International Agency for Research on Cancer

World Health Organization

Governing Council
Fifty-seventh Session

GC/57/6 Rev.1
27/04/2015

Lyon, 13–14 May 2015
Auditorium

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

For the year ended 31 December 2014

Revision 1

2015

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DIRECTOR'S FINANCIAL REPORT

INTRODUCTION

1. The annual financial statements of the Agency for the year ended 31 December 2014 are submitted in accordance with Article VI, Paragraph 6.1 of the IARC Financial Regulations. This is the third year that 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. The statutory components of this report have been audited by the External Auditor, the Republic of the Philippines Commission on Audit. The Report of the External Auditor, together with her 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.

3. This financial report highlights the financial health of the Agency.

FINANCIAL HIGHLIGHTS

a) Regular Budget

4. The collection of 2014 assessed contributions is at 88.08% as per the details shown in Schedule 3.

5. For the year ended 31 December 2014, total expenses and capital expenditure charged against the regular budget amounted to €17.607 million. The budget utilization rate including encumbrances for the year is 89.68%. The breakdown of expenditure and encumbrances by appropriation section in comparison with the approved budget is presented in Statement V.

6. The unspent balance of €0.069 million from 2012-2013 biennial budget has been credited to the GCSF in accordance with Article V, Paragraph 5.5 of the IARC Financial Regulations.

7. The exchange rate applied by the Governing Council when approving the 2014-2015 budget was 0.758 Euro to the US dollar. The average United Nations/WHO rate of exchange for the year 2014 was 0.751 Euro to a US dollar. Therefore, no budgetary cost due to currency realignment was incurred in 2014 from the provision authorized in GC Resolution GC/55/R10.

8. A total budget of €0.210 million was allocated under the Director's Development Provision during 2014 to finance new initiatives and existing studies which required additional resources to ensure their successful implementation. The fund was allocated to the following scientific programme areas:

Cancer Etiology	(Area 3)	125 000
Mechanisms of Carcinogenesis	(Area 4)	47 000
Cancer Prevention	(Area 5)	20 000
Methodology and Research Tools	(Area 7)	18 000
		€210 000

b) Working Capital Fund (WCF)

9. The authorised level of the Working Capital Fund as of 1 January 2014 was €3.292 million and there was no movement during 2014.

c) Governing Council Special Fund (GCSF)

10. The fund balance as at 31 December 2014 was €10.695 million. This included the fund balance on unbudgeted assessment account of €1.330 million and over €2.500 million of fund reservations i.e. expenses authorised by the Governing Council but not yet incurred such as follows:
    - €0.250 million - financing to 2015 programme budget (GC/55/R10)
    - €0.250 million - exchange rate fluctuations provision during 2015 (GC/55/R10)
    - €0.346 million - Hiatus Funding Facility for 2015 (GC/47/R7)
    - €0.839 million - balance of reserve for publication programme (GC/55/R15)
    - €0.329 million - balance of reserve for scientific equipment (GC/55/R16, GC/56/R13)
    - €0.358 million - support to IPSAS implementation (GC/55/R17, GC/56/R14)
    - €0.133 million - support to 50th Anniversary of IARC (GC/56/R11)

11. During the year 2014, the notable fund inflows to the GCSF were as follows:
    - €0.677 million - the 8th instalment from Russian Federation as per GC/48/R3
    - €0.795 million - income from the sales of publications
    - €0.744 million - 2014 unbudgeted assessed contribution from new Participating States i.e. Brazil and Qatar

12. Further details on the status of the Fund are included in the Notes to the financial statements and an information document provided for the Governing Council meeting in May 2015 showing the detailed uncommitted fund balance and projection.

d) Voluntary Contributions Account

13. The Voluntary Contributions Account includes designated and undesignated contributions. Designated contributions are specifically earmarked by the donor to finance special projects while undesignated contributions do not have these conditions attached.

14. During the year 2014, total revenue of the Voluntary Contributions Account amounted to €10.874 million after netting off the net increase in the allowance for doubtful account receivable and approved write off on designated voluntary contributions.

15. In accordance with the standing authorization provided in Resolution GC/55/R23 and the conditions set forth in the signed agreements, interest income totalling €0.011 million was apportioned to the designated voluntary contributions account in 2014.

16. Total operational expenses in the Voluntary Contributions Account amounted to €12.625 million, of which €12.490 million were against designated contributions.

17. The fund balance as at 31 December 2014 was €9.407 million, of which €9.163 million was from designated contributions. This fund balance included receivables (i.e. income that has been recognized and pending receipt of cash) of €6.159 million.

18. In addition, income expected to be received in the future years are shown as deferred revenue amounting to €6.493 million and all are related to designated voluntary contributions.

e) Special Account for Programme Support Costs

19. As at 31 December 2014, this account had fund balance of €3.387 million, reflecting an increase of €0.229 million from the prior period.

f) Participating States - Others

20. This account presents the net value in Common Fund and Special Purpose Fund accounts. The Common Fund account includes inventories and net carrying value of Property, Plant, and Equipment (PP&E). The Special Purpose Fund account includes unfunded liabilities related to employee benefits as a result of implementing IPSAS 25.

21. During 2014, the total of €0.141 million of new publications was capitalized. Publications valued at €0.075 million were distributed, and €0.021 million value of publications was disposed or adjusted, bringing the balance at the end of year to €0.352 million.

22. Since 1 January 2010, as part of the implementation of IPSAS, IARC has capitalised and depreciated all PP&E with a purchase value equal to or more than €3000. The total capitalisation of new PP&E purchased in 2014 amounted to €0.509 million. Total depreciation expenses in 2014 were €0.768 million. The depreciated value of the PP&E had the net book value as at 31 December 2014 of €3.225 million.

23. As described under Note 5.3 of the financial statements, accrued staff benefits liabilities as at 31 December 2014 total €31.481 million, of which €27.932 million are unfunded. The increase in the liabilities is caused by the devaluation of the Euro against the US dollar which resulted in the unrealized foreign exchange loss of €3.101 million. In line with the plan set by the WHO, a progressive approach through increased contributions on SHI fund has been implemented to close the gap and fully fund the staff benefit liabilities.

24. As at 31 December 2014, this account had a fund balance of €24.355 million.

REPORT OF THE EXTERNAL AUDITOR

Republic of the Philippines
COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City, Philippines

LETTER OF TRANSMITTAL

9 April 2015

Dear Sir/Madam,

I have the honour to present to the Governing Council, the External Auditor's report and opinion on the financial statements of International Agency for Research on Cancer (IARC) for the financial year ended 31 December 2014.

I record my appreciation to the World Health Assembly for the honor and privilege to serve as external auditor of WHO and its non-consolidated entities.

Yours sincerely,

Heidi L. Mendoza
Officer in Charge, Commission on Audit
Republic of the Philippines
External Auditor

The Chairperson
Governing Council
International Agency for Research on Cancer
150 Cours Albert Thomas
69372
Lyon
France

Republic of the Philippines
COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City, Philippines

9 April 2015

Dear Dr. Wild,

**REPORT OF THE EXTERNAL AUDITOR
TO THE GOVERNING COUNCIL ON THE FINANCIAL OPERATIONS
OF THE INTERNATIONAL AGENCY FOR RESEARCH ON CANCER (IARC)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

I have the honour to present to you the above report which may kindly be transmitted to the Governing Council, IARC. All matters contained in the report have been communicated to the appropriate staff and management of the IARC.

I express my appreciation for the cooperation and assistance that I have received in the performance of my audit mandate.

Yours sincerely,

Heidi L. Mendoza
Officer in Charge, Commission on Audit
Republic of the Philippines
External Auditor

Dr Christopher P. Wild
Director
International Agency for Research on Cancer
150 Cours Albert Thomas
69372
Lyon
France

Republic of the Philippines
COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City, Philippines

INDEPENDENT AUDITOR'S REPORT

To The Governing Council
International Agency for Research on Cancer (IARC)

Report on the financial statements

We have audited the accompanying financial statements of the IARC, which comprise the Statement of Financial Position as at 31 December 2014, and the Statement of Financial Performance, Statement of Changes in Net Assets/Equity, Statement of Cash Flow, Comparison of Budget and Actual Amounts for the year then ended and the Notes to the Financial Statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Public Sector Accounting Standards (IPSAS). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing issued by the International Auditing and Assurance Standards Board. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the IARC as at 31 December 2014, and its financial performance, changes in net assets/equity, cash flow, and the comparison of budget and actual amounts, in accordance with IPSAS.

