



Inter-Parliamentary Union
For democracy. For everyone.



150th IPU Assembly

Tashkent, Uzbekistan (5–9 April 2025)

Executive Committee
Item 6
Governing Council
Item 6

EX/295-3/6(a)-R.1
CL/215/6-R.1
10 March 2025

Financial results for 2024

Financial report and audited financial statements

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#IPU150

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1. Introduction

The audited financial statements for 2024 are once again fully compliant with International Public Sector Accounting Standards (IPSAS). They reflect the changes effected during the past 12 years – consolidating the IPU Legacy Pension Fund with the IPU's own accounts, carrying out a regular full actuarial review of the Pension Fund, revaluing the IPU Headquarters building in Geneva at fair value and amortizing the 50-year loan that was offered by the Swiss Confederation in 2003 for the construction and renovation of the Headquarters building.

The content of the IPU Financial Report is derived from the body of the five audited financial statements and their comprehensive notes. A comparison of budget performance by category of expenditure and by strategic direction is found in Statement V: Statement of Comparison of Budget and Actual Amounts and in note 17 on segment reporting. Details of expenditure by line item are provided in note 18. This financial report therefore provides a summary of key information and a narrative explanation of budget variances, and points out where further information can be located in the financial statements and notes.

The budget for 2024 was approved by the Governing Council with an increase of 3% in Members' assessed contributions compared with 2023. Members' assessed contributions still remain below their level of 2009. The IPU has continued the engagement with its various stakeholders and ensured that its risk assessment framework is tailored to the current environment.

In 2024, the IPU's investments in mutual funds recovered and generated a gain totalling CHF 252,246 at the end of the year. A further amount of CHF 94,846 in interest on term deposits was earned during the year. Overall, the IPU's net assets decreased by an operating deficit of CHF 419,697 in 2024 due primarily to an increase in the provision for expected credit losses on Members' assessed contributions. The principal of the IPU's working capital portfolio remains safe, in line with its investment policy on working capital, as it holds high-quality assets aimed at preserving principal.

Swiss regulations required the windows of the IPU Headquarters building to be replaced in 2018-2019, improving both energy efficiency and security, and the amortized cost of this work continues to be charged to the IPU's reserve for major repairs. In accordance with the decision of the Governing Council in Geneva in 2007, an additional amount of CHF 17,100 has been set aside in a reserve for the purpose of offsetting CO₂ emissions and to mitigate the environmental impact of operations.

After the decrease in net assets, the liquid portion of the IPU's Working Capital Fund stands at 92% of its 2024 target level. The target level was set by the Executive Committee in 2006 at one half of the IPU's approved annual operating budget although the Working Capital Fund is composed not only of available cash, cash equivalents and investments but also of IPSAS-required accounting adjustments which cannot be realized in cash. The accumulated balance of the Fund at 31 December 2024 amounted to CHF 10,217,663, of which CHF 2,052,921 related to IPSAS accounting adjustments for the headquarters building revaluation and amortization of the FIPOI (*Fondation des immeubles pour les organisations internationales*) building loan.

The following sections provide a summary of the revenues and expenses of the IPU during 2024, in particular where these amounts have varied from the Consolidated Budget as identified in Statement V: Statement of Comparison of Budget and Actual Amounts.

2. Revenue

The principal sources of revenue for the IPU are the assessed contributions of Members and voluntary funds from donors. A small proportion of total revenue is earned from interest, investments and other sources, including meeting room rentals. In 2024, overall revenue remained level with the previous year at CHF 15,039,596. Upon the decision of the Governing Council, Members' assessed contributions increased to CHF 11,610,550, still below the level of total assessed contributions in 2009. Interest and investment earnings remained positive, ending 2024 with an overall unrealized gain of CHF 347,091 across the combined IPU and closed Pension Fund portfolios. Other income of CHF 12,449 was received during the year from office rental and the sale of institutional gifts.

2.1 Assessed contributions from Member Parliaments

In all, 178 Members and 15 Associate Members were assessed for a total of CHF 11,610,550 in 2024. By the end of 2024, all but CHF 1,216,806 of the current year (2024) assessments had been collected, with total arrears of contributions increasing year-on-year due mainly to the global financial environment and to the situation of the Bolivarian Republic of Venezuela, which owes a total of CHF 698,600 in arrears. There were 79 Members and Associate Members with contributions outstanding. Of the Members in arrears at the year end, 13 were liable for suspension of all membership rights under Article 5.3 and 19 were liable for loss of voting rights under Article 5.2. The membership rights of three Member Parliaments (Central African Republic, Congo and Haiti) were suspended and their arrears of contribution were written off for a total of CHF 220,569.

2.2 Voluntary contributions

The 2024 budget for voluntary contributions was set at CHF 4.1 million. As a consequence of lower-than-expected programme expenditure and some grants not arriving when anticipated, actual expenditure of voluntary contributions was 75% of the budgeted amount.

At the start of 2024, the IPU had pledges from donors for future years totalling CHF 3.9 million. During the year, donors firmly committed an additional amount of CHF 4.6 million, subject to specific conditions set forth in agreements. Meanwhile, CHF 3.1 million was spent and the end-of-year balance of pledges from donors totalled CHF 5.4 million, most of which relates to multiyear agreements.

The total amount of voluntary contributions earned/spent in 2024 was CHF 3.1 million.

2.3 Staff assessment

Seven per cent of budgeted revenue came from the internal taxation of staff salaries. The rates of staff assessment, which are set by the International Civil Service Commission, are based upon the average tax rates in Geneva, London, Montreal, New York, Paris, Rome and Vienna. In line with IPSAS requirements, the IPU no longer recognizes this staff assessment element as either income or expenditure in Statement II: Statement of Financial Performance.

The IPU is contractually obliged to reimburse certain staff members for any national income taxes which are imposed on their IPU incomes. In 2024, CHF 31,409 was reimbursed to staff members who paid taxes to France.

2.4 Investment income and other revenues

In 2006, the IPU placed a portion of its funds in a balanced mutual fund in order to increase returns on the Working Capital Fund through diversification. Markets performed well in 2024 and the year-end value of the IPU and Pension Fund portfolios reflected an overall gain of CHF 252,246 in 2024. The market value of the mutual fund units held has continued to rise slightly at the beginning of 2024. Since the end of 2022, the IPU has been able to activate fixed-term deposit accounts allowing it to earn risk-free returns of CHF 94,846 from these accounts in 2024. The IPU maintains its prudent stance towards investments, and deposits cash in banks with credit ratings of A- or higher.

3. Expenditure

The Strategy for 2022-2026 gave the IPU a mandate to continue strengthening and connecting parliaments for peace, democracy and sustainable development in 2024. In line with the IPU's compliance with IPSAS, the IPU 2024 Consolidated Budget was organized according to the five objectives.

A total of 99.4% of the budget of the IPU is directly attributable to the activities planned to achieve the five objectives of the Strategy. The balance of 0.6% of expenditures comes from other charges, including grants and all contributions to reserves.

Further financial details can be found in Statement V: Statement of Comparison of Budget and Actual Amounts and in the segment reporting in note 17, while the Impact Report for 2024 contains operational information (<https://www.ipu.org/resources/publications>).

3.1 Strategic Objective 1: Building effective and empowered parliaments

The IPU's Strategy has focused the Organization's efforts on building effective and empowered parliaments that are able to work autonomously and efficiently in the face of conflict, climate change, disinformation and economic turmoil that have continued to place exceptional pressure on parliaments around the world. The 2024 operating costs of activities towards achieving this objective were CHF 3,599,776 in total. Core budget expenditure was 8% under budget in total, with the savings made mainly in the areas of language services and travel. The voluntary budget included funds related to Parline as well as to programmes for peace, security and countering terrorism, and to country partnerships with UNDP.

3.2 Strategic Objective 2: Promoting inclusive and representative parliaments

Parliaments continue to make slow but steady progress on gender equality and youth participation. Expenditure on representative and inclusive parliaments to produce more equal, stable and democratic societies ended the year with a total annual expenditure of CHF 1,113,692. Core expenditure reached 96% of its total budget. Voluntary funds from Global Affairs Canada, the Swedish International Development Cooperation Agency (Sida), Irish Aid, the European Union and the parliaments of Qatar and the United Arab Emirates were utilized towards this objective.

3.3 Strategic Objective 3: Supporting resilient and innovative parliaments

The turbulent global environment of the last few years has highlighted the need for parliaments to be forward-looking, resilient and adapt their working practices quickly. The IPU's Centre for Innovation in Parliament continued its work in 2024, providing a platform for parliaments to develop and share good practices in digital transformation strategies and practical methods for building capacity. Core expenditure ended the year under budget by 16% and delays in the agreement of expected voluntary funds led to fewer activities being undertaken than planned, leaving the strategic objective expenditure at 61% of budget overall.

3.4 Strategic Objective 4: Catalysing collective parliamentary action

The IPU's role in converting the collective voice of the parliamentary community into national and international action is central to its mission and the personal relationships that it helps to build between parliamentarians are invaluable. In 2024, the IPU organized many in-person and virtual events, attended by thousands of parliamentarians, accounting for expenditures of CHF 7,723,170. Core expenditure on Objective 4 finished the year over budget on the core by 1%, with both Assemblies coming in above budget by 14% due to the increased costs of the conference facilities in Geneva. The use of virtual meetings for selected sessions of the governing bodies helped to limit further expenditure overruns.

Comparative data on the core budget costs of each Assembly in 2024 is given in the tables below.

Comparative costs of the first Assembly (in CHF)

Item	Geneva 2024	Manama 2023	Nusa Dua 2022
Permanent staff overtime	30,511	28,615	26,560
Temp. staff/contractual services	542,025	498,158	431,087
Travel & related expenses	52,458	107,230	184,669
Freight/communication	10,220	14,710	20,159
Supplies/equipment/services	223,673	6,193	27,783
Publications/web	10,834	14,043	0
Gifts/hospitality	5,244	3,959	6,679
Total expense	874,965	672,907	696,937

Comparative costs of the second Assembly (in CHF)

Item	Geneva 2024	Luanda 2023	Kigali 2022
Permanent staff overtime	32,861	27,550	27,538
Temp. staff/contractual services	462,531	532,740	505,465
Travel & related expenses	37,931	137,155	198,678
Freight/communication	10,995	133	27,587
Supplies/equipment/services	251,073	2,657	37,182
Publications/web	20,896	9,227	116
Gifts/hospitality	1,629	9,407	2,300
Total expense	817,916	718,870	798,866

3.5 Strategic Objective 5: Strengthening the IPU's accountability

Accountability, transparency and efficient functioning at all levels of the IPU, for the Secretariat as well as for IPU Member Parliaments, is recognized as a critical factor for progress towards all the Strategic Objectives. This objective also includes expenditures on internal governance and oversight, the communications function, digital transformation, gender mainstreaming, work towards carbon neutrality and IPU support services (which include finance, administration and human resources services, office accommodation, asset depreciation, equipment rental, ICT and supplies). Total expenditure on this objective came in at CHF 3,467,720, 8% under budget due primarily to savings made in telecoms services and depreciation.

