



**IWGIA**

**Central Business Registration No. 81 29 44 10**

**Annual Report 2016**

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## **Organisation details**

### **Organisation**

IWGIA

Classensgade 11 E

DK-2100 Copenhagen Ø

Denmark

Central Business Registration No: 81 29 44 10

Registered in: Copenhagen

Phone: +45 3527 0500

Fax: +45 3527 0507

Internet: [www.iwgia.org](http://www.iwgia.org)

E-mail: [iwgia@iwgia.org](mailto:iwgia@iwgia.org)

### **International Board**

Knud Vilby, Chairman

Chris Tooley, Vice-Chairman

Karen B. Andersen

Marianne L. Thomsen

Diana Vinding

Tyge Lehmann

Laila Susanne Vars

### **Management**

Julie Koch, Executive Director

Søren Juul Aarslev, Head of Finance and Administration

### **Organisation auditors**

Deloitte Statsautoriseret Revisionspartnerselskab

## Statement by Management on the annual report

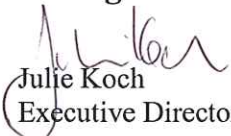
We have today presented the annual report of IWGIA for the financial year 1 January to 31 December 2016.


The annual report has been presented in accordance with the Organisation's statutes and generally accepted accounting principles as described in the accounting policies. We consider the accounting policies appropriate for the annual report to provide a true and fair view of the Organisation's financial position and results.

The Organisation has established guidelines and procedures ensuring that the transactions covered by the annual report comply with appropriations granted, statutes, other regulations, agreements and usual practice. Moreover, it is our opinion that due financial consideration is taken by the Organisation's administration, and that the information in the annual report is substantiated.


Copenhagen, 16 May 2017

### Management

  
Julie Koch  
Executive Director

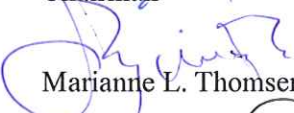
  
Søren Juul Aarslev  
Head of Finance and Administration

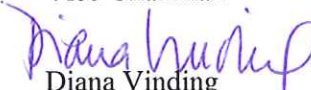
### Board of Directors

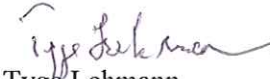
  
Knud Vilby  
Chairman

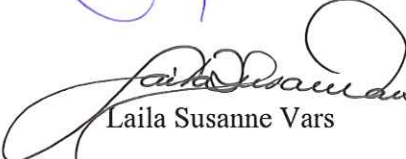
  
Chris Tooley  
Vice-Chairman

  
Karen B. Andersen

  
Marianne L. Thomsen

  
Diana Vinding

  
Tyge Lehmann

  
Laila Susanne Vars

Approved and endorsed by the Board of Directors and Management on 16 May 2017.

## **Independent auditor's report**

### **To IWGIA**

#### **Opinion**

We have audited the financial statements of IWGIA for the financial year 01.01.2016 - 31.12.2016, which comprise the accounting policies, income statement, balance sheet and notes. The financial statements are prepared in accordance with the Organisation's statutes and generally accepted accounting principles as described in the accounting policies.

In our opinion, the financial statements give a true and fair view of the Organisation's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016 in accordance with the Organisation's statutes and generally accepted accounting principles as described in the accounting policies.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's responsibilities for the audit of the financial statements* section of this auditor's report. We are independent of the Organisation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, 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.

#### **Management's responsibilities for the financial statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Organisation's statutes and generally accepted accounting principles as described in the accounting policies, 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 Organisation's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Organisation or to cease operations, or has no realistic alternative but to do so.

#### **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 ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individual-

ly or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events and conditions that may cast significant doubt on the Organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organisation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in accordance with generally accepted accounting principles as described in the accounting policies.

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.

Copenhagen, 16-05-2017

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
Business Registration No 33 96 35 56

Peter Z. Skanborg  
State-Authorised  
Public Accountant

Søren M. Thorbjørnsen  
State-Authorised  
Public Accountant

## **Accounting policies**

The annual report is presented in accordance with the provisions of the Organisation's statutes and generally accepted accounting principles as described in the accounting policies. The presentation and accounting policies have been adapted to meet the special reporting needs for IWGIA as a support organisation.

The annual report has been presented applying the accounting policies consistently with last year.

