



IWGIA

Business Registration No. 81 29 44 10

Annual report 2017

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Organisation details

Organisation

IWGIA

Prinsessegade 29 B

1422 Copenhagen K

Business Registration No. 81 29 44 10

Registered in: Copenhagen

Phone: +45 53 73 28 30

Internet: www.iwgia.org

E-mail: iwgia@iwgia.org

International Board

Knud Vilby, Chairman

Chris Tooley, Vice-Chairman

Aviâja Egede Lynge

Thomas Trier Hansen

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 and the International Board on the annual report

We have today presented the annual report of IWGIA for the financial year 01.01.2017 - 31.12.2017.

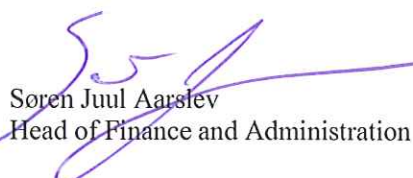
The annual report has been presented in accordance with the Organisation's statutes and generally accepted accounting principles as described in the accounting policies.

In our opinion, the financial statements give a true and fair view of the Organisation's financial position at 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017 in accordance with the Organisation's statutes and generally accepted accounting principles as described in the accounting policies.

Copenhagen, 7 May 2018

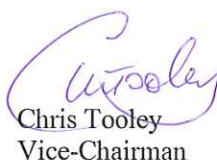
Management


Julie Koch
Executive Director


Søren Juul Aarslev
Head of Finance and Administration

International Board


Knud Vilby
Chairman


Chris Tooley
Vice-Chairman

Aviåja Egede Lynge

7/5-18 
Thomas Trier Hansen

Diana Vinding


Tyge Lehmann


Laila Susanne Vars

Independent auditor's report

To the International Board of IWGIA

Opinion

We have audited the financial statements of IWGIA for the financial year 01.01.2017 - 31.12.2017, which comprise the accounting policies, income statement, project and programme subsidies and expenditure, 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 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017 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.

Independent auditor's report

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

As part of an audit in accordance with 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 a manner that gives a true and fair view in accordance with generally accepted accounting principles as described in the accounting policies.

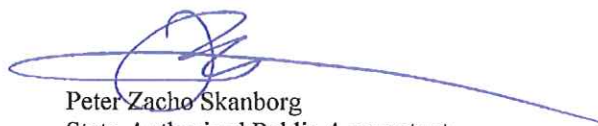
Independent auditor's report

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.

Copenhagen, 7 May 2018

Deloitte

Statsautoriseret Revisionspartnerselskab
Business Registration No. 33 96 35 56



Peter Zacho Skanborg
State-Authorised Public Accountant
Identification number (MNE): mne10774

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.

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
--------------------------------------------	-----------

Shares recognised under fixed assets comprise listed shares measured at fair value (quoted price) at the balance sheet date.

Accounting policies

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 2017

	<u>Note</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Income			
Administration fee		2,156,847	2,100,574
Other income	1	<u>134,290</u>	<u>257,182</u>
		2,291,137	2,357,756
Expenditure			
Special activities			
Board meetings, travel and PR	2	(131,361)	(189,007)
IWGIA project expenses		0	(75,955)
IWGIA Danida Frame Grant		<u>0</u>	<u>(482,718)</u>
		2,159,776	1,610,076
Publications			
Publication expenditure	3	<u>0</u>	<u>0</u>
		2,159,776	1,610,076
Capacity expenditure			
Staff expenditure	4	(8,338,330)	(6,912,672)
Secretariat expenditure	5	(1,906,120)	(1,740,158)
Implementation funds from projects and programmes		<u>7,698,105</u>	<u>6,530,760</u>
Profit/loss for the year		<u>(386,569)</u>	<u>(511,994)</u>

Project and programme subsidies and expenditure 2017

	<u>Note</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Project and programme subsidies and expenditures			
Project and programme subsidies	8	41,027,539	36,332,293
Project and programme expenditures	8	37,332,177	33,693,070

