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

Gland

***Report of the
statutory auditor to the
Council on the consolidated
financial statements 2017***





Report of the statutory auditor to the Council of IUCN, International Union for Conservation of Nature and Natural Resources Gland

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of IUCN, International Union for Conservation of Nature and Natural Resources, which comprise the consolidated balance sheet as at 31 December 2017, consolidated income and expenditure statement, consolidated funds and reserve statement, consolidated cash flow statement and notes for the year then ended, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements as at 31 December 2017 comply with Swiss law, IUCN Statutes, as well as with the consolidation and valuation principles described in the notes.

Basis for opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISAs) and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the “Auditor’s responsibilities for the audit of the consolidated financial statements” section of our report.

We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information in the annual report

The Management is responsible for the other information in the annual report. The other information comprises all information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of IUCN, International Union for Conservation of Nature and Natural Resources and our auditor’s reports thereon.

Our opinion on the consolidated financial statements does not cover the other information in the annual report and we do not express any form of assurance conclusion thereon.

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



Responsibilities of the Management for the consolidated financial statements

The Management is responsible for the preparation of the consolidated financial statements in accordance with the provisions of Swiss law, and for such internal control as the Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, 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 Swiss law, ISAs and Swiss Auditing Standards 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 consolidated financial statements.

As part of an audit in accordance with Swiss law, ISAs and Swiss Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability 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 consolidated 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 Group to cease to continue as a going concern.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Management or its relevant committee 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

In accordance with article 818 paragraph 1 CO in connection with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of consolidated financial statements according to the instructions of the Management.

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

PricewaterhouseCoopers SA

Yves Cerutti
Audit expert
Auditor in charge

Fanny Chapuis
Audit expert

Geneva, 2 May 2018

Enclosure:

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

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IUCN – International Union for Conservation of Nature and Natural Resources

CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2017

Report Currency: CHF ('000)

	Notes	31.12.2017	31.12.2016
ASSETS			
Current assets			
Cash and short term bank deposits	III	48,935	37,777
Financial assets	IV	16,482	14,005
Membership dues receivables (net)	V	1,646	1,592
Staff receivables	VI	453	649
Receivables from partner organisations	VII	475	277
Advances to implementing partners and grantees	VIII	12,512	7,722
Prepayments		1,020	756
Donor funds receivable		3,318	2,793
Project agreement receivables	IX	14,073	16,300
Framework agreements receivables	X	510	-
Other account receivables		1,222	966
Total Current assets		100,646	82,837
Non-current assets			
Fixed assets (net)	XI	30,358	31,864
Intangible assets (net)	XII	369	975
Total Non-current assets		30,727	32,839
TOTAL ASSETS		131,373	115,676
LIABILITIES AND FUND BALANCES			
Current liabilities			
Membership dues paid in advance		1,409	1,977
Accounts payable and accrued liabilities	XIII	13,907	7,593
Social charges payable		354	608
Project agreement advances	IX	57,885	50,179
Deferred income framework agreements	XVII	1,196	103
Deferred income buildings	XVII	463	511
New building loan	XVIII	174	171
Advances from hosted organisations	XV	511	589
Miscellaneous current liabilities		635	225
Total Current liabilities		76,534	61,956
Provisions			
Projects in deficit	XVI	2,171	1,495
Staff leave and repatriation		2,135	2,042
Staff termination	XVI	1,576	1,450
Other provisions		-	39
Total Provisions		5,882	5,026
Non-current liabilities			
Long term deferred income	XVII	16,360	17,085
New building loan	XVIII	11,124	11,298
Total Non-current liabilities		27,484	28,383
Funds and Unrestricted Reserves			
Designated reserves	XIX	2,025	849
Unrestricted reserves	XIX	19,448	19,462
Total Funds and Unrestricted Reserves		21,473	20,311
TOTAL LIABILITIES AND FUND BALANCES		131,373	115,676

IUCN – International Union for Conservation of Nature and Natural Resources

CONSOLIDATED INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

Report Currency: CHF ('000)

	2017			2016			
	Notes	Secretariat Unrestricted	Project Agreements	Total	Secretariat Unrestricted	Project Agreements	Total
EXTERNAL OPERATING INCOME							
Membership dues		11,735	-	11,735	12,932	-	12,932
Retention of staff income tax	XX	1,292	-	1,292	1,319	-	1,319
Agreements income		5	95,123	95,128	90	94,453	94,543
Framework income	XXI	12,578	-	12,578	13,877	-	13,877
Other operating income	XXII	4,450	278	4,728	3,514	3,670	7,184
TOTAL EXTERNAL OPERATING INCOME		30,060	95,401	125,461	31,732	98,123	129,855
INTERNAL ALLOCATIONS							
Framework allocations to projects		-	-	-	-	-	-
Cross charges from projects		36,402	(36,402)	-	36,722	(36,722)	-
Other internal allocations		961	(961)	-	250	(250)	-
TOTAL INTERNAL ALLOCATIONS		37,363	(37,363)	-	36,972	(36,972)	-
OPERATING EXPENDITURE							
Staff costs		52,077	6,576	58,653	53,003	6,771	59,774
Consultants		1,579	18,992	20,571	1,802	18,272	20,074
Grants to partners		481	4,920	5,401	627	5,595	6,222
Travel		2,365	12,085	14,450	3,017	15,226	18,243
Workshops and conferences		290	1,897	2,187	523	2,675	3,198
Publications and printing costs		299	2,303	2,602	296	2,660	2,956
Office and general administrative costs		3,894	4,835	8,729	3,995	3,159	7,154
Vehicles & equipment - costs & maintenance		955	6,911	7,866	927	4,722	5,649
Professional fees or costs		590	637	1,227	661	632	1,293
Depreciation and amortization		2,959	8	2,967	3,206	5	3,211
TOTAL OPERATING EXPENDITURE		65,489	59,164	124,653	68,057	59,717	127,774
NET OPERATING SURPLUS/(DEFICIT)		1,934	(1,126)	808	647	1,434	2,081
OTHER INCOME - EXPENDITURE							
Interest income	XVIII	501	6	507	553	30	583
Financial charges	XVIII	(538)	(186)	(724)	(557)	(245)	(802)
Capital gains (losses)	IV	274	-	274	86	-	86
Net gains/(losses) on foreign exchange		292	718	1,010	(396)	(89)	(485)
Exchange differences on revaluation of project balances	XXIII	-	573	573	-	324	324
Net movements in provision and write-offs		(1,331)	15	(1,316)	(2,163)	189	(1,974)
2016 Congress project surplus	XXV	-	-	-	1,643	(1,643)	-
TOTAL OTHER INCOME - EXPENDITURE		(802)	1,126	324	(834)	(1,434)	(2,268)
NET SURPLUS/(DEFICIT) FOR THE YEAR		1,132	-	1,132	(187)	-	(187)