3.6 Other charges

An allowance for doubtful accounts is set aside to cover the write-off of outstanding debts. In 2024, the Governing Council took active steps to address the trend of increasing arrears of contributions and wrote off the arrears of three Member Parliaments. Further actions are expected in 2025 to tackle other longstanding arrears and encourage all Members to pay their contributions promptly. Following the adoption of IPSAS 41, provision is now required for the expected credit loss on all receivables and the provision was increased by CHF 423,145. After adjusting for the statutory write-off of arrears, the reserve was therefore increased to a net total of CHF 966,997 (30% of the total amount receivable from Members).

The annual grant to the Association of Secretaries General of Parliaments was CHF 7,241.

No addition to the reserve for major building repairs to IPU Headquarters was budgeted in 2024 as the level of the reserve was assessed to be adequate. The reserve currently stands at CHF 361,163. The Headquarters' windows were renovated in 2018 and 2019 and the depreciation cost of this is being offset against the accumulated reserve funds until 2043, as foreseen.

In accordance with the decision of the Governing Council in Geneva in 2007, an amount of CHF 17,100 was set aside in a reserve for the purpose of offsetting CO₂ emissions and to mitigate the environmental impact of operations. The total accumulated reserve of CHF 51,241 will be used for climate-change-related activities in 2025 and beyond.

The Parliamentary Solidarity Fund stood at CHF 90,045 at the end of the year. Grants totalling CHF 2,699 were made from the Fund during 2024.

4. Gender analysis

Under the IPSAS presentation of the Financial Statements, expenditure on the objective of advancing gender equality is shown directly in Statement V: Statement of Comparison of Budget and Actual Amounts. In 2024, gender-specific expenditure totalled CHF 1,333,203, which represents 8% of the IPU's total expenses.

Women are employed in the Secretariat in equal or greater numbers than men in both the professional and general service categories:

Representation in the Secretariat	2024		2023	
	No.	Per cent of total	No.	Per cent of total
Women on staff – general services	12	80%	12	75%
Women on staff – professional	15	48%	14	47%
Women on staff – total	27	59%	26	58%
Women recruited during year	3	75%	0	0%
Women promoted during year	7	70%	0	0%

5. Capital expenditures

In 2024, CHF 28,636 was spent on furniture, vehicles, equipment and premises, including the routine replacement of outdated IT and communications equipment. Overall, capital expenditures on fixed assets ended the year at 57% of budget. No new expenditure was made on capitalized intangible assets.

6. Staff Pension Fund

The closed legacy Pension Fund covers the pension commitments made to former employees of the IPU who have already retired. In compliance with IPSAS requirements, the accounts of the closed Pension Fund were consolidated into the IPU Financial Statements from 2012 onwards.

An actuarial study was carried out to calculate the valuation of the pension liabilities of the IPU as of 31 December 2024. The results of the study are set out in Note 11 to the Financial Statements, along with details of all of the IPU's other employee benefit liabilities.

7. Recommendations

In accordance with Rule 13.3 of the financial regulations, it is recommended that the Governing Council approve the financial administration of the IPU and the financial results for 2024.

8. Management's responsibility for financial reporting

The management of the IPU is responsible for the reliability, integrity and objectivity of the accompanying financial statements and annual financial report. The financial statements have been prepared in accordance with IPSAS. Where necessary, the statements include amounts that are based on judgements and estimates by management. To assist management in fulfilling its responsibilities, a system of internal accounting controls has been established to provide reasonable assurance that the financial statements are accurate and reliable and that assets are safeguarded.

The Governing Council is responsible for approving the annual financial statements. The Governing Council has delegated certain responsibilities to the Internal Auditors, including the responsibility for reviewing the annual financial statements and meeting with management and the External Auditor, as necessary, on matters relating to the financial reporting process.

These financial statements have been audited by the External Auditor appointed by the Executive Committee.



Martin Chungong
Secretary General



Andrée Lorber
Director
Division of Support Services

9. External auditor's opinion

Letter from the External Auditor to the Secretary General of the Inter-Parliamentary Union

Number: 20 /S/I/03/2025

Mr. Martin Chungong
Secretary General of the Inter-Parliamentary Union
5, Chemin du Pommier
Case postale 330
CH-1218 Le Grand-Saconnex
Geneva
Switzerland

Dear Secretary General,

In accordance with Rule 13 of the Inter-Parliamentary Union's Financial Regulations, I have the honour of presenting the Audit Board of the Republic of Indonesia's (Badan Pemeriksa Keuangan/BPK) Report to you for onward transmission to the Executive Committee of the Inter-Parliamentary Union.

This report comprises the External Auditor's Opinion and External Auditor's Long-Form Report on the attached Audited Financial Statements of the Inter-Parliamentary Union (the IPU) for the year ended 31 December 2024, prepared by the IPU.

Yours Sincerely,

(Signed)

Dr. Isma Yatun, CSFA, CFrA
Chair of the Audit Board of the Republic of Indonesia
External Auditor

Jakarta, Indonesia
14 March 2025

AUDIT OPINION

CERTIFICATE OF THE EXTERNAL AUDITOR ON THE FINANCIAL STATEMENTS OF THE INTER-PARLIAMENTARY UNION AS AT AND FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2024

To the Executive Committee of the Inter-Parliamentary Union

Opinion

We have audited the financial statements of the Inter-Parliamentary Union (the IPU), which comprise the Statement of Financial Position as at 31 December 2024: and the Statement of Financial Performance, the Statement of Changes in Net Assets, the Statement of Cash Flows, and the Statement of Comparison of Budget and Actual Amounts for the year then ended, and Notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the IPU as at 31 December 2024, and financial performance and cash flows for the year then ended of the IPU in accordance with International Public Sector Accounting Standards (IPSAS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the IPU, in accordance with the ethical requirements that are relevant to our audit of the financial statements, 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

Management is responsible for the other information. The other information comprises the Secretary General's statement contained below, 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statement 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 such 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 is 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 IPU'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 Management either intends to liquidate the IPU or to cease operations, or has no realistic alternative but to do so.

The Governing Council and the Executive Committee, in particular its Sub-Committee on Finance, as Those Charged with Governance, are responsible for overseeing the IPU's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 the ISAs 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.

A further description of our responsibilities for the audit of the financial statement is included in **annex 1** of this auditor's report. This description forms part of our auditor's report.

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

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

In accordance with the Rule 13 of the IPU's Financial Regulations, we have also issued a long-form report on our audit of the IPU.

(Signed)

**Dr. Isma Yatun, CSFA, CFrA
Chair of the Audit Board of the Republic of Indonesia
External Auditor**

**Jakarta, Indonesia
14 March 2025**

10. Statement of financial position

INTER-PARLIAMENTARY UNION

Statement I:

Statement of Financial Position

at 31 December 2024

In CHF (Swiss francs)

	2024	2023
ASSETS		
Current assets		
Cash and cash equivalents		
Cash on hand	23,127	13,867
Cash in current accounts	3,996,184	5,179,992
Cash held by investment fund manager	373,681	395,549
Term deposits and savings accounts	<u>5,400,046</u>	<u>6,400,043</u>
Sub-total cash and cash equivalents (Note 3)	9,793,038	11,989,450
Accounts Receivable (Note 4)		
from Members	2,210,908	1,905,320
from Donors	1,572,964	1,506,422
from Tax Reimbursements and accrued interest	45,894	45,778
Observers and other receivables	<u>12,026</u>	<u>18,834</u>
Sub-total Accounts Receivable	3,841,793	3,476,354
Investments (Note 5)	3,280,500	3,405,671
Other current assets (Note 6)	<u>232,717</u>	<u>262,391</u>
Sub-total Current Assets	17,148,048	19,133,865
Non-current assets		
Property, Plant and Equipment (Note 7)		
Building and Grounds	6,740,939	6,998,658
Furnishings	29,077	30,065
General Equipment	12,127	-
ITC and Equipment	62,691	106,281
Vehicles	<u>-</u>	<u>-</u>
Sub-total Property, Plant and Equipment	6,844,835	7,135,005
Intangible assets (Note 8)	-	2,867
Accounts receivable from donors (Note 4)	2,363,012	201,263
Guarantee Deposit (Note 6)	<u>8,385</u>	<u>7,770</u>
Sub-total non-current assets	9,216,232	7,346,905
Total Assets	<u><u>26,364,280</u></u>	<u><u>26,480,771</u></u>

LIABILITIES

Current Liabilities		
Accounts Payable and Accrued Payables	317,368	215,758
Advances from Members	282,453	613,729
Deferred revenue (Note 9)	3,074,263	3,663,516
Borrowings (Note 10)	<u>189,600</u>	<u>189,600</u>
Sub-total Current Liabilities	3,863,684	4,682,603
Non-Current Liabilities		
Borrowings Long Term (Note 10)	4,327,315	4,463,406
Deferred Revenue (Note 9)	2,363,012	201,263
Other non-current liabilities (Note 9)	-	151,469
Legacy Pension Fund (Note 11)	7,852,727	8,192,747
Other Employee benefits liability (Note 11)	<u>1,737,600</u>	<u>1,607,978</u>
Sub-total Non-Current Liabilities	16,280,654	14,616,863
Total Liabilities	20,144,338	19,299,466
NET ASSETS		
Restricted Funds (Note 13)	412,404	424,461
Actuarial Gain (loss) recognized in net assets (Note 11)	-4,410,122	-3,841,874
Accumulated fund balance (Working Capital Fund after contribution)	<u>10,217,663</u>	<u>10,598,719</u>
Net Assets	<u>6,219,945</u>	<u>7,181,306</u>

11. Statement of financial performance

INTER-PARLIAMENTARY UNION

Statement II:

Statement of Financial Performance

for the year ended 31 December 2024

In CHF (Swiss francs)

