



ExMC/1887/Inf  
August 2022

**INTERNATIONAL ELECTROTECHNICAL COMMISSION SYSTEM FOR  
CERTIFICATION TO STANDARDS RELATING TO EQUIPMENT FOR USE  
IN EXPLOSIVE ATMOSPHERES (IECEX SYSTEM)**

**Circulated to: IECEX Management Committee (ExMC)**

**Title: Report of the statutory auditor (KPMG) on the IEC Statutory Financial  
Statements for 2021**

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This document contains the Report of the statutory auditor (KPMG) on the IEC Statutory Financial Statements for 2021, as presented to the IEC 2022 General Assembly as GA/31/DV.

This report, which consolidates all IEC accounts (including the IEC Standards & Services accounts, the four IEC Conformity Assessment Systems accounts and the Guarantee Fund financial report), represents the full spectrum of IEC financial activities, while being presented for approval during the 2022 IEC General Assembly in San Francisco is presented to the IECEX Management Committee for information, at the request of the IEC Treasurer, Mr Jo Cops.

This document also contains the financial information relating to the 2021 IECEX Audited Accounts as presented in **ExMC/1833/DV**, which is subject to separate approval by ExMC during the September 2022 IECEX meetings.

These IEC Statutory Financial Statements for 2021 are presented for information to the ExMC.

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For IEC use only

GA/31/DV

2022-04-01

## INTERNATIONAL ELECTROTECHNICAL COMMISSION

### GENERAL ASSEMBLY (GA)

### SUBJECT

Report of the statutory auditor (KPMG) on the IEC Statutory Financial Statements for 2021

### BACKGROUND

KPMG were appointed (C/2294/RV) as Auditors of the IEC for the financial years 2020, 2021 and 2022. KPMG (Geneva, Switzerland) has successfully conducted its audit of the 2021 accounts.

Please find in **Annex** the IEC Statutory Financial Statements. This report, which consolidates all IEC accounts (including the IEC Standards & Services accounts, the four IEC Conformity Assessment Systems accounts and the Guarantee Fund financial report), represents the full spectrum of IEC financial activities.

### ACTION

Full Member National Committees are invited to approve the audited IEC Statutory Financial Statements for the year 2021, including allocations to and from Capital & Designated Reserves, at the 2022 General Assembly meeting.

### ANNEX

- IEC Statutory Financial Statements for the year 2021

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These accounts of the Commission for 2021, have been duly verified by a professional auditor and are hereby signed by the IEC President and the IEC Treasurer.

31 March 2022

A handwritten signature in black ink, consisting of stylized Chinese characters, representing the IEC President.

IEC President

A handwritten signature in blue ink, consisting of stylized characters, representing the IEC Treasurer.

IEC Treasurer



**International Electrotechnical Commission,  
Geneva**

Report of the Statutory Auditor  
on the Financial Statements  
to the General Assembly

Financial Statements 2021



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## **Report of the Statutory Auditor to the General Assembly of International Electrotechnical Commission, Geneva**

### **Report of the Statutory Auditor on the Financial Statements**

As statutory auditor, we have audited the accompanying financial statements of International Electrotechnical Commission which comprise the balance sheet, statement of income and expenditure, cash flow statement, condensed IEC financial operational activities, condensed IEC CA Systems financial operational activities, statement of changes in equity and notes for the year ended 31 December 2021. In accordance with Swiss GAAP FER 21 the information in the performance report is not subject to audit or examination work performed by the statutory auditor.

#### **Secretary-General's Responsibility**

The Secretary-General is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and Swiss GAAP FER. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Secretary-General is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements 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 entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements for the year ended 31 December 2021 comply with Swiss law and give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER.

### **Report on Other Legal Requirements**

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO) and that there are no circumstances incompatible with our independence.

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

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

KPMG SA



Pierre-Henri Pigeon  
Licensed Audit Expert  
Auditor in Charge



Cédric Rigoli  
Licensed Audit Expert

Geneva, 31 March 2022

Enclosure:

- Financial statements (balance sheet, statement of income and expenditure, cash flow statement, condensed IEC financial operational activities, condensed IEC CA Systems financial operational activities, statement of changes in equity and notes)

**BALANCE SHEET AS AT 31 DECEMBER 2021 - IEC**  
(with comparative figures for 2020)

|   |    | International Electrotechnical Commission Geneva |                   |
|---|----|--|-------------------|
|   |    | 2021   | 2020              |
|   |    | CHF  | CHF               |
| <b>ASSETS</b>   |    |  |                   |
| <b>Current Assets</b>                                 |    | <b>55'052'810</b>                                | <b>51'983'013</b> |
| <b>Cash &amp; cash equivalents</b>                    | 1  | 12'222'273                                       | 10'117'598        |
| <b>Securities</b>                                     | 2  | 34'257'844                                       | 33'604'477        |
| Securities (IEC Pool investment)                      |    | 25'843'200                                       | 25'639'783        |
| Securities (Guarantee Fund))                          |    | 8'414'644  | 7'964'694         |
| <b>Accounts receivable</b>                            | 3  | 3'380'107  | 2'815'970         |
| Publications and royalties                            |    | 1'941'986  | 1'338'378         |
| Membership Dues (all years)                           |    | 785'055  | 849'803           |
| CA products receivable                                |    | 653'066  | 593'562           |
| Pension Fund  |    | 0  | 34'227            |
| <b>Other receivables</b>                              | 4  | 125'734  | 207'885           |
| <b>Prepaid expenses and accrued income</b>            | 5  | 5'066'852  | 5'237'083         |
| <b>Long Term Assets</b>                               | 6  | <b>3'609'676</b>                                 | <b>4'357'185</b>  |
| Rental Guarantee                                      |    | 136'570  | 136'570           |
| Trademarks  |    | 1'407'758  | 1'441'353         |
| Tangible fixed assets, net                            |    | 54'452   | 98'068            |
| Intangible assets                                     |    | 2'010'896  | 2'681'194         |
| <b>TOTAL ASSETS</b>                                   |    | <b>58'662'485</b>                                | <b>56'340'198</b> |
| <b>LIABILITIES, CAPITAL AND RESERVES</b>              |    |  |                   |
| <b>Current Liabilities</b>                            |    | <b>9'435'120</b>                                 | <b>10'217'123</b> |
| <b>Short-term liabilities</b>                         | 7  | <b>7'846'632</b>                                 | <b>8'511'860</b>  |
| Suppliers   |    | 618'882  | 753'244           |
| Royalties to be paid                                  | 8  | 6'315'316  | 7'108'748         |
| Corporate accounts (note + revenue recognition)       |    | 235'835  | 242'552           |
| Current Account with Pension Fund                     |    | 203'324  | 0                 |
| Social charges and insurances to be paid              |    | 45'065   | 34'527            |
| Accrued liabilities                                   |    | 428'210  | 372'790           |
| <b>Deferred Income</b>                                |    | <b>352'400</b>                                   | <b>441'057</b>    |
| Membership Dues received in advance                   |    | 352'400  | 441'057           |
| <b>Provisions</b>                                     | 9  | <b>1'236'088</b>                                 | <b>1'264'206</b>  |
| Provision for untaken holiday                         |    | 343'409  | 371'527           |
| Provision for Extraordinary Expense                   |    | 23'307   | 23'307            |
| Provision for IECEX & IECQ                            |    | 869'372  | 869'372           |
| <b>Capital &amp; Reserves</b>                         | 10 | <b>49'227'366</b>                                | <b>46'123'076</b> |
| <b>Free Capital</b>                                   |    | <b>16'120'781</b>                                | <b>17'405'370</b> |
| Capital Fund IEC Standards & Services                 |    | 9'339'861  | 9'339'861         |
| Capital Fund IEC CA Systems                           |    | 6'780'920  | 8'065'509         |
| <i>Capital Fund IECEE</i>                             |    | 4'138'312  | 5'755'144         |
| <i>Capital Fund IECEX</i>                             |    | 2'274'125  | 2'081'797         |
| <i>Capital Fund IECQ</i>                              |    | 524'699  | 443'980           |
| <i>Capital Fund IECRE</i>                             |    | (156'216)  | (215'412)         |
| <b>Designated Funds</b>                               |    | <b>23'943'612</b>                                | <b>20'066'983</b> |
| <b>Designated Funds IEC Standards &amp; Services</b>  |    | <b>21'643'612</b>                                | <b>19'766'983</b> |
| Reserve for Operational & Financial Risk              |    | 2'903'871  | 2'277'493         |
| Reserve for Fluctuation of Investment Portfolio       |    | 1'300'000  | 1'300'000         |
| Reserve for Equipment Depreciation & Renewal          |    | 1'768'351  | 1'847'802         |
| Reserve for Standards Development & Business Platform |    | 2'010'896  | 2'681'194         |
| Reserve for General Meeting                           |    | 800'000  | 800'000           |
| Reserve for Strategy/Masterplan                       |    | 5'110'148  | 4'110'148         |
| Reserve for Innovation & Digitalization               |    | 7'750'346  | 6'750'346         |
| <b>Designated Funds IEC CA Systems</b>                |    | <b>2'300'000</b>                                 | <b>300'000</b>    |
| IECEE Reserve for risks on surcharges                 |    | 0  | 0                 |
| IECEE Development and implementation of new services  |    | 1'000'000  | 0                 |
| IECEE Development and support of IECEE Infrastructure |    | 1'000'000  | 0                 |
| IECEX Reserve for Innovation & Promotion              |    | 300'000  | 300'000           |
| <b>Guarantee Fund</b>                                 |    | <b>9'162'973</b>                                 | <b>8'650'722</b>  |
| <b>TOTAL LIABILITIES, CAPITAL &amp; RESERVES</b>      |    | <b>58'662'486</b>                                | <b>56'340'198</b> |

Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures

**STATEMENT OF INCOME & EXPENDITURE IEC  
FOR THE YEAR ENDED 31 DECEMBER 2021**  
(with comparative figures for 2020)

International Electrotechnical Commission Geneva

|   | Notes     | 2021              | 2020              |
|---|-----------|-------------------|-------------------|
|   |           | CHF               | CHF               |
| <b>INCOME</b>                                     |           |                   |                   |
| <b>Membership Dues</b>                            | <b>11</b> | <b>13'110'022</b> | <b>13'106'102</b> |
| <i>IEC Standards &amp; Services</i>               |           | 11'268'800        | 11'304'150        |
| <i>IEC CA Systems</i>                             |           | 1'841'222         | 1'801'952         |
| IECEE   |           | 1'221'722         | 1'161'202         |
| IECEX   |           | 326'000           | 322'250           |
| IECQ  |           | 202'500           | 197'500           |
| IECRE   |           | 91'000            | 121'000           |
| <b>Net sales</b>                                  | <b>12</b> | <b>2'813'732</b>  | <b>2'844'938</b>  |
| <i>IEC Standards &amp; Services gross sales</i>   |           | 6'569'824         | 6'552'867         |
| <i>Commission &amp; other expenses</i>            |           | (164'418)         | (166'904)         |
| <i>Royalties to NCs</i>                           |           | (3'594'629)       | (3'543'650)       |
| <i>IEC CA systems sales</i>                       |           | 2'955             | 2'625             |
| <b>Net royalties</b>                              | <b>13</b> | <b>11'629'272</b> | <b>10'625'646</b> |
| <i>Gross royalties</i>                            |           | 17'598'511        | 16'562'469        |
| <i>Royalties to NCs</i>                           |           | (5'969'239)       | (5'936'823)       |
| <b>IEC CA systems operations</b>                  | <b>14</b> | <b>3'200'237</b>  | <b>2'683'986</b>  |
| IECEE   |           | 635'845           | 549'335           |
| IECEX   |           | 1'758'178         | 1'395'398         |
| IECQ  |           | 507'264           | 491'223           |
| IECRE   |           | 298'950           | 248'030           |
| <b>Other income</b>                               | <b>15</b> | <b>123'784</b>    | <b>120'895</b>    |
| <b>TOTAL OPERATIONAL INCOME</b>                   |           | <b>30'877'047</b> | <b>29'381'567</b> |
| <b>EXPENDITURE</b>                                |           |                   |                   |
| <b>Personnel expenses</b>                         | <b>16</b> | <b>21'462'639</b> | <b>21'043'253</b> |
| <i>IEC Standards &amp; Services Personnel</i>     |           | 18'491'944        | 18'195'488        |
| <i>Corporate services &amp; business planning</i> |           | 6'428'071         | 5'891'392         |
| <i>Standards development</i>                      |           | 6'233'190         | 6'668'641         |
| <i>Promotion</i>                                  |           | 2'232'932         | 2'239'687         |
| <i>IT</i>   |           | 3'597'751         | 3'395'768         |
| <i>IEC CA Systems Personnel</i>                   |           | 2'970'695         | 2'847'765         |
| IECEE   |           | 1'153'409         | 1'101'399         |
| IECEX   |           | 1'058'400         | 1'007'600         |
| IECQ  |           | 487'516           | 464'300           |
| IECRE   |           | 271'370           | 274'466           |
| <b>Rent &amp; maintenance</b>                     |           | <b>1'004'921</b>  | <b>997'333</b>    |
| <i>IEC Standards &amp; Services</i>               |           | 853'407           | 856'816           |
| <i>IEC CA Systems</i>                             |           | 151'514           | 140'517           |
| <b>Office &amp; administration</b>                | <b>17</b> | <b>4'207'677</b>  | <b>3'713'285</b>  |
| <i>IEC Standards &amp; Services</i>               |           | 3'198'634         | 3'043'640         |
| <i>IT</i>   |           | 1'721'142         | 1'455'525         |
| <i>Legal &amp; audit</i>                          |           | 182'385           | 195'859           |
| <i>White papers</i>                               |           | 80'670            | 72'704            |
| <i>Other office &amp; administration</i>          |           | 1'214'437         | 1'319'552         |
| <i>IEC CA Systems</i>                             |           | 1'009'042         | 669'645           |
| IECEE   |           | 271'087           | 254'092           |
| IECEX   |           | 629'500           | 288'378           |
| IECQ  |           | 63'984            | 83'338            |
| IECRE   |           | 44'471            | 43'837            |
| <b>Communications &amp; printing</b>              | <b>18</b> | <b>517'349</b>    | <b>516'561</b>    |
| <i>IEC Standards &amp; Services</i>               |           | 460'268           | 468'862           |
| <i>Communications</i>                             |           | 387'780           | 363'644           |
| <i>Printing</i>                                   |           | 72'488            | 105'218           |
| <i>IEC CA Systems</i>                             |           | 57'081            | 47'699            |
| <b>Meetings &amp; travel expenses</b>             | <b>19</b> | <b>402'183</b>    | <b>394'382</b>    |
| <i>IEC Standards &amp; Services</i>               |           | 347'320           | 298'300           |
| <i>Meeting</i>                                    |           | 154'106           | 73'030            |
| <i>Travel</i>                                     |           | 193'214           | 225'270           |
| <i>Special events</i>                             |           | 0                 | 0                 |
| <i>IEC CA Systems</i>                             |           | 54'863            | 96'082            |
| IECEE   |           | 52'930            | 49'659            |
| IECEX   |           | 506               | 16'452            |
| IECQ  |           | 1'427             | 18'326            |
| IECRE   |           | 0                 | 11'645            |
| <b>TOTAL OPERATIONAL EXPENDITURE</b>              |           | <b>27'594'769</b> | <b>26'664'814</b> |
| <b>OPERATIONAL RESULT</b>                         |           | <b>3'282'279</b>  | <b>2'716'753</b>  |



|  |           |                    |                    |
|--|-----------|--------------------|--------------------|
| <b>OPERATIONAL RESULT</b>                                    |           | <b>3'282'279</b>   | <b>2'716'753</b>   |
| Depreciation   | <b>20</b> | <b>(925'962)</b>   | <b>(925'345)</b>   |
| Net financial revenue  | <b>21</b> | <b>747'972</b>     | <b>913'107</b>     |
| <i>IEC Standards &amp; Services</i>                          |           | 154'486            | 558'941            |
| <i>IEC CA Systems</i>  |           | 81'236             | 210'414            |
| <i>Guarantee Fund</i>  |           | 512'250            | 143'752            |
| <b>OPERATIONAL &amp; FINANCIAL RESULT</b>                    |           | <b>3'104'289</b>   | <b>2'704'515</b>   |
| <b>OPERATIONAL &amp; FINANCIAL RESULT BEFORE ALLOCATIONS</b> | <b>22</b> | <b>3'104'289</b>   | <b>2'704'515</b>   |
| <i>IEC Standards &amp; Services</i>                          |           | <b>1'876'628</b>   | <b>1'819'011</b>   |
| <i>IEC CA Systems</i>  |           | <b>715'411</b>     | <b>741'752</b>     |
| <i>IECEE</i>   |           | 383'168            | 428'498            |
| <i>IECEX</i>   |           | 192'329            | 231'444            |
| <i>IECQ</i>  |           | 80'719             | 65'043             |
| <i>IECRE</i>   |           | 59'195             | 16'767             |
| <i>Guarantee Fund</i>  |           | <b>512'250</b>     | <b>143'752</b>     |
| <b>ALLOCATIONS</b>   | <b>23</b> |                    |                    |
| <b>Allocations (to) / from Capital &amp; Reserves</b>        |           | <b>(3'104'289)</b> | <b>(2'704'515)</b> |
| <b>Capital Fund IEC Standards &amp; Services</b>             |           | <b>0</b>           | <b>0</b>           |
| <b>Capital Fund IEC CA Systems</b>                           |           | <b>1'284'589</b>   | <b>(1'341'752)</b> |
| <i>Capital Fund IECEE</i>                                    |           | 1'616'832          | (1'328'498)        |
| <i>Capital Fund IECEX</i>                                    |           | (192'328)          | 68'556             |
| <i>Capital Fund IECQ</i>                                     |           | (80'719)           | (65'043)           |
| <i>Capital Fund IECRE</i>                                    |           | (59'195)           | (16'767)           |
| <b>Guarantee Fund</b>  |           | <b>(512'250)</b>   | <b>(143'752)</b>   |
| <b>Designated Funds IEC Standards &amp; Services</b>         |           | <b>(1'876'628)</b> | <b>(1'819'011)</b> |
| Reserve for Standards Development & Business Platform        |           | 0                  | (455'492)          |
| Reserve for Standards Development & Business Platform        |           | 670'298            | 670'298            |
| Reserve for Equipment Depreciation & Renewal                 |           | 79'452             | 92'895             |
| Reserve for Innovation & Digitalization                      |           | (1'000'000)        | 0                  |
| Reserve for Operational & Financial Risk                     |           | (626'378)          | (1'000'000)        |
| Reserve for Strategy/Masterplan                              |           | (1'000'000)        | (1'126'712)        |
| <b>Designated Funds IEC CA Systems</b>                       |           | <b>(2'000'000)</b> | <b>600'000</b>     |
| IECEE Reserve for risks on surcharges                        |           | 0                  | 900'000            |
| IECEE Development and implementation of new services         |           | (1'000'000)        | 0                  |
| IECEE Development and support of IECEE Infrastructure        |           | (1'000'000)        | 0                  |
| IECEX Reserve for Innovation & Promotion                     |           | 0                  | (300'000)          |
| <b>ANNUAL POSITION AFTER ALLOCATIONS</b>                     |           | <b>0</b>           | <b>0</b>           |

