International Federation of Red Cross and Red Crescent Societies, Geneva

Independent Auditors' Report
to the President of the
International Federation of Red Cross
and Red Crescent Societies
on the Consolidated Financial Statements 2021

KPMG SA
Geneva, 30 May 2022

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Independent Auditor's Report to the President of the International Federation of Red Cross and Red Crescent Societies on the Consolidated Financial Statements 2021, Geneva

Report on the Audit of the Consolidated Financial Statements

Opinion

As independent auditor, we have audited the accompanying consolidated financial statements of the International Federation of Red Cross and Red Crescent Societies ("the Federation"), which comprise the consolidated statement of comprehensive income, the consolidated statements of financial position, statement of reserves and cash flows and notes for the year ended 31 December 2021.

In our opinion, the consolidated financial statements for the year ended 31 December 2021 give a true and fair view of the consolidated financial position of the Federation, its consolidated results of operations and its consolidated cash flows in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those provisions and standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Federation in accordance with the requirements of the International Ethics Standards Board for Accountants (IESBA) Code of Ethics for Professional Accountants, 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.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Federation's financial reporting process.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of Management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with Management and 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.

KPMG SA

Hélène Béguin Licensed Audit Expert	Steven Gras

Geneva, 30 May 2022

Enclosure:
- Consolidated financial statements (statement of comprehensive income, statement of financial position, statement of reserves, statement of cash flows and notes)

CONSOLIDATED FINANCIAL STATEMENTS 2021

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER

	Note	Restricted 2021 CHF 000s	Unrestricted 2021 CHF 000s	Total 2021 CHF 000s	Total 2020 CHF 000s
OPERATING INCOME					
Statutory contributions		-	34,582	34,582	36,432
Voluntary contributions		87,230	118	87,348	105,420
Voluntary contributions to Covid-19 Appeal	5	35,652	-	35,652	113,975
Total Voluntary contributions	6	122,882	118	123,000	219,395
Donations		141,286	28,768	170,054	126,691
Donations to Covid-19 Appeal	5	90,471	-	90,471	90,954
Total Donations	6	231,757	28,768	260,525	217,645
Services income	7	62,835	56	62,891	65,258
Other income		1,744	592	2,336	2,681
Total OPERATING INCOME		419,217	64,117	483,334	541,411
OPERATING EXPENDITURE					
Humanitarian response		119,472	-	119,472	149,450
Humanitarian response Covid-19	5	140,298	-	140,298	135,826
Total Humanitarian response		259,770	-	259,770	285,276
Thematic		153,311	-	153,311	121,847
Other resources (Programmes)	8	413,081	-	413,081	407,123
Supplementary services	8	20,102	-	20,102	25,952
Regular resources	8	-	52,436	52,436	29,261
Total OPERATING EXPENDITURE		433,184	52,436	485,619	462,336
NET SURPLUS FROM OPERATING ACTIVITIES		(13,966)	11,681	(2,285)	79,075
FINANCE INCOME AND EXPENSE					
Finance income	9	-	11,021	11,021	5,875
Finance expense	9	(618)	(4,993)	(5,611)	(655)
NET FINANCE INCOME		(618)	6,028	5,410	5,220
NET SURPLUS FOR THE YEAR		(14,584)	17,709	3,125	84,295
OTHER COMPREHENSIVE INCOME					
Items that will not be reclassified subsequently to income or expenditure					
Actuarial gains / (losses) on defined benefit plans	21	14,946	25,870	40,816	(3,591)
Items that are or may be reclassified subsequently to income or expenditure					
Cash flow hedges	10	-	68	68	29
Total OTHER COMPREHENSIVE INCOME FOR THE YEAR		14,946	25,938	40,884	(3,562)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		362	43,646	44,008	80,733
Attributable to:					
Restricted reserves	22	362	-	362	39,389
Unrestricted reserves		-	43,646	43,646	41,344
		362	43,646	44,008	80,733

There were no discontinued operations during the year.

The notes on pages 8 to 49 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER

	Note	2021 CHF 000s	2020 CHF 000s
ASSETS			
Current Assets			
Cash and cash equivalents		90,260	102,963
Cash and cash equivalents - ESSN Project	11	124,056	100,692
Total cash and cash equivalents	12	214,316	203,655
Investments	13	188,179	237,193
Receivables	14	171,705	150,210
Prepayments and contract assets	15	5,126	7,237
Prepayments - ESSN Project	11	16,112	26,608
Total Prepayments and contract assets		21,238	33,845
Other current assets		2,973	2,340
Total Current Assets		598,411	627,243
Non-Current Assets			
Investments	13	90,000	48,000
Receivables	14	53,081	61,846
Property, vehicles and equipment	16	115,818	119,109
Intangible assets	17	14,338	6,663
Total Non-Current Assets		273,237	235,618
Total ASSETS		871,648	862,861
LIABILITIES AND RESERVES			
Current Liabilities			
Accounts payable and accrued expenses		33,016	31,999
Short-term employee benefits		9,926	5,736
Provisions	18	41,199	39,601
Liabilities - ESSN Project	11	140,167	127,300
Deferred income and contract liabilities	19	178,149	191,122
Loans and borrowings	20	3,673	3,246
Total Current Liabilities		406,130	399,004
Non-Current Liabilities			
Deferred income	19	39,836	44,432
Loans and borrowings	20	62,235	63,710
Post-employment defined benefit liabilities, net	21	21,275	57,551
Total Non-Current Liabilities		123,346	165,693
Total LIABILITIES		529,476	564,697
Reserves			
Restricted reserves	22	223,697	209,391
Unrestricted reserves		99,968	71,137
Designated reserves	23	18,507	17,636
Total RESERVES		342,172	298,164
Total LIABILITIES and RESERVES		871,648	862,861

The notes on pages 8 to 49 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF RESERVES
FOR THE YEAR ENDED 31 DECEMBER

2021	Notes	Restricted CHF 000s	Unrestricted CHF 000s	Designated CHF 000s	Total CHF 000s
Balance at 1 January		209,391	71,137	17,636	298,164
Transfers to/from reserves	22				
Net surplus for the year		(14,584)	17,709	-	3,125
Other comprehensive income for the year	10, 21	14,946	25,938	-	40,884
Total comprehensive income for the year		362	43,646	-	44,008
Used during the year	23	14,450	85	(14,535)	-
Allocations during the year	23	(506)	(14,900)	15,406	-
Balance at 31 December	22, 23	223,697	99,968	18,507	342,172

2020	Notes	Restricted CHF 000s	Unrestricted CHF 000s	Designated CHF 000s	Total CHF 000s
Balance at 1 January		170,487	45,059	1,885	217,431
Transfers to/from reserves	25				
Net surplus for the year		40,847	43,448	-	84,295
Other comprehensive income for the year	10, 21	(1,458)	(2,104)	-	(3,562)
Total comprehensive income for the year		39,389	41,344	-	80,733
Used during the year	23	71	74	(145)	-
Allocations during the year	23	(556)	(15,340)	15,896	-
Balance at 31 December	22, 23	209,391	71,137	17,636	298,164

The notes on pages 8 to 49 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER

	Notes	2021 CHF 000s	2020 CHF 000s
CASH FLOWS FROM OPERATING ACTIVITIES			
Net surplus for the year		3,125	84,295
Adjustment for non-cash items:			
Depreciation and amortisation	16, 17	10,401	10,260
In-kind assets	16	(3,262)	(2,620)
Increase in provisions	18	1,598	(1,594)
Other non-cash items		6,970	6,081
Finance costs	9	(10,681)	(8,269)
		5,026	3,858
Changes in working capital			
Receipt in advance ESSN	11	12,867	(17,602)
Receivables, net	14	(12,730)	(37,322)
Prepayments and contract assets	15	12,607	(27,243)
Advance pension contribution	21	-	(21,000)
Payables		1,084	2,300
Deferred income and contract liabilities	19	(17,638)	80,126
Other		3,809	(125)
Net change in working capital		(1)	(20,866)
NET CASH GENERATED FROM OPERATING ACTIVITIES		8,150	67,287
CASH FLOWS GENERATED FROM / (USED IN) INVESTING ACTIVITIES			
Interest and dividends received	9	2,452	1,985
Proceeds from sale of property, vehicles and equipment	16	1,085	3,483
Proceeds from sale of investments	13	20,897	1,588
Acquisition of property, vehicles, equipment and intangibles	16, 17	(12,020)	(9,710)
Acquisition of investments	13	(10,000)	(123,500)
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES		2,413	(126,154)
CASH FLOWS (USED IN) FINANCING ACTIVITIES			
Loan repayments	20	(1,415)	(1,416)
Lease payments	25	(3,084)	(2,865)
NET CASH (USED IN) FINANCING ACTIVITIES		(4,499)	(4,281)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		6,064	(63,148)
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		203,655	264,549
Effect of exchange rate fluctuations on cash held		4,597	2,254
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	12	214,316	203,655

The notes on pages 8 to 49 are an integral part of these consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. Activities and organisation

Founded in 1919, the International Federation of Red Cross and Red Crescent Societies (IFRC) is a membership organisation comprising 192 member Red Cross and Red Crescent societies governed by a Governing Board and with management support provided by a Secretariat with more than 60 delegations strategically located to support activities around the world. The IFRC secretariat headquarters' address is 17, Chemin des Crêts, Petit-Saconnex, 1209 Geneva, Switzerland.

The IFRC's mission is to improve the lives of vulnerable people by mobilising the power of humanity. Working in support of its 192 member National Societies, the IFRC acts before, during and after disasters and health emergencies to meet the needs and improve the lives of vulnerable people. It does so with impartiality as to nationality, race, gender, religious beliefs, class and political opinions.

In 1996, the IFRC concluded a Status Agreement with the government of Switzerland which recognised the IFRC's international personality and reconfirmed its exemption from all Swiss taxes. The IFRC acts under its own constitution with all rights and obligations of a corporate body with a legal personality. The IFRC is solely responsible, to the exclusion of its member National Societies, for all its transactions and commitments.

The IFRC together with national Red Cross and Red Crescent Societies (National Societies) and the International Committee of the Red Cross (ICRC) make up the International Red Cross and Red Crescent Movement. The General Assembly, composed of delegates from member National Societies, is the supreme governing body of the IFRC. The Governing Board, elected by and from the members of the General Assembly, has authority to govern the IFRC between meetings of the Assembly, including decision authority on certain financial matters. The Finance Commission, comprising five members and a Chair elected in a personal capacity by the General Assembly, gives advice on financial matters affecting the IFRC. The Audit and Risk Commission, comprising five members and a Chair elected in a personal capacity by the General Assembly, gives advice on audit and risk matters affecting the IFRC.

The bi-ennial plan and budget of the IFRC is approved by the General Assembly. Once the plan and budget has been approved, the IFRC's Secretary General and senior management are responsible for securing the projected income and delivering on the plan's objectives.

The activities of the IFRC, as approved in the plan and budget for the years 2021 and 2020 comprise:

Budget Category	Activity	Description
Other resources (Restricted) activities	Programmes: - Humanitarian response - Thematic activities	Support National Societies in their: - programmes to support disaster affected and vulnerable people; - individual organisational development.
	Supplementary services	Provide cost-effective, relevant and demand driven services to individual and groups of National Societies
Regular resources (Unrestricted) activities)[1]	Governance and Secretariat activities	Fulfil the IFRC's constitutional role as the permanent body of liaison and coordination amoung National Societies representing the Red Cross and Red Crescent globally and providing network wide services

Performance against approved (unaudited) budget, Expenditure by Results against approved (unaudited) budget, and Expenditure by Structure against approved (unaudited) budget are shown in notes 29 to 31 to these consolidated financial statements.

These financial statements of the IFRC for the year ended 31 December 2021 are consolidated to include the International Federation of Red Cross and Red Crescent Societies at the United Nations, Inc. (IFRC at the UN Inc.), as well as activities of the Geneva secretariat, all IFRC delegations, the General Assembly, the Governing Board and statutory commisisons, including the Audit and Risk Commission, the Compliance and Mediation Committee, the Election Committee, the Finance Commission and the Youth Commission. For the purpose of these financial statements, the IFRC accounts for its interests in certain jointly controlled operations by recognising and measuring the assets and liabilities and related revenues and expenses related to the IFRC interest in the joint operations. The consolidated financial statements presented do not include the results of the member National Societies. Each of these has its own legal status separate from that of the IFRC and the IFRC exercises no control over them.

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[1] The IFRC may occasionally receive resources for activites undertaken as part of the Regular resources budget which have certain restrictions. These amounts are presented as 'Unrestricted' in these financial statements.

2. Statement of compliance and basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and are presented in accordance with the IFRC's Financial Regulations. The consolidated financial statements were authorized for issue by the Audit and Risk Commission on 25 May 2022.

IFRS do not contain specific guidance for non-profit organisations and non-governmental organisations concerning the accounting treatment and the presentation of financial statements. Where IFRS is silent or does not give guidance on how to treat transactions specific to the not-for-profit sector, accounting policies selected are based on the general principles of IFRS, as detailed in the IASB Conceptual Framework for Financial Reporting.

The consolidated financial statements have been prepared under the historical cost convention, except where otherwise indicated. Details of the IFRC's accounting policies, including changes during the year, are included in note 32 of these consolidated financial statements.

3. Functional and presentation currency

The functional and presentation currency of the IFRC is the Swiss Franc. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

4. Critical accounting estimates and judgements

Preparation of the consolidated financial statements requires the use of judgements, estimates and assumptions that affect the application of IFRC`s accounting policies, the recognition and reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates. Estimates and assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

All significant accounting judgements, estimates and assumptions specific to one note are described in that note or the associated accounting policy. In particular:

Judgements
Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 32C – Income from voluntary contributions and donations: whether a voluntary contribution is fully under the control of the IFRC and its accounting treatment;
- Note 32C – Income from the provision of services: whether services income is recognised over time or at a point in time.

Estimates and assumptions
Information about assumption and estimation uncertainties that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities, within the next financial year is included in the following notes:

- Note 32H ESSN project: key assumptions used to estimate the value of the financial asset and financial liability associated with the delivery of cash to beneficiaries under component B of the agreement with ECHO.
- Note 21 – Post employment defined benefit plans: key actuarial assumptions;
- Note 32C – Fair value of in-kind contributions and donations: key assumptions used to estimate value of in-kind contributions and donations.
- Note 32N – Recognition and measurement of provisions and contingencies: key assumptions about likelihood and magnitude of resource flows.