	2024	2023
Revenue (Note 18)		
Assessed Contributions	11,610,550	11,268,350
Voluntary Contributions	3,069,506	3,610,650
Investment income	347,091	247,256
Other Income	12,449	8,688
Total Revenue	15,039,596	15,134,944
Expenses (Note 18)		
Personnel Expenditure – permanent staff	9,261,838	8,669,166
Personnel Expenditure – temporary staff	3,044,830	3,566,727
Change in Legacy pension fund provision	-908,268	-674,510
Travel Expenditure	671,560	872,042
Contractual Services	1,637,332	1,230,464
Operating Expenses	743,340	645,859
Supplies, Materials and Equipment	173,097	153,705
Allowance for Doubtful Accounts	202,575	-27,200
Grants and Honoraria	34,600	96,459
Depreciation and amortization of assets (Notes 7 & 8)	321,037	349,422
Amortization of loan (Note 10)	53,510	55,057
Statutory Write-off of Member Contributions	220,568	-
Loss on Foreign Exchange	3,275	40,483
Total Expenses	15,459,293	14,977,674
Operating Surplus/(Deficit) (Note 15)	-419,697	157,270

12. Statement of changes in net assets

INTER-PARLIAMENTARY UNION

Statement III:

Statement of Changes in Net Assets

for the year ended 31 December 2024

In CHF (Swiss francs)

	Accumulated Fund Balance	Actuarial Gain (loss)	Reserves	Total
Restated closing balance 31 December 2022	10,442,994	-3,378,276	422,921	7,487,639
Transfer to reserves (<u>Note 13</u>)	-23,200	-	23,200	-
Recognition of actuarial gain (loss)	-	-463,598	-	-463,598
Net result 2023	<u>178,930</u>	<u>-</u>	<u>-21,660</u>	<u>157,270</u>
Closing balance 31 December 2023	10,598,719	-3,841,874	424,461	7,181,306
Transfer to reserves (<u>Note 13</u>)	-17,100	-	17,100	-
Adjustment to Working Capital Fund	26,584	-	-	26,584
Recognition of actuarial gain (loss)	-	-568,248	-	-568,248
Net result 2024	<u>-390,541</u>	<u>-</u>	<u>-29,156</u>	<u>-419,697</u>
Closing balance 31 December 2024	10,217,663	-4,410,122	412,404	6,219,945

13. Statement of cash flows

INTER-PARLIAMENTARY UNION

Statement IV:

Statement of Cash Flows

for the year ended 31 December 2024

In CHF (Swiss francs)

	2024	2023
Cash flows from Operating Activities		
Operating surplus (deficit)	-419,697	157,270
Less investment income included in net result	<u>-347,091</u>	<u>-248,867</u>
Net result excluding income from investing activities	-766,788	-91,597
Depreciation	321,037	349,422
Amortization of loan	53,510	55,057
Adjustment to Working Capital Fund	26,584	-
(Increase) decrease in receivables	-2,527,189	482,907
(Increase) decrease in other current and non-current assets	29,059	-11,401
Increase (decrease) in payables, deferred revenue & other liabilities	1,191,361	-3,018,623
Increase (decrease) in pension fund liability recognized on Statement II	-908,268	-674,510
Increase (decrease) in other employee benefit liabilities	<u>129,622</u>	<u>71,114</u>
Net cash flows from Operating Activities	-2,451,072	-2,837,631
Cash flows from Investing Activities		
(Increase) decrease in Investments	125,171	2,749,202
Investment income included in net result	347,091	248,867
(increase) decrease in Intangible assets	-	-
(increase) decrease in Property, plant and equipment	<u>-28,000</u>	<u>-31,182</u>
Net cash flows from Investing Activities	444,262	2,966,887
Cash flows from Financing Activities		
Loan repayment to Swiss Federal Government	<u>-189,600</u>	<u>-189,600</u>
Net cash flows from Financing Activities	-189,600	-189,600
Net increase/(decrease) in Cash and Cash Equivalents	-2,196,410	-60,344
Cash and Cash Equivalents at beginning of period	11,989,450	12,049,794
Cash and Cash Equivalents at end of period	9,793,038	11,989,450

14. Statement of comparison of budget and actual amounts

INTER-PARLIAMENTARY UNION

Statement V:

Statement of Comparison of Budget and Actual Amounts

for the year ended 31 December 2024

In CHF (Swiss francs)

	Original Budget	Final Budget	Actual on comparable basis	Difference
Revenue				
Assessed contributions	11,585,700	11,585,700	11,610,550	-24,850
Working Capital Fund	728,400	728,400	532,307	196,093
Staff assessment	1,159,400	1,159,400	1,104,991	54,409
Voluntary contributions	4,116,900	4,116,900	3,069,506	1,047,394
Interest	100,000	100,000	287,858	-187,858
Other income	<u>18,000</u>	<u>18,000</u>	<u>9,717</u>	<u>8,283</u>
Total revenue	17,708,400	17,708,400	16,614,928	1,093,472
Expenses				
Building effective and empowered parliaments	3,748,000	3,748,000	3,599,776	148,224
Promoting inclusive and representative parliaments	1,340,400	1,340,400	1,113,692	226,708
Supporting resilient and innovative parliaments	824,600	824,600	506,307	318,293
Catalysing collective parliamentary action	8,242,400	8,242,400	7,723,170	519,230
Strengthening the IPU's accountability	3,753,400	3,753,400	3,467,720	285,680
Other charges	104,600	104,600	430,384	-325,784
Eliminations	<u>-305,000</u>	<u>-305,000</u>	<u>-226,120</u>	<u>-78,880</u>
Total expenses	17,708,400	17,708,400	16,614,928	1,093,472
Operating Surplus (Note 15)			0	0

Statement V: Comparison of Budget and Actual Amounts compares the final budget to actual amounts calculated on the same basis as the corresponding budgetary amounts. The budget is prepared on an accrual basis.

Note 15 provides a reconciliation between the actual amounts presented in Statement V and the actual amounts presented in Statement II: Financial Performance.

NOTE 1 NATURE OF THE ORGANIZATION

1. The Inter-Parliamentary Union (IPU) is the international organization of parliaments and has a unique inter-State character. It is the focal point for worldwide parliamentary dialogue. Since 1889, the IPU has worked for peace and cooperation among peoples and for the firm establishment of representative institutions. The IPU shares the objectives of, and works in close cooperation with, the United Nations, where it has official Observer status at the UN General Assembly. It also cooperates with regional inter-parliamentary organizations, as well as with international, intergovernmental and non-governmental organizations which are motivated by the same ideals.
2. The IPU is an international parliamentary political organization and possesses international legal personality. It is representative in character and structure, subject to the rule of law, and governed by its Statutes. States and international organizations dealing with the IPU have recognized its standing, authority and capacity to act in the international arena, within the area of its functional responsibilities, as the international organization of parliaments.
3. The IPU's main decision-making body is its Governing Council, established by the IPU Statutes and consisting of three delegates of all of the Members of the IPU. It normally holds two sessions per year. The Governing Council elects the President of the IPU, elects the Secretary General, sets the policy, guides the activities of the IPU and monitors their implementation. The Council adopts the work programme and budget, establishes the scale of assessed contributions, authorizes the acceptance of donations and legacies and approves the accounts. An Executive Committee composed of the President of the IPU and 15 members elected by the Governing Council proposes the annual work programme and budget to the Governing Council, oversees the administration of the IPU Secretariat, including establishing the scales of salaries and allowances of staff members, and appoints the External Auditor.
4. The IPU is funded by assessed contributions paid by its Members and voluntary contributions from Members and donors. The IPU operates within the framework of an annual work programme and budget, which provides the appropriations that constitute the expenditure authorizations approved by the Governing Council for each financial year. The approval of the appropriations provides the Secretary General with the authority to commit and authorize expenses and to make payments for the purposes assigned within the limits of the appropriations.
5. Since 1 January 2005, the IPU has been affiliated to the United Nations Joint Staff Pension Fund (UNJSPF). The IPU has a closed Pension Fund which is governed by the Regulations of the Pension Fund for members of staff of the IPU. In accordance with these Regulations, the assets of the Pension Fund are administered separately from those of the IPU. The Pension Fund is administered by a Management Board comprising a representative of the IPU's Executive Committee, who serves as President of the Board, the Secretary General, an expert in financial administration appointed by the Executive Committee, a representative of the staff of the IPU and a representative of the current retirees who are beneficiaries of the Fund. The Regulations of the Fund provide that the IPU is fully responsible for the benefits owed to existing pensioners and their survivors.
6. The Financial Regulations of the Inter-Parliamentary Union is the overall instrument governing the IPU's financial administration.

NOTE 2 ACCOUNTING POLICIES AND BASIS OF PRESENTATION

The Financial Statements have been prepared on a full accrual and going-concern basis and the accounting policies have been applied consistently throughout the period. The Statements comply with the requirements of International Public Sector Accounting Standards (IPSAS) including IPSAS 41, related to changes in accounting for financial instruments, amendments to IPSAS 36 related to long-term interest in Associates and Joint Ventures, amendments to IPSAS 19 related to Collective and Individual Services and IPSAS 42 related to Social Benefits, all of which became effective on 1 January 2023.

The following Standards which have been issued by the IPSAS Board will be adopted on their effective dates as shown in the table below.

Standard	Effective Date
IPSAS-10 Hyperinflationary Economies	
Amendment for IFRIC Interpretations	01 January 2026
IPSAS-19 Provisions, Contingent Liabilities and Contingent Assets	
Amendment for IFRIC Interpretations	01 January 2026
IPSAS-39 Employee Benefits	01 January 2026
Amendment for IFRIC Interpretations	01 January 2026
IPSAS-43 Leases	01 January 2025
Amendment for Concessionary Leases	01 January 2027
Amendment for IFRIC Interpretations	01 January 2026
IPSAS-44 Non-current Assets held for sale and Discontinued Operations	01 January 2025
IPSAS-45 Plant, Property and Equipment	01 January 2025
Amendment for IFRIC Interpretations	01 January 2026
IPSAS-46 Measurement	01 January 2025
IPSAS-47 Revenue	01 January 2026
Amendment for Right-of-use-Assets in-kind	01 January 2027
IPSAS-48 Transfer Expense	01 January 2026
Amendment for Right-of-use-Assets in-kind	01 January 2027
IPSAS-49 Retirement Benefit Plans	01 January 2026

The implementation of IPSAS 43 in 2025 will require the recognition of right of use assets and lease liabilities in connection with the IPU's location in New York City, USA and for two lease agreements in connection with copier equipment at the IPU's headquarters in Geneva. Recognition will be as of 1 January 2025. The implementation of IPSAS 44, 45 and 46 in 2025 will have no impact on the IPU's financial statements as none of the art works and other equipment and furnishings donated to the IPU meet the requirements for recognition as an asset (neither economic benefit nor service potential). The impact of the implementation of the remaining IPSAS will be evaluated prior to the implementation date.

The Financial Statements include the accounts of the IPU and the accounts of the closed Pension Fund. All internal transactions and balances are eliminated on consolidation.