Report on other legal and regulatory requirements

Further, in our opinion, the transactions of the IARC that have come to our notice or which we have tested as part of our audit have, in all significant respects, been in accordance with the WHO Financial Regulations.

In accordance with Regulation XIV of the Financial Regulations, we have also issued a Long-form Report on our audit of the IARC.

Helen L. Mendoza
Officer in Charge, Commission on Audit
Republic of the Philippines
External Auditor

Quezon City, Philippines
9 April 2015

International Agency for Research on Cancer

World Health Organization

CERTIFICATION OF ANNUAL FINANCIAL STATEMENTS

For the year ended 31 December 2014

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

Mr David Allen
Director of Administration and Finance

Dr Christopher P. Wild, Ph.D.
Director, IARC

FINANCIAL STATEMENTS

STATEMENT I - Statement of Financial Position

International Agency for Research on Cancer
Statement of Financial Position
As at 31 December 2014
(amount in Euros)

	Notes	As at **31 December 2014**	As at **31 December 2013**
ASSETS	Note 4		
Current assets			
Cash and cash equivalents	4.1	24 048 418	24 354 572
Account receivables, net	4.2	12 718 542	10 995 407
Staff receivables	4.3	116 175	120 440
Prepayments	4.4	388 678	473 480
Interest receivables	4.5	1 720	126 702
Inventories	4.6	352 260	307 496
Total current assets		37 625 793	36 378 097
Non-current assets			
Account receivables, net	4.2	3 448 951	4 150 175
Property, plant and equipment - net	4.7	3 224 914	3 483 233
Total non-current assets		6 673 865	7 633 408
TOTAL ASSETS		**44 299 658**	**44 011 505**
LIABILITIES	Note 5		
Current liabilities			
Contributions received in advance	5.1	523 486	25 260
Account payable	5.2	979 675	1 984 436
Accrued staff benefits	5.3	1 224 898	1 090 294
Deferred revenue	5.4	3 043 676	3 916 304
Total current liabilities		5 771 735	7 016 294
Non-current liabilities			
Accrued staff benefits	5.3	30 255 932	25 586 788
Deferred revenue	5.4	3 448 951	4 150 175
Total non-current liabilities		33 704 883	29 736 963
TOTAL LIABILITIES		**39 476 618**	**36 753 257**
NET ASSETS/EQUITY	Note 6		
Fund			
Regular Budget	6.1	2 382 186	441 103
Voluntary Contributions	6.2	9 406 955	11 032 480
Working Capital Fund	6.3	3 291 750	3 291 750
Other IARC funds			
Governing Council Special Funds	6.4	10 694 950	9 187 411
Special Account for Programme Support Costs	6.5	3 386 868	3 157 694
Participating States - Others	6.6	(24 354 540)	(19 874 341)
Trust Fund	6.7	14 871	22 151
TOTAL NET ASSETS/EQUITY BALANCES		**4 823 040**	**7 258 248**
TOTAL LIABILITIES AND NET ASSETS/EQUITY BALANCES		**44 299 658**	**44 011 505**

STATEMENT II - Statement of Financial Performance

International Agency for Research on Cancer
Statement of Financial Performance
For the year ended 31 December 2014
(amount in Euros)

	Notes	for the year ended **31 December 2014**	for the year ended **31 December 2013**
REVENUE	Note 7		
Assessed contributions	7.1, 9	21 160 171	21 847 901
Voluntary contributions	7.2, 9	10 874 356	9 953 723
Revenue-producing activities	7.3	795 227	764 016
Other operating revenue	7.4	78 621	40 086
Trust Funds	7.5	12 650	12 850
Financial revenue	7.6, 9	272 795	489 616
Total revenue		**33 193 820**	**33 108 192**
EXPENSES	Note 8		
Staff cost	8.1	20 015 492	17 364 468
Temporary assistants, advisors and participants	8.2	1 454 940	1 670 057
Fellows	8.3	2 333 899	2 201 328
Duty travel (staff, fellows)	8.4	750 006	752 522
Research and other agreements	8.5	4 308 371	4 109 638
Procurement and various operating expenses	8.6, 9	3 812 600	4 479 137
Cost of distribution and disposal of inventories	8.7	96 089	100 344
Depreciation	8.8	767 504	612 553
Net foreign exchange loss	8.9	2 068 072	411 507
Financial cost	8.10, 9	22 055	28 307
Total expenses		**35 629 028**	**31 729 861**
TOTAL SURPLUS (DEFICIT) FOR THE YEAR		**(2 435 208)**	**1 378 331**

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 2014
(amount in Euros)

	Notes	Balance as at 31 December 2013	Changes in 2014	Balance as at 31 December 2014
Fund				
Non-restricted (Participating States)				
Regular Budget	6.1	441 103	1 941 083	2 382 186
Working Capital Fund	6.3	3 291 750		3 291 750
Other IARC Funds	6.4-6.6	(7 529 236)	(2 743 486)	(10 272 722)
Total non-restricted		(3 796 383)	(802 403)	(4 598 786)
Restricted				
Voluntary Contributions	6.2	11 032 480	(1 625 525)	9 406 955
Trust Fund	6.7	22 151	(7 280)	14 871
Total restricted		11 054 631	(1 632 805)	9 421 826
Total net assets/equity balance		**7 258 248**	**(2 435 208)**	**4 823 040**

STATEMENT IV - Statement of Cash Flow

International Agency for Research on Cancer
Statement of Cash Flows
For the year ended 31 December 2014
(amount in Euros)

	Notes	As at 31 December 2014	As at 31 December 2013
Cash flow from operating activities			
Net surplus (deficit) for the year		(2 435 208)	1 378 331
Depreciation	8.8	767 504	612 553
(Increase) decrease in accounts receivables		(1 723 135)	(1 397 253)
(Increase) decrease in staff receivables		4 265	6 628
(Increase) decrease in prepayments		84 802	(134 218)
(Increase) decrease in interest receivables		124 982	255 774
(Increase) decrease in inventories		(44 764)	(14 437)
(Increase) decrease in non-current receivables		701 224	649 262
Increase (decrease) in assessed contributions received in advance		498 226	25 260
Increase (decrease) in accounts payable		(1 004 761)	509 915
Increase (decrease) in accured staff benefit, current liabilities		134 604	(19 477)
Increase (decrease) in deferred revenue, current liabilities		(872 628)	1 075 256
Increase (decrease) in non-current liabilities		3 967 920	(123 823)
Net increase (decrease) in cash flows from operating activities		**203 031**	**2 823 771**
Cash flows from investing activities			
(Increase) decrease in property, plant and equipment		**(509 185)**	**(761 436)**
Net increase (decrease) in cash and cash equivalents		**(306 154)**	**2 062 335**
Cash and cash equivalents at the beginning of the year		**24 354 572**	**22 292 237**
Cash and cash equivalents at the end of the year	4.1	**24 048 418**	**24 354 572**

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 2014)
For the year ended 31 December 2014
(amount in Euros)

Purpose of appropriation	2014 Programme Budget Appropriations			Budget Utilization			Budget Balance Forwarded to 2015	% *utilization*
	Approved Appropriations by Governing Council 2014	Transfers (IARC Financial Regulations 3.3)	Effective appropriations	Expenses 2014	Encumbrance 2014	Total Utilization		
1. Policy organs	90 000	-	90 000	81 368	1 223	82 591	7 409	*0.41%*
2. Scientific programme	15 622 140	-	15 622 140	13 363 527	285 639	13 649 166	1 972 974	*68.28%*
3. General services and support	4 276 944	-	4 276 944	4 162 003	32 058	4 194 061	82 883	*20.98%*
TOTAL	**19 989 084**		**19 989 084**	**17 606 898**	**318 920**	**17 925 818**	**2 063 266**	*89.68%*

RECONCILIATION (see Note 10)		
TOTAL EXPENSES AS PER STATEMENT V		**17 606 898**
a) Time differences:		
Regular Budget expenditure in other periods		**372 416**
b) Basis differences:		
Common fund activities	213 555	
Other non-Regular Budget utilisation	17 436 159	
Sub-total		**17 649 714**
TOTAL EXPENSES AS PER STATEMENT II		**€ 35 629 028**

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 inter-disciplinary, 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 report of the WHO. According to the guidance for determining which entities should be consolidated within an economic entity provided by IPSAS 6, "Consolidated Financial Statements and Accounting for Controlled Entities", IARC does not meet the requirements to be consolidated under the WHO as IARC has its own governing bodies 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 2014 have been prepared on the accrual basis of accounting in accordance with the International Public Sector Accounting Standards (IPSAS).