5. COVID-19 Pandemic

On 31 January 2020, the IFRC launched an Emergency Appeal seeking CHF 3 million to enable the IFRC to support its membership in delivering assistance and support to communities affected or at risk of being affected by the novel coronavirus outbreak. In further response to the increased scale and scope of the crisis, this appeal was revised a number of times and on 28 May 2020, the IFRC published a revised appeal seeking CHF 450 million and extending the timeframe to 31 December 2021. The funds raised for this revised Emergency Appeal cover both allocations to IFRC's member National Societies and funding to support the work of the IFRC Secretariat. It includes allocations to the five regions (CHF 370 million) and to the Geneva Secretariat (CHF 30 million), as well as CHF 50 million to be managed as flexible funding to respond to the changing nature and focus of the pandemic. The increased appeal funding will enable the IFRC network to be able to respond to developing hotspots, second waves and deepening social and economic impacts, that affect the lives and dignity of people and communities in specific countries.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

On 2 February 2021, the appeal was further revised to include an immunisation annex to the Covid-19 response increasing the total appeal amount to CHF 550 million until 31 December 2021, whereby the additional CHF 100 million is planned to address a pressing need to support Covid-19 global vaccine roll-out. On 24 March 2021, the appeal timeframe was extended to 30 June 2022. Subsequently, on 18 December 2021, the appeal was further extended until 31 December 2022 and funding was increased to CHF 670 million to continue supporting National Societies' work as auxiliaries to their governments to tackle the continued effects of the pandemic, support the integration of Covid-19 into regular programming and remain flexible in responding to new variants of concern, hotspots and new waves.

The Covid-19 Pandemic appeal is a global effort by the membership of the IFRC to address the immediate, medium and long-term impacts caused by the pandemic. It is unprecedented in terms of its magnitude, financial value and global reach with the IFRC planning to simultaneously support more than 160 National Societies in one action. The IFRC is funding the domestic appeals and plans of National Societies with support primarily being provided by IFRC remotely. As at 31 December 2021, a total of 162 (2020: 159) National Societies had received funding allocations from the IFRC Covid-19 Emergency Appeal. Income and expenditure figures related this emergency appeal are disclosed separately in the Consolidated Statement of Comprehensive Income. Additional details are provided below:

	2021	2020
	CHF 000s	CHF 000s
OPERATING INCOME		
Voluntary contributions	35,652	113,975
Donations	90,471	90,954
Total OPERATING INCOME	126,123	204,929
OPERATING EXPENDITURE		
Humanitarian Response		
Employee benefits	19,322	13,564
Relief supplies, transportation and storage	23,995	29,923
Contributions to National Societies	74,094	71,034
Supplementary services cost recoveries	4,254	3,522
Other costs & allocations	10,229	9,628
Total direct costs	131,894	127,671
Indirect cost recovery	8,404	8,155
Total OPERATING EXPENDITURE	140,298	135,826
NET SURPLUS / (DEFICIT) FROM OPERATING ACTIVITIES	(14,175)	69,103
Finance expense, net	15	180
NET (DEFICIT) / SURPLUS FOR THE PERIOD	(14,190)	68,923
FUNDS HELD FOR OPERATIONS		
Brought forward	68,923	-
Reallocation from other IFRC appeal	15	-
Net (deficit)/ surplus for the period	(14,190)	68,923
FUNDS HELD FOR OPERATIONS	54,748	68,923

At the end of 2021, the IFRC had received voluntary contributions and donations of CHF 58,337k (2020: CHF 66,274k) which are not recognized as income in the Consolidated Statement of Comprehensive Income, but are included within deferred income in the Consolidated Statement of Financial Position.

At the end of 2021, the IFRC had outstanding receivables from donors of CHF 52,779k (2020: CHF 31,765k) that are included in the Consolidated Statement of Financial Position related to the Covid-19 Pandemic Appeal.

6. Voluntary contributions and donations

	Cash CHF 000s	In-kind CHF 000s	2021 Total CHF 000s	2020 Total CHF 000s
National Societies	115,819	7,181	123,000	219,394
Governments	155,340	3,416	158,756	155,996
Multi-lateral agencies	72,779	-	72,779	23,343
Corporations	20,233	-	20,233	26,522
Others	6,987	1,771	8,758	11,785
	371,158	12,368	383,526	437,040

7. Services income

	Note	2021 Restricted CHF 000s	2021 Unrestricted CHF 000s	2021 Total CHF 000s	2020 Total CHF 000s
Services income		20,248	-	20,248	21,425
Services income - ESSN Project	11	42,370	-	42,370	39,534
Total Services income from contracts with customers		62,618	-	62,618	60,959
Lease income		217	56	273	4,299
Total Services income		62,835	56	62,891	65,258

Included in Services income above is CHF 10,910k (2020: CHF 11,212k) related to Administrative services, CHF 5,012k (2020: CHF 6,579k) related to Fleet services, and CHF 3,016k (2020: CHF 2,985k) related to Logistic services.

Receivables, contract assets and contract liabilities from contracts with customers are as follows:

		2021 Opening balances CHF 000s	2021 Closing balances CHF 000s
Contract assets	15	3,355	1,280
Contract liabilities	19	(18,407)	(23,035)
Receivables from Customers	14	7,204	6,638
		(7,848)	(15,117)

		2020 Opening balances CHF 000s	2020 Closing balances CHF 000s
Contract assets	15	2,086	3,355
Contract liabilities	19	(20,730)	(18,407)
Receivables from Customers	14	9,430	7,204
		(9,214)	(7,848)

In 2021, there were no assets recognised from the costs to obtain or fulfil a contract (2020: Nil), and there were no variable contract considerations that reduced transaction prices for service income recognised (2020: Nil). The amount included within the contract liability opening balance is fully recognised as income during the accounting period.

8. Operating expenditure

	(a) (c) Employee benefits	(b) Relief supplies, transportation & storage	Contributions to National Societies	Depreciation & amortisation	Supplementary services cost recoveries	(d) Other costs & allocations	Indirect cost recovery	Total 2021	Total 2020
	CHF 000s	CHF 000s	CHF 000s	CHF 000s	CHF 000s	CHF 000s	CHF 000s	CHF 000s	CHF 000s
Humanitarian response	49,377	80,088	82,448	326	7,784	24,154	15,593	259,770	285,276
Thematic	45,780	26,454	26,510	451	7,288	32,887	13,941	153,311	121,847
Total Other resources (Programmes)	95,157	106,542	108,958	777	15,072	57,041	29,534	413,081	407,123
Supplementary services	19,459	2,433	93	3,946	(16,410)	9,854	727	20,102	25,952
Total RESTRICTED	**114,616**	**108,975**	**109,051**	**4,723**	**(1,338)**	**66,896**	**30,261**	**433,184**	**433,075**
Regular resources	70,378	758	-	5,678	1,338	4,545	(30,261)	52,436	29,261
Total UNRESTRICTED	**70,378**	**758**	**-**	**5,678**	**1,338**	**4,545**	**(30,261)**	**52,436**	**29,261**
Total OPERATING EXPENDITURE 2021	**184,994**	**109,733**	**109,051**	**10,401**	**-**	**71,440**	**-**	**485,619**	**-**
Total OPERATING EXPENDITURE 2020	**180,568**	**106,183**	**113,802**	**10,260**	**-**	**51,523**	**-**		**462,336**

In keeping with the IFRC’s principle of full cost recovery, the direct costs of programmes and services are subject to a standard indirect cost recovery to fund the costs of providing indirect support services, essential to the success of operations. The support for 2021 amounted to CHF 30,261k (2020: CHF 27,959k) and is added to unrestricted reserves.

Included within Other costs & allocations is an amount of CHF 1,252k (2020: 13,740k) for the provision for unpaid statutory contributions, see note 14.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

8(a) Employee benefit costs

	2021 Restricted CHF 000s	2021 Unrestricted CHF 000s	2021 Total CHF 000s	2020 Total CHF 000s
Wages and salaries	95,530	57,473	153,003	151,579
Contributed services	6,704	245	6,949	6,917
Termination benefits	704	(440)	264	(549)
Social security costs	3,269	1,327	4,596	3,575
Pension costs - defined benefit plans	8,409	11,773	20,182	19,046
	114,616	70,378	184,994	180,568

8(b) Relief supplies, transportation and storage

	2021 Restricted CHF 000s	2021 Unrestricted CHF 000s	2021 Total CHF 000s	2020 Total CHF 000s
Relief supplies	97,876	-	97,876	92,096
Transportation & storage	11,099	758	11,857	14,086
	108,975	758	109,733	106,182

8(c) In-kind expenditure

In-kind contributions and donations are recognised as both income and expenditure in accordance with the accounting policy outlined in note 32C. The following in-kind contributions are included within total expenditure:

	2021 CHF 000s	2020 CHF 000s
Employee benefit costs	6,949	6,857
Relief supplies	2,089	1,480
Land and buildings depreciation	2,372	2,618
Leasehold property operating costs	875	926
Transportation & storage	70	432
	12,355	12,313

8(d) Other costs & allocations

	2021 Restricted CHF 000s	2021 Unrestricted CHF 000s	2021 Total CHF 000s	2020 Total CHF 000s
Vehicles and equipment	9,460	275	9,735	13,012
Administration, office and general	10,853	2,672	13,525	12,454
Consultancy fees	10,080	1,147	11,227	8,153
Workshops & training	7,899	189	8,088	6,897
Travel	4,283	906	5,189	5,130
Information	3,833	641	4,474	4,213
Other costs and allocations	20,489	(1,285)	19,202	1,664
	66,897	4,545	71,440	51,523

Other costs and allocations include provisions for operations, where there was an increase in the value of operational advances that have not been reported on by the reporting date (see note 18). There are no other specific, material, or unusual amounts included within Other costs and allocations.

9. Net finance income

	2021 Restricted CHF 000s	2021 Unrestricted CHF 000s	2021 Total CHF 000s	2020 Total CHF 000s
Interest income on bank deposits	-	7	7	1
Dividend income on global equity fund	-	695	695	600
Interest income on global bond fund	-	1,750	1,750	1,384
Gains on disposal: global equity fund and global bond fund	-	255	255	-
Net change in fair value of financial assets at fair value through profit or loss	-	8,314	8,314	3,890
Finance income	-	11,021	11,021	5,875
Net foreign exchange losses on revaluations of assets & liabilities	(618)	135	(483)	(515)
Losses on disposal: global equity fund and global bond fund	-	(152)	(152)	(17)
Net change in fair value of financial assets at fair value through profit or loss	-	(5,127)	(5,127)	-
Net realised losses from cash flow hedge	-	151	151	(123)
Finance expense	(618)	(4,993)	(5,611)	(655)
Net finance income	(618)	6,028	5,410	5,220

10. Other comprehensive income

Cash flow hedges	2021 CHF 000s Hedge Contract value	2021 CHF 000s Fair value balance	2020 CHF 000s Hedge Contract value	2020 CHF 000s Fair value balance
Forward exchange contracts in Euros	4,302	76	3,834	-
Forward exchange contracts in United States Dollars	3,086	(9)	975	-
Total cash flow hedges	7,388	68	4,809	-

Movement in Other Comprehensive Income that may be reclassified to Income or Expenditure in subsequent period	2021 CHF 000s	2020 CHF 000s
Cash flow hedge - effective portion of changes to fair value	(68)	-
Amount reclassified from Other Comprehensive Income to Operating Income and Expenditure statement	-	(29)
	(68)	(29)

Expected cash flows in subsequent period	2021 CHF 000s Carrying value	Hedge Contract cash flows CHF 000s 1 - 6 months	2020 CHF 000s Carrying value	Hedge Contract cash flows CHF 000s 1 - 6 months
Forward exchange contracts used for hedging				
- Ouflow	(7,388)	-	(4,809)	-
- Inflow	7,388	-	4,809	-
	-	-	-	-

In 2021, the IFRC entered into foreign currency forward exchange contracts, with final maturities of 31 March 2022, in order to hedge the foreign exchange risk of receiving statutory contributions of CHF 4,302k in Euros and CHF 3,086k in US Dollars. The hedges were designated as cash flow hedges for hedge-accounting purposes. Amounts recycled to Operating Income and Expenditure amounted to CHF Nil (2020: CHF 29k). The settlement of the 2020 foreign currency forward exchange contracts resulted in a net realised gain of CHF 151k (2020: net realised loss of CHF 123k).

11. Emergency Social Safety Net (ESSN) project

11(a) Initial contract

The ESSN project is part of ECHO's Facility for Refugees (FRIT) that provides cash to vulnerable refugee families in Turkey. On 2 October 2019, the IFRC and European Civil Protection and Humanitarian Aid Operations (ECHO) entered into a 500,000k Euro agreement (approximately CHF 543,000k) for the ESSN project in Turkey with an implementation timeframe of 26 months until 31 October 2021. The IFRC is implementing the agreement with Turkish Red Crescent Society (TRC). There are three basic components to the ESSN project:

Component A: Beneficiary identification

Component B: Provision of timely cash support to beneficiaries to meet basic needs

Component C: Comprehensive monitoring, evaluation, accountability and learning

The delivery of cash to beneficiaries under Component B above accounts for 448,620k Euro (approximately CHF 487,201k) of the initial contract value. In accordance with IFRC's accounting policies (Note 32H(c)), the delivery of cash to beneficiaries under component B above does not constitute a performance obligation under the ESSN agreement. The IFRC is redistributing cash provided by ECHO to designated beneficiaries. This portion of the contract is recognised as a financial liability in the Consolidated Statement of Financial Position. It is not recognised in the Consolidated Statement of Comprehensive Income.

11(b) Revised contract

On 21 December 2020, the IFRC and ECHO revised this agreement increasing the value to 900,000k Euro (approximately CHF 976,400k) and extending the implementation timeframe to 38 months until 31 October 2022. This revision increased Component B of the contract to a total of 806,989k Euro (approximately CHF 875,493k). This contract modification is accounted for as a separate contract under IFRS 15.

The balances related to the delivery of cash to beneficiaries are disclosed separately in the Consolidated Statement of Financial Position and are summarised below:

Cash and cash equivalents- ESSN project (see note 12)
Included in cash and cash equivalents is the amount of CHF 124,056k (2020: CHF 100,692k) held with Citibank and Credit Agricole Indosuez for the onward distribution to beneficiaries under the ESSN. This balance is distinguished from other cash and cash equivalents in the Consolidated Statement of Financial Position.

For the ESSN project, the Finance Commission of the IFRC has agreed a waiver to its Investment Guidelines which normally limit the holding with any one financial institution to 25% of the IFRC's total cash and investment holdings at any one time.