Advances from Members

Advances from Members represent advance payment of assessed contributions for future financial periods received during the current reporting period.

Borrowing

Borrowing includes an interest-free loan from the Swiss Confederation, which is valued at amortized cost using the effective interest rate methodology.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, savings deposits without term limit and term deposits held up to 90 days. Investments include shares in mutual funds valued at market value. All investments are publicly traded, readily convertible to cash and subject to limited risk of change in value.

Closed Pension Fund

Prior to becoming a participating organization in the UNJSPF, the IPU had its own pension fund, established in 1965. The Pension Fund was closed to new members on 1 January 2005 and continues for those who were pensioners (including survivors) at the time of closure under the management of a Board. The IPU's representative on the Pension Board provides a report to the Executive Committee each year on the activities and status of the Pension Fund. In accordance with the requirements of IPSAS, the assets, liabilities, revenue and expense of the Pension Fund have been consolidated into the IPU's Financial Statements. The unfunded liability of the closed Pension Fund is a liability of the IPU. In addition, active staff members with permanent contracts dated earlier than 1 May 1996 have the option of retiring at age 60 rather than at age 62 as provided in the UNJSPF regulations. Eligible staff members who chose this option contribute to a Bridge Pension, to which the IPU also contributes. The IPU is ultimately responsible for any unfunded liability resulting from this benefit.

Employee benefits

Provisions are established for the liabilities for separation benefits payable (repatriation grants and travel) as determined by an independent actuary using the projected unit credit actuarial methodology and encashment of accumulated leave calculated by the IPU at nominal value. In addition, provisions are established for home leave deferred, overtime earned but not paid at the reporting date and education grants payable at the reporting date that have not been included in current expenditure.

Active employees participate in the UNJSPF, of which the IPU is a member organization. The UNJSPF was established by the United Nations General Assembly to provide retirement, death, disability and related benefits to employees. The Pension 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 which participates in the common system of salaries, allowances and other conditions of service of the United Nations and its specialized agencies.

The plan 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 plan. The IPU, in line with the other participating organizations in the Fund, is not in a position to identify its share of the underlying financial position and performance of the plan with sufficient reliability for accounting purposes and hence has treated this plan as if it were a defined contribution plan in line with the requirements of IPSAS 39 *Employee Benefits*. The IPU's contributions to the plan during the financial period are recognized as expenses in the Statement of Financial Performance.

Expected Credit Loss

An expected credit loss (ECL) provision is calculated in accordance with the requirement of IPSAS 41 *Financial Instruments* and applied to possible future losses in connection with receivables related to assessed contributions. The ECL is calculated as a percentage of total assessed contributions receivable for the previous five financial periods divided by total assessed contributions approved by the IPU's governing bodies for the previous five financial periods. The ECL is determined by multiplying the resulting percentage by the total assessed contributions for the previous five financial periods.

Contributions receivable for periods earlier than the previous five financial periods are provisioned at 100% pending final action by the IPU's governing bodies in accordance with the IPU's Statutes and Rules.

Accounts receivable for voluntary contributions are fully provisioned by a liability for deferred revenue and no ECL is applied. Other receivables related to arrears of charges payable by observer organizations are provisioned at 100% after two years. An ECL will be calculated for other receivables should material amounts be outstanding for more than one year.

Expense recognition

Expenses are recognized as goods are received and services rendered.

Financial Instruments

Financial instruments are recognized when the IPU becomes a party to the contractual provisions of the instrument and are derecognized when the right to receive cash flow from another entity in connection with a financial asset or the obligation to deliver cash to another entity in connection with a financial liability has expired.

Investments are non-derivative financial assets designated as held for trading and are valued at fair value through surplus and deficit based on quoted active market prices at the reporting date. Cash and cash equivalents represent financial assets held for short-term periods and are valued at nominal value at the reporting date. Cash deposits held for periods longer than 12 months are valued at fair value through surplus and deficit.

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on active markets comprising assessed contributions and other amounts receivable in cash. Short-term receivables are valued at amortized cost. Longer-term receivables covering arrears for Members are valued at amortized cost less allowances for estimated irrecoverable amounts. Voluntary contributions receivable in currencies other than Swiss francs are revalued to reflect the value in Swiss francs at the reporting date.

Accounts payable and borrowings are non-derivative financial liabilities with fixed payments not quoted on an active market that are payable in cash. Accounts payable, due to their short-term nature, are valued at nominal value, which is the equivalent of amortized cost. Borrowings (loans) are valued at amortized cost using the effective interest rate method.

Foreign currency transactions

The functional currency of the IPU is the Swiss franc (CHF) and these Financial Statements are presented in that currency. The transactions occurring in US Dollar (USD), Euro (EUR), Pound sterling (GBP), Krona (SEK), Australian Dollar (AUD), Krone (NOK), Canadian Dollar (CAD) and Rand (ZAR) are translated into Swiss francs using the United Nations official rate of exchange, while other currencies are translated into Swiss francs using other acceptable global exchange rates on the date of transaction. Both realized and unrealized gains and losses resulting from the settlement of such transactions and from the translation at the reporting date of assets and liabilities denominated in currencies other than Swiss francs are recognized in the Statement of Financial Performance.

Intangible assets

Costs associated with the development of software and the IPU's website are capitalized at historic cost and depreciated over a useful life of four years if they exceed a threshold of CHF 2,000.

Inventories

Stocks of publications for future distribution are written down to a net realizable value of zero in each reporting period.

Investments

Investments in long-term bonds held to maturity are valued at fair value at the reporting date. Investments in shares in money market funds available for trading are valued at fair value at the reporting date.

Net assets

Net assets include the unrestricted accumulated surplus and deficit of the IPU, which comprise its Working Capital Fund, revaluation surplus reflecting the difference between historic cost and current value of the Headquarters building and reserves established by the IPU Governing Council for Headquarters building maintenance and for carbon emissions offset.

Payables and accruals

Accounts payable include invoices received from suppliers not yet settled, including the revaluation of invoices payable in currencies other than Swiss francs. Accounts payable are valued at fair value through surplus and deficit. Accruals are liabilities for the cost of goods and services that have been received by or provided to the IPU during the year and which have not been invoiced by suppliers at the reporting date.

Property, plant and equipment

Equipment is valued at historic cost less accumulated depreciation and impairment. Equipment or sets of equipment and other fixed assets costing in excess of CHF 2,000 are capitalized as an asset. The IPU Headquarters building is valued at fair value as determined by an independent valuation in accordance with International Valuation Standards as at 31 December 2012. No further revaluation will be undertaken. The IPU reviews the value of its property and equipment at the end of each reporting period to determine whether carrying values are recoverable and to determine the extent of any impairment loss with any resulting impairment charged as an expense.

The fair value of buildings and the historic cost of each item of equipment in its class of equipment are depreciated on a straight-line basis so as to write off the full cost of fixed assets over their estimated useful lives, which are estimated as follows:

Category	Useful Life
Buildings – original structure	100 years
Buildings – new structure	75 years
Buildings – technical installations and equipment	30 years
Buildings – interior works	40 years
Buildings – windows	25 years
Furnishings	10 years
Vehicles	5 years
General equipment	4 years
IT hardware and software	4 years

The initial recognition of the difference between cost and fair value of the Headquarters building has been recognized directly in revaluation surplus, which forms part of the net assets. Accumulated depreciation is eliminated against the gross carrying amount of the building and the net amount restated to the revalued amount.

The land on which the Headquarters building sits has been made available to the IPU by the Canton of Geneva, which has granted, through the *Fondation des immeubles pour les organisations internationales* (FIPOI), surface rights, including the right to construct buildings for a period of 50 years with an option of an extension for an additional period. These surface rights were acquired by the IPU at no cost and no value has been recognized in the Statement of Financial Position as the IPU has only limited authority to dispose of the rights which revert to the Republic and Canton of Geneva unless renewed.

Official gifts are considered heritage items and no value has been recognized in the Statement of Financial Position.

Provisions

Provisions are recognized when the IPU has a legal or constructive obligation as a result of a past event, whereby it is probable that an outflow of resources will be required to settle the obligation and where a reliable estimate of the amount of the obligation can be made. The IPU calculates the provision for expected credit loss based on the best estimate of the collectability of the assessed contributions.

Receivables

Receivables from assessed contributions are recognized when they become due. An expected lifetime credit loss allowance for doubtful receivables is recorded at the end of each fiscal period. For all other receivables an allowance for non-recovery representing an expected lifetime credit loss is established based on a review of the outstanding amounts at the reporting date. Recoverable taxes paid in the jurisdictions in which the IPU is located are recognized as receivables when they become due in accordance with the agreements with each jurisdiction. Donor contributions receivable in currencies other than Swiss francs are revalued at the reporting date.

Revenue Recognition

Assessed contributions are recognized as revenue at the beginning of each year. Voluntary contributions supported by enforceable agreements are recognized as revenue at the time the agreement becomes binding unless the agreement includes conditions related to specific performance or the return of unexpended balances. If the agreements contain conditions, revenue recognition is deferred until the liability is discharged through performance of the specific conditions contained in the agreement.

Revenue from investments is recognized when earned. Other revenues are recognized when services are performed or when products are shipped.

Segment reporting

Segment reporting reflects the strategic directions of the Organization as established by the Governing Council.

Statement of Cash Flows

The statement of cash flows is prepared using the indirect method.

Taxes

The IPU has been expressly recognized by the two countries in which it is physically located, Switzerland and the United States of America, as an international organization entitled to the appropriate privileges and immunities. It enjoys a special international organization tax-exempt status in both countries. In Switzerland, under the terms of a 1971 Accord, the IPU is exempted from direct and indirect federal, cantonal and community taxes and is subject to the same duties as other international organizations. In the United States, the IPU is exempted from direct federal taxes and duties under the terms of the International Organizations Immunities Act and is exempted from the payment of New York State and local sales and use taxes.

Use of Estimates

The preparation of the Financial Statements in conformity with IPSAS requires management to make estimates and assumptions that affect the amounts reported in the Financial Statements and accompanying notes. These estimates are based on management's best knowledge of current events and actions that the IPU may undertake in the future. Actual results could differ from these estimates. Estimates include, but are not limited to, separation benefit obligations, financial risk on accounts receivable, degree of impairment of fixed assets and valuation of the Headquarters building. Changes in estimates are reflected in the Statement of Financial Performance in the period in which they become known. All balances are presented in whole number Swiss francs, as a result small rounding differences may occur and details may not add to totals due to rounding.

NOTE 3 CASH AND CASH EQUIVALENTS

Cash deposits are held in instant-access bank accounts, interest-bearing accounts and short-term deposits of 90 days or fewer. The average rate of interest earned on interest-bearing accounts and investments was 1.30% (0.95% in 2023).

