



**Governing Council
Sixty-seventh Session**

GC/67/5

*Lyon, 6–8 May 2025
Hybrid format*

**FINANCIAL REPORT,
REPORT OF THE EXTERNAL AUDITOR,
AND FINANCIAL STATEMENTS**

For the year ended 31 December 2024

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DIRECTOR'S FINANCIAL REPORT

INTRODUCTION

1. The annual financial report of the Agency for the year ended 31 December 2024 is submitted in accordance with Article VI, Paragraph 6.1 of the IARC Financial Regulations. The financial statements and notes to the financial statements of the Agency have been prepared in full compliance with International Public Sector Accounting Standards (IPSAS), which continues to bring greater transparency, consistency, comparability and reliability of financial information, and higher standards of financial reporting.
2. This financial report includes the Statement on Internal Control that provides specific assurance on the effectiveness of internal control in IARC.
3. The statutory components of this report have been audited by the External Auditor, the Comptroller and Auditor General of India. The report of the External Auditor, together with his unqualified (clean) opinion on the financial statements, is included in this report in accordance with Article VI, Paragraph 6.2 of the [IARC Financial Regulations](#).

FINANCIAL HIGHLIGHTS

4. IARC's main funding source came from the assessed contributions from Participating States, followed by voluntary contributions (including research grants). In 2024, 86% of IARC's activities were financed from these two funding sources. The rest was financed from the Governing Council Special Fund and the Special Account for Programme Support Cost.
5. The net assets/equity of the Agency as at the end of 2024 was €2.1 million, compared to €9.41 million at the end of 2023. The drop in the net assets/equity is mainly due to increase in the long-term accrued staff liabilities.
6. As shown on the Statement of Financial Performance, total revenue recognized during 2024 exceeded the total expenses, resulting in €2.26 million surplus. This surplus is partly due to the net financial revenue of €2.01 million.
7. The cash flow of the Agency has increased by €6.9 million from the prior year.

Regular budget and budget utilization

8. The regular budget 2024–2025 was approved by the Governing Council in May 2023 amounting to €48.7 million, fully funded from assessed contributions from Participating States, of which €24.3 million was allocated to 2024 and €24.4 million was allocated to 2025.
9. As at 31 December 2024, the collection of 2024 budgeted assessed contributions was at 86.15% detailed in [Schedule 3](#).
10. Total expenses and capital expenditure charged against the regular budget approved for 2024 amounted to €20.8 million. At the end of the reporting period, €0.9 million were earmarked for encumbrances for delivery in 2024.
11. The budget utilization (expenditures and encumbrances) rate for year 2024 was at 89.1%. Figure 1 below shows the breakdown of budget utilization by six main objectives in comparison to the initial budget approved by the Governing Council as presented in [Statement V](#).

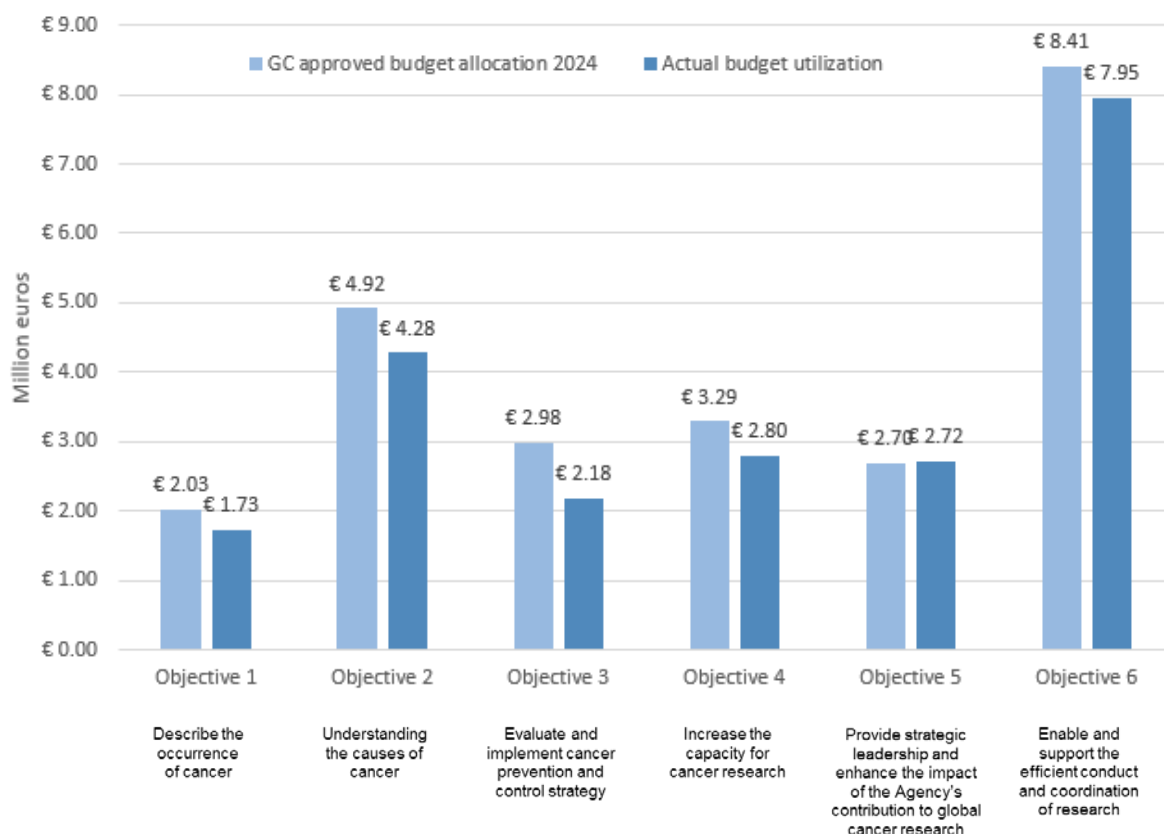


Figure 1: Approved regular budget and actual budget utilization in 2024

12. Authorized by the Governing Council under Resolution [GC/63/R6](#), paragraph 5, the Director approved budget transfers between sections during the year, not exceeding 15% of the section’s budget from which the credit was transferred.

13. The exchange rate applied by the Governing Council when approving the 2024–2025 budget was €0.907/US\$. The average United Nations Operational Rates of Exchange for the year 2024 was €0.923/US\$. The depreciation of the value of the euro in 2024 resulted in total financial costs of €0.011 million. The Agency covered these unforeseen costs related to currency realignments from the budgetary provision authorized in Resolution [GC/63/R6](#), paragraph 6.

Voluntary Contributions

14. The Voluntary Contributions Account comprises designated contributions, undesigned contributions and the Core Voluntary Contribution Account (CVCA). Designated contributions are specifically earmarked by the donor to finance special projects while undesigned contributions and CVCA do not have these conditions attached.
15. CVCA was established in 2019 to receive supplementary funds from Participating States to finance IARC’s core activities (Resolution [GC/61/R5](#), paragraph 9). In 2024, additional contributions amounting to €0.09 million were received to supplement the 2024–2025 biennium regular budget as follows:

United Kingdom of Great Britain and Northern Ireland	€91 317
Total	<u>€91 317</u>

16. The recognition of revenue from Voluntary Contributions depends on conditions set in the agreements. The total revenue of the Voluntary Contributions Account recognized during 2024 amounted to €25.8 million as shown in [Statement II](#), of which 0.1% was against undesigned voluntary contributions. [Information document GC/65/Inf.Doc. No.3](#) provides additional details on the Voluntary Contributions.

Expenses

17. Total expenses incurred in 2024 amounted to €52.9 million. 41.0% were charged on the regular budget, 42.7% on voluntary contributions, and the remaining 16.3% on other funds.
18. About 51.3% of expenses were staff costs, 6.2% were costs of Early Career and Visiting Scientists (ECVS), and the remaining 42.6 % were activity costs.
19. The most significant activity costs were procurement and other operating expenses (17.1%), Collaborative Research Agreements (9.0%), as well as Agreement for Performance of Work (APWs) and consultants (2.4%). Temporary assistants, advisors and participants costs were 4.8% and travel costs were 1.7%.

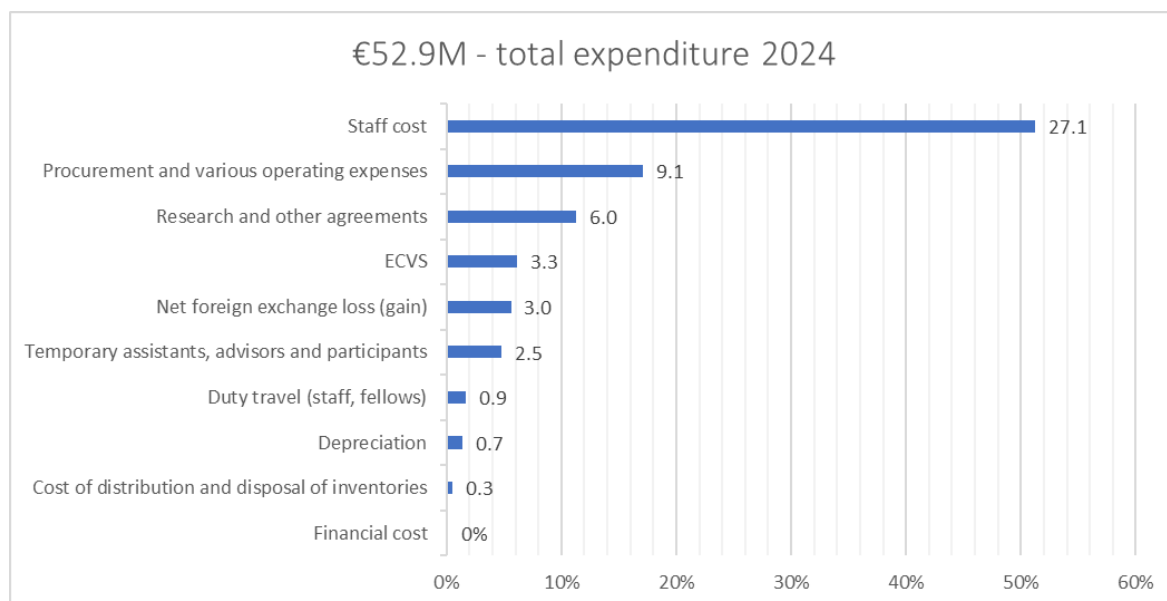



Figure 2: Total expenditure in 2024 on staff, ECVS and activities

Unfunded After Service Health Insurance (ASHI) liabilities and plan to fill the gap

20. As described under Note 5.3 of the financial statements, accrued staff benefit liabilities as at 31 December 2024 amounted to €73.8 million, of which €63.4 million were unfunded.
21. The ASHI funded ratio has decreased from 46% in 2023 to 42% in 2024. The net deficit or unfunded ASHI net liabilities increased from €50 million in 2023 to €70.4 million in 2024, a net increase of €20.4 million. The decrease in the funded ratio is primarily due to actuarial losses from updated discount rates and the exchange loss of €4.7 million. The ASHI fund (asset) increased to US\$ 53.3 million in 2024 from US\$ 48.2 million in 2023 (or net increase of US\$ 5.1 million).
22. In addressing the unfunded ASHI liabilities, IARC follows the plan set by the World Health Organization (WHO). The funded status is volatile from year to year, but despite the decrease in 2024 there is a general gradual improvement on the funded ratio, consistent with the objective of gradually achieving approximately a 100% funded ratio.
23. It is important to recognize that ASHI liabilities are long-term liabilities that do not need to be fully funded now or in the near future, and they do not impact IARC's healthy operational performance.

REPORT OF THE EXTERNAL AUDITORS



SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थं सत्यनिष्ठा
Dedicated to Truth in Public Interest

**OFFICE OF THE COMPTROLLER
AND AUDITOR GENERAL OF
INDIA**

Our audit aims to provide independent assurance and to add value to the Management of International Agency for Research on Cancer (IARC) by making constructive recommendations.

For further information, please contact:

Ms. Ritika Bhatia,
Director External Audit
WHO, Geneva
E-mail: bhatiari@who.int

**Audit of
International Agency
for Research on
Cancer (IARC) for
the
Financial Year ended
31 December 2024**

Chapter I

Report of the External Auditor on the financial statements

Audit Opinion

To the Governing Council of the International Agency for Research on Cancer Opinion

We have audited the financial statements of the International Agency for Research on Cancer (IARC) which comprise the statement of financial position (statement I) as at 31 December 2024, the statement of financial performance (statement II), the statement of changes in net assets/equity (statement III), the statement of cash flows (statement IV) and the statement of comparison of budget and actual amounts (statement V) for the year then ended, as well as the notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of IARC as at 31 December 2024, and its financial performance, changes in net assets/equity, cash flow, comparison of budget and actual amounts for the year then ended in accordance with the International Public Sector Accounting Standards (IPSAS).

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing. Our responsibilities under those standards are described in the section below entitled “Auditor’s responsibilities for the audit of the financial statements”. We are independent of IARC in accordance with the ethical requirements relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and the auditor’s report thereon

Management is responsible for other information. The other information comprises the financial report for the year ended 31 December 2024, but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance thereon.

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

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS and for such internal control as management determines to be necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the ability of IARC to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going-concern basis of accounting unless the management intends either to liquidate IARC or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of IARC.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatements, 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 the International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users, taken on the basis of these financial statements.

As part of an audit in accordance with the International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation or the overriding 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 internal control of IARC;

(b) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management;

(c) Draw conclusions as to the appropriateness of the management's use of the going-concern basis of accounting and, on the basis of the audit evidence obtained, whether a material uncertainty exists in relation to events or conditions that may cast significant doubt on the ability of IARC to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the IARC to cease to continue as a going concern;

(d) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Furthermore, in our opinion, the transactions of IARC that have come to our notice or that we have tested as part of our audit have, in all significant respects, been in accordance with

the IARC Financial Regulations.

In accordance with Regulation XIV of the WHO Financial Regulations, we have also issued a long-form report on our audit of the International Agency for Research on Cancer.



K. Sanjay Murthy

Comptroller and Auditor General of India

17 April 2025

STATEMENT ON INTERNAL CONTROL

Scope of responsibility

As Director of the International Agency for Research on Cancer (IARC), I am accountable to the Governing Council for the administration of IARC and implementation of IARC programmes. Under WHO Financial Regulations XII and in accordance with the delegation of authority from the Director-General of WHO, I am accountable for maintaining a sound internal control to ensure the accomplishment of established objectives and operational goals; the efficient and effective use of IARC resources; the reliability and integrity of information; compliance with policies, plans, procedures, rules and regulations; and the safeguarding of IARC assets. Every individual within IARC has a role in effecting internal control that varies in responsibility and level of involvement.

Purpose of internal control

Internal control is designed to reduce and manage – rather than eliminate – the risk of failure to achieve IARC's aims and objectives. Therefore, it can provide reasonable but not absolute assurance of effectiveness. It is based on a continuous process designed to identify the principal risks, evaluate the nature and extent of those risks and manage them efficiently, effectively and economically.

Internal control is a key role of management and an integral part of the overall process of managing operations. As such it is the responsibility of IARC management at all levels to:

- establish a control environment and culture that promotes effective internal control;
- identify and assess risks that may affect the achievement of objectives including the risk of fraud and corruption;
- specify and propose policies, plans, operating standards, procedures, systems and other control activities to manage the risks associated with exposure identified;
- ensure an effective flow of information and communication so that all IARC personnel have the information they need to fulfil their responsibilities; and
- monitor the effectiveness of internal control.

IARC's operating environment

IARC operates from a single location, headquartered in Lyon, France. IARC's exposure to challenging operating environments is limited with low levels of inherent risk in terms of the security of employees and its ability to maintain high standards of internal control. IARC staff occasionally visit project sites in countries with security risks and in these cases IARC monitors the security situation in each country in order to mitigate the risk of exposure of its personnel. Significant risks are captured in IARC's Principal Risk Register, subject to the regular review by the Senior Advisory Team (SAT) in its function as IARC's Risk Management Committee, chaired by the Director.

IARC's internal control system operates continually to ensure the above objectives through robust internal control processes, embedded in IARC's Enterprise Resource Planning solution and associated systems such as eWorkflows to the extent possible.

The Internal Control Framework and Enterprise Risk Management

The IARC Internal Control Framework (ICF), along with the IARC Enterprise Risk Management (ERM) Policy, and the IARC Management and Corporate Dashboards are critical systems and tools to ensure IARC achieves its mandate and objectives.

