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International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994

Financial report and audited financial statements

for the year ended 31 December 2015

and

Report of the Board of Auditors

United Nations • New York, 2016

Note

Symbols of United Nations documents are composed of letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

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Contents

Letters of transmittal

Letter dated 31 May 2016 from the Secretary-General addressed to the Chair of the United Nations Board of Auditors

In accordance with financial regulation 6.2, I have the honour to submit the financial statements of the International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994 for the year ended 31 December 2015, which I hereby approve. The financial statements have been completed and certified as correct by the Controller in all material respects.

Copies of these financial statements are also being transmitted to the Advisory Committee on Administrative and Budgetary Questions.

(*Signed*) **BAN** Ki-moon

Letter dated 19 September 2016 from the Chair of the Board of Auditors to the President of the General Assembly

I have the honour to transmit to you the financial statements of the International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994 for the year ended 31 December 2015.

(*Signed*) Mussa Juma **Assad**
Controller and Auditor General of the United Republic of Tanzania
Chair of the Board of Auditors

Chapter I

Report of the Board of Auditors on the financial statements: audit opinion

Report on the financial statements

We have audited the accompanying financial statements of the International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994, which comprise the statement of financial position as at 31 December 2015 (statement I), the statement of financial performance for the year ended 31 December 2015 (statement II), the statement of changes in net assets for the year ended 31 December 2015 (statements III), the statement of cash flows for the year ended 31 December 2015 (statement IV), the statement of comparison of budget and actual amounts for the year ended 31 December 2015 (statement V) and the notes to the financial statements.

Responsibility of management for the financial statements

The Secretary-General is responsible for the preparation and fair presentation of these financial statements in accordance with the International Public Sector Accounting Standards (IPSAS) and for such internal controls as management deems necessary to enable the preparation of financial statements that are free from material misstatements whether due to fraud or error.

Responsibility of the auditors

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that 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 such internal control as is relevant to the entity's preparation and fair presentation 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. An audit also includes evaluating the appropriateness of the accounting practices used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the International Criminal Tribunal for Rwanda as at 31 December 2015, and its financial performance and its cash flows for the year then ended in accordance with the International Public Sector Accounting Standards (IPSAS).

Emphasis of matter

Without qualifying our opinion, we draw attention to note 2 to the financial statements, which indicate that the International Criminal Tribunal for Rwanda was formally closed on 31 December 2015. The closure was followed by liquidation activities, including the transfer of functions, liabilities and disposal of assets to the Residual Mechanism and the progressive amalgamation of the Tribunal into the Residual Mechanism, a process that is to be concluded by 1 January 2017. This condition indicates that the Tribunal can no longer continue as a going concern.

Report on other legal and regulatory requirements

Further to our opinion, except to the matters discussed under the basis of opinion paragraph, the transactions of the International Criminal Tribunal for Rwanda that have come to our notice or that we have tested as part of our audit have, in all significant respects, been in accordance with the Financial Regulations and Rules of the United Nations and legislative authority.

(*Signed*) Mussa Juma **Assad**
Controller and Auditor General of the United Republic of Tanzania
Chair of the United Nations Board of Auditors
(Lead Auditor)

(*Signed*) Sir Amyas C. E. **Morse**
Comptroller and Auditor General of the
United Kingdom of Great Britain and Northern Ireland

(*Signed*) Shashi Kant **Sharma**
Comptroller and Auditor General of India

Chapter II
Long-form report of the Board of Auditors

Summary

The International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994 was established by the Security Council in its resolution 955 (1994). In accordance with article 10 of its statute, the Tribunal consisted of three organs: the Chambers, the Office of the Prosecutor and the Registry.

The Board of Auditors has audited the financial statements and reviewed the operations of the Tribunal for the year ended 31 December 2015. The audit was carried out through the examination of financial transactions and operations at Tribunal headquarters in Arusha, United Republic of Tanzania.

Scope of the report

The report covers matters that, in the opinion of the Board, should be brought to the attention of the General Assembly and has been discussed with Tribunal management, whose views have been appropriately reflected.

The audit was conducted primarily to enable the Board to form an opinion as to whether the financial statements present fairly the financial position of the International Tribunal as at 31 December 2015 and its financial performance and cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (IPSAS). The audit included a general review of financial systems and internal controls and a test examination of the accounting records and other supporting evidence to the extent that the Board considered necessary to form an opinion on the financial statements.

The Board also reviewed the operations of the Tribunal under financial regulation 7.5 of the Financial Regulations and Rules of the United Nations, which allows the Board to make observations on the efficiency of the financial procedures, the accounting system, the internal financial controls and, in general, the administration and management of operations. The Board examined key activities of the Tribunal, including the post-IPSAS implementation phase, human resources management and the management of the liquidation activities. The report also includes the status of implementation of the previous audit recommendations.

Audit opinion

The Board has issued an unqualified audit opinion on the 2015 financial statements. The Board included an emphasis of matter paragraph in its opinion to draw attention to the formal closure of the Tribunal on 31 December 2015 as disclosed in note 2 to the financial statements.

Overall conclusion

The International Criminal Tribunal for Rwanda closed down its operations as from 31 December 2015 after the completion of the last major case under its mandate. The closure was followed by liquidation activities, including the transfer of functions, liabilities and disposal of assets to the International Residual Mechanism for Criminal Tribunals for the first five months of 2016, and the progressive amalgamation of the Tribunal into the Residual Mechanism, which is to be concluded by 1 January 2017. While the Board commends the Tribunal for successfully closing down its operations as per the revised target date, during the audit the Board found a number of misstatements in the financial statements, which were later corrected. The Board considers that the Office of Programme Planning, Budget and Accounts and the Residual Mechanism, as the responsible parties for records and processes inherited from the Tribunal, must ensure that the underlying causes of those errors are fully addressed in order to avoid any possible future impact on the accounts and on other important information of the Residual Mechanism, including employees' liabilities and assets from the Tribunal. In addition, the Residual Mechanism will have to ensure that proper records and recovery measures are in place to cover $1.99 million in expenditures, mostly consisting of advances issued to the staff of the Tribunal shortly before its closure.

Key findings

The Board has identified a number of issues which need to be considered in order to ensure that the closure of the Tribunal has been carried out in the most effective manner. In particular, the Board highlights the following key findings:

Outstanding accounts receivables

The Tribunal's accounts receivable balance increased by $1 million (48 per cent), from $1.1 million reported in the previous year's financial statements to $2.1 million reported as at 31 December 2015. As at 31 May 2016, the balance had decreased by $0.138 million (7 per cent). The balance chiefly consists of education grant advances to staff. While management explained that most of the advances would be settled upon completion of the school year 2015/2016, the Board is concerned that the advances were issued for periods exceeding the length of the mandate of the Tribunal and had not been recovered during the process of separating staff from service at the Tribunal. The Board found no evidence of collateral or similar measures such as retention of terminal benefits to ensure that the amount would be fully recovered or that the United Nations would have means to recover the loss.

Recommendations

The Board has made one recommendation based on its audit, which is contained in the body of the present report. In view of the liquidation of the Tribunal, the Board will direct its other recommendations to the International Residual Mechanism for Criminal Tribunals and will follow them up with the Residual Mechanism during the 2016 audit. The main recommendation is:

The International Residual Mechanism for Criminal Tribunals should ensure that proper records of accounts receivable are prepared and that procedures are initiated to recover accounts receivable.

Key facts

$62.75 million	Final budget
$59.69 million	Total revenue
$30.59 million	Total expenses
$72.44 million	Total assets
$64.43 million	Total liabilities
811	Disposed assets
222	Staff of the International Tribunal — 31 December 2015
53	Staff during liquidation (January to May 2016)

A. Mandate, scope and methodology

1. The International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994 was established by the Security Council in its resolution 955 (1994). The Tribunal consisted of three organs: the Chambers, the Office of the Prosecutor and the Registry. The Chambers (the Appeal Chamber) was responsible for appeals; the Office of the Prosecutor was responsible for the investigation and prosecution; and the Registry, which serviced both the Chambers and the Prosecutor, was responsible for the administration and management of the Tribunal.

2. The Board of Auditors has audited the financial statements of the Tribunal and reviewed its operations for the year ended 31 December 2015 in accordance with General Assembly resolution 74 (I). The audit was conducted in conformity with article VII of the Financial Regulations and Rules of the United Nations and the annex thereto, as well as with the International Standards on Auditing. The standards require that the Board comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

3. The audit was conducted primarily to enable the Board to form an opinion as to whether the financial statements presented fairly the financial position of the Tribunal as at 31 December 2015 and its financial performance and cash flows for the year then ended, in accordance with IPSAS. This included an assessment as to

whether the expenses recorded in the financial statements had been incurred for the purposes approved by the governing bodies and whether revenue and expenses had been properly classified and recorded in accordance with the Financial Regulations and Rules of the United Nations.

4. The audit included a general review of financial systems and internal controls and a test examination of the accounting records and other supporting evidence to the extent that the Board considered necessary to form an opinion on the financial statements.

5. In addition to the audit of the financial statements, the Board reviewed the Tribunal's operations in accordance with regulation 7.5 of the Financial Regulations of the United Nations. Specific areas covered during the audit included: the post-IPSAS implementation phase; the completion strategy; procurement and contract management; human resources management; assets management; archive and records management; and information and communications technology.

B. Findings and recommendations

1. Follow-up on previous audit recommendations

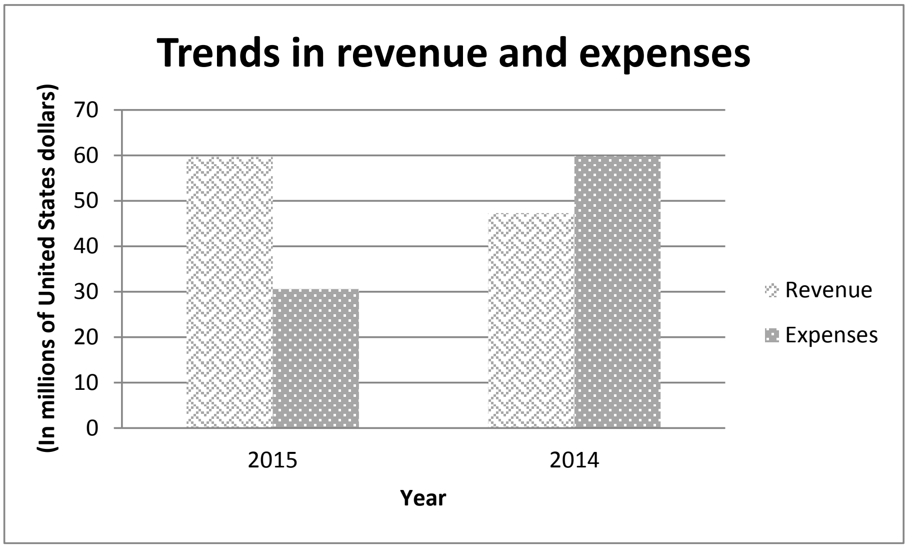
6. Of the seven recommendations that remained outstanding as at 31 December 2014, the Board noted that five (71 per cent) were implemented and two (29 per cent) had been overtaken by events due to the closure of the Tribunal on 31 December 2015. Details of the status of the implementation of the recommendations of the Board are summarized in annex I to the present report.

2. Financial overview

Financial position and performance

7. In 2015, the Tribunal recorded total revenue of $59.69 million (2014: $47.29 million) and total expenses of $30.59 million (2014: $59.89 million), resulting in a surplus of $29.09 million. As at 31 December 2015, the Tribunal had total assets of $72.41 million (2014: $54.66 million), total liabilities of $64.43 million (2014: $79.37 million). The Tribunal closed with net assets of $7.98 million as at 31 December 2015 (2014 restated deficit: $24.71 million). A comparison of revenue and expenses for the financial years 2014 and 2015 is illustrated in the figure below.

Financial performance: revenue and expenses (2014-2015)



Source: Analysis by the Board of Auditors of the 2014 and 2015 financial statements.

Ratio analysis

8. The ratio analysis shown below contains key financial ratios extracted from the financial statements, mainly from the statement of financial position and financial performance.

Ratio analysis

Description of ratio	*31 December 2015*	*31 December 2014 (restated)*
Total assets: Total liabilities[a]	1.12	0.69
Current ratio[b]		
Current assets: current liabilities	5.16	2.34
Quick ratio[c]		
Cash + short-term investments + accounts receivable: current liabilities	5.05	2.16
Cash ratio[d]		
Cash + short-term investments: Current liabilities	2.35	1.45

Source: Tribunal financial statements, 2015.

[a] A high ratio is a good indicator of solvency.

[b] A high ratio indicates an entity's ability to pay off its short-term obligations.

[c] Quick ratio is more conservative than the current ratio because it excludes inventory and other current assets, which are more difficult to turn into cash. A higher ratio means a more liquid current position.

[d] Cash ratio indicates an entity's liquidity by measuring the amount of cash, cash equivalents or invested funds in current assets to cover current liabilities.

9. The Board's analysis shows that the current assets are 5.16 (2.34 in 2014) times greater than the current liabilities, which reflects the Tribunal's ability to meet its short-term obligations when they fall due. The total assets to total liability ratio is 1.12 (0.69 in 2014), which reveals a satisfactory indicator of solvency. Generally, the ratios depict the sound financial health of the Tribunal as at 31 December 2015.

3. Post-IPSAS implementation phase

10. After the adoption of IPSAS in 2014, the Tribunal tracked the quantitative and qualitative benefits it had realized from the implementation of the IPSAS reporting framework, and for that reason, when it closed down its operations in December 2015 it had obtained a better measurement and understanding of the full costs of its operations and enhanced information on the use of its resources. This provided a sound basis for post-closure activities, such as the transfer of remaining assets to the Residual Mechanism and reporting of staff end-of-service benefits.