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

2.2 Financial regulations

These financial statements have also been prepared according to the IARC Financial Regulations, and 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 the Euro. Transactions in currencies other than Euro are translated into Euro at the prevailing United Nations Operational Rates of Exchange (UNORE) at the time of transaction. Assets and liabilities in currencies other than Euro are translated into Euro 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 (Statement III)
- Statement of Cash Flow (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, information on the prior period adjustment, 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 above financial statements:

- 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)

Note 3: Significant accounting policies

3.1 Account receivables

Account receivables are recorded at their estimated net realized value. It includes the account receivables from assessed contributions, designated voluntary contributions, and other account receivables. Account receivables 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 account receivables*. Assessed contribution from Participating States is due on 1 January each year. Assessed contribution account receivables are recognized annually, at the beginning of the year as per the assessments approved by the Governing Council. An allowance for doubtful receivables is established for the uncollected contributions that are outstanding for more than two years or any rescheduled amounts. The allowance is reversed when the source of such interim financing is reimbursed. In accordance with IARC financial regulations Article V, clause 5.3, pending receipt of statutory annual contributions to the budget, appropriations may be temporarily financed from the Working Capital Fund or if the cash balance of the Working Capital Fund is inadequate, by internal borrowing from other available cash resources of the Agency, excluding Trust Funds.

b) *Designated voluntary contribution account receivables*. Account receivables from designated voluntary contributions are recognized based on a binding agreement between IARC and the donors. Account receivables 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 account receivables*. 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.

3.2 Inventories

IARC recognizes publications as part of its inventory. IARC publication inventories were previously reported in the WHO financial statements and have been excluded from the WHO's financial statements in 2013 following the recommendation made by the external audit team.

IARC 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 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.

3.3 Property, plant and equipment

Property, plant, and equipment (PP&E) account consists of IARC owned buildings, furniture and fixtures, laboratory and office equipment, and motor vehicle.

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.

Buildings that were recognized in the beginning balance as at 1 January 2010 are the Sasakawa Memorial Hall (May 1988), the Biological Resources Centre (November 1995), and the Latarjet building (November 2000). The main building of IARC, the tower, as well as the land are owned by the Ville de Lyon and therefore are not included under the PP&E.

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.

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

3.4 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.

3.5 Leases

A lease is an agreement whereby the lessor conveys to the lessee 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.

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, then 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.

3.6 Account payables and accrued liabilities

Accounts Payables are financial liabilities in respect of goods or services that have been received and invoiced but the payment not been made to the suppliers.

Accrued liabilities are financial liabilities in respect of goods or services that have been received by or provided to the Agency during the reporting period and which have not yet been invoiced.

3.7 Deferred revenue

Deferred revenue represents legally binding agreements between the Agency 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 donors, 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.

3.8 Employee benefits

IARC employee benefits are composed of 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, 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 After Staff Health Insurance (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 (UNJSPF) which was established by the United Nations General Assembly to provide retirement, death, disability and related benefits to staff. The Pension fund is a multi-employer funded, defined benefit plan. IARC as well as other participating organization is not in a position to identify its share of the underlying financial position and performance of the plan with sufficient reliability for accounting purposes. Accordingly, the Agency's accounts for this plan as if it were a defined contribution plan, in line with the provision of IPSAS 25.

The Agency's contribution to the UNJSPF consists of its mandated contribution at the rate established by the United Nations General Assembly together with any share of any actuarial deficiency payments under Article 26 of the Regulations of the 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. At the time of this report the United Nations General Assembly had not invoked this provision.

ASHI: After Staff Health Insurance (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.

3.9 Provisions and contingent liabilities

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.

3.10 Revenue

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

a. *Assessed contributions from Participating States.* Revenue from contributions from Participating States for the programme budget is recorded annually on an accrual basis as per the assessments approved by the Governing Council.

b. *Assessed contribution from new Participating States.* Revenue derived from the unbudgeted assessed contributions from new Participating States following the gradual increase in contributions per IARC Financial Regulations Article IV.4.3 and Resolution GC/37/R9, and method of assessments as described in Resolution GC/15/R9.

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

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

c. *Voluntary contributions.* Revenue under voluntary contributions can be designated or undesignated contribution. Designated voluntary contributions are specifically earmarked by the donor to finance special projects while undesignated voluntary contributions are donations not intended for a specific project and it is governed by Governing Council resolutions.

   IARC considers that while there are restrictions on the use of 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 undesignated voluntary contributions, revenue is recognized upon receipt of donation.

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

   These publications are for non-profit dissemination and the sale of these publications is not part of the ordinary course of operations of IARC. The publication inventories are held for sale by WHO in accordance with the agreement dated 1 April 2011.

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.* Fees collected from personnel enrolled in language courses are recorded under trust fund account and used to partially finance teacher fees. 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.

3.11 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.

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.

3.12 Fund accounting reporting

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

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

The types of funds are further explained below.

a. *Regular Budget (RB).* This refers to the General Fund for the administrative services and permanent activities of the Agency as defined by Article 5.1 of IARC's financial regulations. The fund is financed by the annual assessed contributions from Participating States and possible other funding sources as approved by the Governing

Council. Pending the receipt of statutory annual contributions to the regular budget, appropriations may be temporarily financed from the Working Capital Fund.

b. *Working Capital Fund (WCF).* This refers to a fund as defined by Article 5.2 of IARC's financial regulations. Revenue of working capital fund came from assessed contribution from new Participating States as described under 3.10b or transfer from Governing Council Special Fund.

c. *Governing Council Special Fund (GCSF).* This refers to a fund as defined by Article 5.5 of IARC's financial regulations. The fund shall be used for purposes to be decided by the Governing Council from time to time by a minimum two-thirds of its members who are representatives of each Participating State.

d. *Voluntary Contributions (VC).* This fund refers to designated and undesignated contributions as described under 3.10c.

e. *Special Account for Programme Support Cost (PSC).* This account contains income from services rendered as described under 3.10g and expenditures financing 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 3.10f.

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*. The accounts contained TQ & TP Fund and After-Service Health Insurance Fund accounts.

3.13 Budget comparison

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

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

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 9 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 which are highly liquid i.e. can be withdrawn anytime, 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.

	31-Dec-14	31-Dec-13
Cash on hand	27 786	14 209
Cash at UNDP	111 154	163 032
Bank deposits	23 909 478	24 177 331
Total	€ 24 048 418	€ 24 354 572

4.2 Account receivables, net

The total account receivable net of allowances for doubtful account receivables amounted to €16 167 493 at the end of the reporting period. These include outstanding amounts for assessed contributions, designated voluntary contributions, and other account receivables. The details of current and non-current account receivables are provided below.