## Cashflow

| <b>IEC Cashflow Statement 2021 - 2020</b>  | <u><b>2021</b></u>        | <u><b>2020</b></u>        |
|--|---------------------------|---------------------------|
|  | CHF                       | CHF                       |
| Result after allocations   | 0                         | 0                         |
| Depreciation (revaluations resulting in profit) of tangible fixed assets                                 | 79'452                    | 92'895                    |
| Depreciation (revaluations resulting in profit) of intangible fixed assets and trademarks                | 844'511                   | 830'449                   |
| Increase of reserves and provisions that do not affect the fund's cash                                   | 3'076'173                 | 2'159'943                 |
| Other income/(expense) that do not affect the fund's cash such as unrealised gain or loss on investments | 542'922                   | 635'429                   |
| (Decrease) of receivables from deliveries and services   | (598'364)                 | (49'526)                  |
| Increase/(decrease) of other receivables and prepayments and accrued income                              | 286'609                   | (79'059)                  |
| (Decrease)/increase of payables from goods and services  | (123'824)                 | (154'120)                 |
| (Decrease)/increase of other short-term liabilities and accrued liabilities and deferred income          | (630'062)                 | (932'422)                 |
| <b>Cash inflow/drain from operating activities (operative cash flow)</b>                                 | <u><b>3'477'417</b></u>   | <u><b>2'503'589</b></u>   |
| (Purchase) of tangible fixed assets  | (35'835)                  | (48'998)                  |
| (Purchase) of intangible fixed assets andf trademarks  | (140'617)                 | (534'687)                 |
| (Increase)/decrease in guarantee   | 0                         | 0                         |
| (Purchase) of financial assets (including loans, investments, securities etc.)                           | (1'196'290)               | (1'543'762)               |
| <b>Cash inflow/drain from investing activities</b>   | <u><b>(1'372'742)</b></u> | <u><b>(2'127'447)</b></u> |
| <b>Cash inflow/drain from financing activities</b>   | <u><b>0</b></u>           | <u><b>0</b></u>           |
| <b>Change in cash and cash equivalents</b>   | <u><b>2'104'675</b></u>   | <u><b>376'143</b></u>     |
| Cash and cash equivalents at the beginning of the year   | 10'117'598                | 9'741'455                 |
| Cash and cash equivalents at the end of the year   | 12'222'273                | 10'117'598                |
| <b>Change in cash and cash equivalents</b>   | <u><b>2'104'675</b></u>   | <u><b>376'143</b></u>     |

## Condensed IEC Financial Operational Activities

| Condensed IEC Financial Operational Activities (incorporating IEC Standards & Services, IEC CA Systems and the Guarantee Fund) |                   |                          |                |                  |                   |                          |                |                  |
|--|-------------------|--------------------------|----------------|------------------|-------------------|--------------------------|----------------|------------------|
|  | 2021              |                          |                |                  | 2020              |                          |                |                  |
|  | IEC Total         | IEC Standards & Services | GF             | IEC CA Systems   | IEC Total         | IEC Standards & Services | GF             | IEC CA Systems   |
| <b>OPERATIONAL INCOME</b>  |                   |                          |                |                  |                   |                          |                |                  |
| Membership Dues  | 13'110'022        | 11'268'800               | 0              | 1'841'222        | 13'106'102        | 11'304'150               | 0              | 1'801'952        |
| Sales (net)  | 2'813'732         | 2'810'777                | 0              | 2'955            | 2'844'938         | 2'842'313                | 0              | 2'625            |
| Royalties (net)  | 11'629'272        | 11'629'272               | 0              | 0                | 10'625'646        | 10'625'646               | 0              | 0                |
| IEC CA Systems Operations  | 3'200'237         | 0                        | 0              | 3'200'237        | 2'683'986         | 0                        | 0              | 2'683'986        |
| Other  | 123'784           | 123'784                  | 0              | 0                | 120'895           | 120'895                  | 0              | 0                |
| <b>TOTAL OPERATIONAL INCOME</b>  | <b>30'877'047</b> | <b>25'832'633</b>        | <b>0</b>       | <b>5'044'414</b> | <b>29'381'567</b> | <b>24'893'004</b>        | <b>0</b>       | <b>4'488'563</b> |
| <b>OPERATIONAL EXPENDITURE</b>   |                   |                          |                |                  |                   |                          |                |                  |
| Personnel  | 21'462'639        | 18'491'944               | 0              | 2'970'695        | 21'043'253        | 18'195'488               | 0              | 2'847'765        |
| Rent & Maintenance   | 1'004'921         | 853'407                  | 0              | 151'514          | 997'333           | 856'816                  | 0              | 140'517          |
| Office & Admin   | 4'207'677         | 3'198'634                | 0              | 1'009'042        | 3'713'285         | 3'043'640                | 0              | 669'645          |
| Communications & Printing  | 517'349           | 460'268                  | 0              | 57'081           | 516'561           | 468'862                  | 0              | 47'699           |
| Meetings & Travel  | 402'183           | 347'320                  | 0              | 54'863           | 394'382           | 298'300                  | 0              | 96'082           |
| <b>TOTAL OPERATIONAL EXPENDITURE</b>   | <b>27'594'769</b> | <b>23'351'573</b>        | <b>0</b>       | <b>4'243'195</b> | <b>26'664'814</b> | <b>22'863'106</b>        | <b>0</b>       | <b>3'801'708</b> |
| <b>OPERATIONAL RESULT</b>  | <b>3'282'279</b>  | <b>2'481'059</b>         | <b>0</b>       | <b>801'219</b>   | <b>2'716'753</b>  | <b>2'029'898</b>         | <b>0</b>       | <b>686'855</b>   |
| Depreciation   | (925'962)         | (758'917)                | 0              | (167'045)        | (925'345)         | (769'828)                | 0              | (155'517)        |
| Financial Income (net)   | 747'972           | 154'486                  | 512'250        | 81'236           | 913'107           | 558'941                  | 143'752        | 210'414          |
| <b>OPERATIONAL &amp; FINANCIAL RESULT BEFORE ALLOCATIONS</b>   | <b>3'104'289</b>  | <b>1'876'628</b>         | <b>512'250</b> | <b>715'411</b>   | <b>2'704'515</b>  | <b>1'819'011</b>         | <b>143'752</b> | <b>741'752</b>   |

## Condensed IEC CA Systems Financial Operational Activities

| Condensed IEC CA Systems Financial Operational Activities    |                      |                  |                  |                |                |                      |                  |                  |                |                |
|--|----------------------|------------------|------------------|----------------|----------------|----------------------|------------------|------------------|----------------|----------------|
|  | 2021                 |                  |                  |                |                | 2020                 |                  |                  |                |                |
|  | IEC CA Systems Total | IECEE            | IECEX            | IECQ           | IECRE          | IEC CA Systems Total | IECEE            | IECEX            | IECQ           | IECRE          |
| <b>OPERATIONAL INCOME</b>                                    |                      |                  |                  |                |                |                      |                  |                  |                |                |
| Membership Dues  | 1'841'222            | 1'221'722        | 326'000          | 202'500        | 91'000         | 1'801'952            | 1'161'202        | 322'250          | 197'500        | 121'000        |
| Sales (net)  | 2'955                | 0                | 1'615            | 1'340          | 0              | 2'625                | 0                | 1'645            | 980            | 0              |
| IEC CA Systems Operations                                    | 3'200'237            | 635'845          | 1'758'178        | 507'264        | 298'950        | 2'683'986            | 549'335          | 1'395'398        | 491'223        | 248'030        |
| <b>TOTAL OPERATIONAL INCOME</b>                              | <b>5'044'414</b>     | <b>1'857'567</b> | <b>2'085'793</b> | <b>711'104</b> | <b>389'950</b> | <b>4'488'563</b>     | <b>1'710'537</b> | <b>1'719'293</b> | <b>689'703</b> | <b>369'030</b> |
| <b>OPERATIONAL EXPENDITURE</b>                               |                      |                  |                  |                |                |                      |                  |                  |                |                |
| Personnel  | 2'970'695            | 1'153'409        | 1'058'400        | 487'516        | 271'370        | 2'847'765            | 1'101'399        | 1'007'600        | 464'300        | 274'466        |
| Rent & Maintenance   | 151'514              | 42'000           | 89'514           | 10'000         | 10'000         | 140'517              | 42'000           | 78'517           | 10'000         | 10'000         |
| Office & Admin   | 1'009'042            | 271'087          | 629'500          | 63'984         | 44'471         | 669'645              | 254'092          | 288'378          | 83'338         | 43'837         |
| Communications & Printing                                    | 57'081               | 1'539            | 23'164           | 32'378         | 0              | 47'699               | 0                | 15'100           | 23'599         | 9'000          |
| Meetings & Travel  | 54'863               | 52'930           | 506              | 1'427          | 0              | 96'082               | 49'659           | 16'452           | 18'326         | 11'645         |
| <b>TOTAL OPERATIONAL EXPENDITURE</b>                         | <b>4'243'195</b>     | <b>1'520'965</b> | <b>1'801'083</b> | <b>595'305</b> | <b>325'842</b> | <b>3'801'708</b>     | <b>1'447'150</b> | <b>1'406'047</b> | <b>599'563</b> | <b>348'948</b> |
| <b>OPERATIONAL RESULT</b>                                    | <b>801'219</b>       | <b>336'602</b>   | <b>284'710</b>   | <b>115'799</b> | <b>64'108</b>  | <b>686'855</b>       | <b>263'387</b>   | <b>313'246</b>   | <b>90'140</b>  | <b>20'082</b>  |
| Depreciation   | (167'045)            | (28'645)         | (95'034)         | (38'453)       | (4'913)        | (155'517)            | (27'370)         | (89'396)         | (35'436)       | (3'315)        |
| Financial Income (net)                                       | 81'236               | 75'210           | 2'652            | 3'373          | 0              | 210'414              | 192'481          | 7'594            | 10'339         | 0              |
| <b>OPERATIONAL &amp; FINANCIAL RESULT BEFORE ALLOCATIONS</b> | <b>715'411</b>       | <b>383'168</b>   | <b>192'328</b>   | <b>80'719</b>  | <b>59'195</b>  | <b>741'751</b>       | <b>428'498</b>   | <b>231'444</b>   | <b>65'043</b>  | <b>16'767</b>  |

