



**Governing Council
Sixty-eighth Session**

GC/68/11

*Lyon, 27–28 May 2026
Hybrid format*

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

For the year ended 31 December 2025

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DIRECTOR'S FINANCIAL REPORT

INTRODUCTION

1. The annual financial report of the Agency for the year ended 31 December 2025 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 2025, 91% of IARC's activities were financed from these two funding sources. The rest was financed from the Governing Council Special Fund (GCSF) and the Special Account for Programme Support Cost.
5. The net assets/equity of the Agency as at the end of 2025 was €64.7 million, compared to €2.1 million at the end of 2024. The increase in the net assets/equity is mainly due to decrease in the actuarial valuation of the long-term accrued staff liabilities, following reclassification of the main Lyon duty station to euros majority from the previously held Swiss francs majority, better reflecting the currency distribution of the long term accrued staff liabilities. Other factors influencing the major change in the actuarial valuation come from changes in currency exchange rates (the liability is valued in US dollars, which has devalued against IARC corporate currency euro during the past year), and changes in the discount rate.
6. As shown on the Statement of Financial Performance, total revenue recognized during 2025 exceeded the total expenses, resulting in €9.0 million surplus. This surplus includes a large unrealized exchange rate gain component resulting from actuarial valuation but also realised net financial revenue of €1.9 million.
7. The cash flow of the Agency has decreased by €8.5 million from the prior year. There are €10.2 million of assessed contributions payments in arrears from Participating States compared to €6.5 million in the end of previous year.

Regular budget and budget utilization

8. The regular budget 2024–2025 was approved by the Governing Council (GC) 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 2025, the collection of 2025 budgeted assessed contributions was at 83.03%, compare to 86.15% the year before, and detailed in Schedule 3.

10. Total expenses and capital expenditure charged against the regular budget approved for 2024 amounted to €27.2 million. At the end of the reporting period, €0.7 million were earmarked for encumbrances for delivery in 2024.

11. The budget utilization (expenditures and encumbrances) rate was at 100% for the biennial budget 2024-2025. Figure 1 below shows the breakdown of budget utilization by six main Objectives in comparison to the initial budget approved by the GC as presented in [Statement V](#).

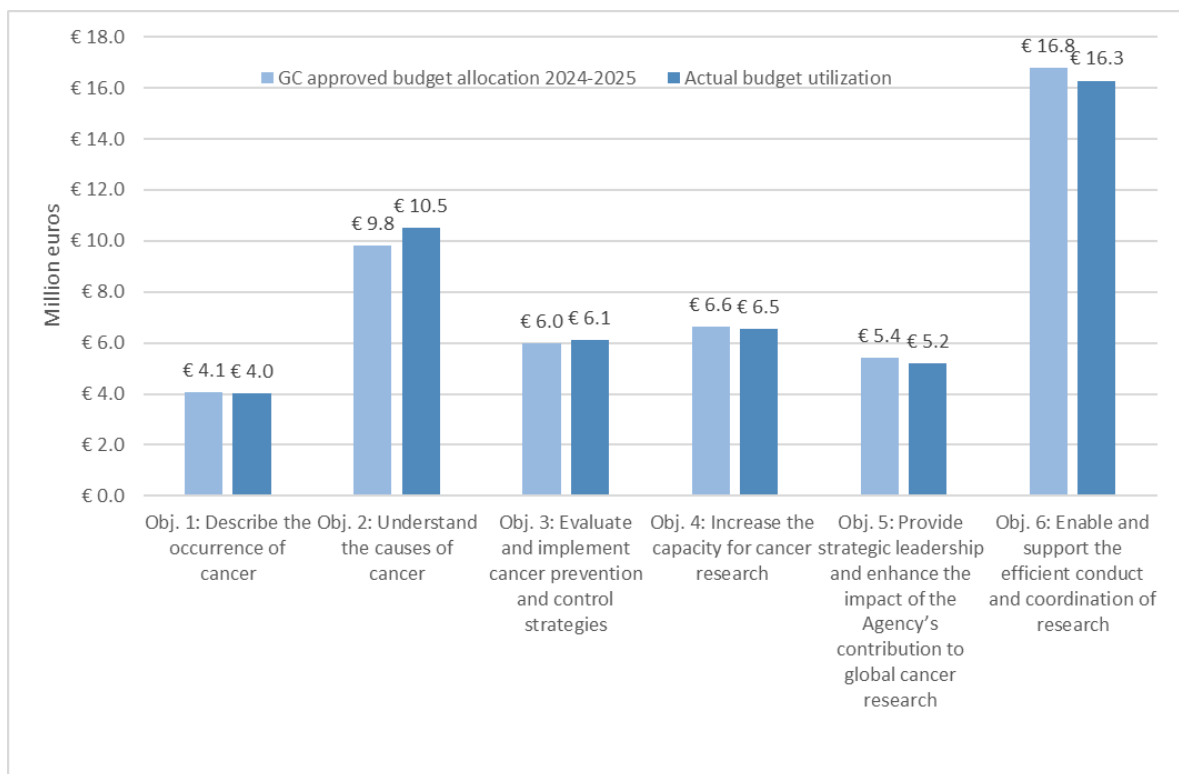


Figure 1: Approved regular budget and actual budget utilization in 2024-2025

12. Authorized by the GC under [Resolution GC/67/R7](#), paragraph 5, the Director approved budget transfers between sections during the year, not exceeding 30% of the section's budget from which the credit was transferred.

13. The exchange rate applied by the GC when approving the 2024–2025 budget was €0.907/US\$. The average United Nations Operational Rates of Exchange for the year 2025 was €0.891/US\$. The timing of costs incurred despite the depreciation of the value of the US dollars in 2025 resulted in total financial costs of €0.009 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, undesignated contributions and the Core Voluntary Contribution Account (CVCA). Designated contributions are specifically earmarked by the donor to finance special projects while undesignated 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 2025, 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 €25.1 million as shown in [Statement II](#), of which 0.1% was against undesignated voluntary contributions. [Information document GC/67/Inf.Doc. No.3](#) provides additional details on the Voluntary Contributions.

Expenses

17. Total expenses incurred in 2025 amounted to €51.9 million. 52.5% were charged on regular budget, 42.7% on voluntary contributions, and the remaining 8.2% on other funds.

18. About 52.2% of expenses were staff costs, 6.6% were costs of Early Career and Visiting Scientists (ECVS), and the remaining 41.3 % were activity costs.

19. The most significant activity costs were procurement and other operating expenses (17.6%), Collaborative Research Agreements (11.4%), as well as Agreement for Performance of Work (APWs) and consultants (4.1%). Temporary assistants, advisors and participants costs were 4.1% and travel costs were 1.7%.