	Current	Non-Current	Total 31-Dec-14	31-Dec-13
Uncollected assessed contributions	3 649 159	676 911	4 326 070	3 032 846
Designated voluntary contributions	9 203 036	3 448 951	12 651 987	12 748 849
Other account receivables*	914 514		914 514	1 619 978
Total account receivables	13 766 709	4 125 862	17 892 571	17 401 673
Less: Accumulated allowances	(1 048 167)	(676 911)	(1 725 078)	(2 256 091)
Total account receivables, net	€12 718 542	€3 448 951	€16 167 493	€15 145 582

*Other account receivables comprise of income tax refund (€452 087), VAT refund (€459 927), royalties and publications receivables (€1973) and supplier deposits (€527).

Total accumulated allowances for doubtful account receivables:

	Current	Non-Current	Total 31-Dec-14	31-Dec-13
Opening balance of allowance for assessed contribution	676 913	1 353 824	2 030 737	3 558 027
Opening balance of allowance for designated VC	225 353	0	225 353	1 033 237
Opening balance of allowance for other receivables	0	0	0	407
Total opening balance at beginning of year	902 266	1 353 824	2 256 090	4 591 671
Add: Allowance for assessed contribution	0	0	0	0
Allowance for designated VC	208 623	0	208 623	0
Allowance for other receivables	0	0	0	0
Total allowances for doubtful receivables	1 110 889	1 353 824	2 464 713	4 591 671
Less: Reversal of allowance for assessed contribution	(676 913)	0	(676 913)	(1 527 289)
Reversal of allowance for designated VC	(62 722)	0	(62 722)	(807 884)
Reversal of allowance for other receivables	0	0	0	(407)
	371 254	1 353 824	1 725 078	2 256 091
Reclassification of allowances	676 913	(676 913)	0	0
Total accumulated allowances at end of year	€ 1 048 167	€ 676 911	€ 1 725 078	€ 2 256 091

Allowances for doubtful account receivable expected to be realized within twelve months of the reporting date are shown under current assets. Non-current assets represent the portion of the allowances that will be realized after 12 months from the reporting date.

4.3 Staff receivables

The total balance of staff receivables amounted to €116 175, net decrease by €4265 from the prior period. Breakdown by type of receivables are as follow.

	31-Dec-14	31-Dec-13
Education grant advance	79 312	84 569
Duty travel advance	27 300	27 744
Salary Advance	0	7 856
Home leave	7 308	0
Miscellaneous advance	2 255	271
Total	€ 116 175	€ 120 440

4.4 Prepayments

The total value of prepayments is €388 678. This account includes payments to suppliers in advance of receipt of goods or services. When goods or services are delivered prepayments are applied to the appropriate expenditure account. In addition, fellows of IARC are paid one month in advance and payment of January 2015 stipend is included in this account.

	31-Dec-14	31-Dec-13
Prepayment to suppliers	198 182	284 967
Stipend advance	190 496	188 513
Total	€ 388 678	€ 473 480

4.5 Interest receivables

The €1720 represents amount due from bank deposits for interest earned for the period ending 31 December 2014 which has not been received.

4.6 Inventories

The €352 260 represents the value of publication inventories held at WHO Press for sales as at the end of the reporting period.

	31-Dec-14	31-Dec-13
Balance at beginning of year	307 496	293 059
Additions	140 853	114 781
Distributions	(75 189)	(81 915)
Disposals/adjustments	(20 900)	(18 429)
Balance at end of year	€ 352 260	€ 307 496

4.7 Property, plant and equipment, net

The value of PP&E net of accumulated depreciation at the end of reporting period is €3 224 914. These include buildings owned by IARC, 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-14	31-Dec-13
Cost or valuation:							
Balance at beginning of year	2 906 098	2 402 687	542 236	56 609	112 107	6 019 737	5 258 300
Additions		488 883	18 720		1 582	509 185	761 437
Disposals		(347 166)				(347 166)	
Balance at end of year	2 906 098	2 544 404	560 956	56 609	113 689	6 181 756	6 019 737
Accumulated depreciation:							
Balance at beginning of year	1 288 217	947 564	251 734	20 997	27 992	2 536 504	1 923 950
Charges for the year	72 654	527 466	134 449	7 078	25 857	767 504	612 554
Disposals		(347 166)				(347 166)	
Balance at end of year	1 360 871	1 127 864	386 183	28 075	53 849	2 956 842	2 536 504
Net book value:							
At beginning of year	1 617 881	1 455 123	290 502	35 612	84 115	3 483 233	3 334 350
At end of year	€1 545 227	1 416 540	174 773	28 534	59 840	3 224 914	3 483 233

Note 5: Liabilities

5.1 Contributions received in advance

The total amount of €523 486 represents the designated voluntary contribution received from the donor prior to receiving the signed agreement (€41 918) and the 2015 unbudgeted assessed contribution received in advance from Qatar (€481 568).

5.2 Accounts payable

The total outstanding as at the end of reporting period is €979 675 and all are current liabilities. Staff payable below include salary payable, staff association payable, and payment (such as travel/expense reimbursements and stipend) to staff/STA/ fellows.

	31-Dec-14	31-Dec-13
Pending refund to donors	21 147	39,290
Staff/STA/fellows	39 135	61 129
Suppliers	45 490	750 583
Accrued expenses	873 903	1 133 434
Total	€ 979 675	€ 1 984 436

5.3 Accrued staff benefits

Accrued staff benefits, total €31 480 830, include accrued staff salaries, short term benefits, post employee benefits (staff health insurance - ASHI), and other long-term benefits. This amount includes unfunded liabilities total €27 931 714.

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:

	Current	Non-Current	Total 31-Dec-14	31-Dec-13
Short-term employee benefits	932 805	0	932 805	990 294
Other long-term employee benefits	292 093	1 643 239	1 935 332	1 415 664
Post employee benefits (i.e. ASHI)	0	28 612 693	28 612 693	24 171 124
Terminal benefits	0	0	0	100 000
Total	€1 224 898	€30 255 932	€31 480 830	€26 677 082

b) TQ and TP accounts:

These accounts were established to finance statutory benefits of staff members. They are collected through staff payroll. There is a total balance of €3 549 116 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 10% 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 in 2010 at the rate of 3.5% of salary and post adjustments for fixed-term staff members and 5.5% for temporary appointment staff members as per WHO memorandum dated 17 December 2010.

	Current	Non-Current	Total 31-Dec-14	31-Dec-13
Fund balance at beginning of year	1 258 453	1 753 559	3 012 012	2 102 785
Plus: Fund inflow during the year	816 129	476 820	1 292 949	1 322 170
Less: Fund outflow during the year	(631 617)	(124 228)	(755 845)	(412 943)
Fund balance at end of year	€ 1 442 965	€ 2 106 151	€ 3 549 116	€ 3 012 012

The outflow fund in 2014 includes the following payments on employee benefits.

	Current	Non-Current	Total 31-Dec-14
Recruitment entitlements	199 398		199 398
Separation entitlements	198 783	124 228	323 011
Education grants	170 171		170 171
Home leave travels	48 368		48 368
Periodic medical and insurance	14 897		14 897
Total fund outflow	€ 631 617	€ 124 228	€ 755 845

c) Valuation of accrued short-term staff benefits:

These include the accrued annual leave balance, educational grants, and home leaves. All are current liabilities. 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 annual leave balance is calculated according to the Staff Rules, Section 3, paragraph 380.2.2.

	31-Dec-14	31-Dec-13
Accrued annual leave	893 772	956 467
Educational grants	31 725	33 827
Home leaves	7 308	0
Total defined benefit obligation at end of year	€ 932 805	€ 990 294

Reconciliation:

	31-Dec-14	31-Dec-13
Defined Benefit Obligation at beginning of year	990 294	966 471
Plus: Expense incurred during the year	423 749	420 335
Less: Actual payment	(481 238)	(396 512)
Defined Benefit Obligation at end of year	€ 932 805	€ 990 294

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.