4. Review of financial statements

11. In a comparison of the trial balance with the financial statements and its supporting notes, discrepancies were identified, largely comprising misclassifications between the figures reported in those documents, including expenses not reported in the statement of financial performance, understated accumulated depreciation, unreported cost for disposed of assets, non-recognition of gains from disposal of assets, an overstatement of revenue due to adjustments in respects of revenue from refunds of prior year expenditures and netting-off of foreign exchange gains against other expenses, contrary to paragraph 48 of IPSAS 1. Although the discrepancies were corrected, the Board considers that the Office of Programme Planning, Budget and Accounts and the Residual Mechanism, as the parties responsible for the records and processes inherited from the Tribunal, will have to ensure that the underlying causes of the discrepancies are fully addressed to avoid any possible future negative impact on the accounts of the Residual Mechanism and on important information, including employees' liabilities and assets from the Tribunal.

5. Closure of Tribunal and management of liquidation process

12. The Tribunal was formally closed on 31 December 2015 after the delivery of judgment for the last remaining case on 14 December 2015. Liquidation activities started shortly thereafter, followed by an amalgamation process of the Tribunal's activities into the Residual Mechanism, which was scheduled to be concluded by 1 January 2017.

13. At the time of audit (June 2016), the Board noted that the Tribunal had completed the liquidation exercise according to plan, and that all staff had been separated, assets disposed of, office space released and records transferred to the Residual Mechanism, except for a few items that were still in use at the time of audit, including non-completion of the final liquidation report,[1] which was delayed

[1] Instructions of the United Nations Controller dated 27 June 2016 conveying the decision of the Under-Secretary-General for Management extending the length of service of the liquidation team to 31 July 2016.

due to the late start of the audit for the 2015 financial statements as a result of the challenges related to the implementation of Umoja.

14. Issues related to the liquidation exercise, together with the lessons learned, will be reported in a letter from management, which will be produced by the Board for such a purpose at a later date.

6. Non-closure of bank accounts

15. As of 23 June 2015 the Tribunal had not closed three bank accounts, with total amounts equivalent to $1.30 million (J.P Morgan Chase Bank: $710,815.09; Standard Chartered Bank: $285,450.93 and Standard Chartered Bank (United Republic of Tanzania: 74,153,688.96 Tanzanian shillings). Management planned to close the remaining bank accounts by 31 July 2016 and to transfer any remaining funds to the Residual Mechanism.

7. Outstanding accounts receivables

16. The Board noted that the Tribunal's accounts receivable balance had increased by $1 million (48 per cent) from $1.1 million reported in the last financial year to $2.1 million as at 31 December 2015. As at 31 May 2016, the balance had decreased by $0.138 million (7 per cent) as compared to the balance recorded as at 31 December 2015.

17. The Tribunal explained that majority of the outstanding receivables related to education grant advances issued to staff who separated in December 2015 and to staff serving in the liquidation team, and that the settlement of the advances would be carried out upon completion of the 2015/2016 school year. Further, management stated that any outstanding receivables at the end of the liquidation period would be compiled and handed over to the Residual Mechanism accordingly.

18. The Board is concerned, however, that the advances were issued for the periods exceeding the length of the mandate of the Tribunal, and that recovery was not carried out when staff were in the process of separating from the Tribunal. The Board found no evidence of collateral or similar measures such as retention of terminal benefits to ensure that the amount advanced would be fully recovered nor that the United Nations would have the means to recover these amounts The Board considers there is significant risk that the accounts receivable may not be recovered (see annex II).

19. **The Board recommends that the Residual Mechanism ensure that proper records of accounts receivable are prepared and that procedures be initiated to recover those amounts.**

C. Disclosures by management

1. Write-off of losses of receivables and property

20. The Tribunal informed the Board that, in accordance with financial rule 106.7(a), accounts receivable of $39,007.26 related to outstanding VAT reimbursement of import duties and consumption taxes levied in 2015 had been

written off. In addition, non-expandable property at a value of $246,827.70 had been written off during the year.

2. Ex gratia payments

21. Management confirmed that the Tribunal did not make any ex gratia payments in 2015.

3. Cases of fraud and presumptive fraud

22. In accordance with the International Standards on Auditing (ISA 240), the Board plans its audits of the financial statements so that it has a reasonable expectation of identifying material misstatements and irregularities (including those resulting from fraud). Our audit, however, should not be relied upon to identify all misstatements or irregularities. The primary responsibility for preventing and detecting fraud rests with management.

23. During the audit, the Board makes enquiries of management regarding its oversight responsibility for assessing the risks of material fraud and the processes in place for identifying and responding to the risks of fraud, including any specific risks that management had identified or which had been brought to its attention. The Board also enquired as to whether management had knowledge of any actual, suspected or alleged fraud, including enquiries of the Office of Internal Oversight. The additional terms of reference governing the external audit include cases of fraud and presumptive fraud in the list of matters that should be covered in its report.

24. The Board did not identify any cases of fraud in 2015. In addition, disclosure made by management showed that no cases of fraud or presumptive fraud were reported to the Board.

D. Acknowledgement

25. The Board wishes to express its appreciation to the President, the Prosecutor, the Registrar and the staff of the Tribunal for the cooperation and assistance extended to its staff.

(*Signed*) Mussa Juma **Assad**
Controller and Auditor General of the
United Republic of Tanzania
Chair of the United Nations Board of Auditors
(Lead auditor)

(*Signed*) Sir Amyas C. E. **Morse**
Comptroller and Auditor General of the
United Kingdom of Great Britain and Northern Ireland

(*Signed*) Shashi Kant **Sharma**
Comptroller and Auditor General of India

Annex I

Status of implementation of recommendations of the Board of Auditors for the financial period ended as of 31 December 2015

					Status after verification			
No.	*Financial period first recommendation made*	*Recommendations*	*Action reported by management*	*Board's assessment*	*Implemented*	*Under implementation*	*Not implemented*	*Overtaken by events*
1.	2010-2011 (A/67/5/Add.11, chap. II, para. 5)	The Board reiterates its earlier recommendation of addressing the backlog of activities required for the transfer of archives to the International Residual Mechanism for Criminal Tribunals	The Tribunal has taken the necessary measures to expedite the preparation and transfer of disposal of its records before the closure and that the projections are on target to be completed on schedule	The Board considers the recommendation to be implemented as all records were transferred to the Residual Mechanism	X			
2.	2012-2013 (A/69/5/Add.13, chap. II, para. 23)	Consider preparing formal contingency arrangements for addressing the risks within the timetable for the completion of the Tribunal's mandate	The judgment of the one remaining appeal (the Butare case was on 14 December 2015)	The final case under the Tribunal's mandate was decided upon in December 2015, this recommendation is therefore closed	X			
3.	2012-2013 (A/69/5/Add.13, chap. II, para. 31)	Develop an efficient acquisition plan that will suit the downsizing and winding-up strategy and reduce the procurement lead-time process	There is an efficient acquisition plan. however, this recommendation is moot since the Tribunal is no longer involved in procurement as it is closing	The recommendation is closed because the Tribunal does not need the acquisition plan: it has closed its operations	X			
4.	2012-2013 (A/69/5/Add.13, chap. II, para. 41)	Designate a senior officer who will regularly review the activities of system administrators with dual roles as a control measure to minimize the risks of fraud	Owing to technical limitations of the Sun Accounting software package, a usable audit log could not be produced for a designated senior official's review. In view of this, the alternative was to remove the administrative rights from the finance personnel. The staff of the Information Technology Services Section would again resume responding to password reset requests	Considered to be overtaken by events due to the closure of the Tribunal on 31 December 2015				X

No.	Financial period first recommendation made	Recommendations	Action reported by management	Board's assessment	Status after verification			
					Implemented	Under implementation	Not implemented	Overtaken by events
5.	(A/70/5/Add.13 chap. II, para. 18)	Implement the established measures in accordance with the closure strategy in order to mitigate any risk of further delay in completing its remaining judicial activities	The final appeal judgment was on 14 December 2015	The recommendation is closed because the risk of delays does not exist since the Tribunal finalized the last case under its mandate and closed its operations	X			
6.	(A/70/5/Add.13 chap. II, para.23)	Expedite the work on archive management to effect an orderly transfer to the Residual Mechanism	The archives were transferred to the Residual Mechanism	The Board considers the recommendation as implemented because all records were transferred to the Residual Mechanism	X			
7.	(A/70/5/Add.13 chap. II, para 27)	Conduct a review of the Tribunal's disaster recovery test procedures and update them to ensure that procedures reflect the current situation of people and technology	The Tribunal is closed	Considered to have been overtaken by events due to the closure of the Tribunal on 31 December 2015				X
	Total				**5**			**2**
	Percentage				**71**			**29**

Annex II

Analysis of accounts receivable to be resolved

(United States dollars)

No.	Descriptions	As at December 2014	As at December 2015	Addition/settlement (31 December 2014-31 December 2015)	As at May 2016
1.	International staff	100 445.82	275 214.39	174 768.57	860 973.94
2.	Local staff	8 422.17	15 696.22	7 274.05	12 402.86
3.	Vendors	3 745.05	12 265.23	8 520.18	15 682.17
4.	Other United Nations entities	757 766.26	1 570 900.59	813 134.33	791 174.21
5.	Defence counsel	1 227.44	1 223.17	(4.27)	1 223.17
6.	Judges	21 068.30	60 682.62	39 614.32	50 986.53
9.	Accounts receivable — VAT Department	34 635.22	139 866.70	105 231.48	204 787.25
10.	Accounts receivable — Government of Rwanda	74 969.46	–	(74 969.46)	–
11.	Accounts receivable — Tanzania Revenue Authority — excise duty	51 268.84	61 045.48	9 776.64	61 045.48
	Total	**1 053 548.56**	**2 136 894.40**	**1 083 345.84**	**1 998 275.61**

Source: International Criminal Tribunal for Rwanda trial balances (31 Dec. 2014-31 Dec. 2015) and age analysis (31 May 2016).

Chapter III
Certification of the financial statements

Letter dated 31 May 2016 from the Assistant Secretary-General, Controller, addressed to the Chair of the United Nations Board of Auditors

The financial statements of the International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994 for the year ended 31 December 2015 have been prepared in accordance with financial rule 106.1.

The summary of significant accounting policies applied in the preparation of these statements is included as notes to the financial statements. These notes provide additional information and clarifications of the financial activities undertaken by the Tribunal during the period covered by these statements for which the Secretary-General has administrative responsibility.

I certify that the appended financial statements of the International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994, numbered I to V, are correct, in all material respects.

(*Signed*) Bettina Tucci **Bartsiotas**
Assistant Secretary-General, Controller

Chapter IV
Financial report for the year ended 31 December 2015

A. Introduction

1. The Head of Administration has the honour to submit herewith the financial report on the accounts of the International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994 for the year ended 31 December 2015.

2. The present report is designed to be read in conjunction with the financial statements. Attached hereto is an annex, which includes supplementary information that is required to be reported to the Board of Auditors under the Financial Regulations and Rules of the United Nations.

3. As previously reported in the financial report for the year ended 31 December 2014 (A/70/5/Add.13, chap. IV, para. 3), the Tribunal had completed its work at the trial level for all 93 accused indicted by the Tribunal. This included 55 first-instance judgments, involving 75 accused, 10 referrals to national jurisdictions (4 apprehended accused and 6 fugitive cases), 3 top priority fugitives whose cases were transferred to the International Residual Mechanism for Criminal Tribunals, 2 withdrawn indictments and 3 indictees who died prior to judgment. Appellate proceedings have been concluded in respect of 55 persons. On 14 December 2015, the Tribunal's Appeals Chamber delivered its final judgment on the sole remaining case on appeal, the Nyiramasuhuko et al. (Butare) case. This was the last judgment of the Appeals Chamber, which brought the Tribunal's judicial activity to an end.

4. Out of the nine accused indicted by the Tribunal for their participation in the genocide in Rwanda, one (Mr. Ntaganzwa) was tracked down and arrested by the Residual Mechanism on 9 December 2015 and transferred from the Democratic Republic of the Congo to Rwanda in March 2016. Pursuant to Security Council resolution 1966 (2010), the responsibility for the tracking and trials of the remaining eight of those fugitives remains with the Government of Rwanda and the Residual Mechanism. The Residual Mechanism will retain jurisdiction over three of those indictees: Augustin Bizimana, Félicien Kabuga and Protais Mpiranya. Previously completed preservation of evidence proceedings will help to ensure smooth trials of those three indictees, who will be tried before the Residual Mechanism upon their arrest. The cases of the remaining five fugitives have been referred to Rwanda. The Residual Mechanism will continue to assist with the efforts to track those fugitives.

5. The transition to the Residual Mechanism has been completed as the Tribunal officially closed its business as at 31 December 2015 and is currently in its liquidation phase. The judicial records related to the last appeal (the Butare case) have also been transferred to the Residual Mechanism.

6. These outputs were produced utilizing $105.343 million ($63.883 million and $41.460 million in 2014 and 2015, respectively) out of the biennial budget of

$106.068 million, or 99.3 per cent. This is in line with the completion strategy of the Tribunal, with significantly reduced activities in the second year of the biennium compared with the first year.

B. Overview of the financial statements for the year ended 31 December 2015

7. Financial statements I, II, III, IV and V show the financial results of the Tribunal's activities and its financial position as at 31 December 2015. The notes to the financial statements explain its accounting and financial reporting policies and provide additional information on the individual amounts contained in the statements.

Revenue

8. In 2015, revenue for the Tribunal totalled $59.693 million. The main sources of revenue were assessed contributions of $59.270 million from Member States and investment revenue of $0.213 million. Other revenue of $0.210 million included $0.130 million from the sale of surplus assets, a $0.054 million refund from prior year expenses and $0.026 million in gains from foreign exchange.