Prepayment– ESSN project (see note 15)
Included in prepayments is an amount of CHF 16,112k (2020: CHF 26,608k). This is the balance of funds held by TRC for onward distribution to beneficiaries under ESSN (component B). This shall either be distributed to beneficiaries by TRC or returned to IFRC. This balance is distinguished from other receivables in the Consolidated Statement of Financial Position.

Liabilities - ESSN project
The liabilities on the ESSN project comprise two parts:

- Included in liabilities is an amount of CHF 52,878k (2020 CHF 94,373k). This reflects the estimated amount to be paid to beneficiaries who are already in receipt of a payment card under the initial ESSN contract (component B).
- Included in liabilities as at 31 December 2021 is an amount of CHF 87,290k (2020 CHF 32,927k). This relates to funds received from ECHO in excess of the amount to be paid to beneficiaries. This amount shall be distributed as part of the revised contract.

These liabilities on the ESSN project are distinguished from other liabilities in the Consolidated Statement of Financial Position. Included within Services Income (Note 7) is an amount of CHF 42,370k (2020: CHF 39,534k) related to the other portions of the ESSN contract. At the end of 2021, the IFRC had received CHF 18,167k (2020: CHF 15,670k) service income in advance from ECHO in relation to the other portions of the ESSN contract. This is recorded under Contract liabilities.

Expenditure related to the other portions of the ESSN contract is included within Thematic expenditure.

11(c) Second revision

In May 2022, the IFRC was in the process of negotiating a further revision extending the contract to October 2023 and increasing the value to EUR 1,225,000k. For the purposes of income recognition, the IFRC expects to treat the further extension as a separate contract consistent with treatment of the first contract extension. The new extension will not impact amounts of income, expenditure, assets and liabilities disclosed in these financial statements.

12. Cash and cash equivalents

	2021 CHF 000s	2020 CHF 000s
Cash in hand	321	390
Cash at bank	203,991	203,265
Bank deposits (original maturities < 3 months)	10,004	-
	214,316	203,655

The cash at bank balance above includes CHF 124,056k (2020: CHF 100,692k) for the delivery of cash to beneficiaries under Component B of the ESSN project (see note 11).

13. Investments

	2021 CHF 000s	2020 CHF 000s
Bank deposits measured at amortised cost (see note 12)		
Short-term investment (maturities > 3 months)	59,000	98,000
Long-term investment (maturities > 1 year)	90,000	48,000
Total bank deposits measured at amortised cost	149,000	146,000
Financial assets measured at fair value through profit and loss		
Global bond fund	91,086	98,864
Global equity fund	38,093	40,329
Total financial assets measured at fair value through profit and loss	129,179	139,193
Total Investments	278,179	285,193
Current investments	188,179	237,193
Non-current investments	90,000	48,000
Total Investments	278,179	285,193

14. Receivables

	2021 CHF 000s	2020 CHF 000s
Accounts receivable		
Statutory contributions	28,262	29,684
Provision for estimated credit losses (ECL) on statutory contributions	(14,415)	(15,944)
	13,847	13,740
Voluntary contributions	172,658	162,377
Provision for ECL on voluntary contributions	(2,209)	(1,720)
	170,449	160,657
National Societies receivables	36,467	34,829
Provision for ECL on National Societies receivables	(564)	(1,909)
	35,903	32,920
Other receivables (see note below)	994	1,112
Provision for ECL on other receivables	(8)	(9)
	986	1,103
Total accounts receivable	221,185	208,420
Other receivables	3,601	3,632
Total Receivables	224,786	212,052
Current receivables	171,705	150,210
Non-current receivables	53,081	61,846
Total Receivables	224,786	212,056

The movement in Provision of Estimated Credit Losses (ECL) are as follows:

	Provision for voluntary contributions receivable CHF 000s	Provision for national societies receivable CHF 000s	Provision for unpaid statutory contributions CHF 000s	Provision for other accounts receivable CHF 000s	Total CHF 000s
2021					
Balance at 1 January	1,720	1,909	15,944	9	19,582
Changes to provision for ECL	2,535	253	1,800	7	4,595
Write offs during the year	(750)	(926)	-	-	(1,676)
Unused provisions reversed	(1,296)	(672)	(3,329)	(8)	(5,305)
Balance at 31 December	2,209	564	14,415	8	17,196
2020					
Balance at 1 January	3,304	1,192	31,493	3	35,992
Changes to provision for ECL	1,957	787	(11,450)	17	(8,689)
Write offs during the year	(2,841)	-	-	(10)	(2,851)
Unused provisions reversed	(700)	(70)	(4,099)	(1)	(4,870)
Balance at 31 December	1,720	1,909	15,944	9	19,582

The provisions for ECL above includes impairment of CHF 300k (2020: CHF1,447k) for receivables and contract assets that relate to contracts with customers (see Note 7).

The provision for unpaid statutory contributions is based upon the IFRC's assessment of the probability of payment. At 31 December 2021, the IFRC revised its assessment of CHF 106k of statutory contribution receivables from at risk to likely to be paid (31 December 2020, CHF 13,740). Provision of statutory contribution receivables does not invalidate the obligation of National Societies to pay amounts due.

Receivables ageing	Not past due	Past due 1-60 days	Past due 61-90 days	Past due more than 90 days	Total
	CHF 000s	CHF 000s	CHF 000s	CHF 000s	CHF 000s
2021					
Gross carrying amount	196,267	3,435	4,140	38,140	241,982
Provision for ECL	-	-	-	(17,196)	(17,196)
Receivables	196,267	3,435	4,140	20,944	224,786

	Not past due	Past due 1-60 days	Past due 61-90 days	Past due more than 90 days	Total
	CHF 000s	CHF 000s	CHF 000s	CHF 000s	CHF 000s
2020					
Gross carrying amount	181,491	5,835	2,588	41,724	231,638
Provision for ECL	-	-	-	(19,582)	(19,582)
Receivables	181,491	5,835	2,588	22,142	212,056

15. Prepayments and contract assets

	2021 CHF 000s	2020 CHF 000s
Prepayments	3,846	3,882
Prepayments - ESSN	16,112	26,608
Total Prepayments	19,958	30,490
Contract assets	1,280	3,355
Total prepayments and contract assets	21,238	33,845

The prepayments balance includes CHF 16,112k (2020: 26,608k), which is the balance of funds held by Turkish Red Crescent Society (TRC) for onward distribution to beneficiaries under ESSN (component B). This shall either be distributed to beneficiaries by TRC or returned to IFRC (see note 11).

16. Property, vehicles and equipment

Property, vehicles and equipment

	Land and buildings CHF 000s	Work in Progress CHF 000s	Vehicles CHF 000s	Other equipment CHF 000s	2021 Total CHF 000s	2020 Total CHF 000s
Cost						
Balance as at 1 January	114,016	-	24,981	4,629	143,626	145,400
Additions	7,175	7	3,447	189	10,818	7,675
Transfer from Work in progress	-	-	-	-	-	-
Disposals and write offs	(2,815)	-	(4,419)	(222)	(7,456)	(8,641)
Reclassification to intangible assets	-	-	-	-	-	-
Reclassifications to/from assets held for sale, net	-	-	(1,486)	-	(1,486)	(808)
Balance at 31 December	118,376	7	22,523	4,596	145,502	143,626
Accumulated depreciation and impairment losses						
Balance at 1 January	(11,396)	-	(10,117)	(3,004)	(24,517)	(18,891)
Depreciation charge for the year	(7,079)	-	(2,590)	(334)	(10,003)	(10,022)
Disposals and write offs	1,873	-	2,593	214	4,680	4,175
Impairment loss	-	-	68	-	68	77
Reclassifications to/from assets held for sale, net	-	-	88	-	88	144
Balance at 31 December	(16,602)	-	(9,958)	(3,124)	(29,684)	(24,517)
Net book value at 31 December	101,774	7	12,565	1,472	115,818	119,109
Net book value at 1 January	102,620	-	14,864	1,625	119,109	126,509

Other equipment primarily includes computer equipment, generators, rubhalls and office equipment.

Property, vehicles and equipment include right-of-use assets of CHF 4,486k (2020: CHF 4,247k) related to leased properties and equipment (see note 25).

Included in the additions of Land and buildings is the renewal of the Dubai lease for 5 years which amounts to CHF 3.3 million (donation in kind from the Government of the United Arab Emirates).

Included in the depreciation of property, plant and equipment is CHF 3,247k (2020: CHF 2,684k) related to depreciation of right-of-use assets and CHF 2,376k (2020: CHF 2,622k) related to assets received as donations in-kind.

The IFRC took occupation of its new headquarters office premises in Geneva during 2019. Depreciation of the associated assets has been applied from the point they were in the location and condition necessary for them to be used in the manner intended by management.

Property, vehicles and equipment include the following amounts that have been received as in-kind donations:

	Land and buildings CHF 000s	Other equipment CHF 000s	2021 Total CHF 000s	2020 Total CHF 000s
Gross carrying amount	47,143	242	47,385	45,877
Accumulated depreciation	(5,818)	(197)	(6,015)	(4,572)
Net book value	41,325	45	41,370	41,305
Depreciation charge for the year	(2,340)	(36)	(2,376)	(2,622)

The Gross carrying amount of Land and buildings includes CHF 45,935k (2020: CHF 44,428k) that have been received as non-monetary in-kind donations from host country governments, for right-of-use premises in Dubai, Budapest, Geneva and Panama City.

17. Intangible assets

	Computer software CHF 000s	Computer software under development CHF 000s	2021 Total Computer software CHF 000s	2020 Total Computer software CHF 000s
Cost				
Balance at 1 January	8,179	6,405	14,584	11,916
Additions	227	7,846	8,073	4,432
Transfers	2,280	(2,280)	-	-
Disposal and write offs	(1,980)	-	(1,980)	(1,764)
Balance at 31 December	8,706	11,971	20,677	14,584
Accumulated amortisation and impairment losses				
Balance at 1 January	(7,921)	-	(7,921)	(9,447)
Amortisation charge for the year	(398)	-	(398)	(238)
Disposals	1,980	-	1,980	1,764
Balance at 31 December	(6,339)	-	(6,339)	(7,921)
Net book value at 31 December	2,367	11,971	14,338	6,663
Net book value at 1 January	258	6,405	6,663	2,469

Included within Computer software under development is CHF 11,777k (2020: CHF 6,273k) related to the implementation of an Enterprise Resource Planning (ERP) system.

18. Provisions

	Operations CHF 000s	Pledge and services deficits CHF 000s	Redundancy CHF 000s	2021 Total CHF 000s	2020 Total CHF 000s
Current provisions					
Balance at 1 January	32,172	7,251	178	39,601	41,195
Additional provisions	35,959	1,167	1,304	38,430	34,552
Unused amounts reversed	-	(1,246)	(230)	(1,476)	(1,939)
Used during the year	(32,172)	(2,033)	(1,151)	(35,356)	(34,207)
Balance at 31 December	35,959	5,139	101	41,199	39,601

All provisions are current, and the IFRC expects to incur the liabilities within the next year. The ultimate outflow of economic benefits arising from project deficits will be determined by the IFRC's ability to cover the unfunded project expenditure through fund-raising activities.

The provision for operations includes the estimated cash working advances with National Societies that have not been reported at the reporting date, along with estimated costs of other operational liabilities that have incurred at the reporting date, where the timing or amount is uncertain.

The provision for pledge and services deficit includes the estimated costs of covering expenditure on individual pledges and services, where expenditure exceeds income recognised at the reporting date.

The redundancy provision includes the costs of known redundancies that were announced in 2021 and will be settled within the next twelve months.

19. Deferred income and contract liabilities

Current liabilities	2021 CHF 000s	2020 CHF 000s
Deferred income	154,894	172,541
Contract liabilities	23,035	18,407
Statutory contributions received in advance	220	174
	178,149	191,122

Non-current liabilities	2021 CHF 000s	2020 CHF 000s
Deferred income	39,836	44,432

Included within Deferred income above is CHF 41,338k (2020: CHF 41,269k) related to non-monetary in-kind donations from host country governments (see note 16). Included within Contract liabilities above is CHF 18,167k (2020: CHF 15,670k) related to service income received in advance for the ESSN project (see note 11).

The IFRC is not in a position to reliably determine in which future periods donations, that are deferred due to specific contractual obligations under the accounting policy set out in note 32C, will be recognised as income in the Consolidated Statement of Comprehensive Income. Accordingly, all amounts deferred consistent with that accounting policy are included in current liabilities, although some amounts may ultimately be recognised as income more than one year after the period end date. Non-current liabilities include voluntary contributions and donations that are earmarked for use in a future period, more than one year from the period end date.

20. Loans and borrowings

Current liabilities	2021 CHF 000s	2020 CHF 000s
Loans for building	1,415	1,415
Lease liabilities	2,258	1,831
	3,673	3,246

Non-current liabilities	2021 CHF 000s	2020 CHF 000s
Loans for building	60,331	61,746
Lease liabilities	1,904	1,964
	62,235	63,710

Loans for building

On 3 September 1998, the IFRC and the *Fondation des Immeubles pour les Organisations Internationales* (FIPOI) entered into an agreement for an unsecured loan for up to a maximum of CHF 12,061k, at 0% interest, for the construction of an extension to its then existing office building at the Geneva headquarters. Against this loan facility, in 1998, the IFRC borrowed a total of CHF 11,347k. This amount is being repaid with one instalment of CHF 220k in 1998 and 49 equal annual instalments of CHF 227k starting in 1999. The remaining loan balance as at 31 December 2021 amounted to CHF 5,904k (2020: CHF 6,131k).

On 30 May 2016, the IFRC and the *Fondation des Immeubles pour les Organisations Internationales* (FIPOI) entered into a loan agreement for a maximum of CHF 59,406k, at 0% interest, for the construction of a new IFRC office building at the Geneva headquarters. The loan is unsecured, and is being repaid in equal annual instalments of CHF 1,188k starting in 2019. The remaining loan balance as at 31 December 2021 amounted to CHF 55,842k (2020: 57,030k).

Reconciliation of movement of liabilities to cashflows arising from financing activities

	2021 CHF 000s	2020 CHF 000s
Balance at 1 January	66,956	69,415
Changes from financing cash flows:		
Repayment of borrowings	(1,415)	(1,415)
Payment of lease liabilities	(3,084)	(2,865)
Total changes from financing cash flows	**(4,499)**	**(4,280)**
Other liability related changes	3,451	1,821
Balance at 31 December	65,908	66,956

21. Post-employment defined benefit liability, net

The IFRC operates two pension plans, the Base Pension Plan and the Supplemental Pension Plan, for expatriate field staff and all headquarters staff. The pension plans are funded plans. They provide retirement benefits based on a participant's accumulated account balance. They also provide benefits on death, disability and termination. Subject to certain conditions, members of the pension plans are also eligible to receive contributions towards the cost of health insurance during retirement.

