year</b>	III	<b>29,922</b>	<b>32,927</b>
<b>Effect of exchange rate changes</b>	XVIII	137	36
<b>Cash and short term deposits at the end of the year</b>	III	<b>46,498</b>	<b>29,922</b>

See notes to the consolidated financial statements as indicated

## **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. The members registered IUCN statutes as an international association of governmental agencies and non-governmental organizations 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 in accordance with the provisions of the Code of Obligations applicable prior to the changes introduced on 1 January 2013, in accordance with the transitional provisions of the new accounting law.

### **2. Basis of consolidation**

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

- The International Union for the Conservation of Nature and Natural Resources, Registered Trustees, (WASAA Trust Fund, Nairobi)
- UICN Bureau Regional pour l'Europe (IUCN ROFE AISBL)
- Iucn Europees Regionaal Office Stichting (Stichting Iucn-Ero)
- Associação UICN

### **3. Income**

Income comprises membership dues from members, contributions in cash 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.

#### Project agreements income

Project agreements income is restricted for specific project activities detailed in project agreements. Income is recognised in the income statement on a cash basis except for those offices using the Enterprise Resource Planning (ERP) system where income is either recognised at the point an invoice is raised and sent to the donor or on the basis of cash received if no invoice has been raised. At the end of the year, projects may have a positive or negative balance. The sum of the balances on project agreements where income exceeds expenditure is recorded in the balance sheet as Project agreements advances, while the sum of the balances where expenditure exceeds income received is recorded as Project agreements receivable.

#### **c) Retention of staff income tax**

Non-Swiss staff 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 and is classified as unrestricted income.

#### **4. Expenditure**

All unrestricted expenditure is accounted for on an accrual basis. Project expenditure is accounted for on a cash basis except for those offices using the ERP system where expenditure is recognised on an accrual basis. At the end of a project, expenditure is recognised on an accrual basis irrespective of the system used.

#### **5. Foreign exchange**

In accordance with IUCN's Regulations, the reporting currency for the consolidated financial statements is Swiss francs (CHF). IUCN Headquarters maintains its books of accounts in CHF. The United Kingdom office maintain its books of accounts in British pounds (GBP) and the China office uses Chinese Yuan (CNY) All other offices maintain their books of accounts in US dollars (USD) or Euros (EUR).

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.

- At consolidation, all transactions in non-CHF ledgers are translated at the monthly rate of exchange to CHF, except for those offices using the ERP system where transactions are translated at the daily rate of exchange. The resulting exchange gain and loss is accounted for in the income statement.
- Except for fixed assets which are stated at historical values, non Swiss franc balances in the consolidated balance sheet are translated 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 expressed in GBP, CNY, USD or EUR are re-valued to CHF using the year-end exchange rates. 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 revaluation policies, a net loss would occur on the currency translation adjustment reserve it would be recognized in the income and expenditure statement.

## 6. Year-end exchange rates

The following are the principal rates of exchange used at the end of the year to revalue the balance sheet items to Swiss Francs (CHF) for reporting purposes:

	<u>31 Dec 2013</u>	<u>31 Dec 2012</u>
US dollar	0.8902	0.9133
Euro	1.2256	1.2073
British pound	1.4679	1.4752
Chinese yuan	0.1456	0.1446

## 7. Financial assets

Financial assets are recorded at fair value. Gains/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/losses resulting from the revaluation of financial assets denominated in currencies other than the Swiss franc.

## 8. Fixed assets

### a) Purchased assets

Purchased fixed assets are capitalised when the purchase price is CHF 1,000 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 years
Office equipment	5 years
Office furniture	7 years
Building renovations	10 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.

**9. 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.

**10. Provisions**

**a) Provision for membership dues receivable**

A general provision against 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 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.

## **11. 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.

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

## **12. Reserves**

IUCN maintains the following reserves:

### **a) Unrestricted reserves**

#### IUCN Fund

The IUCN Fund is maintained in order to preserve the Union's capital base. All income earned and losses incurred on the fund during the year are added or subtracted to its capital value. The use of the fund is governed by the IUCN Council and is maintained as a reserve of last resort.