Expenses

9. For the year ended 31 December 2015, expenses of the Tribunal totalled $30.594 million. The main expense categories were: staff costs of $18.709 million, or 61.2 per cent of total expenses; judges' honorariums and allowances of $2.913 million, or 9.5 per cent of total expenses; contractual services of $2.081 million, or 6.8 per cent of total expenses; travel costs of $0.865 million, or 2.8 per cent of total expenses; depreciation charges of $0.291 million, or 0.9 per cent of total expenses; other operating expenses of $3.649 million, or 11.9 per cent of total expenses; and liquidation costs of $2.086 million, or 6.8 per cent of total expenses.

10. Total personnel costs, which include staff costs and judges' honorariums and allowances, amounted to $21.622 million: this amount represents 36.2 per cent of the total revenue, which was reported at $59.693 million for 2015.

Operating results

11. The net surplus of revenue over expenses in 2015 was $29.099 million, as revenue was greater than expenses by 48.7 per cent due to an increase in assessments on Member States of $12.472 million between 2014 and 2015 and a corresponding decrease in staff costs of $32.954 million, which explains the significant surplus of $29.099 million.

Assets

12. Assets as of 31 December 2015 totalled $72.414 million compared to the balance at 31 December 2014 of $54.658 million, mostly attributable to an increase in assessed contributions receivable of $17.664 million.

13. The main assets as at 31 December 2015 are cash and cash equivalents and investments totalling $40.238 million, representing 55.6 per cent of the total assets, and assessed contributions receivable from Member States of $28.923 million, or 39.9 per cent. The remaining assets consist of other accounts receivable and property, plant and equipment.

14. Cash and cash equivalents and investments of $40.238 million at 31 December 2015, other than small amounts held in field office imprest accounts, are held in the United Nations main cash pool. This represents a slight increase of $0.394 million compared with the balance held at the end of 2014.

Liabilities

15. Liabilities as at 31 December 2015 totalled $64.425 million compared to the balance as at 31 December 2014 of $79.370 million.

16. The largest liability was the employee benefits earned by staff members and retirees, which were primarily liabilities for after-service health insurance. Those liabilities, which totalled $37.720 million, representing 58.5 per cent of the Tribunal's total liabilities, are explained in detail in note 12 to the financial statements.

17. Of significance also were liabilities related to the judges' honorariums and allowances of $21.320 million. This amount consists, primarily, of judges' pension and relocation allowances, which remained almost at the same level as in 2014.

18. Accounts payable and accrued liabilities accounted for $3.243 million, representing 5.0 per cent of the total liabilities. This amount is owed for the purchase of goods and services that have been received but not paid for as at the reporting date.

19. Provisions as at 31 December 2015 totalled $2.136 million, representing 3.3 per cent of the total liabilities. This amount primarily relates to the estimated liquidation costs budgeted at $2.086 million, in accordance with General Assembly resolution 70/241.

Net assets

20. The movement in net assets during 2015 reflects an increase of $32.701 million from net liabilities of $24.712 million in 2014 to net assets of $7.989 million in 2015 owing to the operating surplus of $29.099 million and actuarial gains of $3.602 million. The actuarial gains resulted from experience adjustments incorporated into the actuarial calculation of employee benefit liabilities, including the liabilities for judges' honorariums and allowances.

Liquidity position

21. At 31 December 2015, the liquidity position of the Tribunal was healthy, that is, the entity had sufficient liquid assets to settle its current obligations. Liquid funds totalled $59.179 million (cash and cash equivalents of $7.278 million, short-term investments of $19.725 million, accounts receivables and other assets of $31.451 million and property, plant and equipment of $0.725 million), whereas total current liabilities amounted to $11.471 million.

22. The table below summarizes four key liquidity indicators for the financial year ended 31 December 2015, including comparisons to the indicators for the year ended 31 December 2014:

	Year ended 31 December	
Liquidity indicator	*2015*	*2014*
Ratio of liquid assets to current liabilities	5.16:1	2.22:1
Ratio of liquid assets less accounts receivable to current liabilities	2.35:1	1.45:1
Ratio of liquid assets to total assets	0.82:1	0.72:1
Average months of cash, cash equivalents and investments on hand	15.9	8.1

23. The ratio of liquid assets to current liabilities indicates the ability of the Tribunal to pay its short-term obligations from its liquid resources. The ratio of 5.16:1 indicates that current liabilities are covered in excess of five times by liquid assets, and that there are sufficient liquid assets available to pay current liabilities in full should the need arise. An increase of the value of this ratio from 2.22:1 in 2014 indicates an improvement in liquidity resulting from increased accounts receivable and decreased current liabilities holdings as at the end of 2015. When accounts receivable and property, plant and equipment are excluded from the analysis, the coverage of current obligations is at 2.35:1 for 2015 and 1.45:1 for 2014.

24. As at 31 December 2015, the Tribunal's liquid assets were about 82 per cent of its total assets, and it held sufficient cash, cash equivalents and investments to cover its estimated average monthly expenses (less depreciation) of $2.525 million for 15.9 months.

25. However, as at the reporting date, the Tribunal had liabilities for employee benefits and judges' honorariums and allowances totalling $59.040 million that were more than the total cash and cash equivalents and investments of $40.238 million. It was noted that no amounts had been reserved in the accounts to cover the payment of those liabilities in the future.

Going concern

26. The management maintained its assertion, stated in 2014, that it is no longer appropriate to assert a going concern basis for the financial statements of the Tribunal as at 31 December 2015. Accordingly, a review was conducted with the aim of preparing the financial statements on a liquidation basis. The review determined, however, that there is no material difference between the going concern basis and the liquidation basis since the Tribunal is to be progressively amalgamated into the Residual Mechanism over the course of 2016.

27. Management asserts that these financial statements, which are presented without adjustment to the liquidation basis, represent a materially correct view of the liquidation value of the Tribunal.

Annex

Supplementary information

1. The present annex provides supplementary information that the Head of Administration is required to report.

Write-off of losses of cash and receivables

2. Pursuant to financial rule 106.7 (a), write-off cases of cash or receivables totalled $39,007.26 during 2015 with respect to the Tribunal.

Write-off of losses of property

3. In accordance with financial rule 106.7 (a), during 2015, total write-offs of non-expendable property for the International Criminal Tribunal for Rwanda with respect to the financial statements comprised items of property, plant and equipment with their total original acquisition value of $4,107,094. These write-offs resulted from normal wear and tear and the transfer of the non-expendable property of the Tribunal to the International Residual Mechanism for Criminal Tribunals.

Ex gratia payments

4. There were no ex gratia payments by the Tribunal during 2015.

Chapter V

Financial statements for the year ended 31 December 2015

International Criminal Tribunal for Rwanda

I. Statement of financial position as at 31 December 2015

(Thousands of United States dollars)

	Note	*31 December 2015*	*31 December 2014 (restated)*
Assets			
Current assets			
Cash and cash equivalents	7	7 278	9 541
Investments	7	19 725	16 095
Assessed contributions receivable	7	28 923	11 259
Other accounts receivable	7, 8	2 019	1 234
Other assets	9	509	958
Property, plant and equipment	10	725	–
Total current assets		**59 179**	**39 087**
Non-current assets			
Investments	7	13 235	14 208
Property, plant and equipment	10	–	1 363
Total non-current assets		**13 235**	**15 571**
Total assets		**72 414**	**54 658**
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	11	3 243	1 116
Employee benefits liabilities	12	4 827	14 891
Judges' honorariums and allowances liabilities	13	1 259	1 379
Provisions	14	2 136	64
Advance receipts	15	6	181
Total current liabilities		**11 471**	**17 631**
Non-current liabilities			
Employee benefits liabilities	12	32 893	40 390
Judges' honorariums and allowances liabilities	13	20 061	21 349
Total non-current liabilities		**52 954**	**61 739**
Total liabilities		**64 425**	**79 370**
Net of total assets and total liabilities		**7 989**	**(24 712)**
Net assets			
Accumulated surplus/(deficit)	16	7 989	(24 712)
Total net assets		**7 989**	**(24 712)**

The accompanying notes to the financial statements are an integral part of these financial statements.

International Criminal Tribunal for Rwanda

II. Statement of financial performance for the year ended 31 December 2015

(Thousands of United States dollars)

	Note	*2015*	*2014*
Revenue			
Assessed contributions	17	59 270	46 798
Investment revenue	7	213	239
Other exchange revenue	17	210	255
Total revenue		**59 693**	**47 292**
Expenses			
Employee salaries, allowances and benefits	18	18 709	51 663
Judges' honorariums and allowances	18	2 913	2 699
Contractual services	18	2 081	1 500
Travel	18	865	912
Depreciation	10	291	514
Other operating expenses	18	3 331	2 525
Other expenses	18	318	78
Liquidation	14	2 086	–
Total expenses		**30 594**	**59 891**
Surplus/(deficit) for the year		**29 099**	**(12 599)**

The accompanying notes to the financial statements are an integral part of these financial statements.

International Criminal Tribunal for Rwanda

III. Statement of changes in net assets for the year ended 31 December 2015

(Thousands of United States dollars)

	Total net assets
Net assets as at 1 January 2014	**(13 385)**
Prior-period adjustment (note 4)	(2 255)
Restated net assets as at 1 January 2014	**(15 640)**
2014 changes in net assets:	
Actuarial gains on employee benefits liabilities (note 12)	4 228
Actuarial (losses) on judges' honorariums and allowances liabilities (note 13)	(701)
(Deficit) for the year	(12 599)
Total 2014 changes in net assets	**(9 072)**
Net assets as at 31 December 2014 (restated)	**(24 712)**
2015 changes in net assets:	
Actuarial gains on employee benefits liabilities (note 12)	2 197
Actuarial gains on judges' honorariums and allowances liabilities (note 13)	1 405
Surplus for the year	29 099
Total changes in net assets in 2015	**32 701**
Net assets as at 31 December 2015	**7 989**

The accompanying notes to the financial statements are an integral part of these financial statements.

International Criminal Tribunal for Rwanda

IV. Statement of cash flows for the year ended 31 December 2015

(Thousands of United States dollars)

	Note	*2015*	*2014 (restated)*
Cash flows from operating activities			
Surplus/(deficit) for the year		**29 099**	**(12 599)**
Non-cash movements			
Depreciation	10	291	514
Liquidation		2 086	–
Net loss on disposal/adjustment of property, plant and equipment		362	–
Prior-period adjustment	4	–	(2 255)
Actuarial gains/(losses) on judges' honorariums and allowances liabilities		1 405	(701)
Actuarial gains on employee benefits liabilities		2 197	4 228
Changes in assets			
(Increase)/decrease in assessed contributions receivable		(17 664)	7 743
(Increase) in other accounts receivable		(785)	(1 016)
Decrease in other assets		449	269
Changes in liabilities			
Increase/(decrease) in accounts payable and accrued liabilities		2 127	(2 126)
(Decrease) in employee benefits liabilities		(17 561)	(1 472)
(Decrease)/increase in judges' honorariums and allowances liabilities		(1 408)	701
(Decrease)/increase in provisions		(14)	64
(Decrease) in advance receipts		(175)	(186)
(Decrease) in other current liabilities		–	(2 557)
Investment revenue presented as investing activities		(213)	(239)
Net cash flows used in operating activities		**196**	**(9 632)**
Cash flows from investing activities			
Net (disbursements)/receipts from main cash pool investments		(2 657)	14 093
Investment revenue presented as investing activities		213	239
Acquisitions of property, plant and equipment		(99)	(320)
Proceeds from disposal of property, plant and equipment		84	22
Net cash flows from investing activities		**(2 459)**	**14 034**

International Criminal Tribunal for Rwanda

IV. Statement of cash flows for the year ended 31 December 2015 (continued)

	Note	*2015*	*2014 (restated)*
Cash flows from financing activities		–	–
Net cash flows from financing activities		–	–
Net (decrease)/increase in cash and cash equivalents		**(2 263)**	**4 402**
Cash and cash equivalents — beginning of 2015		9 541	5 139
Cash and cash equivalents — end of 2015	7	**7 278**	**9 541**

The accompanying notes to the financial statements are an integral part of these financial statements.

International Criminal Tribunal for Rwanda

V. Statement of comparison of budget and actual amounts for the year ended 31 December 2015

(Thousands of United States dollars)

	Publicly available budget (appropriation)[a]					
	Original biennium	*Final biennium*	*Original 2015 annual*	*Final 2015 annual*	*2015 Actual expenditure (budget basis)*	*Difference*[b] *(per cent)*
A. Chambers	6 098	6 599	2 685	2 895	3 254	12.4
B. Office of the Prosecutor	10 342	13 910	539	5 383	3 685	(31.5)
C. Registry	68 437	76 809	26 157	32 470	33 317	2.6
D. Records management and archives	8 719	8 750	1 620	748	1 204	61.0
Total	**93 596**	**106 068**	**31 001**	**41 496**	**41 460**	**(0.1)**

[a] The original budget for the biennium 2014-2015 is the appropriation approved by the General Assembly for the biennium in its resolution 68/255. The final budget for the biennium reflects the original budget plus any adjustments reflected in the revised and final appropriations approved by the General Assembly in its resolutions 69/254 and 70/241. The original annual budget is the portion of the revised appropriation allocated to 2015 plus any unencumbered balance at the end of 2014. The final annual budget reflects the original budget plus any adjustments reflected in the final appropriation. The relevant element of assessed contributions is recognized as revenue at the beginning of each year in the biennium.

[b] Actual expenditure (budget basis) less final budget. Differences greater than 10 per cent are considered in note 6.

The accompanying notes to the financial statements are an integral part of these financial statements.