	31-Dec-14	31-Dec-13
Grant in case of death	118 411	86 616
Repatriation grant	1 366 014	1 010 052
Repatriation removal	317 856	231 589
Repatriation travel	90 787	63 900
Termination for reasons of health	42 264	23 507
Total defined benefit obligation at end of year	€ 1 935 332	€ 1 415 664

Actuarial summary

	31/12/2014 Valuation	31/12/2013 Valuation
Reconciliation of Defined Benefit Obligation – 141 (c)		
Defined Benefit Obligation at beginning of year	1 415 664	1 336 018
Service cost	181 367	197 111
Interest cost	42 164	35 388
(Actual gross benefit payments)	(24 228)	(19 764)
Participant contributions	0	0
Changes in accounting methods	0	0
Plan amendments	0	0
Actuarial (gain)/loss	(320 365)	(133 089)
Defined Benefit Obligation at end of year	€ 1 935 332	€ 1 415 664
Reconciliation of Assets – 141 (e)		
Assets at beginning of year	0	0
(Actual gross benefit payments)	(24 228)	(19 764)
Participant contributions during the year	24 228	19 764
Organization contributions	0	0
Expected return on assets	0	0
Asset gain/(loss)	0	0
Assets at end of year	0	0
Reconciliation of Funded Status – 141 (f)		
Defined Benefit Obligation	1 935 332	1 415 664
(Plan assets)	0	0
(Surplus)/deficit	1 935 332	1 415 664
Unrecognized gain/(loss)	0	0
Unrecognized prior service credit/(cost)	0	0
Net (asset)/liability in Statement of Financial Position	1 935 332	1 415 664
Current (asset)/liability	292 093	110 249
Noncurrent (asset)/liability	1 643 239	1 305 415
Annual Expense – 141 (g)		
Service Cost	181 367	197 111
Interest Cost	42 164	35 388
Expected Return on Assets	0	0
Recognition of (Gain)/Loss	(320 365)	(133 089)
Recognition of Prior Service Cost	0	0
Expense before One-Time Events	543 896	99 410
Curtailments	0	0
Settlements	0	0
Special Termination Benefits	0	0
Total Expense in Statement of Financial Performance	€ 543 896	€ 99 410
Funded Status and Actuarial (Gain)/Loss – 141 (p)		
Defined Benefit Obligation	1 935 332	1 415 664
(Plan Assets)	0	0
(Surplus)/Deficit	1 935 332	1 415 664
Actuarial (Gain)/Loss on Defined Benefit Obligation	(320 365)	(133 089)
Actuarial (Gain)/Loss on Plan Assets	0	0

Actuarial assumptions:

Measurement Date	31 December 2014
Discount Rate	Discount rate used for 31 December 2014 valuation is 1.7% (compared to 3.1% in 2013). Based on the Aon Hewitt iBoxx Euro zone yield curve (using the Cairns model) and the expected cash flows for the benefits accrued to date.
Expected Return on Assets	Not applicable, as the plan does not have assets held in a separate legal trust.
Annual General Inflation	1.7%. Based on Aon Hewitt's capital market assumptions of inflation forecast over the next 10 years for the Euro zone.
Annual Salary Scale	1.8% general inflation, plus 0.5% per year productivity growth, plus merit component. Merit and productivity increases are set equal to those from the 31 December 2011 valuation of the United Nations Joint Staff Pension Fund (UNJSPF).
Future Exchange Rates	Equal to official United Nations spot rates at the valuation dates.
Value of Assets Under IPSAS 25	None; as the plan does not have assets held in a separate legal trust.
Recognition of Actuarial Gains and Losses	Gains and losses are recognized immediately in the expense for the year in which they arise.
Repatriation Grant	All service earned from the entry on duty date is performed outside the country of residence.
Repatriation Travel	The average cost per ticket is $3,366 per staff member in 2013, including the staff member for all contingencies (including death). The cost is converted to euros using the exchange rate as of the valuation date. The average cost per ticket will grow with general inflation. Based on a study of experience from 1 January 2010 to 30 September 2011.
Removal on Repatriation	In 2010, $15,000 for staff with one or more dependents and $10,000 for staff with no dependents. The cost is converted to euros using the exchange rate as of the valuation date. No separations from service before the completion of one year of service result in forfeiture of benefits.
Participation in Repatriation Grant, Repatriation Travel, and Removal on Repatriation	All participants meeting the eligibility criteria are assumed to elect benefits.
Termination for Reasons of Health and Grant in Case of Death	All disablements and deaths from service are assumed to result in an indemnity. No indemnities are assumed to be increased by the Director-General.
Coverage of Dependents for Repatriation Benefits	For the Repatriation Grant, married staff members who die in service have at least one child covered. 85% of male staff members and 55% of female staff have a dependent.

Actuarial methods:

Repatriation Travel and Removal on Repatriation	Projected unit credit with service prorate, with an attribution period from the entry on duty date to separation.
Repatriation Grant, Termination Indemnity, and Grant in Case of Death	Projected unit credit with accrual rate proration.
Abolition of Post, End-of-Service Grant, and Separation by Mutual Agreement	These benefits are considered termination benefits under IPSAS 25. Therefore, these benefits are excluded from the valuation and accounted for by IARC as they are incurred.

e) Valuation of staff health insurance:

The Agency accounts for the After Service Health Insurance (ASHI) as a Post-Employment Benefit. The defined benefit obligation as of 31 December 2014 determined by professional actuaries within the overall report to the World Health Organization (WHO) is US$34 893 528, equivalent to €28 612 693 at UN Exchange rate of €0.820/US$.

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

Actuarial summary

	31/12/2014 Valuation (US$)	31/12/2013 Valuation (US$)
Reconciliation of Defined Benefit Obligation – 141 (c)		
Defined Benefit Obligation at beginning of year	55 132 099	55 041 012
Service cost	2 775 558	2 315 802
Interest cost	1 586 076	1 419 546
(Actual after service gross benefit payments)	(843 501)	(1 162 238)
(Actual after service administrative expenses)	(64 925)	(98 447)
Actual contributions by after service participants	211 637	194 798
Plan changes	0	0
Changes in accounting methods	0	0
Actuarial (gain)/loss	(15 507 012)	(2 578 374)
Defined Benefit Obligation at end of year	US$ 74 303 956	US$ 55 132 099
Reconciliation of Assets – 141 (e)		
Assets at beginning of year	20 982 690	19 971 717
(Actual total SHI gross benefit payments)	(1 436 574)	(1 916 541)
(Actual total SHI administrative expenses)	(114 129)	(144 082)
Actual total SHI participant contributions	816 415	742 031
Actual total SHI organization contributions	1 621 279	1 475 169
(Increase)/decrease in 470.1 reserve	(7 173)	(77 380)
Net transfer to/from AMRO/PAHO	0	0
Expected return on assets	1 230 980	906 793
Asset gain/(loss)	(887 428)	24 983
Assets at end of year, net of 470.1 reserve	US$ 22 206 060	US$ 20 982 690
Reconciliation of Funded Status – 141 (f)		
Defined Benefit Obligation		
Inactive	44 800 553	25 418 987
Active	29 503 403	29 713 112
Total Defined Benefit Obligation	74 303 956	55 132 099
Plan assets		
(Gross Plan Assets)	(23 110 712)	(21 880 169)
Offset for WHO 470.1 reserve	904 652	897 479
(Net Plan Assets)	(22 206 060)	(20 982 690)