#### Currency translation adjustment

The Currency translation adjustment reserve represents changes in the value of the net assets of IUCN at the consolidation level as a result of movements of the GBP, CNY, USD and EUR against the Swiss franc.

#### Secretariat contingency fund

The Secretariat contingency fund represents other unrestricted reserves.

### **b) Designated reserves**

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

#### Reserve for statutory meetings

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

#### Other reserves

Other reserves represent amounts allocated from unrestricted funds to cover future costs for the External Review and a Congress for the World Commission on Environmental Law.

#### Cost centre reserves

Cost centre reserves represent surpluses on individual cost centres that are funded by unrestricted funds. The surpluses may be used in future accounting periods by cost centre managers with the explicit approval of the Director General. 10% of all the surpluses generated are transferred to the Secretariat Contingency Fund in the year that they are generated.

**IUCN – International Union for Conservation of Nature and Natural Resources**  
**Notes to the financial Statements for the Year ended 31 December 2013**  
All amount in CHF ('000) unless otherwise stated

Renovation fund

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

**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.

REGION OR OFFICE	2013	2012
Asia	2,709	2,895
Central America	821	1,221
Eastern and Southern Africa	2,040	1,178
Europe	1,475	471
Environmental Law Centre, Bonn	194	258
Headquarters	36,062	20,519
Mediterranean	415	122
Oceania	101	224
South America	55	66
United Kingdom	107	5
United States	220	436
Western and Central Africa	1,819	2,104
West Asia and North Africa	480	423
<b>Total</b>	<b>46,498</b>	<b>29,922</b>

**IV. FINANCIAL ASSETS**

At fair value:

	2013	2012
2 year EUR 90% Guaranteed Global Note (maturing June, 2013)	0	6,351
2 year CHF 85% Guaranteed Global Notes (maturing June, 2013)	0	2,975
<b>Total</b>	<b>0</b>	<b>9,326</b>
Original Cost	0	9,797

Both guaranteed notes were either sold or matured during 2013, realising a capital gain of CHF 1,003 (2012: CHF 121 unrealized capital gain).

**V. MEMBERSHIP DUES RECEIVABLE AND PROVISION**

	2013	2012
Gross Membership dues receivables	4,261	3,563
Provision for dues in arrears	(1,943)	(2,210)
<b>Net Membership Dues Receivable</b>	<b>2,318</b>	<b>1,353</b>

**IUCN – International Union for Conservation of Nature and Natural Resources**  
**Notes to the financial Statements for the Year ended 31 December 2013**  
All amount in CHF ('000) unless otherwise stated

The provision for Membership dues in arrears has been calculated in accordance with the policy described in note II.10.

	2010 and prior	2011	2012	2013	Total
State Members	343	219	832	2,039	3,433
Government Agencies	0	11	83	441	535
International NGOs	0	3	9	(4)	8
National NGOs	0	8	81	155	244
Affiliates	0	5	13	23	41
<b>Total membership dues receivable</b>	<b>343</b>	<b>246</b>	<b>1,018</b>	<b>2,654</b>	<b>4,261</b>
Provision for membership dues	(343)	(215)	(601)	(784)	(1,943)
<b>Net membership dues receivable</b>	<b>(0)</b>	<b>31</b>	<b>417</b>	<b>1,870</b>	<b>2,318</b>

**Movement in provision for membership dues**

	2013	2012
<b>Balance at 1 January</b>	2,210	1,687
Addition to provision	1,033	991
Write off of deficits against provision	(1,300)	(468)
<b>Balance at 31 December</b>	<b>1,943</b>	<b>2,210</b>

**VI. 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 amounts due from staff.

	2013	2012
Net travel advances	184	215
Payroll advances and staff loans	73	145
<b>Total</b>	<b>258</b>	<b>360</b>