IUCN – International Union for Conservation of Nature and Natural Resources

CONSOLIDATED FUNDS AND RESERVE STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

Report Currency: CHF ('000)

	Designated Reserves					Unrestricted Reserves			Total	
	Reserve for Statutory Meetings	Other Designated Reserves	Programme Reserves	Renovation Fund	Total Designated Reserves	Currency Translation Reserve	IUCN Fund	Retained Surpluses		Total Unrestricted Reserves
Balance as at 1 January 2016	103	541	5,301	825	6,770	1,636	8,621	3,778	14,035	20,805
Net surplus/(deficit) for the year	-	-	-	-	-	-	-	(187)	(187)	(187)
Foreign exchange adjustment	-	-	-	-	-	(307)	-	-	(307)	(307)
Allocation to renovation fund	-	-	-	24	24	-	-	(24)	(24)	-
Release from other designated reserves	-	(541)	-	-	(541)	-	-	541	541	-
Release from reserve for statutory meetings	(103)	-	-	-	(103)	-	-	103	103	-
Release from Programme reserves	-	-	(5,301)	-	(5,301)	-	-	5,301	5,301	-
Balance as at 31 December 2016	-	-	-	849	849	1,329	8,621	9,512	19,462	20,311
Balance as at 1 January 2017	-	-	-	849	849	1,329	8,621	9,512	19,462	20,311
Net surplus/(deficit) for the year	-	-	-	-	-	-	-	1,132	1,132	1,132
Foreign exchange adjustment	-	-	-	-	-	30	-	-	30	30
Allocation to renovation fund	-	-	-	16	16	-	-	(16)	(16)	-
Allocation to other designated reserves	-	671	-	-	671	-	-	(671)	(671)	-
Allocation to reserve for statutory meetings	489	-	-	-	489	-	-	(489)	(489)	-
Balance as at 31 December 2017	489	671	-	865	2,025	1,359	8,621	9,468	19,448	21,473

IUCN – International Union for Conservation of Nature and Natural Resources

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

Report Currency: CHF ('000)

	Notes	2017	2016
Cash flow from operations			
Surplus/(deficit) from operations		1,132	(187)
Effect of exchange rate	XIX	30	(307)
Net balance from operations		1,162	(494)
Depreciation of fixed assets	XI	2,329	2,602
Amortisation and write-down of intangible assets	XII	636	671
Increase / (decrease) in provisions for projects in deficit	XVI	676	431
Increase / (decrease) in staff leave and repatriation liabilities		93	711
Increase / (decrease) in the provision for staff termination	XVI	126	(45)
Increase / (decrease) in other provisions		(39)	(168)
(Increase) / decrease in membership dues receivables (net)	V	(54)	430
(Increase) / decrease in staff receivables	VI	196	(130)
(Increase) / decrease in receivables from partner organisations	VII	(198)	496
(Increase) / decrease in advances to implementing partners	VIII	(4,790)	178
(Increase) / decrease in prepayments		(264)	980
(Increase) / decrease in donor funds receivable		(525)	(144)
(Increase) / decrease in project agreement receivables	IX	2,227	(4,042)
(Increase) / decrease in framework agreements receivable	X	(510)	623
(Increase) / decrease in other accounts receivable		(256)	(145)
Increase / (decrease) in membership dues paid in advance		(568)	(34)
Increase / (decrease) in accounts payable and accrued liabilities	XIII	6,314	1,162
Increase / (decrease) in social charges payable		(254)	277
Increase / (decrease) in project agreement advances	IX	7,706	2,203
Increase / (decrease) in miscellaneous current liabilities		409	143
Increase / (decrease) in hosted organisations advances	XV	(80)	(140)
(Gain)/loss on disposal of fixed assets	XI	25	43
Total cash flow from operations		14,361	5,608
Cash flow from investing activities			
Purchase of fixed assets	XI	(845)	(1,275)
Net movement in financial assets	IV	(2,477)	487
Purchase of intangible assets	XII	(30)	(81)
Total cash flow from investing activities		(3,352)	(869)
Cash flow from financing activities			
Increase / (decrease) in loan	XVIII	(171)	(167)
Increase / (decrease) in current deferred income	XVII	1,045	(31)
Increase / (decrease) in long-term deferred income	XVII	(725)	(623)
Total cash flow from financing activities		149	(821)
Net cash inflow for the year		11,158	3,918
Cash and short term deposits at the beginning of the year	III	37,777	33,859
Cash and short term deposits at the end of the year	III	48,935	37,777

IUCN – International Union for Conservation of Nature and Natural Resources

Notes to the financial Statements for the Year ended 31 December 2017

All amounts in CHF ('000) unless otherwise stated

I. ORGANISATION AND ACTIVITY

IUCN, International Union for Conservation of Nature and Natural Resources is a membership organisation constituted by statutes adopted in 1948 at a conference convened by the Republic of France. The membership is comprised of states, governmental agencies, international and national non-governmental organizations, and indigenous peoples organisations. IUCN is registered in Gland, Switzerland as an association under article 60 of the Swiss Civil Code and is solely responsible, to the exclusion of its members, for all its transactions and commitments.

The highest governing body of IUCN is the World Conservation Congress which is composed of the membership of IUCN. The World Conservation Congress elects the Council which has authority to govern IUCN between meetings.

In 1986, IUCN concluded a fiscal agreement with the Swiss government which granted IUCN exemption from all Swiss taxes. IUCN has been granted observer status at the United Nations.

