International Agency for Research on Cancer

World Health Organization

Governing Council
Sixty-fifth Session

GC/65/7
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Nouveau Centre Auditorium

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

For the year ended 31 December 2022

2022

TABLE OF CONTENTS

DIRECTOR'S FINANCIAL REPORT

INTRODUCTION

1. The annual financial report of the Agency for the year ended 31 December 2022 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 2022, 80% of IARC's activities were financed from these two funding sources. The rest was financed from the Governing Council Special Fund and the Special Account for Programme Support Cost.

5. The net assets/equity of the Agency as at the end of 2022 was €9.11 million, representing a €47.33 million improvement compared to the prior year. The improvement in the net asset/equity was due to the decrease in the funding gap linked to the After Service Health Insurance (ASHI).

6. As shown on the Statement of Financial Performance, total revenue recognized during 2022 exceeded the total expenses, resulting in €2.83 million surplus. This surplus is partly due to the increase in the level of voluntary contributions from €13.89 million in 2021 to €25.01 million in 2022. There is also a reduction in the expenses related to unfunded ASHI amounting to €6.35 million in 2022, compared to €10.21 million in 2021.

7. The cash flow of the Agency has increased by €8.75 million from the prior year.

Regular budget and budget utilization

8. The regular budget 2022–2023 was approved by the Governing Council in May 2021 amounting to €45.37 million, fully funded from assessed contributions from Participating States, of which €22.41 million was allocated to 2022 and €22.96 million was allocated to 2023.

9. As at 31 December 2022, the collection of 2022 budgeted assessed contributions was at 91.84% detailed in Schedule 3.

10. A fund balance of €2.1 million from the 2020–2021 biennium budget was carried over to 2022. This fund balance was fully committed for delivery in 2022 however, only €1.99 million was liquidated. The unspent balance of €0.11 million was credited to the Governing Council Special Fund as per Article V, Paragraph 5.5 of the IARC Financial Regulations.

11. Total expenses and capital expenditure charged against the regular budget approved for 2022 amounted to €18.99 million. At the end of the reporting period, there was a net fund balance of €3.42 million, of which €0.26 million was already committed for delivery in 2023.

12. The budget utilization (expenditures and encumbrances) rate for 2022 was 85.89%. Figure 1 below shows the breakdown of budget utilization by six main Objectives in comparison to the initial budget approved by the Governing Council as presented in Statement V.

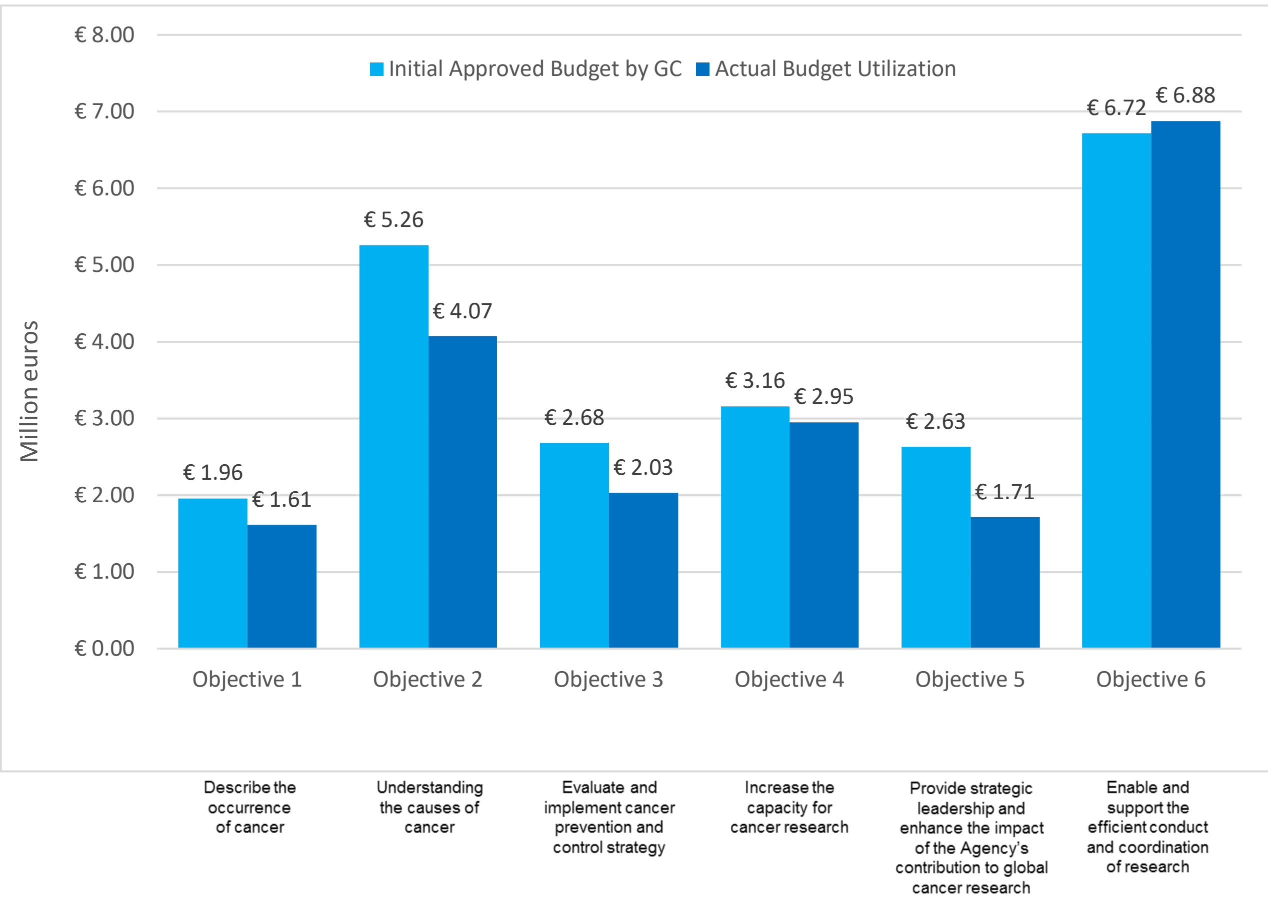

Figure 1: Approved budget allocation and actual budget utilization in 2022

13. Authorized by the Governing Council under Resolution GC/63/R6, paragraph 5, the Director approved budget transfers between sections during the year, not exceeding 15% of the section's budget from which the credit was transferred.

14. The exchange rate applied by the Governing Council when approving the 2022–2023 budget was €0.907/US$. The average United Nations Operational Rates of Exchange for the year 2022 was €0.939/US$. The depreciation of the value of the euro in 2022 resulted in total financial costs of €0.025 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

15. 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.

16. 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 2022, additional contributions amounting to €0.032 million were received to supplement the 2022–2023 biennium regular budget as follows:

United Kingdom of Great Britain and Northern Ireland	€32 820
Total	€32 820

17. The recognition of revenue from Voluntary Contributions depends on conditions set in the agreements. The total revenue of the Voluntary Contributions Account recognized during 2022 amounted to €25.01 million as shown in Statement II, of which 0.1% was against undesignated voluntary contributions. Information document GC/65/Inf.Doc. No.3 provides additional details on the Voluntary Contributions.

Expenses

18. Total expenses incurred in 2022 amounted to €48.16 million. 41.13% were charged on regular budget, 38.74% on voluntary contributions, and the remaining 20.13% on other funds.

19. About 53.98% of expenses were staff costs, 6.55% were costs of Early Career and Visiting Scientists (ECVS), and the remaining 39.47 % were activity costs.

20. The most significant activity costs were procurement and other operating expenses (12.20%), Collaborative Research Agreements (8.87%), as well as APWs and consultants (1.82%). Travel costs were 1.45%, rising slightly from 0.19% in 2021 showing the activities of the Agency slowly returning to normal after the Covid-19 pandemic.