**VII. RECEIVABLES FROM PARTNER ORGANISATIONS**

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

	2013	2012
RAMSAR Convention Secretariat	71	840
Other	6	443
<b>Total</b>	<b>77</b>	<b>1,283</b>

**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.

**IUCN – International Union for Conservation of Nature and Natural Resources**  
**Notes to the financial Statements for the Year ended 31 December 2013**  
All amount in CHF ('000) unless otherwise stated

	<b>2013</b>	<b>2012</b>
Asia and Oceania	739	878
Eastern and Southern Africa	659	208
Europe	115	136
Western and Central Africa	369	339
Headquarters	500	189
South and Central America	951	233
<b>Total</b>	<b>3,333</b>	<b>1,983</b>

## IX. FRAMEWORK AGREEMENTS RECEIVABLE

Framework agreements receivable represent framework agreements income due but not received as at the end of the year. As at 31 December 2013 there was an amount outstanding of CHF 705 compared to CHF 1,232 outstanding at 31 December 2012.

## X. PROJECT AGREEMENTS RECEIVABLE AND ADVANCES

Project agreements receivable represent the total of project balances where expenditure incurred exceeds amounts advanced by donors, while project agreement advances represent the total of project balances where advances from donors exceeds expenditure incurred.

	<b>2013</b>	<b>2012</b>
Project agreements receivables	9,745	12,863
Project agreements advances	(44,939)	(44,193)
<b>Net balance at year end</b>	<b>(35,194)</b>	<b>(31,330)</b>

## XI. FIXED ASSETS

### 1. Movement in fixed assets

	<b>Building Infrastructures</b>	<b>Building Installations</b>	<b>Other Land and Buildings</b>	<b>Vehicles, Equipment, Furniture &amp; Fixtures</b>	<b>Total</b>
<b>Purchase value:</b>					
<b>Balance as at 31 December 2011</b>	27,279	13,723	1,377	15,497	57,876
Additions	(101)	52	86	502	539
Disposals	0	0	(3)	(3,319)	(3,322)
Adjustment	0	0	0	(590)	(590)
<b>Balance as at 31 December, 2012</b>	<b>27,178</b>	<b>13,775</b>	<b>1,460</b>	<b>12,090</b>	<b>54,503</b>
Additions	0	0	2,020	887	2,907
Disposals	0	0	0	(2,471)	(2,471)
<b>Balance as at 31 December, 2013</b>	<b>27,178</b>	<b>13,775</b>	<b>3,480</b>	<b>10,506</b>	<b>54,939</b>
<b>Depreciation:</b>					
<b>Balance as at 31 December 2011</b>	(4,040)	(5,513)	(230)	(11,574)	(21,357)
Charge for the year 2012	(543)	(573)	(73)	(1,217)	(2,406)
Disposals	0	0	0	3,163	3,163
Adjustment	0	0	0	590	590
<b>Balance as at 31 December 2012</b>	<b>(4,583)</b>	<b>(6,086)</b>	<b>(303)</b>	<b>(9,038)</b>	<b>(20,010)</b>
Charge for the year 2013	(541)	(574)	(100)	(1,014)	(2,229)
Disposals	0	0	0	1,786	1,786
Reclassification	(2,254)	2,225	29	0	(0)
<b>Balance as at 31 December 2013</b>	<b>(7,378)</b>	<b>(4,435)</b>	<b>(374)</b>	<b>(8,266)</b>	<b>(20,453)</b>
<b>Net Book Value:</b>					
<b>Balance as at 31 December 2012</b>	22,595	7,689	1,157	3,052	34,493
<b>Balance as at 31 December 2013</b>	19,800	9,339	3,105	2,240	34,485

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

## **2. Insurance value of fixed assets**

As at 31 December 2013, the fixed assets at Headquarters were insured for CHF 43,701 (2012 – CHF 42,176). The WASAA building and fixed assets in Kenya were insured for Kenya shillings 26.9 million, equivalent to CHF 272 (2012 – CHF 284), which is the estimated replacement value.

## **3. 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 Headquarters' building.

## **4. Headquarters building**

Included in Building Infrastructures and Building Installations is the Headquarters building. 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.