The mission of IUCN is to influence, encourage and assist societies throughout the world to conserve the integrity and diversity of nature and to ensure that any use of natural resources is equitable and ecologically sustainable.

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DEFINITIONS

All amounts are expressed in thousands of Swiss francs (CHF) unless otherwise indicated.

1. Accounting convention

The financial statements are prepared under the historical cost convention except for financial assets and loans that are measured at revalued amount or at fair value. The financial statements are prepared in accordance with the provisions of the Swiss Code of Obligations.

2. Basis of consolidation

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

Branches:

- Asia Region
 - Asia Regional Office (Thailand)
 - Bangladesh Country Office
 - Cambodia Country Office
 - China Country Office
 - India Country Office
 - Indonesia Project Office
 - Lao PDR Country Office
 - Maldives Project Office
 - Myanmar Project Office
 - Nepal Country Office
 - Pakistan Country Office
 - Sri Lanka Country Office
 - Thailand Country Office
 - Vietnam Country Office

IUCN – International Union for Conservation of Nature and Natural Resources

Notes to the financial Statements for the Year ended 31 December 2017

All amounts in CHF ('000) unless otherwise stated

Eastern and Southern Africa Region

- Eastern and Southern Africa Regional Office (Kenya)
- Djibouti Project Office
- Mozambique Country Office
- Rwanda Project Office
- South Africa Country Office
- Tanzania Country Office
- Uganda Country Office
- Zimbabwe Country Office

- Eastern Europe and Central Asia Regional Office (Serbia)

- Environmental Law Centre (Germany)

- Mediterranean Office (Spain)

- Oceania Regional Office (Fiji)

- Mexico, Central America and the Caribbean Region
 - Mexico, Central America and the Caribbean Regional Office (Costa Rica)
 - El Salvador Project Office
 - Guatemala Project Office
 - Honduras Project Office
 - Mexico Project Office

- South America Region
 - South America Regional Office (Ecuador)
 - Brazil Country Office

- UK Species Programme (United Kingdom)

- Western and Central Africa Region
 - Western and Central Africa Regional Office (Burkina Faso)
 - Burkina Faso Country Office
 - Cameroon Country Office
 - Democratic Republic of Congo Country Office
 - Ghana Project Office
 - Guinea Project Office
 - Guinea Bissau Country Office
 - Mali Country Office
 - Mauritania Country Office
 - Niger Project Office

- West Asia Regional Office (Jordan)

- Washington, DC Office

Other entities:

- The International Union for the Conservation of Nature and Natural Resources, Registered Trustees (WASAA Trust Fund, Nairobi)
- IUCN, Bureau de Représentation auprès de l'Union Européenne aisbl
- Associação IUCN
- IUCN UK (A Company Limited by Guarantee)
- IUCN Maldives
- IUCN PNG Mangrove Rehabilitation and Management Project Association

IUCN – International Union for Conservation of Nature and Natural Resources

Notes to the financial Statements for the Year ended 31 December 2017

All amounts in CHF ('000) unless otherwise stated

3. Currency of accounts

a) Reporting currency

In accordance with IUCN's Regulations, the reporting currency for the consolidated financial statements is Swiss francs (CHF).

b) Functional currency

A separate set of accounts is maintained for each country where IUCN has a presence. The functional currency for each country is the national currency of the country with the exception of Fiji (USD), Costa Rica (USD) and Serbia (EUR) where the currency chosen better reflects the economic environment in which the office operates.

4. Foreign exchange

The following accounting policies are applied when converting transactions and balances to the reporting currency:

- Transactions denominated in currencies other than the office ledger currency are converted to the ledger currency and recorded on the basis of the exchange rate prevailing at the date of the transaction. At the end of the year all balances maintained in transaction currencies are translated to the currency of the office ledger at the year-end rate. The gains and losses incurred are recognised in the income statement of each office ledger.
- Except for fixed assets which are stated at historical values, non-Swiss franc balances in the consolidated balance sheet are translated to CHF at the year-end exchange rate and the resulting net unrealised gain or loss included in the balance sheet as a currency translation adjustment reserve.
- Project balances are expressed in the currency of the ledger in which they reside. Project balances in currencies other than CHF are translated to CHF at the year-end exchange rate. The resulting net unrealised gain or loss is recognized in the currency translation adjustment reserve.
- If, as a result of the application of the above translation policies, a net deficit would occur on the currency translation adjustment reserve the deficit would be recognized in the income and expenditure statement.

5. Income

Income comprises membership dues from members, contributions from donors, investment income, Swiss government tax rebates, rental of office space, and sundry income from the sale of other goods and services.

a) Membership dues

Membership dues are fixed by the World Conservation Congress, the supreme governing body of IUCN, and are recognised as unrestricted income in the year they fall due.

b) Voluntary donations

Voluntary donations comprise framework agreements with donors for the core activities of IUCN and project agreements for project activities.

Framework agreements income

Framework agreements are normally for periods of more than one year and may be subject to general restrictions in their use in terms of geography or thematic area.

IUCN – International Union for Conservation of Nature and Natural Resources

Notes to the financial Statements for the Year ended 31 December 2017

All amounts in CHF ('000) unless otherwise stated

Framework agreements income is recognized in the income statement as unrestricted income once the agreement has been signed and in accordance with the amounts specified in the agreement for each calendar year. Framework agreements income received in advance of the period to which it relates is recorded as deferred unrestricted income.

Framework in-kind contributions

In-kind contributions of staff are recognised at fair value over the period of the employment contract as both income and expenditure in the Consolidated Income and Expenditure Statement. The fair value of in-kind staff is taken as the average cost that would be incurred by IUCN, if it were to directly employ a person in a similar position.

Project agreements income

Project agreements income is restricted for specific project activities detailed in project agreements and subject to specific conditions imposed by the donor. Income is recognised as expenditure is incurred. At year end, the balance of projects are recorded as "Project agreement receivables" (current assets) where expenditure incurred on projects exceeded amounts advanced by donors, and under "Project agreement advances" (current liabilities) where advances from donors exceeded expenditure incurred.

c) Retention of staff income tax

Non-Swiss staff resident in Switzerland are exempt from paying taxes on their IUCN earnings on the basis of a fiscal agreement between IUCN and the Swiss Government, which entered into effect on 1st January 1987. In order to ensure equitable treatment of both Swiss and non-Swiss staff at Headquarters, an internal tax is levied on non-Swiss staff resident in Switzerland. This is shown as Retention of staff income tax in the Consolidated Income and Expenditure Statement and is classified as unrestricted income.