Restricted funds included funds held on behalf of donors for use in carrying out specific performance required by binding agreements, funds allocated for repairs and renovation of the IPU headquarters building and cash held on behalf of the Pension Fund, which must be held separately from those of the IPU in accordance with the Pension Fund Regulations.

The Organization minimizes the credit risk involved by holding all of its funds in banks with high Fitch, Moody's or Standard and Poor's credit ratings as follows:

	31 December 2024	31 December 2023
Cash on hand	23,127	13,867
Current accounts with banks - Swiss francs	3,021,163	4,014,976
Current accounts with banks - Other currencies	<u>395,962</u>	<u>158,667</u>
Total unrestricted cash and current accounts	3,417,125	4,173,643
Current accounts with banks restricted reserve funds - Swiss francs	361,164	371,953
Current accounts with banks - Other currencies	-	-
Current accounts with banks pension fund - Swiss francs	<u>217,895</u>	<u>634,395</u>
Total restricted cash and current accounts	579,059	1,006,348
Sub-total cash and current accounts	3,996,184	5,179,992
Cash held by investment fund manager	356,745	330,161
Pension fund cash held by investment fund manager - Swiss francs	<u>16,936</u>	<u>65,388</u>
Sub-total cash held by investment fund managers	373,681	395,549
Term deposit USD	46	43
Term deposit CHF	2,400,000	2,400,000
Savings account CHF	<u>3,000,000</u>	<u>4,000,000</u>
Sub-total term deposits and savings accounts	5,400,046	6,400,043
Total current cash and cash equivalents	9,793,038	11,989,450

Cash and cash equivalents	AA	A	Not rated	Total
Amount	162,450	9,607,461	23,127	9,793,038
Per cent	6%	94%	0%	100%

The Organization has no confirmed credit lines but does maintain limited and informal overdraft arrangements with banks in which it has funds on deposit. These arrangements may be withdrawn by the banks at any time. No overdraft facilities were required in 2024 or 2023.

El Salvador	13,900	12,257	-	-	-	-	-	-	-	-	26,157
Equatorial Guinea	13,900	1,420	-	-	-	-	-	-	-	-	15,320
Ethiopia	12,700	12,400	-	-	-	-	-	-	-	-	25,100
Gabon	13,900	13,500	12,819	-	-	-	-	-	-	-	40,219
Gambia	10,731	-	-	-	-	-	-	-	-	-	10,731
Ghana	15,000	13,100	-	-	-	-	-	-	-	-	28,100
Guatemala	17,400	15,400	-	-	-	-	-	-	-	-	32,800
Guinea	11,600	11,200	10,155	-	-	-	-	-	-	-	32,955
Guinea-Bissau	11,600	-	-	-	-	-	-	-	-	-	11,600
Guyana	11,600	11,200	-	-	-	-	-	-	-	-	22,800
Iran (Islamic Republic of)	62,500	60,700	56,696	-	-	-	-	-	-	-	179,896
Lao People's Democratic Republic	12,700	-	-	-	-	-	-	-	-	-	12,700
Lebanon	17,400	16,900	17,467	-	-	-	-	-	-	-	51,767
Liberia	11,600	11,200	-	-	-	-	-	-	-	-	22,800
Libya	12,530	-	-	-	-	-	-	-	-	-	12,530
Madagascar	11,600	11,200	-	-	-	-	-	-	-	-	22,800
Malawi	748	-	-	-	-	-	-	-	-	-	748
Mali	12,700	12,400	8,486	-	-	-	-	-	-	-	33,586
Malta	565	-	-	-	-	-	-	-	-	-	565
Marshall Islands	11,600	11,200	11,000	11,000	828	-	-	-	-	-	45,628
Mauritania	11,600	11,200	11,000	10,940	-	-	-	-	20,324	-	65,064
Mongolia	102	-	-	-	-	-	-	-	-	-	102
Myanmar	12,700	12,400	-	-	-	-	-	-	-	-	25,100
Namibia	12,700	-	-	-	-	-	-	-	-	-	12,700
Nepal	189	-	-	-	-	-	-	-	-	-	189
Niger	11,600	11,200	11,000	10,752	-	-	-	-	-	-	44,552
Palestine	11,600	10,560	-	-	-	-	-	-	-	-	22,160
Paraguay	12,153	-	-	-	-	-	-	-	-	-	12,153
Qatar	158	-	-	-	-	-	-	-	-	-	158
Russian Federation	255,700	248,600	-	-	-	-	-	-	-	-	504,300
Rwanda	11,200	-	-	-	-	-	-	-	-	-	11,200
Saint Lucia	11,600	11,200	11,000	11,000	11,000	10,400	10,400	-	-	-	76,600
Saint Vincent and the Grenadines	11,600	11,200	11,000	11,000	11,000	10,400	-	-	-	-	66,200
Samoa	848	-	-	-	-	-	-	-	-	-	848
Sao Tome and Principe	11,600	-	-	-	-	-	-	-	-	-	11,600
Senegal	12,700	12,400	12,100	-	-	-	-	-	-	-	37,200
Seychelles	11,600	-	-	-	-	-	-	-	-	-	11,600
Sierra Leone	11,600	11,200	11,000	239	-	-	-	-	-	-	34,039
Somalia	11,600	11,200	6,663	-	-	-	-	-	-	-	29,463
South Sudan	10,960	-	-	-	-	-	-	-	-	-	10,960
Syrian Arab Republic	12,700	-	-	-	-	-	-	-	-	-	12,700
Tajikistan	800	-	-	-	-	-	-	-	-	-	800
Timor-Leste	289	-	-	-	-	-	-	-	-	-	289
Togo	11,600	11,200	11,000	-	-	-	-	-	-	-	33,800
Tonga	11,600	-	-	-	-	-	-	-	-	-	11,600
Tuvalu	11,600	11,200	6,284	-	-	-	-	-	-	-	29,084
Uganda	12,700	12,400	542	-	-	-	-	-	-	-	25,642
Vanuatu	11,600	11,200	11,000	11,000	11,000	10,214	-	-	-	-	66,014
Venezuela (Bolivarian Republic of)	37,000	36,000	99,700	99,700	99,700	81,300	81,300	79,700	84,200	-	698,600
Viet Nam	25,500	24,700	-	-	-	-	-	-	-	-	50,200
Yemen	247	-	-	-	-	-	-	-	-	-	247
Zimbabwe	12,700	12,400	11,927	-	-	-	-	-	-	-	37,027
Andean Parliament	2,300	2,200	2,200	2,200	2,200	2,100	1,800	-	-	-	15,000
Arab Parliament	2,300	-	-	-	-	-	-	-	-	-	2,300
Parliamentary Assembly of la Francophonie	1,700	2,200	-	-	-	-	-	-	-	-	3,900
WAEMU	2,300	-	-	-	-	-	-	-	-	-	2,300
CEMAC	2,300	2,200	1,100	1,100	1,100	963	-	-	-	-	8,763

East African Legislative Assembly	2,300	-	-	-	-	-	-	-	-	-	2,300
ECOWAS	824	-	-	-	-	-	-	-	-	-	824
IPA-CIS	2,300	-	-	-	-	-	-	-	-	-	2,300
Latin American and Caribbean Parliament (PARLATINO)	2,300	812	-	-	-	-	-	-	-	-	3,112
Pan-African Parliament	2,300	2,200	-	-	-	-	-	-	-	-	4,500
Total	1,216,806	914,490	347,749	168,931	136,828	115,377	93,500	79,700	84,200	20,324	3,177,905
<i>Comparative Figures 2023</i>		<i>540,157</i>	<i>248,602</i>	<i>172,028</i>	<i>140,238</i>	<i>105,000</i>	<i>88,608</i>	-	-	<i>20,324</i>	
Less expected credit loss											-966,996
Net receivable from Members	1,216,806	914,490	347,749	168,931	136,828	115,377	93,500	79,700	84,200	20,324	2,210,908

Under Rule 10.2 of the Financial Regulations, the Secretary General may, after full investigation, write off losses of assets, provided that a statement of all such amounts written off shall be submitted to the Auditors with the annual accounts.

Write-off following suspension of membership rights by Governing Council

Member	Total
Central African Republic	61,338
Congo	93,308
Haiti	65,923
Total	220,569

Allowance for Doubtful Accounts (contributions)

The IPU has calculated a provision for expected credit losses. This allowance is the best estimate of accounts, based on assessed contributions from Members, that have been recorded as income and set up as accounts receivable, but which may never be received. The percentage used to calculate the provision in 2024 is 1.3%.

After an increase of the provision of CHF 423,145 (decrease of CHF 9,200 in 2023) and the statutory write-off of CHF 220,569 in arrears, the allowance for doubtful accounts stood at CHF 966,997 representing 30% (CHF 764,421 representing 29% in 2023) of the outstanding arrears.

Amount in CHF	31 December 2024	31 December 2023
Opening Balance	764,421	773,621
Change in provision for expected credit loss	423,145	-9,200
Statutory Write-Offs	-220,569	-
Closing Balance	966,997	764,421

Allowance for Doubtful Accounts (Observer organizations)

The accounts receivable amount remaining due at 31 December 2024 represents the amount due from observer organizations which was reduced in 2024 by a payment toward the outstanding balance. An expected credit loss provision will be established should it be determined that a credit loss is expected.

Receivables from donors

The IPU receives funds from several donors for the implementation of various activities.

Accounts receivable from donors	31 December 2024	31 December 2023
Equatorial Guinea	-	8,840
China Counter Terrorism	180,200	-
UN Development Programme	49,412	-
UN Women	733,847	-

King Hamad Global Center	270,300	-
IDEA InterPares	122,718	141,634
SIDA	-	1,259,553
United Arab Emirates	180,200	-
PMNCH	20,520	41,040
European Union - Djibouti	-	11,993
ASU/Wrigley	<u>15,768</u>	<u>43,362</u>
Sub-total current	1,572,965	1,506,422
King Hamad Global Center	810,900	-
UN Women	470,912	-
United Arab Emirates	540,600	-
China Counter Terrorism	540,600	-
IDEA InterPares	<u>-</u>	<u>201,263</u>
Sub-total non-current	2,363,012	201,263
Total	3,935,977	1,707,685

Tax reimbursements

The IPU is entitled to reimbursement by the Swiss Confederation under the terms of its headquarters agreement of VAT and withholding taxes paid and taxes withheld on Pension Fund investments. The amount represents the amount receivable for taxes paid in 2024.

NOTE 5 INVESTMENTS

In accordance with the financial regulations and the investment policy approved by the Executive Committee, monies not needed for immediate requirements are invested in mutual funds. Total return on investments in 2024 was a net gain of CHF 252,246 (gain of CHF 233,815 in 2023).