The IARC ICF defines roles and responsibilities, accountabilities, and delegations of authority within IARC. Inherent in the ICF is the clear segregation of duties designed to ensure an appropriate level of checks and balances upon the activities of individuals, minimizing the risk of errors or fraud. The ICF is reviewed regularly to ensure its relevance and effectiveness, especially when a new/updated policy, process, or system is implemented. It was last updated in September 2021. Communication on changes to the ICF is provided to IARC personnel as part of the briefing/training on the relevant policy, process, or system being implemented/amended.

The IARC ERM Policy was issued in October 2014. The objectives of IARC's risk management approach are twofold: to support informed decision making and to embed risk management in corporate operational processes. The key objective of corporate risk management at IARC is to ensure that the organization understands the risks inherent to its operations and chooses the appropriate strategy to manage them.

In 2017, IARC's Risk Management Tool was further expanded, based on lessons learned from previous years, since the introduction of the IARC Risk Log in 2014. In 2019, WHO's simplified online Risk Management Tool was adopted with slight modifications by IARC. IARC Branches have used the new tool to identify risks related to their work plans, evaluate those risks according to their likely impact and probability and develop risk response plans to address them. Every IARC member of personnel is expected to identify risks at their own level with escalation coming through communication to Branch Heads, who are represented on the SAT. This bottom-up risk management process is complemented with a top-down phase of validation and escalation. The most significant risks encountered by IARC in achieving its mandate are then reflected in a corporate level risk register, which is discussed and reviewed regularly by the SAT, functioning by extension as IARC's Risk Management Committee. In 2020, IARC's corporate level risk register was renamed into IARC's Principal Risk Register and further adapted to reflect IARC's specific operational needs. The most significant control and risk issues identified in 2024 are listed further below.

IARC Director has the overall responsibility for assessing risks associated with the implementation of programmes and the overall operations of IARC. The Director is assisted in this task by the SAT (acting as IARC's Risk Management Committee), and strategic monitoring and reporting tools, such as the IARC Management Dashboard.

Review of effectiveness of internal controls

The review of the effectiveness of IARC's internal control is mainly based on the following:

- The internal control self-assessment checklist was implemented in 2019 as a pilot and further refined in 2020 and 2021. The checklist was completed and submitted to the Director by responsible Services to Science and Research (SSR) unit Heads. The 2024 self-assessment exercise deemed IARC internal controls to be overall strong. Respondents identified opportunities for improvement in some functional areas. The results of the self-assessment exercise will be carefully reviewed, and action plans developed to address areas for improvement.

- The IARC Director's periodically review of the IARC Management Dashboard, with the participation of the Director of Administration and Finance (DAF) and the Administration and Finance Officer (AFO), allows to monitor and verify compliance, identify trends, and address problematic areas, as early as possible.
- The Annual External Audit Report issued by the IARC External Auditor provides independent oversight and reporting on IARC's compliance with financial rules and regulations. The Comptroller and Auditor General of India is invited to provide observations and recommendations to the IARC Governing Council. IARC's full compliance with IPSAS has been confirmed by the External Auditor, since its first adoption in 2012.
- The annual scientific peer-reviews carried out by independent Review Panels established by the IARC Scientific Council provide valuable insights to the IARC Director on the quality and relevance of IARC's scientific work. The results of the peer-reviews are reported annually to the Governing Council, holding IARC accountable to its Medium-term Strategy (MTS) 2021–2025 established by IARC Participating States. The IARC Branch of Evidence Synthesis and Classification (ESC), led by Dr. Mary Schubauer-Berigan, underwent review in 2024. The scientific quality of ESC was rated as outstanding, while the relevance of its work to IARC's mission was deemed a perfect fit.
- The biennial report of the IARC Ethics Committee reviews compliance of all IARC scientific projects against IARC's Scientific Code of Conduct. All IARC Ethics Committee members obtained the WHO certificate on Global Health Research Ethics. The work of the IARC Ethics Committee is supported by the IARC Ethics Advisory Group, a small group of international bioethics experts, providing specialist expertise to help resolve complex ethical issues.
- Feedback is obtained from the annual staff Declaration of Interests (DOI) submitted by the IARC Director; DAF; Branch Heads and Deputy Branch Heads; All staff members at P4 and above – referring to the grade of the staff member, not the grade of the post that they occupy; All other Professional staff members in the Director's Office and the Services to SSR; Staff members who are responsible for the procurement of goods and services, or who otherwise perform procurement functions, including on an acting basis; and other staff members at any grade whom the Director identifies as staff members who, by virtue of their functions or other relevant considerations, should file a yearly DOI.

Significant control and risk issues

No significant internal control issues noted in 2024.

Based on consolidated findings of IARC's Principal Risk Register in 2024, the risks with severe inherent risk qualification are listed below. Following the implementation of risk response actions some of these risks are reduced to 'significant' or 'moderate' residual risk rating by the end of 2025, but some are foreseen to remain 'severe' even after implementation of risk response actions in 2025.

Risk description	Risk response actions
<p>Due to the ongoing conflicts and geopolitical situation and the increased possibility of a trade war with heightened customs fees, together with the spike in inflation and interest rates, there is a risk of economic crisis, diplomatic deadlock, lack of funding, increased operating costs and decreased scientific activities, potentially affecting IARC competitiveness and overall mission.</p>	<ol style="list-style-type: none"> 1. Maintain close contact with the Participating States (PS) 2. Actively attract new PS by explaining value and benefits of IARC membership 3. Avoid politicizing IARC 4. Keep discussions focused on scientific and technical issues 5. Mobilize diverse additional sources of revenue
<p>Resignation of an IARC Participating State, reducing the availability of Assessed Contributions below zero nominal growth level. This leads to a risk of depletion of IARC's financial reserves thus leading to IARC's core projects not being funded, affecting the effectiveness of IARC and the sustainability of financing for the Agency.</p>	<ol style="list-style-type: none"> 1. Maintain close contact with the PS; Ensure each PS has continued understanding of the benefit they have in being IARC PS. 2. Inform the IARC Governing Council and request their participation in the discussions 3. Seek to find alternative and sustainable sources of funding, mainly new participating states 4. Prepare for programmatic cuts and reduced MTS objectives
<p>Due to the challenges associated with competitive funding (Lack of (suitable) funding calls, IARC non-eligibility to participate in funding calls) project activities included in IARC MTS are at risk of not being funded, or only partially funded, potentially affecting IARC's effectiveness and ability to obtain results and, thereby, the perception of the Agency by its stakeholders.</p>	<ol style="list-style-type: none"> 1. Lobby main donors (European Commission, National Institute of Health, Cancer Research UK, Bill and Melinda Gates Foundation, etc.) 2. Strategic focus of grant applications to ensure focus to MTS priorities. Reduce low strategic value grants and focus on high value to ensure support resources are not over stretched, delaying operations 3. Ensure sufficient capacity and coordination as well as active management of ongoing donor relationships. 4. Maintain donor confidence through strengthened programme and financial transparency 5. Increase visibility of IARC 6. Advocate Core Voluntary Contributions from participating states to fund in particular underfunded Flagship programs 7. Increase networks of high-income donors who have minimal conflicts of interest

Risk description	Risk response actions
<p>Due to non-payment of assessed contribution by IARC Participating State(s), there is a risk of depletion of IARC’s financial reserves, leading to IARC’s core projects not being funded, potentially affecting the effectiveness of IARC and the sustainability of financing for the Agency.</p>	<ol style="list-style-type: none"> 1. Maintain close contact with the concerned PSs 2. Inform the IARC GC and request their participation in the discussion on the payment of dues 3. Reach out to contacts through diplomatic channels 4. Seek support from WHO 5. Seek different ways of financing the budget for IARC
<p>Due to the lack of real growth of IARC’s regular budget (due to zero nominal growth policy of most PS in high inflation environment), core activities are at risk of not being funded, potentially affecting the effectiveness of IARC and the perception of the Agency by IARC's stakeholders.</p>	<ol style="list-style-type: none"> 1. Targeted resource mobilization with main existing and potential new donors 2. Liaison with PS, GC Chair and WHO on a regular basis to avoid a diplomatic deadlock 3. Financing dialogue meetings offered to PS prior to the GC 4. Advocating CVCA mechanism and raising awareness of PS to consider contributions 5. Advocate for an increase that will cover the basic level of core functions
<p>Withdrawal or defaulting of major donors, external funding to IARC Monographs Programme being cut for example due to lobbying from stakeholders, potentially affecting the sustainability of the <i>Monographs Programme</i></p>	<ol style="list-style-type: none"> 1. Strategy against orchestrating lobbying 2. Diversification of funding 3. Donors’ meeting 4. Streamlining MTS objectives and adapting resource requirements and allocations accordingly, in case the funding situation changes abruptly.
<p>Several of IARC’s critical infrastructure IT related systems reaching their end-of-life or lacking support, combined with delays in the implementation of the new WHO/IARC ERP (caused by external factors beyond IARC’s control), there is a risk of a major system outage impacting critical systems required for IARC to carry out its core functions.</p>	<ol style="list-style-type: none"> 1. Ensure availability of a new ERP system for IARC implementation 2. Ensure funding for new ERP system implementation 3. Ensure the scope of new ERP implementation such that the schedule and costs of implementation can be kept at minimum. 4. Sufficient resources (financial and HR) available for maintenance of the systems.

Conclusion

IARC is committed to addressing the internal control and risk management issues identified above.

All internal controls have inherent limitations – including the possibility of circumvention – and therefore can provide only reasonable assurance. Furthermore, because of changes of conditions, the effectiveness of internal control may vary over time. IARC will continue to evaluate and adapt its internal controls as part of its commitment to continuous improvement in these areas.

In summary, I conclude, to the best of my knowledge and information, that IARC operated satisfactory systems of internal control for the year ended 31 December 2024 in line with its Internal Control Framework.

A handwritten signature in blue ink, consisting of a series of loops and a long horizontal stroke extending to the right.

Elisabete Weiderpass, MD, MSc, PhD

IARC Director

CERTIFICATION OF ANNUAL FINANCIAL STATEMENTS

For the year ended 31 December 2024

The appended financial statements numbered I to V, relevant notes to the statements and schedules 1 to 3 are approved.

A handwritten signature in blue ink that reads "Mehta" with a horizontal line underneath.

Charu Mehta
Director of Administration and Finance

A handwritten signature in blue ink consisting of several loops and a long horizontal stroke extending to the right.

Elisabete Weiderpass, MD, MSc, PhD
IARC Director

FINANCIAL STATEMENTS

STATEMENT I – Statement of Financial Position

International Agency for Research on Cancer			
Statement of Financial Position			
As at 31 December 2024			
(amount in Euros)			
	Notes	As at 31 December 2024	As at 31 December 2023
ASSETS			
Note 4			
Current assets			
Cash and cash equivalents	4.1	50 106 061	43 216 470
Investments and financial instruments	4.2	11 000 000	
Accounts receivable, net	4.3	23 284 690	22 723 142
Staff receivables	4.4	154 091	146 850
Prepayments	4.5	284 188	288 668
Accrued Interest	4.6	66 700	65 437
Inventories	4.7	769 330	753 037
Total current assets		<u>85 665 060</u>	<u>67 193 604</u>
Non-current assets			
Investments and financial instruments	4.2		11 000 000
Accounts receivable, net	4.3	13 630 323	16 502 648
Property, plant and equipment - net	4.8	2 790 367	2 247 755
Total non-current assets		<u>16 420 690</u>	<u>29 750 403</u>
TOTAL ASSETS		<u>102 085 750</u>	<u>96 944 007</u>
LIABILITIES			
Note 5			
Current liabilities			
Revenue received in advance	5.1	1 562 506	929 599
Accounts payable	5.2	1 300 047	1 458 792
Accrued staff benefits	5.3	1 380 100	1 386 660
Deferred revenue	5.4	14 049 051	15 473 104
Total current liabilities		<u>18 291 704</u>	<u>19 248 155</u>
Non-current liabilities			
Accrued staff benefits	5.3	72 376 379	51 714 622
Deferred revenue	5.4	13 526 333	16 568 614
Total non-current liabilities		<u>85 902 712</u>	<u>68 283 236</u>
TOTAL LIABILITIES		<u>104 194 416</u>	<u>87 531 391</u>
NET ASSETS/EQUITY			
Note 6			
Fund			
Regular Budget	6.1	3 566 531	1 022 367
Voluntary Contributions	6.2	25 373 916	23 559 069
Working Capital Fund	6.3	4 166 705	528 006
Other IARC funds			
Governing Council Special Funds	6.4	19 644 569	19 597 328
Special Account for Programme Support Costs	6.5	4 898 484	4 858 165
Participating States - Others	6.6	(59 811 102)	(40 204 550)
Trust Fund	6.7	52 231	52 231
TOTAL NET ASSETS/EQUITY BALANCES		<u>(2 108 666)</u>	<u>9 412 616</u>
TOTAL LIABILITIES AND NET ASSETS/EQUITY BALANCES		<u>102 085 750</u>	<u>96 944 007</u>

The section on significant accounting policies and the accompanying notes form part of the financial statements.

STATEMENT II – Statement of Financial Performance

International Agency for Research on Cancer			
Statement of Financial Performance			
For the year ended 31 December 2024			
(amount in Euros)			
	Notes	for the year ended 31 December 2024	for the year ended 31 December 2023
REVENUE	Note 7		
Assessed contributions	7.1	24 155 644	24 059 755
Voluntary contributions	7.2	25 767 273	20 367 900
Sale of publications	7.3	3 105 924	2 286 521
Other operating revenue	7.4	6 366	81 632
Trust Funds	7.5		
Financial revenue	7.6	2 092 342	1 599 488
Total revenue		<u>55 127 549</u>	<u>48 395 296</u>
EXPENSES	Note 8		
Staff cost	8.1	27 108 501	25 164 174
Temporary assistants, advisors and participants	8.2	2 540 685	2 651 356
Fellows	8.3	3 253 856	3 037 864
Duty travel (staff, fellows)	8.4	896 188	786 479
Research and other agreements	8.5	5 981 610	5 684 026
Procurement and various operating expenses	8.6	9 048 879	9 980 779
Cost of distribution and disposal of inventories	8.7	291 140	111 552
Depreciation	8.8	746 935	542 371
Financial cost	8.9	26 179	22 508
Total expenses		<u>49 893 973</u>	<u>47 981 109</u>
Net foreign exchange loss (gain)	8.10	2 974 793	(2 349 019)
TOTAL SURPLUS (DEFICIT) FOR THE YEAR		<u>2 258 783</u>	<u>2 763 206</u>

The section on significant accounting policies and the accompanying notes form part of the financial statements.

STATEMENT III – Statement of Changes in Net Assets/Equity

International Agency for Research on Cancer					
Statement of Changes in Net Assets/Equity					
For the year ended 31 December 2024					
<i>(amount in Euros)</i>					
	Notes	Balance as at 31 December 2023	Surplus (deficit) in 2024	Remeasurement Gain/(Loss) on DBO and Plan Asset	Balance as at 31 December 2024
Fund					
Non-restricted (Participating States)					
Regular Budget	6.1	1 022 367	2 544 164		3 566 531
Working Capital Fund	6.3	528 006	3 638 699		4 166 705
Other IARC Funds	6.4-6.6	(15 749 057)	(5 738 927)	(13 780 065)	(35 268 049)
Total non-restricted		(14 198 684)	443 936	(13 780 065)	(27 534 813)
Restricted					
Voluntary Contributions	6.2	23 559 069	1 814 847		25 373 916
Trust Fund	6.7	52 231			52 231
Total restricted		23 611 300	1 814 847		25 426 147
Total net assets/equity balance		9 412 616	2 258 783	(13 780 065)	(2 108 666)

The section on significant accounting policies and the accompanying notes form part of the financial statements.