21(a) Amounts in the Consolidated Statement of Financial Position

The amounts recognised in the Consolidated Statement of Financial Position are determined as follows:

Post-employment defined benefit liabilities, net	2021 CHF 000s	2020 CHF 000s
Pension plans	(11,538)	(43,894)
Retirees' health insurance	(9,737)	(13,657)
	(21,275)	(57,551)

	2021 CHF 000s	2020 CHF 000s
Present value of obligations	(354,303)	(352,619)
Fair value of plan assets	333,028	295,068
Liabilities per Consolidated Statement of Financial Position	(21,275)	(57,551)

Change in defined benefit obligations during the year:

	2021 CHF 000s	2020 CHF 000s
Defined benefit obligations 1 January	352,619	330,157
Net current service cost	19,508	17,711
Interest cost on Defined Benefit Obligation	171	480
Employee contributions	9,333	8,809
Net benefits paid	(18,974)	(16,523)
Loss due to experience	17,434	6,067
(Gain) due to demographic assumption changes	(12,590)	-
(Gain)/loss due to financial assumption changes	(13,198)	5,057
Special termination benefits	-	253
Past service costs	-	608
Defined benefit obligations 31 December	354,303	352,619

The breakdown of the Defined Benefit Obligation between active members and retirees is as follows:

	2021 CHF 000s	2020 CHF 000s
Defined Benefit Obligations for active members	232,534	231,022
Defined Benefit Obligations for retirees	121,769	121,597
	354,303	352,619

Change in pension plan assets during the year:

	Note	2021 CHF 000s	2020 CHF 000s
Fair value of plan assets at 1 January		295,068	259,479
Employer contributions - regular contributions		15,642	14,764
Employer contributions paid in advance	21 (g)	-	21,000
Employee contributions		9,333	8,809
Net benefits paid		(18,974)	(16,523)
Actual administration expenses paid		(650)	(634)
Interest income on plan assets		147	387
Return on plan assets excluding amounts included in interest income		32,462	7,533
One-off employer contribution to finance special termination benefits		-	253
Fair value of plan assets at 31 December		333,028	295,068

Reconciliation of net defined benefit/(liabilities):

	2021 CHF 000s	2020 CHF 000s
Net liabilities at 1 January	(57,551)	(70,678)
Total (charge) recognised in employee benefits operating expenditure	(20,182)	(19,299)
Total remeasurements recognised in other comprehensive income	40,816	(3,591)
Employer contributions	15,642	35,764
One-off employer contribution to finance special termination benefits	-	253
Net liabilities at 31 December	(21,275)	(57,551)

21(b) Amounts in the Consolidated Statement of Comprehensive Income

The amounts recognised in the Consolidated Statement of Comprehensive Income are as follows:

	2021 CHF 000s	2020 CHF 000s
Service cost	19,508	18,572
Net interest on the net defined benefit liability	24	93
Administration expenses	650	634
Total included in employee benefits expenditure	20,182	19,299

21(c) Details of approved Pension Fund changes

To ensure the continued future financial stability of the pension fund in light of anticipated lower long-term investment returns and demographic changes, notably, increasing life-expectancy, on 28 October 2020, the Pension Fund Board adopted new regulations for the Pension Fund. The main changes were to:

- lower the conversion rate used to convert members' accumulated funds into pensions upon retirement;
- increase the monthly credit to members' accounts.

Effective from 1 January 2021, the changes also include transitional measures for qualifying active members, notably including a one-off payment to compensate for reduced pensions resulting from the lower conversion rate.

As the regulation changes became effective on 1 January 2021 and led to a significant reduction in the Defined Benefit Obligation, amendment accounting was performed at 31 December 2020. The net defined benefit liability was remeasured using the fair value of plan assets at 31 December 2020 and the 2020 actuarial assumptions reflecting:

- the benefits offered under the plan before the new regulations were adopted; and
- the benefits offered under the plan after the new regulations were adopted.

The resultant reduction in the Defined Benefit Obligation was largely offset by the cost of the transitional arrangements, notably the one-off payment to compensate for reduced pensions resulting from the lower conversion rate. The overall impact was a net increase in the 2020 Defined Benefit Obligation of CHF 608k, that was recognized in past Service cost.

Apart from the above, there were no plan amendments, settlements or curtailments, as per IAS 19, during either the year ended 31 December 2021, or the year ended 31 December 2020.

21(d) Amounts in Other Comprehensive Income

The amounts recognised in Other Comprehensive Income that will never/not be reclassified subsequently to income or expenditure, are as follows:

	2021 **CHF 000s**	**2020** **CHF 000s**
Defined benefit obligation (gains) due to changes in demographic assumptions	(12,590)	-
Defined benefit obligation (gains)/losses due to changes in financial assumptions	(13,198)	5,057
Defined benefit obligation losses due to experience, net	17,434	6,067
Return on pension plan assets excluding amounts included in interest income	(32,462)	(7,533)
Total included in Other Comprehensive Income	(40,816)	3,591

Results under IAS 19 can change significantly depending on market conditions. The Defined Benefit Obligations are discounted using a rate linked to yields on Swiss corporate bonds and assets are measured at market value. Accordingly, changing markets can lead to volatility in both Defined Benefit Obligations and the fair value of plan assets, and therefore lead to volatility in the funded status of the Pension Plans.

In 2021, the pension plans' assets returned more than assumed leading to a gain on assets of CHF 32,462k (2020: CHF 7,533k).

The discount rate was increased from 0.05% in 2020 to 0.3% in 2021, resulting in a defined benefit obligation gain of CHF 13,732k (2020: loss CHF 5,512k). Changes to other financial assumptions generated defined benefit obligation losses of CHF 899k (2020: CHF 714k), which means that the total liability actuarial gain on financial assumptions is CHF 12,833 (2020: loss CHF 2,735k). During the year, the IFRC changed the discount rate methodology from Swiss yield curve to Swiss+ yield curve. The impact of this change led to a discount rate higher by around 10 basis points, decreasing the 2021 Pension Fund fund benefit obligation by CHF 5,600k (2020: CHF Nil) and the Retirees' health insurance defined benefit obligation by CHF 150k (2020: CHF Nil).

In 2021, the IFRC implemented new Swiss demographic tables and conducted an experience study to update demographic assumptions. This resulted in actuarial gains amounting to CHF 10,873k (2020: CHF Nil); experience losses on pension plan liabilities were CHF 19,447 (2020: CHF 6,067k), which means that there was a total liability actuarial gain of CHF 4,259k (2020: loss of CHF 10,865k).

In these consolidated financial statements, the risk of the above-mentioned volatility is shared across the restricted and unrestricted reserves in proportion to the IFRC's contributions to the pension plan.

A sensitivity analysis has been carried out to illustrate how the results change when the main assumptions (discount rate, interest crediting rate and mortality rates) change. The results of this analysis are included in the disclosure details below.

In May 2021, the IASB published a decision regarding the attribution of defined benefit cost to periods of service. In light of this decision, the IFRC has changed its accounting policy to attribute the cost of providing benefits earned under the Retirees' health insurance scheme to the last 15 years of service instead of attributing to the first 15 years of service. The result of this change was a reduction in the post-employment benefit liability for Retirees' health insurance of CHF 2,978k which is included in Defined benefit obligation losses due to experience (2020 CHF Nil). These consolidated financial statements do not include the disclosures required by IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors as the impact is not material.

21(e) Significant assumptions

The significant actuarial assumptions used in valuing the Pension Fund related defined benefit obligation were as follows:

	2021	2020
Discount rate	0.30%	0.05%
Underlying consumer price inflation	1.00%	0.80%
Rate of future compensation increases	1.25%	1.05%
Rate of pension increases	0.00%	0.00%
Interest rate credited to account balances	2.00%	2.00%
Increase in maximum lump sum death benefit	1.00%	0.80%
Change life expectancy at retirement age (mortality rate)	LPP 2020 CMI LTR1.5%	LPP 2015 CMI 2016 LTR1.5%

The significant actuarial assumptions used in valuing the Retirees health insurance defined benefit obligation include discount rates of 0.3% in 2021 and 0.05% in 2020 and future mortality rates is based on Swiss published statistics LPP 2020 CMI LTR 1.5% for 2021, and for LPP 2015 CMI 2016 LTR 1.5% for 2020.

For a pensioner retiring at age 65, the assumptions regarding mortality rates translate into an average life expectancy of between 21.9 and 25.5 years in 2021 and between 21.9 and 25.8 in 2020 for both the Pension Fund and the Retriees' health insurance scheme.

As per IAS 19 paragraph 144, the IFRC considers the discount rate, the interest rate credited to account balances and the mortality rate to be significant actuarial assumptions used to determine the present value of the defined benefit obligation of the post-employment retirement benefit plans.

The sensitivity of the Pension Fund related defined benefit obligation to changes in the significant actuarial assumptions is:

Impact on the defined benefit obligation	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.50%	Decrease by 7.2% CHF 24,809k	Increase by 8.2% CHF 28,254k
Interest rate credited to account balances	0.50%	Increase by 1.7% CHF 5,858k	Decrease by 1.6% CHF 5,513k
Change life expectancy at retirement age	1 year	Increase by 2.8% CHF 9,648k	Decrease by 2.8% CHF 9,648k

The sensitivity of the Retirees' health insurance related defined benefit obligation to changes in the significant actuarial assumptions is:

Impact on the defined benefit obligation	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.50%	Decrease by 6.9% CHF 672k	Increase by 7.7% CHF 750k
Life expectancy at retirement age	1 year	Increase by 4.9% CHF 477k	Decrease by 4.9% CHF 477k

The above sensitivity analyses for both the Pension Fund and Retirees' health insurance scheme defined benefit obligations are based on a change in one assumption whilst, in each case, holding all other assumptions constant. In practice, this is unlikely to occur as changes in some of the assumptions may be correlated.

When calculating the sensitivity of the defined benefit obligation to significant assumptions, the same method has been applied as when calculating the post-employment benefit liabilities recognised in the Consolidated Statement of Financial Position.

21(f) Asset-liability matching

The Pension Fund has not adopted any asset-liability matching strategies.

21(g) Plan assets

At 31 December 2021, the fair value of Pension Fund plan assets was CHF 333,028k (2020: CHF 295,068k). In December 2020, as permitted by Swiss law and the Pension Fund regulations, the IFRC advanced CHF 21,000k to the Pension Fund to fund future employer contributions. This amount is included in the fair value of plan assets at 31 December 2021 and 31 December 2020.

The proportion of Pension Fund plan assets invested in each major asset category was:

	2021 Proportion	2021 Of which quoted in an active market	2020 Proportion	2020 Of which quoted in an active market
Cash and cash equivalents	7.40%		8.9%	
Equity securities	39.30%	42.3%	42.3%	42.3%
Debt securities	21.30%	21.0%	21.0%	21.0%
Real estate	18.50%	17.0%	17.0%	17.0%
Other	13.50%		10.8%	
Total	100.0%		100.0%	

As stated in note 27, the IFRC does not have capital as defined by IFRS. Accordingly, the IFRC does not have its own transferable financial instruments, such as equity or debt securities, and the plan assets do not include any such financial instruments. The plan assets also do not include any property occupied or used by the IFRC.

The Pension Fund has its own investment policy. The primary objective is to ensure the security of funds. Other objectives include ensuring appropriate distribution of risks and obtaining sufficient return on investment to achieve the Pension Fund's objectives. The Fund's assets are managed by investment managers, based on investment rules produced by the Investment Committee and approved by the Pension Fund Board. These rules are compliant with the requirements of Swiss law.

The retirees' health insurance scheme is unfunded and, as such, does not have any plan assets.

21(h) Characteristics of the Plans, funding obligations, Swiss legal requirements and risks

Pension Fund

Pension obligations are covered by an independent fund which is held in a single, separate legal entity. The Pension Fund of the International Federation of Red Cross and Red Crescent Societies (hereafter "the Pension Fund") is a foundation, as defined in articles 80 to 89 "bis" of the Swiss Civil Code (Swiss law). The Pension Fund is registered with the Swiss supervisory authority in the Canton of Geneva and the Swiss pension guarantee fund. As such, it must comply with the compulsory insurance requirements established by Swiss Federal law on Occupational Retirement, Survivors and Disability Pension Funds (LPP to use the French acronym) and its activities are overseen by both the Geneva Cantonal and the Swiss Federal pension oversight authorities. The Pension Fund has the objective to comply with the requirements of the LPP and for foreign employees to replace the state retirement plan ("premier pilier"). It is fully funded through payments, as determined by periodic actuarial calculations, in accordance with Swiss law. The Pension Fund undertakes to respect at least the minimum requirements imposed by the LPP and its ordinances. If the Pension Fund is underfunded according to Swiss Law, the Pension Fund Governing Board (see below) decides measures that will allow the coverage ratio to get back to 100% within an appropriate time frame, typically five to seven years.

The Pension Fund Governing Board is responsible for the Fund's management. It comprises three representatives appointed by the IFRC, three representatives elected by the Pension Fund's participants and two supplemental members.

According to the Pension Fund rules, the IFRC must make contributions of 16% (2020: 16%) of contributory salary for the Base Pension Plan and 5% (2020: 5%) of contributory salary for the Supplemental Pension Plan, for each covered participant. In the event that the Pension Fund becomes underfunded according to the requirements of Swiss law, the IFRC could be requested to make additional contributions. Whilst it is possible that the IFRC makes contributions in excess of the amounts specified in the Pension Fund rules, the IFRC usually only makes contributions as per the Pension Fund rules and the IFRC does not anticipate making additional contributions within the foreseeable future.

As explained above, pension obligations are covered by independent pension fund assets which are held in a single, separate legal foundation that is governed by Swiss law. Pension benefits due, including lump sum payments and annuities, are calculated and paid in accordance with the requirements of Swiss law. According to the latest actuarial calculations, in accordance with Swiss legal requirements, the pension obligations were more than 125.7% funded at 31 December 2021 and

117% funded at 31 December 2020. The difference in the underfunded position shown in the Consolidated Statement of Financial Position and the more than fully funded position according to Swiss law, arises due to the use of different actuarial valuation models to estimate the likely pension liabilities. Under Swiss law, the Pension Fund Board is primarily responsible to ensure that the independent pension fund's assets are sufficient to meet pension obligations as they fall due, without legal recourse to the IFRC as employer to improve any underfunding situation. Accordingly, pursuant to Swiss law, the IFRC had no further financial obligations to the independent pension fund's foundation at either 31 December 2021 or 31 December 2020.