### **Recognition and measurement**

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Organisation, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Organisation has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Organisation, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

### **Income statement**

#### **Income**

Administration fee is recognised when IWGIA has obtained the right to the income according to donor-regulations. General grants and subsidies for IWGIA's core activities are recognised in the income statement in the year of receipt.

#### **Projects and programmes**

Grants and subsidies concerning programmes and projects are not recognised as income. These grants, subsidies and expenditures are specified in note 8.

Grants directly associated with concrete activities are entered in the project notes pertaining to the projects and programmes concerned.



## **Accounting policies**

Income and expenditure relating to activities that have not been completed by the end of the financial year shall have no bearing on the results, as the total result of such income and expenditure is entered in the item "Activities carried forward to next year". Expenditure paid by IWGIA in connection with the activities is entered in the income statement.

The account section (note) "Project and programme specifications" offers a comprehensive list of activities relative to donors.

### **Expenditure, special activities**

The expenditures: "IWGIA project expenses" and "IWGIA Dandia Frame Grant" consist of IWGIA's contributions to projects and programmes.

### **Publications**

Expenditure to cover the production of publications is entered on the basis of invoices from the suppliers and salary regarding publications.

### **Staff expenditure**

Staff expenditure comprise salaries and wages as well as social security costs, pension contributions, etc of the staff.

### **Income taxes**

IWGIA is not subject to taxation.

## Accounting policies

### Balance sheet

#### Fixed assets

Assets costing less than DKK 12.9k per unit are measured at cost in the income statement at the time of acquisition.

Deposits acquired are measured at cost less impairment losses.

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Fixtures and fittings, tools and equipment	3-5 years
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Shares recognised under fixed assets comprise listed shares measured at fair value (quoted price) at the balance sheet date.

#### Receivables

Receivables are measured at amortised cost usually equalling nominal value less provisions for bad debts.

#### Cash

Cash consist of cash in hand and IWGIA's bank deposits.

Bank deposits on project accounts are shown separately in the balance sheet under "Programmes and projects".

#### Liabilities

Financial liabilities are recognised at amortised cost that usually corresponds to nominal value.

#### Activities carried forward to next year

Activities carried forward to next year are the accumulated amount of the received subsidies and grants for on-going projects, including co-financing by IWGIA and interest accrued on bank deposits on project accounts, less the accumulated expenditure on the same projects.

#### Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange rate differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the balance sheet date, are recognised in the income statement as financial income or financial expenses.

## Income statement for 2016

	<u>Note</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
<b>Income</b>			
Administration fee		2,100,574	2,481,223
Other income	1	<u>257,182</u>	<u>172,117</u>
		<b>2,357,756</b>	<b>2,653,340</b>
<b>Expenditure</b>			
<b>Special activities</b>			
Board meetings, travel and PR	2	(189,007)	(44,737)
IWGIA project expenses		(75,955)	(239,504)
IWGIA Danida Frame Grant		<u>(482,718)</u>	<u>0</u>
		<b>1,610,076</b>	<b>2,369,099</b>
<b>Publications</b>			
Publication expenditure	3	<u>0</u>	<u>0</u>
		<b>1,610,076</b>	<b>2,369,099</b>
<b>Capacity expenditure</b>			
Staff expenditure	4	(6,912,672)	(7,352,588)
Secretariat expenditure	5	(1,740,158)	(1,462,069)
Implementation funds from projects and programmes		<u>6,530,760</u>	<u>5,230,913</u>
<b>Profit/loss for the year</b>		<u><b>(511,994)</b></u>	<u><b>(1,214,644)</b></u>

**Project and programme subsidies and expenditure 2016**

	<u>Note</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
<b>Project and programme subsidies and expenditures</b>			
Project and programme subsidies	8	36,332,293	35,055,046
Project and programme expenditures	8	33,693,070	33,998,578