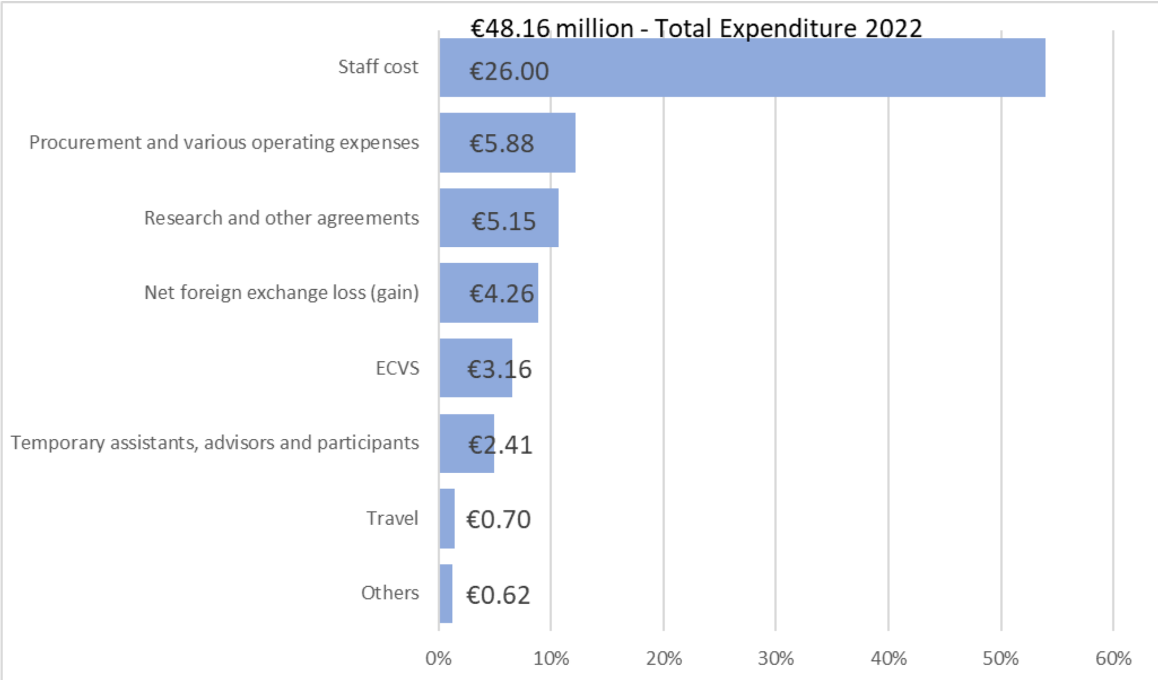

Figure 2: Total expenditure in 2022 on staff, ECVS and activities

Unfunded ASHI liabilities and plan to fill the gap

21. As described under Note 5.3 of the financial statements, accrued staff benefit liabilities as at 31 December 2022 amounted to €51.07 million, of which €41.91 million were unfunded.

22. The ASHI funded ratio has improved from 32% in 2021 to 44% in 2022. The net deficit or unfunded ASHI net liabilities decreased from €84.24 million in 2021 to €48.23 million in 2022, or a net decrease of €36.01 million. The improvement in the funded ratio is primarily due to the significant increase in discount rates from 0.4% in 2021 to 2.30% in 2022. The ASHI fund (asset) decreased to US$40.87 million in 2022 from US$45.54 million in 2021 (or net decrease of US$4.67 million).

23. In addressing the unfunded ASHI liabilities, IARC follows the plan set by WHO. According to the current plan, full funding is expected to be achieved by 2035 through a combination of various cost containment measures, increase of contributions from the organization, and achieving a higher investment return over the long-term time horizon.

24. It is important to recognize that ASHI liabilities are long-term liabilities that do not need to be fully funded now or in the near future, and they do not impact IARC's healthy operational performance.

REPORT OF THE EXTERNAL AUDITOR

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

OFFICE OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

Audit of International Agency for Research on Cancer (IARC) For the Financial Year ended 31st December 2022

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

For further information please contact:

Ms Ritu Dhillon
Director External Audit
WHO Geneva
E-mail dhillonr@who.int

Report of the External Auditor on the financial statements

Audit Opinion

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

Opinion

We have audited the financial statements of the International Agency for Research on Cancer (IARC) which comprise the statement of financial position (statement I) as at 31 December 2022, 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 2022, 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 2022, 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 scepticism 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;

(b) 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;

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

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

(e) 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.

Girish Chandra Murmu
Comptroller and Auditor General of India

06 April 2023

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 in its function as IARC's Risk Management Committee, chaired by the Director.

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

The Internal Control Framework and Enterprise Risk Management

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

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

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

In 2017, IARC's Risk Management Tool was further expanded, based on lessons learned from previous years, since the introduction of the IARC Risk Log in 2014. In 2019, WHO's simplified online Risk Management Tool was adopted with slight modifications by IARC. IARC Branches have used the new tool to identify risks related to their work plans, evaluate those risks according to their likely impact and probability and develop risk response plans to address them. Every IARC member of personnel is expected to identify risks at their own level with escalation coming through communication to Branch Heads, who are represented on the Senior Advisory Team. 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 Senior Advisory Team, 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 2022 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 Senior Leadership Team (acting as IARC's Risk Management Committee), and strategic monitoring and reporting tools, such as the IARC Management Dashboard.

Review of effectiveness of internal controls

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

- The internal control self-assessment checklist 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 units. The 2022 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. In 2022, the Nutrition and Metabolism (NME) Branch was reviewed in detail and obtained outstanding results.
- The biennial report of the IARC Ethics Committee reviews compliance of all IARC scientific projects against IARC's Scientific Code of Conduct. All IARC Ethics Committee members obtained the WHO certificate on Global Health Research Ethics. The work of the IARC Ethics Committee is supported by the IARC Ethics Advisory Group, a small group of international bioethics experts, providing specialist expertise to help resolve complex ethical issues.
- Feedback is obtained from the annual staff Declaration of Interests (DOI) submitted by the IARC Director, all staff members at grade P5 and above, staff members who are responsible for the procurement of goods and services or who otherwise perform procurement functions, including on an acting basis, and staff members at grade P4 or below whom the Director identifies as staff members who, by virtue of their functions or other relevant considerations, should file a yearly Declaration of Interests.

Significant control and risk issues

No significant internal control issues noted in 2022.

Based on consolidated findings of IARC's Principal Risk Register in 2022, the risks with severe inherent risk qualification are listed below. Following the implementation of risk response actions all these risks have been reduced to 'significant' or 'moderate' residual risk rating.

Risk description	Risk response actions
Major problems with scientific data storage and computing capacity, potentially affecting scientific output and capacity to analyse data	1. Internal awareness raising to follow proper data protection measures 2. incrementally increase computing capacity 3. Scientific IT platform phase 1 concluded successfully in 2022 4. Start of scientific IT platform phase 2 in 2023, inviting external collaborators

Risk description	Risk response actions
	5. External consultancy to elaborate User Specifications Requirement report to be concluded in January 2023
Force majeure externalities resulting in **interruptions of utility services** (city water/gas/electricity and other services) **to the old IARC building**, potentially affecting histopathology equipment and scientific output	1. Electricity risks mitigated by use of surge protector and UPS provision in the Tower 2. Split samples/reagents between cold room and fridge 3. Move to the Nouveau Centre from January 2023 will considerably reduce this risk
Due to the **deteriorating conditions of the building**, there is a risk of business interruptions, affecting business continuity (including effective storage of samples in the IARC BioBank)	1. In coordination with French authorities much needed renovation works being carried out continuously in the old IARC building 2. Contingency plans elaborated and teleworking encouraged during unavailability of the premises in 2022 3. Move to the Nouveau Centre in 2023 will fully address this risk 4. Technology within labs needs to be upgraded with appropriate access to cutting edge lab techniques in order to remain competitive
Due to the **evolving global economic crisis**, resulting from the Covid-19 pandemic, especially affecting potential private sector donors, there is a risk of not being able to fill the funding gap for the Nouveau Centre building in time, before the move in 2022	1. Resource mobilization strategy elaborated and put in action with active outreach to potential donors 2. Request for expression of interest launched on UN global marketplace 3. GCSF provided a 1 million euro loan for the Nouveau Centre project
Due to a **suboptimal data security system**, there is a risk of hacking of IARC digital assets leading to loss or theft of data, unavailability of services, financial/or reputational damage, affecting the Agency's ability to fulfil scientific commitments and continue serving as a global resource	1. Implement priority Agency-wide security roadmap initiatives - covering governance, prevention, detection, response and recovery 2. Execute Cybersecurity campaign to increase user awareness across the Agency 3. Update and implement Cybersecurity policies 4. Penetration tests performed by external provider in coordination with WHO/IT and IOS
Due to **suboptimal implementation of internationally recognized data security and data privacy guidelines** (similar to GDPR), there is a potential risk of loss of personal and sensitive information, possibly affecting data sharing with USA and EU, as well as the scientific reputation of the Agency	1. Elaborate Data Protection Policy with WHO 2. Liaise with IOs and EDPS to find solutions for IARC while an overarching solution is put in place 3. Continue to improve IARC’s data security measures

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 2022 in line with its Internal Control Framework.