Balance sheet at 31 December 2017

	<u>Note</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Fixed assets			
Other fixtures and fittings, tools and equipment		12,454	47,070
Deposits		443,750	53,126
Shares, Sydbank		0	10,960
Total fixed assets		<u>456,204</u>	<u>111,156</u>
Current assets			
Receivables			
Receivables		378	9,242
Total receivables		<u>378</u>	<u>9,242</u>
Cash			
Cash in hand and deposits in IWGIA's accounts	6	1,721,124	3,298,566
Deposits in project accounts	7	14,005,487	9,440,487
Total cash		<u>15,726,611</u>	<u>12,739,053</u>
Total current assets		<u>15,726,989</u>	<u>12,748,295</u>
Total assets		<u>16,183,193</u>	<u>12,859,451</u>

Balance sheet at 31 December 2017

	<u>Note</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Equity			
Equity at the beginning of the year		3,957,727	4,469,721
Profit/loss for the year		<u>(386,569)</u>	<u>(511,994)</u>
Equity at the end of the year		<u>3,571,158</u>	<u>3,957,727</u>
Liabilities			
Accrued expenses			
Holiday pay		1,398,954	1,371,263
Other accrued expenses		<u>598,748</u>	<u>598,023</u>
Total accrued expenses		<u>1,997,702</u>	<u>1,969,286</u>
Activities carried forward to next year	8	<u>10,614,333</u>	<u>6,932,438</u>
Total liabilities		<u>12,612,035</u>	<u>8,901,724</u>
Total equity and liabilities		<u><u>16,183,193</u></u>	<u><u>12,859,451</u></u>
 Lease commitments	9		

Notes to the financial statements

	<u>2017 DKK</u>	<u>2016 DKK</u>
1. Other income		
National numbers game subsidies (Lotto)	49,231	(18,496)
Subscriptions and sale to non-subscribers	40,038	63,202
Private contributions (membership fees)	20,469	36,241
Miscellaneous income	24,715	175,829
Interest accrued	(163)	406
Total other income	<u>134,290</u>	<u>257,182</u>
2. Board meetings, travel and PR		
Board and executive meetings	(114,866)	(69,021)
Travel: Meetings, conferences and visitors	(1,627)	(80,948)
PR activities, folders, annual report	(551)	0
Translation	(14,317)	(39,038)
Total board meetings, travel and PR	<u>(131,361)</u>	<u>(189,007)</u>
3. Publication expenditure		
Publication expenditure	(634,713)	(409,548)
Covered by Danida Frame Grant	634,713	409,548
Total publication expenditure	<u>0</u>	<u>0</u>

Notes to the financial statements

	2017 DKK	2016 DKK
4. Staff expenditure		
Salaries and fees	(7,045,823)	(6,023,684)
Pensions	(1,103,061)	(975,867)
Vacation	(196,274)	(52,460)
Travel compensation	(471,194)	(398,640)
Social benefits	(57,652)	(53,013)
AUD, AES, maternity etc.	(99,282)	(72,149)
Staff training	(16,964)	(7,521)
Staff expenditure	(9,798)	(10,030)
Job advertisement	(20,406)	(11,313)
Other staff costs	(14,264)	(453)
Adjustment of holiday payments	(27,691)	(218,268)
Public refunds	17,556	221,017
Covered 1:1 by projects and programmes	706,523	689,709
Total staff expenditure	(8,338,330)	(6,912,672)
5. Secretariat expenditure		
Rent, electricity, heating, water supply, etc.	(786,841)	(789,618)
Office supplies, phone, photocopying, books, announcement etc.	(273,842)	(201,809)
Computer expenditure, programmes and maintenance	(211,831)	(181,038)
Daily postage and distribution	(77,874)	(53,451)
Equipment and furniture	(7,023)	(1,263)
Bank fees, insurance, membership fees, subscriptions	(186,490)	(163,178)
Audit	(180,625)	(178,991)
Legal assistance	(52,915)	(41,128)
Accounting assistance	(94,386)	(75,000)
Other expenses	323	114
Depreciation	(34,616)	(54,796)
Total secretariat expenditure	(1,906,120)	(1,740,158)