### **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 4,226 and in-kind donations of CHF 1,787.

## **XII. INTANGIBLE ASSETS**

As at 31 December 2013 expenditure of CHF 4,605 (2012 – CHF 4,489) had been incurred on the development and implementation of an ERP system and portal applications. The ERP system went "live" at Headquarters in July 2011 and has been depreciated from this point.

**Movement in Intangible assets**

	<b>2013</b>	<b>2012</b>
<b>Purchase value:</b>		
Balance at 1 January	4,489	4,529
Additions	116	93
Impairment	0	(133)
<b>Balance at 31 December</b>	<b>4,605</b>	<b>4,489</b>
<b>Amortisation:</b>		
Balance as of 1 January	(940)	(327)
Charge for the year	(656)	(613)
<b>Balance at 31 December</b>	<b>(1,596)</b>	<b>(940)</b>
<b>Net Book Value:</b>		
<b>Balance at 31 December</b>	<b>3,009</b>	<b>3,549</b>

**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 4,057 as at 31 December 2013 (2012 – CHF 4,029), CHF 1,700 (2012 – CHF 1.691) is related to Headquarters and the balance to regional and country offices.

**XIV. 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**

	<b>2013</b>	<b>2012</b>
<b>Balance at 1 January</b>	<b>728</b>	<b>748</b>
Additions to provision	498	652
Utilization of provision	(328)	(672)
<b>Balance at 31 December</b>	<b>897</b>	<b>728</b>
<b>Region</b>	<b>2013</b>	<b>2012</b>
Asia	89	55
Eastern and Southern Africa Region	213	218
Europe	61	102
Headquarters	383	270
Western and Central Africa	116	61
Other Offices	35	22
<b>TOTAL</b>	<b>897</b>	<b>728</b>

## 2. Staff leave and repatriation

Staff leave refers to the holiday entitlement which had not been used by staff at the year-end. Staff leave is accrued only when there is a legal local obligation to do so. 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.

## 3. 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

	2013	2012
<b>Balance at 1 January</b>	<b>2,037</b>	<b>1,574</b>
Additions to provision	2,171	2,284
Utilization of provision	(2,357)	(1,821)
<b>Balance at 31 December</b>	<b>1,852</b>	<b>2,037</b>

## XV. DEFERRED INCOME

	2013	2012
Deferred unrestricted income	989	1,002
US deferred rent	141	154
Donations for construction of HQ building extension		
Donations in cash	3,374	3,563
Donations in kind	986	1,200
	<b>4,360</b>	<b>4,763</b>
Headquarters original building	8,941	9,249
Interest free government loan	8,486	8,790
<b>Total</b>	<b>22,917</b>	<b>23,958</b>
<b>Current</b>		
Deferred unrestricted income	989	1,002
Buildings:		
Original building	308	308
Building extension	403	403
<b>Total buildings</b>	<b>711</b>	<b>711</b>
<b>Total current deferred income</b>	<b>1,700</b>	<b>1,713</b>
<b>Non-current</b>		
US deferred rent	141	154
Original building	8,634	8,941
Building extension	12,443	13,150
<b>Total non-current deferred income</b>	<b>21,217</b>	<b>22,245</b>
<b>Total deferred income</b>	<b>22,917</b>	<b>23,958</b>

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

IUCN US entered into a long term rental contract and benefits from lower rental costs at the beginning of the ten year contract. 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.

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 d).

The deferred income on the government loan represents the difference between the fair value of the loan (CHF 9,912) and the outstanding cash value of the loan (CHF 18,398) (see note XVI). 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.

## **XVI. LOAN**

### **Headquarters building extension loan**

	<b>2013</b>	<b>2012</b>
Current	103	100
Non-current	9,809	9,910
<b>Total</b>	<b>9,912</b>	<b>10,010</b>

The Swiss Government provided an interest free loan of CHF 20 million 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 9,912. The outstanding cash value of the loan has been discounted at a rate of 3% which represents the market interest rate for a 10-year loan at the point of inception of the loan. The difference of CHF 8,486 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 XV).