## Statement of Changes in Equity

| IEC Statement of Changes in Equity                    | Balance at<br>31 Dec 2021 | Allocation at<br>31 Dec 2021 | (Use) at<br>31 Dec 2021 | Balance at<br>31 Dec 2020 | Allocation at<br>31 Dec 2020 | (Use) at<br>31 Dec 2020 | Balance at<br>01 Jan 2020 |
|---|---------------------------|------------------------------|-------------------------|---------------------------|------------------------------|-------------------------|---------------------------|
| <b>Free Capital</b>                                   | <b>16'120'781</b>         | <b>715'411</b>               | <b>2'000'000</b>        | <b>17'405'370</b>         | <b>1'641'752</b>             | <b>300'000</b>          | <b>16'063'619</b>         |
| <b>Capital Fund IEC Standards &amp; Services</b>      | <b>9'339'861</b>          | <b>0</b>                     | <b>0</b>                | <b>9'339'861</b>          | <b>0</b>                     | <b>0</b>                | <b>9'339'861</b>          |
| <b>Capital Fund IEC CA Systems</b>                    | <b>6'780'920</b>          | <b>715'411</b>               | <b>2'000'000</b>        | <b>8'065'509</b>          | <b>1'641'752</b>             | <b>300'000</b>          | <b>6'723'757</b>          |
| <i>Capital Fund IECEE</i>                             | 4'138'312                 | 383'168                      | 2'000'000               | 5'755'144                 | 1'328'498                    | 0                       | 4'426'646                 |
| <i>Capital Fund IECEx</i>                             | 2'274'125                 | 192'329                      | 0                       | 2'081'797                 | 231'444                      | 300'000                 | 2'150'353                 |
| <i>Capital Fund IECQ</i>                              | 524'699                   | 80'719                       | 0                       | 443'980                   | 65'043                       | 0                       | 378'937                   |
| <i>Capital Fund IECRE</i>                             | (156'216)                 | 59'195                       | 0                       | (215'412)                 | 16'767                       | 0                       | (232'179)                 |
| <b>Designated Funds</b>                               | <b>23'943'612</b>         | <b>4'626'378</b>             | <b>749'750</b>          | <b>20'066'983</b>         | <b>2'882'204</b>             | <b>1'663'193</b>        | <b>18'847'972</b>         |
| <b>Designated funds IEC Standards &amp; Services</b>  | <b>21'643'612</b>         | <b>2'626'378</b>             | <b>749'750</b>          | <b>19'766'983</b>         | <b>2'582'204</b>             | <b>763'193</b>          | <b>17'947'972</b>         |
| Reserve for Operational & Financial Risk              | 2'903'871                 | 626'378                      | 0                       | 2'277'493                 | 1'000'000                    | 0                       | 1'277'493                 |
| Reserve for Fluctuation of Investment Portfolio       | 1'300'000                 | 0                            | 0                       | 1'300'000                 | 0                            | 0                       | 1'300'000                 |
| Reserve for Equipment Depreciation & Renewal          | 1'768'351                 | 0                            | 79'452                  | 1'847'802                 | 0                            | 92'895                  | 1'940'696                 |
| Reserve for Standards Development & Business Platform | 2'010'896                 | 0                            | 670'298                 | 2'681'194                 | 455'492                      | 670'298                 | 2'896'000                 |
| Reserve for General Meeting                           | 800'000                   | 0                            | 0                       | 800'000                   | 0                            | 0                       | 800'000                   |
| Reserve for Strategy/Masterplan                       | 5'110'148                 | 1'000'000                    | 0                       | 4'110'148                 | 1'126'712                    | 0                       | 2'983'436                 |
| Reserve for Innovation & Digitalization               | 7'750'346                 | 1'000'000                    | 0                       | 6'750'346                 | 0                            | 0                       | 6'750'346                 |
| <b>Designated funds IEC CA Systems</b>                | <b>2'300'000</b>          | <b>2'000'000</b>             | <b>0</b>                | <b>300'000</b>            | <b>300'000</b>               | <b>900'000</b>          | <b>900'000</b>            |
| Reserve for risks on surcharges                       | 0                         | 0                            | 0                       | 0                         | 0                            | 900'000                 | 900'000                   |
| IECEE Development and implementation of new services  | 1'000'000                 | 1'000'000                    | 0                       | 0                         | 0                            | 0                       | 0                         |
| IECEE Development and support of IECEE Infrastructure | 1'000'000                 | 1'000'000                    | 0                       | 0                         | 0                            | 0                       | 0                         |
| IECEX Reserve for Innovation & Promotion              | 300'000                   | 0                            | 0                       | 300'000                   | 300'000                      | 0                       | 0                         |
| <b>Guarantee Fund</b>                                 | <b>9'162'973</b>          | <b>512'250</b>               | <b>0</b>                | <b>8'650'722</b>          | <b>143'751</b>               | <b>0</b>                | <b>8'506'971</b>          |
| <b>Total Capital &amp; Reserves</b>                   | <b>49'227'366</b>         | <b>5'854'039</b>             | <b>2'749'750</b>        | <b>46'123'076</b>         | <b>4'667'707</b>             | <b>1'963'193</b>        | <b>43'418'561</b>         |

The Statement of Changes in Equity should be read in conjunction with the last section of the Balance Sheet, Capital & Reserves, and the Statement of Income & Expenditure under 'Allocations (to) / from Capital & Reserves' for a comprehensive view of the movements of IEC funds.

### I. Organization - Structure and objectives

The International Electrotechnical Commission ("IEC") is an organization constituted as a non-profit-making corporate association with legal entity in accordance with Articles 60 et seq. of the Swiss Civil Code. The legal seat of the IEC is in Geneva, Switzerland.

The IEC is a global, not-for-profit membership organization.

The IEC objective is to promote international cooperation on all questions of standardization and related matters, such as the verification of conformity to standards in the fields of electricity, electronics and related technologies, and thus to promote international understanding. This objective, inter alia, is achieved by issuing publications, including International Standards.

These financial statements relate to the association and include its Standardization & supporting activities, the Guarantee Fund and the four IEC Conformity Assessment Systems which together form the IEC.

The purpose of the Guarantee Fund is to ensure that, at all times, throughout the financial year, the IEC is able to meet its debts and liabilities.

IECEE, IECQ, IECEx and IECRE are the IEC's four Conformity Assessment and product certification systems:

- IECEE: System for conformity assessment of electrotechnical equipment and components
- IECQ: System for approval and certification program for electronic components
- IECEx: System for certification to standards for electrical equipment for explosive atmospheres.
- IECRE: System for certification to standards relating to equipment for use in renewable energy applications

The IEC was founded in London, UK in 1906, moving subsequently to its current Geneva, Switzerland, Central Office in 1948.

### II. Significant Accounting Policies

The significant accounting policies adopted by IEC in the preparation of the financial statements are set out below.

#### Statement of Compliance

These financial statements comply with the full accounting and reporting requirements of the Swiss GAAP FER as a whole, in particular RPC 21 (Accounting for charitable and international non-profit organizations).

The financial statements present a true and fair view of the financial position, the cash flows and the results of operations.

IEC transitioned in 2018 from the Swiss Code of Obligations to report under Swiss GAAP FER with the aim of improving the transparency, comprehension and comparability of its financial activities.

The financial statements have been prepared on the historical cost basis, except for securities of the Guarantee Fund which are revalued at fair value.

#### Basis of Preparation

The financial statements are presented in Swiss Francs (CHF), since the majority of IEC's activities are conducted in this currency.

Fair value is the amount for which a financial asset, liability or instrument could be exchanged between knowledgeable and willing parties in an arm's length transaction.

The preparation of financial statements in conformity with Swiss GAAP FER requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditure. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. If in the future such estimates and assumptions, which are based on management's best judgement at the date of the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change.

The accounting principles set out below have been applied consistently to all periods presented in these financial statements.