With a diversified investment portfolio, full funding according to the requirements of Swiss law, and no legal recourse to the IFRC in the event of under-funding, management considers that, whilst the IAS 19 valuation shows a net liability position, the Pension Fund does not expose the IFRC to any unusual, specific or significant concentrations of risk, especially as a significant element of the net liability position is due to unusually low Swiss interest rates used to discount the pension liabilities (see note 21 (e) for a sensitivity analysis regarding the impact of the discount rate).

Retirees' health insurance
Depending upon service at retirement and subject to having both worked a minimum of five years and taken an annuity upon retirement, retirees receiving a pension from either the Base Pension Plan and/or the Supplemental Plan receive a contribution towards the cost of health insurance. Retirees, who are members of the IFRC's collective health insurance plan, receive a contribution between CHF 50 and CHF 400 per calendar month, depending on service. Retirees, who have selected their own health insurance plan, receive a maximum of 66.67% of the basic premium or the benefit they would have received had they participated in the IFRC's collective health insurance plan.

Whilst the IFRC is under no legal obligation to make these contributions towards the cost of retirees' health insurance, the IFRC currently plans to continue making these contributions for the foreseeable future. As contributions are fixed at flat rates with no obligations to change the amounts, the arrangement does not expose the IFRC to any unusual, specific or significant concentrations of risk.

21(i) Indication of the effect of the defined benefit plans on the IFRC's future cash flows

The expected value of employer contributions to be paid in 2022 is CHF 14,431k (2021: CHF 13,173k). The weighted average duration of the DBOs at the end of the current financial year are:

Pension plans	15.5 years
Retirees' health insurance	14.6 years

22. Restricted reserves

Funds held for operations

	2021 CHF 000s	2020 CHF 000s
Operations with temporary deficit financing	(15,717)	(8,457)
Temporarily unfunded defined benefit pension obligations recognised in Other Comprehensive Income	(556)	(15,503)
Donor-restricted contributions	239,970	233,351
	223,697	209,391

23. Designated reserves

2021	Self insurance CHF 000s	Statutory meetings CHF 000s	Specific projects CHF 000s	Major works CHF 000s	Total CHF 000s
Balance at 1 January	1,998	866	14,400	372	17,636
Used during the year	(50)	(85)	(14,400)	-	(14,535)
Allocations during the year	163	900	14,000	343	15,406
Balance at 31 December	2,111	1,681	14,000	715	18,507

2020	Self insurance CHF 000s	Statutory meetings CHF 000s	Specific projects CHF 000s	Major works CHF 000s	Total CHF 000s
Balance at 1 January	1,856	-	-	29	1,885
Used during the year	(71)	(74)	-	-	(145)
Allocations during the year	213	940	14,400	343	15,896
Balance at 31 December	1,998	866	14,400	372	17,636

As explained in note 32O, in the event that there is an operation with expenditure in the year in excess of CHF 50,000k, and the total amount of indirect cost recovery charged for the year exceeds the total amount of indirect costs incurred during the year, the excess is allocated to a Specific projects reserve, pending a Governing Board decision regarding use of the excess recovery. In 2021 and 2020, expenditure on the Covid-19 Pandemic operation was in excess of CHF 50,000k. At the end of 2021, the balance on the Specific projects reserve was CHF 14,000k (2020: 14,400k).

24. Financial instruments – Fair values and risk management

24(a) Measurement and Fair values

Financial instruments are measured either at amortised cost or at fair values. The financial assets measured at fair values are categorised into three hierarchy levels, where each level reflects the transparency of the inputs used to measure the values. The classification, hierarchy levels and carrying values as at 31 December are:

Financial asset/liability	Note	Measured at	Fair value level	Carrying amount 2021 (CHF 000s)	Carrying amount 2020 (CHF 000s)
Investments - global bond funds	13	Fair value through profit or loss	1	91,086	98,864
Investments - global equity funds	13	Fair value through profit or loss	2	38,093	40,329
Foreign exchange forward contracts	10	Fair value- hedging instrunents	2	68	
Investments -bank deposits	13	Amortised cost		149,000	146,000
Cash and cash equivalents	12	Amortised cost		214,316	203,655
Receivables[2]	14	Amortised cost		222,669	209,947
Payables		Amortised cost		33,016	31,999
Liabilities -ESSN project	11	Amortised cost		140,167	127,300
Loans and borrowings	20	Amortised cost		65,908	66,956

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Transfers between levels of fair value hierarchy are recognised at the date of the event or change in circumstances that caused the transfer. There were no transfers between levels in 2021 (2020: none).

[2] Financial instruments include accounts receivable and sundry receivables only

For financial assets and liabilities not measured at fair value, the carrying value is a reasonable approximation of fair value.

24(b) Risk management
The IFRC is exposed to a variety of financial risks, namely market risk, credit risk, and liquidity risk. The IFRC actively seeks to minimise potential adverse effects arising from these exposures as detailed below.

The Secretary General has overall responsibility for the establishment of the IFRC's risk management framework. In consultation with the Finance Commission, the Secretary General has established the IFRC's Investment Guidelines, which sets out the overall principles and policies for the IFRC's management of financial instruments. The Finance Commission has oversight responsibility to ensure the management is adherent to the Investment Guidelines and to report to the Governing Board and the General Assembly. The Governing Board has established an Audit and Risk Commission to provide advice on risk matters affecting the IFRC, particularly the advice on risk identification, evaluation, measurement, monitoring, and the overall risk management processes of the IFRC.

(i) Market risk
This includes foreign exchange risk, price risk, and interest rate risk.

Foreign exchange risk
The risk arises primarily from bank deposits and pledge receivables in currencies other than Swiss Francs, revalued against Swiss Francs over the period between the pledge date and the settlement date. Foreign exchange risk on these assets is naturally mitigated by the foreign exchange risk on accounts payable that are denominated in currencies other than Swiss Francs. The main currencies influencing foreign exchange risk are the Euro, Canadian Dollar, Pound Sterling, Swedish Kronors, and United States (US) Dollar. The IFRC maintains the net exposure within acceptable levels by buying or selling foreign currencies at spot rates to meet short-term needs. The following table shows the main currencies influencing IFRC's foreign exchange risk.

	Cash & Cash Equivalents	Investments	Receivables	Payables	Liabilities-ESSN project	2021	2020
Currency	**CHF 000s**	**CHF 000s**	**CHF 000s**	**CHF 000s**	**CHF 000s**	**CHF 000s**	**CHF 000s**
Swiss Franc	82,528	278,179	44,781	(16,379)	-	389,109	406,006
Euro	125,972	-	36,437	(3,101)	(140,167)	19,141	12,327
United States Dollar	4,592	-	133,189	(6,016)	-	131,765	113,403
Great Britain Pound	-	-	2,583	(170)	-	2,413	5,402
Swedish Kronor	-	-	548	(40)	-	508	5,206
Canadian Dollar	-	-	720	(77)	-	643	970
Other currencies	1,224	-	6,528	(7,233)	-	519	(1,709)
	214,316	278,179	224,786	(33,016)	(140,167)	544,098	541,605

At 31 December 2021, if the Swiss Franc had strengthened by 5% against the aforementioned currencies, with all other variables held constant, the net surplus result and total comprehensive income for the year would have increased by CHF 7,724k (2020: CHF 6,939k), primarily as a result of foreign exchange gains/losses on translation of pledge receivable balances and bank balances held mostly in Euros and US Dollars.

Foreign exchange risk also arises on statutory contributions settled by certain National Societies in either Euros or US Dollars. The IFRC hedges this foreign exchange risk by entering into offsetting foreign exchange forward contracts with a bank to sell the foreign currencies it receives, in exchange for Swiss Francs at pre-agreed exchange rates. The differences between the market rates and the forward rates constitute hedge foreign exchange gains and losses and are recognized in the consolidated financial statements using hedge accounting.

The ESSN project includes equivalent Euro assets and Euro liabilities related to the delivery of cash to beneficiaries under Component B. Accordingly the associated foreign exchange risk is mitigated.

Price risk
This relates to price risk on investments measured at fair value through profit and loss (FVTPL). In order to manage the risk arising from investments in securities, the IFRC diversifies its investment portfolio, which is managed by external investment managers, in accordance to the IFRC's Investment Guidelines.

The global bond funds are measured at FVTPL and are held in a listed fund indexed to the Citigroup World Government Bonds Index. A 5% increase in this Index at the reporting date would have increased the global bond funds, the net surplus result, and total comprehensive income for the year by CHF 4,554k (2020: CHF 4,943k). An equal change in the opposite direction would have decreased the global bond fund investment, the net surplus result, and total comprehensive income for the year by CHF 4,554k (2020: CHF 4,943k).

The global equity funds are measured at FVTPL and are held in a global equity trust fund that is not listed. This equity trust fund invests in actively traded equity securities to mirror the listed MSCI World Index. A 5% increase in the MSCI World Index at the reporting date would have increased the global equity funds investment, the net surplus result and total comprehensive income for the year by CHF 1,905k (2020: CHF 2,016k). An equal change in the opposite direction would have decreased the global equity funds investment, the net surplus result and total comprehensive income for the year by CHF 1,905k (2020: CHF 2,016k).

There was no exposure to commodities price risk at either 31 December 2021 or 31 December 2020.

Interest rate risk
There is no significant short-term exposure to changes in interest rates, as cash and cash equivalents are held as cash in hand, on-demand deposits, or in short-term deposits with original maturities of three months or less, and there are no interest-bearing liabilities. Short-term investments with maturities of more than three months and long-term investments have fixed interest rates for the terms of the investments.

On 15 January 2015, the Swiss National Bank (SNB) discontinued its minimum exchange rate of CHF 1.20 per Euro and introduced a negative interest rate on certain Swiss franc deposits. The IFRC maintains the majority of its deposits in Swiss francs and to 31 December 2021 had avoided significant exposure to such negative interest rates.

(ii) Credit risk
Credit risk arises primarily from holding receivables that may not be settled and from holding cash balances with financial institutions that may default.

The IFRC's principal receivables are with member National Societies, donor governments, and other international organisations where credit risk is considered to be low. A breakdown is provided below:

Receivables credit exposure	**2021** **CHF 000s**	**2020** **CHF 000s**
National Societies	67,339	66,963
Governments	112,463	94,572
Corporations	3,352	2,938
Multi-lateral agencies	29,663	29,899
Others	11,969	17,684
	224,786	212,056

Each category and class of receivable has its own definition of default, and provisions of estimated credit losses are made on the probability of credit losses occuring over the expected lives of the receivables. The movement in estimated credit losses is disclosed in note 14.

The IFRC's Investment Guidelines allow only investment in liquid securities and deposits with counterparties that have investment grade or better credit ratings, limiting the holding with one financial institution to 25% of the IFRC's total cash and investment holdings at any given time. The Finance Commission of the IFRC has agreed a waiver to this policy in relation to the ESSN project (see note 11) whereby funds related to component B are held in two financial institutions. The IFRC reviews the credit ratings of all financial institution counterparties on a regular basis.

Details of cash and cash equivalent holdings by credit ratings of financial institution are provided below:

	2021 CHF 000s	2020 CHF 000s
Fitch ratings		
Investment grade (AAA to BBB-)	211,544	201,743
Non-investment grade (BB+ and below)	447	147
Unrated	1,004	375
Other ratings: current account - ZKB AA+ (Glarner KantonalBank)	1,000	1,000
Cash in hand	321	390
	214,316	203,655
Short-term investments (see note 13)		
Fitch ratings Investment grade (AAA to BBB-)	29,000	78,000
Other ratings: ZKB AA+ (Banque Cantonale Fribourg)	10,000	-
Other ratings: S&P A- (Cembra Money Bank AG)	20,000	20,000
	59,000	98,000
Non-current investments (see note 13)		
Fitch ratings Investment grade (AAA to BBB-)	40,000	28,000
Other ratings: ZKB AA+ (Banque Cantonale Fribourg)	20,000	20,000
Other ratings: S&P A- (Cembra Money Bank AG)	30,000	-
	90,000	48,000

As investments are measured at FVTPL, they do not require additional impairment for credit losses. In locations where rated financial institutions are not operational, the IFRC maintains banking relationships with certain unrated financial institutions. At year end, the value of assets held with such institutions was CHF 1,004k (2020: CHF 375k). Other positions are not material or are covered by provisions.

(iii) Liquidity risk

This concerns the risk that the IFRC will encounter difficulty to meet the obligations associated with its financial liabilities that are settled by cash or another financial asset.

Liquidity risk is minimised by maintaining sufficient funds as cash in hand, on-demand bank deposits or short-term bank deposits with original maturities of three months or less, to meet short-term liabilities. A maturity analyis of financial liabilities is provided below:

Maturity analyis of financial liabilities is provided below:

	Payables CHF 000s	Loans for building CHF 000s	Lease Liabilities CHF 000s	Liabilities-ESSN project CHF 000s	2021 CHF 000s	2020 CHF 000s
Less than one year	(33,016)	(1,415)	(2,258)	(140,167)	(176,856)	(162,545)
One to five years	-	(5,660)	(1,904)	-	(7,564)	(7,624)
More than five years	-	(54,671)	-	-	(54,671)	(56,086)
	(33,016)	(61,746)	(4,162)	(140,167)	(239,091)	(226,255)

The IFRC anticipates meeting annual loan repayments from short-term liquid funds (see note 20). In addition, investments are all in liquid securities which can easily be sold to meet longer term cash flow needs, including annual loan repayments should the need arise. No significant contractual payments are due on financial investments, including financial assets at fair value through profit or loss, short-term and long-term investments.

24(c) Capital risk management

By its very nature, the IFRC does not have capital as defined by IFRS. Unrestricted reserves may be considered to have similar characteristics to those of capital, the intention of which is to maintain a sound financial position to ensure that the organisation is able to continue its operations and thereby fulfill its mission. The unrestricted reserves are available to mitigate a broad range of financial risks including working capital, non-current receivables and settlement of non-current liabilities. The governing bodies' policy is to maintain a strong level of reserves so as to maintain stakeholder and donor confidence. The balance of the unrestricted reserve at 31 December 2021 was CHF 99,968k (2020: CHF 71,137k). The unrestricted reserves are not subject to any externally imposed capital requirement. As further explained in Note 32O, the IFRC holds restricted reserves that are subject to the earmarking requirements of donors.