	31/12/2014 Valuation (US$)	31/12/2013 Valuation (US$)
(Surplus)/deficit	52 097 896	34 149 409
(Reimbursement right)	0	0
Unrecognized gain/(loss)	(17 204 368)	(809 928)
Unrecognized prior service credit/(cost)	0	0
Net (asset)/liability in Statement of Financial Position	US$ 34 893 528	US$ 33 339 481
Current (asset)/liability	0	0
Noncurrent (asset)/liability	US$ 34 893 528	US$ 33 339 481
Annual Expense – 141(g)		
Service cost	2 775 558	2 315 802
Interest cost	1 586 076	1 419 546
(Expected return on assets)	(1 230 980)	(906 793)
(Expected return on reimbursement right)	0	0
Amortization of (gain)/loss	0	0
Amortization of prior service cost	0	0
Total expense recognized in Statement of Financial Performance	US$ 3 130 654	US$ 2 828 555
Medical Sensitivity Analysis – 141 (o)		
2014 Service cost plus interest cost		
Current medical inflation assumption minus 1%	3 351 506	2 807 000
Current medical inflation assumption	4 361 634	3 735 348
Current medical inflation assumption plus 1%	5 756 972	5 010 000
31-Dec-14 Defined Benefit Obligation		
Current medical inflation assumption minus 1%	59 201 514	44 971 625
Current medical inflation assumption	74 303 956	55 132 099
Current medical inflation assumption plus 1%	94 732 726	68 569 097
Funded Status and Actuarial (Gain)/Loss – 141 (p)		
Defined Benefit Obligation	74 303 956	55 132 099
(Net plan assets)	(22 206 060)	(20 982 690)
(Surplus)/deficit	US$ 52 097 896	US$ 34 149 409
(Reimbursement right for PAHO 470.1 reserve)	0	0
Actuarial (gain)/loss on Defined Benefit Obligation	15 507 012	(2 578 374)
Actuarial (gain)/loss on plan assets	887 428	(24 983)
Expected Accounting Contributions – 141 (q)		
Expected contributions		
Contribution by organization	1 305 542	1 067 625
Transfer of contributions by WHO from HQ to AMRO	0	0
Contribution by participants	425 607	307 413
Total expected contributions	US$ 1 731 149	US$ 1 375 038

Actuarial assumptions and method:

Measurement date	31 December 2014
Discount Rate	Europe—1.6% (decrease from 2.9% in prior valuation) For Europe, beginning with the 31 December 2010 valuation, WHO adopted a yield curve approach to reflect the pattern of expected cash flows from the European major office. The rate is a weighted average of the 1.31% rate from the SIX Swiss Exchange curve and the 2.21% rate from the iBoxx Euro Zone curve, with a two-thirds weight on the former. The resulting rate is rounded to the nearest 0.1%.
Annual General Inflation	Europe—1.4% (decrease from 1.6% in the prior valuation). Based on Aon Hewitt's Q4 2014 10-year forecast of global capital market assumptions. Rate for Europe is the average of rates for Switzerland (1.1%) and the rest of Europe (1.7%), rounded to the nearest 0.1%.
Annual Pension Indexation	Set equal to general inflation. Although pensions are only increased when inflation is 2.0% or more, pension increases historically have accounted for cumulative inflation since the last increase.
Annual Salary Scale	General inflation, plus 0.5% per year productivity increases, plus merit increases. Productivity and merit increases are set equal to those from the 31 December 2013 valuation of the UNJSPF.
Actuarial method	Liabilities are attributed using the projected unit credit method linearly from the entry on duty date to the earlier of the full eligibility date (the latest of age 55, 10 years of service, and five years of continuous service) and retirement date.

f) United Nations Joint Staff Pension Fund:

The Pension 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 using the Open Group Aggregate Method. The primary purpose of the actuarial valuation is to determine whether the current and estimated future assets of the Pension Fund will be sufficient to meet its liabilities.

IARC's financial obligation to the United Nations Joint Staff Pension Fund consists of its mandated contribution, at the rate established by the United Nations General Assembly (currently 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 Pension Fund as of the valuation date. Each member organization shall contribute to this deficiency an amount proportionate to the total contributions that each paid during the three years preceding the valuation date.

The actuarial valuation performed as of 31 December 2013 revealed an actuarial deficit of 0.72% (1.87% in the 2011 valuation) of pensionable remuneration, implying that the theoretical contribution rate required to achieve balance as of 31 December 2013 was 24.42% of pensionable remuneration, compared with the actual contribution rate of 23.7%. The next actuarial valuation will be conducted as of 31 December 2015.

At 31 December 2013, the funded ratio of actuarial assets to actuarial liabilities, assuming no future pension adjustments, was 127.5% (130.0% in the 2011 valuation). The funded ratio was 91.2% (86.2% in the 2011 valuation) when the current system of pension adjustments was taken into account.

After assessing the actuarial sufficiency of the Fund, the Consulting Actuary concluded that there was no requirement, as at 31 December 2013, 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 Fund. In addition, the market value of assets also exceeded the actuarial value of all accrued liabilities as of the valuation date. At the time of this report, the General Assembly has not invoked the provision of Article 26.

In December 2012 and April 2013 the General Assembly authorized an increase to age 65 in the normal retirement age and in the mandatory age of separation respectively for new participants of the Fund, with effect not later than from 1 January 2014. The related change to the Pension Fund's Regulation was approved by the General Assembly in December 2013. The increase in the normal retirement age is reflected in the actuarial valuation of the Fund as of 31 December 2013.

During 2014, IARC's contributions paid to the United Nations Joint Staff Pension Fund amounted to US$ 5 223 220 (US$ 4 971 453 in 2013).

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

5.4 Deferred revenue

Deferred revenue represents multi-year agreements signed in and prior to 2014 for which the revenue recognition has been deferred to future financial periods. Deferred revenue is split into current and non-current depending upon when the revenue is available to the Agency to spend.

	31-Dec-14	31-Dec-13
Current liabilities	3 043 676	3 916 304
Non-current liabilities	3 448 951	4 150 175
Total deferred revenue	€ 6 492 627	€ 8 066 479

Note 6: Net assets/equity

The net assets/equity of the Agency decreases from €7 258 248 (as at 31 December 2013) to €4 823 040 at the end of reporting period. Statement III provides the summary of changes in net assets/equity by fund.

The presentation of net assets/equity in Statement I is segregating the equity by fund as follows:

6.1 Regular Budget

Total available fund comprises of €19 989 084 budget approved for 2014 and €441 103 fund balance from 2013 approved regular budget which was committed in 2013 for delivery in subsequent calendar year. At the end of reporting period, there is a net fund balance of €2 382 186. Schedule 1 provides breakdown details of 2013 carried over and 2014 budget.

6.2 Voluntary Contributions

The fund balance of €9 406 955 includes designated and undesignated voluntary contributions. Details of this fund are provided in Schedule 1.

6.3 Working Capital Fund

There is no movement of the fund during the reporting period.

	31-Dec-14	31-Dec-13
Beginning balance at beginning of year	3 291 750	3 217 540
Add: New Participating States contribution to WCF	0	69 300
Payment from prior year's arrears	0	850 376
Less: Fund returned to GCSF (GC/53/R15)	0	(845 466)
Ending balance as at end of year	€ 3 291 750	€ 3 291 750

6.4 Governing Council Special Fund

Details of the fund are disclosed in Schedule 2. The fund balance of €10 694 950 include reserves i.e. expenses authorized by the Governing Council which have not yet incurred.

6.5 Special Account for Programme Support Cost

Fund balance increased to €3 386 868 during the reporting period. Schedule 2 provides further details of revenue and expenses incurred.

6.6 Participating State - Others

The amount of €(24 354 540) 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:

	31-Dec-14	31-Dec-13
Inventories	352 260	307 496
Property, plant and equipment, net	3 224 914	3 483 233
Total common fund	€ 3 577 174	€ 3 790 729

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

	31-Dec-14	31-Dec-13
Fund balance in TQ and TP accounts (Note 5.3b)	3 549 116	3 012 012
Accrued staff salaries funded from other source		
Less: Total accrued staff benefits (Note 5.3a)	(31 480 830)	(26 677 082)
Total special purpose fund	€(27 931 714)	€(23 665 070)

6.7 Trust Fund

This account has a net decrease of €7280 in the reporting period, bringing the balance up to €14 871, which will be used for financing language courses in the following years. Schedule 1 provides further details of revenue and expenses incurred.

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.

	31-Dec-14	31-Dec-13
Budgeted assessed contribution	19 739 084	19 402 355
Unbudgeted assessed contribution	744 174	918 257
Receipt from arrears in assessed contribution	676 913	1 527 290
Total	€ 21 160 171	€ 21 847 901

a) Budgeted assessed contribution:

This refers to contribution from Participating States for the biennial programme budget 2014/2015 as per assessments approved by the Governing Council Resolution No. GC/55/R10, which is recorded on an accrual basis at the beginning of each year against account receivable. The amount of €19 739 084 shown on these Financial Statements represents the contribution from Participating States for 2014 approved programme budget. The status of the collection is shown in Schedule 3.

b) Unbudgeted assessed contribution:

The unbudgeted assessed contribution includes contributions from Brazil and Qatar, which memberships were accepted in 2013. The 2014 contribution is in accordance to the percentage set forth in IARC Financial Regulations Article IV.4.3 and Resolution GC/37/R9. This revenue was credited to the Governing Council Special Fund and Working Capital Fund as explained in Note 3.10b.