6. Expenditure

All unrestricted expenditure and project expenditure is accounted for on an accruals basis.

7. Cross charges from projects

Cross charges from projects represent transfers between Project agreements and Secretariat unrestricted funds and comprise staff time charged to projects and indirect costs funded from projects.

Staff time charges

IUCN staff costs are recorded as unrestricted costs. Staff working on projects charge their time spent on projects through a time recording system. Project agreements are charged the cost of staff time and the Secretariat unrestricted fund receives the income.

Indirect cost recoveries

Indirect costs are recorded as unrestricted costs. Indirect costs funded from project agreements are cross charged to projects and the Secretariat unrestricted fund receives the income.

8. Financial assets

Financial assets are recorded at fair value. Gains or losses arising from changes in fair values of financial assets are recognized in the income statement in the year that they occur as are foreign exchange gains or losses resulting from the revaluation of financial assets denominated in currencies other than the CHF.

IUCN – International Union for Conservation of Nature and Natural Resources

Notes to the financial Statements for the Year ended 31 December 2017

All amounts in CHF ('000) unless otherwise stated

9. Fixed assets

a) Purchased assets

Purchased fixed assets are capitalised when the purchase price is one thousand CHF or above, or the equivalent in other currencies, and when ownership resides with IUCN.

b) In-kind assets

In-kind contributions of fixed assets are capitalised at fair value and the donations recorded as deferred income which is then recognised in the income statement over the estimated useful life of the assets in line with the depreciation charges.

c) Depreciation

Fixed assets are depreciated over their estimated useful lives on the following basis:

Computer hardware	3 years
Vehicles	4 - 7 years
Office furniture and equipment	4 - 7 years
Building renovations	10 - 20 years
Building installations	20 years
Building infrastructures	50 years

d) Donations for the purchase of fixed assets

Cash donations received for the purchase of fixed assets are recorded as deferred income and recognised in the income statement over the estimated useful life of the corresponding asset in line with the depreciation charge.

10. Intangible assets

Purchased computer software is capitalized on the basis of the costs incurred to acquire the software and bring it to its point of use.

Software is depreciated over its estimated useful life on a straight line basis over 5 to 7 years.

The cost of developing in-house software is expensed in the year that the costs are incurred.

11. Provisions

a) Provision for membership dues receivable

A general provision for outstanding membership dues is made to recognise the probability that not all dues will be received. The increase or decrease in the total provision is recognised in the income and expenditure statement. Provision for membership dues in arrears is calculated on the following basis, based on the outstanding balance at the close of the year.

Membership dues outstanding for:

	<u>2017</u>	<u>2016</u>
Four years or more	100%	100%
Three years	100%	60%
Two years	67%	40%
One year	33%	20%

The change in the level of provisions from 2016 to 2017 reflects a change in the rescission procedures. As of 2018, the IUCN membership will take decisions on a biannual basis to rescind members having arrears of dues of 2 years or more. Previously, such decisions were taken every four years.

The provision against the arrears of some state members and state agencies is calculated on an individual basis after a review of their own special situations.

Full provision is made against the dues owed by Members whose rights have been rescinded by the IUCN World Conservation Congress.

b) Provision for projects in deficit

A provision for projects in deficit is made in respect of those projects where expenditure has exceeded income and where the receipt of future additional funds to cover the excess expenditure is uncertain.

c) Staff terminations

Provision is made for the estimated cost of known redundancies. A redundancy is considered to be known when a management decision has been taken and communicated to the staff concerned.

Additional provision is made when there is a local legal obligation.

d) Staff leave and repatriation

Provision is made for holiday entitlement which has not been used by staff at the year-end. The balance at the year-end also includes the estimated cost of repatriation of international staff.

12. Loans at below market rate of interest

Loans are initially measured at fair value. The benefit of the below-market rate of interest is measured as the difference between the initial carrying value of the loan and the proceeds received. The benefit is recorded as deferred income and recognised over the period of the loan. The market rate of interest is reviewed annually and the carrying value adjusted for significant movements in the market rate.

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

13. Hosted organisations

IUCN hosts certain organisations. A hosted organisation has no legal status in the country of operation and therefore operates under the legal umbrella of IUCN. A hosted organisation is operationally autonomous and is accountable to its own management and governance structures and not to IUCN.

Income received and expenditure incurred on behalf of a hosted organisation is accounted for in separate project accounts and excluded from consolidation. Funds held by IUCN on behalf of hosted organisations are recorded on the balance sheet as hosted organisation advances.

14. Reserves

IUCN maintains the following reserves:

a) Unrestricted reserves

IUCN Fund

The IUCN Fund is maintained in order to preserve IUCN's capital base. The use of the fund is governed by the IUCN Council and is maintained as a reserve of last resort.

Currency translation reserves

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The Currency translation reserve represents changes in the value of the net assets of IUCN at the consolidation level as a result of movements of functional currencies against the Swiss franc.

Retained surpluses

The Retained surpluses represent other unrestricted reserves.

b) Designated reserves

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

Reserve for statutory meetings

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

Programme reserves

Programme reserves are funds set aside for specific future programme activities or for when unrestricted income is received in one financial year but the associated expenditure is planned in a future financial year.

Renovation fund

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

Other Designated reserves

Other Designated reserves represent amounts allocated from unrestricted funds to cover the cost of other future costs or activities.

III. CASH AND SHORT TERM BANK DEPOSITS

Cash and short-term bank deposits include all bank accounts and short-term deposit accounts operated by IUCN worldwide. The analysis by region or office is shown below.