## Balance sheet at 31 December 2016

	<u>Note</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
<b>Fixed assets</b>			
Other fixtures and fittings, tools and equipment		47,070	72,435
Deposits		53,126	48,601
Shares, Sydbank		10,960	11,090
<b>Total fixed assets</b>		<u>111,156</u>	<u>132,126</u>
<b>Current assets</b>			
<b>Receivables</b>			
Receivables		9,242	1,029,270
Other receivables		0	2,511
<b>Total receivables</b>		<u>9,242</u>	<u>1,031,781</u>
<b>Cash</b>			
Cash in hand and deposits in IWGIA's accounts	6	<u>3,298,566</u>	<u>3,199,462</u>
<b>Total cash</b>		<u>3,298,566</u>	<u>3,199,462</u>
<b>Programmes and projects</b>			
Deposits in project accounts	7	<u>9,440,487</u>	<u>5,597,611</u>
<b>Total programmes and projects</b>		<u>9,440,487</u>	<u>5,597,611</u>
<b>Total current assets</b>		<u>12,748,295</u>	<u>9,828,854</u>
<b>Total assets</b>		<u>12,859,451</u>	<u>9,960,980</u>

**Balance sheet at 31 December 2016**

	<u>Note</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
<b>Equity</b>			
Equity at the beginning of the year		4,469,721	5,684,365
Profit /loss for the year		<u>(511,994)</u>	<u>(1,214,644)</u>
<b>Equity at the end of the year</b>		<u><b>3,957,727</b></u>	<u><b>4,469,721</b></u>
<b>Liabilities</b>			
Accrued expenses		598,023	482,326
Holiday pay		<u>1,371,263</u>	<u>1,152,996</u>
<b>Total liabilities</b>		<u><b>1,969,286</b></u>	<u><b>1,635,322</b></u>
<b>Activities carried forward to next year</b>	8	<u><b>6,932,438</b></u>	<u><b>3,855,937</b></u>
<b>Total equity and liabilities</b>		<u><u><b>12,859,451</b></u></u>	<u><u><b>9,960,980</b></u></u>
Contingent liabilities etc.	9		

## Notes to the financial statements

	<b>2016 DKK</b>	<b>2015 DKK</b>
<b>1. Other income</b>		
National numbers game subsidies (Lotto)	(18,496)	53,085
Subscriptions and sale to non-subscribers	63,202	52,850
Private contributions (membership fees)	36,241	28,839
Miscellaneous income	175,829	35,811
Interest accrued	406	1,532
<b>Total other income</b>	<b>257,182</b>	<b>172,117</b>
<b>2. Board meetings, travel and PR</b>		
Board and executive meetings	(69,021)	(26,277)
Travel: Meetings, conferences and visitors	(80,948)	(9,878)
Translation	(39,038)	(8,582)
<b>Total board meetings, travel and PR</b>	<b>(189,007)</b>	<b>(44,737)</b>
<b>3. Publication expenditure</b>		
Publication expenditure	(409,548)	(1,100,127)
Covered by Danida Frame Grant	409,548	1,100,127
<b>Total publication expenditure</b>	<b>0</b>	<b>0</b>
<b>4. Staff expenditure</b>		
Salaries and fees	(6,023,684)	(6,183,051)
Pensions	(975,867)	(945,019)
Vacation	(52,460)	(408,898)
Travel compensation	(398,640)	(322,795)
Social benefits	(53,013)	(159,149)
AUD, AES, maternity etc.	(72,149)	0
Staff training	(7,521)	(67,026)
Staff expenditure	(10,030)	(3,115)
Job advertisement	(11,313)	(19,613)
Other staff costs	(453)	(2,995)
Adjustment of holiday payments	(218,268)	25,096
Public refunds	221,017	80,018
Covered 1:1 by projects and programmes	689,709	653,960
<b>Total staff expenditure</b>	<b>(6,912,672)</b>	<b>(7,352,588)</b>

## Notes to the financial statements

	<u>2016</u> <u>DKK</u>	<u>2015</u> <u>DKK</u>
<b>5. Secretariat expenditure</b>		
Rent, electricity, heating, water supply, etc.	(789,618)	(760,581)
Office supplies, phone, photocopying, books, announcement etc.	(201,809)	(201,171)
Computer expenditure, programmes and maintenance	(181,038)	(238,974)
Daily postage and distribution	(53,451)	(43,217)
Equipment and furniture	(1,263)	(17,457)
Bank fees, insurance, membership fees, subscriptions	(163,178)	160,537
Audit	(178,991)	(130,250)
Legal assistance	(41,128)	(92,510)
Accounting assistance	(75,000)	(81,928)
Other expenses	114	1,076
Depreciation	(54,796)	(57,594)
<b>Total secretariat expenditure</b>	<u><b>(1,740,158)</b></u>	<u><b>(1,462,069)</b></u>
<b>6. Deposits in IWGIA's accounts</b>		
Sydbank, IWGIA Core	3,257,602	3,132,831
Cash	84	5,472
Foreign currency	35,938	56,177
USD account	4,942	4,982
<b>Total deposits in project accounts</b>	<u><b>3,298,566</b></u>	<u><b>3,199,462</b></u>