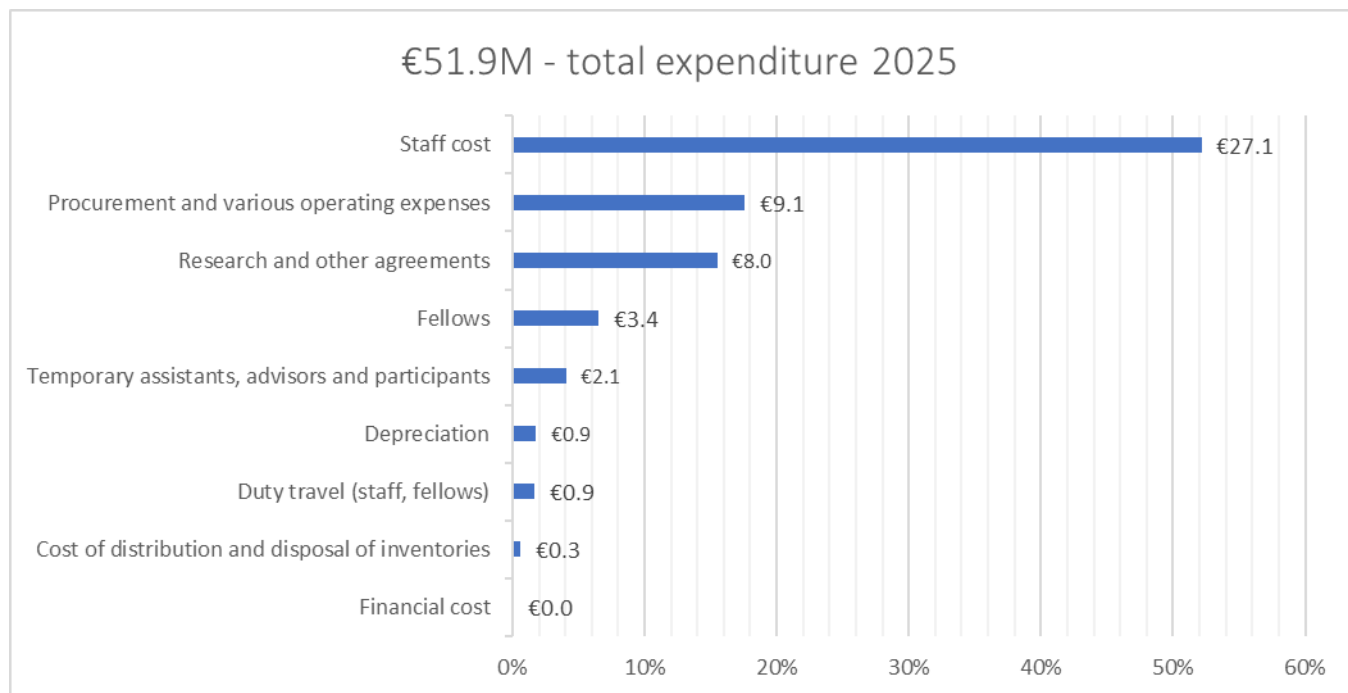


Figure 2: Total expenditure in 2024 on staff, ECVS and activities

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 2025 amounted to €8.7 million, of which €5.0 million were unfunded.

21. The ASHI funded ratio has increased from 42% in 2024 to 92% in 2025. The net deficit or unfunded ASHI net liabilities decreased from €70.4 million in 2024 to €5.0 million in 2024, a net decrease of €65.4 million. As explained in step 5. and 6. in this document the increase in the funded ratio is primarily due to updates in the financial assumption basis, and discount rates, and also the exchange gain of €8.9 million. The ASHI fund (asset) increased to US\$ 63.5 million in 2025 from US\$ 53.3 million in 2024 (or net increase of US\$ 10.2 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 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.



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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:

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**Audit of International
Agency for Research
on Cancer (IARC)
for the
Financial Year ended
31 December 2025**

Chapter I

Report of the External Auditor on the financial statements

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

Audit 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 2025, 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 2025, 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 2025, 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 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

16 April 2026

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 the World Health Organization, 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 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 (ERP) 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 2025 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 provided as needed.

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 that 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 SSR unit Heads. The 2025 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 2021–2025 established by IARC Participating States. The IARC Branches of Early Detection, Prevention & Infections (EPR), lead by Dr. Partha Basu, and Epigenomics & Mechanics (EGM), led by Dr. Zdenko Herzeg, underwent review in 2025. For EGM, the scientific quality was rated Outstanding for past performance and Outstanding/forefront for future plans, and its work is a Perfect Fit with IARC's mission. For EPR, the scientific quality was rated Outstanding for both past performance and future plans, and its work is also a Perfect Fit with IARC's mission.
- 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.
- Declaration of Interests (DOI) Forms were submitted in 2024 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 Science and Research; 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 the DOI. The next Staff DOI exercise is scheduled to be completed by Summer 2026. The Director submits her yearly DOI separately upon direct request from WHO/CRE.

Significant control and risk issues

No significant internal control issues noted in 2025.

Based on consolidated findings of IARC's Principal Risk Register in 2025, 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 2026, but some are foreseen to remain 'severe' even after implementation of risk response actions in 2026.

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 State (PS), and finding new ways to connect with 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 6. Streamlining and prioritizing research portfolio to focus on the most important research that can only be done at IARC
<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 GC and request their participation in the discussions 3. Seek to find alternative and sustainable sources of funding, mainly new PS 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 (EC, NIH, CRUK, BMGF, 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 and 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 PS to fund in particular underfunded Flagship programs 7. Increase networks of high-income donors who have minimal conflicts of interest
<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</p>	<ol style="list-style-type: none"> 1. Maintain close contact with the concerned PSs

Risk description	Risk response actions
<p>not being funded, potentially affecting the effectiveness of IARC and the sustainability of financing for the Agency.</p>	<ol style="list-style-type: none"> 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 of CVCA mechanism and raising awareness of PS to consider contributions 5. Advocate for an increase that will cover the basic level of core functions 6. Prioritize IARC work, reducing the scope of activities.
<p>Withdrawal or defaulting of major donors, external funding to IARC <i>Monographs Programme</i> 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 accordingly, in case the funding situation changes abruptly. 5. consider decreasing the number of Monographs finalized annually 6. Efficiency measures including exploring AI for literature review/ mining/ text finalizing. 7. Request Scientific Council (SC) to establish a working group to harvest the potential of Artificial Intelligence in research, and more specifically in Evidence Synthesis Classification's research programme
<p>Several of IARC's critical infrastructure IT related systems reaching their end-of-life or lacking support, 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

Risk description	Risk response actions
	<ol style="list-style-type: none"><li data-bbox="815 259 1428 376">3. Ensure the scope of new ERP implementation such that the schedule and costs of implementation can be kept at minimum.<li data-bbox="815 405 1428 477">4. Sufficient resources (financial and human resources) available for maintenance of the systems.<li data-bbox="815 506 1428 577">5. Funding for Laboratory Information Management System renewal planned for 2026.

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 2025 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 2025