Elisabete Weiderpass, MD, MSc, PhD
IARC Director

International Agency for Research on Cancer

World Health Organization

CERTIFICATION OF ANNUAL FINANCIAL STATEMENTS

For the year ended 31 December 2022

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

T. Landesz

Tamás Landesz, MBA, MPA, MALD, PhD	Elisabete Weiderpass, MD, MSc, PhD
Director of Administration and Finance	IARC Director

FINANCIAL STATEMENTS

STATEMENT I – Statement of Financial Position

International Agency for Research on Cancer
Statement of Financial Position
As at 31 December 2022
(amount in Euros)

	Notes	As at **31 December 2022**	As at **31 December 2021**
ASSETS	Note 4		
Current assets			
Cash and cash equivalents	4.1	50 694 866	41 940 064
Accounts receivable, net	4.2	20 369 622	17 295 652
Staff receivables	4.3	115 413	98 417
Prepayments	4.4	251 680	491 315
Interest receivables	4.5	14 737	
Inventories	4.6	601 421	304 756
Total current assets		72 047 739	60 130 204
Non-current assets			
Accounts receivable, net	4.2	17 984 911	8 743 978
Property, plant and equipment - net	4.7	1 786 601	1 454 876
Total non-current assets		19 771 512	10 198 854
TOTAL ASSETS		**91 819 251**	**70 329 058**
LIABILITIES	Note 5		
Current liabilities			
Contributions received in advance	5.1	936 551	1 129 922
Accounts payable	5.2	1 314 939	1 650 997
Accrued staff benefits	5.3	1 327 697	1 348 112
Deferred revenue	5.4	11 633 555	9 633 758
Total current liabilities		15 212 742	13 762 789
Non-current liabilities			
Accrued staff benefits	5.3	49 744 674	86 256 065
Deferred revenue	5.4	17 748 043	8 532 922
Total non-current liabilities		67 492 717	94 788 987
TOTAL LIABILITIES		**82 705 459**	**108 551 776**
NET ASSETS/EQUITY	Note 6		
Fund			
Regular Budget	6.1	3 418 650	2 090 258
Voluntary Contributions	6.2	23 296 367	17 045 937
Working Capital Fund	6.3	1 146 100	1 749 542
Other IARC funds			
Governing Council Special Funds	6.4	15 959 677	13 335 189
Special Account for Programme Support Costs	6.5	4 759 672	4 727 596
Participating States - Others	6.6	(39 518 905)	(77 223 569)
Trust Fund	6.7	52 231	52 329
TOTAL NET ASSETS/EQUITY BALANCES		9 113 792	(38 222 718)
TOTAL LIABILITIES AND NET ASSETS/EQUITY BALANCES		**91 819 251**	**70 329 058**

STATEMENT II – Statement of Financial Performance

International Agency for Research on Cancer
Statement of Financial Performance
For the year ended 31 December 2022
(amount in Euros)

	Notes	for the year ended **31 December 2022**	for the year ended **31 December 2021**
REVENUE	Note 7		
Assessed contributions	7.1	22 929 634	22 848 571
Voluntary contributions	7.2	25 015 660	13 897 713
Revenue-producing activities	7.3	2 172 647	1 946 778
Other operating revenue	7.4	648 157	7 002
Trust Funds	7.5	1 045	6 035
Financial revenue	7.6	228 728	2 942
Total revenue		**50 995 871**	**38 709 041**
EXPENSES	Note 8		
Staff cost	8.1	25 995 682	27 580 782
Temporary assistants, advisors and participants	8.2	2 407 659	1 201 497
Fellows	8.3	3 155 558	2 838 072
Duty travel (staff, fellows)	8.4	700 163	86 880
Research and other agreements	8.5	5 152 823	5 415 758
Procurement and various operating expenses	8.6	5 877 893	4 623 615
Cost of distribution and disposal of inventories	8.7	257 096	160 450
Depreciation	8.8	335 754	351 157
Financial cost	8.9	20 556	16 102
Total expenses		**43 903 184**	**42 274 313**
Net foreign exchange loss (gain)	8.10	4 256 721	2 358 475
TOTAL SURPLUS (DEFICIT) FOR THE YEAR		**2 835 966**	**(5 923 747)**

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 2022
(amount in Euros)

	Notes	Balance as at **31 December 2021**	**Surplus (deficit) in 2022**	**Remeasurement Gain/(Loss) on DBO and Plan Asset**	Balance as at **31 December 2022**
Fund					
Non-restricted (Participating States)					
Regular Budget	6.1	2 090 258	1 328 392		3 418 650
Working Capital Fund	6.3	1 749 542	(603 442)		1 146 100
Other IARC Funds	6.4-6.6	(59 160 784)	(4 139 316)	44 500 544	(18 799 556)
Total non-restricted		(55 320 984)	(3 414 366)	44 500 544	(14 234 806)
Restricted					
Voluntary Contributions	6.2	17 045 937	6 250 430		23 296 367
Trust Fund	6.7	52 329	(98)		52 231
Total restricted		17 098 266	6 250 332		23 348 598
Total net assets/equity balance		**(38 222 718)**	**2 835 966**	**44 500 544**	**9 113 792**

STATEMENT IV – Statement of Cash Flows

International Agency for Research on Cancer
Statement of Cash Flows
For the year ended 31 December 2022
(amount in Euros)

	Notes	As at 31 December 2022	As at 31 December 2021
Cash flow from operating activities			
Net surplus (deficit) for the year		2 835 966	(5 923 747)
Depreciation	8.8	335 754	351 157
Unrealized (gains)/losses on revaluation	8.9	4 201 509	3 622 986
(Increase) decrease in current accounts receivable, current	9	(3 158 295)	1 024 668
(Increase) decrease in staff receivables	9	(15 988)	9 540
(Increase) decrease in prepayments		239 635	(182 523)
(Increase) decrease in interest receivables		(14 737)	
(Increase) decrease in inventories		(296 665)	(16 665)
(Increase) decrease in accounts receivable, non-current	9	(9 206 705)	(4 483 961)
Increase (decrease) in assessed contributions received in advance		(193 371)	454 436
Increase (decrease) in accounts payable	9	(336 060)	281 817
Increase (decrease) in accrued staff benefit, current liabilities		(20 415)	(123 087)
Increase (decrease) in deferred revenue, current liabilities		1 999 797	1 672 488
Increase (decrease) in accrued staff benefit, non-current liabilities	9	3 836 735	6 171 274
Increase (decrease) in deferred revenue, non-current liabilities		9 215 121	4 472 080
Net increase (decrease) in cash flows from operating activities		**9 422 281**	**7 330 463**
Cash flows from investing activities			
(Increase) decrease in property, plant and equipment	9	**(667 479)**	**(67 416)**
Net increase (decrease) in cash and cash equivalents		**8 754 802**	**7 263 047**
Cash and cash equivalents at the beginning of the year		**41 940 064**	**34 677 017**
Cash and cash equivalents at the end of the year	4.1	**50 694 866**	**41 940 064**

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 2022)
For the year ended 31 December 2022
(amount in Euros)

Purpose of appropriation	2022 Programme Budget Appropriations			Budget Utilization			Budget Balance Forwarded to 2023	*% utilization*
	Approved Appropriations by Governing Council 2022	Transfers (IARC Financial Regulations 3.3)	Effective appropriations	Expenses 2022	Encumbrance 2022	Total Utilization		
1. Describe the occurrence of cancer	1 964 811	(166 203)	1 798 608	1 598 643	14 952	1 613 595	185 013	*7.20%*
2. Understand the causes of cancer	5 257 612	(345 849)	4 911 763	4 017 611	49 308	4 066 919	844 844	*18.14%*
3. Evaluate and implement cancer prevention and control strategies	2 676 749	(140 862)	2 535 887	2 006 747	22 435	2 029 182	506 705	*9.05%*
4. Increase the capacity for cancer research	3 160 706	(18 245)	3 142 461	2 920 949	28 472	2 949 421	193 040	*13.16%*
5. Provide strategic leadership and enhance the impact of the Agency's contribution to global cancer research	2 634 129	347 676	2 981 805	1 628 656	77 265	1 705 921	1 275 884	*7.61%*
6. Enable and support the efficient conduct and coordination of research	6 719 541	323 483	7 043 024	6 822 292	63 994	6 886 286	156 738	*30.72%*
TOTAL	**22 413 548**		**22 413 548**	**18 994 898**	**256 426**	**19 251 324**	**3 162 224**	*85.89%*

RECONCILIATION	(see Note 10)	
TOTAL EXPENSES AS PER STATEMENT V		**18 994 898**
a) Time differences:		
Regular Budget expenditure in other periods		**1 978 084**
b) Basis differences:		
Common fund activities		(1 594 774)
Other non-Regular Budget utilisation		28 781 697
Sub-total		**27 186 923**
TOTAL EXPENSES AS PER STATEMENT II		**€ 48 159 905**

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 statements 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 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 2022 have been prepared on the accrual basis of accounting in accordance with the International Public Sector Accounting Standards (IPSAS).