STATEMENT IV – Statement of Cash Flows

International Agency for Research on Cancer			
Statement of Cash Flows			
For the year ended 31 December 2024			
(amount in Euros)			
	Notes	As at 31 December 2024	As at 31 December 2023
Cash flow from operating activities			
Net surplus (deficit) for the year		2 258 783	2 763 206
Depreciation	8.8	746 935	542 371
Unrealized (gains)/losses on revaluation	8.10	4 164 263	(2 565 912)
(Increase) decrease in current accounts receivable, current	9	(44 746)	(2 376 877)
(Increase) decrease in staff receivables	9	(7 453)	(31 726)
(Increase) decrease in prepayments		4 480	(36 988)
(Increase) decrease in interest receivables		(1 263)	(50 700)
(Increase) decrease in inventories		(16 293)	(151 616)
(Increase) decrease in accounts receivable, non-current	9	2 829 990	1 175 510
Increase (decrease) in assessed contributions received in advance		632 907	(6 952)
Increase (decrease) in accounts payable	9	(158 745)	144 016
Increase (decrease) in accrued staff benefit, current liabilities		(6 560)	58 963
Increase (decrease) in deferred revenue, current liabilities		(1 424 053)	3 839 549
Increase (decrease) in accrued staff benefit, non-current liabilities	9	2 243 174	2 401 714
Increase (decrease) in deferred revenue, non-current liabilities		(3 042 281)	(1 179 430)
Net increase (decrease) in cash flows from operating activities		8 179 138	4 525 129
Cash flows from investing activities			
(Increase) decrease in property, plant and equipment	9	(1 289 547)	(1 003 525)
(Increase) decrease in investments and financial instruments, current	4	(11 000 000)	
(Increase) decrease in investments and financial instruments, non-current	4	11 000 000	(11 000 000)
Net increase (decrease) in cash and cash equivalents		6 889 591	(7 478 396)
Cash and cash equivalents at the beginning of the year		43 216 470	50 694 866
Cash and cash equivalents at the end of the year	4.1	50 106 061	43 216 470

The section on significant accounting policies and the accompanying notes form part of the financial statements.

The net surplus for 2024 includes the interest received of €2 092 342.

STATEMENT V – Statement of Comparison of Budget and Actual Amounts

International Agency for Research on Cancer Statement of Comparison of Budget and Actual Amounts (Regular Budget Appropriation for 2024-2025) For the year ended 31 December 2024 (amount in Euros)							
Purpose of appropriation	2024 Programme Budget Appropriations			Budget Utilization			% utilization
	Approved Appropriations by Governing Council 2024	Transfers (IARC Financial Regulations 3.3)	Effective appropriations	Expenses 2024	Encumbrance 2024	Total Utilization	
1. Describe the occurrence of cancer	2 025 760		2 025 760	1 702 709	25 350	1 728 059	7.10%
2. Understand the causes of cancer	4 923 328		4 923 328	4 243 984	35 926	4 279 910	17.60%
3. Evaluate and implement cancer prevention and control strategies	2 981 336		2 981 336	2 107 252	72 244	2 179 496	8.96%
4. Increase the capacity for cancer research	3 291 867		3 291 867	2 700 728	100 473	2 801 201	11.52%
5. Provide strategic leadership and enhance the impact of the Agency's contribution to global cancer research	2 695 367		2 695 367	2 645 956	76 681	2 722 637	11.19%
6. Enable and support the efficient conduct and coordination of research	8 405 514		8 405 514	7 356 012	593 566	7 949 578	32.68%
TOTAL	24 323 172		24 323 172	20 756 641	904 239	21 660 880	89.05%
RECONCILIATION (see Note 10)							
TOTAL EXPENSES AS PER STATEMENT V				20 756 641			
a) Time differences:							
Regular Budget expenditure in other periods				902 651			
b) Basis differences:							
Common fund activities				(558 905)			
Other non-Regular Budget utilisation				31 768 379			
Sub-total				<u>31 209 474</u>			
TOTAL EXPENSES AS PER STATEMENT II				<u>€ 52 868 766</u>			

The section on significant accounting policies and the accompanying notes form part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Note 1: Reporting entity

The International Agency for Research on Cancer (IARC) is the specialized cancer agency of the World Health Organization (WHO) established by the World Health Assembly in 1965 through its Resolution WHA18.44. IARC has its headquarters in Lyon, France.

The objective of IARC is to promote international collaboration in cancer research. The Agency is interdisciplinary, bringing together skills in epidemiology, laboratory sciences and biostatistics to identify the causes of cancer so that preventive measures may be adopted, and the burden of disease and associated suffering reduced. A significant feature of IARC is its expertise in coordinating research across countries and organizations; its independent role as an international organization facilitates this activity.

The financial records of IARC are not consolidated in the financial statements of WHO. According to the guidance for determining which entities should be consolidated within an economic entity provided by IPSAS 6, "Consolidated Financial Statements and Accounting for Controlled Entities", IARC does not meet the requirements to be consolidated under WHO as IARC has its own governing body and is not controlled by the World Health Assembly.

The financial statements only include the operations of IARC, which has no subsidiaries or interest in associates or jointly controlled entities.

Note 2: Basis for preparation and presentation

2.1 Accounting standards

The financial statements of IARC for the period ended 31 December 2024 have been prepared on the accrual basis of accounting in accordance with the International Public Sector Accounting Standards (IPSAS).

The financial statements have been prepared using the historical cost convention and under the assumption that IARC is a going concern and will meet its mandate for the foreseeable future.

2.2 Financial regulations

These financial statements have also been prepared according to the IARC Financial Regulations, and the WHO Financial Regulations and Rules, with the annual accounting period of 1 January through 31 December.

2.3 Functional currency and conversion of foreign currencies

The functional and reporting currency of IARC is euros and all values are rounded to the nearest euro, unless otherwise stated. Transactions in currencies other than euros are translated into euros at the prevailing United Nations Operational Rates of Exchange (UNORE) at the time of transaction. Assets and liabilities in currencies other than euros are translated into euros at the prevailing UNORE year-end closing rate. Resulting gains or losses are accounted for in the Statement of Financial Performance.

2.4 Financial statements

In accordance with IPSAS 1, a complete set of financial statements has been prepared as follows:

- Statement of Financial Position (Statement I)
- Statement of Financial Performance (Statement II)
- Statement of Changes in Net Assets/Equity (Statement III)
- Statement of Cash Flows (Statement IV)
- Statement of Comparison of Budget and Actual Amounts (Statement V)
- Notes, comprising of a summary of significant accounting policies, explanation of the financial statements, and other relevant information.

The Cash Flow Statement is prepared using the indirect method.

In addition, the following Schedules have been prepared to provide supplementary information to the Statement of Financial Performance and on the status of collection of contributions from Participating States:

- Statement of Financial Performance by major funds (Schedule 1)
- Statement of Financial Performance by other funds (Schedule 2)
- Status of Collection of Contributions from Participating States (Schedule 3)

2.5 Future accounting changes

The IPSAS Board has published the following new and amended standards:

Standard	Title	Effective date	Anticipated impact in year of adoption
IPSAS 43	Leases	1 January 2025	Supersedes IPSAS 13 (Leases) and introduces the right-of-use model for lessees. On the basis of the right-of-use model, once the new standard has been adopted and the expiration of the validity of any transitional provisions has expired, most leases will be required to be capitalized, resulting in an increase in the amount of capitalized assets and the recording of related lease liabilities. The impact on annual financial performance is expected to be broadly neutral as depreciation of leased assets and interest costs on the related lease liabilities will replace the currently recorded lease expenses. The impact of IPSAS 43 on the financial statements of IARC upon adoption, including the impact of consequential amendments to other standards, is currently being assessed.
IPSAS 45	Property, Plant and Equipment	1 January 2025	This standard was developed to update principles drawn from IPSAS 17 - Property, Plant and Equipment (PPE), adding new guidance for heritage assets, infrastructure assets and measurement of PPE. The impact of elements of IPSAS 45 relating to the measurement of assets acquired through non-exchange transactions on the financial statements of IARC is currently being assessed.
IPSAS 46	Measurement	1 January 2025	This standard was developed to help improve measurement guidance across IPSAS. IARC is currently assessing the impact of IPSAS 46 on the relevant areas of the financial statements.
IPSAS 47	Revenue	1 January 2026	This standard sets out the accounting requirements for revenue transactions in the public sector and replaces IPSAS 9, 11 and 23. The standard is expected to affect the IARC financial statements significantly and the full impact is currently being assessed. One major impact of the standard is that for all earmarked contributions, revenue recognition will be deferred until IARC meets its obligations. Under the current IPSAS 23, IARC recognizes voluntary contributions revenue upon signature of the relevant contribution agreement. IARC expects that there will be sufficient time for implementation and that such implementation will require additional resources.
IPSAS 48	Transfer Expenses	1 January 2026	This standard sets out the accounting requirements for expenses arising from a transaction, other than taxes, in which an entity provides a good, service or other asset to another entity, without directly receiving any good, service or other asset in return. IARC is reviewing the changes within the standard, which is expected to significantly impact the timing of recognition of expenses in the IARC financial statements. IARC expects that there will be sufficient time for implementation and that such implementation will require additional resources.

IPSAS 49	Retirement Benefit Plans	1 January 2026	<p>This standard covers accounting and reporting requirements for public sector retirement benefit plans to improve the transparency and accountability of those plans.</p> <p>IARC is a member of the United Nations Joint Staff Pension Fund (UNJSPF), a separate legal and reporting entity where the changes required by the standard are most applicable. The impact of this standard on the IARC financial statements is therefore anticipated to be very limited and any potential changes will be aligned with other UN Entities including the UNJSPF, through the UN Task Force on Accounting Standards.</p>
Amendments to IPSAS 43, IPSAS 47, and IPSAS 48	Concessionary Leases and Other Arrangements Conveying Rights over Assets	1 January 2027	<p>These amendments propose new accounting requirements for concessionary leases and right-of-use assets in-kind, and forms phase two of the Leases project, of which IPSAS 43 above is phase one.</p> <p>IARC is currently assessing the impact of these amendments on the relevant areas of the financial statements.</p>

IARC continues to assess the impact of the above standards on future financial statements in advance of their effective date.

Furthermore, the IPSAS Board has issued Exposure Drafts (EDs), of which the following may have an impact on future IARC financial statements:

ED	Title	Issue date	Anticipated impact in year of adoption
ED 83	Reporting Sustainability Program Information	November 2022	<p>The objective of ED 83 is to provide additional guidance to facilitate the reporting of sustainability program information. IARC is assessing the impact of these changes and currently anticipates a low impact on the IARC financial statements.</p>

Note 3: Significant accounting policies

3.1 Cash and cash equivalent

Cash and cash equivalents are held at nominal value and comprise cash on hand and cash at banks. All investments that have a maturity of three months or less from the date of acquisition are included as cash and cash equivalents.

3.2 Investments and financial instruments

Financial instruments are recognized from the trade date when IARC become a party to the contractual provisions of the instrument until the rights to receive cash flows from those assets have expired or have been transferred and the Organization has transferred substantially all the risks and rewards of ownership.

The principles of IPSAS 41 in relation to the financial reporting of financial assets have been applied in the preparation of these financial statements, and in that respect the following criteria have been considered in determining the classification and measurement of the financial assets and liabilities:

- (a) the business model for managing the financial assets and liabilities; and
- (b) the contractual cash flow characteristics of the financial assets and liabilities.

These classification criteria determine which of the measurement bases to apply under IPSAS 41 for each category of financial asset or liability: amortised cost, fair value through net assets/equity, or fair value through surplus or deficit.

The financial assets and liabilities have been reclassified under IPSAS 41 as follows:

Before the application of IPSAS 41	Under IPSAS 41	Examples
Bank deposits and receivables	Financial assets at amortised cost	Term deposits, interest receivables, tax recoverable, other amounts to be received from investments (e.g. amounts to be received in respect of assets previously sold).
Payables and accruals	Financial liabilities at amortised cost	Interest payables, other amounts to be paid for investments (e.g. amounts to be paid in respect of assets previously purchased).

Financial assets at amortised cost are those financial instruments which are held under the business model objective to hold financial assets to collect contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes), where the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through net assets/equity (FVNAE) are those financial instruments which are held under a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, where the contractual terms give rise on specified dates to cash flows which are solely payments of principal and interest on the principal amount outstanding.

Financial assets or financial liabilities at fair value through surplus or deficit (FVSD) are other financial instruments which are not classified as either at amortised cost or at FVNAE.

None of the IARC financial assets or liabilities have been classified as at FVNAE or at FVSD.

Under IPSAS 41 a single forward-looking impairment model is applied which requires the recognition of expected credit losses (ECL) at all times.

The minimum credit rating set in the IARC Investment Policy for any investment is single A. The IPSAS 41 impairment model was applied to those financial assets which are classified as at amortised cost, specifically the term deposits and the bank account balances. The calculation of the ECL for the term deposits and for the bank balances yielded figures which were not material in the context of these financial statements, and they are therefore not disclosed.

3.3 Accounts receivable

Receivables are non-derivative financial assets with fixed or determinable payments that are not traded in an active market. Accounts receivable are recorded at their estimated net realized value. It includes the accounts receivable from assessed contributions, designated voluntary contributions, and other accounts receivable. Accounts receivable are classified as current when the receivables are due within one year from the reporting date and as non-current when the receivables are due after one year from the reporting date.

- a. *Assessed contribution accounts receivable.* Assessed contribution from Participating States is due on 1 January each year. Assessed contribution accounts receivable are recognized annually, at the beginning of the year as per the assessments approved by the Governing Council. An allowance for doubtful receivables is established for the uncollected contributions that are outstanding for more than two years or for any rescheduled amounts or pending contributions with high risk of non-collectability. The allowance is reversed when the source of such interim financing is reimbursed. In accordance with IARC financial regulations Article V, paragraph 5.3, pending receipt of statutory annual contributions to the budget, appropriations may be temporarily financed from the Working Capital Fund or if the cash balance of the Working Capital Fund is inadequate, by internal borrowing from other available cash resources of the Agency, excluding Trust Funds.
- b. *Designated voluntary contribution accounts receivable.* Accounts receivable from designated voluntary contributions are recognized based on the payment terms specified in a binding agreement between IARC and the donors. Accounts receivable from designated voluntary contributions that are outstanding for more than 365 days after due date are reviewed once a year and an allowance for doubtful receivables is recognized when there is a risk that the receivables may be impaired.

- c. *Other accounts receivable*. For other types of account receivable, the allowance for doubtful receivables is established upon having an evidence of its doubtfulness and passing due date for more than 365 days.

3.4 Inventories

IARC recognizes hard copy publications as part of its inventory. The hard copy publications are consigned to the WHO Press while the ownership remains with IARC. Costs of storage or sales promotion are covered by WHO and any costs related to stocks beyond the agreed quantities will be covered by IARC.

IARC hard copy publication inventories are held for distribution at no charge or for a nominal charge and hence they are stated at the lower of cost and current replacement cost (IPSAS 12, paragraph 17). The costs of publication comprise printing, editing, and translation costs as applicable. The cost of publications issued between 2010 and 2013 is valued based on the actual printing costs while the cost of publication issued prior to 2010 is valued based on the average printing cost per page of publications issued between 2010 and 2013. Where there is insufficient information to determine the cost, such as old publications issued in the 1900s and as at the end of reporting period have no stock, a nominal value of €1 is applied.

Inventory carrying value is determined using the weighted average cost method. When inventories are sold, exchanged or distributed, their carrying amount is recognized as an expense.

3.5 Property, plant and equipment

Property, plant, and equipment (PP&E) account consists of furniture and fixtures, laboratory and office equipment, and motor vehicles.

IARC has recognized PP&E since 2010. In the initial recognition, assets, except buildings, acquired prior to 1 January 2010 were expensed at the date of purchase and have not been recognized as assets.

Since 1 January 2010, the PP&E with a value €3000 and above are recognized as non-current assets in the Statement of Financial Position. They are initially recognized at cost, unless acquired through a non-exchange transaction, in which case they are recognized at fair value as at the date of acquisition.

PP&E are stated at historical cost less accumulated depreciation and impairment. All PP&E of the Agency are non-cash generating assets.

Depreciation is charged on property, plant and equipment to write-down value or residual value over the useful life using the straight-line method, except for Land (if any) which is not subject to depreciation. Given the expected pattern of usage of property, plant and equipment, there are no residual values following full depreciation.

The estimated useful lives for fixed assets classes are as follows:

Asset Class	Estimated useful life (years)
Buildings	40
Fixtures and fittings	8
Motor vehicles	5
Laboratory equipment	5
Office equipment	3

3.6 Intangible assets

Intangible assets are the non-physical items of value that IARC owns. Intangible assets, which are above the pre-established threshold of €75 000, are stated at historical cost less accumulated amortization and any impairment. Amortization is determined for intangible assets over their estimated useful lives using the straight-line method. The estimated useful lives for intangible assets classes are as follows:

Intangible Asset Classes	Amortization Method	Estimated Useful Life (in Years)
Software acquired externally	Straight Line	3
Software internally developed	Straight Line	3
Licences and rights	Straight Line	3

IARC's intangible assets are assumed to have a residual value of zero as intangible assets are not sold or transferred at the end of their useful life.

3.7 Leases

A lease is an agreement whereby the lessor conveys to the lessee (the Agency), in return for a payment or series of payments, the right to use an asset for an agreed period of time. In general, there are two main types of leases, i.e. finance leases and operating leases. Necessary accounting entries and disclosures are made accordingly.