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



Charu Mehta
Director of Administration and Finance



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 2025				
(amount in Euros)				
	Ref	Notes	As at 31 December 2025	As at 31 December 2024
ASSETS		Note 4		
Current assets				
Cash and cash equivalents	4.01	4.1	41 634 929	50 106 061
Investments and financial instruments	4.15	4.2	6 882 628	11 000 000
Accounts receivable, net	4.02	4.3	29 886 147	23 284 690
Staff receivables	4.03	4.4	155 592	154 091
Prepayments	4.04	4.5	301 504	284 188
Accrued Interest	4.05	4.6	103 125	66 700
Inventories	4.11	4.7	674 741	769 330
Total current assets			<u>79 638 666</u>	<u>85 665 060</u>
Non-current assets				
Investments and financial instruments	4.15	4.2	10 000 000	
Accounts receivable, net	4.06	4.3	13 013 953	13 630 323
Property, plant and equipment - net	4.07	4.8	1 925 710	2 790 367
Total non-current assets			<u>24 939 663</u>	<u>16 420 690</u>
TOTAL ASSETS			<u>104 578 329</u>	<u>102 085 750</u>
LIABILITIES		Note 5		
Current liabilities				
Revenue received in advance	4.09	5.1	1 857 040	1 562 506
Accounts payable	4.10	5.2	1 987 250	1 300 047
Accrued staff benefits	4.08	5.3	2 082 397	1 380 100
Deferred revenue	4.13	5.4	8 902 005	14 049 051
Total current liabilities			<u>14 828 692</u>	<u>18 291 704</u>
Non-current liabilities				
Accrued staff benefits	4.12	5.3	6 640 789	72 376 379
Deferred revenue	4.14	5.4	18 387 648	13 526 333
Total non-current liabilities			<u>25 028 437</u>	<u>85 902 712</u>
TOTAL LIABILITIES			<u>39 857 129</u>	<u>104 194 416</u>
NET ASSETS/EQUITY		Note 6		
Fund				
Regular Budget	6.10	6.1	679 752	3 566 531
Voluntary Contributions	6.20	6.2	28 378 699	25 373 916
Working Capital Fund	6.30	6.3	3 569 796	4 166 705
Other IARC funds				
Governing Council Special Funds	6.40	6.4	20 289 282	19 644 569
Special Account for Programme Support Costs	6.50	6.5	5 892 622	4 898 484
Participating States - Others	6.60	6.6	5 858 818	(59 811 102)
Trust Fund	6.70	6.7	52 231	52 231
TOTAL NET ASSETS/EQUITY BALANCES			<u>64 721 200</u>	<u>(2 108 666)</u>
TOTAL LIABILITIES AND NET ASSETS/EQUITY BALANCES			<u>104 578 329</u>	<u>102 085 750</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 2025				
(amount in Euros)				
	Ref	Notes	for the year ended 31 December 2025	for the year ended 31 December 2024
REVENUE				
		Note 7		
Assessed contributions	3.02	7.1	24 866 654	24 155 644
Voluntary contributions	3.04	7.2	25 087 098	25 767 273
Sale of publications	3.05	7.3	3 022 598	3 105 924
Other operating revenue	3.06	7.4	152 696	6 366
Trust Funds	3.07	7.5		
Financial revenue	3.16	7.6	1 916 812	2 092 342
Total revenue			55 045 858	55 127 549
EXPENSES				
		Note 8		
Staff cost	3.08	8.1	27 085 051	27 108 501
Temporary assistants, advisors and participants	3.09	8.2	2 108 171	2 540 685
Fellows	3.10	8.3	3 400 437	3 253 856
Duty travel (staff, fellows)	3.11	8.4	868 995	896 188
Research and other agreements	3.12	8.5	8 036 916	5 981 610
Procurement	15 3.13	8.6	9 134 612	9 048 879
Cost of distribution and disposal of inventories	3.18	8.7	320 852	291 140
Depreciation	3.14	8.8	927 634	746 935
Financial cost	3.21	8.9	21 775	26 179
Total expenses			51 904 443	49 893 973
Net foreign exchange loss (gain)	3.20	8.10	(5 853 394)	2 974 793
TOTAL SURPLUS (DEFICIT) FOR THE YEAR			8 994 809	2 258 783

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 2025					
<i>(amount in Euros)</i>					
	Notes	Balance as at 31 December 2024	Surplus (deficit) in 2025	Remeasurement Gain/(Loss) on DBO and Plan Asset	Balance as at 31 December 2025
Fund					
Non-restricted (Participating States)					
Regular Budget	6.1	3 566 531	(2 886 779)		679 752
Working Capital Fund	6.3	4 166 705	(596 909)		3 569 796
Other IARC Funds	6.4-6.6	(35 268 049)	9 473 714	57 835 057	32 040 722
Total non-restricted		(27 534 813)	5 990 026	57 835 057	36 290 270
Restricted					
Voluntary Contributions	6.2	25 373 916	3 004 783		28 378 699
Trust Fund	6.7	52 231			52 231
Total restricted		25 426 147	3 004 783		28 430 930
Total net assets/equity balance		(2 108 666)	8 994 809	57 835 057	64 721 200

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 2025			
(amount in Euros)			
	Notes	As at 31 December 2025	As at 31 December 2024
Cash flow from operating activities			
Net surplus (deficit) for the year		8 994 809	2 258 783
Revenue presented as investing activities		(45 000)	
Depreciation	8.8	927 634	746 935
Unrealized (gains)/losses on revaluation	8.10	(8 229 621)	4 164 264
(Increase) decrease in current accounts receivable, current	9	(7 383 059)	(44 746)
(Increase) decrease in staff receivables	9	(2 731)	(7 453)
(Increase) decrease in prepayments		(17 316)	4 480
(Increase) decrease in interest receivables		(36 425)	(1 263)
(Increase) decrease in inventories		94 589	(16 293)
(Increase) decrease in accounts receivable, non-current	9	750 074	2 829 990
Increase (decrease) in assessed contributions received in advance		294 534	632 907
Increase (decrease) in accounts payable	9	688 190	(158 745)
Increase (decrease) in accrued staff benefit, current liabilities		702 297	(6 560)
Increase (decrease) in deferred revenue, current liabilities		94 294	(1 424 053)
Increase (decrease) in accrued staff benefit, non-current liabilities	9	977 229	2 243 173
Increase (decrease) in deferred revenue, non-current liabilities		(380 025)	(3 042 281)
Net increase (decrease) in cash flows from operating activities		(2 570 527)	8 179 138
Cash flows from investing activities			
Revenue presented as investing activities		45 000	
(Increase) decrease in property, plant and equipment	9	(62 977)	(1 289 547)
(Increase) decrease in investments and financial instruments, current	4	4 117 372	(11 000 000)
(Increase) decrease in investments and financial instruments, non-current	4	(10 000 000)	11 000 000
Net increase (decrease) in cash and cash equivalents		(8 471 132)	6 889 591
Cash and cash equivalents at the beginning of the year		50 106 061	43 216 470
Cash and cash equivalents at the end of the year	4.1	41 634 929	50 106 061

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

The net decrease in 2025 includes the interest received of €1 916 811.

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 2025								
<i>(amount in Euros)</i>								
Purpose of appropriation	2025 Programme Budget Appropriations			Budget Utilization			Total Utilization	% utilization
	Approved Appropriations by Governing Council		Transfers (IARC Financial Regulations 3.3)	Expenses		Encumbrance		
	2024	2025	Effective appropriations	2024	2025	2025		
1. Describe the occurrence of cancer	2 025 760	2 043 130	4 068 890	1 702 709	2 230 172	75 316	4 008 197	8.23%
2. Understand the causes of cancer	4 923 328	4 891 514	9 814 842	4 243 984	6 171 956	108 731	10 524 671	21.62%
3. Evaluate and implement cancer prevention and control strategies	2 981 336	3 006 268	5 987 604	2 107 252	3 912 429	105 033	6 124 713	12.58%
4. Increase the capacity for cancer research	3 291 867	3 336 469	6 628 336	2 700 728	3 803 342	34 233	6 538 303	13.43%
5. Provide strategic leadership and enhance the impact of the Agency's contribution to global cancer research	2 695 367	2 706 355	5 401 722	2 645 956	2 536 325	18 156	5 200 437	10.68%
6. Enable and support the efficient conduct and coordination of research	8 405 514	8 376 405	16 781 919	7 356 012	8 592 697	338 282	16 286 992	33.45%
TOTAL	24 323 172	24 360 141	48 683 313	20 756 641	27 246 921	679 752	48 683 313	100.00%
RECONCILIATION (see Note 10)								
TOTAL EXPENSES AS PER STATEMENT V				27 246 921				
a) Time differences:								
Regular Budget expenditure in other periods								
b) Basis differences:								
Common fund activities				959 246				
Other non-Regular Budget utilisation				17 844 882				
Sub-total				18 804 128				
TOTAL EXPENSES AS PER STATEMENT II				€ 46 051 049				

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

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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 the 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 the 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 the WHO. According to the guidance for determining which entities should be consolidated within an economic entity provided by the International Public Sector Accounting Standards (IPSAS) IPSAS 6, "Consolidated Financial Statements and Accounting for Controlled Entities", IARC does not meet the requirements to be consolidated under the 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 2025 have been prepared on the accrual basis of accounting in accordance with the 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 47	Revenue	1 January 2026	<p>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.</p> <p>IARC expects that there will be sufficient time for implementation and that such implementation will require additional resources.</p>
IPSAS 48	Transfer Expenses	1 January 2026	<p>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.</p> <p>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.</p>
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	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.