International Criminal Tribunal for Rwanda
Notes to the 2015 financial statements

Note l
Reporting entity

United Nations and its activities

1. The United Nations is an international organization founded in 1945 after the Second World War. The Charter of the United Nations was signed on 26 June 1945 and became effective on 24 October 1945, set out the United Nations primary objectives as follows:

(a) The maintenance of international peace and security;

(b) The promotion of international economic and social progress and development programmes;

(c) The universal observance of human rights;

(d) The administration of international justice and law.

2. These objectives are implemented through the United Nations major organs, as follows:

(a) The General Assembly focuses on a wide range of political, economic and social issues, as well as financial and administrative aspects of the United Nations;

(b) The Security Council is responsible for various aspects of peacekeeping and peacemaking, including efforts to resolve conflicts, restore democracy, promote disarmament, provide electoral assistance, facilitate post-conflict peacebuilding, engage in humanitarian activities to ensure the survival of groups deprived of basic needs and oversee the prosecution of persons responsible for serious violations of international humanitarian law;

(c) The Economic and Social Council plays a particular role in economic and social development, including a major oversight role in the efforts of other organizations of the United Nations system to address international economic, social and health problems;

(d) The International Court of Justice has jurisdiction over disputes between Member States brought before it for advisory opinions or binding resolutions.

3. The United Nations is headquartered in New York, has major offices in Geneva, Vienna and Nairobi, and peacekeeping and political missions, regional economic and social commissions, tribunals, training institutes and other centres around the world.

Reporting entity

4. The International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of

Neighbouring States between 1 January and 31 December 1994, which was established by the Security Council in its resolution 955 (1994), consists of three organs:

(a) The Chambers are organized into three Trial Chambers and an Appeals Chamber. The Chambers are composed of a maximum of 16 permanent independent judges, not more than 2 of whom may be nationals of the same State, and a maximum at any one time of 12 ad litem independent judges, no 2 of whom may be nationals of the same State. A maximum at any one time of 3 permanent judges and 6 ad litem judges are members of each Trial Chamber;

The International Criminal Tribunal for Rwanda delivered its last trial judgment on 20 December 2012. Following this milestone, the Tribunal's remaining judicial work rest solely with the Appeals Chamber. The Appeals Chamber's last judgment (the Butare case) was delivered on 14 December 2015;

(b) The Office of the Prosecutor, who is responsible for the investigation and prosecution of persons responsible for serious violations of international humanitarian law committed in the territory of Rwanda and Rwandan citizens responsible for such violations committed in the territory of neighbouring States between 1 January and 31 December 1994. The Prosecutor acts independently as a separate organ of the Tribunal;

(c) A Registry, which services both the Chambers and the Prosecutor and is responsible for the administration and servicing of the Tribunal.

5. By its resolution 977 (1995) of 2 February 1995, the Security Council decided that the seat of the Tribunal would be located in Arusha, United Republic of Tanzania.

6. The Tribunal is regarded as an autonomous financial reporting entity, which neither controls nor is controlled by any other United Nations reporting entity. Owing to the uniqueness of the governance and budgetary process of each of the United Nations reporting entities, the Tribunal is not deemed to be subject to common control. Therefore, these financial statements include only the operations of the Tribunal.

Note 2
Basis of preparation and authorization for issue

Basis of preparation

7. In accordance with the Financial Regulations and Rules of the United Nations, these financial statements are prepared on an accrual basis in accordance with the International Public Sector Accounting Standards (IPSAS). In accordance with the requirements of IPSAS, these financial statements, which present fairly the assets, liabilities, revenue and expenses of the Tribunal comprise the following:

(a) Statement I: Statement of financial position;

(b) Statement II: Statement of financial performance;

(c) Statement III: Statement of changes in net assets;

(d) Statement IV: Statement of cash flows on an indirect basis;

(e) Statement V: Statement of comparison of budgets and actual amounts;

(f) A summary of significant accounting policies and other explanatory notes.

8. The accounting policies, as summarized in note 3, have been applied consistently in the preparation and presentation of these financial statements.

9. The financial statements include annex I on the comparison of biennium budget to biennium actual expenditure on budget basis. The annex is not required by IPSAS but is provided as supplementary information for the user.

Going concern

10. IPSAS 1: Presentation of financial statements, paragraph 38, states that financial statements shall be prepared on a going concern basis unless there is an intention to liquidate the entity or to cease operating, or if there is no realistic alternative but to do so.

11. By its resolution 1966 (2010), the Security Council, inter alia, decided to establish the International Residual Mechanism for Criminal Tribunals to continue the jurisdiction, rights and obligations and essential functions of the Tribunal and requested the Tribunal to complete all its remaining work, as provided by the resolution, no later than 31 December 2014, to prepare for closure and to ensure a smooth transition to the Residual Mechanism. The operations of the Tribunal went beyond 31 December 2014, and the delivery of remaining case (the Butare case) judgment on 14 December 2015 marked the completion of the mandate of the Tribunal.

12. The Tribunal was formally closed on 31 December 2015, with liquidation activities to be completed during the first five months of 2016 (see the final report of the Tribunal (S/2015/884, annex) and the latest resolution of the Security Council (resolution 2256 (2015)) and the progressive amalgamation of the Tribunal into the Residual Mechanism to be concluded by 1 January 2017. The General Assembly has approved budgetary resources for 2016 for the liquidation activities (see Assembly resolution 70/241). The resolution on the budget does not extend the mandate of the Tribunal, but rather approves budgetary resources to finalize its liquidation.

13. The Tribunal is therefore focused on wind-down activities, including the orderly finalization of its activities and the transfer of the functions and assets that will outlive it to the Residual Mechanism. This process is taking place in accordance with the Tribunal's completion strategy (for the latest report on the completion strategy see S/2015/340, enclosure) and in accordance with Security Council resolution 1966 (2010).

14. Taking into consideration the date of the last judicial action of the Tribunal, management has maintained its assertion, as stated in 2014, that it is no longer appropriate to assert a going concern basis for the financial statements of the Tribunal as at 31 December 2015. Accordingly, a review was conducted with the aim of preparing the financial statements on a liquidation basis. The review has determined, however, that there is no material difference between the going concern basis and the liquidation basis since the Tribunal is to be progressively amalgamated into the Residual Mechanism throughout 2016, noting the following:

(a) The costs associated with the closure process are funded in the 2015 and 2016 budgets and, where necessary, normal IPSAS accounting rules have been applied for the recognition of expenses such as termination benefits and costs to bring leased premises back into original condition where required in the lease arrangement: as a result, no further provisions are required for these costs;

(b) The property, plant and equipment of the Tribunal that are to be utilized by the Residual Mechanism will be transferred at their carrying value in the course of 2016 as part of the progressive amalgamation process; some of the remaining assets that are no longer required, with a carrying value that is not material, are being disposed of at sale prices comparable to their carrying values. As at 31 December 2015, management has therefore assessed that there is no requirement to impair property, plant and equipment, as fair value is consistent with carrying value for the assets being disposed of and those assets are to be reported as current assets as all of the remaining assets are to be disposed of or transferred in 2016;

(c) Investments are classified as fair value through surplus or deficit and are therefore valued at fair value and are presented as current and non-current based on remaining maturity: the continued presentation as current and non-current reflects the decision to apply amalgamation accounting principles to merge the balances of the Tribunal with those of the Residual Mechanism as at 1 January 2017: accounts receivable are already subject to impairment, and management has not identified any further impairment that would be associated with the liquidation of the Tribunal;

(d) Employee benefits liabilities with respect to annual leave and repatriation benefits have been nominally valued and reported as current liabilities as these are to be settled in 2016;

(e) The accrued liabilities of the Tribunal for the after-service health insurance benefits of former staff and the pensions of retired judges, and their surviving spouses, have been actuarially valued and reported as current and non-current liabilities accordingly: the continued presentation as current and non-current reflects the decision to apply amalgamation accounting principles to merge the balances of the Tribunal with those of the Residual Mechanism as at 1 January 2017; these accrued liabilities will not be immediately payable on termination of operations but will be managed, on a pay-as-you-go basis, by the Residual Mechanism pursuant to General Assembly resolution 70/243.

15. Management does not consider that there is a material difference between a statement of financial position presented on a liquidation basis and one presented on a going concern basis, and asserts that these financial statements presented without adjustment represent a materially correct view of the liquidation value of the Tribunal.

Authorization for issue

16. These financial statements are certified by the Controller and approved by the Secretary-General of the United Nations. In accordance with financial regulation 6.2, the Secretary-General transmits these financial statements as at 31 December 2015 to the Board of Auditors. As agreed with the Board of Auditors, the financial statements for the year ended 31 December 2015 are submitted prior to

a revised deadline of 31 May 2016. In accordance with financial regulation 7.12, the reports of the Board of Auditors will be transmitted to the General Assembly through the Advisory Committee on Administrative and Budgetary Questions, together with the audited financial statements that are authorized for issue on 19 September 2016.

Measurement basis

17. The financial statements, which are for the period from 1 January to 31 December 2015, are prepared using the historic cost convention except for certain assets as stated in note 3.

Functional and presentation currency

18. The functional currency and the presentation currency of the Tribunal is the United States dollar. The financial statements are expressed in thousands of United States dollars unless otherwise stated.

19. Foreign currency transactions are translated into United States dollars at the United Nations Operational Rates of Exchange at the date of the transaction. These Operational Rates of Exchange approximate the spot rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in those currencies other than the functional currency are translated at the year-end United Nations Operational Rates of Exchange. Non-monetary foreign currency items measured at historical cost or fair value are translated at the United Nations Operational Rates of Exchange prevailing at the date of the transaction or when the fair value was determined.

20. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognized in the statement of financial performance on a net basis.

Materiality and use of judgment and estimation

21. Materiality is central to the preparation and presentation of the Tribunal’s financial statements and its materiality framework provides a systematic method in guiding accounting decisions relating to presentation, disclosure, aggregation, offsetting and retrospective versus prospective application of changes in accounting policies. In general, an item is considered material if its omission or its aggregation would have an impact on the conclusions or decisions of the users of the financial statements.

22. Preparing financial statements in accordance with IPSAS requires use of estimates, judgments and assumptions in the selection and application of accounting policies and in the reported amounts of certain assets, liabilities, revenues and expenses.

23. Accounting estimates and underlying assumptions are reviewed on an ongoing basis and revisions to estimates are recognized in the year in which the estimates are revised and in any future year affected. Significant estimates and assumptions that may result in material adjustments in future years include: actuarial measurement of

employee benefits; assumptions in measurement of judges' honorariums and allowances; estimation of useful lives and the depreciation method for property, plant and equipment assets; impairment of assets; classification of financial instruments; inflation and discount rates used in the calculation of the present value of provisions and classification of contingent assets/liabilities.

Future accounting pronouncements

24. The progress and impact of the following significant future accounting pronouncements of the International Public Sector Accounting Standards Board on the Tribunal's financial statements continue to be monitored:

(a) Public sector-specific financial instruments: to develop this accounting guidance, the project will focus on issues related to public sector-specific financial instruments that are outside the scope of those covered by: IPSAS 28: Financial instruments: presentation, IPSAS 29: Financial instruments: recognition and measurement, and IPSAS 30: Financial instruments: disclosures;

(b) Public sector combinations: the project will prescribe the accounting treatment for public sector combinations and develop a new standard, setting out the classification and measurement of public sector combinations, for example, transactions or other events that bring two or more separate operations into a single public sector entity;

(c) Heritage assets: the objective of the project is to develop accounting requirements for heritage assets;

(d) Non-exchange expenses: the aim of the project is to develop a standard(s) that provides recognition and measurement requirements applicable to providers of non-exchange transactions, except for social benefits;

(e) Revenue: the aim of the project is to develop one or more of the IPSAS accounting standards covering revenue transactions (exchange and non-exchange). The scope is to develop new standards-level requirements and guidance on revenue to amend or supersede that currently formulated in IPSAS 9: Revenue from exchange transactions, IPSAS 11: Construction contracts, and IPSAS 23: Revenue from non-exchange transactions (taxes and transfers);

(f) Employee benefits: the objective of the project is to issue a revised IPSAS 25: Employee benefits, which will converge with the underlying matters addressed in IAS 19: Employee benefits;

(g) Consequential amendments arising from chapters 1 to 4 of the conceptual framework: the objective of the project is to make revisions to IPSAS accounting standards that reflect concepts from these chapters, in particular the objectives of financial reporting and the qualitative characteristics and constraints of information.

Future requirements of IPSAS

25. On 30 January 2015, the International Public Sector Accounting Standards Board published the following five new standards: IPSAS 34: Separate financial statements; IPSAS 35: Consolidated financial statements; IPSAS 36: Investments in associates and joint ventures; IPSAS 37: Joint arrangements; and IPSAS 38:

Disclosure of interests in other entities. Initial application of these standards is required for periods beginning on or after 1 January 2017. These standards do not impact the Tribunal's financial statements as the Tribunal's activities do not come under the scope of these standards.

Note 3
Significant accounting policies

Financial assets: classification

26. The Tribunal classifies its financial assets in one of the following categories at initial recognition and re-evaluates the classification at each reporting date. The classification of financial assets primarily depends on the purpose for which the assets are acquired.

Classification	*Financial assets*
Fair value through surplus or deficit	Investments in main cash pool
Loans and receivables	Cash and cash equivalents and receivables

27. All financial assets are initially measured at fair value. The Tribunal initially recognizes financial assets classified as loans and receivables on the date that they originated. All other financial assets are initially recognized on the trade date, which is the date the Tribunal becomes party to the contractual provisions of the instrument.

28. Financial assets with maturities in excess of 12 months at the reporting date are categorized as non-current assets in the financial statements. Assets denominated in foreign currencies are translated into United States dollars at United Nations Operational Rates of Exchange prevailing at the reporting date, with net gains or losses recognized in surplus or deficit in the statement of financial performance.