A finance lease is a lease that substantially transfers all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred. If the lease agreement qualifies to be a finance lease, IARC has to recognize an asset and a liability:

- The asset represents the right to use the asset during the lease term. This asset will be depreciated over its useful life.
- The liability represents the minimum lease payments IARC has to pay to the landlord/lessor.

An operating lease is a lease other than a finance lease. It is not considered as an asset and payments to the landlord/lessor are accounted for as a rent and are expensed.

3.8 Accounts payable

Accounts Payable are financial liabilities and consist of amounts payable to staff and ECVS, suppliers, and accrued expenses.

- Amounts payable to staff and ECVS refer to unpaid travel claims and reimbursement of expenses.
- Amounts payable to suppliers are amounts due for goods or services that invoices have been received but not yet paid for.
- Accrued expenses are financial liabilities in respect of goods or services under procurement contracts and deliverables under collaborative research agreements that have been received by or provided to the Agency and which have neither been paid for nor invoiced to IARC.

Accounts payable are recognized at cost as the effect of discounting is considered immaterial.

3.9 Deferred revenue

Deferred revenue derives from legally binding agreements between IARC and its donors. Deferred revenue is recognized when (1) a contractual agreement is confirmed in writing by both parties, i.e. the Agency and the donor, and (2) the funds are earmarked and due in a future period. Deferred revenue is presented as non-current if revenue is due after one year from the reporting date.

3.10 Employee benefits

IARC recognizes four categories of employee benefits, i.e. short-term benefits, post-employment benefits, other long-term benefits, and termination benefits.

a. Short-term employee benefits

Short-term employee benefits are expected to be settled within 12 months of the reporting date and are measured at their nominal values based on accrued entitlements at current rates of pay. These comprise of first-time employment benefits (assignment grants), regular monthly benefits (salaries, allowances), compensated absences (annual leave, sick leave, and maternity/paternity/adoption leave) and other short-term benefits (education grant, reimbursement of taxes). They are calculated on a walk-away basis as if all staff terminated on the last day of the calendar year, and therefore their values are not discounted. These are treated as current liabilities.

b. Post-employment benefits

Post-employment benefits include pension plans and ASHI which are payable after the completion of employment. Post-employment benefit plans are classified as either defined contribution or defined benefit plans. For defined contribution post-employment plans, the obligation for each period is determined by the amounts to be contributed for that period and no actuarial assumptions are required to measure the obligation or the expense. Post-employment benefits under defined benefit plans are measured at the present value of the defined benefit obligation adjusted for unrecognized actuarial gains and losses and unrecognized past service cost.

UNJSPF: IARC is a member organization participating in the United Nations Joint Staff Pension Fund (the Fund), which was established by the United Nations General Assembly to provide retirement, death, disability and related benefits to employees. The Fund is a funded, multi-employer defined benefit plan. As specified by Article 3(b) of the Regulations of the Fund, membership in the Fund shall be open to the specialized agencies and to any other international, intergovernmental organization that participates in the common system of salaries, allowances and other conditions of service of the United Nations and the specialized agencies.

The plan exposes participating organizations to actuarial risks associated with participation of current and former employees of other organizations in the Pension Fund, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets, and costs to individual organizations participating in the plan. IARC and the UNJSPF, in line with the other participating organizations in the Fund are not in a position to identify IARC's proportionate share of the defined benefit obligation, the plan assets and the costs associated with the plan with sufficient reliability for accounting purposes. IARC has therefore treated it as a defined contribution plan in line with the requirements of IPSAS 39 (Employee Benefits). IARC's contributions to the Fund during the financial period are recognized as expenses in the Statement of Financial Performance ([Statement II](#)).

ASHI: The Staff Health Insurance Fund covers current IARC staff members, retired staff members and their eligible dependants. The Fund is administered by WHO headquarters and financed from the contributions made by the participants (1/3) and the Organization (2/3). The value of the Agency's liability toward the employees on ASHI is provided by WHO at the end of the year based on the valuation carried out by independent actuaries.

c. Other long-term employee benefits

Other long-term employee benefits are benefits which are payable after the completion of employment and expected to be settled more than 12 months after the end of the reporting period such as repatriation grants and travel, and termination for reason of health. These are treated as non-current liabilities. The value of IARC's long-term employee benefits is estimated by independent actuaries.

d. Termination benefits

Termination benefits generally include indemnities for voluntary redundancy (abolition of post, end-of-service grant, and separation by mutual agreement), and are expected to be settled within 12 months of the reporting date. They are accounted for as they are incurred.

3.11 Provisions, contingent liabilities and contingent assets

Provisions are made for future liabilities and charges where IARC has a present legal or constructive obligation as a result of past events, and it is probable that IARC will be required to settle the obligation.

Other commitments, which do not meet the recognition criteria for liabilities, are disclosed in the notes to the financial statements as contingent liabilities when their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not wholly within the control of IARC.

Contingent assets will be disclosed when an event gives rise to a probable inflow of economic benefits or service potential and there is sufficient information to assess the probability of the inflow of economic benefits or service potential.

3.12 Revenue

The Agency receives revenue from various sources which can be classified into eight categories as follows.

- a. *Assessed contributions from Participating States.* Revenue from contributions from Participating States for the programme budget is recorded annually on an accrual basis as per the assessments approved by the Governing Council.
- b. *Assessed contribution from new Participating States.* Revenue derived from the unbudgeted assessed contributions from new Participating States following the method of assessments as described in [Resolution GC/15/R9](#) and the gradual increase in contributions per IARC Financial Regulations Article IV.4.3 and [Resolutions GC/37/R9](#) and [GC/54/R18](#).

In accordance with IARC Financial Regulation Article V.5.5, unbudgeted contributions of new Participating States are credited to the Governing Council Special Fund.

€34 650 (or US\$ 50 000 equivalent @0.693) from the first contribution of each new Participating State is transferred to the Working Capital Fund in accordance with Resolution [GC/5/R14](#).

- c. *Voluntary contributions.* Revenue under voluntary contributions comprises Core Voluntary Contribution Account (CVCA), designated contribution, and undesignated contribution.
 - CVCA was established in 2019 to receive supplementary fund from Participating States to finance IARC's core activities (Resolution [GC/61/R5](#), paragraph 9).
 - Designated voluntary contributions are specifically earmarked by the donor to finance special projects.
 - Undesignated voluntary contributions are donations not intended for a specific project, and governed by Governing Council resolutions.

IARC considers that while there are restrictions on the use of CVCA and designated voluntary contributions, these restrictions do not meet the definition of a condition as described under IPSAS 23.

Revenue under designated voluntary contributions is recognized when agreements are signed by IARC and the donors. For CVCA and undesignated voluntary contributions, revenue is recognized upon receipt of fund.

- d. *Revenue producing activities.* Revenue is earned from the sale of IARC hard copy and digital publications and is recorded at fair value of the consideration received. The revenue is credited to the Governing Council Special Fund.

These publications are for non-profit dissemination and the sale of these publications is not part of the ordinary course of operations of IARC. The hard copy publication inventories are held for sale by WHO in accordance with the agreement between IARC and WHO. The digital version

corresponds to the subscription fees to access the WHO Classification of Tumours online. The full production cost of these books is not separable to each book and volume, and therefore it is not included in the inventory or cost of distribution.

- e. *Other operating revenue.* Other operating revenue is recorded when funds are earned. It includes sale of equipment and materials, and savings from prior period obligations.
- f. *Trust fund.* This refers to fees collected from personnel enrolled in language courses offered by IARC, which are used to partially finance consultancy fees paid to teachers. Revenue is recorded at fair value of the consideration received.
- g. *Income from services rendered.* This refers to the Agency programme support cost collected from designated voluntary contributions at the standard rate of 13%, in accordance with IARC/WHO Financial Regulations and Rules (World Health Assembly Resolution [WHA34.17](#)). These are recorded on a monthly basis on the actual expenses incurred. To avoid double counting, this income and the equivalent of expenses are eliminated as shown in [Schedule 1](#).
- h. *Contribution in kind.* Contribution in kind received by IARC, if any, is recorded as goods received. They are treated both as revenue and expense in the Voluntary Contribution. A valuation is done for each donation to ensure that goods are recorded at an amount equal to the fair market value. Donated Property, Plant and Equipment are valued at fair market value and recognized as fixed asset and revenue.

In particular, in 2023 IARC has move to a new premise. IARC has signed a “Convention de mise a disposition” with the Metropole de Lyon. This is an agreement for right-to-use of a brand-new building in the Gerland area of Lyon. The agreement is signed for 30 years. The annual rent is estimated at €2.7 million, tax excluded. This non-exchange transaction is recorded as rental expense and revenue (in-kind) as per IPSAS 23.

3.13 Expenses

Expenses are recognized based on the “delivery principle”, i.e. when goods or services have been received or services have been rendered with IARC assuming title or satisfactory receipt over the goods or services. These also include expendable equipment, i.e. physical assets with a value below €3000, which are not capitalized as PP&E (see Note 3.5) and recognized as expense upon receipt.

An encumbrance represents a firm commitment or obligation for goods or services which have not been delivered. Encumbrances are not reported in the Statement of Financial Performance but are presented in Statement of comparison of budget and actual amounts for the financial period under [Statement V](#).

3.14 Fund accounting reporting

Fund accounting is a method of segregating resources into categories (i.e. funds) to enable the identification of both sources and uses of funds. Establishment of such funds help to ensure better reporting of revenue and expenses. The Regular Budget, the Working Capital Fund, the Governing Council Special Fund, Voluntary Contributions Account (designated and undesignated donations),

Programme Support Cost account, and the Trust Fund serve to ensure the proper segregation of revenue and expenses.

Any transfers between funds that would result in duplication of revenue and/or expenses are eliminated during all funds consolidation. Intra-fund transfers such as Programme Support Costs within the Voluntary Contributions are also eliminated.

The types of funds are further explained below.

- a. *Regular Budget (RB)*. This refers to the General Fund for the administrative services and permanent activities of the Agency as defined by Article 5.1 of [IARC's financial regulations](#). The fund is financed by the annual assessed contributions from Participating States and possible other funding sources as approved by the Governing Council. Pending the receipt of statutory annual contributions to the regular budget, appropriations may be temporarily financed from the Working Capital Fund.
- b. *Working Capital Fund (WCF)*. This refers to a fund as defined by Article 5.2 of IARC's financial regulations. Revenue of working capital fund came from assessed contributions from new Participating States as described under Note 3.12b or transfer from Governing Council Special Fund.
- c. *Governing Council Special Fund (GCSF)*. This refers to a fund as defined by Article 5.5 of IARC's financial regulations. The fund shall be used for purposes to be decided by the Governing Council from time to time by a minimum two-thirds of its members who are representatives of each Participating State.
- d. *Voluntary Contributions (VC)*. This fund refers to CVCA, designated contributions, and undesignated contributions as described under Note 3.12c.
- e. *Special Account for Programme Support Cost (PSC)*. This account contains income from services rendered as described under Note 3.12g and expenditures financed by this fund.
- f. *Trust fund (TF)*. Trust funds were maintained by the Agency to finance language courses for the benefit of staff as described under Note 3.12f.
- g. *Participating States – other*. The following accounts are grouped and presented in the financial statements as *Participating States – other*.
 - *Common Fund*. This fund reflects the movement in the asset and liability accounts of IARC resulting from changes in inventory and depreciation.
 - *Special Purpose Fund*. This fund contained TQ, TP, and Post Occupancy Charge (POC) Funds and Service Health Insurance Funds.

3.15 Budget comparison

The Agency's budget and accounting bases differ. Budgets within the Agency are approved on a modified cash basis, rather than the full accrual basis of IPSAS and are prepared on a biennial basis vis-a-vis an annual basis. While annual figures are available, the fund balance of the first year of the biennium can be carried over and spent in the second year.

The Agency's budget is an integrated budget endorsed by the Governing Council when they approve the itemized regular budget. There are no approved budgets for other funds.

As required under IPSAS 24 (Presentation of Budget Information in Financial Statements), the actual amounts presented on a comparable basis to the budget shall, where the financial statements and the budget are not prepared on a comparable basis, be reconciled to the actual amounts presented in the financial statements, identifying separately any basis, timing, presentation, and entity differences. There may also be differences in formats and classification schemes adopted for presentation of financial statements and the budget.

Timing differences consist of regular budget expenses incurred in the current financial period which are not part of the current approved biennium budget.

Basis differences occur when the approved budget is prepared on a basis other than the full accrual accounting basis. Basis differences include Common Fund activities (i.e. the new capital assets purchased, depreciation of assets, and cost of distribution and disposals of inventories) and other non-regular budget utilization.

The Statement of Comparison of Budget and Actual Amounts ([Statement V](#)) compares the final approved budget to actual amounts calculated on the same basis as the corresponding budgetary amounts. As the bases used to prepare the budget and financial statements differ, Note 10 provides reconciliation between the actual amounts presented in the Statement V to the actual amounts presented in the Statement of Financial Performance ([Statement II](#)).

Note 4: Assets

4.1 Cash and cash equivalents

These comprise of cash on hand, cash at UNDP, and bank deposit accounts that are highly liquid held by the Agency for all funds. Cash and cash equivalents are held for purposes of meeting short-term cash commitments, and not for investment or other purposes.

Bank deposits include deposits held in US\$ and GBP accounts. Balances as at 31 December 2024 were converted to euros using UNORE (US\$ 13 265 408 at €0.960/US\$ and GBP 5 591 489 at €1.222/GBP).

These figures have been restated to separate the funds held at a term account to a separate category of investments and financial instruments presented in note 4.2. Previously all bank deposits were reported under the heading of bank deposits in note 4.1.

	<u>31-Dec-24</u>	<u>31-Dec-23</u>
Cash on hand	20 625	46 307
Cash at UNDP	105 122	98 251
Bank deposits	49 980 314	43 071 912
Total	€50 106 061	€43 216 470

4.2 Investments and financial instruments

Details of the accounting policies for investments and financial instruments are provided in note 3.2. This category is presented for the first time in IARC financial statements in 2024, including the restatement of the 2023 financial statement accordingly (Statement I and Statement IV). In 2023 financial closure IARC had recorded these term accounts to cash and cash equivalents. These have now been reclassified as investments and financial instruments. Also note 4.1 has been restated and the bank deposit balance is deducted by the amount of bank deposits on term deposit accounts.

	<u>Total</u> <u>31-Dec-24</u>	<u>Total</u> <u>31-Dec-23</u>
Term deposits, current	11 000 000	
Term deposits, non-current		11 000 000
Total	€11 000 000	€11 000 000

4.3 Accounts receivable, net

The total account receivable amounted to €39 225 790 at the end of the reporting period. These include outstanding amounts for assessed contributions, designated voluntary contributions, and other accounts receivable. As at the end of 2024, there was accumulated allowances for doubtful accounts receivable amounting to €3 532 945. The details of current and non-current accounts receivable are provided below.

	<u>Current</u>	<u>Non-Current</u>	<u>Total</u> <u>31-Dec-24</u>	<u>Total</u> <u>31-Dec-23</u>
Uncollected assessed contributions	6 523 523		6 523 523	4 981 238
Designated voluntary contributions	19 556 004	13 630 323	33 186 328	35 750 045
Other accounts receivable*	738 108		738 108	1 396 852
Total accounts receivable	26 817 635	13 630 323	40 447 959	42 128 135
<u>Less: Accumulated allowances</u>	<u>(3 532 945)</u>		<u>(3 532 945)</u>	<u>(2 902 344)</u>
Total accounts receivable, net	€23 284 690	€13 630 323	€36 915 014	€39 225 791

*Other accounts receivable comprises of royalties and sales of publication receivables (€136 947), VAT refund (€410 076), supplier's deposit (€1196) and others (€189 504).

Total accumulated allowances for doubtful accounts receivable:

	<u>Total</u> <u>31-Dec-24</u>	<u>Total</u> <u>31-Dec-23</u>
Opening balance of allowance for assessed contribution	2 902 344	2 284 250
Opening balance of allowance for designated VC		
Opening balance of allowance for other receivables		
Total opening balance at beginning of year	2 902 344	2 284 250
<u>Add: Allowance for assessed contribution</u>	630 601	618 094
Allowance for designated VC		
Allowance for other receivables		
Total allowances for doubtful receivables	3 532 945	2 902 344
<u>Less: Reversal of allowance for assessed contribution</u>		
Reversal of allowance for designated VC		
Reversal of allowance for other receivables		
Total accumulated allowances at end of year	€3 532 945	€2 902 344

4.4 Staff receivables

The total balance of staff receivables amounted to €154 091, net increase by €7241 from the prior period. Breakdown by type of receivables are as follows.