## Notes to the financial statements

	<b>2016</b>	<b>2015</b>
	<b>DKK</b>	<b>DKK</b>
<b>7. Deposits in project accounts</b>		
DANIDA frame grant	1,661,468	2,269,626
EU-funded ILO project	1,168	0
AECI, UN Mechanisms Madrid 2009	136,146	162,037
Reinforcing IP Movement (RUS)	82,644	0
CISU Asia	179,866	0
Danida REDD 2014-2015	0	73,794
NORAD CFI	3,683,806	0
Co-Management Model/Russia	328,123	0
World Conference on IP's, IFAD	991,810	1,567,096
IFAD II	954,873	0
Silbury Fund	0	21,877
The Christensen Foundation	0	71,732
Danida ACHPR support 2014-2015	278,932	278,932
Advancing IP's Rights (EU)	127,771	39,178
Russia	5,572	121,849
CISU East Africa	435,849	44,566
UNDP Initiative towards COP 21	3,279	371,199
Corporate Social Responsibility, UM/GRV	569,180	575,725
<b>Deposits in project accounts</b>	<b>9,440,487</b>	<b>5,597,611</b>

## Notes to the financial statements

## 8. Project and programme specifications

In DKK	Previous years	2016	Total	Expenditure				Carried
	Grants	Subsidies	Subsidies & Grants	earlier years	2016	Own financial contribution IWGIA	Total	forward to 2017
Danida Frame Grant	40.011.752	19.650.000	59.661.752	40.490.540	19.653.930	(482.718)	59.661.752	0
Danida REDD 2014-2015	10.002.956	1.360	10.004.316	9.843.517	212.733	0	10.056.250	0
Danida ACHPR support 2012-2014	4.059.577	0	4.059.577	3.780.645	0	0	3.780.645	278.932
AECI, UN Mechanisms Madrid 2009	665.616	0	665.616	529.469	0	0	529.469	136.147
Silbury Fund	47.577	0	47.577	25.644	21.933	0	47.577	0
World Conference on IP's, (IFAD)	4.935.320	0	4.935.320	2.218.780	1.864.381	0	4.083.161	852.159
EU-funded ILO project	409.438	609.790	1.019.228	409.438	608.878	0	1.018.316	912
The Christensen Foundation	1.247.913	0	1.247.913	1.176.181	250	0	1.176.431	0
Reinforcing IP Movement (RUS)	897.978	0	897.978	823.728	74.250	0	897.978	0
CISU East Africa	1.660.000	1.692.150	3.352.150	1.562.089	1.440.339	0	3.002.428	349.722
Advancing IP's Rights (EU)	630.439	698.610	1.329.049	600.333	642.422	0	1.242.756	86.293
Corporate Social Responsibility, UM/GRV	770.000	1.130.000	1.900.000	197.798	1.170.722	0	1.368.520	531.480
UNDP Initiative towards COP 21	3.257.365	13.415	3.270.780	3.107.723	159.778	0	3.267.501	3.279
Co-Management Model/Russia	0	1.193.132	1.193.132	0	805.287	0	805.287	387.845
CISU Asia	0	1.894.553	1.894.553	0	1.721.312	0	1.721.312	173.241
NORAD CFI	0	7.263.981	7.263.981	0	3.948.527	0	3.948.527	3.315.454
IFAD II	0	2.185.302	2.185.302	0	1.368.328	0	1.368.328	816.974
<b>Total</b>	<b>68.595.931</b>	<b>36.332.293</b>	<b>104.928.223</b>	<b>64.765.885</b>	<b>33.693.070</b>	<b>(482.718)</b>	<b>97.976.238</b>	<b>6.932.439</b>

## Notes to the financial statements

### 9. Contingent liabilities

Operating leases concern the residual value of a copier and a rent obligation totalling DKK 457,176 at 31 December 2016.