REGION OR OFFICE	2017	2016
Asia	2,294	2,975
Eastern and Southern Africa	2,633	2,191
Eastern Europe and Central Asia	341	65
Europe	1,495	664
Environmental Law Centre, Bonn	378	270
Headquarters	32,722	22,466
Mediterranean	388	726
Mexico, Central America and the Caribbean	2,210	2,632
Oceania	327	785
South America	272	395
United Kingdom	440	692
United States	1,896	1,332
Western and Central Africa	3,241	2,566
West Asia	298	18
Balance at 31 December	48,935	37,777

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IV. FINANCIAL ASSETS

	2017	2016
Bonds	10,834	8,366
Microfinance	2,987	2,793
Equities	1,183	1,457
Convertibles	886	626
Other Investments	592	763
Balance at 31 December	16,482	14,005

At 31 December 2017, an unrealized foreign exchange gain of CHF 3 (2016 – CHF 14 gain) was recognised on the investment portfolio.

During the year, CHF 274 of capital gains (2016 - CHF 86 gain) were realised on the sale of investments.

The Government of Zimbabwe appropriated USD bank accounts of IUCN in 2008. In 2015, treasury bills were issued to IUCN as compensation for the appropriation. The treasury bills have maturity dates to 2019. The treasury bills are recorded at estimated fair value of CHF nil and are included under Bonds.

V. MEMBERSHIP DUES RECEIVABLE AND PROVISION

	2017	2016
Gross membership dues receivable	3,885	4,285
Provision for dues in arrears	(2,239)	(2,693)
Net membership dues receivable at 31 December	1,646	1,592

The provision for membership dues in arrears has been calculated in accordance with the policy described in Note II.11 (a) and as adjusted in 2017. The change in the membership dues in arrears provision calculation in 2017 compared to 2016 resulted in an increased provision of CHF474.

	2014 and prior	2015	2016	2017	Total
State member	333	244	699	1,710	2,986
Government agencies	48	73	165	284	570
Indigenous peoples organisations	1	0	0	7	8
International NGOs	1	2	6	8	17
National NGOs	21	22	79	120	242
Affiliates	5	8	15	34	62
Total membership dues receivable	409	349	964	2,163	3,885
Provision for membership dues	(409)	(349)	(744)	(737)	(2,239)
Net membership dues receivable	0	0	220	1,426	1,646

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Movement in provision for membership dues

	2017	2016
Balance at 1 January	2,693	1,627
Addition to /(release from) provision	(26)	1,269
Write off of deficits against provision	(428)	(203)
Balance at 31 December	2,239	2,693

VI. STAFF RECEIVABLES

Staff receivables comprise travel advances, payroll advances and loans to staff outstanding as at 31 December.

	2017	2016
Travel advances	434	533
Payroll advances and staff loans	19	116
Balance at 31 December	453	649

VII. RECEIVABLES FROM PARTNER ORGANISATIONS

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

	2017	2016
RAMSAR Convention Secretariat	475	277

VIII. ADVANCES TO IMPLEMENTING PARTNERS

Advances to implementing partners represent amounts advanced to IUCN partners for the implementation of project agreements that were not spent as at 31 December.

	2017	2016
Asia	517	450
Eastern and Southern Africa	408	396
Headquarters	9,477	4,924
Mediterranean	15	61
Mexico, Central America and the Caribbean	274	239
South America	252	69
United Kingdom	220	251
United States	22	299
West Asia	172	127
Western and Central Africa	1,155	906
Balance at 31 December	12,512	7,722

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IX. PROJECT AGREEMENTS RECEIVABLES AND ADVANCES

Receivables and advances on project agreements represent respectively the total of projects with a negative cash balance and the total of projects with a positive cash balance at year end.

	2017	2016
Project agreement receivables	(14,073)	(16,300)
Project agreement advances	57,885	50,179
Balance at 31 December	43,812	33,879

X. FRAMEWORK AGREEMENTS RECEIVABLES

Framework agreements receivables represent framework agreements income due but not received as at the end of the year. As at 31 December 2017 there was CHF 510 receivable compared to CHF nil receivable at 31 December 2016.

XI. FIXED ASSETS

1. Movement in fixed assets

	Building Infrastructures	Building Installations	Other Land and Buildings	Vehicles, Equipment, Furniture & Fixtures	Total
Purchase value:					
Balance as at 31 December, 2015	27,178	13,775	4,911	10,532	56,396
Additions	-	-	157	1,118	1,275
Disposals	-	-	(15)	(1,794)	(1,809)
Balance as at 31 December, 2016	27,178	13,775	5,053	9,856	55,862
Additions	-	-	228	617	845
Disposals	-	-	-	(1,707)	(1,707)
Balance as at 31 December, 2017	27,178	13,775	5,281	8,766	55,000
Depreciation:					
Balance as at 31 December 2015	(8,466)	(5,585)	(861)	(8,250)	(23,162)
Charge for the year 2016	(544)	(575)	(281)	(1,202)	(2,602)
Disposals	-	-	15	1,751	1,766
Balance as at 31 December 2016	(9,010)	(6,160)	(1,127)	(7,701)	(23,998)
Charge for the year 2017	(544)	(575)	(278)	(932)	(2,329)
Disposals	-	-	-	1,685	1,685
Balance as at 31 December 2017	(9,554)	(6,735)	(1,405)	(6,948)	(24,642)
Net book value:					
Balance as at 31 December 2016	18,168	7,615	3,926	2,155	31,864
Balance as at 31 December 2017	17,624	7,040	3,876	1,818	30,358

Fixed assets purchased using unrestricted funds are depreciated over their estimated useful lives as per Note II.9.

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2. Land

In 1990, the commune of Gland gave IUCN the right to use a plot of land for the purpose of building the IUCN Secretariat Headquarters. The right was granted at no cost for a period of 50 years, i.e. until August 2040. In 2008, the commune of Gland gave IUCN the right of use of an adjacent piece of land to the original plot for a period of 50 years, with the permission to construct an extension to the existing IUCN Headquarters building.

3. IUCN Headquarters building

Included in Building Infrastructures and Building Installations is the Headquarters building of IUCN. This consists of an original building and an extension.

a) Original building

The original building was financed by donations received from the Swiss Confederation, the Canton of Vaud and the Commune of Gland. Although IUCN formally owns the Headquarters building, it enjoys a restricted use and cannot dispose of it or use it as collateral without the approval of the Swiss Government. If disposed of, the Swiss Government has the right to recuperate its initial outlay plus a percentage of the value added, if applicable. The cost of the building is included in fixed assets and the net book value is matched by a corresponding value of deferred income to recognise the restricted nature of the building. The deferred income is released over the estimated useful life of the building in line with the depreciation of the building.