Notes to the financial statements

	2017 DKK	2016 DKK
6. Cash in hand and deposits in IWGIA's accounts		
Sydbank, IWGIA Core	1,679,824	3,257,602
Cash in DKK	1,434	84
Cash in foreign currency	35,430	35,938
USD account	4,436	4,942
Total deposits in IWGIA accounts	1,721,124	3,298,566
7. Deposits in project accounts		
DANIDA frame grant	2,922,872	1,661,468
EU-funded ILO project	537,305	1,168
AECI, UN Mechanisms Madrid 2009	136,111	136,146
Reinforcing IP Movement (RUS)	229,459	82,644
CISU Asia	438,728	179,866
NORAD CFI	3,192,870	3,683,806
Co-Management Model/Russia	468,486	328,123
World Conference on IP's, IFAD	756,403	991,810
IFAD II	8,660	954,873
Danida ACHPR support 2014-2015	278,860	278,932
Advancing IP's Rights (EU)	80,582	127,771
Russia	0	5,572
CISU East Africa	620,363	435,849
UNDP Initiative towards COP 21	3,278	3,279
Corporate Social Responsibility, UM/GRV	803,897	569,180
SDG's	3,254,159	0
Increased Awareness	263,233	0
Support to LCIP	10,221	0
Deposits in project accounts	14,005,487	9,440,487

Notes to the financial statements

8. Project and programme specifications

In DKK	Previous years	2017	Total	Expenditure			Returned funds/or moved to Frame/Drift	Carried forward to 2018
	Grants	Subsidies	Subsidies & Grants	earlier years	2017	Total		
Danida Frame Grant	0	16.667.000	16.667.000	0	16.206.215	16.206.215	0	460.785
Danida ACHPR support 2012-2014	4.059.577	0	4.059.577	3.780.645	0	3.780.645	0	278.932
AECI, UN Mechanisms Madrid 2009	665.616	0	665.616	529.469	0	529.469	0	136.147
WCIP 2014, IFAD	4.935.320	0	4.935.320	4.083.161	96.180	4.179.341	0	755.979
EU-funded ILO project	912	2.550.156	2.551.068	0	2.022.477	2.022.477	0	528.591
Reinforcing IP Movement (RUS)	897.978	0	897.978	897.978	0	897.978	0	0
Climate Change Africa(CISU)	3.352.150	1.532.871	4.885.021	3.002.438	1.395.631	4.398.069	0	486.952
Adv. Ips Rights (EU)	1.329.049	583.803	1.912.852	1.242.756	626.276	1.869.032	0	43.819
CSR Nepal	1.900.000	1.122.851	3.022.851	1.368.520	886.662	2.255.182	0	767.669
UNDP	3.270.780	0	3.270.780	3.267.500	1	3.267.501	0	3.278
Co-Management Model/Russia	1.193.132	1.280.049	2.473.181	805.287	996.178	1.801.465	0	671.716
REDD+:Land and forest Asia	1.894.553	1.759.049	3.653.602	1.721.312	1.519.973	3.241.285	0	412.317
NORAD	7.263.981	6.968.908	14.232.889	3.948.527	7.358.882	11.307.409	0	2.925.480
IFAD II	2.185.302	0	2.185.302	1.368.328	869.658	2.237.986	0	-52.684
FAO Increased awareness Matri	0	45.150	45.150	0	98.346	98.346	0	-53.196
Making SDG's Work for Ind. Peo	0	7.863.416	7.863.416	0	4.911.059	4.911.059	0	2.952.358
Support to LCIP Platform	0	216.218	216.218	0	202.762	202.762	13.456	0
FAO and food security	0	288.000	288.000	0	50	50	0	287.950
Informal Technical Meeting	0	150.067	150.067	0	141.828	141.828	0	8.239
Total	32.948.350	41.027.539	73.975.888	26.015.922	37.332.177	63.348.099		10.614.333

Notes to the financial statements

9. Lease commitments

Operating lease contracts on a rent obligation and a copier have been concluded for the years 2018 to 2023 and 2014 to 2018, respectively.

	2017 DKK
Rent obligation	2,568,333
Copier	38,268
Total lease commitments	2,606,601