### Foreign Currency Translation

Assets and liabilities that arise in currencies other than Swiss francs are translated at the rates of exchange prevailing at year-end. Revenues and expenses are translated at the rates of exchange prevailing on the relevant transaction date.

Realized and unrealized profits and losses on exchange are included in financial result.

The following exchange rates were used at year-end:

| 2021                | 2020                |
|---------------------|---------------------|
| EUR 1 = CHF 1.04525 | EUR 1 = CHF 1.09464 |
| USD 1 = CHF 0.92334 | USD 1 = CHF 0.89082 |
| SGD 1 = CHF 0.68365 | SGD 1 = CHF 0.67389 |

### Cash and cash Equivalents

Cash and cash equivalents comprise cash balances and short-term investments in an active market with original maturities of three months or less. The cash flow from operating activities is calculated using the indirect method.

### Investments

Securities within IEC Pool investment (pooled amounts from IEC Standards & Services and IEC CA Systems) are valued at fair value. Securities of the Guarantee Fund are valued at fair value as they are placed in an Asset Management portfolio with two major Swiss banks.

### Accounts Receivable

Accounts receivable and other short-term receivables are carried at their nominal value less any impairment required for business reasons.

### Fixed Assets

#### Tangible Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated on a straight-line basis over the estimated useful life of the assets. The baseline threshold for activation is CHF 1'000. — per object, below which items are expensed directly.

|  |           |              |
|--|-----------|--------------|
| <input type="checkbox"/> office furniture        | (5 years) | 20% annually |
| <input type="checkbox"/> fixtures and fittings   | (3 years) | 33% annually |
| <input type="checkbox"/> computers and equipment | (3 years) | 33% annually |

## **Trademarks**

The IEC brand is represented by the five registered trademarks: IEC, IECEE, IECEX, IECQ and IECRE. When a customer or end-user buys an IEC Standard or Conformity Assessment service or product, the associated trademark is a label of quality and authenticity which provides certain rights or advantages to the user. The cost of implementing enhanced trademark protection was first activated as a separate class of intangible assets in 2019 with depreciation beginning in 2020. The total intangible trademark asset amount will be depreciated over 10 years, on an ongoing basis.

## **Intangible Assets in Progress**

The Standards Development & Business Platform was activated as an intangible asset in 2017. It is now considered to be effectively in use, thus 2020 is the first year of depreciation. The total intangible asset amount will be depreciated over 5 years, with the final instalment in 2024.

## **Impairment of Assets**

The carrying amounts of the IEC's assets are reviewed at each Balance Sheet date to determine whether there is an indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised in the Statement of Income & Expenditure whenever the carrying amount of an asset exceeds 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 time value of money and the risks specific to the asset.

## **Provisions**

A provision is recognised in the Balance Sheet when IEC can make a reliable estimate, and has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

## **Pension Plan**

IEC maintains a defined contribution retirement plan for its employees. Pension obligations and assets are managed by a legally independent fund as determined by the legal requirements for Swiss pension funds (LPP). IEC contributions are recognised as an expense in the Statement of Income and Expenditure as incurred. The Pension Fund is a defined contribution plan paid jointly by the employer and the employee.

## **Capital & Reserves**

The accumulated Capital & Reserves represent excess of income over expenditure since the inception of IEC and are available to be utilised to mitigate potential operational and market risk and to invest in project funding to ensure the perennity of the organization and its ability to respond adequately to the future needs of members and stakeholders over the long term. Designated Funds are specifically allocated by the IEC for future use to purposes which support these principles. The IEC currently has no Restricted Funds. See Statement of Changes in Equity and note 10. Capital & Reserves.

## **Free Capital**

Free Capital serves to meet the day-to-day Treasury and Working Capital needs of the IEC and the IEC CA Systems.

## **Designated Funds**

Designated Funds are reserves attributed by the organization to a specific purpose. These funds can also be re-designated to protect the organization if it is faced with significant operational financial risk. They are deemed to meet the strategic needs of the organization.

The *Reserve for Operational Financial Risk* combines the reserves for general business risk, bad debtors and exchange rate loss. In 2021, an additional amount was allocated.

The *Reserve for Fluctuation of Portfolio* provides assurance for volatile financial markets.

The *Reserve for Equipment Depreciation & Renewal* is used to cover annual depreciation on Fixed Assets. It represents the insurance value of the IEC's furniture, equipment and installations.

The *Reserve for the Standards Development & Business Platform* serves the amortization of this intangible asset over 5 years at 20% per annum from 2020. See note 6. Intangible Assets in Progress.

The *Reserve for the General meeting* is to be used for extra costs in case an annual meeting may have to be held in Switzerland instead of at the planned destination.

The *Reserve for Strategy/Masterplan* is the residual amount of a reserve created in 2010 for the implementation of the previous Masterplan. In 2021, an additional amount was allocated.

The *Reserve for Innovation & Digitalization* is designated to fund new activities, business opportunities and digitalization. In 2021, an additional amount was allocated

The *IECEE Reserve for risks on surcharges* was specific to the IEC CA Systems. It was dissolved in 2020 as it is considered that this risk is no longer material.

The *IECEE Development and implementation of new services* was created with a transfer from IECEE Capital Fund at 31 December 2021.

The IECEE Development and support of IECEE Infrastructure was created with a transfer from IECEE Capital Fund at 31 December 2021.

The *IECEX Reserve for Innovation & Promotion* was created at 31 December 2020.

### **Guarantee Fund**

The Guarantee Fund is a separate investment account managed by the Cantonal Bank of Geneva.

### **Revenue Recognition**

Revenue is recorded within the period when due and collection confirmed. For the last quarter of royalties from members and sales outlets, a reliable estimation is made based on information received at the beginning of the following year.

### **Expenditure Recognition**

Expenditure is recognized as related to the defined period in the financial statements on an accrual basis.

### **Income tax & Status**

The IEC received exemption from income tax as a non-profit international organization from the Geneva cantonal authorities as from its establishment in Switzerland in 1948.

A new Fiscal Agreement was signed on 16 December 2008 with the Swiss Federal Council – effective as of 1 January 2009.

The principal advantages for the IEC are:

- Exemption from all direct and indirect federal, cantonal and communal taxes
- Exemption from VAT on all goods and services acquired for the sole use of the Association within Switzerland and abroad
- Exemption from income tax on the salaries of all foreign personnel
- Unrestricted access to work permits for non-Swiss, non-EU nationals

The IEC will deal directly with the Swiss Mission in Geneva for all such issues.



### III. Specific Notes to the Financial Statements

#### 1. Cash and cash equivalents

| Cash and cash equivalents                 | 2021              |                  |                | 2020              |                |                |
|---|-------------------|------------------|----------------|-------------------|----------------|----------------|
|   | IEC St & S        | IEC CA Systems   | G. Fund        | IEC St & S        | IEC CA Systems | G. Fund        |
|   | CHF               | CHF              | CHF            | CHF               | CHF            | CHF            |
| Cash                                      | 2'019             | 0                | 0              | 3'982             | 0              | 0              |
| Bank Balances                             | 9'017'178         | 2'658'139        | 544'938        | 9'083'289         | 520'794        | 509'533        |
| Short-term treasury financial instruments | 0                 | 0                | 0              | 0                 | 0              | 0              |
| <b>Total cash and cash equivalents</b>    | <b>9'019'196</b>  | <b>2'658'139</b> | <b>544'938</b> | <b>9'087'271</b>  | <b>520'794</b> | <b>509'533</b> |
|   | <b>12'222'273</b> |                  |                | <b>10'117'598</b> |                |                |

A special Swiss Franc and Euro agreement has been negotiated with the banks to avoid negative interest rates on current accounts below a certain negotiated threshold amount and Money Market deposits are no longer viable.

#### 2. Securities & maturities

| Securities ( IEC Pool investment for Standards & Services and IEC CA Systems ) | 2021              |                  | 2020              |                  |
|--|-------------------|------------------|-------------------|------------------|
|  | IEC St & S        | IEC CA Systems   | IEC St & S        | IEC CA Systems   |
|  | CHF               | CHF              | CHF               | CHF              |
| Funds of Bonds   | 15'546'997        | 4'617'284        | 15'657'859        | 4'647'665        |
| Funds of Real Estate   | 1'882'360         | 451'404          | 1'693'097         | 406'017          |
| Funds of Equities  | 965'707           | 295'996          | 827'693           | 253'694          |
| Stuctured products   | 1'648'682         | 434'769          | 1'704'887         | 448'870          |
| <b>Total Securities (IEC Pool investment)</b>                                  | <b>20'043'747</b> | <b>5'799'453</b> | <b>19'883'537</b> | <b>5'756'246</b> |
|  | <b>25'843'200</b> |                  | <b>25'639'783</b> |                  |

| Securities Guarantee Fund                | 2021             |  | 2020             |  |
|--|------------------|--|------------------|--|
|  | Guarantee Fund   |  | Guarantee Fund   |  |
|  | CHF              |  | CHF              |  |
| Bonds                                    | 207'217          |  | 258'352          |  |
| Funds of Bonds                           | 4'061'910        |  | 3'668'328        |  |
| Funds of Real Estate                     | 1'520'803        |  | 1'533'375        |  |
| Funds of Equities                        | 2'568'281        |  | 2'445'479        |  |
| Stuctured products                       | 56'433           |  | 59'160           |  |
| <b>Total Securities (Guarantee Fund)</b> | <b>8'414'644</b> |  | <b>7'964'694</b> |  |

|                         |                          |                          |
|-------------------------|--------------------------|--------------------------|
| <b>Total Securities</b> | <b><u>34'257'844</u></b> | <b><u>33'604'477</u></b> |
|-------------------------|--------------------------|--------------------------|

The IEC Investment Guidelines agreed in 2018 define the approach to short, medium- and long-term investments. Investment Grade Securities may be selected from highly rated institutions for the medium and long term according to strictly defined criteria.