The value of the interest that would have been paid on an equivalent commercial loan of 3% is estimated at CHF 552. This has been recorded in the Consolidated 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.

## **XVII. FUNDS and RESERVES**

### **1. Unrestricted reserves**

#### **a) 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 gain on exchange for the year amounted to CHF 134 (2012 – gain of CHF 11).

Exchange gains and losses on consolidation and translation of ledgers maintained in CNY, GBP, EUR and USD to Swiss francs are taken to the Currency translation adjustment reserve. The net movement during 2013 was a gain of CHF 137 (2012 – gain of CHF 36).

### **2. Designated reserves**

#### **a) Reserve for Statutory Meetings**

An allocation of CHF 499 (2012-0) was made from the Secretariat contingency fund to the Reserve for Statutory Meetings to cover future costs for the 2016 Congress (CHF 249), and Regional Conservation Fora (CHF 250).

#### **b) Other Reserves**

An allocation of CHF 225 was made from unrestricted funds to Other reserves to cover future costs of the external review (CHF 75) and a Congress for the World Commission on Environmental Law (CHF 150).

#### **c) Cost Centre reserves**

Cost centre reserves arise from surpluses on individual cost centres funded by unrestricted funds. 90% of the cost centre surpluses may be used by cost centre managers in future accounting periods with the explicit approval of the Director General. The remaining 10% of surpluses is transferred to the Secretariat Contingency Fund. At 31 December, 2013 the cost centre reserve balance was CHF 5,272 (2011 – CHF 4,070).

#### **d) Renovation Fund**

A net allocation of CHF 177 (2012 – CHF 193) was made from the Secretariat Contingency Fund to the Renovation Fund to cover future renovation costs of the Headquarters building.

## **XVIII. RETENTION OF STAFF INCOME TAX**

Swiss Government tax rebates amounted to CHF 1,214 (2012 – CHF1.541) 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 1st January 1987.

## **XIX. AGREEMENTS INCOME**

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

## **XX. OTHER OPERATING INCOME**

Other operating income of CHF 3,519 (2012 – CHF 3,627) shown under Secretariat unrestricted funds includes overhead and management fees from Ramsar of CHF 515 (2012 - CHF 518), rental income of CHF 733 (2012 - CHF 556) and recognition of deferred income of donations for the headquarters original building and building extension CHF 711 (2012- CHF 711). 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.

## **XXI. EXCHANGE DIFFERENCES ON REVALUATION OF PROJECT BALANCES**

Project balances are expressed in the currency of individual ledgers, that is CHF, GBP, CNY, USD or EUR. At the end of the year, project balances expressed in GBP, CNY, USD or EUR 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 (Project agreements advances and Project agreements receivable) 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.

## **XXII. 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 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 1,211 to the Commissions (2012 – CHF1,247).

During the year and as part of the services IUCN provides to Ramsar, IUCN received funds of CHF5,753 (2012 – CHF 6,844) and incurred payments of CHF5,600 (2012 - CHF 6,607) on behalf of Ramsar. At year-end the balance held in trust for Ramsar amounted to CHF 4,811 (2012 - CHF 5,222). 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 (2012-CHF 518) for the services provided to Ramsar and which are included in Other operating income. The balance of funds held on behalf of Ramsar at the end of the year of CHF 4,811 (2012 - CHF 5,222) is included in Cash and short term deposits and an equal amount in hosted organisation advances.

During the year IUCN made contributions of CHF 275 to TRAFFIC International (2012 – CHF 300). The balance of funds held on behalf of TRAFFIC International at the end of the year of CHF 100k (2012 - CHF 186) is included in Cash and short term deposits and an equal amount in hosted organisation advances.

During the year IUCN received funds from the International Union for the Conservation of Nature and Natural Resources – US of USD 504 (2012 – USD 1,012).