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

2.2 Financial regulations

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

2.3 Functional currency and conversion of foreign currencies

The functional and reporting currency of IARC is euros. 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)

Note 3: Significant accounting policies

3.1 Accounts receivable

Accounts receivable are recorded at their estimated net realized value. It includes the accounts receivable from assessed contributions, designated voluntary contributions, and other accounts receivable. Accounts receivable are classified as current when the receivables are due within one year from the reporting date and as non-current when the receivables are due after one year from the reporting date.

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

b. *Designated voluntary contribution accounts receivable*. Accounts receivable from designated voluntary contributions are recognized based on the payment terms specified in a binding agreement between IARC and the donors. Accounts receivable from designated voluntary contributions that are outstanding for more than 365 days after due date are reviewed once a year and an allowance for doubtful receivables is recognized when there is a risk that the receivables may be impaired.

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

3.2 Inventories

IARC recognizes publications as part of its inventory. These 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 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.

3.3 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.

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 (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.

3.6 Accounts payable

Accounts Payable consist of amounts payable to staff and Early Career and Visiting Scientists (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.

3.7 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.

3.8 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 After Service Health Insurance 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: After Service 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, 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.

3.10 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 method of assessments as described in Resolution GC/15/R9 and the gradual increase in contributions per IARC Financial Regulations Article IV.4.3 and Resolutions GC/37/R9 and GC/54/R18.

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

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

c. *Voluntary contributions.* Revenue under voluntary contributions comprises Core Voluntary Contribution Account (CVCA), designated contribution, and undesignated contribution.
   - CVCA was established in 2019 to receive supplementary fund from Participating States to finance IARC's core activities (Resolution GC/61/R5, paragraph 9).
   - Designated voluntary contributions are specifically earmarked by the donor to finance special projects.

- Undesignated voluntary contributions are donations not intended for a specific project and it is governed by Governing Council resolutions.

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

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

d. *Revenue producing activities.* Revenue is earned from 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 between IARC and WHO.

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.

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. These also include expendable equipment, i.e. physical assets with a value below €3000, which are not capitalized as PP&E (see Note 3.3) 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.

3.12 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 contributions from new Participating States as described under Note 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 CVCA, designated contributions, and undesignated contributions as described under Note 3.10c.

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

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*. This fund contained TQ, TP, and Post Occupancy Charge (POC) Funds and Service Health Insurance Funds.

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 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 (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.

Bank deposits include deposits held in US$ and GBP accounts. Balances as at 31 December 2022 were converted to euros using UNORE (US$ 9 554 031 at €0.939/US$ and GBP 3 997 614 at €1.130/GBP).

	31-Dec-22	31-Dec-21
Cash on hand	25 461	18 348
Cash at UNDP	228 006	122 210
Bank deposits	50 441 399	41 799 506
Total	€50 694 866	€41 940 064

4.2 Accounts receivable, net

The total account receivable amounted to €38 354 533 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 2022, there was accumulated allowances for doubtful accounts receivable amounting to €2 284 250. The details of current and non-current accounts receivable are provided below.

	Current	Non-Current	Total 31-Dec-22	31-Dec-21
Uncollected assessed contributions	3 508 797		3 508 797	4 256 515
Designated voluntary contributions	15 230 640	17 984 911	33 215 551	21 758 517
Other accounts receivable*	3 914 435		3 914 435	1 705 406
Total accounts receivable	22 653 872	17 984 911	40 638 783	27 720 438
Less: Accumulated allowances	(2 284 250)		(2 284 250)	(1 680 808)
Total accounts receivable, net	€20 369 622	€17 984 911	€38 354 533	€26 039 630

*Other accounts receivable comprises of receipt of indemnity against transfer of 3 buildings to Ville de Lyon (€1 540 000), royalties and sales of publication receivables (€1 184 572), VAT refund (€515 603), supplier's deposit (€669 645) and others (€4615).

Total accumulated allowances for doubtful accounts receivable:

	Current	Non-Current	Total 31-Dec-22	Total 31-Dec-21
Opening balance of allowance for assessed contribution	1 680 808	0	1 680 808	1 056 855
Opening balance of allowance for designated VC	0	0	0	0
Opening balance of allowance for other receivables	0	0	0	0
Total opening balance at beginning of year	1 680 808	0	1 680 808	1 056 855
Add: Allowance for assessed contribution	603 442	0	603 442	623 953
Allowance for designated VC	0	0	0	0
Allowance for other receivables	0	0	0	0
Total allowances for doubtful receivables	2 284 250	0	2 284 250	1 680 808
Less: Reversal of allowance for assessed contribution	0	0	0	0
Reversal of allowance for designated VC	0	0	0	0
Reversal of allowance for other receivables	0	0	0	0
Total accumulated allowances at end of year	€2 284 250	€0	€2 284 250	€1 680 808

4.3 Staff receivables

The total balance of staff receivables amounted to €115 413, net increase by €16 996 from the prior period. Breakdown by type of receivables are as follows.

	31-Dec-22	31-Dec-21
Education grant advance	90 849	66 436
Duty travel advance	24 564	26 454
Salary advance		5 527
Total	€115 413	€98 417

4.4 Prepayments

The total value of prepayments is €251 680, which consists of payments to suppliers in advance of receipt of goods or services. In addition, Fellows of IARC are paid one month in advance and the payment of stipend for January 2023 is included in this account.

	31-Dec-22	31-Dec-21
Prepayment to suppliers	31 876	257 524
Stipend advance	219 804	233 791
Total	€251 680	€491 315

4.5 Interest receivable

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 2022 is €14 737 (€0 in 2021).

4.6 Inventories

The amount of €601 421 represents the value of IARC publication inventories, of which €286 922 relates to the Work in Progress and €314 499 relates to Finished Goods held for sales at WHO Press as at the end of the reporting period.

	31-Dec-22	31-Dec-21
Balance at beginning of year	304 756	288 091
Additions	553 761	177 115
Distributions	(240 381)	(159 177)
Disposals/adjustments	(16 715)	(1 273)
Balance at end of year	€601 421	€304 756

4.7 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 €1 786 601. These include laboratory and office equipment, furniture and fixtures, and motor vehicle.

Buildings that were recognized in the beginning balance as at 1 January 2010 were 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 were not included under the PP&E.

As of 20 December 2022, the IARC tower was returned to the Ville de Lyon and the aforementioned three buildings were transferred to Ville de Lyon against payment of an indemnity for €1 540 000. At the time of this transfer, the remaining book value of these three buildings was €966 384.

The new building for IARC (Nouveau Centre) was handed over by the Métropole de Lyon to the IARC Secretariat on the 28 October 2022. A “convention d’occupation et de maintenance” (agreement of occupying and maintenance) was signed with the Métropole de Lyon for a period of 30 years at no rental costs, however, the building belongs to the Métropole de Lyon.

	Buildings	Lab equipment	Office equipment and other equipment	Furniture and fixtures	Motor vehicles	Total 31-Dec-22	Total 31-Dec-21
Cost or valuation:							
Balance at beginning of year	2 906 098	4 945 087	859 741	14 441	51 600	8 776 967	8 950 864
Additions		1 497 176		124 861	11 826	1 633 863	67 416
Disposals	(2 906 098)	(755 879)	(319 113)	(14 441)		(3 995 531)	(241 313)
Balance at end of year	0	5 686 384	540 628	124 861	63 426	6 415 299	8 776 967
Accumulated depreciation:							
Balance at beginning of year	1 869 449	4 527 649	858 952	14 441	51 600	7 322 091	7 212 248
Charges for the year	70 265	261 904	789	2 323	473	335 754	351 157
Disposals	(1 939 714)	(755 879)	(319 113)	(14 441)		(3 029 147)	(241 313)
Balance at end of year	0	4 033 674	540 628	2 323	52 073	4 628 698	7 322 091
Net book value:							
At beginning of year	1 036 649	417 438	789	0	0	1 454 876	1 738 617
At end of year	0	1 652 710	0	122 538	11 353	1 786 601	1 454 876

In addition, IARC has 129 items of PP&E with the total gross acquisition value of €4 005 408 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 €936 551 represents 2023 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.

	31-Dec-22	31-Dec-21
Assessed contribution received in advance	934 466	1 113 522
Voluntary contribution received in advance	0	14 315
Other revenue received in advance	2 085	2 085
Total	€936 551	€1 129 922

5.2 Accounts payable

The total outstanding as at the end of reporting period is €1 314 939. Staff/STA/Fellows payable below include payment of travel and expense reimbursements.