29. Financial assets at fair value through surplus or deficit are those that have been either designated in this category at initial recognition, are held for trading or are acquired principally for the purpose of selling in the short term. These assets are measured at fair value at each reporting date and any gains or losses arising from changes in the fair value are presented in the statement of financial performance in the year in which they arise.

30. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recorded at fair value plus transaction costs and subsequently reported at amortized cost, which is calculated using the effective interest method. Interest revenue is recognized on a time proportion basis using the effective interest rate method for the respective financial asset.

31. Financial assets are assessed at each reporting date to determine whether there is an objective evidence of impairment. Evidence of impairment includes default or delinquency of the counterparty or permanent reduction in the value of the asset.

Impairment losses are recognized in the statement of financial performance in the year they arise.

32. Financial assets are derecognized when the rights to receive cash flows have expired or have been transferred and the Tribunal has transferred substantially all risks and rewards of the financial asset.

33. Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Financial assets: investment in the main cash pool

34. The United Nations Treasury invests funds pooled from entities of the United Nations Secretariat and other participating entities. These pooled funds are combined in two internally managed cash pools. Participation in the cash pools implies sharing the risk and returns on investments with the other participants. Since the funds are commingled and invested on a pool basis, each participant is exposed to the overall risk of the investments portfolio to the extent of the amount of cash invested.

35. The Tribunal's investment in the main cash pool are included as part of cash and cash equivalents and short-term and long-term investments in the statement of financial position depending on the maturity of the investments.

Financial assets: cash and cash equivalents

36. Cash and cash equivalents comprise cash at bank and on hand, and short-term, highly liquid investments with a maturity of three months or less from the date of acquisition.

Financial assets: receivables from non-exchange transactions — contributions receivable

37. Contributions receivable represent uncollected revenue from assessed contributions committed to the Tribunal by Member States and non-Member States. These non-exchange receivables are stated at nominal value, less impairment for estimated irrecoverable amounts, the allowance for doubtful receivables. For assessed contributions receivable, the allowance for doubtful receivables is calculated as follows:

(a) Receivables of Member States that are subject to the provisions of Article 19 of the Charter of the United Nations on voting rights restriction in the General Assembly due to arrears equalling or exceeding the amount of the contributions due from them for the preceding two full years and that are past due in excess of two years: 100 per cent allowance;

(b) Receivables that are past due in excess of two years for which the General Assembly has granted special treatment with regard to payment: 100 per cent allowance;

(c) Receivables that are past due in excess of two years for which Member States have specifically contested the balance: 100 per cent allowance. Any contested amount outstanding for less than two years will be disclosed in the notes to the financial statements;

(d) For receivables with approved payment plans, no allowance for doubtful debt will be established; rather disclosures will be made in the notes to the financial statements.

Financial assets: receivables from exchange transactions — other receivables

38. Other receivables include, primarily, amounts receivable for goods or services provided to other entities and receivables from staff. Receivables from other United Nations reporting entities are also included in this category. Material balances of other receivables are subject to specific review and an allowance for doubtful receivables is assessed on the basis of recoverability and ageing.

Other assets

39. Other assets include education grant advances and prepayments that are recorded as an asset until goods are delivered or services are rendered by the other party, at which point the expense is recognized.

Heritage assets

40. Heritage assets are not recognized in the financial statements but significant heritage assets are disclosed in notes to the financial statements.

Property, plant and equipment

41. Property, plant and equipment are classified into different groups of similar nature, functions, useful lives and valuation methodologies as: vehicles; communications and information technology (IT) equipment; machinery and equipment; furniture and fixtures; and real estate assets (building, infrastructure and asset under construction). Recognition of property, plant and equipment is as follows:

(a) Property, plant and equipment are capitalized when their cost per unit is greater than or equal to the threshold of $5,000 or $100,000 for buildings, leasehold improvements, infrastructure assets and self-constructed assets;

(b) All property, plant and equipment other than real estate assets are stated at historical cost less accumulated depreciation and accumulated impairment losses: historical cost comprises the purchase price, any costs directly attributable to bringing the asset to its location and condition and the initial estimate of dismantling and site restoration costs;

(c) Owing to the absence of historical cost information, real estate assets are initially recognized at fair value using a depreciated replacement cost methodology; baseline costs per baseline quantity have been calculated by collecting construction cost data, utilizing in-house cost data (where it existed) or using external cost estimators for each catalogue of real estate assets; the baseline costs per baseline quantity adjusted for price escalation factor, size factor and location factor are applied to estimate the value the real estate asset and determine the replacement cost;

(d) For property, plant and equipment acquired at nil or nominal cost, such as donated assets, the fair value at the date of acquisition is deemed to be the cost to acquire equivalent assets.

42. Property, plant and equipment are depreciated over their estimated useful lives using the straight-line method up to the level of their residual value, except for land and assets under construction, which are not subject to depreciation. Significant components of major owned buildings with different useful life spans are depreciated using the components approach. Depreciation commences in the month when the Tribunal gains control over an asset in accordance with international commercial terms and no depreciation is charged in the month of retirement or disposal. Given the expected pattern of usage of property, plant and equipment, the residual value is nil unless residual value is likely to be significant. The estimated useful lives of property, plant and equipment classes are:

Class	*Subclass*	*Estimated useful life*
Communications and IT equipment	IT equipment	4 years
	Communications and audiovisual equipment	7 years
Vehicles	Light-wheeled vehicles	6 years
	Heavy-wheeled and engineering support vehicles	12 years
	Specialized vehicles, trailers and attachments	6-12 years
	Marine vessels	10 years
Machinery and equipment	Light engineering and construction equipment	5 years
	Medical equipment	5 years
	Security and safety equipment	5 years
	Mine detection and clearing equipment	5 years
	Accommodation and refrigeration equipment	6 years
	Water treatment and fuel distribution equipment	7 years
	Transportation equipment	7 years
	Heavy engineering and construction equipment	12 years
	Printing and publishing equipment	20 years
Furniture and fixtures	Library reference material	3 years
	Office equipment	4 years
	Fixtures and fittings	7 years

Class	*Subclass*	*Estimated useful life*
	Furniture	10 years
Buildings	Temporary and mobile buildings	7 years
	Fixed buildings, depending on the type	25, 40 or 50 years
	Major exterior, roofing, interior and services/utilities components, where component approach is utilized	20 to 50 years
	Finance lease or donated right-to-use buildings	Shorter of term of arrangement or life of building
Infrastructure assets	Telecommunications, energy, protection, transport, waste and water management, recreation, landscaping	Up to 50 years
Leasehold improvements	Fixtures, fittings and minor construction work	Shorter of lease term or 5 years

43. Where there is a material cost value of fully depreciated assets that are still in use, adjustments to accumulated depreciation are incorporated in the financial statements to reflect a residual value of 10 per cent of historical cost based on an analysis of the classes and useful lives of the fully depreciated assets.

44. The Tribunal elected the cost model for the measurement of property, plant and equipment after initial recognition instead of the revaluation model. Costs incurred subsequent to initial acquisition are capitalized only when it is probable that future economic benefits or service potential associated with the item will flow to the Tribunal and the subsequent cost exceeds the threshold for initial recognition. Repairs and maintenance are expensed in the statement of financial performance in the year in which they are incurred.

45. A gain or loss resulting from the disposal or transfer of property, plant and equipment arises where proceeds from disposal or transfer differ from its carrying amount. Those gains or losses are recognized in the statement of financial performance within other revenue or other expenses.

46. Impairment assessments are conducted during annual physical verification procedures and when events or changes in circumstance indicate that carrying amounts may not be recoverable. Land, buildings and infrastructure assets with a year-end net-book-value greater than $500,000 per unit are reviewed for impairment at each reporting date. The equivalent threshold for other property, plant and equipment items (excluding assets under construction and leasehold improvements) is $25,000 per unit.

47. As at 31 December 2015, all remaining property, plant and equipment are reported as current assets as those assets are to be disposed or transferred at their

carrying value throughout 2016 as part of the progressive amalgamation of the Tribunal into the Residual Mechanism.

Financial liabilities: classification

48. Financial liabilities are classified as "other financial liabilities". They include accounts payable, unspent funds held for future refunds and other liabilities such as balances payable to other United Nations system entities. Financial liabilities classified as other financial liabilities are initially recognized at fair value and subsequently measured at amortized cost. Financial liabilities with a duration of less than 12 months are recognized at their nominal value. The Tribunal re-evaluates the classification of financial liabilities at each reporting date and derecognizes financial liabilities when its contractual obligations are discharged, waived, cancelled or expired.

Financial liabilities: accounts payable and accrued liabilities

49. Accounts payables and accrued liabilities arise from the purchase of goods and services that have been received but not paid for as at the reporting date. They are stated at invoiced amounts, less discounts at the reporting date. Payables are recognized and subsequently measured at their nominal value as they are generally due within 12 months.

Judges' honorariums and allowances liabilities

50. Judges' honorariums and allowances liabilities comprise judges' pensions, judges' relocation allowances and ad litem judges ex gratia payments.

51. Judges' pensions: upon retirement, judges who have met certain eligibility requirements are entitled to a pension which is not payable by the United Nations Joint Staff Pension Fund. As the nature of the pension is consistent with a post-employment benefit, the liability is valued using the same basis as post-employment employee benefits. The valuation represents the present value of pension costs for retired judges and the post-retirement costs for active judges. Actuarial gains/losses on this valuation are recognized through the statement of changes in net assets.

52. Judges' relocation allowances: pursuant to General Assembly resolution 65/258, the Tribunal judges are entitled to a relocation allowance equal to that of the judges of the International Court of Justice. The liability is calculated based on the rate applicable to each judge and the time value of money is not material.

53. Ad litem judges' ex gratia payments: ad litem judges are entitled to a one time ex gratia payment upon completion of service for a continuous period of more than three years. The liability is calculated based on the monthly rate applicable to each eligible ad litem judge and the time value of money is not material.

Advance receipts and other liabilities

54. Advance receipts and other liabilities consist of advance receipts relating to contributions or payments received in advance, liabilities for conditional funding arrangements, assessed contributions received for future years and other deferred

revenue. Advance receipts are recognized as revenue at the start of the relevant financial year or based on the Tribunal's revenue recognition policies.

Leases: the Tribunal as lessee

55. Leases of property, plant and equipment where the Tribunal has substantially all of the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the start of the lease at the lower of fair value or the present value of the minimum lease payments. The rental obligation, net of finance charges, is reported as a liability in the statement of financial position. Assets acquired under finance leases are depreciated in accordance with property, plant and equipment policies. The interest element of the lease payment is charged to the statement of financial performance as an expense over the term of the lease based on the effective interest rate method.

56. Leases where all of the risks and rewards of ownership are not substantially transferred to the Tribunal are classified as operating leases. Payments made under operating leases are charged to statement of financial performance as an expense on a straight-line basis over the lease period.

Donated rights to use

57. The Tribunal occupies land and buildings and uses infrastructure assets, machinery and equipment through donated rights-to-use agreements granted primarily by host Governments at nil or nominal cost. Based on the terms of the agreements, and the clauses on transfer of control and termination contained therein, the donated right to use arrangement is accounted for as an operating lease or finance lease.

58. In the case of operating leases, an expense and a corresponding revenue equal to the annual market rent of similar property are recognized in the financial statements. In the case of finance lease (principally with a lease term of over 35 years for premises), the fair market value of the property is capitalized and depreciated over the shorter of the useful life of the property and the term of the arrangement. Additionally, a liability for the same amount is progressively recognized as revenue over the term period.

59. Long-term donated rights to use building and land arrangements are accounted for as operating lease where the Tribunal does not have exclusive control over the building and/or title to the land is transferred under restricted deeds.

60. The threshold for the recognition of revenue and expense is a yearly rental value equivalent of $5,000 per donated rights to use premises, land, infrastructure, machinery and equipment.

Employee benefits

61. Employees comprise staff members, as described under Article 97 of the Charter of the United Nations, whose employment and contractual relationship is defined by a letter of appointment subject to regulations promulgated by the General Assembly pursuant to Article 101, paragraph 1, of the Charter. Employee benefits

are classified into short-term benefits, long-term benefits, post-employment benefits and termination benefits.

Short-term employee benefits

62. Short-term employee benefits are employee benefits (other than termination benefits) that are payable within 12 months after the end of the year in which the employee renders the related services. Short-term employee benefits comprise: first-time employee benefits (assignment grants); regular daily/weekly/monthly benefits (wages, salaries and allowances); compensated absences (paid sick leave, maternity/paternity leave); and other short-term benefits (death grant, education grant, reimbursement of taxes and home leave) provided to current employees based on services rendered. All such benefits that are accrued but not paid are recognized as current liabilities within the statement of financial position. As the Tribunal is now at the liquidation stage, the liabilities with respect to annual leave and repatriation benefits are accounted for as short-term benefits.

63. Repatriation benefits: upon end of service, staff who meet certain eligibility requirements, including residency outside their country of nationality at the time of separation, are entitled to a repatriation grant, which is based upon their length of service, and to travel and removal expenses. A liability is recognized from the point at which the staff member joins the Tribunal and is measured as the nominal value of the estimated liability for settling those entitlements.

64. Annual leave: liabilities for annual leave represent compensation for unused and accumulated leave up to a maximum of 60 days, according to which an employee is entitled to a monetary settlement of such balance upon separation from service. The Tribunal therefore recognizes as a liability the nominal value of the total accumulated leave days of all staff members as of the date of the statement of financial position.

Post-employment benefits

65. Post-employment benefits comprise after-service health insurance and pension payments through the United Nations Joint Staff Pension Fund.