	<u>31-Dec-24</u>	<u>31-Dec-23</u>
Education grant advance	118 580	103 639
Duty travel advance	27 310	43 211
Home leave advance	8201	
Total	<u>€154 091</u>	<u>€146 850</u>

4.5 Prepayments

The total value of prepayments is €284 188, which consists of payments to suppliers in advance of receipt of goods or services. In the end of financial year 2024 the prepayments to suppliers amounted to €25 263. In addition, Fellows of IARC are paid one month in advance and the payment of stipend for January 2025 is included in this account.

	<u>31-Dec-24</u>	<u>31-Dec-23</u>
Prepayment to suppliers	25 263	29 037
Stipend advance	258 925	259 631
Total	<u>€284 188</u>	<u>€288 668</u>

4.6 Accrued interest

Interest receivable represents amount due from bank deposits for interest earned for the reporting period that has not been received. The total value of interest receivable as at 31 December 2024 is €66 700 (€65 437 in 2023).

4.7 Inventories

The amount of €769 330 represents the value of IARC publication inventories, of which €283 855 relates to the Work in Progress and €485 474 relates to Finished Goods held for sales at WHO Press as at the end of the reporting period.

	<u>31-Dec-24</u>	<u>31-Dec-23</u>
Balance at beginning of year	753 037	601 421
Additions	307 433	263 168
Distributions	(266 105)	(111 266)
Disposals/adjustments	(25 034)	(286)
Balance at end of year	<u>€769 330</u>	<u>€753 037</u>

4.8 Property, plant and equipment, net

The value of property, plant and equipment (PP&E) net of accumulated depreciation at the end of reporting period is €2 790 367. These include laboratory and office equipment, furniture and fixtures, and motor vehicle.

	Buildings	Lab equipment	Office equipment and other equipment	Furniture and fixtures	Motor vehicles	Total 31-Dec-24	Total 31-Dec-23
<i><u>Cost or valuation:</u></i>							
Balance at beginning of year	0	6 310 418	859 088	170 713	63 426	7 403 645	6 415 299
Additions		762 638	488 504	38 404	0	1 289 547	1 003 525
Disposals	0	0	0	0	0	0	(15 178)
Balance at end of year	0	7 073 057	1 347 592	209 117	63 426	8 693 192	7 403 646
<i><u>Accumulated depreciation:</u></i>							
Balance at beginning of year	0	4 481 093	598 897	20 989	54 911	5 155 890	4 628 698
Charges for the year	0	570 065	149 040	24 991	2838	746 935	542 371
Disposals	0	0	0	0	0	0	(15 178)
Balance at end of year	0	5 051 159	747 937	45 980	57 749	5 902 825	5 155 891
<i><u>Net book value:</u></i>							
At beginning of year	0	1 829 325	260 191	149 724	8515	2 247 755	1 786 601
At end of year	0	2 021 898	599 655	163 137	5677	2 790 367	2 247 755

In addition, IARC has 156 items of PP&E with the total gross acquisition value of €4 546 487 that are fully depreciated and still in use as at the end of the reporting period.

Note 5: Liabilities

5.1 Revenue received in advance

The total amount of €1 562 506 represents 2025 assessed contributions received in advance from Participating States and revenue from publications received in advance. Details of assessed contributions received in advance can be found under [Schedule 3](#).

	<u>31-Dec-24</u>	<u>31-Dec-23</u>
Assessed contribution received in advance	1 560 421	927 514
Voluntary contribution received in advance		0
Other revenue received in advance	2085	2085
Total	€1 562 506	€929 599

5.2 Accounts payable

The total outstanding as at the end of reporting period is €1 300 047. Staff/STA/Fellows payable below include payment of travel and expense reimbursements.

	<u>31-Dec-24</u>	<u>31-Dec-23</u>
Staff/STA/Fellows	38 403	45 630
Suppliers	68 289	117 698
Accrued expenses	1 193 355	1 295 626
Total	€1 300 047	€1 458 792

5.3 Accrued staff benefits

Accrued staff benefits, total €73 753 479, include short-term benefits, post employee benefits (ASHI), and other long-term benefits. This amount includes unfunded liabilities totalling €63 370 798 (see also Note 6.6b).

The valuation of short-term benefits was done by the Agency while the valuation of staff health insurance and other long-term benefits were determined by independent consulting actuaries.

a) Summary of accrued staff benefits:

	<u>Current</u>	<u>Non-Current</u>	<u>Total</u> <u>31-Dec-24</u>	<u>Total</u> <u>31-Dec-23</u>
Short-term employee benefits	1 218 096	-	1 218 096	1 197 904
Other long-term employee benefits	162 004	1 989 071	2 151 075	1 939 108
Termination benefits				
Post employee benefits (i.e. ASHI)	-	70 387 308	70 387 308	49 964 270
Total	€1 380 100	€72 376 379	€73 756 479	€53 101 282

b) TQ, TP, and POC accounts:

These accounts were established to finance statutory benefits of staff members. They are collected through staff payroll. There is a total balance of €10 385 680 at the end of the reporting period.

TQ Account: This account was established for financing short-term employee benefits. It is funded by a budgetary provision set at the rate of 8% of professional staff salary and post adjustment.

TP Account: This account was established for financing long-term employee benefits, post employee benefits, and termination benefits. It is funded by a budgetary provision set at the rate of 3.5% of salary and post adjustment for fixed-term staff members and 5.5% for temporary appointment staff members from the beginning of 2022.

POC Account: The Post Occupancy Charge (POC) was established in 2018 for financing the enabling and supportive functions, including funding or supporting the temporary backfilling of staff members on parental leave. It is funded by a budgetary provision set at 0.5% of all staff salary and post adjustment from the beginning of 2022.

	<u>TQ</u>	<u>TP</u>	<u>POC</u>	<u>Total</u> <u>31-Dec-24</u>	<u>Total</u> <u>31-Dec-23</u>
Fund balance at beginning of year	3 707 455	5 096 703	1 091 783	9 895 940	9 165 444
<u>Plus:</u> Fund inflow during the year	908 807	663 618	91 695	1 664 121	1 570 818
<u>Less:</u> Fund outflow during the year	(866 946)	(205 747)	(101 688)	(1 174 381)	(840 322)
Fund balance at end of year	3 749 316	€5 554 574	€1 081 790	€10 385 680	€9 895 940

The outflow fund in 2024 includes the following payments on employee benefits.

	<u>Current</u>	<u>Non-Current</u>	<u>Total</u> <u>31-Dec-24</u>
Recruitment entitlements	333 702		333 702
Separation entitlements	146 453	205 747	352 200
Education grants	292 142		292 142
Home leave travels	89 817		89 817
Periodic medical and insurance	4833		4833
Backfilling cost	101 688		101 688
Total fund outflow	€968 634	€205 747	€1 174 381

c) Valuation of accrued short-term staff benefits:

These include the accrued annual leave balance, educational grants, and home leaves. They are on a walk-away basis as if all staff terminated on the last day of the calendar year, and therefore their values are not discounted. The value of each day of accumulated unused annual leave is calculated according to the Staff Rules, Section 3, paragraph 380.2.2. and 630.8.

	<u>31-Dec-24</u>	<u>31-Dec-23</u>
Accrued annual leave	1 170 686	1 154 462
Educational grants	47 410	43 442
Total Defined Benefit Obligation at end of year	€1 218 096	€1 197 904

d) Valuation of accrued other long-term staff benefits:

This includes grant in case of death, repatriation grant, repatriation removal, repatriation travel, and termination for reasons of health. Each year at year end, the actuaries determine this value based on agreed assumptions and methods. The latest full actuarial valuation was completed as of 31 December 2024. For 2023 financial statements, a census data as of 31 October 2023 (proxy for 31 December 2023) was used, and for 2024 financial statements, the valuation reflects projections of census data from 31 October 2022, with adjustments for material events between 31 October 2022 and 31 December 2023.

	<u>31-Dec-24</u>	<u>31-Dec-23</u>
Grant in case of death	147 413	129 335
Repatriation grant	1 553 751	1 372 450
Repatriation removal	374 261	362 114
Repatriation travel	45 018	46 285
Termination for reasons of health	30 632	28 924
Total Defined Benefit Obligation at end of year	<u>€2 151 075</u>	<u>€1 939 108</u>

Actuarial summary

	31/12/2024 Valuation	31/12/2024 Valuation
Reconciliation of Defined Benefit Obligation--142(a)(ii)		
Defined Benefit Obligation at Beginning of Year	1 939 108	1 693 458
Service Cost	128 710	124 719
Interest on Defined Benefit Obligation	63 102	66 378
(Actual Gross Benefit Payments)	(205 747)	(96 171)
Participant Contributions	-	-
Changes in Accounting Methods	-	-
Plan Amendments	-	71 433
(Gain)/Loss Due to Financial Assumption Changes	(8548)	76 409
(Gain)/Loss Due to Other Demographic Changes	234 450	2882
Defined Benefit Obligation at End of Year	<u>€2 151 075</u>	<u>€1 939 108</u>
Reconciliation of Assets--142(a)(i)		
Market Value of Assets at Beginning of Year		
(Actual Gross Benefit Payments)	(205 747)	(96 171)
Participant Contributions		
Organization Contributions	205 747	96 171
Interest on Assets		
Gain/(Loss) on Plan Assets		
Market Value of Assets at End of Year	<u>0€</u>	<u>0€</u>
Reconciliation of Funded Status--142		
Defined Benefit Obligation (DBO)	2 151 075	1 939 108
(Plan Assets)		
Net (Surplus)/Deficit in Statement of Financial Position	2 151 075	1 939 108
Current (Asset)/Liability	162 004	188 756
Noncurrent (Asset)/Liability	1 989 071	1 750 352
Total (Gain)/Loss during the Year	225 902	79 290
Sensitivity Analysis--147(a)		
Defined Benefit Obligation		
Current Discount Rate Assumption Minus 1%	2 305 751	2 070 067
Current Discount Rate Assumption	2 151 075	1 939 108
Current Discount Rate Assumption Plus 1%	2 014 107	1 823 461
Approximate Duration (in Years) of Defined Benefit Obligation	7	7
Statement of Financial Performance		
Service Cost	128 710	124 719
Interest on (Surplus)/Deficit	63 102	66 378
Remeasurements	225 902	79 290
Total Expense	<u>€417 714</u>	<u>€71 433</u>
Expected Accounting Contributions During Next Year--149(b)		
Expected Contributions during Next Year	€164 655	€191 752
Selected Assumptions at 31 December		
Discount Rate	3.30%	3.20%
General Inflation Rate	1.90%	2.10%

Actuarial assumptions and methods

Discount Rate

Main requirements by IPSAS 39 are as follows:

IPSAS 39.85 The rate used to discount post-employment benefit obligations (both funded and unfunded) shall reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money shall be consistent with the currency and estimated term of the post-employment benefit obligations.

IPSAS 39.88 An entity makes a judgment whether the discount rate that reflects the time value of money is best approximated by reference to market yields at the end of the reporting period on government bonds, high quality corporate bonds, or by another financial instrument. In some jurisdictions, market yields at the end of the reporting period on government bonds will provide the best approximation of the time value of money. However, there may be jurisdictions in which this is not the case, for example, jurisdictions where there is no deep market in government bonds, or in which market yields at the end of the reporting period on government bonds do not reflect the time value of money. In such cases, the reporting entity determines the rate by another method, such as by reference to market yields on high quality corporate bonds.

There may also be circumstances where there is no deep market in government bonds or high-quality corporate bonds with a sufficiently long maturity to match the estimated maturity of all the benefit payments. In such circumstances, an entity uses current market rates of the appropriate term to discount shorter term payments and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve. (...)

The discount rate for each employee benefits scheme is developed by WHO for each currency zone using a yield curve approach. This involves considering the yields on high-grade corporate bonds at the measurement date, as well as expected cash flows and assumed currency exposure for each zone.

IARC assumes all of its TP benefits are incurred in euros. Therefore, the liability is discounted using the Euro Zone yield curve. IARC applies the Euro (EUR) – Aon AA Corp. Yield Curve, in accordance with the U.N. Task Force recommendation for the U.N.'s retiree medical plans valuations.

The resulting rate is 3.30% this year, versus 3.20% last year.

Annual General Inflation

The general inflation rates are based on a 100% Euro Zone weighting of the 31 December 2024 U.N. Task Force recommendations, according to the duration (10-years duration) of the TP.

The resulting rate is 1.9% this year, versus 2.1% last year.

Annual Salary Scale

Main requirements by IPSAS 39 are as follows:

IPSAS 39.89 An entity shall measure its defined benefit obligations on a basis that reflects: (b) any estimated future salary increases that affect the benefits payable.

IPSAS 39.92 Estimates of future salary increases take account of inflation, seniority, promotion, and other relevant factors, such as supply and demand in the employment market.

IARC relies on the salary scales as provided by the UNTF, which are built by the UNJSPF and used for the actuarial valuation of the UNJSPF.

The salary scales as built by the UNJSPF consider:

- an age-based static increase using different rates for General Service and Professional staff.
- an adjusted increase rate, which is designed to account for inflation and productivity growth.

Future exchange rates

They are set equal to official United Nations spot rates as of 31 December 2024.

Withdrawal Rates

Main requirements by IPSAS 39 are as follows:

IPSAS 39.78(a). Actuarial assumptions are an entity's best estimates of the variables that will determine the ultimate cost of providing post-employment benefits. Actuarial assumptions comprise demographic assumptions about the future characteristics of current and former employees (and their dependents) who are eligible for benefits. Demographic assumptions deal with matters such as: (ii) rates of employee turnover, disability, and early retirement.

IARC relies on the turnover assumption as set by the UNJSPF as a best estimate for assessing which among the current employees will be eligible for benefits. The UNJSPF has built from historical experience so-called "withdrawal tables", established by sex, years of service and staff group (professional svc versus general svc).

Retirement Rates

IPSAS 39 does not specifically address the issue of retirement age. The best estimate of retirement age should reflect the terms and conditions of the plan and any statutory requirements that affect the employee's right to retire. It should also consider the expected behaviour of employees, such as their historical and expected retirement patterns, and any incentives or disincentives for early or late retirement.

IARC relies on the retirement age assumption as set by the UNJSPF as a best estimate of retirement age.

Under pension rules, any participant who has five years of contributory service receives, upon separation at or after normal retirement age, a retirement benefit payable for the remainder of his or her life. "Normal retirement age" (NRA) means age 60 for a participant whose service commenced prior to 1 January 1990; age 62 for a participant whose service commenced or recommenced on or after 1 January 1990 and before 1 January 2014; and age 65 for a participant whose service commences or recommences on or after 1 January 2014.

The UNJSPF has built from historical experience retirement rates table, established by NRA, sex, years of service and staff group (professional svc vs general svc).

These tables are deemed to be appropriate to estimate probable retirement age.

Long-Term Disability Rates

Disability rates are 50% of those recommended by the U.N. Task Force via harmonization guidance. The 50% adjustment is based on a study that Aon performed of WHO experience from 2005–2016. The lower disability rates are believed to be partly due to the existence of the GAI, which is intended to rehabilitate participants when possible and thereby prevent long-term disablements. We applied the same to IARC, as per last valuations.

Rates of Recovery from Long-term Disability

WHO has indicated it is rare for staff to return to work after reaching long-term disability under UNJSPF. Thus, no rate is used. We applied the same to IARC, as per last valuations.

Mortality Rates

Main requirements by IPSAS 39 are as follows:

IPSAS 39.83. An entity shall determine its mortality assumptions by reference to its best estimate of the mortality of plan members both during and after employment.

IPSAS 39.84. To estimate the ultimate cost of the benefit an entity takes into consideration expected changes in mortality, for example by modifying standard mortality tables with estimates of mortality improvements.

Pre-retirement rates

The mortality rates for active participants before retirement are developed by the UNJSPF, with the assistance of an actuary, using the actual mortality experience of the pension plan actives' participants. These rates are determined by staff type, such as Professional or General, as well as demographic factors like age and sex and factors such as the Normal Retirement Age (NRA).

Future transfers

For each office, the withdrawal and retirement rates are assumed to exclude future transfers to other offices or other UN organizations.

Future transfers in and out of IARC are generally assumed to be offsetting.

Treatment of Assets

Under IPSAS 39, the assets are not reflected in the accounting valuations, as they are not held in irrevocable trusts for the sole purpose of paying plan benefits.

Marriages Between Staff Members

Any current cases of staff members married to each other are conservatively disregarded.

Expatriate status

No future in-service changes in expatriate status (used to determine eligibility for repatriation benefits, relocation shipment and repatriation travel) are assumed.