25. Leases

(a) IFRC as a lessee (IFRS 16)

(i) Short term and low value lease

The IFRC leases assets of property and equipment. Due to the nature and duration of IFRC's programme activities, the majority of IFRC leases have a lease term of 12 months or less, or are leases where the underlying asset is of low value. The IFRC recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

	2021 CHF 000s	2020 CHF 000s
Expenses related to short-term leases	2,795	2,916
Expenses related to low-value assets, excluding short-term leases of low value assets	33	64
	2,828	2,980

(ii) Leases that have been recognised as right of use assets

At lease commencement date, the IFRC assesses whether it is reasonably certain to exercise lease extension options. Some leases contain extension options that have not been reflected in the IFRC's assessment of the lease term as they are not reasonably certain. The IFRC is unable to assess the potential future lease payments that may be made should the IFRC exercise these options.

Right-of-use assets related to leased properties and equipment are presented as property, vehicles and equipment (see note 16).

	Property CHF 000s	Equipment CHF 000s	2021 Total CHF 000s	2020 Total CHF 000s
Balance at 1 January	4,041	206	4,247	5,004
Additions	3,506	33	3,539	2,397
Derecognition of right-of-use assets	(53)	-	(53)	(470)
Depreciation charge for the year	(3,173)	(74)	(3,247)	(2,684)
Balance at 31 December	4,321	165	4,486	4,247

Leases of property

The IFRC's property leases include leases of offices, residential apartments and warehouses.

At the end of 2021, the IFRC had capitalisable leases for 45 office premises in 38 locations from which it conducts its business around the world. The IFRC also had capitablisable leases for 42 residential apartments in 17 locations around the world. Generally, employees are responsible for arranging accommodation at their own cost, however in certain duty stations, this responsibility lies with the IFRC. In these instances, the IFRC will sign the accommodation lease and make the necessary arrangements with the landlord. Finally, the IFRC has one capitalisable warehouse lease, while the rest of warehouses are on a short-term contract basis. Warehouses are used for the strategic pre-positioning of emergency supplies to allow the IFRC to deliver aid to people in need more quickly and at minimum cost. They also allow the IFRC to provide warehousing and handling services to National Societies and other humanitarian agencies.

Leases of equipment

The IFRC leases printers for use by staff in its head office in Geneva and in 5 of its regional and country offices.

Lease liabilities recognised in the Consolidated Statement of Financial Position

	2021 CHF 000s	2020 CHF 000s
Current lease liabilities	2,258	1,744
Non-current lease liabilities	1,904	2,051
	4,162	3,795

Amounts recognised in the Consolidated Statement of Cash flows

	2021 CHF 000s	2020 CHF 000s
Payment of lease liabilities	3,084	2,865

The total cash outflow for leases including short term leases, low value leases and right of use assets in 2021 is CHF 5,912k (2020: CHF 5,845k).

(b) Leases in which the IFRC is a lessor (under IFRS 16)

The IFRC leases vehicles to third parties under operating leases. The leases, which run for periods of up to five years, are cancellable upon one month's notice, at any time during the lease period. Leases, for periods of less than five years, may be renewed, however, the maximum lease period is five years. The IFRC retains the right to receive proceeds from disposal of the leased vehicles. The lease contracts contain a number of provisions to manage the IFRC's risk associated with the rights it retains in the underlying vehicle assets, including the following:

- lessees must return the vehicle to the IFRC at the end of lease period;
- lessees must use and manage the vehicles in accordance with the requirements of the IFRC's fleet management procedures;
- vehicle modifications can only be made with prior IFRC approval;
- lessees are required to meet certain minimum insurance standards, and the IFRC self-insures collision damage (see note 32O).

The following amounts have been recognized as income in the Consolidated Statement of Comprehensive Income:

	2021 CHF 000s	2020 CHF 000s
Rental of vehicles to third parties	2,993	3,619
Leases of office / residential premises	273	600
	3,266	4,219

Vehicles (see note 17) include the following right-of-use assets which are subject to leases as lessor:

	2021 CHF 000s	2020 CHF 000s
Gross carrying amount	7,398	8,595
Accumulated depreciation	(3,271)	(3,481)
Net book value	4,127	5,114
Depreciation charge for the year	846	1,025

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	2021 CHF 000s	2020 CHF 000s
Less than one year	2,131	2,313
One to two years	1,419	2,515
Two to three years	170	414
	3,720	5,242

26. Capital commitments

Capital expenditure contracted for at 31 December 2021, but not yet incurred, amounted to CHF 2,306k (2020: CHF 6,556k), of which CHF 1,037k (2020: 5,655k) related to the implementation of the ERP project (see note 17).

27. Contingencies

27(a) Contingent assets

The IFRC sometimes receives donations where receipt of the funding is conditional and contingent upon uncertain future events not wholly within the IFRC's control. Such donations are treated as contingent assets:

Donor	Nature of contingent asset	2021	2020
		CHF 000s	CHF 000s
USAID	Contingent upon USAID funds	58,777	34,982
British Red Cross	Contingent upon DFID funding allocation	3,662	5,326
Australian Government	Contingent upon acceptance of workplans	1,211	1,213
ECHO	Contingent upon additional conditions	-	1,080
Others	Contingent upon performance/report/audit	985	484
Total Contingent assets		**64,635**	**43,085**

27(b) Contingent liabilities

From time to time, usually as part of a restructuring plan, the IFRC terminates staff contracts prior to agreed upon contract end dates. Terminated staff sometimes bring actions against the IFRC for amounts over and above the amounts paid by the IFRC upon termination. Whilst liability is not admitted, the IFRC is defending a number of such actions. Based on legal advice, the IFRC's management does not expect the outcome of these actions to have a material impact on the IFRC's consolidated financial position.

In the interest of not prejudicing the outcomes of these actions, these consolidated financial statements do not disclose all of the information required by IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

28. Related parties

28(a) Identity of related parties

Parties related to the IFRC include the individuals that represent their National Societies as members of the General Assembly or the Governing Board, together with close members of their families or households.

Other parties related to the IFRC include the Standing Commission and its individual members including close members of their families or households; the IFRC's joint arrangements, key management personnel; and the IFRC's post-employment benefit plans, which are independent funds that constitute separate legal entities.

The Standing Commission comprises representatives of the IFRC, the ICRC and National Societies. Its principal activities include organising the next International Conference and the next Council of Delegates. In between the International Conferences, the Commission works to encourage and further the implementation of the Conference's resolutions.

Key management personnel are persons having authority and responsibility for planning, directing, and controlling the activities of the IFRC. This includes the Secretary General, as noted above, Under Secretaries General, Regional Directors, the Director, Finance and Administration and the Director, Human Resources. Close members of their families or households are also parties related to the IFRC.

The International Conference of the Red Cross and Red Crescent (the International Conference) is the supreme deliberative body of the International Red Cross and Red Crescent Movement. The Council of Delegates is the body where representatives of all components of the Movement meet to discuss matters that concern the Movement as a whole. Neither the International Conference nor the Council of Delegates are parties related to the IFRC.

National Societies are not parties related to the IFRC.

28(b) Key management compensation

The salaries and benefits of the Secretary General, Under Secretaries General and Regional Directors of the IFRC are set by the Governing Board. Their total benefits amounted to CHF 3,303k (2020: CHF 2,934k), comprised as follows:

	2021 CHF 000s	2020 CHF 000s
Short-term employee benefits	2,736	2,349
Post-employment benefits	567	413
Termination benefits	-	172
	3,303	2,934

During 2021, the IFRC received full repayment of a CHF 300k advance that had been made to an IFRC Director in 2020 and secured against the Director's pension assets. No other salaries or benefits (e.g. fringe benefits or loans) were granted to any members of the IFRC's key management personnel.

The IFRC has a Code of Conduct for all Staff, including members of the Governing Board and other statutory bodies, including the Finance Commission and the Audit and Risk Commission, as well as the Secretary General and other key management personnel. Under the Code of Conduct, staff are required to disclose any potential conflict of interest to the Human Resources Department or the Office of Internal Audit and Investigation.

28(c) Transactions with related parties during the year

Related Party	**Nature of transaction**	**2021 CHF 000s**	**2020 CHF 000s**
Pension Fund	Service income related to services provided to pension fund	412	438
	Outstanding receivable due from pension fund	83	109
Standing Commission	Service income related to services provided to the Standing Commission	232	215
	IFRC contribution to Standing Commission operating costs	156	154
	Outstanding receivable due from Standing Commission	-	61
Federation Foundation	Transfer of Net Assets from Federation Foundation upon its liquidation	-	973

All transactions were made on terms equivalent to those that prevail in arm's length transactions. As at 31 December 2021, none of the amounts due to the IFRC have been provided for as the expected credit losses arising on the balances are considered immaterial (2020: Nil). None of the balances are secured and all mature within 6 months after period end.

Other than compensation arising in the ordinary course of business as disclosed above, there were no transactions with key management personnel. During the year, individual members, of the General Assembly and Governing Board, received reimbursement for expenses properly incurred in the conduct of their duties as members of those bodies. Neither they, nor any other person related or connected by business to them, have received any remuneration from the IFRC during the year.

29. Performance against (unaudited) budget

2021	Budget (unaudited) CHF 000s	Actuals CHF 000s	Actuals on a comparable basis CHF 000s	Performance Variance (unaudited) CHF 000s
OPERATING INCOME				
Statutory contributions	36,500	34,582	35,800	(700)
Voluntary contributions and donations	420,000	383,525	442,200	22,200
Services income	40,000	62,891	20,800	(19,200)
Other income	3,500	2,336	4,300	800
Total OPERATING INCOME	500,000	483,334	503,100	3,100
OPERATING EXPENDITURE				
Regular resources	110,000	52,436	93,300	(16,700)
Other resources	385,000	413,075	411,900	26,900
Supplementary services	40,000	20,102	20,800	(19,200)
Cost recoveries	(35,000)	-	(40,900)	(5,900)
Total OPERATING EXPENDITURE	500,000	485,613	485,100	(14,900)
NET SURPLUS FROM OPERATING ACTIVITIES	-	(2,279)	18,000	18,000
FINANCE INCOME/(EXPENSE)				
Finance income	-	11,021	3,400	3,400
Finance expense	-	(5,611)	-	-
NET FINANCE INCOME/(EXPENSE)	-	5,410	3,400	3,400
NET SURPLUS FOR THE YEAR	-	3,131	21,400	21,400

2020	Budget (unaudited) CHF 000s	Actuals (restated) CHF 000s	Actuals on a comparable basis CHF 000s	Performance Variance (unaudited) CHF 000s
OPERATING INCOME				
Statutory contributions	36,500	36,432	36,400	(100)
Voluntary contributions and donations	630,000	437,040	481,400	(148,600)
Services income	30,000	65,258	25,300	(4,700)
Other income	3,500	2,681	3,600	100
Total OPERATING INCOME	700,000	541,411	546,700	(153,300)
OPERATING EXPENDITURE				
Regular resources	117,000	29,261	82,000	(35,000)
Other resources	600,000	407,123	408,200	(191,800)
Supplementary services	30,000	25,952	25,800	(4,200)
Cost recoveries	(47,000)	-	(25,000)	22,000
Total OPERATING EXPENDITURE	700,000	462,336	491,000	(209,000)
NET SURPLUS FROM OPERATING ACTIVITIES	-	79,075	55,700	55,700
FINANCE INCOME/(EXPENSE)				
Finance income	-	5,875	3,900	3,900
Finance expense	-	(655)	-	-
NET FINANCE INCOME	-	5,220	3,900	3,900
NET SURPLUS FOR THE YEAR	-	84,295	59,600	59,600

30. Expenditure by Results against (unaudited) budget

	2021 Budget CHF 000s	2021 Actuals on a comparable basis CHF 000s	2021 Performance Variance CHF 000s	2020 Actuals on a comparable basis CHF 000s
Strategic Priorities				
1. Climate and environmental crises	39,000	4,000	(35,000)	2,700
2. Evolving crises and disasters	88,000	127,000	39,000	136,300
3. Growing gaps in health and well-being	145,000	181,700	36,700	165,500
4. Migration and identity	38,000	12,600	(25,400)	23,400
5. Values, power and inclusion	10,000	7,400	(2,600)	7,300
Total Strategic Priorities	320,000	332,700	12,700	335,200
Approaches to enable National Societies				
1. Engaged, with renewed influence, innovative and digitally transformed	29,000	15,500	(13,500)	17,500
2. Accountable, with an agile and efficient management	98,000	79,600	(18,400)	88,900
3. Trusted, owned and valued by the membership	53,000	57,300	4,300	49,400
Total Approaches to enable National Societies	180,000	152,400	(27,600)	155,800
Total expenditure by results	500,000	485,100	(14,900)	491,000

31. Expenditure by Structure against (unaudited) budget

	2021 Budget CHF 000s	2021 Actuals on a comparable basis CHF 000s	2021 Performance Variance CHF 000s	2020 Actuals on a comparable basis CHF 000s
Governance meetings and support	6,000	4,200	(1,800)	4,600
Office of Secretary General	10,000	9,600	(400)	7,200
National Society Development and Operations Coordination	37,000	33,300	(3,700)	32,800
Global Realtions, Humanitarian Diplomacy and Digitalization	19,000	14,800	(4,200)	16,600
Management Policy, Strategy and Corporate Services	26,000	13,100	(12,900)	16,500
Africa	98,000	89,100	(8,900)	101,400
Americas	63,000	69,100	6,100	62,900
Asia Pacific	100,000	87,200	(12,800)	91,000
Europe	65,000	95,000	30,000	88,400
Middle East and North Africa	60,000	49,800	(10,200)	51,400
Hosted projects	8,000	8,900	900	7,500
Depreciation and amortisation	6,000	13,700	7,700	10,300
General Provision	2,000	(2,700)	(4,700)	400
Total expenditure by structure	500,000	485,100	(14,900)	491,000

Budgets in the tables above refer to the budget approved by the General Assembly pursuant to the Plan and Budget 2021 - 2022, which informs the presentation for consolidated income and expenditure by results and structure.

Income and expenditure as reported under notes 29 to 31 are not audited and are presented for information purposes only.

32. Significant accounting policies

In the preparation of these consolidated financial statements, the IFRC has consistently applied the following accounting policies that are consistent with those of the previous financial year.

Set out below is an index of the significant accounting policies, the details of which are available on the pages that follow.

Changes in significant accounting policies

A number of new standards and amendments are effective from 1 January 2021 but they do not have a material effect on these consolidated financial statements.

A. Basis of consolidation

The financial statements of the IFRC are consolidated to include the International Federation of Red Cross and Red Crescent societies at the United Nations, Inc. (IFRC at the UN Inc.), as well as the activities of the Geneva Secretariat and all IFRC delegations.