In 2014, the Canton of Vaud provided a grant of CHF 600 towards the renovation of the original building. The grant will be released over the estimated useful life of the building renovation (20 years).

b) Building extension

The building extension was financed by an interest free loan from the Swiss Government of CHF 20,000 payable in 50 equal yearly instalments of CHF 400, the first of which was paid in December 2010. In addition to the loan from the Swiss Government, IUCN received cash donations of CHF 4,092 and in-kind donations of CHF 1,787.

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XII. INTANGIBLE ASSETS

As at 31 December 2017 expenditure of CHF 4,728 (2016 - CHF 4,698) had been incurred on the development and implementation of an ERP system and portal applications. The ERP system went “live” at the IUCN Headquarters in July 2011 and has been depreciated from this point.

Movement in Intangible assets

	2017	2016
Purchase value:		
Balance at 1 January	4,408	4,327
Additions	30	81
Balance at 31 December	4,438	4,408
Amortisation:		
Balance as of 1 January	(3,433)	(2,762)
Charge for the year	(636)	(671)
Balance at 31 December	(4,069)	(3,433)
Net Book Value at 31 December	369	975

XIII. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities represent amounts owed to creditors and suppliers as at the end of the year. Of the total outstanding balance of CHF 13,907 as at 31 December 2017 (2016 – CHF 7,593), CHF 10,025 (2016 - CHF 3,342) is related to Headquarters and the balance to regional and country offices.

	2017	2016
Accounts payable and supplier accruals	6,082	5,532
Accruals for implementing partners	7,825	2,061
Balance at 31 December	13,907	7,593

XIV. PENSION FUND OBLIGATIONS

IUCN operates different pension plans in different countries, each conforming to the legal regulations in the respective country. On 31 December 2017, the liability to the pension schemes amounted to CHF 0 (2016 CHF 60).

XV. HOSTED ORGANISATIONS ADVANCES

Hosted organisation advances represent funds held by IUCN on behalf of hosted organisations.

	2017	2016
Balance at 1 January	589	729
Income	3,736	5,204
Expenditure	(3,848)	(4,950)
	477	983
Movement on funds held	34	(394)
Balance at 31 December	511	589

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XVI. PROVISIONS

1. Projects in deficit

The provision for projects in deficit is funded by unrestricted income and covers projects where negotiations are still ongoing but where IUCN considers that it may not be able to obtain additional funds from donors to cover expenditures already incurred.

Movement in project deficit provision

	2017	2016
Balance at 1 January	1,495	1,064
Additions to provision	1,351	835
Utilization of provision	(675)	(404)
Balance at 31 December	2,171	1,495
Region	2017	2016
Asia	497	108
Eastern and Southern Africa Region	302	10
Eastern Europe and Central Asia	17	16
Headquarters	457	938
Mediterranean	79	-
Oceania	426	277
Western and Central Africa	106	73
West Asia	287	73
Balance at 31 December	2,171	1,495

2. Staff termination

The provision for staff termination is calculated separately for each office to comply with local labour laws. Irrespective of local labour law, provision is made for the estimated cost of staff termination when a decision has been made to terminate a member of staff and the decision has been communicated to the individual concerned.

Movement in provision for staff termination

	2017	2016
Balance at 1 January	1,450	1,495
Additions to provision	913	1,016
Utilization of provision	(787)	(1,061)
Balance at 31 December	1,576	1,450

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XVII. DEFERRED INCOME

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

	2017	2016
Deferred unrestricted income	1,196	103
US deferred rent	-	31
Donations for construction of HQ building extension		
Donations in cash	2,855	2,956
Donations in kind	273	344
Donation in cash for renovation of original building	496	527
	3,624	3,827
Headquarters original building	7,708	8,017
Interest free government loan	5,491	5,721
Total	18,019	17,699
Current		
Deferred unrestricted income	1,196	103
Buildings:		
Original building	339	339
Building extension	124	172
Total buildings	463	511
Total current deferred income	1,659	614
Non-current		
US deferred rent	-	31
Original building	7,400	7,709
Building extension	8,960	9,345
Total long term deferred income	16,360	17,085
Total deferred income	18,019	17,699

IUCN Washington DC Office entered into a long term rental contract and benefits from lower rental costs at the beginning of the ten year contract. In 2014, the lease was extended and will expire in 2025. With the original lease, the office is paying an annual increase in rent of 4%, which is higher than annual inflation estimated at 1.75%. The difference of the low initial rental costs and the higher annual rental increases is recorded as deferred income to straight line the cost over the relevant rental period. The low initial rental cost benefits were gradually eliminated in the lease extension.

Donations received for the headquarters buildings (original and extension) are recorded as deferred income and recognised over the useful life of the corresponding purchased or donated assets (see Note XI 3).

The deferred income on the government loan represents the difference between the fair value of the loan CHF 11,298 (2016 - CHF 11,469) and the outstanding cash value of the loan CHF 16,789 (2016 - CHF 17,190) (see Note XVIII). This difference represents the fair value of the interest saved on the interest free loan granted by the Swiss Government and is recognised over the period of the loan.

XVIII. NEW BUILDING LOAN

Headquarters building extension loan

	2017	2016
Current	174	171
Non-current	11,124	11,298
Balance at 31 December	11,298	11,469

The Swiss Government provided an interest free loan of CHF 20,000 to finance the headquarters building extension.

The loan is repayable in 50 annual instalments of CHF 400. The first instalment was paid in December 2010.

The fair value of the loan is estimated at CHF 11,298 (2016 - CHF 11,469). The outstanding cash value of the loan has been discounted at a rate of 2% (2016 - 2%) which represents the market interest rate for a 10-year loan based on current market conditions. The difference of CHF 5,491 (2016 - CHF 5,721) between the outstanding cash value and the fair value of the loan is the benefit derived from the interest-free loan and is recorded as deferred income (see Note XVII).