	31-Dec-22	31-Dec-21
Staff/STA/Fellows	15 647	767
Suppliers	74 990	66 643
Accrued expenses	1 224 302	1 583 587
Total	€1 314 939	€1 650 997

5.3 Accrued staff benefits

Accrued staff benefits, total €51 072 371, include short-term benefits, post employee benefits (staff health insurance – ASHI), and other long-term benefits. This amount includes unfunded liabilities totalling €41 906 927 (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:

	Current	Non-Current	Total 31-Dec-22	Total 31-Dec-21
Short-term employee benefits	1 149 376	-	1 149 376	1 058 482
Other long-term employee benefits	178 321	1 515 137	1 693 458	2 187 944
Termination benefits	-	-	-	119 207
Post employee benefits (i.e. ASHI)	-	48 229 537	48 229 537	84 238 544
Total	€1 327 697	€49 744 674	€51 072 371	€87 604 177

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 €9 165 445 at the end of the reporting period.

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

TP Account: This account was established for financing long-term employee benefits, post employee benefits, and termination benefits. It is funded by a budgetary provision set at the rate of 3.5% of salary and post adjustment for fixed-term staff members and 5.5% for temporary appointment staff members from the beginning of 2022 (2.0% and 4.0% respectively during 2020–2021).

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 maternity leave. It is funded by a budgetary provision set at 0.5% of all staff salary and post adjustment from the beginning of 2022 (2.0% during 2020–2021).

	TQ	TP	POC	Total 31-Dec-22	Total 31-Dec-21
Fund balance at beginning of year	3 340 533	4 356 671	923 773	8 620 976	7 630 964
Plus: Fund inflow during the year	800 341	654 039	82 078	1 536 459	1 666 268
Less: Fund outflow during the year	(550 881)	(441 110)		(991 991)	(676 256)
Fund balance at end of year	€3 589 993	€4 569 600	€1 005 851	€9 165 444	€8 620 976

The outflow fund in 2022 includes the following payments on employee benefits.

	Current	Non-Current	Total 31-Dec-22
Recruitment entitlements	169 172		169 172
Separation entitlements	64 253	441 110	505 363
Education grants	232 045		232 045
Home leave travels	82 229		82 229
Periodic medical and insurance	3 182		3 182
Total fund outflow	€ 550 881	€ 441 110	€ 991 991

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.

	31-Dec-22	31-Dec-21
Accrued annual leave	1 107 257	1 031 908
Educational grants	42 119	26 574
Total Defined Benefit Obligation at end of year	€1 149 376	€1 058 482

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 2022. For 2021, a roll forward of census data as of 31 October 2019 (proxy for 31 December 2019) to 31 December 2021 was used. For 2022 financial statements, a census data as of 31 October 2022 (proxy for 31 December 2022) was used.

	31-Dec-22	31-Dec-21
Grant in case of death	112 242	160 393
Repatriation grant	1 232 375	1 588 842
Repatriation removal	279 224	314 997
Repatriation travel	44 575	102 645
Termination for reasons of health	25 042	21 067
Total Defined Benefit Obligation at end of year	€1 693 458	€2 187 944

Actuarial summary

	31/12/2022 Valuation	31/12/2021 Valuation
Reconciliation of Defined Benefit Obligation--142(a)(ii)		
Defined Benefit Obligation at Beginning of Year	2 187 944	1 904 690
Service Cost	195 254	167 184
Interest on Defined Benefit Obligation	16 281	5 518
(Actual Gross Benefit Payments)	(241 057)	(161 109)
Participant Contributions		
Changes in Accounting Methods		
Plan Amendments		
(Gain)/Loss Due to Financial Assumption Changes	(343 583)	17 401
(Gain)/Loss Due to Other Changes	(121 380)	254 260
Defined Benefit Obligation at End of Year	€1 693 458	€2 187 944
Reconciliation of Assets--142(a)(i)		
Market Value of Assets at Beginning of Year		
(Actual Gross Benefit Payments)	(241 057)	(161 109)
Participant Contributions		
Organization Contributions	241 057	161 109
Interest on Assets		
Gain/(Loss) on Plan Assets		
Market Value of Assets at End of Year	€	€
Reconciliation of Funded Status--142		
Defined Benefit Obligation (DBO)	1 693 458	2 187 944
(Plan Assets)		
Net (Surplus)/Deficit in Statement of Financial Position	€1 693 458	€2 187 944
Current (Asset)/Liability	€ 178 321	€ 170 423
Noncurrent (Asset)/Liability	€1 515 137	€2 017 521
Total (Gain)/Loss during the Year	(464 964)	271 661
Sensitivity Analysis--147(a)		
Defined Benefit Obligation		
Current Discount Rate Assumption Minus 1%	€1 812 672	€2 351 825
Current Discount Rate Assumption	€1 693 458	€2 187 944
Current Discount Rate Assumption Plus 1%	€1 587 790	€1 963 357
Approximate Duration (in Years) of Defined Benefit Obligation	7	9
Statement of Financial Performance	**2022**	**2021**
Service Cost	195 254	167 184
Interest on (Surplus)/Deficit	16 281	5 518
Remeasurements	(464 964)	271 661
Total Expense	€ (253 429)	€ 444 363
Expected Accounting Contributions During Next Year--149(b)		
Expected Contributions during Next Year	€ 181 633	€ 171 103
Selected Assumptions at 31 December		
Discount Rate	3.75%	0.8%
General Inflation Rate	2.5%	2.1%

Actuarial assumptions and methods

Discount Rate

IARC bases its discount rates on the yields on high-grade corporate bonds, using a yield curve approach, which reflects the expected cash flows and currency exposures specific to IARC's TP. The discount rate for the TP is based on the expected cash flows for benefits.
IARC assume all of its TP benefits are incurred in euros. Therefore, the liability is discounted using the Euro Zone yield curve. IARC applies the Euro (EUR) – Aon AA Corp. Yield Curve, in accordance with the U.N Task Force recommendation for the U.N's retiree medical plans valuations.
The resulting rate is 3.75% this year, versus 0.8% last year.

Annual General Inflation

The general inflation rates are based on a 100% Euro Zone weighting of the 31 December 2022 U.N. Task Force recommendations, according to the duration (10-years duration) of the TP.
The resulting rate is 2.5% this year, versus 2.1% last year.

Annual Salary Scale

The assumption includes general inflation, plus 0.5% for productivity growth, plus merit/promotion increases. See table in Appendix 3 for merit/promotion increases. The rates are unchanged from last year.
The productivity growth and merit/promotion scales were recommended by the U.N. Task Force via harmonization guidance.

Future exchange rates

They are set equal to official United Nations spot rates as of 31 December 2022.

Withdrawal Rates

Withdrawal rates for fixed-term staff match the rates recommended by the U.N. Task Force via harmonization guidance. The rates are unchanged from last year.

Retirement Rates

Retirement rates are those recommended by the U.N. Task Force via harmonization guidance. The rates are unchanged from last year.

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

Mortality rates match our understanding of rates recommended by the U.N. Task Force via harmonization guidance. For active staff, static mortality table is applied.

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
Under the plan rules, the lump-sum benefit for removal on repatriation is $10,000/$15,000 without/with dependents for fixed-term staff and $7,000/$10,500 without/with dependents for short-term staff. These lump sums are not indexed to inflation.
The above figures are converted to euros with the 31 December 2022 exchange rate.

Repatriation travel
The average cost per ticket assumption was provided by the WHO and amounts to US$ 1,800. This cost is projected with the general inflation assumption. This cost includes benefit payments to staff member for all contingencies including death.
This lumpsum is converted to euros with the 31 December 2022 exchange rate.

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

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

Actuarial methods
Actuarial methods used varies by plan:
• Repatriation Grant, Termination Indemnity, and Grant in Case of Death: Projected unit credit with accrual rate proration.

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

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

Benefit	Pay Definition
Repatriation Grant, Termination for Reasons of Health, and Grant in case of Death	Terminal Remuneration defined as follows: • 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 After Service Health Insurance (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 2022 determined by professional actuaries within the overall report to WHO is US$ 51 362 659, equivalent to €48 229 537 at UNORE of €0.939/US$.

Revaluation of this account as of 31 December 2022 resulted to an unrealized foreign exchange loss of €5 545 784, of which €1 393 366 was charged directly to net asset/equity (net unrealized foreign exchange loss of €8 042 532 in 2021, of which €3 761 468 was charged directly to net asset/equity).

In accordance with IPSAS 39, the actuarial gain of US$ 48 875 304, equivalent to €45 893 910 using the 31 December 2022 UNORE of €0.939/US$ was charged directly to net assets/equity in 2022 (US$32 968 385 actuarial gain in 2021, equivalent to €29 045 147 using UNORE of €0.881/US$).