Amount in CHF	31 December 2024	31 December 2023
Current assets		
Mutual funds	<u>2,802,168</u>	<u>2,598,248</u>
Sub-total IPU Investments	2,802,168	2,598,248
Mutual funds - flexible fund CHF	<u>478,332</u>	<u>807,423</u>
Sub-total Pension Fund Investments	478,332	807,423
Total Investments	3,280,500	3,405,671

The presentation of the IPU investments has been modified to recognize on the Statement of Financial Performance the gross investment revenue including the amount of taxes withheld by Swiss authorities. These taxes are reimbursed in subsequent financial periods. The gross value of the investment is now recognized in the Statement of Financial Performance and an adjustment has been made directly to the accumulated fund balance on the Statement of Changes in Net Assets to reflect the amount recognized in IPU investments from previous financial periods.

NOTE 6 OTHER ASSETS

The IPU has already paid some expenses that relate to 2025 for items such as insurance, subscriptions and postage meter deposits. These disbursements have been reported as current assets and also include staff benefit and travel advances. The guarantee deposit on leased facilities in New York City is classified as a non-current asset as the lease on this facility expires in 2027.

Amount in CHF	31 December 2024	31 December 2023
Current assets		
Project and travel advances	24,657	28,619
Prepaid expenses	208,060	233,772
Total other current assets	232,717	262,391
Non-current assets		
Guarantee deposit	8,385	7,770
Total other non-current assets	8,385	7,770
Total other assets	241,102	270,161

NOTE 7 PROPERTY, PLANT AND EQUIPMENT

The IPU has a Headquarters building and annex in Geneva, Switzerland. The building's original structure was completely renovated in 2002 and a new section built to extend and develop the basement area. The building is located on land owned by the Canton of Geneva, which has been set aside for the use of the IPU for a period of 50 years from 2003 to 2052, with an option to extend. The terms of a lease agreement were finalized during 2009 between the Canton of Geneva, the Federal Government of Switzerland and the IPU, and the agreement was signed at the end of 2010 (see Note 2 – Fixed assets).

At 31 December 2011, the value of the building was determined by an independent external valuation consultant as the fair value of the building at that date in accordance with International Valuation Standards. Depreciation has been computed and included in the fair value recognized as the deemed cost as of the date of implementation of IPSAS. In 2018 and 2019 the windows were replaced, and the building value adjusted and depreciation commenced.

Depreciation is recorded in accordance with the policy described in Note 2. A detailed inventory is kept for all computer-related hardware and software as this is routinely replaced and upgraded and represents a significant investment. The depreciation adjustment for disposals takes into account one computer that was scrapped before full depreciation.

Amount in CHF	Buildings and Grounds		Furnishings		Information Technology Communications and Equipment		General Equipment		Vehicles		2024	2023
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023		
Historic cost at 01 January	10,017,551	10,017,551	593,360	591,279	501,879	539,003	105,026	105,026	69,981	69,981	11,287,796	11,322,839
Additions	-	-	2,989	2,081	12,031	30,712	13,616	-	-	-	28,636	32,793
Disposals	-	-	-	-	-11,299	-67,836	-	-	-	-	-11,299	-67,836
Historic cost at 31 December	10,017,551	10,017,551	596,348	593,360	502,611	501,879	118,642	105,026	69,981	69,981	11,305,133	11,287,796
Accumulated depreciation	-3,018,892	-2,761,173	-563,295	-558,893	-395,598	-396,735	-105,026	-105,026	-69,981	-69,981	-4,152,791	-3,891,807
Adjust depreciation for disposals					10,663	66,225					10,663	66,225
Depreciation current period	-257,719	-257,719	-3,976	-4,402	-54,985	-65,088	-1,489	-	-	-	-318,169	-327,209
Total accumulated depreciation	-3,276,612	-3,018,892	-567,271	-563,295	-439,919	-395,598	-106,515	-105,026	-69,981	-69,981	-4,460,298	-4,152,791
Net carrying value at 01 January	6,998,658	7,256,378	30,065	32,386	106,281	142,268	-0	-0	0	0	7,135,005	7,431,032
Net carrying value at 31 December	6,740,939	6,998,658	29,077	30,065	62,691	106,281	12,127	-0	0	0	6,844,835	7,135,005

NOTE 8 INTANGIBLE ASSETS

In 2018 the IPU completed work on an extensive revision to its public website and open data platform. The development included a complete redesign of the site and the data platform making information accessible and including a greater depth of parliamentary data. The site became live and active in 2018. Depreciation commenced when the site became fully functional. Additional work was completed in 2019 and 2020 to make the site more interactive for use by Members.

Amount in CHF	Website development	
	2024	2023
Historic cost at 01 January	406,267	406,267
Additions	-	-
Disposals	-	-
Historic cost at 31 December	406,267	406,267
Accumulated amortization	-403,399	-381,187
Amortization current period	-2,867	-22,213
Net carrying amount	-406,267	-403,399
Net carrying value at 01 January	2,867	25,080
Net carrying value at 31 December	-	2,867

NOTE 9 DEFERRED REVENUE

The IPU receives funds from several donors for the implementation of various activities. Total disbursements from voluntary funds in 2024 were CHF 3,069,506 (CHF 3,610,650 in 2023). At 31 December 2024 the net advance of voluntary contributions was CHF 5,437,275 (CHF 3,864,778 in 2023).

Project (Amount in CHF)	Funder	Unexpended Balance of Prior Commitments	New/Expired Commitment in 2024	Funds used in 2024	Adjustments	Balance of Commitment	Deferred Revenue
Gender	Irish Aid	-200,833	-140,419	185,808	-	-155,444	155,444
Global Funding	SIDA	-1,423,339	25,858	1,231,144	-	-166,337	166,337
DFATD	Canada	-241,146	-	241,146	-	-0	0
Development Funding	China	-909,460	-	271,375	-	-638,085	638,085
Parliamentary Solidarity Fund	IPU Members	-92,744	-	2,699	-	-90,045	90,045
Climate	ASU/Wrigley Found	-	-32,141	29,978	-	-2,163	2,163
Inter pares	IDEA	-208,120	77,461	113,870	-	-16,788	16,788
King Hamad Global Centre		-	-1,341,000	50,606	-	-1,290,394	1,290,394
UNDP Laos	UNDP	-	-97,053	97,053	-	-0	0
WYDE	UN WOMEN	-	-1,354,938	7,529	-	-1,347,408	1,347,408
MNCH	PMNCH	-73,705	-	73,705	-	-0	0
Migration	Micronesia	-42,682	-	30,856	-	-11,826	11,826
Peace	Micronesia	-54,600	-	-	-	-54,600	54,600
Governance	Micronesia	-63,700	-	46,926	-	-16,774	16,774
UNOHRLLS	LDC5 Conference	-14,028	14,028	-	-	-0	0
Human Rights	OHCHR	-9,290	-	-	-	-9,290	9,290
Counter Terrorism (see note below)	China	-	-892,200	105,521	-	-786,679	786,679
Peace	Arab Parliament	-4,431	-	2,362	-	-2,069	2,069
Peace	United Arab Emirate	-35,159	-901,600	156,293	-	-780,466	780,466
Peace	Qatar	-491,541	-	422,635	-	-68,906	68,906
							-
							-
Total	CHF	-3,864,778	-4,642,002	3,069,506	-	-5,437,275	5,437,275

Note - CHF 2,363,012 of the deferred revenue will be expended in 2025 and later years and is classified as a non-current liability.

NOTE 10 BORROWINGS

The IPU borrowed CHF 9,480,000 from the Swiss Confederation for the construction and renovation of its Headquarters building in Geneva, Switzerland. The loan is valued at amortized cost using the effective interest rate method based on the Swiss franc Swiss Confederation Bond (fixed 30 years) in effect at 1 January 2012 of 1.15%.

The loan was interest-free and currently requires reimbursement of the principal only. The value of the interest with a rate of 1.15% waived in 2024 was CHF 53,510 (CHF 55,057 in 2023) and the value of interest to be waived until the final payment on the loans due in 2052 is CHF 791,885 (CHF 845,394 in 2023). The value of the waiver of interest is equal to the future value of the loan discount.

The total borrowing and amounts outstanding shown as current and non-current liabilities at the reporting date are as follows:

Amount in CHF	2024	2023
Current liabilities		
FIPOI loan payable - current	189,600	189,600
Non-current liabilities		
FIPOI loan payable - 1-5 years	948,000	948,000
FIPOI loan payable - after 5 years	<u>4,171,200</u>	<u>4,360,800</u>
Sub-total non-current liabilities	5,119,200	5,308,800
Less discounting of non-current at effective interest rate	<u>791,885</u>	<u>845,394</u>
Sub-total non-current liabilities at amortized cost	4,327,315	4,463,406
Total borrowings	4,516,915	4,653,006

NOTE 11 EMPLOYEE BENEFIT LIABILITIES

United Nations Joint Staff Pension Fund (UNJSPF)

(a) The IPU 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. The IPU and the Fund, in line with the other participating organizations in the Fund, are not in a position to identify the IPU'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, the IPU has treated this plan as if it were a defined contribution plan in line with the requirements of IPSAS 39, Employee Benefits. The IPU's contributions to the Fund during the financial period are recognized as expenses in the Statement of Financial Performance.

The Fund's Regulations state that the Pension Board shall have an actuarial valuation made of the Fund at least once every three years by the Consulting Actuary. The practice of the Pension Board has been to carry out an actuarial valuation every two years. The primary purpose of the actuarial valuation is to determine whether the current and estimated future assets of the Fund will be sufficient to meet its liabilities into perpetuity. The Fund's published funding policy (available on the Fund's website) sets out the methods, processes and targets that are used to monitor the funding position and associated risks. This also includes the practice of utilizing an actuarial value of assets, which smooths short-term investment gains and losses for the purpose of reporting long-term solvency.

The IPU'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. It has never been necessary to invoke Article 26, and no deficiency payments have ever been requested.

The latest actuarial valuation for the Fund was completed as of 31 December 2023, and a roll forward of the participation data as of 31 December 2023 to 31 December 2024 will be used by the Fund for its 2024 financial statements.

The actuarial valuation as at 31 December 2023 reported a funded ratio of actuarial assets to actuarial liabilities of 111.0% (117.0% in the 2021 valuation) when future expected pension adjustments (cost-of-living indexation on benefits) were taken into account. The reported funded ratio was 152.0% (158.2 % in the 2021 valuation) when the current system of pension adjustments was not taken into account and would be the measure by which actuarial sufficiency is established under Article 26.