Defined-benefit plans

66. The following benefits are accounted for as defined-benefit plans: after-service health insurance; and pensions provided through the United Nations Joint Staff Pension Fund. Defined-benefit plans are those for which the Tribunal's obligation is to provide agreed benefits, and therefore bears the actuarial risks. The liability for defined-benefit plans is measured at the present value of the defined-benefit obligation. Changes in the liability for defined-benefit plans, excluding actuarial gains and losses, are recognized in the statement of financial performance in the year in which they occur. The Tribunal has elected to recognize changes in the liability for defined-benefit plans from actuarial gains and losses directly through the statement of changes in net assets. At year-end, the Tribunal did not hold any plan assets as defined by IPSAS 25: Employee benefits.

67. The defined-benefit obligations are calculated by independent actuaries using the projected unit credit method. The present value of the defined-benefit obligation

is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds with maturity dates approximating those of the individual plans.

68. After-service health insurance provides worldwide coverage for necessary medical expenses of eligible former staff members and their dependents. Upon end-of-service, staff members and their dependents may elect to participate in a defined-benefit health insurance plan under the United Nations, provided they have met certain eligibility requirements, including 10 years of participation in a United Nations health plan for those who were recruited after 1 July 2007, and 5 years for those who were recruited prior to that date. The after-service health insurance liability represents the present value of the share of the Tribunal's medical insurance costs for retirees and the post-retirement benefit accrued to date by active staff. Consideration of the contributions by all plan participants is a factor in the after-service health insurance valuation in order to determine the Tribunal's residual liability. Contributions from retirees are deducted from the gross liability and a portion of the contributions from active staff are also deducted to arrive at the Tribunal's residual liability in accordance with the cost-sharing ratios authorized by the General Assembly.

Pension plan: United Nations Joint Staff Pension Fund

69. The Tribunal is a member organization participating in the United Nations Joint Staff Pension Fund, which was established by the General Assembly to provide retirement, death, disability and related benefits to employees. The Pension Fund is a funded, multi-employer defined-benefit plan. As specified by article 3 (b) of the Regulations of the Pension Fund, membership of the Fund shall be open to the specialized agencies and to any other international, intergovernmental organization which participates in the common system of salaries, allowances and other conditions of service of the United Nations and the specialized agencies.

70. The defined-benefit plan exposes participating organizations to actuarial risks associated with the current and former employees of other organizations participating in the Pension Fund, with the result that there is no consistent or reliable basis for allocating the obligation, plan assets and costs to individual organizations participating in the Fund. The Tribunal, in line with other participating organizations, is not in a position to identify the Tribunal's proportionate share of the defined-benefit obligation, the plan assets and the costs associated with the plan with sufficient reliability for accounting purposes. Hence, the Tribunal has treated this plan as if it were a defined-contribution plan, in line with the requirements of IPSAS 25. The Tribunal's contributions to the Pension Fund during the financial year are recognized as employee-benefit expenses in the statement of financial performance.

Termination benefits

71. Termination benefits are recognized as an expense only when the Tribunal is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate the employment of a staff member before the normal retirement date or to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy. Termination benefits to be settled

within 12 months are reported at the amount expected to be paid. Where termination benefits fall due more than 12 months after the reporting date, they are discounted if the impact of discounting is material.

Other long-term employee benefits

72. Other long-term employee benefit obligations are benefits, or portions of benefits, that are not due to be settled within 12 months after the end of the year in which employees provide the related service.

Provisions

73. Provisions are liabilities recognized for future expenditures of uncertain amount or timing. A provision is recognized if, as a result of a past event, the Tribunal has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The provision is measured as the best estimate of the amount required to settle the present obligation at the reporting date. Where the effect of the time value of money is material, the provision is the present value of the amount expected to be required to settle the obligation.

Contingent liabilities

74. Contingent liabilities represent possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Tribunal; or present obligations that arise from past events which are not recognized because it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligations; or the amount of the obligations cannot be reliably measured.

Contingent assets

75. Contingent assets represent possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the effective control of the Tribunal.

Commitments

76. Commitments are future expenses to be incurred by the Tribunal on contracts entered into by the reporting date and that the Tribunal has minimal, if any, discretion to avoid in the ordinary course of operations. Commitments include capital commitments (amount of contracts for capital expenses that are not paid or accrued by the reporting date), contracts for the supply of goods and services that will be delivered to the Tribunal in future years, non-cancellable minimum lease payments and other non-cancellable commitments.

Non-exchange revenue: assessed contributions

77. Assessed contributions for the Tribunal are approved for a two-year budget period. The relevant portion of assessed contributions is recognized as revenue at

the beginning of the year. Assessed contributions include the amounts assessed on the Member States to finance the activities of the Tribunal in accordance with the scale of assessments determined by the General Assembly. Revenue from assessed contributions from Member States and from non-Member States is presented in the statement of financial performance.

Non-exchange revenue: other

78. In-kind contributions of goods, above a recognition threshold of $5,000 per discrete contribution, are recognized as assets and revenue once it is probable that future economic benefits or service potential will flow to the Tribunal and that the fair value of those assets can be measured reliably. Contributions in kind are initially measured at their fair value at the date of receipt, as determined by reference to observable market values or by independent appraisals. The Tribunal has elected not to recognize in-kind contributions of services but to disclose in-kind contributions of service above a threshold of $5,000 in the notes to the financial statements.

Exchange revenue

79. Exchange transactions are those in which the Tribunal sells goods or services. Revenue comprises the fair value of consideration received or receivable for the sale of goods and services. Revenue is recognized when it can be reliably measured, when the inflow of future economic benefits is probable and when specific criteria have been met.

80. Revenue from commissions and fees for technical, procurement, training, administrative and other services rendered to Governments, United Nations entities or other partners is recognized when the service is performed. Exchange revenue also includes income from the rental of premises, the sale of used or surplus property, service to visitors from guided tours and income from net gains resulting from currency exchange adjustments.

Investment revenue

81. Investment revenue includes the Tribunal's share of net main pool income and other interest income. The net main pool income includes any gains and losses on the sale of investments, which are calculated as the difference between the sales proceeds and book value. Transaction costs that are directly attributable to the investment activities are netted against income and the net income is distributed proportionately to all main pool participants based on their daily balances. The main pool income also includes unrealized market gains and losses on securities, which is distributed proportionately to participants based on their year-end balances.

Expenses

82. Expenses are decreases in economic benefits or service potential during the reporting year in the form of outflows, consumption of assets or incurrence of liabilities that result in decreases in net assets, and are recognized on an accrual basis when goods are delivered and services are rendered regardless of the terms of payment.

83. Employee salaries include salaries for international, national and general temporary staff, including post adjustment and staff assessments payments. The allowances and benefits include other staff entitlements, including pension and insurance, assignment, repatriation, hardship and other allowances.

84. Contractual services include non-employee compensation such as consultants' fees and related allowances and benefits.

85. Other operating expenses include the acquisition of goods and intangible assets less than capitalization thresholds, maintenance, utilities, supplies and consumables, security services, shared services, rental, insurance, allowance for bad debt and write-off expenses.

86. Other expenses relate to foreign exchange losses, ex gratia and compensation claims and hospitality and official functions.

Note 4
Adjustments to prior-period error

87. The Tribunal has identified an error of $2.255 million in 2013 relating to an unreconciled inter-office voucher account for transfers to/from United Nations Headquarters classified as other assets. Furthermore, in 2014, inter-office vouchers of $2.379 million were reported under other accounts receivable while in 2015 inter-office vouchers were reported under other assets in accordance with the IPSAS Policy Framework to enhance comparability with other United Nations reporting entities.

88. The following are detailed adjustments and presentation change to the 2014 financial position, changes to net assets and cash flows.

(i) Statement of financial position

(Thousands of United States dollars)

	Note	*31 December 2014*	*Adjustment*	*Presentation change*	*31 December 2014 (restated)*
Assets					
Current assets					
Other accounts receivable	7, 8	3 613		(2 379)	1 234
Other assets	9	834	(2 255)	2 379	958
Total current assets		**41 342**	**(2 255)**	–	**39 087**
Total assets		**56 913**	**(2 255)**	–	**54 658**
Net of total assets and total liabilities		**(22 457)**	**(2 255)**	–	**(24 712)**
Net assets					
Accumulated deficit	16	(22 457)	(2 255)	–	(24 712)
Total net assets		**(22 457)**	**(2 255)**	–	**(24 712)**

(ii) Statement of changes in net assets

(Thousands of United States dollars)

	Total net assets
Net assets as at 1 January 2014	**(13 385)**
Prior-period adjustment	(2 255)
Restated net assets as at 1 January 2014	(15 640)
2014 changes in net assets:	
Actuarial gains on employee benefits liabilities (note 12)	4 228
Actuarial (losses) on judges' honorariums and allowances liabilities (note 13)	(701)
(Deficit) for the year	(12 599)
Total 2014 changes in net assets	**(9 072)**
Net assets as at 31 December 2014 (restated)	**(24 712)**

(iii) Statement of cash flows

(Thousands of United States dollars)

	Note	*2014*	*Adjustment*	*Presentation change*	*2014 (restated)*
Cash flows from operating activities					
Deficit for the year		**(12 599)**	–	–	**(12 599)**
Non-cash movements					
Prior-period adjustment	4	–	(2 255)	–	(2 255)
Changes in assets					
(Increase) in other accounts receivable		(3 395)		2 379	(1 016)
Decrease in other assets		393	2 255	(2 379)	269
Net cash flows used in operating activities		**(9 632)**	–	–	**(9 632)**
Net cash flows from investing activities		**14 034**	–	–	**14 034**
Net cash flows from financing activities		–	–	–	–
Net increase in cash and cash equivalents		**4 402**	–	–	**4 402**
Cash and cash equivalents: beginning of year		5 139	–	–	5 139
Cash and cash equivalents: end of year	**7**	**9 541**	–	–	**9 541**

Note 5
Segment reporting

89. A segment is a distinguishable activity or group of activities for which financial information is reported separately in order to evaluate an entity's past performance in achieving its objectives and for making decisions about the future allocation of resources.

90. These financial statements represent the activities of the Tribunal which comprises one activity established under a single Security Council resolution. While the budgetary process includes a breakdown that reflects the organizational structure into the Chambers, the Prosecutor and the Registry, each of those organs does not meet the definition of a segment as they do not represent different activities for which financial information is reported separately in order to evaluate past performance in achieving its objectives and making decisions about the future allocation of resources.

91. Therefore, for segment reporting purposes, the Tribunal has one segment.

Note 6
Comparison to budget

92. Statement V: the statement of comparison of budget and actual amounts presents the difference between budget amounts, which are prepared on a modified cash basis, and actual expenditure on a comparable basis.

93. Approved budgets are those that authorize expenses to be incurred and are approved by the General Assembly. The Assembly, in its resolutions 68/255, 69/254 and 70/241, approved the Tribunal budget appropriations for the biennium 2014-2015.

94. The original 2015 budget reflects the proportion of the biennium budget allocated to 2015. The final budget reflects the original budget appropriation with any amendments as allocated to each component approved for the Tribunal by the General Assembly in its resolution 70/241.

95. Differences between original and final budget amounts are considered in the table below. Material differences between the final budget amounts and actual expenditure on a modified cash basis, which are deemed to be those greater than 10 per cent, are explained below.

	Material differences greater than 10 per cent
A. The Chambers	Expenditure is 12.4 per cent more than the final annual budget This reflects the net effect of the increased honorariums and common costs of judges and a decrease in the pension payments for those retained who would be entitled to a pension The final budget for 2015 is increased due to the extension in the judges' period of service, in line with the revised judicial calendar
B. The Office of the Prosecutor	Expenditure is 31.5 per cent less than the final annual budget Expenses are currently lower than budgeted owing to the non-extension of positions transferred to the Residual Mechanism effective 1 October 2015 and to reduced travel costs of the Prosecutor who has transferred to the Residual Mechanism The final budget for 2015 is increased due to the extension of positions in line with the changes in the judicial calendar and higher repatriation and allowances payments for staff separating from the Tribunal

	Material differences greater than 10 per cent
C. Registry	Non-material difference shown between the final annual budget and expenditure The final budget for 2015 was increased due to the extension of positions in line with the changes in the judicial calendar and higher repatriation and allowances payments for staff that are separating from the Tribunal in line with the completion strategy
D. Records management and archives	Expenditure is 61.0 per cent more than the final annual budget Expenditures are higher than budgeted owing to the extension of staff contracts for an additional 9 months and to delays in the completion of the records retention and disposition project for 1,240 linear meters of records with long-term to permanent retention value The final budget for 2015 was decreased mainly due the unencumbered balance from 2014 and changes in budgetary assumptions

Reconciliation between actual amounts on a comparable basis and the statement of cash flows

96. The reconciliation between the actual amounts on a comparable basis in the statement of comparison of budget and actual amounts and the actual amounts in the statement of cash flows is as follows:

(Thousands of United States dollars)

2015	*Operating*	*Investing*	*Total*
Actual 2015 amounts on comparable basis (statement V)	**(41 460)**	**–**	**(41 460)**
Basis differences	2 523	–	2 523
Presentation differences	39 133	(2 459)	36 674
Actual amounts in 2015 statement of cash flows (statement IV)	**196**	**(2 459)**	**(2 263)**

2014	*Operating*	*Investing*	*Total*
Actual 2014 amounts on comparable basis (statement V)	**(63 586)**	**(298)**	**(63 884)**
Basis differences	6 901	239	7 140
Presentation differences	47 053	14 093	61 146
Actual amounts in 2014 statement of cash flows (statement IV)	**(9 632)**	**14 034**	**4 402**

97. Basis differences comprise the differences resulting from preparing the budget on a modified cash basis. In order to reconcile the budgetary results to the statement of cash flows, the modified cash elements, such as unliquidated obligations, which are commitments against budget but do not represent a cash flow, outstanding assessed contributions and payments against prior-year obligations, which do not apply to the current year, must be eliminated. Similarly, IPSAS-specific differences, such as cash flows relating to the acquisition of property, plant and equipment, and indirect cash flows, relating to changes in receivables due to movements in the allowance for doubtful receivables, and accrued liabilities are included as basis differences in order to reconcile them with the statement of cash flows.