#### 3. Accounts receivable

| Accounts receivable               | 2021             |                | 2020             |                |
|-----------------------------------|------------------|----------------|------------------|----------------|
|                                   | IEC St & S       | IEC CA Systems | IEC St & S       | IEC CA Systems |
|                                   | CHF              | CHF            | CHF              | CHF            |
| Publications and royalties        | 1'931'946        | 10'040         | 1'332'833        | 5'545          |
| Membership Dues (all years)       | 608'535          | 176'520        | 806'953          | 42'850         |
| CA products receivables           | 0                | 653'066        | 0                | 593'562        |
| Current account with Pension Fund | 0                | 0              | 34'227           | 0              |
| <b>Total accounts receivable</b>  | <b>2'540'481</b> | <b>839'626</b> | <b>2'174'013</b> | <b>641'957</b> |
|                                   | <b>3'380'107</b> |                | <b>2'815'970</b> |                |

#### 4. Other receivables

| Other receivables              | 2021           |               | 2020           |               |
|--------------------------------|----------------|---------------|----------------|---------------|
|                                | IEC St & S     | G. Fund       | IEC St & S     | G. Fund       |
|                                | CHF            | CHF           | CHF            | CHF           |
| Withholding tax                | 98'526         | 27'208        | 122'321        | 33'638        |
| AVS                            | 0              | 0             | 51'926         | 0             |
| <b>Total other receivables</b> | <b>98'526</b>  | <b>27'208</b> | <b>174'247</b> | <b>33'638</b> |
|                                | <b>125'734</b> |               | <b>207'885</b> |               |

#### 5. Prepaid expenses & accrued income

| Prepaid expenses & accrued income                  | 2021             |                |            | 2020             |                |              |
|--|------------------|----------------|------------|------------------|----------------|--------------|
|  | IEC St & S       | IEC CA Systems | G. Fund    | IEC St & S       | IEC CA Systems | G. Fund      |
|  | CHF              | CHF            | CHF        | CHF              | CHF            | CHF          |
| Prepaid expenses                                   | 784'610          | 411'860        | 0          | 838'686          | 392'248        | 0            |
| Accrued income                                     | 3'659'027        | 210'537        | 818        | 3'872'651        | 132'367        | 1'130        |
| <b>Total prepaid expenses &amp; accrued income</b> | <b>4'443'637</b> | <b>622'397</b> | <b>818</b> | <b>4'711'337</b> | <b>524'616</b> | <b>1'130</b> |
|  | <b>5'066'852</b> |                |            | <b>5'237'083</b> |                |              |

Prepaid expenses are insurance premiums and January office rent for 2022.

Accrued income is the estimation of Q4 royalties at CHF 2.13M on Resellers, CHF 1.52M on NCs, and accrued interest.

#### 6. Long Term Assets

The **Rental Guarantee** is for the IEC office space in Geneva. See Note 24 – Leases.

**Fixed assets** - Until 2016, all purchases were entirely expensed/depreciated at the end of each year under the previous accounting principles. There were no disposals of fixed assets in 2021 or 2020.

| 2021                                  | Office furniture | Office equipment | IT equipment     | Total            |
|---------------------------------------|------------------|------------------|------------------|------------------|
| <b>Tangible Assets</b>                |                  |                  |                  |                  |
| Opening balance at 1 January          | 67'866           | 12'213           | 255'688          | 335'767          |
| Additions                             | 2'899            | 529              | 32'407           | 35'835           |
| <b>Closing Balance at 31 December</b> | <b>70'765</b>    | <b>12'742</b>    | <b>288'095</b>   | <b>371'602</b>   |
| Accumulated depreciation at 1 January | (37'669)         | (8'565)          | (191'464)        | (237'698)        |
| Current year depreciation             | (14'153)         | (2'835)          | (62'464)         | (79'452)         |
| <b>Closing Balance at 31 December</b> | <b>(51'822)</b>  | <b>(11'400)</b>  | <b>(253'928)</b> | <b>(317'150)</b> |
| <b>Net book value et 31 December</b>  | <b>18'943</b>    | <b>1'342</b>     | <b>34'167</b>    | <b>54'452</b>    |

| 2020                                  | Office furniture | Office equipment | IT equipment     | Total            |
|---------------------------------------|------------------|------------------|------------------|------------------|
| <b>Tangible Assets</b>                |                  |                  |                  |                  |
| Opening balance at 1 January          | 59'516           | 9'248            | 218'004          | 286'768          |
| Additions                             | 8'350            | 2'965            | 37'683           | 48'999           |
| <b>Closing Balance at 31 December</b> | <b>67'866</b>    | <b>12'213</b>    | <b>255'688</b>   | <b>335'767</b>   |
| Accumulated depreciation at 1 January | (24'096)         | (5'906)          | (114'801)        | (144'803)        |
| Current year depreciation             | (13'573)         | (2'659)          | (76'663)         | (92'895)         |
| <b>Closing Balance at 31 December</b> | <b>(37'669)</b>  | <b>(8'565)</b>   | <b>(191'464)</b> | <b>(237'698)</b> |
| <b>Net book value et 31 December</b>  | <b>30'197</b>    | <b>3'648</b>     | <b>64'224</b>    | <b>98'069</b>    |

## Trademarks

| 2021                                  |               |                |                |                |               | Total            |
|---------------------------------------|---------------|----------------|----------------|----------------|---------------|------------------|
| Trademarks                            | IEC St&S      | IECEE          | IECEX          | IECQ           | IECRE         |                  |
| Opening balance at 1 January          | 66'345        | 273'695        | 893'960        | 354'360        | 13'145        | 1'601'505        |
| Additions                             | 25'325        | 12'750         | 56'385         | 30'172         | 15'985        | 140'617          |
| <b>Closing Balance at 31 December</b> | <b>91'670</b> | <b>286'445</b> | <b>950'345</b> | <b>384'532</b> | <b>29'130</b> | <b>1'742'122</b> |
| Accumulated depreciation at 1 January | 6'635         | 27'370         | 89'396         | 35'436         | 1'315         | 160'151          |
| Current year depreciation             | 9'167         | 28'645         | 95'035         | 38'453         | 2'913         | 174'213          |
| <b>Closing Balance at 31 December</b> | <b>15'802</b> | <b>56'014</b>  | <b>184'431</b> | <b>73'889</b>  | <b>4'228</b>  | <b>334'364</b>   |
| <b>Net book value et 31 December</b>  | <b>75'869</b> | <b>230'431</b> | <b>765'915</b> | <b>310'643</b> | <b>24'903</b> | <b>1'407'758</b> |

| 2020                                  |               |                |                |                |               | Total            |
|---------------------------------------|---------------|----------------|----------------|----------------|---------------|------------------|
| Trademarks                            | IEC St&S      | IECEE          | IECEX          | IECQ           | IECRE         |                  |
| Opening balance at 1 January          | 0             | 225'242        | 562'850        | 274'310        | 4'415         | 1'066'817        |
| Additions                             | 66'345        | 48'453         | 331'110        | 80'050         | 8'730         | 534'688          |
| <b>Closing Balance at 31 December</b> | <b>66'345</b> | <b>273'695</b> | <b>893'960</b> | <b>354'360</b> | <b>13'145</b> | <b>1'601'505</b> |
| Accumulated depreciation at 1 January | 0             | 0              | 0              | 0              | 0             | 0                |
| Current year depreciation             | 6'635         | 27'370         | 89'396         | 35'436         | 1'315         | 160'152          |
| <b>Closing Balance at 31 December</b> | <b>6'635</b>  | <b>27'370</b>  | <b>89'396</b>  | <b>35'436</b>  | <b>1'315</b>  | <b>160'152</b>   |
| <b>Net book value et 31 December</b>  | <b>59'711</b> | <b>246'326</b> | <b>804'564</b> | <b>318'924</b> | <b>11'831</b> | <b>1'441'353</b> |