The value of the interest that would have been paid on an equivalent commercial loan of 2% is estimated at CHF 336 (2016 - 2%, CHF 344). This has been recorded in the income and expenditure statement under Interest income to recognize the benefit of the interest free loan and under financial charges to recognize the interest that would have been paid.

XIX. FUNDS AND UNRESTRICTED RESERVES

1. Unrestricted reserves

Currency translation adjustments & foreign exchange gains and losses

Exchange gains and losses at the individual ledger levels are dealt with in the income statement. The net unrestricted loss on exchange for the year amounted to CHF 292 gain (2016 - loss of CHF 396).

Exchange gains and losses on consolidation and translation of ledgers maintained in other currencies to CHF are taken to the currency translation adjustment reserve. The net movement during 2017 was a gain of CHF 30 (2016 - loss of CHF 307).

2. Designated reserves

a) Reserve for statutory meetings

In 2017, CHF 489 (2016 – CHF 103) was allocated to the Reserve for statutory meetings from Retained surpluses to cover future costs for the 2020 Congress (CHF 239) and the Regional Conservation Fora (CHF 250).

b) Other designated reserves

In 2017, CHF 671 (2016 – release from reserve CHF 541) was allocated to Other designated reserves in respect of: the IUCN Commissions - CHF 214 (2016 - release from reserve - CHF 445), External review - CHF 75 (2016 – release from reserve - CHF 96) and systems investments - CHF 382 (2016 – nil).

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c) Programme Reserves

No transfers were made to Programme Reserves during 2017 (2016 – release from reserves – CHF 5,301).

d) Renovation fund

A net allocation of CHF 16 (2016 - CHF 24) was made from Retained surpluses to the Renovation fund to cover future renovation costs of the IUCN Headquarters building.

XX. RETENTION OF STAFF INCOME TAX

Swiss Government tax rebates amounted to CHF 1,292 (2016 – CHF 1,319) and represents the value of taxes that would have been paid by non-Swiss staff in the absence of the Fiscal Agreement between IUCN and the Swiss Government which exempts non-Swiss staff from payroll taxes and which entered into effect on 1 January 1987.

XXI. FRAMEWORK INCOME

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

Framework income includes in-kind contributions of CHF 481 (2016 - CHF 307).

XXII. OTHER OPERATING INCOME

Other operating income of CHF 4,450 (2016 - CHF 3,514) shown under Secretariat unrestricted funds includes overhead and management fees from Ramsar Convention Secretariat of CHF 515 (2016 - CHF 536), rental income of CHF 960 (2016 - CHF 866) and recognition of deferred income of donations for the headquarters original building and building extension CHF 511 (2016 - CHF 645). The balance of other operating income is made up of miscellaneous external income received by IUCN both at Headquarters and other offices around the world.

XXIII. EXCHANGE DIFFERENCES ON REVALUATION OF PROJECT BALANCES

Project balances are expressed in the currency of the country ledger. At the end of the year, project balances expressed in non-CHF ledgers are revalued to CHF using the year-end exchange rates. The resulting unrealised gain or loss is recorded as an adjustment to project balances on the balance sheet and the Currency translation adjustment reserve. The net adjustment is passed through the income and expenditure statement for project agreements to reflect the net movement on the project portfolio.

XXIV. AUDIT FEE

The following fees were paid to the auditors of IUCN's financial statements.

	2017	2016
Consolidated financial statement audit	165	189
Other audits	48	126

XXV. RELATED PARTIES

1. Identity of related parties

a) The Commissions

The Commissions of IUCN are networks of expert volunteers entrusted to develop and advance the institutional knowledge and experience and objectives of IUCN. The Commissions are established by Congress which determines their mandate.

b) The National and Regional Committees

National and Regional Committees are groupings of Members of IUCN from specific states or regions. Their role is to facilitate cooperation among Members and to coordinate the participation of Members in the programme and governance of IUCN.

c) The Convention on Wetlands of International Importance (Ramsar)

Ramsar is hosted by the IUCN Secretariat and operates under its legal personality. It is headed by a Secretary General with sole responsibility for the administration of the convention funds and for all administrative matters, with the exception of those requiring the exercise of legal personality. IUCN provides services to the Ramsar Secretariat in terms of financial and budgetary management, office facilities, human resources management and information technology.

d) TRAFFIC International

TRAFFIC International is a charity registered in the United Kingdom and is a strategic alliance between WWF International and IUCN. The IUCN Secretariat hosts TRAFFIC operations in its offices in Cameroon, Thailand and South Africa where they operate under the legal personality of IUCN.

e) International Union for Conservation of Nature and Natural Resources – US

The International Union for Conservation of Nature and Natural Resources – US is a US registered charity whose main purpose is to raise funds for conservation to be spent in partnership with IUCN and its members.

2. Transactions with related parties

During the course of the year IUCN made contributions of CHF 1,300 to the Commissions (2016 – CHF 1,443). The amount is distributed across the expenditure headings that reflect the nature of the expenses incurred by the Commissions.

During the year and as part of the services IUCN provides to Ramsar, IUCN received funds of CHF 5,488 (2016 – CHF 5,729) and incurred payments of CHF 5,237 (2016 – CHF 5,650) on behalf of Ramsar. At year-end the balance held in trust for Ramsar amounted to CHF 4,466 (2016 – CHF 4,599). These transactions are recorded in Ramsar accounts and financial statements and are therefore not presented in the financial statements of IUCN. During the year, IUCN received fees of CHF 515 (2016 – CHF 536) for the services provided to Ramsar and which are included in Other operating income.

During the year IUCN made contributions of CHF 446 to TRAFFIC International (2016 – CHF 275).

During the year IUCN received funds from the International Union for the Conservation of Nature and Natural Resources – US of USD 791 (CHF 743) and in 2016, USD 1,259 (CHF 1,254) was received.