All past and future service of expatriates is conservatively assumed to be outside of the home country.

Utilization of repatriation benefits

70% of eligible members are assumed to elect benefits at separation based on a study on experience of the Pan-American Health Organization from 2005 to 2009. In 2019, Aon validated the aggregate reasonability of the payment assumptions for repatriation benefits (encompassing utilization and per capita costs) against WHO's benefit payments experience for 2017 through 2019. We applied the same to IARC, as per last valuations.

Incurred but not paid benefits

As an approximate adjustment for incurred-but-not-paid benefits, a 3% increase is applied to the liabilities, expected benefit payments and other financial results of all TP benefits. This adjustment is based on IARC's in-house estimate of incurred-but-not-paid benefits as of 31 December 2019.

Administrative expenses

Administrative expenses are assumed to be immaterial as prescribed by the IARC.

Lag Between Future Separations and Payment of Benefits

For future separations, benefits are conservatively assumed to be paid immediately.

Marital and dependent status

It is assumed that 85% of male participants and 55% of female participants have at least one dependent upon separation. Married staff members who die in service are assumed to have at least one dependent child at death.

Relocation shipment

As of 10 October 2022, the lump-sum benefit for removal on repatriation has been amended with reference to the International Civil Service Report of 2021 as follows:

- For Staff members holding fixed-term appointments or continuing appointments:
 - o Staff without dependents: from US\$ 10 000 to US\$ 13 000;
 - o Staff with dependents: from US\$ 15 000 to US\$ 18 000;
- For Staff members holding temporary appointments of one year or more:
 - o Staff without dependents: from US\$ 7000 to US\$ 8400;
 - o Staff with dependents: from US\$ 11 000 to US\$ 13 200;

These provisions adjustments are effective from 1 January 2023.

In 2014, about 10% of WHO's staff covered by TP were short-term. Therefore, the assumed average lump-sum benefits are weighted averages of the benefits for fixed-term staff and short-term staff, calculated as follows:

- $US\$ 13\ 000 \times 90\% + US\$ 8400 \times 10\% = US\$ 12\ 540$ for staff without dependents.
- $US\$ 18\ 000 \times 90\% + US\$ 13\ 200 \times 10\% = US\$ 17\ 520$ for staff with dependents.

The above figures are converted to euros with the 31 December 2022 exchange rate.

Repatriation travel

The average cost per ticket assumption was provided by WHO and amounts to US\$ 1800. This cost is projected with the general inflation assumption. This cost includes benefit payments to staff member for all contingencies including death.

This lumpsum is converted to euros with the 31 December 2022 exchange rate.

Percentage of death attributable to performance of official duties

In-service death assumed to be attributable to performance of official duties and are consequently covered by the SFFC fund represents 3% of deaths. The 3% offset is applied when computing the grant in case of death liability.

Percentage of disability attributable to performance of official duties

In-service disability assumed to be attributable to performance of official duties and are consequently covered by the SFFC fund represents 4% of disabilities. The 4% offset is applied when computing the termination for reasons of health liability.

Actuarial methods

Actuarial methods used varies by plan:

- Repatriation Grant, Termination Indemnity, and Grant in Case of Death: Projected unit credit with accrual rate proration.

- Relocation Shipment and Repatriation Travel: Projected unit credit with service prorate, with an attribution period from the “entry on duty date” to separation.

Pay definitions – Consistent with the plan provisions the following census data fields to identify the applicable pay for each pay-related benefit in the valuation was used.

Benefit	Pay Definition
Repatriation Grant, Termination for Reasons of Health, and Grant in case of Death	Terminal Remuneration defined as follows: <ul style="list-style-type: none"> • General Service Staff – Sum of Net Base Salary, Non-Resident’s Allowance and Language Allowance • Professional staff – Net Base Salary

e) Valuation of staff health insurance:

The Agency accounts for the ASHI as a post-employment benefit. Actuarial gains and losses are recognized in the net assets/equity in accordance with IPSAS 39 (Employee Benefits). The defined benefit obligation as of 31 December 2024 determined by professional actuaries within the overall report to WHO is US\$ 73 320 112, equivalent to €70 387 309 at UNORE of €0.960/US\$.

Revaluation of this account as of 31 December 2024 resulted to a net unrealized foreign exchange loss of €4 638 518, of which €1 366 718 was charged directly to net asset/equity (net unrealized foreign exchange gain of €2 896 148, of which €944 366 was charged directly to net asset/equity).

The following tables were taken from the actuaries' report to WHO and all figures are in US dollars.

Actuarial summary

	31-Dec-24 Valuation (US\$)	31-Dec-23 Valuation (US\$)
Reconciliation of Defined Benefit Obligation–142(a)		
Defined Benefit Obligation at beginning of year	103 176 365	91 906 688
Service cost	2 947 014	3 251 191
Interest on Defined Benefit Obligation	2 324 487	2 201 068
(Actual after service gross benefit payments)	(498 145)	(477 479)
(Actual after service administrative expenses)	(30 403)	(24 493)
Actual contributions by after service participants	238 010	257 336
Plan amendments adopted during the year	0	0
Changes in accounting methods	0	0
(Gain)/Loss on Defined Benefit Obligation Due to Financial Assumption Changes	16 961 462	5 163 777
(Gain)/Loss on Defined Benefit Obligation Due to Other Assumption Changes	1 081 573	898 277
Defined Benefit Obligation at end of year	US\$ 126 200 362	US\$ 103 176 365
Reconciliation of Incurred-But-Not-Paid Reserve–142(a)		
Incurred-But-Not-Paid Reserve at beginning of year	447 344	321 630
Interest on Incurred-But-Not-Paid Reserve during the year	9842	7397
(Gain)/Loss on Incurred-But-Not-Paid Reserve	(32 220)	118 316
Incurred-But-Not-Paid Reserve at end of year	424 966	447 344
Reconciliation of Assets–142(a)		
Market value of ASHI at beginning of year	48 169 471	40 865 659
(Actual total SHI gross benefit payments)	(1 201 563)	(1 276 551)
(Actual total SHI administrative expenses)	(73 335)	(65 482)
Actual total SHI participant contributions	1 009 893	1 045 821
Actual total SHI organization contributions	2 098 243	2 156 653
Organization additional contributions during the year	0	0
Interest on gross SHI assets	1 069 592	950 031

	31-Dec-23 Valuation (US\$)	31-Dec-23 Valuation (US\$)
Gain/(loss) on Plan Assets	2 232 916	4 493 339
Market value of SHI assets at end of year	US\$ 53 305 216	US\$ 48 169 471
Reconciliation of Funded Status–142		
Defined Benefit Obligation		
Active	90 548 815	72 364 756
Inactive	35 651 547	30 811 609
Incurred-But-Not-Paid Reserve	424 966	447 344
Total Defined Benefit Obligation	126 625 328	103 623 709
(ASHI Plan Assets)	(53 305 216)	(48 169 471)
Net (Surplus)/Deficit	US\$ 73 320 112	US\$ 55 454 238
Current (asset)/liability	0	0
Noncurrent (asset)/liability	US\$ 73 320 112	US\$ 55 454 238
Total (Gain)/Loss during the year	US\$ 15 777 900	US\$ 1 687 031
Statement of Financial Performance		
Service cost	2 947 014	3 251 191
Interest on (Surplus)/Deficit	1 264 736	1 258 434
Past service (credit)/cost		
Total expense	US\$ 4 211 750	US\$ 4 509 625
Sensitivity Analysis–147(a)		
Defined Benefit Obligation at end of year		
Current medical inflation assumption minus 1%	99 637 975	78 824 812
Current medical inflation assumption	126 200 362	98 234 791
Current medical inflation assumption plus 1%	162 177 491	124 159 208
Current discount rate assumption minus 1%	163 082 059	124 463 563
Current discount rate assumption	126 200 362	98 234 791
Current discount rate assumption plus 1%	99 654 243	79 022 175
Expected Accounting Contributions–149(b)		
Expected contributions during next year		
Contribution by/for active staff, net of claims/admin costs	1 770 947	1 646 781
Contribution by WHO for Inactives	484 112	514 673
Total expected contributions	US\$ 2 255 059	US\$ 2 161 454

Actuarial assumptions and methods:

Accounting Standard	International Public Sector Accounting Standard 39.
Measurement Date	31 December 2024

Office Groupings for Discount Rates and General Inflation Rates

For the 31 December 2023 and 2024 valuations, IARC is included in Europe.

After-service claims costs are based on the region in which each individual participant is currently retired or expected to retire, not on the regional office.

Discount rates

Main requirements by IPSAS 39 are as follows:

IPSAS 39.85 The rate used to discount post-employment benefit obligations (both funded and unfunded) shall reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money shall be consistent with the currency and estimated term of the post-employment benefit obligations.

IPSAS 39.88 An entity makes a judgment whether the discount rate that reflects the time value of money is best approximated by reference to market yields at the end of the reporting period on government bonds, high quality corporate bonds, or by another financial instrument. In some jurisdictions, market yields at the end of the reporting period on government bonds will provide the best approximation of the time value of money. However, there may be jurisdictions in which this is not the case, for example, jurisdictions where there is no deep market in government bonds, or in which market yields at the end of the reporting period on government bonds do not reflect the time value of money. In such cases, the reporting entity determines the rate by another method, such as by reference to market yields on high quality corporate bonds.

There may also be circumstances where there is no deep market in government bonds or high-quality corporate bonds with a sufficiently long maturity to match the estimated maturity of all the benefit payments. In such circumstances, an entity uses current market rates of the appropriate term to discount shorter term payments and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve. (...)

The discount rate for each employee benefits scheme is developed by WHO for each currency zone using a yield curve approach. This involves considering the yields on high-grade corporate bonds at the measurement date, as well as expected cash flows and assumed currency exposure for each zone.

In accordance with IPSAS 39, WHO has decided to use the following yield curves issued by the UN Task Force. For the Eurozone (EUR): Aon Hewitt AA Corp. Yield Curve.

Based on the currency mix, the split of discount rates for 2023 and 2024 are 2.0% in 2023 and 1.1% in 2024.

The discount rate is determined as the weighted average of the equivalent rates per currency and the associated cash flows.

Currency mix

The assumed currency mix used in developing the discount rates for each office region was determined using US dollars as a proxy for all currencies besides Swiss francs and euros based on the currency mix of the actual after-service claims from 2020 to 2023. For Europe, it resulted in 20% in 2022 and 15% in 2023.

General inflation

The Task Force uses a market-based yield curve for Euro Zone. The market-based inflation rates reference spot inflation rates at specified duration from yield curves developed by Aon (Europe inflation swap curve and US government CPI).

Date	5 Years	10 Years	20 Years
31/12/2023	2.0%	2.1%	2.3%
31/12/2024	1.8%	1.9%	2.2%

Based on the currency mix, general inflation rates for Europe are 1.4% in 2023 and 1.2% in 2024.

Salary increases

Main requirements by IPSAS 39 are as follows:

IPSAS 39.89 An entity shall measure its defined benefit obligations on a basis that reflects: (b) any estimated future salary increases that affect the benefits payable.

IPSAS 39.92 Estimates of future salary increases take account of inflation, seniority, promotion, and other relevant factors, such as supply and demand in the employment market.

WHO relies on the salary scales as provided by the UNTF, which are built by the UNJSPF and used for the actuarial valuation of the UNJSPF.

The salary scales as built by the UNJSPF consider:

- an age-based static increase using different rates for General Service and Professional staff.
- an adjusted increase rate, which is designed to account for inflation and productivity growth.

Per capita claims

Main requirements by IPSAS 39 are as follows:

IPSAS 39.99 Measurement of post-employment medical benefits requires assumptions about the level and frequency of future claims and the cost of meeting those claims. An entity estimates future medical costs on the basis of historical data about the entity's own experience, supplemented where necessary by historical data from other entities, insurance companies, medical providers, or other sources. Estimates of future medical costs consider the effect of technological advances, changes in health care utilization or delivery patterns, and changes in the health status of plan participants.

IPSAS 39.88 The level and frequency of claims is particularly sensitive to the age, health status, and gender of employees (and their dependents), and may be sensitive to other factors such as geographical location. Therefore, historical data are adjusted to the extent that the

demographic mix of the population differs from that of the population used as a basis for the data. It is also adjusted where there is reliable evidence that historical trends will not continue.

For estimating the per capita claims we conducted a study in 2024 based in historical claims.

For administrative expense on medical claims, WHO assumes future administrative expenses equal to 7.0% of claims, based on a study performed in 2023.

Participants cost sharing is based on applicable SHI plan rules, with currently First Tier actual cost sharing at 33%/66%, with an additional contribution by entities of 2%+ until full funding.

Health care cost trend rates

Main requirements by IPSAS 39 are as follows:

IPSAS 39.99. Measurement of post-employment medical benefits requires assumptions about the level and frequency of future claims and the cost of meeting those claims. An entity estimates future medical costs based on historical data about the entity's own experience, supplemented where necessary by historical data from other entities, insurance companies, medical providers, or other sources. Estimates of future medical costs consider the effect of technological advances, changes in health care utilization or delivery patterns, and changes in the health status of plan participants.

This assumption is a market-based assumption consisting of:

- an initial rate based on current market trends by currency, more specifically based on the latest AON Global Medical Trend Rates Report;
- a SHI WHO overperformance-reduction factor, applied to market trends to reflect the fact that WHO SHI medical cost increases are below market, and which is based on the review of actual yearly cost increases against market increase over the recent period;
- an ultimate long-term rate based on UN Task force ultimate rates weighted by currency;
- a grad down from the initial rate to the ultimate rate assessed through the estimated timing of convergence for the underlying market data (general inflation and real GDP growth).

Under UNTF methodology, medical trend is assumed to consist of:

- General Inflation: as defined in Section 8.1.3, and adjusted to a 20-year time horizon, rounded to the nearest 0.1%
- Real, Per-Capita GDP Growth: From the latest available OECD long-term baseline forecast, calculating average for the next 40 years, rounded to the nearest 0.1%
- Cost Shifting to the Medical Sector: 0.25% per year, consistent with standard actuarial assumptions.

The UNTF provides each year ultimate rates for Eurozone, Switzerland, and the United States of America. Rates for 2024 are set in the below table:

Component	Eurozone
Long-Term Inflation	2.1%
Real, Per-Capita GDP Growth	1.4%
Cost Shifting to the Medical Sector	0.25%
Total	3.75%

Mortality rates

Main requirements by IPSAS 39 are as follows:

IPSAS 39.83. An entity shall determine its mortality assumptions by reference to its best estimate of the mortality of plan members both during and after employment.

IPSAS 39.84. In order to estimate the ultimate cost of the benefit an entity takes into consideration expected changes in mortality, for example by modifying standard mortality tables with estimates of mortality improvements.

WHO relies on the mortality experience as observed on the participants to the UNJSPF, which is deemed to be a reliable basis to assess the mortality of ASHI participants.

Pre-retirement rates

The mortality rates for active participants before retirement are developed by the UNJSPF, with the assistance of an actuary, using the actual mortality experience of the pension plan actives' participants. These rates are determined by staff type, such as Professional or General, as well as demographic factors like age and sex and factors such as the Normal Retirement Age (NRA).

Post-retirement rates

At the TFAS 2020 annual meeting, it was decided to authorize the development of mortality tables developed in the same manner as the 2017 UNJSPF tables but weighted by headcount rather than by annuity size. It was agreed that headcount-weighted tables may be a suitable refinement in estimate for use in ASHI valuations since the benefits are more closely aligned with a per capita formula. Buck actuaries used the same methodology and data used in constructing the 2017 United Nations Mortality Tables, except the experience data is weighted equally regardless of the annuity size.

The UNJSPF demographic experience and assumptions are reviewed biennially, in line with the UNJSPF's biennial actuarial valuation cycle, these assumptions were last formally reviewed in 2021. The base mortality tables are expected to be used until at least 2027, when the next full mortality study is expected to be undertaken by UNJSPF.

Withdrawal rates

Main requirements by IPSAS 39 are as follows:

IPSAS 39.78(a). Actuarial assumptions are an entity's best estimates of the variables that will determine the ultimate cost of providing post-employment benefits. Actuarial assumptions comprise demographic assumptions about the future characteristics of current and former employees (and their dependents) who are eligible for benefits. Demographic assumptions deal with matters such as: (ii) rates of employee turnover, disability, and early retirement.

WHO relies on the turnover assumption as set by the UNJSPF as a best estimate for assessing which among the current employees will be eligible for benefits. The UNJSPF has built from historical experience so-called "withdrawal tables", established by sex, years of service and staff group (professional svc vs general svc).