	31-Dec-14	31-Dec-13
Contribution from Brazil (2014-50% of Group 3, 2013-25% of Group 4)	430 143	189 143
Contribution from Qatar (2014-50%, 2013-25% of Group 5)	314 031	161 686
Contribution from Turkey (2013-75% of Group 4)	0	567 428
Total	€ 744 174	€ 918 257

c) Receipt from arrears in assessed contribution:

The amount of €676 913 represents the receipt from arrears in assessed contributions from the Russian Federation as per Resolution GC/48/R3.

7.2 Voluntary contributions

The total revenue of €10 874 356 is reached after netting off the net increase in the allowance for doubtful account receivables and approved write off.

	31-Dec-14	31-Dec-13
Designated voluntary contributions	11 062 056	9 296 199
Undesignated voluntary contributions	30	14 350
Decrease (increase) in allowance for doubtful account receivables	(145 901)	659 044
Approved write off without prior year allowance	(41 829)	(15 870)
Total	€ 10 874 356	€ 9 953 723

Decrease (increase) in allowance for doubtful account receivables

	31-Dec-14	31-Dec-13
Reversal of allowance upon receipt of payments	62 722	807 884
Reversal of allowance for approved write off	0	(148 840)
Less: Additional allowance for designated VC	(208 623)	0
Total	€ (145 901)	€ 659 044

7.3 Revenue producing activities

The revenue earned from sale of IARC publications in 2014 is €795 227, which is increased by 4% from the prior year.

7.4 Other operating revenue

	31-Dec-14	31-Dec-13
Sale of equipment and materials	11 485	4 000
Savings from prior period obligations	66 251	36 086
Other income	885	0
Total	€ 78 621	€ 40 086

7.5 Trust fund

The total of €12 650 had been received from personnel enrolled in the language courses and recorded under the Trust Fund.

7.6 Financial revenue

This account represents interest income on bank deposits. Interest income amounting to €11 255 are apportioned to the designated voluntary contribution account in accordance to the agreement condition and approval by the Governing Council under its resolution GC/55/R23 (€7870) and to the undesignated voluntary contribution as approved by the Governing Council under its Resolution GC/23/R6 (€3385). The remaining interest income amounting to €261 540 are credited to the Governing Council Special Fund.

	31-Dec-14	31-Dec-13
Interest income apportioned to VC account	11 255	47 304
Interest income credited to GCSF account	261 540	442 312
Total	€ 272 795	€ 489 616

7.7 Income from services rendered

The total programme support cost of € 1 367 850 collected from the designated voluntary contribution during the reporting period are eliminated in the Statement II (see Note 3.10g). It can be found in Schedules 1 & 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.

8.2 Temporary assistants, advisors and participants

For temporary assistances, 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.

8.3 Fellows

Costs include the Stipend cost and other entitlements of visiting scientists under the collaboration programmes and students (masters, doctorate and post-doctorate) on the trainee programmes.

8.4 Duty travel

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.

8.5 Research and other agreements

These include cost for collaborative research agreements (CRA), consortium and partnership agreements, and other contracts, including contracts for external printing and agreements for the performance of work (APWs).

8.6 Procurement and various operating expenses

These include cost of procurement of expendable equipment, office services and various other operating expenses, net off the approved write off.

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.

8.8 Depreciation expense

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

8.9 Net foreign exchange loss

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

	31-Dec-14	31-Dec-13
Net realized foreign exchange loss (gain)	(207 998)	237 933
Net unrealized foreign exchange loss (gain)	2 276 070	173 574
Total	€ 2 068 072	€ 411 507

8.10 Financial cost

This includes bank charges and rounding differences.

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 & 2 (see also Note 7.7).

8.12 Transfer between Funds

The below table provides details of fund transfers between Regular Budget (RB) and GCSF, and between Designated Voluntary Contribution (VC) and GCSF during the reporting period.

	RB	GCSF	VC
Financing 2014 RB from GCSF (GC/55/R10)	250 000	(250 000)	
Transfer unspent balance from RB to GCSF	(68 687)	68 687	
Fund balance of closed projects to GCSF		2 938	(2 938)
Net transfer between funds	€181 313	€(178 375)	€(2 938)

Note 9: Reclassification of accounts

The following accounts presented in the Statement of Financial Performance are reclassified during the reporting period.

a) *The allowance for doubtful account receivables and write off*. This account has been reclassified and reported with the revenue from assessed contributions and voluntary contributions. The allowance for doubtful account receivables and write off related to suppliers is reported with the procurement and various operating expenses.

b) *The net foreign exchange gain/loss*. This has been segregated from the financial revenue and cost to clearly present the net value of realized and unrealized foreign exchange gain or loss, and its offsetting nature in accordance to IPSAS 1, paragraph 51.

Note 10: Comparison of budget and actual amounts

Through the 55th Governing Council meeting, Resolution GC/55/R10, the total effective regular budget was approved for 2014-15 for €40 424 491, of which €19 989 084 and €20 435 407 is allocated for 2014 and 2015 work plans, respectively. There have been no revisions made to the programme and approved budget to-date.

As stated in Note 3.13, the Agency's budget and financial statements are prepared using different basis. The Statement of Financial Position (Statement I), Statement of Financial Performance (Statement II), Statement of Changes in Net Assets /Equity (Statement III), and Statement of Cash Flow (Statement IV) are prepared on full accrual basis, whereas the Statement of Comparison of Budget and Actual Amounts (Statement V) is established on a modified cash basis.

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. This means that in addition to the actual expenditure, encumbrances are also included to the actual amounts to measure the budget utilization.

As per the requirements of IPSAS 24, 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 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.

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 2014 is presented below:

	31-Dec-14	31-Dec-13
Actual amount on comparison - Statement V*	17 606 898	21 810 833
Time difference	372 416	
Basis differences	17 649 714	9 919 028
Actual expenses – Statement II	€ 35 629 028	€ 31 729 861

*Total expenses in Statement V for 2013 include €2 442 159 of expenses incurred in 2013 charging to 2012 approved budget.

Note 11: Related party and other key management personnel disclosure

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

The table below details the number of KMP of IARC and the aggregate remuneration and benefits paid for 2014.

The aggregate remuneration of KPM 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 2014	Outstanding advances against entitlements	Outstanding loans (in addition to normal entitlement)
4	572 314	33 088	177 171	782 573	12 045	-

Note 12: Administrative waivers, amounts written-off and ex-gratia payments

During 2014, a total of €42 327 was approved for write-off related to uncollected designated voluntary contributions (€41 829), petty cash shortfall (€50), and fraudulent (unauthorized) charges on corporate credit card (€448). There were no administrative waivers approved and no ex-gratia payments made in 2014.

Note 13: Events after the reporting date

The reporting date for these financial statements is 31 December 2014. 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: Contingent liabilities, commitments and contingent assets

14.1 Contingent assets and liabilities

In accordance with IPSAS 19, contingent assets will be disclosed for cases where an event will be give rise to a probable inflow of economic benefits. As at 31 December 2014, there are no material contingent assets to disclose. IARC also has no pending legal cases.

14.2 Operating lease commitments

IARC enters into an operating lease arrangement for printers for the period 1 November 2012 to 31 October 2017.