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: amortized 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 amortized cost	Term deposits, interest receivables, tax recoverables, 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 amortized cost	Interest payable, other amounts to be paid for investments (e.g. amounts to be paid in respect of assets previously purchased).

Financial assets at amortized 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 realize 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 amortized 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 amortized 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 GC. 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 (WCF) or if the cash balance of the WCF 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 GC.

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 GCSF.

€34 650 (or US\$ 50 000 equivalent @0.693) from the first contribution of each new Participating State is transferred to the WCF 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 it is governed by GC 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 GCSF.

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 WCF, the GCSF, 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 GC. Pending the receipt of statutory annual contributions to the regular budget, appropriations may be temporarily financed from the WCF.

b. *Working Capital Fund (WCF)*. This refers to a fund as defined by Article 5.2 of IARC's financial regulations. Revenue of WCF came from assessed contributions from new Participating States as described under Note 3.12b or transfer from GCSF.

c. *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 GC 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 GC 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 £ accounts. Balances as at 31 December 2025 were converted to euros using UNORE (US\$ 13 902 658 at €0.850/US\$ and £1 424 186 at €1.147/£).

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-25</u>	<u>31-Dec-24</u>
Cash on hand	41 575	20 625
Cash at UNDP	78 379	105 122
Bank deposits	41 514 975	49 980 313
Total	€41 634 929	€50 106 060

4.2 Investments and financial instruments

The current term deposit balance of £6 000 000 at 31 December 2025 was converted to euros using UNORE at €1.147/£.

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-25</u>	<u>Total</u> <u>31-Dec-24</u>
Term deposits, current	6 882 628	11 000 000
Term deposits, non-current	10 000 000	
Total	€16 882 628	€11 000 000

4.3 Accounts receivable, net

The total account receivable amounted to €42 900 099 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 2025, there was accumulated allowances for doubtful accounts receivable amounting to €4 164 504. 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-25</u>	<u>Total</u> <u>31-Dec-24</u>
Uncollected assessed contributions	10 158 988		10 158 988	6 523 523
Designated voluntary contributions	22 842 251	13 013 953	35 856 204	33 186 328
Other accounts receivable*	1 049 412		1 049 412	738 108
Total accounts receivable	34 050 651	13 013 953	47 064 603	40 447 959
Less: Accumulated allowances	(4 164 504)		(4 164 504)	(3 532 945)
Total accounts receivable, net	€29 886 147	€13 013 953	€42 900 099	€36 915 014

*Other accounts receivable comprises of royalties and sales of publication receivables (€151 208), VAT refund (€213 853), supplier's deposit (€100 875) and others (€585 033).

Total accumulated allowances for doubtful accounts receivable:

	<u>Total</u> <u>31-Dec-25</u>	<u>Total</u> <u>31-Dec-24</u>
Opening balance of allowance for assessed contribution	3 532 945	2 902 344
Opening balance of allowance for designated VC		
Opening balance of allowance for other receivables		
Total opening balance at beginning of year	3 532 945	2 902 344
Add: Allowance for assessed contribution	631 559	630 601
Allowance for designated VC		
Allowance for other receivables		
Total allowances for doubtful receivables	4 164 504	3 532 945
Less: Reversal of allowance for assessed contribution		
Reversal of allowance for designated VC		
Reversal of allowance for other receivables		
Total accumulated allowances at end of year	4 164 504	3 532 945

4.4 Staff receivables

The total balance of staff receivables amounted to €155 593, net increase by €1102 from the prior period. Breakdown by type of receivables is as follows.

	<u>31-Dec-25</u>	<u>31-Dec-24</u>
Salary advance	4 686	
Education grant advance	125 986	118 580
Duty travel advance	24 920	27 310
Home leave advance		8201
Total	€155 592	€154 091

4.5 Prepayments

The total value of prepayments is €301 504, which consists of payments to suppliers in advance of receipt of goods or services. In the end of financial year 2025 the prepayments to suppliers amounted to €31 849. In addition, Fellows of IARC are paid one month in advance and the payment of stipend for January 2026 is included in this account.

	<u>31-Dec-25</u>	<u>31-Dec-24</u>
Prepayment to suppliers	31 849	25 263
Stipend advance	269 655	258 925
Total	€301 504	€284 188

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 2025 is €103 125 (€66 700 in 2024).

4.7 Inventories

The amount of €674 741 represents the value of IARC publication inventories, of which €211 902 relates to the Work in Progress and €462 839 relates to Finished Goods held for sales at WHO Press as at the end of the reporting period.

	<u>31-Dec-25</u>	<u>31-Dec-24</u>
Balance at beginning of year	769 330	753 037
Additions	226 263	307 433
Distributions	(277 865)	(266 105)
Disposals/adjustments	(42 987)	(25 034)
Balance at end of year	€674 741	€769 330

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 €1 925 710. 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-25	Total 31-Dec-24
<i>Cost or valuation:</i>							
Balance at beginning of year	0	7 073 057	1 347 593	209 117	63 426	8 693 193	7 403 645
Additions		49 126	13 851			62 977	1 289 547
Disposals		(235 250)		(21 750)		(257 000)	0
Adjustments						0	0
Balance at end of year	0	6 886 933	1 361 444	187 367	63 426	8 499 170	8 693 192
<i>Accumulated depreciation:</i>							
Balance at beginning of year	0	5 051 159	747 938	45 980	57 749	5 902 826	5 155 890
Charges for the year		608 700	276 470	39 626	2838	927 634	746 935
Disposals		(235 250)		(21 750)		(257 000)	0
Adjustments	0	0	0	0	0	0	0
Balance at end of year	0	5 424 609	1 024 408	63 856	60 587	6 573 460	5 902 825
<i>Net book value:</i>							
At beginning of year	0	2 021 898	599 655	163 137	5677	2 790 367	2 247 755
At end of year	0	1 462 324	337 036	123 511	2839	1 925 710	2 790 367

In addition, IARC has 163 items of PP&E with the total gross acquisition value of €4 464 816 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 €1 857 040 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-25</u>	<u>31-Dec-24</u>
Assessed contribution received in advance	1 814 032	1 560 421
Voluntary contribution received in advance		
Other revenue received in advance	43 008	2085
Total	€1 857 040	€1 562 506

5.2 Accounts payable

The total outstanding as at the end of reporting period is €1 987 250. Staff/STA/Fellows payable below include payment of travel and expense reimbursements.