98. Presentation differences are differences in the format and classification schemes in the statement of cash flows and the statement of comparison of budget and actual amounts, which means that the latter statement does not present income and net changes in main pool balances. Moreover, the amounts included in the latter statement are not segregated into the operating, investing and financing activities.

99. Entity differences arise when the budget omits programmes or entities that are part of the Tribunal as reported in the statement of cash flows or vice versa. These differences represent cash flows to/from fund groups other than the Tribunal that are reported in the financial statements. There are no entity differences.

100. Timing differences occur when the budget period differs from the reporting period reflected in the financial statements. As the budget reflects the 2015 proportion of the biennium, there are no timing differences.

Status of appropriations

101. In accordance with General Assembly resolutions 68/255, 69/254 and 70/241 on the financing of the Tribunal, gross appropriations for the biennium 2014-2015 and gross assessments for each year are as follows:

(Thousands of United States dollars)

	Gross appropriation
International Criminal Tribunal for Rwanda	
Initial appropriation for the biennium 2014-2015 (resolution 68/255)	93 596
Add: increased appropriations for the biennium:	
Resolution 69/254	1 288
Resolution 70/241	11 184
Total final appropriation for the biennium 2014-2015	**106 068**
Assessment for 2014 (resolution 68/255)	(46 798)
Assessment for 2015 (resolution 69/254)	(48 086)
Balance to be assessed for 2014-2015 in 2016 (resolution 70/241)	**11 184**

Note 7
Financial instruments

(Thousands of United States dollars)

Financial instruments	*31 December 2015*	*31 December 2014 (restated)*[a]
Financial assets		
Fair value through the surplus or deficit		
Short-term investments — main pool (note 19)	19 725	16 095
Long-term investments — main pool (note 19)	13 235	14 208
Total fair value through the surplus or deficit investments	**32 960**	**30 303**
Cash and cash equivalents		
Cash and cash equivalents — main pool (note 19)	6 397	8 301
Cash and cash equivalents — other	881	1 240
Subtotal total cash and cash equivalents	**7 278**	**9 541**
Loans and receivables		
Assessed contributions receivable	28 923	11 259
Other receivables (note 8)	2 019	1 234
Other assets (excludes deferred charges) (note 9)	125	958
Total loans and receivables	**31 067**	**13 451**
Total carrying amount of financial assets	**71 305**	**53 295**
Of which relates to financial assets held in the main pool (note 19)	39 357	38 604
Financial liabilities at amortized cost		
Accounts payable and accrued liabilities (note 11)	3 243	1 116
Total carrying amount of financial liabilities	**3 243**	**1 116**

[a] Restated — see note 4.

(Thousands of Unites States dollars)

	31 December 2015	*31 December 2014*
Summary of net income from financial assets		
Share of main pool net interest and gains	212	300
Other investment gain / (loss)	1	(61)
Total	**213**	**239**

Note 8
Other accounts receivable: receivables from exchange transactions

(Thousands of United States dollars)

Other receivables	*31 December 2015*	*31 December 2014 (restated)*[a]
Governments	201	160
Staff members	299	200
Judges	–	21
Vendors	12	4
United Nations entities	1 571	758
Others	62	200
Allowance for doubtful receivables	(126)	(109)
Total	**2 019**	**1 234**

[a] Restated — see note 4.

Note 9
Other assets

(Thousands of United States dollars)

Other assets	*31 December 2015*	*31 December 2014 (restated)*[a]
Advances	12	–
Deferred charges	372	–
Other	125	958
Total	**509**	**958**
Current	509	958
Total	**509**	**958**

[a] Restated — see note 4.

Note 10
Property, plant and equipment

102. During 2015, the Tribunal disposed of property, plant and equipment with total net book value of $0.25 million, including $0.24 million in fully and partially depreciated property, plant and equipment that was transferred to the Residual Mechanism.

103. Since the remaining property, plant and equipment are to be disposed or transferred in 2016, they are reported as current assets in the statement of financial position as at 31 December 2015.

104. As at the reporting date, the Tribunal did not identify any additional impairment. The Tribunal has no significant heritage assets as at the reporting date.

(Thousands of United States dollars)

Property, plant and equipment	*Buildings*	*Furniture and fixtures*	*IT and communications*	*Vehicles*	*Machinery and equipment*	*Total*
Cost as at 1 January 2015	489	174	4 598	1 302	1 155	7 718
Additions	–	–	28	–	71	99
Disposals[a]	(411)	(104)	(2 305)	(541)	(746)	(4 107)
Cost as at 31 December 2015	**78**	**70**	**2 321**	**761**	**480**	**3 710**
Accumulated depreciation as at 1 January 2015	440	128	3 850	1 031	906	6 355
Depreciation	–	11	153	53	74	291
Disposals[a]	(411)	(94)	(2 168)	(530)	(658)	(3 861)
Other changes	41	4	121	21	13	200
Accumulated depreciation as at 31 December 2015	**70**	**49**	**1 956**	**575**	**335**	**2 985**
Net carrying amount as at 1 January 2015	49	46	748	271	249	1 363
Net carrying amount as at 31 December 2015	**8**	**21**	**365**	**186**	**145**	**725**

[a] Including partially and fully depreciation property, plant and equipment with total net book value of $0.235 million transferred to the International Residual Mechanism for Criminal Tribunals.

(Thousands of United States dollars)

Property, plant and equipment	*Buildings*	*Furniture and fixtures*	*IT and communications*	*Vehicles*	*Machinery and equipment*	*Total*
Cost as at 1 January 2014	560	244	4 599	1 748	1 133	8 284
Additions	–	–	191	66	63	320
Disposals	(71)	(70)	(192)	(512)	(41)	(886)
Cost as at 31 December 2014	**489**	**174**	**4 598**	**1 302**	**1 155**	**7 718**
Accumulated depreciation as at 1 January 2014	503	183	3 762	1 453	804	6 705
Depreciation	9	11	299	53	142	514
Disposals	(71)	(70)	(192)	(483)	(41)	(857)
Other changes	(1)	4	(19)	8	1	(7)
Accumulated depreciation as at 31 December 2014	**440**	**128**	**3 850**	**1 031**	**906**	**6 355**

Property, plant and equipment	*Buildings*	*Furniture and fixtures*	*IT and communications*	*Vehicles*	*Machinery and equipment*	*Total*
Net carrying amount as at						
1 January 2014	57	61	837	295	329	1 579
Net carrying amount as at 31 December 2014	**49**	**46**	**748**	**271**	**249**	**1 363**

Note 11
Accounts payable and accrued liabilities

(Thousands of United States dollars)

Accounts payable and accrued liabilities	*31 December 2015*	*31 December 2014*
Vendors	871	526
Accrued expenses	845	456
United Nations entities	46	134
Other	1 481	–
Total	**3 243**	**1 116**

Note 12
Employee benefits liabilities

(Thousands of United States dollars)

Employee benefits liabilities	*31 December 2015*	*31 December 2014*
After-service health insurance	33 748	41 153
Annual leave	–	3 835
Repatriation grants	–	6 066
Subtotal: defined-benefit liabilities	**33 748**	**51 054**
Accrued salaries and allowances	3 972	4 227
Total	**37 720**	**55 281**
Current	4 827	14 891
Non-current	32 893	40 390
Total	**37 720**	**55 281**

105. The liabilities arising from post-employment benefits are determined by independent actuaries and are established in accordance with the Staff Rules and Staff Regulations of the United Nations. The most recent actuarial valuation was conducted as at 31 December 2015.

106. The liquidation processes that began following the closing of the Tribunal on 31 December 2015 are expected to be completed during the first half of 2016.

Considering the circumstances, repatriation and annual leave benefits are expected to be paid to the remaining personnel separating from the entity within 12 months after the reporting date and they are to be valued at nominal amount and presented as current liabilities. The continued presentation of after-service health insurance benefits for former staff as current and non-current reflect the decision to apply amalgamation accounting principles to merge the balances of the Tribunal with those of the Residual Mechanism as at 1 January 2017.

Actuarial valuation: assumptions

107. The Tribunal reviews and selects assumptions and methods used by the actuaries in the year-end valuation to determine the expense and contribution requirements for the employee benefits. The principal actuarial assumptions used to determine the employee benefit obligations in the 31 December 2015 full valuation are:

Assumptions	*After-service health insurance (per cent)*
Discount rates: 31 December 2014	4.01
Discount rates: 31 December 2015	4.17
Inflation: 31 December 2014	4.50-6.80
Inflation: 31 December 2015	4.00-6.40

108. Discount rates are based on a weighted blend of three discount rate assumptions based on the currency denomination of the different cash flows: United States dollars (Citigroup pension discount curve); euros (euro area government yield curve); and Swiss francs (the Federation bonds yield curve). Consistent with the decrease, observed since 31 December 2014, of interest rates of all maturities in the three areas, lower discount rates were applied in the 2015 valuation.

109. The per capita claim costs for the after-service health insurance plans are updated to reflect recent claims and enrolment experience. The health-care cost trend rate assumption reflects the current short-term expectations of the after-service health insurance plan cost increases and economic environment. The medical cost trend assumptions that were used for the valuation as at 31 December 2014, which included escalation rates for future years, were maintained since no significant evolution regarding those assumptions has been observed. At 31 December 2015 these escalation rates were a flat health-care yearly escalation rate of 4.0 per cent (2014: 5.0 per cent) for non-United States medical plans, a health-care escalation rate of 6.4 per cent (2014: 6.8 per cent) for all other medical plans, except 5.9 per cent (2014: 6.1 per cent) for the United States Medicare plan, and 4.9 per cent (2014: 5.0 per cent) for the United States dental plan, grading down to 4.5 per cent over eight years.

110. Assumptions regarding future mortality are based on published statistics and mortality tables. Salary increases, retirement, withdrawal and mortality assumptions are consistent with those used by the United Nations Joint Staff Pension Fund in making its actuarial valuation.

Movement in employee benefits liabilities accounted for as defined-benefits plans

(Thousands of United States dollars)

	2015	*2014*
Net defined-benefit liability at 1 January	51 054	55 282
Current service cost	–	1 909
Interest cost	1 633	2 554
Past service costs/curtailments/settlements	(16 742)	(4 463)
Total costs recognized in the statement of financial performance	**(15 109)**	–
Actuarial (gains) recognized directly in the statement of changes in net assets	(2 197)	(4 228)
Net recognized liability at 31 December	**33 748**	**51 054**

111. Since the Tribunal is expected to complete the liquidation activities in 2016, repatriation and annual leave benefits expected for the remaining staff members are calculated at nominal amount, which, in effect, decreases the net defined liabilities.

Discount rate sensitivity analysis

112. The changes in discount rates are driven by the discount curve, which is calculated based on corporate and Government bonds. The bond markets vary over the reporting year and the volatility impacts the discount rate assumption. Should the discount rate assumption vary by 1 per cent, its impact on the obligations would be as follows:

(Thousands of United States dollars)

Discount rate sensitivity to end-of-year employee benefit liabilities	*After-service health insurance*
2015	
Increase of discount rate by 1 per cent	(4 821)
Decrease of discount rate by 1 per cent	6 046
2014	
Increase of discount rate by 1 per cent	(7 093)
Decrease of discount rate by 1 per cent	8 033

Medical costs sensitivity analysis

113. The principal assumption in the valuation of the after-service health insurance is the rate at which medical costs are expected to increase in the future. The sensitivity analysis looks at the change in liability due to changes in the medical cost rates while holding other assumptions constant, such as the discount rate. Should the medical cost trend assumption vary by 1 per cent, it would impact the measurement of the defined-benefit obligations as follows:

(Thousands of United States dollars)

1 per cent movement in the assumed medical costs trend rates	*Increase*	*Decrease*
2015		
Effect on the defined-benefit obligation	6 197	(4 987)
Effect on the aggregate of the current service cost and interest cost	258	(208)
2014		
Effect on the defined-benefit obligation	8 072	(7 187)
Effect on the aggregate of the current service cost and interest cost	323	(288)

Accrued salaries and allowances

114. Accrued salaries and allowances at the year-end include unpaid separation entitlements for staff separated during 2015 ($2.3 million (2014: $3.1 million)) and accruals for separation entitlements for the remaining active staff as at 31 December 2015 ($0.9 million). The Tribunal recognized no termination benefits in the year (2014: none).

United Nations Joint Staff Pension Fund

115. The Regulations of the Pension Fund state that the United Nations Joint Staff Pension Board shall have an actuarial valuation made of the Fund at least once every three years by the consulting actuary. The practice of the Pension Board has been to carry out an actuarial valuation every two years using the open group aggregate method. The primary purpose of the actuarial valuation is to determine whether the current and estimated future assets of the Pension Fund will be sufficient to meet its liabilities.

116. The Tribunal's financial obligation to the Pension Fund consists of its mandated contribution, at the rate established by the General Assembly (currently at 7.90 per cent for participants and 15.80 per cent for member organizations) together with any share of any actuarial deficiency payments under article 26 of the Regulations of the Pension Fund. Such deficiency payments are payable only if and when the General Assembly has invoked the provision of article 26, following a determination that there is a requirement for deficiency payments based on an assessment of the actuarial sufficiency of the Pension Fund as of the valuation date. Each member organization shall contribute to this deficiency an amount proportionate to the total contributions which each paid during the three years preceding the valuation date.

117. The actuarial valuation performed as at 31 December 2015 revealed an actuarial surplus of 0.16 per cent (deficit of 0.72 percent in the 2013 valuation) of pensionable remuneration, implying that the theoretical contribution rate required to achieve balance in the Pension Fund as at 31 December 2015 was 23.54 per cent of pensionable remuneration, compared to the actual contribution rate of 23.70 per cent. The next actuarial valuation will be conducted as at 31 December 2017.