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

Actuarial summary

	31-Dec-22 Valuation (US$)	31-Dec-21 Valuation (US$)
Reconciliation of Defined Benefit Obligation–142(a)		
Defined Benefit Obligation at beginning of year	140 755 461	163 688 307
Service cost	6 386 406	8 570 309
Interest on Defined Benefit Obligation	562 820	326 111
(Actual after service gross benefit payments)	(336 303)	(338 949)
(Actual after service administrative expenses)	(20 464)	(24 593)
Actual contributions by after service participants	255 814	239 079
Plan amendments adopted during the year		
Changes in accounting methods		
(Gain)/Loss on Defined Benefit Obligation Due to Financial Assumption Changes	(35 329 306)	(18 850 000)
(Gain)/Loss on Defined Benefit Obligation Due to Other Assumption Changes	(20 367 740)	(12 854 803)
Defined Benefit Obligation at end of year	US$ 91 906 688	US$ 140 755 461
Reconciliation of Incurred-But-Not-Paid Reserve–142(a)		
Incurred-But-Not-Paid Reserve at beginning of year	402 000	356 000
Interest on Incurred-But-Not-Paid Reserve during the year	1 608	712
(Gain)/Loss on Incurred-But-Not-Paid Reserve	(81 978)	45 288
Incurred-But-Not-Paid Reserve at end of year	321 630	402 000
Reconciliation of Assets–142(a)		
Market value of ASHI at beginning of year	45 540 498	42 187 766
(Actual total SHI gross benefit payments)	(909 546)	(1 124 279)
(Actual total SHI administrative expenses)	(55 345)	(81 574)
Actual total SHI participant contributions	983 071	1 039 011
Actual total SHI organization contributions	2 026 305	2 125 086
Organization additional contributions during the year		
Interest on gross SHI assets	184 396	85 618
Gain/(loss) on Plan Assets	(6 903 719)	1 308 870
Market value of SHI assets at end of year	US$ 40 865 659	US$ 45 540 498
Reconciliation of Funded Status–142		
Defined Benefit Obligation		
Active	63 027 177	96 915 508
Inactive	28 879 511	43 839 953
Incurred-But-Not-Paid Reserve	321 630	402 000
Total Defined Benefit Obligation	92 228 318	141 157 461
(ASHI Plan Assets)	(40 865 659)	(45 540 498)

Net (Surplus)/Deficit	US$ 51 362 659	US$ 95 616 963
Current (asset)/liability	0	0
Noncurrent (asset)/liability	US$ 51 362 659	US$ 95 616 963
Total (Gain)/Loss during the year	US$ (48 875 304)	US$ (32 968 385)
Statement of Financial Performance		
Service cost	6 386 406	8 570 309
Interest on (Surplus)/Deficit	380 032	241 205
Past service (credit)/cost		
Total expense	US$ 6 766 438	US$ 8 811 514
Sensitivity Analysis–147(a)		
Defined Benefit Obligation at end of year		
Current medical inflation assumption minus 1%	71 327 078	107 373 677
Current medical inflation assumption	91 906 688	141 157 461
Current medical inflation assumption plus 1%	117 783 371	187 183 821
Current discount rate assumption minus 1%	115 371 901	185 344 780
Current discount rate assumption	91 906 688	141 157 461
Current discount rate assumption plus 1%	73 671 513	109 843 137
Expected Accounting Contributions–149(b)		
Expected contributions during next year		
Contribution by/for active staff, net of claims/admin costs	1 699 410	1 802 000
Contribution by WHO for Inactives	522 201	647 000
Total expected contributions	US$ 2 221 611	US$ 2 449 000

<u>Actuarial assumptions and methods</u>:

Accounting Standard International Public Sector Accounting Standard 39.
Measurement Date 31 December 2022

Assumption	Methodology
Withdrawal & retirement rates before retirement	UN Task force guidance adjusted by a 3.35 factor for ST staff (based on a study of WHO's recent experience performed in 2021)
Annuitant mortality	Post retirement mortality rates tables provided by Buck Consultants and UN Task Force
Active mortality	Pre-retirement rates tables provided by the UNJSPF and UN Task Force
Disability rates	UN Task force guidance adjusted by 50% (based on a study that Aon performed of WHO's experience from 2005–2016)
Age difference between spouse	For Europe and Rest of World, the assumptions are based on a study that Aon performed of retirements from 2008 through 2013.
	For the Americas, the assumptions are based on a late 2021 study that Aon performed of retirements from 2017 through 2021.

Withdrawal & retirement rates before retirement	UN Task force guidance adjusted by a 3.35 factor for ST staff (based on a study of WHO's recent experience performed in 2021)
Annuitant mortality	Post retirement mortality rates tables provided by Buck Consultants and UN Task Force
Active mortality	Pre-retirement rates tables provided by the UNJSPF and UN Task Force
Disability rates	UN Task force guidance adjusted by 50% (based on a study that Aon performed of WHO's experience from 2005–2016)
Age difference between spouse	For Europe and Rest of World, the assumptions are based on a study that Aon performed of retirements from 2008 through 2013.
	For the Americas, the assumptions are based on a late 2021 study that Aon performed of retirements from 2017 through 2021.
Medical claims	2016-2019 experience with so-called pandemic adjustments in 2020 and 2021
Expected increase in medical cost	Based on weighted average (by currency) of the UN Task force guidance for long term
Participant cost sharing	As per SHI plan rules
Administrative expense on medical claims	For the 2020–2021 biennium, WHO received budgetary approval for an increase in administrative costs. The additional costs cover factors such as coverage of Third-Party Administrator fees in the U.S. and fees associated with improving access to treatment in other regions. Therefore, at 31 December 2019, WHO updated the assumed future administrative expenses from 6.5% to 7.9% of claims.
	WHO indicated that, consistent with SHI Rule (F.6.5) on administrative expenses, the 2020 administrative expenses were 3.7% of 2020 contributions (versus a WHO budget of 5.0%) and 7.5% of claims (versus a valuation assumption of 7.9%).
% of coverage at retirement	The rates for the Americas are based on a late 2021 study by Aon of retirements from 2017 through 2021, based on data provided by PAHO.
	The rates for Europe and Rest of World were conservatively prescribed by WHO for the 31 December 2022 valuation.
Lapse rates after retirement	Conservatively, no lapses before death or age out are assumed, as WHO has indicated that such lapses are rare
Adult Dependent Coverage at retirement	The rates for Europe and Rest of World are based on a study that Aon performed of retirements from 2008 through 2013.
	The rates for the Americas are based on a late 2021 study that Aon performed of retirements from 2017 through 2021.

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 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 and the Fund, in line with the other participating organizations in the Fund, are not in a position to identify WHO'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 has treated this plan as if it were a defined contribution plan in line with the requirements of IPSAS 39 (Employee Benefits). WHO'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 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 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 2021, and a roll forward of the participation data as of 31 December 2021 to 31 December 2022 will be used by the Fund for its 2022 financial statements.

The actuarial valuation as of 31 December 2021 resulted in a funded ratio of actuarial assets to actuarial liabilities of 117.0% (107.1% in the 2019 valuation). The funded ratio was 158.2% (144.4 % in the 2019 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 2021, for deficiency payments under Article 26 of the Regulations of the Fund as the actuarial value of assets exceeded the actuarial value of all accrued liabilities under the plan. In addition, the market value of assets also exceeded the actuarial value of all accrued liabilities as of the valuation date. At the time of this report, the General Assembly has not invoked the provision of Article 26.

Should Article 26 be invoked due to an actuarial deficiency, either during the ongoing operation or due to the termination of the Fund, deficiency payments required from each member organization would be based upon the proportion of that member organization's contributions to the total contributions paid to the Fund during the three years preceding the valuation date. Total contributions paid to the Fund during the preceding three years (2019, 2020 and 2021) amounted to US$ 8 505.27 million, of which 7% was contributed by WHO.

During 2022, contributions paid to the Fund amounted to US$ 5 893 738 (US$ 6 095 181 in 2021).

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 2022 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 2028.

	31-Dec-22	31-Dec-21
Current liabilities	11 633 555	9 633 758
Non-current liabilities	17 748 043	8 532 922
Total deferred revenue	€29 381 598	€18 166 680

Note 6: Net assets/equity

The net assets/equity of the Agency increased by €47 336 510 at the end of the reporting period, largely due to the decrease in the funding gap related to the ASHI and the increase of Voluntary Contributions. Statement III provides the summary of changes in net assets/equity by fund and Schedules 1 and 2 provide details of changes in fund balances including revenue and expenditure incurred.

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

6.1 Regular Budget

As at the end of reporting period, the fund balance is €3 418 650 which comprises of committed obligation of €256 426 (€2 090 258 at the end of 2021) and uncommitted fund forwarded to subsequent calendar year of €3 162 224 (€0 at the end of 2021).