	<u>31-Dec-25</u>	<u>31-Dec-24</u>
Staff/STA/Fellows	30 408	38 403
Suppliers	91 898	68 289
Accrued expenses	1 864 944	1 193 355
Total	€1 987 250	€1 300 047

5.3 Accrued staff benefits

Accrued staff benefits, total €8 723 186, include short-term benefits, post employee benefits (ASHI), and other long-term benefits. This amount includes unfunded liabilities totalling €5 007 701 (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-25</u>	<u>Total</u> <u>31-Dec-24</u>
Short-term employee benefits	1 857 449	-	1 857 449	1 218 096
Other long-term employee benefits	224 948	1 633 088	1 858 036	2 151 075
Termination benefits				
Post employee benefits (i.e. ASHI)	-	5 007 701	5 007 701	70 387 308
Total	€2 082 397	€6 640 789	€8 723 186	€73 756 479

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 €11 981 533 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 2.0% of salary and post adjustment for fixed-term staff members and 4.0% for temporary appointment staff members from the beginning of 2025.

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 2.0% of all staff salary and post adjustment from the beginning of 2025, of which 0.48% is assigned to the parental leave.

	<u>TQ</u>	<u>TP</u>	<u>POC</u>	<u>Total</u> <u>31-Dec-25</u>	<u>Total</u> <u>31-Dec-24</u>
Fund balance at beginning of year	3 749 296	5 554 575	1 081 790	10 385 660	9 895 940
<u>Plus:</u> Fund inflow during the year	964 700	980 841	381 757	2 327 298	1 664 121
<u>Less:</u> Fund outflow during the year	(575 083)	(5103)	(151 238)	(731 424)	(1 174 381)
Fund balance at end of year	€4 138 912	€6 530 313	€1 312 308	€11 981 533	€10 385 680

The outflow fund in 2025 includes the following payments on employee benefits.

	<u>Current</u>	<u>Non-Current</u>	<u>Total</u> <u>31-Dec-25</u>
Recruitment entitlements	131 198		131 198
Separation entitlements	62 257	5103	67 360
Education grants	323 156		323 156
Home leave travels	56 563		56 563
Periodic medical and insurance	1909		1909
Backfilling cost	151 238		151 238
Total fund outflow	€726 322	€5103	€731 424

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-25</u>	<u>31-Dec-24</u>
Accrued annual leave	1 221 525	1 170 686
Educational grants	56 453	47 410
Total Defined Benefit Obligation at end of year	<u>€1 277 978</u>	<u>€1 218 096</u>

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 2025. For 2025 financial statements, a census data as of 30 September 2025 (proxy for 31 December 2025) 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-25</u>	<u>31-Dec-24</u>
Grant in case of death	119 117	147 413
Repatriation grant	1 263 626	1 553 751
Repatriation removal	399 996	374 261
Repatriation travel	52 340	45 018
Termination for reasons of health	22 957	30 632
Total Defined Benefit Obligation at end of year	<u>€1 858 036</u>	<u>€2 151 075</u>

Actuarial summary

	31/12/2025 Valuation	31/12/2024 Valuation
Reconciliation of Defined Benefit Obligation--142(a)(ii)		
Defined Benefit Obligation at Beginning of Year	2 151 075	1 939 108
Service Cost	161 054	128 710
Interest on Defined Benefit Obligation	76 216	63 102
(Actual Gross Benefit Payments)	(5103)	(205 747)
Participant Contributions	-	-
Changes in Accounting Methods	-	-
Plan Amendments	-	-
(Gain)/Loss Due to Financial Assumption Changes	(59 462)	(8548)
(Gain)/Loss Due to Other Demographic Changes	(465 745)	234 450
Defined Benefit Obligation at End of Year	€1 858 036	€2 151 075
Reconciliation of Assets--142(a)(i)		
Market Value of Assets at Beginning of Year		
(Actual Gross Benefit Payments)	(5103)	(205 747)
Participant Contributions		
Organization Contributions	5103	205 747
Interest on Assets		
Gain/(Loss) on Plan Assets		
Market Value of Assets at End of Year	0€	0€
Reconciliation of Funded Status--142		
Defined Benefit Obligation (DBO)	1 858 036	2 151 075
(Plan Assets)		
Net (Surplus)/Deficit in Statement of Financial Position	1 858 036	2 151 075
Current (Asset)/Liability	224 948	162 004
Noncurrent (Asset)/Liability	1 633 088	1 989 071
Total (Gain)/Loss during the Year	(525 207)	225 902
Sensitivity Analysis--147(a)		
Defined Benefit Obligation		
Current Discount Rate Assumption Minus 1%	1 982 459	2 305 751
Current Discount Rate Assumption	1 858 036	2 151 075
Current Discount Rate Assumption Plus 1%	1 730 204	2 014 107
Approximate Duration (in Years) of Defined Benefit Obligation	7	7
Statement of Financial Performance		
Service Cost	161 054	128 710
Interest on (Surplus)/Deficit	76 216	63 102
Remeasurements	(525 207)	225 902
Total Expense	€(287 936)	€417 714
Expected Accounting Contributions During Next Year--149(b)		
Expected Contributions during Next Year	€229 222	€164 655
Selected Assumptions at 31 December		
Discount Rate	3.75%	3.30%
General Inflation Rate	1.90%	1.90%

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 the 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 (€) – 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 3.90% this year, versus 3.30% last year.

Annual General Inflation

The general inflation rates are based on a 100% Euro zone weighting of the 31 December 2025 U.N. Task Force recommendations, according to the duration (10-years duration) of the TP.

The resulting rate is 1.9% this year, not changed 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.

The 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 2025.

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.

The 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 vs 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.

The 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 rates 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. 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.

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 United Nations 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\$ 7 000 to US\$ 8 400;
 - 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:

- $US\$ 13\ 000 \times 90\% + US\$ 8\ 400 \times 10\% = US\$ 12\ 540$ 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 2025 exchange rate.

Repatriation travel

The average cost per ticket assumption was provided by the 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 2025 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 2025 determined by professional actuaries within the overall report to WHO is US\$ 5 891 413, equivalent to €5 007 701 at UNORE of €0.850/US\$. Their values as at 31 December were US\$ 73 320 112, equivalent to €70 387 309 at UNORE of €0.960/US\$.

Revaluation of this account as of 31 December 2025 resulted to a net unrealized foreign exchange gain of €8 877 762, of which €812 550 was charged directly to net asset/equity (net unrealized foreign exchange loss of €4 638 518, of which €1 366 718 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-25 Valuation (in US\$ 1000's)	31-Dec-24 Valuation (in US\$ 1000's)
Reconciliation of Defined Benefit Obligation–142(a)		
Defined Benefit Obligation at beginning of year	126 200	103 176
Service cost	3061	2947
Interest on Defined Benefit Obligation	1422	2324
(Actual after service gross benefit payments)	(590)	(498)
(Actual after service administrative expenses)	(29)	(30)
Actual contributions by after service participants	218	238
Curtailment (Credit)/ Cost	0	0
(Gain)/Loss on Defined Benefit Obligation Due to Financial Assumption Changes	(44 949)	16 961
(Gain)/Loss on Defined Benefit Obligation Due to Other Assumption Changes	(13 288)	1082
(Gain)/Loss on Defined Benefit Obligation from Experience	(2914)	
Defined Benefit Obligation at end of year	US\$ 69 132	US\$ 126 200
Reconciliation of Incurred-But-Not-Paid Reserve–142(a)		
Incurred-But-Not-Paid Reserve at beginning of year	425	447
Interest on Incurred-But-Not-Paid Reserve during the year	5	10
(Gain)/Loss on Incurred-But-Not-Paid Reserve	(206)	(32)
Incurred-But-Not-Paid Reserve at end of year	224	425
Reconciliation of Assets–142(a)		
Market value of ASHI at beginning of year	53 305	48 169
(Actual total SHI gross benefit payments)	(1281)	(1202)
(Actual total SHI administrative expenses)	(63)	(73)
Actual total SHI participant contributions	1095	1010
Actual total SHI organization contributions	2170	2098
Organization additional contributions during the year	0	0
Interest on gross SHI assets	597	1070