IARC has no finance lease as at the end of 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 Capital Assets
For the year ended 31 December 2014
(amount in Euros)

	Notes	Regular Budget	Regular Budget 2014	Regular Budget 2012-2013	Working Capital Fund	Other funds	Voluntary Contributions Account	Trust funds	Sub-totals	Eliminations	for the year ended 31 December 2014
REVENUE	Note 7										
Assessed contributions	7.1, 9	19 739 084	19 739 084			1 421 087			21 160 171		**21 160 171**
Voluntary contributions	7.2, 9					(187 730)	11 062 086		10 874 356		**10 874 356**
Revenue-producing activities	7.3					795 227			795 227		**795 227**
Other operating revenue	7.4					78 621			78 621		**78 621**
Trust Fund	7.5							12 650	12 650		**12 650**
Income from services rendered	7.6, 9					1 367 850			1 367 850	(1 367 850)	
Financial revenue	7.7					261 540	11 255		272 795		**272 795**
Total revenue		19 739 084	19 739 084			3 736 595	11 073 341	12 650	34 561 670	(1 367 850)	33 193 820
EXPENSES	Note 8										
Staff cost	8.1	13 528 098	13 528 271	(173)		2 162 752	4 324 642		20 015 492		**20 015 492**
Temporary assistants, advisors and participants	8.2	430 671	429 946	725		256 773	767 496		1 454 940		**1 454 940**
Fellows	8.3	688 456	641 347	47 109		79 546	1 565 897		2 333 899		**2 333 899**
Duty travel (staff, fellows)	8.4	412 108	417 796	(5 688)		85 193	252 705		750 006		**750 006**
Research and other agreements	8.5	584 222	440 003	144 219		192 048	3 532 101		4 308 371		**4 308 371**
Procurement and various operating expenses	8.6, 9	2 290 461	2 137 608	152 853		688 040	814 169	19 930	3 812 600		**3 812 600**
Cost of distribution & disposal of inventory	8.7					96 089			96 089		**96 089**
Depreciation	8.8					767 504			767 504		**767 504**
Net foreign exchange loss	8.9					2 068 072			2 068 072		**2 068 072**
Financial cost	8.10, 9					21 533	522		22 055		**22 055**
Programme support cost	8.11						1 367 850		1 367 850	(1 367 850)	
Total expenses		17 934 016	17 594 971	339 045		6 417 550	12 625 382	19 930	36 996 878	(1 367 850)	**35 629 028**
TOTAL SURPLUS (DEFICIT) FOR THE YEAR		1 805 068	2 144 113	(339 045)		(2 680 955)	(1 552 041)	(7 280)	(2 435 208)		**(2 435 208)**
Capital expenditures											
Inventories		(13 179)		(13 179)		20 143	(6 964)				
Property plant & equipment		(32 119)	(11 927)	(20 192)		95 701	(63 582)				
Transfer between funds	8.12	181 313	250 000	(68 687)		(178 375)	(2 938)				
TOTAL CHANGES IN FUND BALANCES		1 941 083	2 382 186	(441 103)		(2 743 486)	(1 625 525)	(7 280)	(2 435 208)		**(2 435 208)**
FUND BALANCES - 31 DECEMBER 2013		441 103		441 103	3 291 750	(7 529 236)	11 032 480	22 151	7 258 248		**7 258 248**
FUND BALANCES - 31 DECEMBER 2014	Note 6	2 382 186	2 382 186		3 291 750	(10 272 722)	9 406 955	14 871	4 823 040		**4 823 040**

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 2014
(amount in Euros)

	Notes	Governing Council Special Fund	Special Account for Programme Support Costs	Participating States Others	for the year ended **31 December 2014**
REVENUE	Note 7				
Assessed contributions	7.1, 9	1 421 087			**1 421 087**
Voluntary Contribution	7.2, 9		(187 730)		**(187 730)**
Revenue-producing activities	7.3	795 227			**795 227**
Other operating revenue	7.4	78 621			**78 621**
Income from service rendered	7.5		1 367 850		**1 367 850**
Decrease in allowance for doubtful account receivables	7.6, 9				
Financial revenue	7.7	261 540			**261 540**
Total revenue		2 556 475	1 180 120		3 736 595
EXPENSES	Note 8				
Staff cost	8.1	633 910	363 138	1 165 704	**2 162 752**
Temporary assistants, advisors and participants	8.2	145 994	110 779		**256 773**
Fellows	8.3	61 019	18 527		**79 546**
Duty travel (staff, fellows)	8.4	71 115	14 078		**85 193**
Research and other agreements	8.5	175 556	16 492		**192 048**
Procurement and various operating expenses	8.6, 9	281 437	406 603		**688 040**
Cost of distribution & disposal of inventory	8.7			96 089	**96 089**
Depreciation	8.8			767 504	**767 504**
Net foreign exchange loss	8.9	(1 032 868)		3 100 940	**2 068 072**
Financial cost	8.10, 9	204	21 329		**21 533**
Total expenses		336 367	950 946	5 130 237	**6 417 550**
TOTAL SURPLUS (DEFICIT) FOR THE YEAR		2 220 108	229 174	(5 130 237)	**(2 680 955)**
Capital expenditures					
Inventories		(120 710)		140 853	**20 143**
Property, plant & equipment		(413 484)		509 185	**95 701**
Transfer between funds	8.12	(178 375)			**(178 375)**
TOTAL CHANGES IN FUND BALANCES		1 507 539	229 174	(4 480 199)	**(2 743 486)**
FUND BALANCES - 31 DECEMBER 2013		9 187 411	3 157 694	(19 874 341)	**(7 529 236)**
FUND BALANCES - 31 DECEMBER 2014	Note 6	10 694 950	3 386 868	(24 354 540)	**(10 272 722)**

SCHEDULE 3 - Status of Collection of Assessed Contributions

International Agency for Research on Cancer
Status of Collection of Contributions
As at 31 December 2014
(amount in Euros)

Participating States	2014 Assessments			Assessments of prior financial years			Total balance
	Assessments	Collected	Balance as of 31-Dec-14	Balance as of 01-Jan-14	Collected during 2014	Balance as of 31-Dec-14	as of 31-Dec-14
Australia	860 286	860 286	-				-
Austria	744 174	744 174	-				-
Belgium	744 174	744 174	-	52 070	52 070		-
Canada	860 286	860 286	-				-
Denmark	744 174	-	744 174				744 174
Finland	744 174	744 174	-				-
France	1 092 511	1 092 511	-				-
Germany	1 092 511	1 092 511	-				-
India	744 174	-	744 174	756 570	756 570	-	744 174
Ireland	628 062	628 062	-				-
Italy	1 092 511	1 092 511	-				-
Japan	1 556 960	1 556 960	-				-
Netherlands	744 174	744 174	-				-
Norway	744 174	744 174	-				-
Republic of Korea	744 174	744 174	-				-
Russian Federation	860 286	860 286	-				-
Spain	860 286	-	860 286				860 286
Sweden	744 174	744 174	-				-
Switzerland	744 174	744 174	-				-
Turkey	744 174	744 174	-				-
United Kingdom	1 092 511	1 092 511	-				-
United States of America	1 556 960	1 552 634	4 326	4 326	4 326	-	4 326
TOTAL	**19 739 084**	**17 386 124**	**2 352 960**	**812 966**	**812 966**	**-**	**2 352 960**
% of collection		88.08%					
Other outstanding contributions:							
Brazil (1)	430 143		430 143	189 143		189 143	619 286
Qatar (2)	314 031	314 031	-				-
Russian Federation(3)				2 030 737	676 913	1 353 824	1 353 824
GRAND TOTAL	**20 483 258**	**17 700 155**	**2 783 103**	**3 032 846**	**1 489 879**	**1 542 967**	**4 326 070**

(1) Brazil: Membership was accepted in 2013. The 2014 contribution equals to 50% of assessment contribution of Group 3 Participating States and to be accounted under the unbudgeted assessment.

(2) Qatar: Membership was accepted in 2013. The 2014 contribution equals to 50% of assessment contribution of Group 5 Participating States and to be accounted under the unbudgeted assessment.

(3) Russian Federation: Membership was temporarily suspended and resumed on 1 January 2007 in accordance with GC/48/R3. As from 1 January 2014, the outstanding balance in arrears is US$2 930 357 @ €0.693 = €2 030 737 (rounded).