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Summary of legally controlled entities:

Company	Year-end closing	Currency	Capital	Share of capital	
				2017	2016
The International Union for the Conservation of Nature and Natural Resources, Registered Trustees, (WASAA Trust Fund, Nairobi)	31.12	KES	220,840	100%	100%
IUCN, Bureau de Représentation auprès de l'Union Européenne asbl	31.12	EUR	77	100%	100%
Associação IUCN	31.12	BLR	223	20%	20%
IUCN UK (A Company Limited by Guarantee)	31.12	GBP	115	NA	NA
IUCN Maldives	31.12	MVR	540	100%	100%
IUCN PNG "Mangrove Rehabilitation and Management Project Association	dormant				

XXVI. OPERATING LEASES

At 31 December 2017, IUCN has future minimum office rental commitments amounting to CHF 6,007 (2016 – CHF 5,973) relating to expected rental fees until the end of the lease contract expiring from March 2018 to December 2025.

IUCN has leasing contracts for office equipment and vehicles amounting to CHF 205 (2016 – CHF 136) expiring June 2017 to July 2022.

XXVII. BANK GUARANTEE

At 31 December 2017, IUCN had bank guarantees totalling Mozambique Metical 2,862 (CHF 47) (2016 – EUR 2,071 – CHF 2,220) in favour of an IUCN donor. Cash for an equivalent amount is pledged at the corresponding bank.

ANNEX A – CORE FUNDS UNDER FRAMEWORK AGREEMENTS

All amounts in CHF ('000)

	2017	2017	2016	2016
	Secretariat expenditure	Framework core allocation	Secretariat expenditure	Framework core allocation
Central and West Africa Region	3,738	789	4,272	882
Eastern and Southern Africa Region	4,095	739	4,355	827
Asia Region	7,420	998	7,798	1,115
Meso America and Caribbean	4,274	480	3,979	545
South America and Brazil	1,469	383	1,190	481
European Regional Office, Brussels	844	-	820	-
Eastern Europe and Central Asia Regional Office	396	-	396	-
West Asia Region	1,030	386	1,218	439
Mediterranean Cooperation Centre	1,353	-	1,035	-
Oceania	1,623	389	1,910	442
Washington DC Office	1,085	-	1,125	-
Sub Total Regional Components	27,327	4,164	28,097	4,731
Director's Office, Biodiversity Conservation Group	377	493	466	493
Species Programme	3,056	676	3,243	803
Protected Areas Programme	1,570	529	1,347	541
World Heritage Programme	1,003	385	1,038	407
Traffic International	446	446	573	275
Sub Total Biodiversity Conservation Group	6,452	2,529	6,667	2,518
Director's Office, Nature-based Solutions Group	508	440	523	441
Ecosystem Management Programme	1,321	324	1,418	260
Forest & Climate Change Programme	2,597	321	2,908	382
Marine & Polar Programme	1,783	424	1,521	445
Water & Food Security Programme	1,049	298	1,114	356
Business & Biodiversity Programme	1,185	338	1,344	401
Governance and Rights Programme	1,134	532	1,585	818
Sub Total Nature-based Solutions Group	9,577	2,677	10,411	3,103
Director's Office, Programme & Policy Group	414	455	427	480
Economic Knowledge	504	291	-	-
Science and Knowledge Unit	894	762	842	795
Global Policy Unit	641	600	609	574
Environmental Law Programme	1,100	413	1,153	504
GEF Coordination Unit	681	607	669	684
Sub Total PPG - Programme & Policy Group	4,234	3,128	3,700	3,037
Commission on Education and Communication	124	209	229	232
Commission on Ecosystem Management	179	209	244	232
World Commission on Environmental Law	138	220	175	244
World Commission on Protected Areas	184	218	231	242
Species Survival Commission	246	235	277	261
Commission on Environment, Economics and Social Policy	175	209	224	232
Sub Total Commissions	1,046	1,300	1,378	1,443
Director's office, Union Development Group	851	-	1,638	-
Governance	636	-	652	-
Sub Total Union Development	1,487	-	2,291	-
Directorate	1,471	145	1,558	159
Office of the Legal Adviser	461	-	511	-
Oversight Unit	209	-	246	-
Planning, Monitoring & Evaluation Unit	531	595	539	654
Global Communications Unit	1,130	-	1,252	167
Finance Group	1,862	-	2,159	-
Global Programme Operations Unit	844	-	-	-
Human Resources Management Group	1,202	-	1,252	-
Strategic Partnerships Unit	569	-	638	-
General Services Unit	2,997	-	3,066	-
Information Systems Group	4,067	-	4,249	-
Sub Total Corporate Support Units	15,343	740	15,471	981
OVERALL TOTAL	65,466	14,538	68,015	15,811
Non-operating expenditure	23	-	42	-
Operating expenses as per the Income & Expenditure Statement	65,489	14,538	68,057	15,811
Reconciliation of Framework Income to the Financial Statements		2017		2016
Overall Total allocations as above		14,538		15,811
Realised foreign exchange on cash contributions		-		6
Surplus/(Deficit) at year-end transferred to unrestricted reserve		(1,960)		(1,941)
Total Funding Framework Agreements		12,578		13,877

ANNEX A – CORE FUNDS UNDER FRAMEWORK AGREEMENTS

All amounts in CHF ('000)

	2017	2016
Framework Agreement Partners	TOTAL	TOTAL
Ministry of Foreign Affairs (DANIDA) - Denmark	-	3,527
Agence Française de Développement (AFD), Ministry for Europe and Foreign Affairs (MEAE), Ministry of Ecological and Inclusive Transition (MTES), Ministry of Agriculture and Food (MAA); Ministry of Overseas Territories (MOM) – France	481	924
MAVA Fondation pour la Nature – Switzerland	1,000	1,000
Ministry of Environment, Republic of Korea (MOE) – Korea	500	600
Ministry of Foreign Affairs – Finland	410	375
Norwegian Agency for Development Cooperation (NORAD) – Norway	2,524	2,507
Swedish International Development Agency (Sida) – Sweden	4,627	2,893
Swiss Agency for Development and Cooperation (SDC) – Switzerland	2,200	2,050
U.S. Department of State	836	-
Total Funding Framework Agreements	12,578	13,877

Framework income allocations are made on the basis of budgeted income at the start of the year. The difference between allocations made and actual income received is taken to unrestricted reserves. This is compensated by balances on other funding sources to arrive at the overall result for the year.