## Intangible assets in progress

| 2021                                  | Content Creation       |                  |                  | Content Delivery |                    | Total              |
|---------------------------------------|------------------------|------------------|------------------|------------------|--------------------|--------------------|
|                                       | Collaboration Platform | XML conversion   | Online Authoring | API + Data feeds | Online Collections |                    |
| <b>Intangible fixed assets</b>        | CHF                    | CHF              | CHF              | CHF              | CHF                | CHF                |
| Opening balance at 1 January          | 1'606'982              | 1'342'237        | 202'273          | 100'000          | 100'000            | 3'351'492          |
| Additions                             | 0                      | 0                | 0                | 0                | 0                  | 0                  |
| <b>Closing Balance at 31 December</b> | <b>1'606'982</b>       | <b>1'342'237</b> | <b>202'273</b>   | <b>100'000</b>   | <b>100'000</b>     | <b>3'351'492</b>   |
| Accumulated depreciation at 1 January | (321'396)              | (268'447)        | (40'455)         | (20'000)         | (20'000)           | (670'298)          |
| Current year depreciation             | (321'396)              | (268'447)        | (40'455)         | (20'000)         | (20'000)           | (670'298)          |
| <b>Closing Balance at 31 December</b> | <b>(642'793)</b>       | <b>(536'895)</b> | <b>(80'909)</b>  | <b>(40'000)</b>  | <b>(40'000)</b>    | <b>(1'340'596)</b> |
| <b>Net book value at 31 December</b>  | <b>964'189</b>         | <b>805'342</b>   | <b>121'364</b>   | <b>60'000</b>    | <b>60'000</b>      | <b>2'010'896</b>   |

| 2020                                  | Content Creation       |                  |                  | Content Delivery |                    | Total            |
|---------------------------------------|------------------------|------------------|------------------|------------------|--------------------|------------------|
|                                       | Collaboration Platform | XML conversion   | Online Authoring | API + Data feeds | Online Collections |                  |
| <b>Intangible fixed assets</b>        | CHF                    | CHF              | CHF              | CHF              | CHF                | CHF              |
| Opening balance at 1 January          | 1'606'982              | 1'342'237        | 202'273          | 100'000          | 100'000            | 3'351'492        |
| Additions                             | 0                      | 0                | 0                | 0                | 0                  | 0                |
| <b>Closing Balance at 31 December</b> | <b>1'606'982</b>       | <b>1'342'237</b> | <b>202'273</b>   | <b>100'000</b>   | <b>100'000</b>     | <b>3'351'492</b> |
| Accumulated depreciation at 1 January | 0                      | 0                | 0                | 0                | 0                  | 0                |
| Current year depreciation             | (321'396)              | (268'447)        | (40'455)         | (20'000)         | (20'000)           | (670'298)        |
| <b>Closing Balance at 31 December</b> | <b>(321'396)</b>       | <b>(268'447)</b> | <b>(40'455)</b>  | <b>(20'000)</b>  | <b>(20'000)</b>    | <b>(670'298)</b> |
| <b>Net book value at 31 December</b>  | <b>1'285'586</b>       | <b>1'073'790</b> | <b>161'818</b>   | <b>80'000</b>    | <b>80'000</b>      | <b>2'681'194</b> |

Intangible assets represent major long-term value projects, such as the Standards Development and Business Platform, which includes the conversion of standards into XML designed to provide ongoing economic value to the organization on completion. 2020 was the first year of depreciation. The total intangible asset amount will be depreciated over 5 years, with the final instalment in 2024.

## 7. Short-term liabilities

| Short-term liabilities                   | 2021             |                | 2020             |                |
|--|------------------|----------------|------------------|----------------|
|  | IEC St & S       | IEC CA Systems | IEC St & S       | IEC CA Systems |
|  | CHF              | CHF            | CHF              | CHF            |
| Suppliers                                | 618'882          | 0              | 753'244          | 0              |
| Royalties to be paid                     | 6'315'316        | 0              | 7'108'748        | 0              |
| Corporate accounts                       | 235'836          | 0              | 242'552          | 0              |
| Current Account with Pension Fund        | 203'324          | 0              | 0                | 0              |
| Social charges and insurances to be paid | 45'065           | 0              | 34'527           | 0              |
| Accrued liabilities                      | 257'974          | 170'236        | 264'363          | 108'427        |
| <b>Total short-term liabilities</b>      | <b>7'676'396</b> | <b>170'236</b> | <b>8'403'433</b> | <b>108'427</b> |
|  | <b>7'846'632</b> |                | <b>8'511'860</b> |                |

## 8. Royalties to be paid

| Royalties to be paid to National Committees | 2021             | 2020             |
|---|------------------|------------------|
|   | CHF              | CHF              |
| Royalties on IEC CO sales                   | 674'997          | 826'478          |
| Royalties on CO appointed Sales Outlets     | 1'400'000        | 1'350'000        |
| Pending royalties                           | 4'240'319        | 4'932'270        |
| <b>Total royalties to be paid</b>           | <b>6'315'316</b> | <b>7'108'748</b> |

Royalties are paid quarterly to NC's (National Committees) on the IEC CO (Central Office) sales and income from CO appointed Sales Outlets in the following period once the balances are finalized and remittances received.

Pending royalties are accrued amounts which the IEC has been unable to pay to specific National Committees for various structural reasons beyond its control. The IEC is currently negotiating actively with recipients to find practical solutions for payment.

## 9. Provisions

The Provision for untaken holiday represents the theoretical financial liability for days of staff vacation remaining at 31 December. These holidays are all normally taken by 30 April of the following year.

The Provision for Extraordinary Expense concerns a legacy tax and social security issue in relation to a member of the executive management. The provisioned amount in 2018 was to cover all remaining commitments. The residual 2021 provision represents items still to be formally finalized and communicated by the competent tax authorities.

The Provision for IECEX & IECQ concerns liabilities in case of the cessation of activities of the IECEX & IECQ offices in Australia.

## 10. Capital & Reserves

The IEC currently has no Restricted Funds. Its Capital & Reserves comprise Free Capital and Designated Funds. See both the table of Statement of Changes in Equity and the paragraph under Significant Accounting Policies on Capital & Reserves.

## 11. Membership Dues

| <b>Membership Dues</b>       | <b>2021</b>       | <b>2020</b>       |
|------------------------------|-------------------|-------------------|
| <b>IEC St &amp; S</b>        | CHF               | CHF               |
| Group A                      | 5'530'800         | 5'549'400         |
| Non-Group A                  | 5'211'300         | 5'118'100         |
| Associate                    | 526'700           | 636'650           |
| <b>Total IEC St &amp; S</b>  | <b>11'268'800</b> | <b>11'304'150</b> |
| <b>IEC CA Systems</b>        |                   |                   |
| IECEE                        | 1'221'722         | 1'161'202         |
| IECEX                        | 326'000           | 322'250           |
| IECQ                         | 202'500           | 197'500           |
| IECRE                        | 91'000            | 121'000           |
| <b>Total IEC CA Systems</b>  | <b>1'841'222</b>  | <b>1'801'952</b>  |
| <b>Total Membership Dues</b> | <b>13'110'022</b> | <b>13'106'102</b> |

## 12. Net sales

| <b>Net sales</b>                            | <b>2021</b>      | <b>2020</b>      |
|---|------------------|------------------|
|   | CHF              | CHF              |
| Hard copies                                 | 176'027          | 171'952          |
| Electronic copies                           | 4'784'745        | 4'498'287        |
| Networking, special and corporate accounts  | 1'594'851        | 1'868'850        |
| IEC CA Systems publications                 | 2'955            | 2'625            |
| <b>Total</b>                                | <b>6'558'578</b> | <b>6'541'713</b> |
| Mailing                                     | 14'200           | 13'779           |
|   | 6'572'779        | 6'555'492        |
| Commission & other expenses                 | (164'418)        | (166'904)        |
| Royalties to National Committees & partners | (3'594'629)      | (3'543'650)      |
| <b>Net sales</b>                            | <b>2'813'732</b> | <b>2'844'938</b> |

## 13. Net royalties

| <b>Net royalties</b>                           | <b>2021</b>       | <b>2020</b>       |
|--|-------------------|-------------------|
|  | CHF               | CHF               |
| Royalties from NCs                             | 6'741'992         | 6'137'115         |
| Royalties from Sales outlets                   | 10'856'519        | 10'425'354        |
| Sales outlets royalties to National Committees | (5'969'239)       | (5'936'823)       |
| <b>Net royalties</b>                           | <b>11'629'272</b> | <b>10'625'646</b> |

As from 2020 an adjustment was made to include a direct reseller payment to an NC which was not previously included. This adjustment had no effect on the overall result of IEC Net Royalties.

## 14. IEC CA Systems operations

| <b>IEC CA Systems operations</b>       | <b>2021</b>      | <b>2020</b>      |
|--|------------------|------------------|
|  | CHF              | CHF              |
| Surcharges                             | 62'464           | 70'770           |
| Certificates                           | 1'877'637        | 1'773'990        |
| Test Report Forms                      | 308'847          | 253'755          |
| Applications                           | 358'577          | 310'500          |
| Other                                  | 152'231          | 116'275          |
| Assessments                            | 440'481          | 158'696          |
| <b>Total IEC CA Systems operations</b> | <b>3'200'237</b> | <b>2'683'986</b> |

### 15. Other income

Other income is minimal and comprises training income from the IEC Academy, commission on the levy of tax at source, reimbursement of CO<sub>2</sub> tax, payment for parking by consultants and other small miscellaneous items.

### 16. Personnel expenses

Salaries and related charges for IEC including IEC CA Systems were as follows:

| Personnel expenses              | 2021              |                  | 2020              |                  |
|---------------------------------|-------------------|------------------|-------------------|------------------|
|                                 | IEC St & S        | IEC CA Systems   | IEC St & S        | IEC CA Systems   |
|                                 | CHF               | CHF              | CHF               | CHF              |
| Gross salaries                  | 14'376'773        | 2'572'186        | 14'091'760        | 2'549'403        |
| Social charges                  | 1'293'639         | 93'359           | 1'202'948         | 125'522          |
| Pension Fund expenses           | 2'722'339         | 172'150          | 2'584'196         | 172'840          |
| Other personnel expenses        | 99'193            | 133'000          | 316'584           | 0                |
| <b>Total personnel expenses</b> | <b>18'491'944</b> | <b>2'970'695</b> | <b>18'195'488</b> | <b>2'847'765</b> |
|                                 | <b>21'462'639</b> |                  | <b>21'043'253</b> |                  |

There were 137 employees at end-Dec 2021 for a FTE, full-time equivalent, of 128.5 (2020: 136 employees. full-time equivalent of 127.5).