	31-Dec-25 Valuation (in US\$ 1000's)	31-Dec-24 Valuation (in US\$ 1000's)
Gain/(loss) on Plan Assets	7641	2233
Market value of SHI assets at end of year	US\$ 63 464	US\$ 53 305
Reconciliation of Funded Status–142		
Defined Benefit Obligation		
Active	44 876	90 549
Inactive	24 256	35 652
Incurred-But-Not-Paid Reserve	224	425
Total Defined Benefit Obligation	69 356	126 625
(ASHI Plan Assets)	(63 464)	(53 305)
Net (Surplus)/Deficit	US\$ 5891	US\$ 73 320
Current (asset)/liability	0	0
Noncurrent (asset)/liability	US\$ 5891	US\$ 73 320
Total (Gain)/Loss during the year	US\$ (68 997)	US\$ 15 778
Statement of Financial Performance		
Service cost	3061	2947
Interest on (Surplus)/Deficit	830	1265
Past service (credit)/cost		
Total expense	US\$ 3891	US\$ 4212
Sensitivity Analysis–147(a)		
Defined Benefit Obligation at end of year		
Current medical inflation assumption minus 1%	55 141	99 638
Current medical inflation assumption	69 132	126 200
Current medical inflation assumption plus 1%	87 484	162 177
Current discount rate assumption minus 1%	85 743	163 082
Current discount rate assumption	69 132	126 200
Current discount rate assumption plus 1%	56 789	99 654
Expected Accounting Contributions–149(b)		
Expected contributions during next year		
Contribution by/for active staff, net of claims/admin costs	1991	1771
Contribution by WHO for Inactives	443	484
Total expected contributions	US\$ 2434	US\$ 2255

Actuarial assumptions and methods:

Accounting Standard
Measurement Date

International Public Sector Accounting Standard 39.
31 December 2025

Office Groupings for Discount Rates and General Inflation Rates

For the 31 December 2024 and 2025 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 the 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, the WHO has decided to use the following yield curves issued by the UN Task Force. For the Euro zone (€): Aon Hewitt AA Corp. Yield Curve.

Based on the currency mix, the split of discount rates for 2025 and 2024 are 4.4% in 2025 and 1.1% in 2024. Currency mix of Europe in 2024 includes Sw.fr. and US\$, but in the updated definition of 2025 the currency mix for Europe includes only €.

The discount rate is determined as the weighted average of the equivalent rates per currency and the associated cash flows. In 2024 the Europe currency mix included Sw.fr. with 0.8% discount rate, € with 3.4% discount rate and US\$ with 5.9% discount rate, resulting in equivalent discount rate of 1.1%. In 2025 only € discount rate of 4.4% is considered.

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 80% Sw.fr., 15% € and 5% US\$ in 2024, and in 100% € in 2025.

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
31/12/2024	1.8%	1.9%	2.2%
31/12/2025	1.8%	1.9%	2.2%

Based on the currency mix, general inflation rates for Europe are 2.1% in 2025 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.

The 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, the 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 Euro zone, Switzerland, and the United States. Rates for 2025 are set in the below table:

Component	Euro zone
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.

The 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.

The 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.

The 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, the assumption is set at +5 years / -3 years and is based on a study that Aon performed of retirements from 2023 through 2025.

Scheme enrolment

The rates for Europe were conservatively prescribed by WHO for the 31 December 2025 valuation and are 100% in 2025 and 2024 respectively.

Adult dependent coverage at retirement

The rates for Europe in 2025 are based on a study that Aon performed of retirements from 2023 through 2025 and have been updated from 85%/55% in 2024 to 60%/35% 2024 for Male and Female respectively.

Lapse rate

The 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 proportionate 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 will be used by the Fund for the purpose of reporting an actuarial present value of accumulated plan benefits in its 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.

During 2025, contributions paid to the Fund by IARC amounted to US\$ 7 200 081 (US\$ 6 687 055 in 2024).

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 2025 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-25</u>	<u>31-Dec-24</u>
Current liabilities	14 143 345	14 049 051
Non-current liabilities	13 146 308	13 526 333
Total deferred revenue	<u>€27 289 653</u>	<u>€27 575 384</u>

Note 6: Net assets/equity

The net assets/equity of the Agency was €64 721 198 in the end of 2025 compared to €(2 108 666) in the end of 2024. [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 €679 752 which is fully comprised of committed obligation (€904 106 at the end of 2024), and no uncommitted funds forwarded to subsequent calendar year (€2 662 292 at the end of 2024).

6.2 Voluntary Contributions

	<u>31-Dec-25</u>	<u>31-Dec-24</u>
Designated voluntary contribution	27 145 863	24 307 147
Undesignated voluntary contribution	978 856	904 106
Core voluntary contribution	253 980	162 663
Total	<u>€28 378 699</u>	<u>€25 373 916</u>

6.3 Working Capital Fund

	<u>31-Dec-25</u>	<u>31-Dec-24</u>
Beginning balance at beginning of year	4 166 705	528 006
<u>Add: New Participating States contribution to WCF</u>	34 650	69 300
Transfer from GCSF (GC/66/R7)		4 200 000
<u>Less: Allowances for assessed contribution in arrears</u>	<u>(631 559)</u>	<u>(630 601)</u>
Ending balance as at end of year	<u>€3 569 796</u>	<u>4 166 705</u>

6.4 Governing Council Special Fund

The fund balance of €20 289 282 includes reserves, i.e. expenses authorized by the GC which are not yet incurred. The net increase of €644 713 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 €4 898 484 in 2024 to €5 892 621 during the reporting period.

6.6 Participating State – Others

The amount of €5 858 818 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-25</u>	<u>31-Dec-24</u>
Inventories	674 741	769 330
Property, plant and equipment, net	1 925 710	2 790 367
Total common fund	€2 600 451	€3 559 697

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

	<u>31-Dec-25</u>	<u>31-Dec-24</u>
Fund balance in TQ, TP, and POC accounts (Note 5.3b)	11 981 553	10 385 680
Accrued staff salaries funded from other source	0	0
<u>Less: Total accrued staff benefits (Note 5.3a)</u>	<u>(8 723 186)</u>	<u>(73 756 479)</u>
Total special purpose fund	€3 258 367	€(63 370 799)

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-25</u>	<u>31-Dec-24</u>
Budgeted assessed contribution	24 360 141	24 323 172
Unbudgeted assessed contribution	1 138 072	463 073
Increase in allowance for doubtful accounts receivable	<u>(631 559)</u>	<u>(630 601)</u>
Total	€24 866 654	€24 155 644

Budgeted assessed contribution

This refers to contribution from Participating States for the biennial programme budget as per assessments approved by the GC, which is recorded on an accrual basis at the beginning of each year against account receivable. The amount of €24 360 141 shown on these Financial Statements represents the contribution from Participating States for 2025 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, and Portugal, whose membership was accepted in 2025. The 2025 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-25</u>	<u>31-Dec-24</u>
Contribution from Egypt	421 039	210 200
Contribution from Saudi Arabia	506 513	252 873
Contribution from Portugal	210 520	
Total	<u>€1 138 072</u>	<u>€463 073</u>

Increase in allowance for doubtful accounts receivable

The allowance for doubtful accounts receivable amounting to €631 559 was established for assessed contribution pending from a Participating State.