Disability rates

Disability rates are 50% of those recommended by the U.N. Task Force. The 50% adjustment is based on a study that AON performed of WHO's experience from 2005–2016. The lower disability rates for WHO are believed to be partly due to the existence of the Group Accident Insurance, which is intended to rehabilitate participants when possible and thereby prevent long-term disablements.

Retirement age

IPSAS 39 does not specifically address the issue of retirement age. The best estimate of retirement age should reflect the terms and conditions of the plan and any statutory requirements that affect the employee's right to retire. It should also consider the expected behaviour of employees, such as their historical and expected retirement patterns, and any incentives or disincentives for early or late retirement.

WHO relies on the retirement age assumption as set by the UNJSPF as a best estimate of retirement age.

Under pension rules, any participant who has five years of contributory service receives, upon separation at or after normal retirement age, a retirement benefit payable for the remainder of his or her life. "Normal retirement age" (NRA) means age 60 for a participant whose service commenced prior to 1 January 1990; age 62 for a participant whose service commenced or recommenced on or after 1 January 1990 and before 1 January 2014; and age 65 for a participant whose service commences or recommences on or after 1 January 2014.

The UNJSPF has built from historical experience retirement rates table, established by NRA, sex, years of service and staff group (professional svc vs general svc).

These tables are deemed to be appropriate to estimate probable retirement age.

Age difference between spouses

Main requirements by IPSAS 39 are as follows:

IPSAS 39.78(a). Actuarial assumptions are an entity's best estimates of the variables that will determine the ultimate cost of providing post-employment benefits. Actuarial assumptions comprise demographic assumptions about the future characteristics of current and former employees (and their dependents) who are eligible for benefits.

For Europe and Rest of World, the assumption is set at +5 years / -4 years and is based on a study that Aon performed of retirements from 2008 through 2013.

For the Americas, the assumption is set at +6 years / -4 years and is based on a late 2021 study that Aon performed of retirements from 2017 through 2021.

Scheme enrolment

The rates for Europe and Rest of World were conservatively prescribed by WHO for the 31 December 2024 valuation and are 100% in 2023 and 2024 respectively.

Adult dependent coverage at retirement

The rates for Europe and Rest of World are based on a study that Aon performed of retirements from 2008 through 2013 and are 85%/55% in 2023 and 2024 for Male and Female respectively.

Lapse rate

WHO considers that current lapse rate is immaterial and conservatively makes no assumption for future lapse rates (i.e. lapse rate is equal to zero for all retirees and future retirees).

f) United Nations Joint Staff Pension Fund:

WHO/IARC is a member organization participating in the United Nations Joint Staff Pension Fund (the Fund), which was established by the United Nations General Assembly to provide retirement, death, disability and related benefits to employees. The Fund is a funded, multi-employer defined benefit plan. As specified in Article 3(b) of the Regulations of the Fund, membership in the Fund shall be open to the specialized agencies and to any other international, intergovernmental organization which participates in the common system of salaries, allowances and other conditions of service of the United Nations and the specialized agencies.

The Fund collectively exposes participating organizations to actuarial risks associated with the current and former employees of other organizations participating in the Fund, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and costs to individual organizations participating in the Fund. WHO/IARC and the Fund, in line with the other participating organizations in the Fund, are not in a position to identify WHO/IARC's proportionate share of the defined benefit obligation, the plan assets and the costs associated with the plan with sufficient reliability for accounting purposes. Hence, WHO/IARC has treated this plan as if it were a defined contribution plan in line with the requirements of IPSAS 39 (Employee Benefits). WHO/IARC's contributions to the Fund during the financial period are recognized as expenses in the Statement of Financial Performance.

The Fund's Regulations state that the Pension Board shall have an actuarial valuation made of the Fund at least once every three years by the Consulting Actuary. The practice of the Pension Board has been to carry out an actuarial valuation every two years. The primary purpose of the actuarial valuation is to determine whether the current and estimated future assets of the Fund will be sufficient to meet its liabilities.

WHO's financial obligation to the Fund consists of its mandated contribution, at the rate established by the United Nations General Assembly (currently at 7.9% for participants and 15.8% for member organizations) together with any share of any actuarial deficiency payments under Article 26 of the Regulations of the Pension Fund. Such deficiency payments are only payable if and when the United Nations General Assembly has invoked the provision of Article 26, following determination that there is a requirement for deficiency payments based on an assessment of the actuarial sufficiency of the Fund as of the valuation date. Each member organization shall contribute to this deficiency an amount proportionates to the total contributions which each paid during the three years preceding the valuation date.

The latest actuarial valuation for the Fund was completed as of 31 December 2023, and a roll forward of the participation data as at 31 December 2023 to 31 December 2024 will be used by the Fund for the purpose of reporting an actuarial present value of accumulated plan benefits in its 2024 financial statements.

The actuarial valuation as of 31 December 2023 reported a funded ratio of actuarial assets to actuarial liabilities of 111.0% (117.0% in the 2021 valuation) when future expected pension adjustments (cost-of-living indexation on benefits) were taken into account. The reported funded ratio was 152.0% (158.2 % in the 2021 valuation) when the current system of pension adjustments was not taken into account.

After assessing the actuarial sufficiency of the Fund, the Consulting Actuary concluded that there was no requirement, as of 31 December 2023, for deficiency payments under Article 26 of the Regulations of the Fund as the actuarial value of assets exceeded the actuarial value of all accrued liabilities under the plan. In addition, the market value of assets also exceeded the actuarial value of all accrued liabilities as of the valuation date. At the time of this report, the General Assembly has not invoked the provision of Article 26.

Should Article 26 be invoked due to an actuarial deficiency, either during the ongoing operation or due to the termination of the Fund, deficiency payments required from each member organization would be based upon the proportion of that member organization's contributions to the total contributions paid to the Fund during the three years preceding the valuation date. Total contributions paid to the Fund during the preceding three years (2021, 2022 and 2023) amounted to US\$ 9499.41 million.

During 2024, contributions paid to the Fund by IARC amounted to US\$ 6 6874 055 (US\$ 6 243 728 in 2023).

Membership of the Fund may be terminated by decision of the United Nations General Assembly, upon the affirmative recommendation of the Pension Board. A proportionate share of the total assets of the Fund at the date of termination shall be paid to the former member organization for the exclusive benefit of its staff who were participants in the Fund at that date, pursuant to an arrangement mutually agreed between the organization and the Fund. The amount is determined by the United Nations Joint Staff Pension Board based on an actuarial valuation of the assets and liabilities of the Fund on the date of termination; no part of the assets which are in excess of the liabilities are included in the amount.

The United Nations Board of Auditors carries out an annual audit of the Fund and reports to the Pension Board and to the United Nations General Assembly on the audit every year. The Fund publishes quarterly reports on its investments and these can be viewed by visiting the Fund at www.unjspf.org.

5.4 Deferred revenue

Deferred revenue represents multi-year agreements signed in and prior to 2024 for which the revenue recognition has been deferred to future financial periods. Deferred revenue is split into current and non-current depending on the schedule of payment as stated in the donor agreements. The non-current deferred revenue furthest realizable due date is May 2030.

	<u>31-Dec-24</u>	<u>31-Dec-23</u>
Current liabilities	14 049 051	15 473 104
Non-current liabilities	13 526 333	16 568 614
Total deferred revenue	<u>€27 575 384</u>	<u>€32 041 718</u>

Note 6: Net assets/equity

The net assets/equity of the Agency was €(2 108 666) in the end of 2024 compared to €9 412 616 in the end of 2023. [Statement III](#) provides the summary of changes in net assets/equity by fund and [Schedules 1](#) and [2](#) provide details of changes in fund balances including revenue and expenditure incurred.

The presentation of net assets/equity in [Statement I](#) is segregating the equity by fund as follows:

6.1 Regular Budget

As at the end of reporting period, the fund balance is €3 566 531 which is comprised of committed obligation €904 106 (€1 022 367 at the end of 2023), and uncommitted funds €2 662 292 forwarded to subsequent calendar year (€0 at the end of 2023). A total of €119 716 of previous biennium 2022-2023 regular budget balance was returned to the Governing Council Special Fund.

6.2 Voluntary Contributions

Restatement of 2023 figures: In the Financial Report 31 December 2023 the balances of Undesignated voluntary contribution and Core voluntary contribution had been inadvertently flipped. The below table shows the 2023 balances as they should have been presented also in the 31 December 2023 financial report.

	<u>31-Dec-24</u>	<u>31-Dec-23</u>
Designated voluntary contribution	24 307 147	21 999 702
Undesignated voluntary contribution	904 106	1 038 021
Core voluntary contribution	162 663	521 346
Total	<u>€25 373 916</u>	<u>€23 559 069</u>

6.3 Working Capital Fund

	<u>31-Dec-24</u>	<u>31-Dec-23</u>
Beginning balance at beginning of year	528 006	1 146 100
<u>Add: New Participating States contribution to WCF</u>	69 300	
Transfer from GCSF (GC/66/R7)	4 200 000	0
<u>Less: Allowances for assessed contribution in arrears</u>	<u>(630 601)</u>	<u>(618 094)</u>
Ending balance as at end of year	<u>€4 166 705</u>	<u>€528 006</u>

6.4 Governing Council Special Fund

The fund balance of €19 644 569 includes reserves, i.e. expenses authorized by the Governing Council which are not yet incurred. The net increase of €47 420 came from contribution from new Participating States (see also Note 3.12b), revenue from sales of publications, interest income and foreign exchange gains.

6.5 Special Account for Programme Support Cost

Fund balance had increase from €4 858 165 in 2023 to €4 898 484 during the reporting period.

6.6 Participating State – Others

The amount of €(59 811 102) represents the net value in Common Fund and Special Purpose Fund accounts.

a) Common Fund includes the inventories and net carrying value of PP&E as follows:

	<u>31-Dec-24</u>	<u>31-Dec-23</u>
Inventories	769 330	753 037
Property, plant and equipment, net	2 790 367	2 247 755
Total common fund	<u>€3 559 697</u>	<u>€3 000 792</u>

b) Special Purpose Fund represents the unfunded portion of employee benefits liabilities as described under Note 5.3.

	<u>31-Dec-24</u>	<u>31-Dec-23</u>
Fund balance in TQ, TP, and POC accounts (Note 5.3b)	10 385 680	9 895 940
Accrued staff salaries funded from other source	0	0
<u>Less: Total accrued staff benefits (Note 5.3a)</u>	<u>(73 756 479)</u>	<u>(53 101 282)</u>
Total special purpose fund	<u>€(63 370 799)</u>	<u>€(43 205 342)</u>

6.7 Trust Fund

This account has a balance of €52 231, which will be used for financing language courses in the following years.

Note 7: Revenue

7.1 Assessed contributions

This account includes budgeted and unbudgeted assessed contributions from Participating States, and receipt from arrears in assessed contributions.

	<u>31-Dec-24</u>	<u>31-Dec-23</u>
Budgeted assessed contribution	24 323 172	22 957 781
Unbudgeted assessed contribution	463 073	1 720 068
Increase in allowance for doubtful accounts receivable	<u>(630 601)</u>	<u>(618 094)</u>
Total	<u>€24 155 644</u>	<u>€24 059 755</u>

Budgeted assessed contribution

This refers to contribution from Participating States for the biennial programme budget as per assessments approved by the Governing Council, which is recorded on an accrual basis at the beginning of each year against account receivable. The amount of €24 323 172 shown on these Financial Statements represents the contribution from Participating States for 2024 approved programme budget ([Resolution GC/65/R10](#)). The status of the collection is shown in [Schedule 3](#).

Unbudgeted assessed contribution

The unbudgeted assessed contribution includes contribution from Egypt and Saudi-Arabia, whose memberships were accepted in 2024. The 2024 contributions were assessed in accordance with the percentage set forth in IARC Financial Regulations Article IV.4.3 and Resolution [GC/54/R18](#).

	<u>31-Dec-24</u>	<u>31-Dec-23</u>
Contribution from People’s Republic of China		1 720 068
Contribution from Egypt	210 200	
Contribution from Saudi-Arabia	252 873	
Total	<u>€463 073</u>	<u>€1 720 068</u>

Increase in allowance for doubtful accounts receivable

The allowance for doubtful accounts receivable amounting to €630 601 was established for assessed contribution pending from a Participating State.

7.2 Voluntary contributions

The total revenue from voluntary contributions was €25 767 273. There was no write off nor allowance for doubtful accounts receivable in 2024.

	<u>31-Dec-24</u>	<u>31-Dec-23</u>
Core Voluntary Contribution Account	91 317	482 820
Designated voluntary contributions*	25 660 139	19 782 135
Undesignated voluntary contributions	15 817	102 945
Total	<u>€25 767 273</u>	<u>€20 367 900</u>

*Designated voluntary contributions include the contributions received when IARC personnel were invited to some events and designated to support activities of the Agency. Starting 2023, IARC is recognizing in-kind revenue corresponding to the rental cost of the Nouveau Centre building, which is €2.7 million annually (see also note 8.6 on procurement and various operating expenses). In 2024, there were no other in-kind donations received.

IARC received cash donations (€15 817), included in undesignated voluntary contributions.

7.3 Sale of publications

The revenue received from sale of IARC hard copy publications and subscription fees to access the WHO Classification of Tumours online in 2024 increased from the prior year.

As per the agreement between IARC and WHO on the sale of hard copy publications, WHO retains the specified percentage (35% and 27 % in respect of IARC publications and blue books respectively) of net revenue from the sale of IARC Publications. IARC hard copy publications include a prior adjustment of €55 193, which was missing from sales in 2023.

	<u>31-Dec-24</u>	<u>31-Dec-23</u>
IARC hard copy publications	1 027 971	709 323
IARC hard copy publications, prior period adjustment	55 193	
Subscription fees to access the WHO Classification of Tumours online	2 022 760	1 577 198
Total	<u>€3 105 924</u>	<u>€2 286 521</u>

7.4 Other operating revenue

	<u>31-Dec-24</u>	<u>31-Dec-23</u>
Sale of equipment and materials	0	0
Other income	6366	81 632
Total	<u>€6366</u>	<u>€81 632</u>

7.5 Trust fund

This account refers to the fees collected from personnel enrolled in the language courses offered by IARC. In 2024, as in 2023, there were no fees collected due to operating procedure of the current language course provider.

7.6 Financial revenue

The interest received of €2 092 342 have arisen from the deposits held and are classified as part of the operating activities. Interest income amounting to €58 271 was apportioned to the undesignated voluntary contribution as approved by the Governing Council under its Resolution [GC/23/R6](#). The remaining interest income amounting to €2 034 071 was credited to the Governing Council Special Fund.

	<u>31-Dec-24</u>	<u>31-Dec-23</u>
Interest income apportioned to VC account	58 271	31 754
Interest income credited to GCSF account	2 034 071	1 567 734
Total	<u>€2 092 342</u>	<u>€1 599 488</u>

7.7 Income from services rendered

The total programme support cost of €1 434 145 collected from the designated voluntary contribution during the reporting period are eliminated in the Statement II (see Note 3.12g). It can be found in [Schedules 1](#) and [2](#).

Note 8: Expenses

8.1 Staff cost

This amount represents the total cost of employing staff at all levels, professional and general service staff. It includes base salary, post adjustment, and other types of entitlements paid by the Agency. Staff costs also include the movement in the actuarial cost for staff health insurance and terminal payments liability (refer to Note 5.3) that is recognized in the Statement of Financial Performance ([Statement II](#)).

	<u>31-Dec-24</u>	<u>31-Dec-23</u>
Staff cost	25 361 627	23 433 993
Actuarial cost	1 746 874	1 730 181
Total	<u>€27 108 501</u>	<u>€25 164 174</u>

8.2 Temporary assistants, advisors and participants

For temporary assistants, the costs include the payroll cost of temporary staff, non-payroll staff entitlements and terminal payments, the Agency share on the staff pension fund and staff health insurance. For temporary advisors and participants, the costs are related to those meetings they participate.

	31-Dec-24	31-Dec-23
Temporary assistant cost	1 701 380	2 004 951
Temporary advisor and participant cost	839 306	646 405
Total	<u>€2 540 685</u>	<u>€2 651 356</u>

8.3 Fellows

Costs include the Stipend cost and other entitlements of IARC personnel in the ECVS category that includes visiting scientists and senior visiting scientists under the collaboration programmes, postdoctoral scientists on the fellowship programmes, and students (masters and doctorate) on the trainee programmes.