### 17. Office & administration

| Office & administration                  | 2021             |                  | 2020             |                |
|--|------------------|------------------|------------------|----------------|
|  | IEC St & S       | IEC CA Systems   | IEC St & S       | IEC CA Systems |
|  | CHF              | CHF              | CHF              | CHF            |
| IT                                       | 1'721'142        | 145'438          | 1'455'525        | 135'445        |
| Legal & audit                            | 182'385          | 9'500            | 195'859          | 9'500          |
| White papers                             | 80'670           | 0                | 72'704           | 0              |
| Other office & administration            | 1'214'437        | 854'105          | 1'319'552        | 524'700        |
| <b>Total Office &amp; administration</b> | <b>3'198'634</b> | <b>1'009'043</b> | <b>3'043'640</b> | <b>669'645</b> |
|  | <b>4'207'677</b> |                  | <b>3'713'285</b> |                |

### 18. Communications & printing

| Communications & printing                  | 2021           |                | 2020           |                |
|--|----------------|----------------|----------------|----------------|
|  | IEC St & S     | IEC CA Systems | IEC St & S     | IEC CA Systems |
|  | CHF            | CHF            | CHF            | CHF            |
| Communications                             | 387'780        | 57'081         | 363'644        | 47'699         |
| Printing                                   | 72'488         |                | 105'218        | 0              |
| <b>Total Communications &amp; printing</b> | <b>460'268</b> | <b>57'081</b>  | <b>468'862</b> | <b>47'699</b>  |
|  | <b>517'349</b> |                | <b>516'561</b> |                |

### 19. Meetings & travel expenses

| Meetings & travel expenses                  | 2021           |                | 2020           |                |
|---|----------------|----------------|----------------|----------------|
|   | IEC St & S     | IEC CA Systems | IEC St & S     | IEC CA Systems |
|   | CHF            | CHF            | CHF            | CHF            |
| Meetings                                    | 154'106        | 61             | 73'030         | 0              |
| Travel                                      | 193'214        | 2'015          | 225'270        | 58'309         |
| Special events                              | 0              | 52'787         | 0              | 37'773         |
| <b>Total Meetings &amp; travel expenses</b> | <b>347'320</b> | <b>54'863</b>  | <b>298'300</b> | <b>96'082</b>  |
|   | <b>402'183</b> |                | <b>394'382</b> |                |

## 20. Depreciation

See note 6 on Fixed Assets and the paragraph under Accounting Principles on Tangible and Intangible Fixed Assets.

## 21. Net financial revenue

| Net financial revenue                     | 2021           |                |                |                  | 2020           |                |                |                  |
|---|----------------|----------------|----------------|------------------|----------------|----------------|----------------|------------------|
|   | IEC St & S     | IEC CA Systems | G. Fund        | Total            | IEC St & S     | IEC CA Systems | G. Fund        | Total            |
|   | CHF            | CHF            | CHF            | CHF              | CHF            | CHF            | CHF            | CHF              |
| Interest income on investments & treasury | 85'493         | 81'236         | 80'730         | 247'459          | 73'638         | 210'414        | 101'043        | 385'096          |
| Interests on dues outstanding             | 10'614         | 0              | 0              | 10'614           | 5'252          | 0              | 0              | 5'252            |
| Unrealised gain                           | 444'217        | 0              | 558'047        | 1'002'264        | 659'258        | 0              | 103'364        | 762'622          |
| Realised gain                             | 0              | 0              | 71'789         | 71'789           | 2'506          | 0              | 1'430          | 3'935            |
| Unrealised exchange gain                  | 0              | 0              | 0              | 0                | 0              | 0              | 0              | 0                |
| Realised exchange gain                    | 8              | 0              | 0              | 8                | 1'733          | 0              | 0              | 1'733            |
| <b>Total of income</b>                    | <b>540'332</b> | <b>81'236</b>  | <b>710'566</b> | <b>1'332'134</b> | <b>742'387</b> | <b>210'414</b> | <b>205'837</b> | <b>1'158'637</b> |
| Bank charges and commissions              | 82'150         | 0              | 39'271         | 121'421          | 79'400         | 0              | 36'595         | 115'995          |
| Unrealised loss                           | 237'543        | 0              | 102'107        | 339'650          | 44'531         | 0              | 18'876         | 63'407           |
| Realised loss                             | 0              | 0              | 3'308          | 3'308            | 0              | 0              | 2'320          | 2'320            |
| Unrealised exchange losses                | 66'153         | 0              | 53'539         | 119'692          | 59'514         | 0              | 4'272          | 63'787           |
| Realised exchange losses                  | 0              | 0              | 91             | 91               | 0              | 0              | 22             | 22               |
| <b>Total of charges</b>                   | <b>385'846</b> | <b>0</b>       | <b>198'316</b> | <b>584'162</b>   | <b>183'446</b> | <b>0</b>       | <b>62'085</b>  | <b>245'530</b>   |
| <b>Total net financial revenue</b>        | <b>154'486</b> | <b>81'236</b>  | <b>512'250</b> | <b>747'972</b>   | <b>558'941</b> | <b>210'414</b> | <b>143'752</b> | <b>913'107</b>   |
|   |                | 747'972        |                |                  |                | 913'107        |                |                  |

## 22. Operational & Financial Result before Allocations

This result indicates the final amount to be allocated to or (from) Capital & Reserves after all IEC operational and financial activities are considered for 2021.

## 23. Allocations

Specific allocations (to) or from Capital & Reserves on the Balance Sheet.

The principal allocations to Designated Funds, of CHF 626'378 to the Reserve for Operational & Financial Risk, CHF 1 million to the Reserve for Strategy/Masterplan and CHF 1 million to the Reserve for Innovation & Digitalization are the sum of the Operational & Financial Result plus other allocations for depreciation.

The IECEE Development and implementation of new services and The IECEE Development and support of IECEE Infrastructure were created each with a transfer of CHF 1 million from the IECEE Capital Fund.

Allocations from Capital and Reserves to cover depreciation in 2021 comprise CHF 79'452 from the Reserve for Equipment Depreciation & Renewal and CHF 670'298 from the Reserve for Standards Development & Business Platform.

To be read in conjunction with the Table of Changes in Equity for a complete view of movements to and from Capital & Reserves.

## 24. Leases

Non-cancellable operating lease rentals are payable as follows:

| Lease                 | 2021           | 2020           |
|-----------------------|----------------|----------------|
|                       | CHF            | CHF            |
| Less than 1 year      | 546'000        | 642'120        |
| Between 1 and 5 years | 69'960         | 0              |
| More than 5 years     | 0              | 0              |
| <b>Total</b>          | <b>615'960</b> | <b>642'120</b> |

The office rental lease (Less than one year) with the State of Geneva came to an end at the end of 2017 and is now on a year-to-year tacit renewal basis with the FIPOI – Foundation for Buildings for International Organizations of the State of Geneva.

Other leasing represents rental of printing and copying machines for publications and brochures with an annual term renewal in 2023.

## 25. Related Parties

The IEC has a related party relationship with its board members, officers and an executive officer.

### Board Members & Officers

Board members serve on a voluntary basis and receive no remuneration. Only the President, Deputy President and the Treasurer are reimbursed for effective cost of travel and accommodation for participation in board and other meetings.

### IEC Ambassadors

As Board Members and Officers, IEC Ambassadors serve on a voluntary basis and receive no remuneration. They are reimbursed for effective cost of travel and accommodation for participation in board and other meetings.

### Key Executive Management

The key executive management personnel compensation for the IEC including IEC CA Systems is as follows:

| Key Management               | 2021             | 2020             |
|------------------------------|------------------|------------------|
|                              | CHF              | CHF              |
| Short-term employee benefits | 4'271'354        | 4'071'003        |
| Post-employment benefits     | 792'873          | 745'617          |
| <b>Total</b>                 | <b>5'064'227</b> | <b>4'816'620</b> |

These figures represent amounts effectively paid to key management related parties in 2021 and 2020. Total remuneration expense is included under Personnel Expenses in the Statement of Income & Expenditure.

There were no loans to key executive management for the years ended 31 December 2021 and 31 December 2020.

## 26. Guarantees

Guarantees concern office rental only and are recoverable on vacating the premises subject to the prevailing contracts.

## 27. Fees paid to the Auditors

Fees paid to the auditors amount to CHF 40'000 for both 2021 and 2020.

## 28. Capital Commitments & Contingencies

The IEC encounters certain risks and uncertainties in conducting its affairs. These risks and uncertainties have financial statement implications. In all instances, these have been considered in the financial statements, despite the fact that the outcomes of these uncertainties cannot be predicted with absolute certainty. Management has concluded that provisions for these risks are appropriate, and any adverse resolution of these uncertainties will not have a material impact on the financial position or results.



### **29. Subsequent Events**

No events have occurred between balance sheet date and the date of this report that require adjustment to, or disclosure in, these financial statements.

### **30. Approval**

The IEC Financial Statements are published with a view to approval not later than 1st April each year. They are prepared for the Secretary-General by the Finance Department, verified by a professional auditor and signed by the Treasurer and President. They are recommended by the Treasurer to the General Assembly for approval, following review by the Governance Review and Audit Committee (GRAC) and IEC Board at their meetings in May to June. The Treasurer will then request IEC Full Members to approve these Financial Statements at the IEC General Assembly in November 2022.

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