7.2 Voluntary contributions

The total revenue from voluntary contributions was €25 087 098. There was no write off nor allowance for doubtful accounts receivable in 2025.

	<u>31-Dec-25</u>	<u>31-Dec-24</u>
Core Voluntary Contribution Account	91 317	91 317
Designated voluntary contributions*	24 981 096	25 660 139
Undesignated voluntary contributions	14 686	15 817
Total	<u>€25 087 098</u>	<u>€25 767 273</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 2025, there were no other in-kind donations received.

IARC received cash donations (€14 686), 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 2025 decreased very slightly 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.

	<u>31-Dec-25</u>	<u>31-Dec-24</u>
IARC hard copy publications	797 282	1 027 971
IARC hard copy publications, prior period adjustment		55 193
Subscription fees to access the WHO Classification of Tumours online	2 225 316	2 022 760
Total	€3 022 598	€3 105 924

7.4 Other operating revenue

Other income presented here contains €106 189 of insurance reimbursement for expenditures incurred during financial years 2023 and 2024.

	<u>31-Dec-25</u>	<u>31-Dec-24</u>
Sale of equipment and materials	45 000	0
Other income	107 696	6366
Total	€152 696	€6366

7.5 Trust fund

This account refers to the fees collected from personnel enrolled in the language courses offered by IARC. In 2025, as in 2024, there were no fees collected due to operating procedure of the current language course provider.

7.6 Financial revenue

The interest received of €1 916 811 have arisen from the deposits held and are classified as part of the operating activities. Interest income amounting to €52 522 was apportioned to the undesignated voluntary contribution as approved by the GC under its Resolution [GC/23/R6](#). The remaining interest income amounting to €1 864 289 was credited to the GC Special Fund.

	<u>31-Dec-25</u>	<u>31-Dec-24</u>
Interest income apportioned to VC account	52 522	58 271
Interest income credited to GCSF account	1 864 289	2 034 071
Total	€1 916 811	€2 092 342

7.7 Income from services rendered

The total programme support cost of €1 729 099 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-25</u>	<u>31-Dec-24</u>
Staff cost	27 001 397	25 361 627
Actuarial cost	83 654	1 746 874
Total	<u>€27 085 051</u>	<u>€27 108 501</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.

	<u>31-Dec-25</u>	<u>31-Dec-24</u>
Temporary assistant cost	1 264 501	1 701 380
Temporary advisor and participant cost	843 670	839 306
Total	<u>€2 108 171</u>	<u>€2 540 685</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-25</u>	<u>31-Dec-24</u>
Stipend and other entitlements	<u>€3 400 437</u>	<u>€3 253 856</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-25</u>	<u>31-Dec-24</u>
Travel cost	<u>€868 995</u>	<u>€896 188</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-25</u>	<u>31-Dec-24</u>
Collaborative research and consortium agreements	5 904 983	4 735 738
Consultants cost	505 732	513 449
Agreement for the performance of work and others	1 626 201	732 423
Total	<u>€8 036 916</u>	<u>€5 981 610</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.

	<u>31-Dec-25</u>	<u>31-Dec-24</u>
Utility and maintenance cost	2 278 937	2 217 361
Supplies & materials	1 742 965	1 500 973
Equipment and furniture	1 008 256	1 319 579
Office rent (in-kind)	2 700 000	2 700 000
Security cost	441 480	422 138
Others operating cost	962 974	888 828
Total	<u>€9 134 612</u>	<u>€9 048 879</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-25</u>	<u>31-Dec-24</u>
Cost of distribution and disposal of inventories	<u>€320 852</u>	<u>€291 140</u>

8.8 Depreciation

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

	<u>31-Dec-25</u>	<u>31-Dec-24</u>
Depreciation	<u>€927 634</u>	<u>€746 935</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-25</u>	<u>31-Dec-24</u>
Net realized foreign exchange loss (gain)	2 376 228	(1 189 470)
Net unrealized foreign exchange loss (gain)	(8 229 622)	4 164 263
Total net foreign exchange loss (gain)	<u>(€5 853 394)</u>	<u>€2 974 793</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 GCSF, and between Voluntary Contributions Account (VC) and GCSF regarding Participating State arrears.

	<u>GCSF</u>	<u>RB</u>	<u>VC</u>
Transfer from GCSF to RB for budgetary cost due FX loss (currency realignment)	8500	(8500)	
Transfers from VC to GCSF for grant closures	(56 450)		56 450
Net transfer between funds	<u>(47 950)</u>	<u>(8500)</u>	<u>56 450</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 2025. 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-25	As at 31-Dec-24
Accounts receivable (current)		
Changes in Statement I from prior year	(6 601 457)	(561 548)
Unrealized exchange rate gain/(loss)	(781 602)	516 802
(Increase) decrease in accounts receivable (current) as per Statement IV	<u>€(7 383 059)</u>	<u>(44 746)</u>
Staff receivable		
Changes in Statement I from prior year	(1501)	(7241)
Unrealized exchange rate gain/(loss)	(1230)	(212)
(Increase) decrease in staff receivable as per Statement IV	<u>€(2731)</u>	<u>€(7453)</u>
Accounts receivable (non-current)		
Changes in Statement I from prior year	616 370	2 872 325
Unrealized exchange rate gain/(loss)	133 704	(42 335)
(Increase) decrease in accounts receivable (non-current) as per Statement IV	<u>€750 074</u>	<u>€2 829 990</u>
Property, plant and equipment		
Changes in Statement I from prior year	864 657	(542 612)
Depreciation	(927 634)	(746 935)
(Increase) decrease in property, plant and equipment as per Statement IV	<u>€(62 977)</u>	<u>€(1 289 547)</u>
Accounts payable		
Changes in Statement I from prior year	687 203	(158 745)
Unrealized exchange rate gain/(loss)	987	
Increase (decrease) in accounts payable as per Statement IV	<u>€688 190</u>	<u>€(158 745)</u>

	As at 31-Dec-25	As at 31-Dec-24
Accrued staff benefits liabilities (non-current)		
Changes in Statement I from prior year	(65 735 590)	20 661 757
Unrealized exchange rate gain/(loss)	8 877 762	(4 638 518)
ASHI remeasurement	57 835 057	(13 780 066)
Increase (decrease) in accrued staff benefits liabilities (non-current) as per Statement IV	€977 229	€2 243 173

Note 10: Comparison of budget and actual amounts

Through the 65th GC 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 30% 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 2025 is presented below:

	<u>31-Dec-25</u>	<u>31-Dec-24</u>
Actual amount on comparison - Statement V	27 246 921	20 756 641
Time difference	959 246	902 651
Basis differences	17 844 882	31 209 474
Actual expenses – Statement II	€46 051 049	€52 868 766

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 summary of the positions is included in the table below.

Grade	Number of staff
UDG	1
D1	1

The table below details the number of KMP of IARC and the aggregate remuneration and benefits paid for 2025. 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	€372 847	€52 255	€130 613	€555 715	€13 785	-

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 2025.