IFRC at the UN Inc. is a wholly-owned subsidiary of the IFRC. The IFRC controls the IFRC at the UN Inc. by virtue of having power over the entity, which gives the IFRC the ability to affect returns from the entity. The assessment of the IFRC's control over the IFRC at the UN Inc. includes an examination of all facts and circumstances.The IFRC at the UN Inc.'s accounting policies are consistent with those adopted by the IFRC.

Joint arrangements

During the year ended 31 December 2021, the IFRC had interests in the following hosted programmes under joint arrangements, where the activities of the programmes are in accordance with the IFRC's principal activities: Global Road Safety Partnership; National Society Investment Alliance; Steering Committee Human Response; REPAIR Consortium; Risk-informed Early Action Partnership. The IFRC's assessment of the nature of each joint arrangement includes an assessment by the IFRC of its rights and obligations, the structure and legal form of the arrangement, the contractual terms agreed to by the parties to the arrangement, and other relevant facts and circumstances.

The IFRC accounts for these joint arrangements as joint operations, as the IFRC has joint control of the arrangements, giving the IFRC rights to the assets and obligations for the liabilities, relating to these arrangements. The IFRC accounts for its interests in these joint operations by recognising and measuring the assets and liabilities and related revenues and expenses related to the IFRC's proportional interest in the joint operations. The joint operations' accounting policies are consistent with those adopted by the IFRC.

B. Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies are translated into Swiss Francs using the exchange rate at the reporting date. Foreign currency transactions are translated into Swiss Francs using actual rates that were applied to transactions or rates which approximate the prevailing rate at the date of the transactions. Exchange gains and losses resulting from the settlement of foreign currency transactions and from translation are included under Net finance income in the Consolidated Statement of Comprehensive Income, with the exception of realised and unrealised exchange gains and losses on voluntary contributions and donations, which are included under Voluntary Contributions and Donations, net in the Consolidated Statement of Comprehensive Income.

The principal rates of exchange against the Swiss Franc are shown below:

	Closing rate of exchange		Average rate of exchange	
	2021	2020	2021	2020
EUR	1.04	1.08	1.08	1.07
USD	0.92	0.86	0.91	0.94
GBP	1.23	1.20	1.26	1.20
SEK	0.10	0.11	0.11	0.10
CAD	0.72	0.69	0.73	0.70

C. Income

Income comprises statutory contributions and voluntary contributions in cash or in-kind from member National Societies, donations in cash or in-kind from donors, and income from services and leases.

(a) Statutory contributions

Statutory contributions are fixed by the General Assembly, the supreme governing body of the IFRC, and are recognised in the year they fall due.

The carrying amounts of the IFRC's assets are reviewed at each period end date, in order to determine whether there is any indication of impairment. .

Statutory contributions receivable may be subject to appeal and subsequent adjustments.

(b) Voluntary contributions and donations

Voluntary contributions and donations are recognised when a signed agreement (pledge) has been received from the National Society or other donor. In the absence of a signed agreement, the contribution is recognised upon receipt of cash.

Government grants for specific projects and donations that are subject to specific contractual obligations similar to government grants, are reported as deferred income and recognised as income when expenditure is incurred and contractual obligations are fulfilled. Government grants that are neither for specific projects nor identifiable assets, and are both earmarked (see below) and managed at appeal level, are recognised when a confirmed written pledge has been received from the donor and accepted by the IFRC.

Donations where receipt of funding is conditional and contingent upon uncertain future events not wholly within the IFRC's control are not accounted for but are disclosed as contingent assets.

Changes to Voluntary Contributions and donations are recognised as additions to, or reductions of income, in the period in which the change is agreed. The IFRC is unable to evaluate the impact of such changes on the income reported in these consolidated financial statements.

Voluntary contributions and donations are mainly received in cash but may be received in-kind (relief supplies, inventories or tangible assets) or as services (staff, transport or property operating costs including rent). The fair value of in-kind goods, assets and property operating cost donations, is taken as the value indicated by the donor. This value is tested for reasonableness by comparing it to the cost that the IFRC would incur if it were to buy in the open market similar goods, assets or property services, for the same intended use. If the market value is found to be significantly different to the value indicated by the donor, the value is revised to the market value. The fair value of in-kind staff is taken as the average cost that would be incurred by the IFRC, if it were to directly employ a person in a similar position.

In-kind contributions are recognised at their estimated fair value in accordance with the following table:

In-kind contribution category	Income recognition	Expenditure recogntion
Relief supplies	Recognised on date of receipt equally as both income and expenditure.	
Tangible assets	Recognised on date of receipt.	Depreciation and impairment recorded in the same way as for purchased fixed assets.
Services	Recognised on date of receipt equally as both income and expenditure	
Inventories	Recognised on date of receipt.	Expensed on date used.
Government grants – building operating costs	Recognised on date of receipt equally as both income and expenditure.	
Government grants – right of use Land and buildings, and other equipment	Reported as deferred income and recognised as revenue as the associated expense is incurred.	Depreciation recorded on a straight line basis over the durations of the grant agreements or the useful life of the asset.

Earmarking of voluntary contributions and donations
Voluntary contributions and donations are identified according to the level of earmarking (see also note 32O *Donor-restricted contributions and donations*):

<table>
<tr><td>Unearmarked</td><td colspan="2">Can be used for any purpose to further the objectives of the IFRC.
Amounts are recognised within unrestricted income.
Unspent amounts included within unrestricted reserves at the end of the accounting period.</td></tr>
<tr><td rowspan="4">Earmarked</td><td colspan="2">Fully under the control of the IFRC
Can be restricted in terms of nature, timeframe or subject matter.
Amounts are recognised within restricted income.
Unspent amounts included within restricted reserves at the end of the accounting period.</td></tr>
<tr><td colspan="2">Not fully under the control of the IFRC</td></tr>
<tr><td>Earmarked for use in a future period</td><td>Subject to specific contractual obligations, similar to government grants</td></tr>
<tr><td>Amounts are recognised as deferred income in the current period.
Amounts are recognised within restricted income in the future period for which they are earmarked.</td><td>Amounts are recognised within restricted income as expenditure is incurred and contractual obligations are fulfilled.
Amounts received but not recognised are included in deferred income.</td></tr>
</table>

(c) Income from the provision of services
Income from the provision of services comes from supplementary services priced on a cost-recovery basis to National Societies, including fleet services, logistics services, and administrative services in countries where National Societies are working bi-laterally with the local National Society, rather than multi-laterally with the IFRC and the local National Society. The IFRC provides contracted services, in the form of grant and programme management services, to other humanitarian actors. Priced on a cost-recovery basis, income from these services is included under Services income in the Consolidated Statement of Comprehensive Income.

Income from the provision of services is within the scope of IFRS 15 Revenue from Contracts with Customers, except for rental of vehicles under operating leases and leases of property that are within the scope of IFRS 16 Leases.

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Income recognition policies for services income from contracts with customers are described below:

Type of services income	Timing of income recognition	Income recognition policy
Administrative	over time	Income is recognised as and when monthly chargeable services are delivered.
Contracted	over time/ at a point in time	Income is recognised based on contractual performance obligation, which could be over time or at a point in time.
Logistics	over time/ at a point in time	Income is recognised over time for recurring services such as warehousing, and at a point in time for distinct services such as procurement and transportation.
Fleet	at a point in time	Income is recognised at a point in time for sale of vehicles.

Where income is recognised at a point in time, this point is determined as the point when the goods or services are received by the customer.

The ESSN agreement between IFRC and ECHO (see note 11) falls within the scope of IFRS 15. Revenue related to the agreement is disclosed as Services Income in the Consolidated Statement of Comprehensive Income. All services rendered relate to cash distributions to beneficiaries and are accounted for as a single performance obligation. As ECHO receives the benefits of IFRC's performance as cash distributions are made to beneficiaries, the IFRC's performance obligation is satisfied over time and revenue is recognised accordingly. The ESSN agreement is pre-financed by ECHO up to 98% of the contract value. Pre-financing is disbursed in instalments subject to a declaration from IFRC that the previous instalment has been consumed. An amendment to the ESSN agreement was made on 21 December 2020. The contract modification is accounted for as a separate contract under IFRS 15.

Judgement is applied in assessing whether service income is recognised over time or at a point in time. Where income is recognised over time, fulfilment of performance obligations is measured using the output method, which is a direct measurement of value to the customer for goods or services transferred. Where income is recognised at a point in time, fulfilment of performance obligations is measured based on the customer's written confirmation of receipt of control over the goods and/or services. For the provision of services across accounting periods, income is recognised when performance obligations have been satisfied, by reference to services performed to date.
Services performed in advance of income being received are classified as Contract assets. Consideration received in advance for services to be performed is classified as Contract liabilities.

Income recognition policies for services income from leases are described below:

Type of lease income	Timing of income recognition	Income recognition policy
Administrative	over time	Income is recognised as and when monthly chargeable services are delivered.
Fleet	over time	Income from the provision of vehicles under operating leases is recognised on a straight-line basis over the lease term.

Payment terms for services income are generally 30 days from date of invoice.

D. Expenditure

All expenditure is accounted for on an accruals basis. Judgement has been applied to classify expenditure under functional expense categories that aggregate the costs related to each category (see below).

(a) Functional expenditure categories

Expenditure Category	Activity	Description
Other resources (Restricted activities)	Programmes: - Humanitarian response - Thematic activities	Support National Societies in their: - programmes to support disaster affected and vulnerable people; - individual organisational development.
	Supplementary services	Provide cost-effective, relevant and demand driven services to individual and groups of National Societies.
Regular resources (Unrestricted activities)	Governance and Secretariat activities	Fulfil the IFRC's constitutional role as the permanent body of liaison and coordination among National Societies representing the Red Cross and Red Crescent globally and providing network wide services.

(b) Costing principles

The costing principle of the IFRC is one of full cost recovery, therefore, each functional expense category includes all associated direct costs, indirect costs, and pledge fees.

Direct costs

Direct costs are those costs that can be readily and specifically identified with a particular project or service. These include costs recovered from operations for the provision of specific supplementary services.

Indirect costs

The direct costs of programmes and services are subject to standard indirect cost recovery rate to fund the costs of providing indirect support services, essential to the success of operations. Such indirect support services include management and leadership, information and communication technology and professional and services functions in the areas of programme quality, reporting, resource mobilisation, finance, information technology and human resources.

(c) Provisions for operations and contributions to National Societies

In implementing its activities in the ordinary course of its business, the IFRC provides funds to member Red Cross and Red Crescent National Societies. Two mechanisms are used – cash working advances and contributions to National Societies.

i) Cash working advances - Provisions for operations

The IFRC provides cash working advances to National Societies for them to implement activities on behalf of the IFRC. Amounts advanced are recognised as receivables until such time as recipient National Societies report to the IFRC on their use of the funds. A provision is recognised for the value of working advances which has not been reported on by the recipient National Societies, and the related expense is recorded in Provisions for operations. When recipient National Societies report on their use of the funds, the provision is reversed, and the expense is reclassified according to its nature.

ii) Contributions to National Societies

The IFRC makes cash contributions to fund the activities of member National Societies. Such contributions are recognised as operational expenditure as they are incurred.

Cash Transfers

Cash transfers are made to National Societies that have been risk-assessed by the IFRC to have the organisational capacity and internal controls to effectively manage funds received from the IFRC to meet project objectives and satisfy stakeholders' accountability requirements. The recipient National Society manages the use of the funds based on its internal regulations and reports its use of the funds back to the IFRC without the need to submit detailed supporting documentation for individual expenses incurred. National Societies operating under Cash Transfer are subject to periodic audits of their use of funds transferred.

Cash Advances

The IFRC provides cash contributions to National Societies for them to implement Covid-19 Pandemic Appeal activities. Such contributions are recognised as operational expenditure as they are incurred. However, as the IFRC has not formally assessed the risk that recipient National Societies have the organisational capacity and internal controls to effectively manage the funds received to meet project objectives and satisfy stakeholders' accountability requirements, the IFRC maintains additional verification controls over National Societies' use of funds transferred. These include the IFRC verifying supporting documents, invoices, receipts etc for the expenditure incurred by the National Societies, and validating that expenditure has been incurred in accordance with agreements signed between the IFRC and the implementing National Societies.

E. Leases

The IFRS 16 Leases defines a lease as "a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration". At inception of a contract, the IFRC uses judgement to assesses whether the contract is, or contains a lease. To assess whether a contract conveys the right to control the use of an identified asset, the IFRC uses the definition of a lease in IFRS 16.

For leases where the IFRC is a lessee, the IFRC has elected not to separate non-lease components and to account for the lease and non-lease components as a single lease component.

For leases where the IFRC is a lessor, the IFRC allocates the transaction price in accordance with the amount of consideration it expects to receive for each component of the contract.

As a lessee

The IFRC recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost. This comprises:

- the initial amount of the lease liability;
- adjusted for any lease payments made at or before commencement date;
- plus any initial direct costs incurred;
- plus an estimate of costs to dismantle and remove the underlying asset or the costs to restore the asset, or the site on which it is located, to the condition required by the lease;
- less any lease incentives received.

Using the straight-line method, the right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use asset, or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of Property, vehicles and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured as the value of the lease payments that are not paid at the commencement date. The IFRC applies judgement in determining the reasonably certain lease term. The IFRC has elected not to measure its lease liabilities on a discounted basis because the effect of discounting is not material.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price of a purchase option that the IFRC is reasonably certain to exercise, lease payments in an optional renewal period if the IFRC is reasonably certain to exercise an extension option, and penalties for early termination of a lease, unless the IFRC is reasonably certain not to terminate early.

After the commencement date, the lease liability is measured by:

- reducing the carrying amount to reflect the lease payments made; and
- remeasuring the carrying amount to reflect:
    - a change in future lease payments arising from a change in an index or rate;
    - a change in the IFRC's estimate of the amount expected to be payable under a residual value guarantee; or
    - a change in the IFRC's assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

IFRC presents right-of-use assets in Property, vehicles and equipment and lease liabilities within Loans and borrowings in the Consolidated Statement of Financial Position (see note 20).

Short term leases and leases of low value assets

The IFRC has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less, and leases where the underlying asset is of low value. The IFRC recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

Where the IFRC acts as a lessor, it determines, at inception, whether each lease is a finance lease or an operating lease. To classify each lease, the IFRC makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease, if not, then it is an operating lease. As part of this assessment, the IFRC considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The IFRC has no interest in finance leases as a lessor.