## ANNEX A – Core Funds under Framework agreements

Amounts in thousands Swiss francs	2013 Secretariat expenditure	2013 Framework core allocation
Central and West Africa Region - PACO	4,780	948
Eastern and Southern Africa Region - ESARO	3,670	791
Asia Region	7,353	1,000
Meso America and Caribbean	2,138	493
South America and Brazil	1,019	499
Europe	984	200
West Asia Region - ROWA	711	322
Mediterranean Cooperation Centre	1,112	-
Oceania	1,700	334
Washington DC Office	844	200
<b>Sub Total Regional Components</b>	<b>24,311</b>	<b>4,787</b>
Director's Office, Biodiversity Conservation Group	528	514
Species Programme	3,002	633
Invasive Species Initiative	148	50
Protected Areas Programme	1,091	521
World Heritage Programme	793	228
Director's Office, Nature-based Solutions Group	423	442
Ecosystem Based Adaptation Programme	1,299	246
Forest & Climate Change Programme	1,480	334
Marine & Polar Programme	1,657	384
Social Policy Advisor	338	300
Gender Advisor	289	160
Water & Food Security Programme	1,133	311
Business & Biodiversity Programme	1,286	373
Economics Programme	277	204
Traffic International	453	275
<b>Sub Total Global Thematic units</b>	<b>14,197</b>	<b>4,975</b>
Director's Office, Policy, Programme & Capacity Development Group	372	398
Planning, Monitoring & Evaluation Unit	419	395
Science and Knowledge Unit	811	796
Global Policy Unit	517	543
Environmental Law	1,320	568
Capacity Development Unit	482	400
<b>Sub Total PPG - Programme Policy Group</b>	<b>3,921</b>	<b>3,100</b>
Commission on Education and Communication	213	207
Commission on Ecosystem Management	160	167
Commission on Environmental Law	73	224
World Commission on Protected Areas	182	205
Species Survival Commission	260	241
Commission on Environment, Economics and Social Policy	184	167
<b>Sub Total Commissions</b>	<b>1,072</b>	<b>1,211</b>
Director General's Office	866	-
Deputy Director General's Office	401	404
Legal Counsel	446	-
Oversight Unit	246	249
Corporate Communications	517	514
Union Development Group	1,273	-
<b>Sub Total Directorate and Corporate Units</b>	<b>3,749</b>	<b>1,167</b>
Finance Group	2,025	-
Human Resources Management Group	1,097	-
Strategic Partnerships Unit	567	480
General Services Unit	3,142	-
Information Systems Operations	2,114	-
Information Systems Applications	1,206	507
<b>Sub Total Services Units</b>	<b>10,151</b>	<b>987</b>
<b>OVERALL TOTAL</b>	<b>57,402</b>	<b>16,227</b>
Non operating expenditure	595	
<b>Operating expenses as per the Income &amp; Expenditure Statement</b>	<b>57,997</b>	

### Reconciliation of Framework Income to the Financial Statements

<b>Overall Total allocations as above</b>	<b>16,227</b>
Realised foreign exchange on cash contributions	(8)
Framework funding allocated to projects (Norad contribution)	641
Surplus at year-end transferred to designated reserve	75
<b>Total Funding under Joint Framework Agreements</b>	<b>16,935</b>

## ANNEX A – Funding under Framework agreements

	TOTAL
<b>Donors under Joint Framework Agreements</b>	
Danish International Development Agency (DANIDA) - Denmark	3,276
Environment Agency – Abu Dhabi (EAD) – United Arab Emirates	1,000
French Development Agency (AFD) - France	705
MAVA Foundation for the Protection of Nature (MAVA) - Switzerland	1,000
Ministry of Environment, Republic of Korea (MOE) - Korea	600
Ministry of Foreign Affairs - Finland	857
Norwegian Agency for Development Cooperation (NORAD) - Norway	3,167
Swedish International Development Agency (SIDA) - Sweden	4,130
Swiss Agency for Development and Cooperation (SDC) - Switzerland	2,200
<b>Total Funding under Joint Framework Agreements</b>	<b>16,935</b>