6.2 Voluntary Contributions

	31-Dec-22	31-Dec-21
Designated voluntary contribution	22 245 523	16 036 103
Undesignated voluntary contribution	1 012 318	1 004 128
Core voluntary contribution	38 526	5,706
Total	€23 296 367	€17 045 937

6.3 Working Capital Fund

	31-Dec-22	31-Dec-21
Beginning balance at beginning of year	1 749 542	2 338 845
Add: New Participating States contribution to WCF		34 650
Decrease in allowances upon receipt of assessed contribution in arrears	0	0
Less: Allowances for assessed contribution in arrears	(603 442)	(623 953)
Ending balance as at end of year	€1 146 100	€1 749 542

6.4 Governing Council Special Fund

The fund balance of €15 959 677 includes reserves, i.e. expenses authorized by the Governing Council which are not yet incurred. The net increase of €2 624 488 came from contribution from new Participating States (see also Note 3.10b), revenue from sales of publications and indemnity on the transfer of the old IARC building to Ville de Lyon.

6.5 Special Account for Programme Support Cost

Fund balance had increase from €4 727 596 in 2021 to €4 759 672 during the reporting period.

6.6 Participating State – Others

The amount of €(39 518 905) 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-22	31-Dec-21
Inventories	601 421	304 756
Property, plant and equipment, net	1 786 601	1 454 876
Total common fund	€2 388 022	€1 759 632

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

	31-Dec-22	31-Dec-21
Fund balance in TQ, TP, and POC accounts (Note 5.3b)	9 165 444	8 620 976
Accrued staff salaries funded from other source	0	0
Less: Total accrued staff benefits (Note 5.3a)	(51 072 371)	(87 604 177)
Total special purpose fund	€(41 906 927)	€(78 983 201)

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.

	31-Dec-22	31-Dec-21
Budgeted assessed contribution	22 413 548	22 284 042
Unbudgeted assessed contribution	1 119 528	1 188 482
Increase in allowance for doubtful accounts receivable	(603 442)	(623 953)
Total	€22 929 634	€22 848 571

Budgeted assessed contribution

This refers to contribution from Participating States for the biennial programme budget as per assessments approved by the Governing Council, which is recorded on an accrual basis at the beginning of each year against account receivable. The amount of €22 413 548 shown on these Financial Statements represents the contribution from Participating States for 2022 approved programme budget (Resolution GC/63/R6). The status of the collection is shown in Schedule 3.

Unbudgeted assessed contribution

The unbudgeted assessed contribution includes contribution from People's Republic of China, whose memberships were accepted in 2021. The 2022 contributions were assessed in accordance with the percentage set forth in IARC Financial Regulations Article IV.4.3 and Resolution GC/54/R18.

	31-Dec-22	31-Dec-21
Contribution from Hungary		623 953
Contribution from People's Republic of China	1 119 528	564 529
Total	€ 1 119 528	€ 1 188 482

Increase in allowance for doubtful accounts receivable

The allowance for doubtful accounts receivable amounting to €603 442 was established for assessed contribution pending from a Participating State.

7.2 Voluntary contributions

The total revenue from voluntary contributions was €25 015 660. There was no write off nor allowance for doubtful accounts receivable in 2022.

	31-Dec-22	31-Dec-21
Core Voluntary Contribution Account	32 820	57 504
Designated voluntary contributions*	24 958 982	13 545 357
Undesignated voluntary contributions	23 858	294 852
Total	€25 015 660	€13 897 713

*Designated voluntary contributions include the contributions received when IARC personnel were invited to some events and designated to support activities of the Agency. In 2022, IARC received in-kind donations for Nouveau Centre amounting to €268 121 in the form of furniture and equipment (€216 240) and cash donation (€51 881).

7.3 Revenue producing activities

The revenue received from sale of IARC publications in 2022 amounted to €2 172 647, which slightly increased from the prior year.

7.4 Other operating revenue

	31-Dec-22	31-Dec-21
Indemnity transfer of 3 old IARC buildings	573 616	
Sale of equipment and materials	23 839	1 236
Other income	50 702	5 766
Total	€648 157	€7 002

7.5 Trust fund

The amount of €1 045 represents fees collected from personnel enrolled in the language courses offered by IARC.

7.6 Financial revenue

This account represents interest income on bank deposits. Interest income amounting to €10 816 was apportioned to the designated voluntary contribution account in accordance with the agreement condition and approval by the Governing Council under Resolution GC/55/R23 (€4 791) and to the undesignated voluntary contribution as approved by the Governing Council under its Resolution GC/23/R6 (€6 025). The remaining interest income amounting to €217 912 was credited to the Governing Council Special Fund.

	31-Dec-22	31-Dec-21
Interest income apportioned to VC account	10 816	308
Interest income credited to GCSF account	217 912	2 634
Total	€228 728	€2 942

7.7 Income from services rendered

The total programme support cost of €1 561 977 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 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).

	31-Dec-22	31-Dec-21
Staff cost	22 723 830	22 522 607
Actuarial cost	3 271 852	5 058 175
Total	€25 995 682	€27 580 782

8.2 Temporary assistants, advisors and participants

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

	31-Dec-22	31-Dec-21
Temporary assistant cost	2 039 561	1 198 866
Temporary advisor and participant cost	368 098	2 631
Total	€2 407 659	€1 201 497

8.3 Fellows

Costs include the Stipend cost and other entitlements of IARC personnel in the Early Career and Visiting Scientist (ECVS) category that include 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.

	31-Dec-22	31-Dec-21
Stipend and other entitlements	€3 155 558	€2 838 072

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.

	31-Dec-22	31-Dec-21
Travel cost	€700 163	€86 880

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).

	31-Dec-22	31-Dec-21
Collaborative research and consortium agreements	4 273 103	4 532 093
Consultants cost	508 307	433 143
Agreement for the performance of work and others	371 413	450 522
Total	€5 152 823	€5 415 758

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.

	31-Dec-22	31-Dec-21
Utility and maintenance cost	1 545 524	1 431 866
Supplies & materials	1 278 745	1 099 754
Equipment and furniture	1 911 258	952 913
Security cost	461 076	420 379
Others operating cost	681 290	718 703
Total	€5 877 893	€4 623 615

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.

	31-Dec-22	31-Dec-21
Cost of distribution and disposal of inventories	€257 096	€160 450

8.8 Depreciation expense

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

	31-Dec-22	31-Dec-21
Depreciation	€335 754	€351 157

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.

	31-Dec-22	31-Dec-21
Net realized foreign exchange loss (gain)	55 212	(1 264 511)
Net unrealized foreign exchange loss (gain)	4 201 509	3 622 986
Total net foreign exchange loss (gain)	€4 256 721	€2 358 475

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 Designated Voluntary Contribution (VC) and GCSF related to closure of projects.

	GCSF	RB	Common Fund
Transfer from GCSF to RB for budgetary cost due FX loss (currency realignment)	(25 300)	25 300	
Transfer unspent balance from RB to GCSF	112 174	(112 174)	
Proceed from indemnity transfer of old IARC building from common fund (CF) to GCSF	966 384		(966 384)
Net transfer between funds	€1 053 258	€(86 874)	€(966 384)

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$, GBP, NOK, etc. At the end of the reporting period, these items were revaluated using the UNORE as at 31 December 2022. 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-22	As at 31-Dec-21
Accounts receivable (current)		
Changes in Statement I from prior year	(3 073 970)	626 504
Unrealized exchange rate gain/(loss)	(84 325)	398 164
(Increase) decrease in accounts receivable (current) as per Statement IV	€(3 158 295)	€1 024 668
Staff receivable		
Changes in Statement I from prior year	(16 996)	9 144
Unrealized exchange rate gain/(loss)	1 008	396
(Increase) decrease in staff receivable as per Statement IV	€(15 988)	€9 540
Accounts receivable (non-current)		
Changes in Statement I from prior year	(9 240 933)	(4 743 463)
Unrealized exchange rate gain/(loss)	34 228	259 502
(Increase) decrease in accounts receivable (non-current) as per Statement IV	€(9 206 705)	€(4 483 961)
Property, plant and equipment		
Changes in Statement I from prior year	(331 725)	283 741
Depreciation	(335 754)	(351 157)
(Increase) decrease in property, plant and equipment as per Statement IV	€(667 479)	€(67 416)
Accounts payable		
Changes in Statement I from prior year	(336 058)	281 801
Unrealized exchange rate gain/(loss)	(2)	16
Increase (decrease) in accounts payable as per Statement IV	€(336 060)	€281 817

	As at 31-Dec-22	As at 31-Dec-21
Accrued staff benefits liabilities (non-current)		
Changes in Statement I from prior year	(36 511 391)	(14 831 341)
Unrealized exchange rate gain/(loss)	(4 152 418)	(4 281 064)
ASHI remeasurement	44 500 544	25 283 679
Increase (decrease) in accrued staff benefits liabilities (non-current) as per Statement IV	€3 836 735	€6 171 274

Note 10: Comparison of budget and actual amounts

Through the 63rd Governing Council meeting, Resolution GC/63/R6, the total effective regular budget was approved for 2022–23 for €45 371 329, of which €22 413 548 and €22 957 781 are allocated for 2022 and 2023 work plans, respectively. Authorized under the same Resolution, the Director approved the transfers between sections of the budget during the biennium, not exceeding to 15% of the section from which the credit was transferred. Details are shown under column "Transfers" in the Statement of Comparison of Budget and Actual Amounts (Statement V).