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

During 2024, contributions paid to the Fund amounted to USD 1.218 million (2023 USD 1.151 million). Expected contributions due in 2026 are approximately USD 1.2 million.

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.

(b) The IPU guarantees a legacy Pension Fund that will pay pensions to former employees and some current employees of the IPU based on various factors, including the number of years of service and salary at retirement. The legacy Pension Fund was closed to new members in 2005. The Pension Fund is governed directly by the IPU and has no independent governance structure. Under the terms of the IPU's Headquarters agreement with the Swiss Federal Council the Pension Fund is not subject to any Swiss Federal or Cantonal regulatory authority. Since the Pension Fund is closed to new members and one-fifth of the actuarial determined liability is funded by investments, the Pension Fund is likely to have a future impact on the cash flow of the Organization starting in 2026. The pension liability has been calculated by an independent actuary utilizing the projected unit credit methodology. Each year, the IPU reviews and selects assumptions that will be used in the valuation. For the 2024 valuation, the assumptions utilized are as follows:

	31-Dec-24	31-Dec-23
Actuarial assumptions		
Discount rate	0.72%	1.40%
Salary increases	n/a	1.20%
Pension increase	1.00%	1.20%

The net liability to the IPU, which is the difference between the adjusted market value of the assets of the pension fund and the present value of the accrued pension liability, is as follows:

Amount in CHF	2024	2023
Accrued Pension Liability	-7,852,727	-8,192,747
Pension Fund Assets	717,301	1,512,959
Net Liability	-7,135,426	-6,679,788

	31-Dec-24	31-Dec-23
Change in benefit obligation		
Benefit obligation at 01 January	8,192,747	8,403,659
Current service cost	38	1,296
Interest cost	109,048	167,055
Employee contributions	2,732	2,682
Pension paid by plan	-898,515	-845,543
Plan Amendment	-121,571	-
Actuarial gain/loss	568,248	463,598
Benefit obligation at 31 December	7,852,727	8,192,747

Amounts recognized in Net Assets

Amount recognized at beginning of period	-3,841,874	-3,378,276
Actuarial gain (loss) - Financial	-247,203	-377,580
Actuarial gain (loss) - Demographic and experience	<u>-321,045</u>	<u>-86,018</u>
Cumulative amount recognized in net assets	-4,410,122	-3,841,874

Summary of membership data

Number of retirees	9	9
Number of active participants	-	1
Total insured salaries	-	130,092
Average age (years) of active participants	-	54.3
Average expected remaining service years of active participants	-	5.7
Present value of unfunded obligation	<u>7,852,727</u>	<u>8,192,747</u>
Amount in the statement of financial position	7,852,727	8,192,747
Current service cost	38	1,296
Interest cost	<u>109,048</u>	<u>167,055</u>
Total pension cost recognized on statement of financial performance	109,086	168,351

The calculation of the net liability to the IPU is made as a defined benefit obligation which requires the immediate recognition of actuarial gains and losses in a separate component of net assets in accordance with IPSAS 39 which became effective on 1 January 2018.

Sensitivity analysis

- Discount rate

Increasing the discount rate by 0.5% (from 0.72% to 1.22%) would reduce the present benefit obligation for the pensions by CHF 257,411.

- Pension increase rate

Increasing the pension increase rate by 0.5% (from 1.0% to 1.5%) would increase the present benefit obligation for the pensions by CHF 270,853.

- Salary increase rate

As the bridge pension providing coverage for active staff ended at 31 December 2024, the salary increase rate by 0.5% no longer has an impact on the pension fund liabilities.

- Life Expectancy

An increase in life expectancy by one year would increase the present benefit obligation for the pensions by CHF 775,138.

(c) Post-employment benefits include separation benefits consisting of grants upon repatriation, repatriation travel and shipping of personal effects for certain internationally recruited personnel which are considered other long-term benefits, and the liability has been calculated using the projected unit credit actuarial methodology.

(d) Other short-term benefits concern the policy providing that staff members earn 30 days of annual leave credit each year, which may be taken or accumulated with up to 60 days paid on separation or retirement. A liability has been established equal to the nominal value of leave accumulated at the reporting date. At 31 December, the total liability of benefits payable to staff was:

Amount in CHF	2024	2023
Post employment benefits		
Reinstallation premiums	717,348	642,815
Grants for removal expenses	263,817	224,365
Sub-total	981,165	867,181
Other accumulated leave benefits		
Encashment of unused leave	756,435	740,798
Sub-total	756,435	740,798
TOTAL	1,737,600	1,607,978

NOTE 12 LEASES

The IPU has a five-year lease expiring in 2027 for office accommodation at 336 East 45th Street, New York, United States of America. The annual lease payment for 2024 was CHF 119,104 (CHF 120,442 in 2023). The lease is cancellable with six months' notice by the IPU and may be renewed for an additional period of five years commencing in 2027.

NOTE 13 RESTRICTED FUNDS

(a) The IPU has established a reserve to pay for major repairs to the Headquarters building at some later date. In September 2001, the Governing Council resolved to contribute CHF 55,000 per annum to this reserve beginning in 2008 until 2014. Beginning in 2018, the depreciation of the windows replaced in 2018 and 2019 has been charged to the reserve.

Amount in CHF	2024	2023
Opening Balance	371,953	382,744
Contributions	-	-
Expenditures	-10,790	-10,790
Closing Balance	361,163	371,954

(b) The IPU has established a reserve for offsetting carbon emissions from IPU activities, especially those involving travel. In 2024, an amount of CHF 17,100 (CHF 23,200 in 2023) was contributed to the reserve to compensate for emissions of CO₂ from regular activities. Expenditures of CHF 18,366 in 2024 (expenditures of CHF 10,870 in 2023) were made on climate change-related activities using funds from the reserve.

Amount in CHF	2024	2023
Opening Balance	52,507	40,177
Contributions	17,100	23,200
Expenditures	-18,366	-10,870
Closing Balance	51,241	52,507

NOTE 14 CONTINGENT LIABILITIES

During the course of 2024, several staff members received notices of tax assessment from the Ministry of Economy, Finance and Industry of France. The IPU is contractually obligated to reimburse to staff members any national taxes paid in respect to income earned from the IPU and it believes that all amounts for prior years were settled during 2024.

**NOTE 15 RECONCILIATION OF BUDGET TO ACTUAL
COMPARISON AND STATEMENT OF FINANCIAL
PERFORMANCE**

	Operating	Financing	Investing	Total
Revenue on budgetary basis	16,614,928	-	-	16,614,928
Less staff assessment included in revenue	<u>-1,104,991</u>	<u>-</u>	<u>-</u>	<u>-1,104,991</u>
Revenue net of staff assessment	15,509,937	-	-	15,509,937
Expense on budgetary basis	16,614,928	-	-	16,614,928
Less staff assessment included in expense	<u>-1,104,991</u>	<u>-</u>	<u>-</u>	<u>-1,104,991</u>
Expense net of staff assessment	15,509,937	-	-	15,509,937
Net result on budgetary basis	0	-	-	0
Presentation differences				
Less income from Working Capital Fund	-532,307	-	-	-532,307
Adjustment to Closed Pension Fund liability	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Sub-total presentation differences	-532,307	-	-	-532,307
Entity difference - Pension Fund net result	112,610	-	-	112,610
Deficit per Statement of Financial Performance	-419,697	-	-	-419,697

In the budgetary comparison, transfers to the reserves are reported as expenses as they are charged to the revenue received from assessed contributions. On the Statement of Financial Performance, transfers from accumulated fund balance to reserves are reported as an adjustment to net assets and not included in current expense.

In the presentation of revenue and expense on a budgetary basis, staff costs are presented on a gross basis as established by the International Civil Service Commission (ICSC). The amount of the staff assessment less the amount of any reimbursement paid to staff members to cover national income taxes is presented as revenue. On the Statement of Financial Performance, staff costs are presented net of the staff assessment plus the amount of reimbursement paid to staff members. The difference in presentation has no impact on the presentation of the net result.

Amount in CHF	2024	2023
Gross Staff Assessment	1,136,400	1,128,813
Reimbursements		
- France	31,409	31,826
Total	31,409	31,826
Net Staff Assessment	1,104,991	1,096,987

NOTE 16 RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT PERSONNEL

The IPU's main statutory bodies are the Assembly, the Governing Council and the Executive Committee, which are composed of representatives of Member Parliaments. The representatives do not receive remuneration from the IPU.

Key management personnel

The IPU is managed by a Secretary General, appointed by the Governing Council, and senior officers (Directors) appointed by the Secretary General and considered key management personnel. All are remunerated by the IPU. The aggregate remuneration paid to key management personnel includes salaries, allowances, statutory travel, pension contributions, medical and accident insurance, education grants, home leave and other entitlements paid in accordance with the Staff Rules and Regulations and applicable to all staff. All key management personnel are members of the UNJSPF and are eligible for participation in the Staff Health Insurance plan.

Key management personnel and their aggregate remuneration were as follows:

	2024	2024	2023	2023
	Number of individuals	Aggregate remuneration cost	Number of individuals	Aggregate remuneration cost
	(as an average)	(in CHF)	(as an average)	(in CHF)
Senior officers:	5.0		5.0	
Net salary and post adjustment		1,043,345		1,076,932
Employer medical and pension contributions		265,503		253,486
Other allowances		<u>80,993</u>		<u>98,845</u>
Sub-total		1,389,841		1,429,263
Separation benefits paid				
Total		1,389,841		1,429,263

There were no loans to key management personnel or to their close family members that were not available to other categories of staff. There was no other remuneration or compensation paid to key management personnel or their close family members.

Related party transactions

The IPU has no ownership interest in associations or joint ventures and no controlled entities. The IPU's agreement with the UNJSPF requires that its salaries be established in accordance with those of the United Nations Common System. The policies are promulgated by the International Civil Service Commission (ICSC), which is an entity established by the UN General Assembly. The methodology for determining general service staff salaries in accordance with salary surveys are determined by the ICSC. Salaries for professional staff, levels of dependency allowance and education grants are recommended by the ICSC to the UN General Assembly, which makes a decision for the entire UN Common System, and the final decision rests with the governing bodies of the IPU.

NOTE 17 SEGMENT REPORTING

Segment information is presented in a format based upon the strategic objectives and other charges approved by the Governing Council in the 2024 budget. Only revenue and expense are presented by segment. All assets and liabilities belong to the IPU as a whole and there is no reasonable basis for allocation of individual assets, liabilities and net assets to individual segments.