When the IFRC is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the IFRC applies the short-term lease exemption described above, then it classifies the sub-lease as an operating lease.

Lease income from operating leases is recognised as services income in the Consolidated Statement of Comprehensive Income on a straight-line basis over the lease term.

F. Taxes

The IFRC is exempt from taxes in Switzerland and most countries in which its delegations are based.

G. Finance income and expense

The net finance result is comprised of interest and dividends received on funds invested, realised foreign exchange gains and losses on pledge settlements, realised and unrealised foreign exchange gains and losses on revaluations of foreign currency denominated assets and liabilities, and realised and unrealised gains and losses on units held in global equity and bond funds.

Interest income is recognised in the Consolidated Statement of Comprehensive Income, as it accrues taking into account the effective yield on the asset.

H. Financial instruments

(a) Financial assets

The IFRC's financial assets are made up of cash and cash equivalents, investments, receivables, contract assets, cash flow hedges and financial assets associated with the ESSN project (see below). Under IFRS 9, the financial assets that are measured at amortised cost are impaired using an 'expected credit loss' (ECL) model. This impairment model does not apply to investments that are classified and measured at FVTPL. The ECLs are calculated based on change in credit risks and measured at an amount equal to the lifetime of the financial assets.

(i) Cash and cash equivalents

Cash and cash equivalents include cash in hand, cash at bank and bank deposits with original maturities of three months or less from the acquisition date, that are subject to insignificant risk of changes in their fair value.

(ii) Investments

Short-term investments are initially recognised at fair value, and subsequently measured at amortised cost. They include short-term bank deposits with original maturities of more than three months, but less than one year.

Long-term investments are recognised and subsequently measured at fair value through profit or loss, and comprise units held in a global bond fund and units held in a global equity fund. Both funds are classified as financial assets. The fair value of the units is fully determined by reference to published price quotations in an active market. Purchases and sales of units are recognised on the trade date, which is the date that the investment managers commit to purchase or sell the asset, on behalf of the IFRC. Realised or unrealised gains and losses arising from changes in the fair value of financial assets are included in the Consolidated Statement of Comprehensive Income under Net finance income, in the period in which they arise.

Investments with maturities of more than twelve months after the reporting period are classified as non-current assets.

(iii) Receivables

Accounts receivable comprise statutory contributions due but not yet received, outstanding voluntary contributions and donations not yet received from National Societies and donors respectively, and amounts due from National Societies and other customers for the provision of services.

Other receivables include advances to National Societies and employees, amounts due for reimbursable taxes, sundry receivables, fair value of cash flow hedges, and contract assets.

Trade receivables are initially recognised when they are originated. A trade receivable without a significant financing component is initially measured at the transaction price and subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Receivables are impaired based on the ECL model, which is a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the IFRC in accordance with the contract and the cash flows that the the IFRC expects to receive).

Receivables, where the recovery will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the IFRC, are not recognised as receivables in the Consolidated Statement of Financial Position but are disclosed as contingent assets (see note 30). If the effect is material, the fair value of contingent assets is determined by discounting the expected future cash flows that reflect a current market assessment of the time value of money.

(iv) Cash flow hedges
Hedge instruments are used to mitigate foreign exchange risk associated with receiving statutory contribution payments in foreign currencies. These are supported by hedge accounting to avoid an accounting mismatch, whereby the effects of the changes in fair values of both hedge items and hedge instruments are appropriately measured, matched, and recognised in the same period in the income and expenditure statement.

When a derivative is designated as a cash flow hedging instrument, the effective portion of the changes in the fair value is recognised in the Other Comprensive Income and accumulated in a hedge reserve. An ineffective portion of changes in fair value is recognised immediately in Statement of Comprehensive Income. The amount accummulated in hedge reserve is also reclassified to Statement of Comprehensive Income in the same period during which the hedged item or forecast cash flows affect income and expenditure.

(b) Financial liabilities
The IFRC's financial liabilities are made of payables, loans and borrowings and financial liabilities associated with the ESSN project (see below). These represent liabilities to third parties, which are initially recognised at fair value and subsequently measured at amortised cost.

FIPOI building loans
It is common practice that international organisations have access to interest free loans for building improvements from the Government of Switzerland through the Fondation des Immeubles pour les Organisations Internationales (FIPOI). As such, a market for such loans exists and the market rate of interest for them is 0%. The amortised cost of the financial liability is equal to the actual costs of the financial liability as recorded in the IFRC's accounts, and there is no in-kind benefit from a below-market interest.

(c) ESSN project

The cash support to beneficiaries provided under Component B of the ESSN agreement between IFRC and ECHO (see note 11) does not constitute a performance obligation, as the IFRC is redistributing cash provided by ECHO to designated beneficiaries. The cash distributions are not recognised in the Consolidated Statement of Comprehensive Income.

A financial liability is recognised to reflect the estimated amount to be paid to beneficiaries already in receipt of a payment card to the end of March 2022. This is the original timeframe for the cash payments to beneficiaries (component B) under the initial ESSN contract.

I. Inventories

Inventories of prepositioned relief items, which have not been committed to a project, are stated at the lower of cost or net realisable value. Cost is determined using the weighted average cost method, and comprises cost of purchase and other costs directly attributable to acquisition. In-kind donations of prepositioned relief items are included in inventories and their fair value is included in the calculation of weighted average cost. Net realisable value is the estimated selling price, in an arms length transaction, less attributable selling expenses. Inventories are included in expenditure once they have been committed to a project.

Relief and other items acquired for specific projects are expensed at the time of receipt, and are not included in inventories.

J. Property, vehicles and equipment

Property, vehicles and equipment are stated at historical cost less accumulated depreciation. Contributed and donated assets received in-kind are accounted for using the same principles as used for purchased assets, with acquisition costs being determined on the basis of donor values. Depreciation is calculated on the straight-line method to write off assets to their estimated residual values over their estimated useful lives as follows:

Land and buildings	up to 50 years
Heavy vehicles	10 years
Light vehicles	4 - 5 years
Computer equipment	3 - 4 years
Other equipment	2 - 10 years

When the carrying amount of an asset is greater than its estimated recoverable amount, the asset is immediately written down to its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with net carrying amounts, and are recognised in the Consolidated Statement of Comprehensive Income.

Subsequent expenditure is capitalised only when probable future economic benefits will flow to the IFRC and the cost can be measured reliably. Repairs and maintenance costs are recognised in the Consolidated Statement of Comprehensive Income during the financial period in which they are incurred.

K. Intangible assets

Acquired computer software is capitalised on the basis of the acquisition costs, and costs incurred, including own labour costs, to bring the specific software into use. Amortisation is calculated on the straight-line method to write off assets to their estimated residual values over their estimated useful lives – 7 years for the IFRC's Enterprise Resource Planning system and 3 to 5 years for other intangible assets. Costs associated with maintaining software are recognised in the Consolidated Statement of Comprehensive Income during the financial period in which they are incurred.

L. Impairment

In order to determine whether there is any indication of impairment, the carrying amounts of the IFRC's assets, other than financial assets at fair value through profit or loss and inventories (see note 32H), are reviewed periodically to ascertain the amounts that may not be recoverable.

An impairment loss is recognised in the Consolidated Statement of Comprehensive Income whenever there is a shortfall between the carrying amount of an asset and its recoverable amount. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is reversed if there is an upward revision of the recoverable amount. An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

M. Employee benefit costs

(a) Post-employment benefit plans
Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

The IFRC operates two pension plans, the Base Pension Plan and the Supplemental Pension Plan, for expatriate field staff and all headquarters staff. The pension plans are funded plans. They provide retirement benefits based on a participant's accumulated account balance. They also provide benefits on death, disability and termination. Subject to certain conditions, members of the pension plans are also eligible to receive contributions towards the cost of health insurance during retirement.

For the purposes of these consolidated financial statements, both plans that comprise the Pension Fund are considered and accounted for as a single defined benefit plan in accordance with the requirements of IAS 19 Employee benefits and the contributions to the cost of retirees' health insurance are accounted for as a separate defined benefit plan.

The amount recognised in the Consolidated Statement of Financial Position in respect of the defined benefit plans is the present value of the defined benefit obligations at the period end date less the fair value of the pension plans' assets. The retirees' health insurance scheme is unfunded and, as such, does not have any plan assets. The defined benefit obligations are calculated by independent actuaries using the projected unit credit method. The present value of the defined benefit obligations is determined by discounting the estimated future cash outflows, using interest rates on high quality corporate bonds that have terms to maturity approximating to the terms of the related post-employment benefit liabilities, and are denominated in Swiss Francs, the currency in which the benefits will be paid. In determining the present value of the defined benefit obligations and the related service cost for the pension plans, the IFRC attributes benefit to periods of service on a straight-line basis to decrement, eg retirement, death or disability. For the retirees' health insurance scheme, benefit is attributed on a straight-line basis over 15 years, representing the period of service after which no further material amount of benefits is earned by employees.

The IFRC recognises all actuarial gains and losses immediately in Other Comprehensive Income. Expenses related to defined benefits are included as Employee benefits operating expenditure.

Staff employed locally by the delegations receive social benefits in accordance with the legislation of the countries concerned and the local collective staff agreements. The cost of such benefits is recognised on an accruals basis in these consolidated financial statements.

(b) Termination benefits
Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date, contract completion date, or whenever an employee accepts voluntary redundancy in exchange for these benefits.

Termination benefits are recognised on the basis of a formal committed plan to terminate the employment of current employees, or are provided as a result of an offer made to encourage voluntary redundancy.

In certain legal jurisdictions, the IFRC has obligations to calculate and pay termination benefits in accordance with the requirements of local law, regardless of the reason for an employee's departure. IAS 19 considers such benefits as post-employments benefits. The accrued obligations are included within Provisions for operations and the expense is included in Employee benefits in these consolidated financial statements. The IFRC has elected not to calculate these liabilities using the projected unit credit actuarial method because the effect is not material.

N. Provisions

Provisions for redundancy costs, operations, project deficits and restructuring are recognised when there is a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate of the amount can be made.

If the effect is material, provisions are determined by discounting the expected future cash flow that reflects current market assessments of the time value of money, and where appropriate, the risks specific to the liability.

(a) Provision for redundancy costs
Provision is made for the estimated cost of known redundancies, which are normally paid out within the next twelve months. A redundancy is known when the decision to make the employee redundant has been taken and communicated.

(b) Provision for operations
The provision for operations primarily represents the value of working advances made to National Societies which the recipient National Societies have not reported on by the period end date. Detailed breakdowns of the expenditure incurred by the National Societies are not, therefore, known at the period end date, but are normally reported shortly thereafter.

(c) Provision for pledge and services deficits
A provision for pledge and service deficits is maintained for restricted activities where expenditure has exceeded income and the IFRC considers future funding is unlikely to be forthcoming. If additional funding is not receivedwithin twelve months following the period end date, the deficits are written off unless there is objective evidence that additional funding is may still be received.

O. Reserves

(a) Restricted reserves
These represent the cumulative excess of income, over expenditures for Other resources activities. Restricted reserves include the following:

Funds held for operations
Donor-restricted voluntary contributions and donations
The cumulative excess, of earmarked voluntary contributions and donations over expenditure, is recorded as Funds held for operations within restricted reserves. In the event that the funds cannot be spent, the IFRC obtains agreement from the National Society or other donor for a reallocation of those funds for a different use, or reimburses them to the National Society or other donor, in which case they are recognised as liabilities until the effective repayment takes place.

Operations with temporary deficit financing
Expenditure on individual projects may temporarily exceed the amount of income allocated to those projects at reporting dates. This excess of expenditure over income is separately reflected within Funds held for operations as Operations with temporary deficit financing, so long as management considers that future funding will be forthcoming. When the IFRC considers that future funding is unlikely to be forthcoming, the deficit is reclassified as unrestricted expenditure, and reflected as a reduction in unrestricted reserves, through the provision for pledge and services deficits.

(b) Unrestricted reserves
Unrestricted reserves are not subject to any legal or third party restriction and can be used as the IFRC sees fit. Unrestricted reserves may be designated by the IFRC for specific purposes, to meet future obligations or mitigate specific risks.

(c) Designated reserves
Designated reserves include the following:

Self-insurance reserve
The IFRC self-insures its vehicles against collision, loss or other damage. Based on an assessment of risk exposure, this reserve is established to meet approved insurance claims as they fall due.

Statutory meetings reserve
Funds are set aside to meet the anticipated costs of future statutory meetings and Governing Board initiatives as and when the events take place.

Specific projects
As explained in note 32D, in keeping with the IFRC's principle of full cost recovery, the direct costs of programmes and services are subject to 6.5% indirect cost recovery to fund the costs of providing indirect support services, essential to the success of operations. In the event that there is an operation with expenditure in excess of CHF 50,000k and the total amount charged for a given year exceeds the total amount incurred, the excess is allocated to projects according to a Governing Board decision. Pending the Governing Board decision, the excess is allocated to a designated reserve.

Major building works reserve
In March 2016, the IFRC signed an agreement with FIPOI for a 50 year interest free loan to be used by the IFRC to construct new office premises. Under this agreement, the IFRC has an obligation to undertake regular building maintenance and is required to set up a designated reserve for major building works upon acceptance of the new building. An annual allocation shall be made by the IFRC corresponding to 0.75% of the building works value. Usage of the reserve is restricted to:

- planned obsolescence including major renovation and replacement works;
- emergency repairs.

33. New Standards, Amendments and Interpretations

The following Standards, Amendments and Interpretations have been issued, but are not yet effective. They have not been applied early in the preparation of these consolidated financial statements. Based on assessments conducted by IFRC's management, the expected impact of each Standard, Amendment and Interpretation is presented below.

Standards, Amendments and Interpretations to existing standards that are not yet effective and are relevant to IFRC operations:

Standard / Amendment	**Effective date**	**IFRC planned application**	**Anticipated impact**
Annual Improvements to IFRS Standards 2018–2020	1 January 2022	Reporting year 2022	Not material / applicable
Reference to the Conceptual Framework (Amendments to IFRS 3)	1 January 2022	Reporting year 2022	Not material / applicable
Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16)	1 January 2022	Reporting year 2022	Not material / applicable
Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)	1 January 2022	Reporting year 2022	Not material / applicable
Amendments to IFRS 17	1 January 2023	Reporting year 2023	Not material / applicable
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	1 January 2023	Reporting year 2023	Not material / applicable
Definition of Accounting Estimates (Amendments to IAS 8)	1 January 2023	Reporting year 2023	Not material / applicable
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	1 January 2023	Reporting year 2023	Not material / applicable
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)	1 January 2023	Reporting year 2023	Not material / applicable