Note 13: Events after the reporting date

The reporting date for these financial statements is 31 December 2025. 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 2025, 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 2025									
<small>(amount in Euros)</small>									
	Notes	Regular Budget	Working Capital Fund	Other funds	Voluntary Contributions Account	Trust funds	Sub-totals	Eliminations	for the year ended 31 December 2025
REVENUE									
Assessed contributions	Note 7	24 360 141	(596 909)	1 103 422			24 866 654		24 866 654
Voluntary contributions	7.1				25 087 098		25 087 098		25 087 098
Revenue-producing activities	7.2			3 022 598			3 022 598		3 022 598
Other operating revenue	7.3			152 696			152 696		152 696
Trust Fund	7.4								
Income from services rendered	7.5			1 729 099			1 729 099	(1 729 099)	
Financial revenue	7.6			1 864 289	52 523		1 916 812		1 916 812
Total revenue		24 360 141	(596 909)	7 872 104	25 139 621		56 774 957	(1 729 099)	55 045 858
EXPENSES									
Staff cost	Note 8	19 574 614		911 516	6 598 921		27 085 051		27 085 051
Temporary assistants, advisors and participants	8.1	889 448		423 318	795 405		2 108 171		2 108 171
Fellows	8.2	1 297 326		77 615	2 025 496		3 400 437		3 400 437
Duty travel (staff, fellows)	8.3	227 745		21 556	619 694		868 995		868 995
Research and other agreements	8.4	887 113		1 015 068	6 134 735		8 036 916		8 036 916
Procurement and various operating expenses	8.5	4 280 787		730 886	4 122 939		9 134 612		9 134 612
Cost of distribution & disposal of inventory	8.6			320 852			320 852		320 852
Depreciation	8.7			927 634			927 634		927 634
Financial cost	8.8	696		21 079			21 775		21 775
Programme support cost	8.9				1 729 099		1 729 099	(1 729 099)	
Total expenses	8.11	27 157 729		4 449 524	22 026 289		53 633 542	(1 729 099)	51 904 443
Net foreign exchange loss (gain)	8.10			(5 853 394)			(5 853 394)		(5 853 394)
TOTAL SURPLUS (DEFICIT) FOR THE YEAR		(2 797 588)	(596 909)	9 275 974	3 113 332		8 994 809		8 994 809
Capital expenditures									
Inventories		(83 294)		100 664	(17 370)				
Property plant & equipment		(14 397)		49 126	(34 729)				
Transfer between funds	8.12	8 500		47 950	(56 450)				
TOTAL CHANGES IN FUND BALANCES		(2 886 779)	(596 909)	9 473 714	3 004 783		8 994 809		8 994 809
FUND BALANCES BEGINNING		3 566 531	4 166 705	(35 268 049)	25 373 916	52 231	(2 108 666)		(2 108 666)
Remeasurement Net Gain/Loss on DBO & Plan Asset				57 835 057			57 835 057		57 835 057
FUND BALANCES ENDING		679 752	3 569 796	32 040 722	28 378 699	52 231	64 721 200		64 721 200

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 2025 (amount in Euros)								
	Notes	Governing Council Special Fund	Special Account for Programme Support Costs	Common Fund		Special Purpose Fund	Participating States Others	for the year ended 31 December 2025
				PPE	Inventories			
REVENUE	Note 7							
Assessed contributions	7.1	1 103 422						1 103 422
Voluntary Contribution	7.2							
Revenue-producing activities	7.3	3 022 598						3 022 598
Other operating revenue	7.4	152 696						152 696
Income from service rendered	7.7		1 729 099					1 729 099
Financial revenue	7.6	1 864 289						1 864 289
Total revenue		6 143 005	1 729 099					7 872 104
EXPENSES	Note 8							
Staff cost	8.1	755 955	71 907			83,654	83 654	911 516
Temporary assistants, advisors and participants	8.2	442 656	(19 338)					423 318
Fellows	8.3	61 492	16 123					77 615
Duty travel (staff, fellows)	8.4	19 800	1 756					21 556
Research and other agreements	8.5	991 709	23 359					1 015 068
Procurement and various operating expenses	8.6	124 662	606 224					730 886
Cost of distribution & disposal of inventory	8.7				320 852		320 852	320 852
Depreciation	8.8			927 634			927 634	927 634
Financial cost	8.9		21 079					21 079
Total expenses		2 396 274	721 110	927 634	320 852	83 654	1 332 140	4 449 524
Net foreign exchange loss (gain)	8.10	3 024 369				(8 877 763)	(8 877 763)	(5 853 394)
TOTAL SURPLUS (DEFICIT) FOR THE YEAR		722 362	1 007 989	(927 634)	(320 852)	8 794 109	7 545 623	9 275 974
Capital expenditures								
Inventories		(125 599)			226 263		226 263	100 664
Property, plant & equipment			(13 851)	62 977			62 977	49 126
Transfer between funds	8.12	47 950						47 950
TOTAL CHANGES IN FUND BALANCES		644 713	994 138	(864 657)	(94 589)	8 794 109	7 834 863	9 473 714
FUND BALANCES - Beginning		19 644 569 0	4 898 484	2 790 367	769 330	(63 370 799)	(59 811 102)	(35 268 049)
Remeasurement Net Gain/Loss on DBO & Plan Asset						57,835,057	57 835 057	57 835 057
FUND BALANCES - Ending		20 289 282	5 892 622	1 925 710	674 741	3 258 367	5 858 818	32 040 722

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 31.12.2025
(amount in Euros)

Participating States	Assessments 2025		Assessments of prior financial periods				Total outstanding assessments 31.12.2025	CVCA Received in 2025 (4)
	Assessments	Collected	Balance outstanding 31.12.2025	Balance outstanding 1 January 2025	Collected during 2025	Balance outstanding 31.12.2025		
Australia	887 982	887 982						
Austria	759 770	759 770						
Belgium	759 770	759 770						
Brazil	887 982	887 982						
Canada	887 982	887 982						
People's Republic of China	1 657 250	1 657 250						
Denmark	759 770	759 770						
Finland	631 559	631 559						
France	1 144 405	1 144 405						
Germany	1 144 405	1 144 405						
Hungary	631 559	631 559						
India	759 770		759 770				759 770	
Iran (Islamic Republic of) (2)	631 559		631 559	3 532 945		3 532 945	4 164 504	
Ireland	631 559	631 559						
Italy	887 982	887 982						
Japan	1 657 250	1 657 250						
Morocco	631 559		631 559	630 601	630 601		631 559	
Netherlands	759 770	759 770						
Norway	759 770	759 770						
Qatar	631 559	631 559						
Republic of Korea	887 982	747,443.58	140 538.42	62 156.14	62,156.14		140 538.42	
Russian Federation	759 770	759 770						
Spain (1)	887 982	887 982		886 634		886 634	886 634	
Sweden	759 770	759 770						
Switzerland	759 770	759 770						
United Kingdom of Great Britain and Northern Ireland	1 144 405	1 144 405						91,317
United States of America (1)	1 657 250		1 657 250	1 158 314		1 158 314	2 815 564	
TOTAL - Assessed States	24 360 141	20 539 464.58	3 820 676.42	6 270 650.14	692 757.14	5 577 893.00	9 398 569.42	91 317
% of collection		84.32%						
Other outstanding contributions								
Egypt (3)	421 039	420,006.46	1 032.54				1 032.54	
Kingdom of Saudi Arabia (3)	506 513		506 513	252 873		252 873	759 386	
Portugal (3)	210 520	210 520						
TOTAL	25 498 213	21 169 991.04	4 328 221.96	6 523 523.14	692 757.14	5 830 766.00	10 158 987.96	91 317
		83.03%						

(1) Arrears in assessed contribution refers to 2024 assessed contribution outstanding balance.

(2) Iran's (Islamic Republic of) membership accepted in 2018. Arrears in assessed contribution comprised of: €630 601(2024AC);€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. Portugal's membership accepted in 2025.

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