	Strategic Objectives	Other charges	Pension Fund	Eliminations	Total
Revenue					
Assessed Contributions	11,610,550	0	0	0	11,610,550
Voluntary Contributions	3,069,506	0	0	0	3,069,506
Investment income	287,858	0	59,233	0	347,091
Other Income	235,837	0	8,196	-231,584	12,449
Total revenue	15,203,751	0	67,429	-231,584	15,039,596
Expense					
Personnel Expenditure – permanent staff	8,407,114	0	860,188	-5,464	9,261,838
Personnel Expenditure – temporary staff	3,044,830	0	0	0	3,044,830
Change in Legacy Pension Fund provision	0	-112,610	-795,658	0	-908,268
Travel Expenditure	671,560	0	0	0	671,560
Contractual Services	1,860,554	0	2,899	-226,120	1,637,332
Operating Expenses	743,340	0	0	0	743,340
Supplies, Materials and Equipment	173,097	0	0	0	173,097
Allowance for Doubtful Accounts	0	202,575	0	0	202,575
Grants and Honoraria	27,359	7,241	0	0	34,600
Depreciation	321,037	0	0	0	321,037
Amortization of loan	53,510	0	0	0	53,510
Write-off of Member Contributions	0	220,568	0	0	220,568
(Gain)/Loss on Foreign Exchange	3,275	0	0	0	3,275
Total expense	15,305,674	317,774	67,429	-231,584	15,459,293

Personnel expenditure for permanent staff is reflected for each segment at gross value (including staff assessment). The staff assessment (revenue and expense) and the IPU contribution to the closed pension fund are eliminated prior to consolidation.

NOTE 18 REVENUE AND EXPENSE

Assessed contributions

Members and Associate Members of the Organization pay an annual contribution to the IPU to finance its activities in accordance with the work programme and budget and scale of contributions adopted by the Governing Council in accordance with Article 21 of the IPU Statutes. Assessed contributions are due at the beginning of the budget year and payable by 31 March of each year in accordance with Financial Rule 5.4.

Voluntary contributions

Members and other donors contribute funds to the Organization for the purpose of financing specific projects and activities. Funds are accepted by the Secretariat with the approval of the Governing Council.

Programme support costs

The IPU charges programme support costs for the projects it implements with funding from other agencies. The IPU collected fees in the amount of CHF 226,210 on project direct costs of CHF 3,070,727 (CHF 259,344 on project direct costs of CHF 3,610,650 in 2023).

Other income

Other income includes as follows:

Amount in CHF	2024	2023
Staff contributions to pension fund	2,732	2,682
Other	9,717	6,006
Total Other Income	12,449	8,688

“Other” includes sales of institutional gifts, asset disposals and extraordinary income.

Investment income

Total returns on investments were:

Amount in CHF	2024	2023
Interest	94,846	47,573
Capital Gains (Losses)	252,246	199,683
Total Investment Income	347,091	247,256

Expense

Expenses are reported on an accrual basis, recognizing expense when goods are received and services are rendered. All inter-fund charges for services have been eliminated prior to consolidation on the Statement of Financial Performance.

Personnel Expenditure – permanent staff includes short-term employee benefits such as base salary, post adjustment, dependency allowance, pension contribution, health and other insurance contributions, home leave and other entitlements for permanent staff. The pension contribution from the IPU to the closed Pension Fund has been eliminated on consolidation.

Amount in CHF	2024	2023
Salaries and allowances - regular staff	5,957,698	5,694,362
Dependent allowance	262,644	255,804
Pension contribution UNJSPF	1,217,819	1,151,344
Health insurance	429,118	390,465
Education allowance	175,442	223,781
Other allowances	27,980	29,863
Separation benefits	187,498	72,253
Pension and survivor benefits	860,188	828,295
Other benefits	148,914	28,363
Less eliminations	-5,464	-5,364
Total personnel expense - permanent staff	9,261,838	8,669,166

Personnel expenditure – temporary staff includes costs of short-term staff and consultants.

Amount in CHF	2024	2023
Temporary Staff	306,262	255,717
Interpreters	607,120	722,998
Translators	142,895	194,486
Consultants	1,988,552	2,393,525
Total personnel expense - temporary staff	3,044,830	3,566,727

Change in Legacy Pension Fund provision reflects the net impact of actuarial adjustments on the defined benefit obligation.

Amount in CHF	2024	2023
Current service cost	38	1,296
Interest cost	109,048	167,055
Employee contributions	2,732	2,682
Pension paid by plan	-898,515	-845,543
Plan amendment - closure of bridge pension	-121,571	-
Net credit to employee benefits recognized on statement of Financial Performance	-908,268	-674,510

Travel expenditure includes the costs of airfare, daily subsistence allowances, terminal allowances and other travel costs for staff on official business, travel for delegates and travel for participants and experts in connection with training activities.

Amount in CHF	2024	2023
Transportation	330,269	192,820
Allowances	339,561	676,374
Incidentals	1,730	2,848
Total travel expenditure	671,560	872,042

Contractual services include costs of translation and editing, printing and publishing, conference services and software and database maintenance. The management fees charged for project support costs are eliminated on consolidation. "Other" services are predominantly digital and media/communications-related services supporting the IPU's digital transformation as highlighted in the IPU strategy and the budget. Both Assemblies in 2024 were held in Geneva which significantly increased conference related expenses.

Amount in CHF	2024	2023
Software/Database		
Translating/editing	429,050	553,782
Printing and publishing	26,283	97,686
Conference Venue Services	598,891	176,151
Computer maintenance and online databases	50,895	43,503
Audit costs	16,700	14,800
Pension fund investment management and banking	2,899	4,826
Management services	226,120	259,344
Other	512,614	339,716
Eliminations	-226,120	-259,344
Total contractual services	1,637,332	1,230,464

Operating expenses include the costs of maintenance and cleaning of the Headquarters building, communications (postage and telephone), meeting costs and bank charges.

Amount in CHF	2024	2023
Rent	119,104	120,442
Heating	40,823	45,439
Electricity	44,155	59,880
Water	2,480	2,323
Premises and grounds maintenance	94,831	82,479
Cleaning	102,092	97,723
Security	100,014	13,811
Insurance	5,563	6,895
Vehicles	10,485	17,594
GE Maintenance, insurance & rental	81,134	53,193
Communications	74,839	57,825
Internet connectivity	22,332	21,680
Website	-	5,820
Hospitality	17,593	23,640
Institutional gifts	17,169	24,886
Bank charges	10,727	12,227
Total Operating expenses	743,340	645,859

Supplies, materials and equipment include office equipment that does not meet the threshold in Note 2.

Amount in CHF	2024	2023
Paper	1,767	2,876
Stationery	261	2,098
Miscellaneous office supplies	35,396	40,751
Coffee/tea/drinking water	3,672	1,579
Sundry	1,316	304
IT maintenance and repair	45,911	30,235
Software and supplies	84,505	74,801
Books	269	146
Periodicals	-	914
Total supplies, materials and equipment	173,097	153,705

Expenses related to depreciation of plant and equipment are explained in Note 7 and amortization of intangible assets in Note 8 above.

The expense related to the increase in the **provision for doubtful debts** is explained in Note 4 to the Financial Statements above.

Amount in CHF	2024	2023
Change in provision for assessed contributions receivable	-202,575	-9,200
Change in provision for observer contributions receivable	-	-18,000
Total change in provisions	-202,575	-27,200

Expenses for grants and honorariums include grants to the Association of Secretaries General of Parliaments (ASGP) and the honorariums for the President of the IPU.

Amount in CHF	2024	2023
Grants	4,179	72,550
Honorariums	30,420	23,909
Total grants and honorariums	34,600	96,459

NOTE 19 FINANCIAL RISKS

The IPU's financial position includes the following financial instruments:

Amount in CHF	2024	2023
Cash and cash equivalents	4,392,992	5,589,407
Deposits	5,400,046	6,400,043
Accounts receivable - assessed contributions	2,210,908	1,905,320
Accounts receivable - voluntary contributions	3,935,977	1,707,685
Accounts receivable - other	57,920	64,612
Investments	3,280,500	3,405,671
Borrowing	-4,516,915	-4,653,006
Accounts Payable & other current liabilities	-317,368	-367,227
Net financial assets less financial liabilities	14,444,060	14,052,505

The IPU is exposed to certain market, credit and liquidity risks as follows:

Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices, including currency risk, interest rate risk and other price risk. The IPU is exposed to foreign currency exchange and interest rate risk. It receives revenue from fees and voluntary contributions and incurs expenses in currencies other than its presentation currency (CHF). The IPU is exposed to foreign exchange risk arising from fluctuations of currency exchange rates. It does not use derivative financial instruments to hedge exchange risk.

A change in the currency exchange rate between the Swiss franc and other currencies (US dollar and euro) in which financial instruments are held or revenue or expense transactions recognized of +/-5% would have had the following impact on the financial statements:

Amount in CHF	Impact on surplus/deficit	Impact on Net Assets
Impact +5%	120,911	192,942
Impact -5%	133,639	-192,942

The IPU also has a limited exposure to the risk of changes in interest rates. Its operating budget is financed primarily from revenue from Members' contributions and the sale of goods and services. Though only 0.5% of its operating budget is financed from revenue derived from investment income, the investments by the Pension Fund are held in a mutual fund, which is exposed to the risk of changes in market conditions. Should investment revenue decrease or increase the funds available to finance the closed Pension Fund, the contribution from the operating budget would increase or decrease accordingly. The IPU does not utilize financial instruments to hedge interest rate risk.

Liquidity risk

Liquidity risk is the risk that the IPU will encounter difficulties in meeting obligations associated with financial liabilities. The IPU has limited exposure to liquidity risk, owing to its substantial unrestricted cash reserves, which are replenished from the results of its operations. The IPU's investment policy has been developed to ensure that its investments are held primarily in liquid short-term deposits.

The IPU's total of cash and cash equivalents at 31 December 2024 of CHF 9.8 million is sufficient to meet its current liabilities at that date of CHF 3.9 million. On an ongoing basis, it is anticipated that the IPU will have sufficient liquidity to pay all of its debts due. The maturity of the financial liabilities is reflected in Statement I – Statement of Financial Position.

Credit risk

Credit risk is the risk that a counter party of the IPU's financial assets will fail to discharge its obligations. The IPU's accounts receivable derive almost exclusively from its Member Parliaments; the IPU therefore considers its credit risks to be limited to a small selection of cases. Credit risk is re-evaluated annually, and changes are reflected in the calculation of the provision for doubtful debts. Cash and cash equivalents are held in banks with sovereign risk or with credit ratings of A- or higher, based on ratings by Fitch and Standard and Poor's (S&P). The asset value of accounts receivable has been reduced through the use of a provision for doubtful debts to reflect receivables for which payment is not anticipated in the short term.