	<u>31-Dec-24</u>	<u>31-Dec-23</u>
Stipend and other entitlements	<u>€3 253 856</u>	<u>€3 037 864</u>

8.4 Duty travel (staff, fellows)

The travel cost of staff and fellows paid by the Agency is included in the total duty travel costs. This includes airfare, per diem and incidentals. This does not include statutory travel which is accounted for within staff costs.

	<u>31-Dec-24</u>	<u>31-Dec-23</u>
Travel cost	<u>€896 188</u>	<u>€786 479</u>

8.5 Research and other agreements

These include cost for Collaborative Research Agreement (CRA), consortium and partnership agreements, consultant contracts and other types of contracts, including Agreements for the Performance of Work (APW), Material Transfer Agreement (MTA), and Data Transfer Agreement (DTA).

	<u>31-Dec-24</u>	<u>31-Dec-23</u>
Collaborative research and consortium agreements	4 735 738	4 507 234
Consultants cost	513 449	599 703
Agreement for the performance of work and others	732 423	577 089
Total	<u>€5 981 610</u>	<u>€5 684 026</u>

8.6 Procurement and various operating expenses

These include cost of procurement of equipment and furniture below the capitalization threshold, office services and various other operating expenses. The main decreases are related stabilization of new premises and slight reduction in in energy prices.

	<u>31-Dec-24</u>	<u>31-Dec-23</u>
Utility and maintenance cost	2 217 361	2 841 576
Supplies & materials	1 500 973	1 018 037
Equipment and furniture	1 319 579	2 005 893
Office rent (in-kind)	2 700 000	2 700 000
Security cost	422 138	390 347
Others operating cost	888 828	1 024 926
Total	<u>€9 048 879</u>	<u>€9 980 779</u>

8.7 Cost of distribution and disposal of inventories

It includes the cost of inventories that were distributed and disposed during the reporting period using weighted average cost method.

	<u>31-Dec-24</u>	<u>31-Dec-23</u>
Cost of distribution and disposal of inventories	<u>€291 140</u>	<u>€111 552</u>

8.8 Depreciation

It includes the depreciation of property, plant and equipment during the reporting period using straight line method.

	<u>31-Dec-24</u>	<u>31-Dec-23</u>
Depreciation	<u>€746 935</u>	<u>€542 371</u>

8.9 Financial cost

This includes bank charges only.

8.10 Net foreign (gain)/loss

This includes net realized and unrealized foreign exchange gains or losses.

	<u>31-Dec-24</u>	<u>31-Dec-23</u>
Net realized foreign exchange loss (gain)	(1 189 470)	216 893
Net unrealized foreign exchange loss (gain)	4 164 263	(2 565 912)
Total net foreign exchange loss (gain)	<u>€2 974 793</u>	<u>€(2 349 019)</u>

8.11 Programme support cost

This is the support cost charged to the designated voluntary contribution during the reporting period and is eliminated in the [Statement II](#). It can be found in [Schedules 1](#) and [2](#) (see also Note 7.7).

8.12 Transfer between Funds

The following table provides details of fund transfers during the reporting period between Regular Budget (RB) and Governing Council Special Fund (GCSF), and between Working Capital Fund (WCF) and GCSF regarding Participating State arrears.

	<u>GCSF</u>	<u>RB</u>	<u>WCF</u>
Transfer from GCSF to RB for budgetary cost due FX loss (currency realignment)	(11 300)	11 300	
Transfer from RB to GCSF for RB2023 balance	119 716	(119 716)	
Transfer from GCSF to WCF (re GC/66/R7)	(4 200 000)		4 200 000
Net transfer between funds	<u>(4 091 584)</u>	<u>(108 416)</u>	<u>4 200 000</u>

Note 9: Reconciliation of key figures in Statement I and Statement IV

Statement of Cash Flows ([Statement IV](#)) is closely linked with the Statement of Financial Position ([Statement I](#)). Statement IV explains the effects of change in cash and cash equivalents balance at the beginning and end of the reporting period in terms of the cash flow impact of changes in the components of Statement I, including assets, liabilities and net assets/equity.

Some components of Statement I that affect cashflow, i.e. accounts receivable, staff receivables, account payable, and accrued staff benefits included also transactions in non-euro denominated currencies, such as US dollars, pounds sterling, Norwegian krone, etc. At the end of the reporting period, these items were revaluated using the UNORE as at 31 December 2024. The net unrealized foreign exchange gains or losses were accounted under the respective components in Statement I.

This Note provides additional information to facilitate the reconciliation of changes of such components as well as the changes in property, plant and equipment between Statement I and Statement IV.

	As at 31-Dec-24	As at 31-Dec-23
Accounts receivable (current)		
Changes in Statement I from prior year	(561 548)	(2 353 520)
Unrealized exchange rate gain/(loss)	516 802	(23 357)
(Increase) decrease in accounts receivable (current) as per Statement IV	(44 746)	€(2 376 877)
Staff receivable		
Changes in Statement I from prior year	(7241)	(31 437)
Unrealized exchange rate gain/(loss)	(212)	(289)
(Increase) decrease in staff receivable as per Statement IV	€(7453)	€(31 726)
Accounts receivable (non-current)		
Changes in Statement I from prior year	2 872 325	1 482 263
Unrealized exchange rate gain/(loss)	(42 335)	(306 753)
(Increase) decrease in accounts receivable (non-current) as per Statement IV	€2 829 990	€1 175 510
Property, plant and equipment		
Changes in Statement I from prior year	(542 612)	(461 154)
Depreciation	(746 935)	(542 371)
(Increase) decrease in property, plant and equipment as per Statement IV	€(1 289 547)	€(1 003 525)
Accounts payable		
Changes in Statement I from prior year	(158 745)	143 853
Unrealized exchange rate gain/(loss)		163
Increase (decrease) in accounts payable as per Statement IV	€(158 745)	€144 016

	As at 31-Dec-24	As at 31-Dec-23
Accrued staff benefits liabilities (non-current)		
Changes in Statement I from prior year	20 661 757	1 969 948
Unrealized exchange rate gain/(loss)	(4 638 518)	2 896 148
ASHI remeasurement	(13 780 066)	(2 464 382)
Increase (decrease) in accrued staff benefits liabilities (non-current) as per Statement IV	€2 243 173	€2 401 714

Note 10: Comparison of budget and actual amounts

Through the 65th Governing Council meeting, [Resolution GC/65/R10](#), the total effective regular budget was approved for 2024–2025 for €48 683 313, of which €24 323 172 and €24 360 141 are allocated for 2024 and 2025 work plans, respectively. Authorized under the same Resolution, the Director approved the transfers between sections of the budget during the biennium, not exceeding to 15% of the section from which the credit was transferred. Details are shown under column “Transfers” in the Statement of Comparison of Budget and Actual Amounts ([Statement V](#)).

Reconciliation between the actual amounts on a comparable basis in the Statement of Comparison of Budget and Actual Amounts (Statement V) and the actual amounts in the Statement of Financial Performance ([Statement II](#)) for the period ended 31 December 2024 is presented below:

	31-Dec-24	31-Dec-23
Actual amount on comparison - Statement V	20 756 641	25 354 064
Time difference	902 651	(7450)
Basis differences	31 209 474	20 285 476
Actual expenses – Statement II	€52 868 766	€45 632 090

Note 11: Related party and other key management personnel disclosure

IPSAS 20 requires the Agency to disclose information concerning the remuneration and benefits of Key Management Personnel (KMP), and details of transactions between such individuals and entities that are “significantly influenced” by IARC/WHO (referred to as “related party transactions”). KMP of the Agency include staff at director level and above.

The table below details the number of KMP of IARC and the aggregate remuneration and benefits paid for 2024. The aggregate remuneration of KMP includes net salaries, post adjustment, entitlements such as representation allowance and educational grants, employee pension and current health insurance contributions.

Number of Individuals	Compensation and post adjustment	Entitlements	Pension and health plans	Total remuneration	Outstanding advances against entitlements	Outstanding loans (in addition to normal entitlement)
2	€348 587	€23 656	€129 691	€501 934	€50 413	-

During the year, no loans were granted to key management personnel beyond those widely available to staff outside this grouping.

Note 12: Amounts written off and ex-gratia payments

There were no write-off and no ex-gratia payments made in 2024.

Note 13: Events after the reporting date

The reporting date for these financial statements is 31 December 2024. There have been no events, favourable or unfavourable, that occurred between the date of the financial statements and the date when the financial statements were authorized for issue that would have had a material impact on these statements.

Note 14: Provisions, Contingent liabilities and contingent assets

14.1 Contingent assets and contingent liabilities

In accordance with IPSAS 19, contingent assets or contingent liabilities will be disclosed for cases where an event will give rise to a probable inflow or outflow respectively, of economic benefits. As at 31 December 2024, there are no material contingent assets or contingent liabilities to disclose. IARC also has no pending legal cases.

14.2 Operating lease commitments

IARC entered into an operating lease arrangement for printers since November 2012.

IARC has no finance lease as at the end of the reporting date.

SCHEDULE 1 - Statement of Financial Performance by Major Funds

International Agency for Research on Cancer										
Statement of Financial Performance by Major Funds and Other Funds										
For the year ended 31 December 2024										
<i>(amount in Euros)</i>										
	Notes	Regular Budget	Working Capital Fund	Other funds	Voluntary Contributions Account	Trust funds	Sub-totals	Eliminations	for the year ended 31 December 2024	
REVENUE										
Assessed contributions	7.1	24 323 172	(561 301)	393 773			24 155 644			24 155 644
Voluntary contributions	7.2				25 767 273		25 767 273			25 767 273
Revenue-producing activities	7.3			3 105 924			3 105 924			3 105 924
Other operating revenue	7.4			6 366			6 366			6 366
Trust Fund	7.5									
Income from services rendered	7.7			1 434 145			1 434 145	(1 434 145)		
Financial revenue	7.6			2 034 071	58 271		2 092 342			2 092 342
Total revenue		24 323 172	(561 301)	6 974 279	25 825 544		56 561 694	(1 434 145)		55 127 549
EXPENSES										
Staff cost	8.1	15 057 926		4 046 041	8 004 534		27 108 501			27 108 501
Temporary assistants, advisors and participants	8.2	680 037		382 437	1 478 211		2 540 685			2 540 685
Fellows	8.3	732 317		37 103	2 484 436		3 253 856			3 253 856
Duty travel (staff, fellows)	8.4	314 482		37 538	544 168		896 188			896 188
Research and other agreements	8.5	460 991		98 349	5 422 270		5 981 610			5 981 610
Procurement and various operating expenses	8.6	4 087 507		779 639	4 181 733		9 048 879			9 048 879
Cost of distribution & disposal of inventory	8.7			291 140			291 140			291 140
Depreciation	8.8			746 935			746 935			746 935
Financial cost	8.9	656		25 523			26 179			26 179
Programme support cost	8.11				1 434 145		1 434 145	(1 434 145)		
Total expenses		21 333 916		6 444 705	23 549 497		51 328 118	(1 434 145)		49 893 973
Net foreign exchange loss (gain)	8.10			2 974 793			2 974 793			2 974 793
TOTAL SURPLUS (DEFICIT) FOR THE YEAR		2 989 256	(561 301)	(2 445 219)	2 276 047		2 258 783			2 258 783
Capital expenditures										
Inventories		(66 765)		77 965	(11 200)					
Property plant & equipment		(269 911)		719 911	(450 000)					
Transfer between funds	8.12	(108 416)	4 200 000	(4 091 584)						
TOTAL CHANGES IN FUND BALANCES		2 544 164	3 638 699	(5 738 927)	1 814 847		2 258 783			2 258 783

SCHEDULE 2 - Statement of Financial Performance by Other Funds

International Agency for Research on Cancer					
Statement of Financial Performance by Other Funds					
For the year ended 31 December 2024					
(amount in Euros)					
	Notes	Governing Council Special Fund	Special Account for Programme Support Costs	Participating States Others	for the year ended 31 December 2024
REVENUE					
	Note 7				
Assessed contributions	7.1	393 773			393 773
Voluntary Contribution	7.2				
Revenue-producing activities	7.3	3 105 924			3 105 924
Other operating revenue	7.4	6 366			6 366
Income from service rendered	7.7		1 434 145		1 434 145
Financial revenue	7.6	2 034 071			2 034 071
Total revenue		<u>5 540 134</u>	<u>1 434 145</u>		<u>6 974 279</u>
EXPENSES					
	Note 8				
Staff cost	8.1	1 715 409	583 758	1 746 874	4 046 041
Temporary assistants, advisors and participants	8.2	382 437			382 437
Fellows	8.3	21 205	15 898		37 103
Duty travel (staff, fellows)	8.4	17 322	20 216		37 538
Research and other agreements	8.5	68 509	29 840		98 349
Procurement and various operating expenses	8.6	233 618	546 021		779 639
Cost of distribution & disposal of inventory	8.7			291 140	291 140
Depreciation	8.8			746 935	746 935
Financial cost	8.9	157	25 366		25 523
Total expenses		<u>2 438 657</u>	<u>1 221 099</u>	<u>2 784 949</u>	<u>6 444 705</u>
Net foreign exchange loss (gain)	8.10	<u>(1 663 725)</u>		4 638 518	<u>2 974 793</u>
TOTAL SURPLUS (DEFICIT) FOR THE YEAR		4 765 202	213 046	(7 423 467)	(2 445 219)
Capital expenditures					
Inventories		(229 468)		307 433	77 965
Property, plant & equipment		(396 909)	(172 727)	1 289 547	719 911
Transfer between funds	8.12	<u>(4 091 584)</u>			<u>(4 091 584)</u>
TOTAL CHANGES IN FUND BALANCES		<u>47 241</u>	<u>40 319</u>	<u>(5 826 487)</u>	<u>(5 738 927)</u>

SCHEDULE 3 - Status of Collection of Assessed Contributions

International Agency for Research on Cancer
Status of Collection of Assessed Contributions and CVCA from Participating States
As at 31 December 2024
(amount in Euros)

Participating States	Assessments 2024		Assessments of prior financial periods			Total outstanding assessments as of 31 December 2024	Advance Contribution vs 2025 AC	CVCA Received in 2024 (4)	
	Assessments	Collected	Balance as of 31 December 2024	Balance outstanding 1 January 2024	Collected during 2024				Balance as of 31 December 2024
Australia	886 634	886 634							
Austria	758 618	758 618							
Belgium	758 618	758 618					40 880		
Brazil	886 634	886 634							
Canada	886 634	886 634					887 982		
People's Republic of China	1 654 734	1 654 734							
Denmark	758 618	758 618		755 842	755 842				
Finland	630 601	630 601							
France	1 142 666	1 142 666							
Germany	1 142 666	1 142 666							
Hungary (1)	630 601	630 601		29 322.86	29,322.86		631 559		
India	758 618	758 618							
Iran (Islamic Republic of) (2)	630 601		630 601	2 902 344		2 902 344	3 532 945		
Ireland	630 601	630 601							
Italy	886 634	886 634							
Japan	1 654 734	1 654 734							
Morocco	630 601		630 601				630 601		
Netherlands	758 618	758 618							
Norway	758 618	758 618							
Qatar (1)	630 601	630 601		40	40				
Republic of Korea (1)	886 634	824,477.86	62 156.14	89 640.95	89,640.95		62 156.14		
Russian Federation	758 618	758 618							
Spain	886 634		886 634				886 634		
Sweden	758 618	758 618							
Switzerland	758 618	758 618							
United Kingdom of Great Britain and Northern Ireland	1 142 666	1 142 666						91,317	
United States of America	1 654 734	496 420.00	1 158 314	1 204 048	1 204 048		1 158 314		
TOTAL - Assessed States	24 323 172	20 954 865.86	3 368 306.14	4 981 237.81	2 078 893.81	2 902 344.00	6 270 650.14	1 560 421.00	91 317
% of collection		86.15%							
Other outstanding contributions									
Egypt (3)	210 200	210 200							
Kingdom of Saudi Arabia (3)	252 873		252 873				252 873		
TOTAL	24 786 245	20 954 865.86	3 621 179.14	4 981 237.81	2 078 893.81	2 902 344.00	6 523 523.14	1 560 421.00	91 317
		84.54%							

(1) Arrears in assessed contribution refers to 2023 assessed contribution outstanding balance.

(2) Iran's (Islamic Republic of) membership accepted in 2018. Arrears in assessed contribution comprised of: €618 094(2023AC); €603 442 (2022AC); €623 953 (2021 AC); €612 241 (2020 AC); €415 099 (2019 AC) and €29 515 (2018 AC).

(3) Egypt's and Kingdom of Saudi Arabia's membership accepted in 2024.

(4) In addition to AC, some Participating States also contributed into the Core Voluntary Contribution Account (CVCA) to supplement the regular budget 2024-2025.