Reconciliation between the actual amounts on a comparable basis in the Statement of Comparison of Budget and Actual Amounts (Statement V) and the actual amounts in the Statement of Financial Performance (Statement II) for the period ended 31 December 2022 is presented below:

	31-Dec-22	31-Dec-21
Actual amount on comparison - Statement V	18 994 898	23 191 486
Time difference	1 978 084	0
Basis differences	27 186 923	21 441 302
Actual expenses – Statement II	€48 159 905	€44 632 788

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 2022. 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	€345 623	€41 497	€134 611	€521 731	€15 801	-

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 2022.

Note 13: Events after the reporting date

The reporting date for these financial statements is 31 December 2022. 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 2022, 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 2022
(amount in Euros)

	Ref	Notes	Regular Budget	Working Capital Fund	Other funds	Voluntary Contributions Account	Trust funds	Sub-totals	Eliminations	for the year ended **31 December 2022**
REVENUE		Note 7								
Assessed contributions	3.02	7.1	22 413 548	(603 442)	1 119 528			22 929 634		**22 929 634**
Voluntary contributions	3.04	7.2				25 015 660		25 015 660		**25 015 660**
Revenue-producing activities	3.05	7.3			2 172 647			2 172 647		**2 172 647**
Other operating revenue	3.06	7.4			648 157			648 157		**648 157**
Trust Fund	3.07	7.5					1 045	1 045		**1 045**
Income from services rendered	3.19	7.7			1 561 977			1 561 977	(1 561 977)	
Financial revenue	3.16	7.6			217 912	10 816		228 728		**228 728**
Total revenue			22 413 548	(603 442)	5 720 221	25 026 476	1 045	52 557 848	(1 561 977)	50 995 871
EXPENSES		Note 8								
Staff cost	3.08	8.1	14 936 213		4 651 226	6 408 243		25 995 682		**25 995 682**
Temporary assistants, advisors and participants	3.09	8.2	472 739		440 780	1 494 140		2 407 659		**2 407 659**
Fellows	3.10	8.3	787 912		115 932	2 251 714		3 155 558		**3 155 558**
Duty travel (staff, fellows)	3.11	8.4	250 458		29 712	419 993		700 163		**700 163**
Research and other agreements	3.12	8.5	521 876		106 227	4 523 802	918	5 152 823		**5 152 823**
Procurement and various operating expenses	3.13	8.6	2 843 751		1 035 879	1 998 038	225	5 877 893		**5 877 893**
Cost of distribution & disposal of inventory	3.18	8.7			257 096			257 096		**257 096**
Depreciation	3.14	8.8			335 754			335 754		**335 754**
Financial cost	3.21	8.9	1 237		19 319			20 556		**20 556**
Programme support cost	3.19	8.11				1 561 977		1 561 977	(1 561 977)	
Total expenses			19 814 186		6 991 925	18 657 907	1 143	45 465 161	(1 561 977)	43 903 184
Net foreign exchange loss (gain)	3.20	8.10			4 256 721			**4 256 721**		**4 256 721**
TOTAL SURPLUS (DEFICIT) FOR THE YEAR			2 599 362	(603 442)	(5 528 425)	6 368 569	(98)	2 835 966		2 835 966
Inventories	4.11		(115 580)		126 908	(11 328)				
Property plant & equipment	4.07		(1 068 516)		1 175 327	(106 811)				
Transfer between funds	3.17	8.12	(86 874)		86 874					
TOTAL CHANGES IN FUND BALANCES	3.18		1 328 392	(603 442)	(4 139 316)	6 250 430	(98)	2 835 966		**2 835 966**

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 2022
(amount in Euros)

	Notes	Governing Council Special Fund	Special Account for Programme Support Costs	Common Fund PPE	Common Fund Inventories	Special Purpose Fund	Participating States Others	for the year ended **31 December 2022**
REVENUE	Note 7							
Assessed contributions	7.1	1 119 528						**1 119 528**
Revenue-producing activities	7.3	2 172 647						**2 172 647**
Other operating revenue	7.4	648 157						**648 157**
Income from service rendered	7.7		1,561,977					**1 561 977**
Financial revenue	7.6	217 912						**217 912**
Total revenue		4 158 244	1 561 977					**5 720 221**
EXPENSES	Note 8							
Staff cost	8.1	839 930	539,444			3,271,852	3 271 852	**4 651 226**
Temporary assistants, advisors and participants	8.2	409 643	31,137					**440 780**
Fellows	8.3	95 139	20,793					**115 932**
Duty travel (staff, fellows)	8.4	24 623	5,089					**29 712**
Research and other agreements	8.5	72 143	34,084					**106 227**
Procurement and various operating expenses	8.6	282 950	752,929					**1 035 879**
Cost of distribution & disposal of inventory	8.7				257 096		257 096	**257 096**
Depreciation	8.8			335 754			335 754	**335 754**
Financial cost	8.9		19,319					**19 319**
Total expenses		1 724 428	1 402 795	335 754	257 096	3 271 852	3 864 702	**6 991 925**
Net foreign exchange loss (gain)	8.10	104 303				4 152 418	4 152 418	**4 256 721**
TOTAL SURPLUS (DEFICIT) FOR THE YEAR		2 329 513	159 182	(335 754)	(257 096)	(7 424 270)	(8 017 120)	**(5 528 425)**
Inventories		(426 853)			553 761		553 761	**126 908**
Property, plant & equipment		(331 430)	(127,106)	1 633 863			1 633 863	**1 175 327**
Transfer between funds	8.12	1 053 258		(966 384)			(966 384)	**86 874**
TOTAL CHANGES IN FUND BALANCES		2 624 488	32 076	331 725	296 665	(7 424 270)	(6 795 880)	**(4 139 316)**

SCHEDULE 3 - Status of Collection of Assessed Contributions

STATUS OF COLLECTION OF ASSESSED CONTRIBUTIONS AND CVCA FROM PARTICIPATING STATES
As at 31 December 2022
(amount in Euros)

Participating States	2022 Assessments			Assessments of prior financial years			Total Outstanding Assessment as of 31 December 2022	Advance Contribution vs 2023 AC (1)
	Assessments	Collected	Balance as of 31 December 2022	Balance as of 01-Jan-22	Collected during 2022	Balance as of 31 December 2022		
Budgeted Assessment:								
Australia	872 405	872 405						
Austria	737 922	737 922						
Belgium (1)	737 922	737 922		148 987	148 987			40 880
Brazil	872 405	872 405		414 357	414 357			
Canada (1)	872 405	872 405						893 586
Denmark	737 922	737 922						
Finland	603 442	603 442						
France	1 141 367	1 141 367						
Germany	1 141 367	1 141 367						
Hungary	603 442	574 119	29 323				29 323	
India	737 922	737 922		757 658	757 658			
Iran (Islamic Republic of) (2)	603 442		603 442	1 680 808		1 680 808	2 284 250	
Ireland	603 442	603 442						
Italy	872 405	872 405						
Japan	1 679 292	1 679 292						
Morocco	603 442	603 442						
Netherlands	737 922	737 922						
Norway	737 922	737 922						
Qatar	603 442	603 422	20				20	
Republic of Korea	872 405	872 405		66 164	66 164			
Russian Federation	872 405	852 705	19 700				19 700	
Spain	872 405	872 405						
Sweden	737 922	737 922						
Switzerland	737 922	737 922						
United Kingdom of Great Britain and Northern Ireland	1 141 367	1 141 367						
United States of America	1 679 292	503 788	1 175 504	1 188 541	1 188 541		1 175 504	
TOTAL	**22 413 548**	**20 585 559**	**1 827 989**	**4 256 515**	**2 575 707**	**1 680 808**	**3 508 797**	**934 466**
% of collection		**91.84%**						
Unbudgeted Assessment								
People's Republic of China (3)	1 119 528	1 119 528						
GRAND TOTAL	**23 533 076**	**21 705 087**	**1 827 989**	**4 256 515**	**2 575 707**	**1 680 808**	**3 508 797**	**934 466**

(1) Participating States 2023 Assessed contribution were partially received in advance in 2022

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

(3) China's membership was accepted in 2021.
2022 contribution equals to two-third of the full assessed contribution of Group 1 Participating States and accounted under the unbudgeted assessment.