118. At 31 December 2015, the funded ratio of actuarial assets to actuarial liabilities, assuming no future pension adjustments, was 141.10 per cent (127.50 per cent in the 2013 valuation). The funded ratio was 100.90 per cent (91.20 per cent in the 2013 valuation) when the current system of pension adjustments was taken into account.

119. After assessing the actuarial sufficiency of the Pension Fund, the consulting actuary concluded that there was no requirement, as at 31 December 2015, for deficiency payments under article 26 of the Regulations of the Fund as the actuarial value of assets exceeded the actuarial value of all accrued liabilities under the Fund. In addition, the market value of assets also exceeded the actuarial value of all accrued liabilities as of the valuation date. At the time of the present report, the General Assembly has not invoked the provision of article 26.

120. The United Nations Board of Auditors carries out an annual audit of the Pension Fund and reports to the Pension Board on the audit every year. The Pension Fund publishes quarterly reports on its investments, which can be viewed by visiting the Pension Fund website (www.unjspf.org).

121. During 2015, the Tribunal's contribution to the Pension Fund was lower, at $3.17 million, compared to its contribution of $6.55 million in 2014. This was due to the winding down of the activities of the Tribunal during the year involving the separation of many staff members from service.

Impact of General Assembly resolutions on staff benefits

122. On 23 December 2015, the General Assembly adopted resolution 70/244, by which it approved certain changes to conditions of service and entitlements for all staff serving in the organizations of the United Nations common system, as recommended by the International Civil Service Commission. Some of the major changes are as follows:

Change	*Details*
Increase in mandatory age of separation	The mandatory age of retirement for staff who joined the United Nations on or after 1 January 2014 is 65 and for those who joined before 1 January 2014, it is 60 or 62. The General Assembly decided to extend the mandatory age of retirement for staff of the United Nations common system to 65 years, at the latest by 1 January 2018, taking into account the acquired rights of staff. Once implemented, this change is expected to impact future calculations of employee benefits liabilities
Unified salary scale	The current scales for internationally-recruited staff (Professional and higher categories and Field Service) are based on single or dependent rates. These rates affect the staff assessment and post adjustment amounts. The General Assembly has approved a unified salary scale that will result in the elimination of single and dependent rates. The dependent rate will be replaced by allowances for staff

Change	*Details*
	members who have recognized dependents in accordance with the United Nations Staff Rules. The revised staff assessment scale and pensionable remuneration scale will be implemented along with the unified salary structure. The implementation of the unified salary scale, which is planned for 1 January 2017, is not designed to result in reduced income for staff members
Repatriation benefit	Staff members are eligible to a repatriation grant upon separation provided they have been in service for at least one year in a duty station outside their country of nationality. The General Assembly has since revised eligibility for repatriation grants from one year to five years for prospective employees while current employees retain a one-year eligibility. Once implemented, this change is expected to impact future calculations of employee benefits liabilities

123. As the Tribunal is in its last stage of liquidation, and is being absorbed by the Residual Mechanism, the above changes will not impact the Tribunal.

Note 13
Judges' honorariums and allowances liabilities

(Thousands of United States dollars)

Judges' honorariums and allowances liabilities	*31 December 2015*	*31 December 2014*
Judges' pension (defined-benefit valuation)	21 071	22 127
Judges' relocation allowances	249	465
Ad litem judges' ex gratia payments	–	136
Total	**21 320**	**22 728**
Current	1 259	1 379
Non-current	20 061	21 349
Total	**21 320**	**22 728**

124. The key assumption for the valuation of judges' pension benefits liabilities is the discount rate of 3.71 per cent (31 December 2014: 3.57 per cent). The inflation assumption for relocation allowances is 2.50 per cent (31 December 2014: 2.50 per cent). The continued presentation of liabilities for pensions of retired judges as current and non-current reflect the decision to apply amalgamation accounting principles to merge the balances of the Tribunal with those of the Residual Mechanism as at 1 January 2017.

Movement in judges' benefits liabilities accounted for as defined-benefit plans

(Thousands of United States dollars)

	2015	*2014*
Net defined-benefit liability at 1 January	**22 127**	**21 579**
Current service cost	362	369
Interest cost	789	–
Past service costs/curtailments/settlements	(802)	(522)
Total costs recognized in the statement of financial performance	**349**	**(153)**
Actuarial (gains)/losses recognized directly in the statement of changes in net assets	(1 405)	701
Net recognized liability at 31 December	**21 071**	**22 127**

Note 14
Provisions

(Thousands of United States dollars)

Movement in provisions	*2015*	*2014*
Opening balance as at 1 January	64	–
Additional provisions made	2 086	64
Reversal	(14)	–
Closing balance as at 31 December	**2 136**	**64**

125. Included in the provision is $2.086 million for liquidation activities in 2016 pursuant to General Assembly resolution 70/241.

Note 15
Advance receipts

126. Advance receipts represent contributions or payments received in advance which amount to $0.006 million (2014: $0.181 million).

Note 16
Net assets

127. Net assets are comprised of the accumulated surpluses/deficits which represent the residual interest in the assets of the Tribunal after deducting all its liabilities.

Note 17
Revenue

Assessed contributions

128. Assessed contributions of $59.27 million (2014: $46.8 million) have been recorded for the Tribunal in accordance with the Financial Regulations and Rules, the relevant General Assembly resolutions and the policies of the United Nations.

Other exchange revenue

129. These comprise revenue for sale of equipment, refunds from prior-period expenditures and gains from foreign exchange.

(Thousands of United States dollars)

Other exchange revenue	*31 December 2015*	*31 December 2014*
Revenue for services rendered	–	100
Revenue for sale of equipment	130	–
Refunds from prior-year expenditures	54	63
Donated right to use revenue	–	92
Foreign exchange gains	26	–
Total	**210**	**255**

Note 18
Expenses

Employee salaries, allowances and benefits

130. Employee salaries include international, national and general temporary staff salaries, post adjustments and staff assessments. Allowances and benefits comprise other staff entitlements, including pension and insurance, staff assignment, repatriation, hardship and other allowances.

(Thousands of United States dollars)

	31 December 2015	*31 December 2014*
Salary, other staff costs	18 709	51 663
Total	**18 709**	**51 663**

Judges' honorariums and allowances

131. Honorariums and allowances include pensions, ad litem judges' ex gratia payments and relocation and other allowances.

(Thousands of United States dollars)

	31 December 2015	*31 December 2014*
Judges' honorariums and other allowances	1 739	1 878
Judges' pension cost	1 174	821
Total	**2 913**	**2 699**

Contractual services

(Thousands of United States dollars)

	31 December 2015	*31 December 2014*
Defence Council	764	192
Consultants	312	75
Other	1 005	1 233
Total	**2 081**	**1 500**

132. Other contractual services for 2015 include facilities services ($0.875 million), training ($0.065 million), freight and transport ($0.063 million) and audit and legal services ($0.002 million).

Travel

133. Travel expenses include all staff and non-staff travel which is not considered to be an employee allowance/benefit.

(Thousands of United States dollars)

	31 December 2015	*31 December 2014*
Staff	617	506
Non-staff	248	406
Total	**865**	**912**

Other operating expenses

(Thousands of United States dollars)

	31 December 2015	*31 December 2014*
Rent	757	860
Utilities	201	254
Communications	279	200
Supplies and equipment	480	311
Other operating expenses	1 614	900
Total	**3 331**	**2 525**

134. In 2015, the Tribunal recorded $1.614 million (2014: $0.900 million) as other operating expenses, which consist of transfers or grants to other entities ($0.511 million), expenses for joint activities ($0.406 million), acquisition of goods and equipment below capitalization thresholds ($0.356 million), maintenance ($0.211 million), allowance for bad debt and write-off expenses ($0.103 million), and insurance, bank charges and subscriptions totalling $0.027 million.

Other expenses

(Thousands of United States dollars)

	31 December 2015	*31 December 2014*
Foreign exchange losses	–	48
Loss on disposal/adjustment of equipment	270	30
Other	48	–
Total	**318**	**78**

135. Other expenses totalling $0.048 million (2014: None) recorded during the year mostly relate to staff claims and expenses for hospitality and official functions.

Note 19
Financial instruments and financial risk management

Main pool

136. In addition to directly held cash and cash equivalents, the Tribunal participates in the United Nations main pool. The main pool comprises operational bank account balances in a number of currencies and investments in United States dollars.

137. Pooling the funds has a positive effect on overall investment performance and risk, because of economies of scale, and because yield curve exposures can be spread across a range of maturities. The allocation of main pool assets (cash and cash equivalents, short-term and long-term investments) and income is based on each participating entity’s principal balance.

138. As at 31 December 2015, the Tribunal participated in the main pool that held total assets of $7,783.9 million (2014: $9,462.8 million); of which $39.4 million (2014: $38.6 million) was due to the Tribunal, and its share of net income from the main pool was $0.2 million (2014: $0.3 million).

Summary of assets and liabilities of the main pool as at 31 December 2015

(Thousands of United States dollars)

	31 December 2015	*31 December 2014*
Fair value through the surplus or deficit		
Short-term investments	3 888 712	3 930 497
Long-term investments	2 617 626	3 482 641
Total fair value through the surplus or deficit investments	**6 506 338**	**7 413 138**

	31 December 2015	31 December 2014
Loans and receivables		
Cash and cash equivalents — main pool	1 265 068	2 034 824
Accrued investment income	12 462	14 842
Total loans and receivables	**1 277 530**	**2 049 666**
Total carrying amount of financial assets	**7 783 868**	**9 462 804**
Cash pool liabilities		
Payable to the Tribunal	39 357	38 604
Payable to other main pool participants	7 744 511	9 424 200
Total liabilities	**7 783 868**	**9 462 804**
Main pool net assets	–	–

Summary of net income and expenses of the main pool for the year ended 31 December 2015

(Thousands of United States dollars)

	31 December 2015	31 December 2014
Investment revenue	51 944	62 511
Financial exchange (losses)	(11 720)	(7 064)
Unrealized (losses)	(10 824)	(3 084)
Bank fees	(525)	(214)
Net income from main pool	**28 875**	**52 149**

Financial risk management: overview

139. The Tribunal is exposed to the following financial risks:

- Credit risk
- Liquidity risk
- Market risk

140. This note presents information on the Tribunal’s exposure to these risks, the objectives, policies and processes for measuring and managing risk, and the management of capital.

Financial risk management: framework

141. The Tribunal’s risk management practices are in accordance with its Financial Regulations and Rules and Investment Management Guidelines. The Tribunal defines the capital that it manages as the aggregate of its net assets, which is composed of accumulated fund balances. Its objectives are to safeguard its ability to continue as a going concern, to fund its operations and to fulfil its mandated objectives. The Tribunal manages its capital in the light of global economic

conditions, the risk characteristics of the underlying assets and its current and future working capital requirements.

142. The United Nations Treasury is responsible for investment and risk management for the main pool, including conducting investment activities in accordance with the Guidelines.

143. The objective of investment management is to preserve capital and ensure sufficient liquidity to meet operating cash needs while attaining a competitive market rate of return on each investment pool. Investment quality, safety and liquidity are emphasized over the market rate-of-return component of the objectives.

144. An investment committee periodically evaluates investment performance and assesses compliance with the Guidelines and makes recommendations for updates thereto. Other than those risks disclosed, the Tribunal has not identified any further risk concentrations arising from financial instruments.

Credit risk

145. Credit risk is the risk of financial loss if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents, investments and deposits with financial institutions, as well as credit exposures to outstanding receivables. The carrying value of financial assets less impairment is the maximum exposure to credit risk.

Credit risk management

146. The Guidelines require ongoing monitoring of issuer and counterparty credit ratings. Permissible investments may include, but are not restricted to, bank deposits, commercial paper, supranational securities, government agency securities and government securities with maturities of five years or less. The main pool does not invest in derivative instruments such as asset-backed, mortgage-backed securities or in equity products.

Credit risk: receivables

147. A large portion of receivables is due from entities that do not have significant credit risk. As at the reporting date, the Tribunal does not hold any collateral as security for receivables.

148. The Tribunal evaluates the allowance of doubtful receivables at each reporting date. An allowance is established when there is objective evidence that the Tribunal will not collect the full amount due. Balances credited to the allowance for doubtful receivables account are utilized when management approve write-offs under the Financial Regulations and Rules or are reversed when previously impaired receivables are received. The movement in the allowances account during the year was:

Assessed contributions

(Thousands of United States dollars)

Movement in the allowance for doubtful receivables	*2015*	*2014*
As at 1 January	35	125
Additional allowance for doubtful receivables	74	–
Unused amounts reversed	–	(90)
As at 31 December	**109**	**35**

Other receivables

(Thousands of United States dollars)

Movement in the allowance for doubtful receivables	*2015*	*2014*
As at 1 January	109	210
Additional allowance for doubtful receivables	56	48
Receivables written off during the period as uncollectable	(39)	(149)
As at 31 December	**126**	**109**

Credit risk: assessed contributions

149. The ageing of assessed contributions receivable and associated allowance is:

(Thousands of United States dollars)

Ageing of assessed contributions receivable: 2015	*Gross receivable*	*Allowance*
Neither past due nor impaired	11 185	–
Less than one year	12 263	–
One to two years	1 364	–
Over two years	4 220	109
Total	**29 032**	**109**

(Thousands of United States dollars)

Ageing of assessed contributions receivable: 2014	*Gross receivable*	*Allowance*
Neither past due nor impaired	–	–
Less than one year	7 024	–
One to two years	887	–
Over two years	3 383	35
Total	**11 294**	**35**

Credit risk: other receivables

150. The ageing of other receivables and associated allowance is:

(Thousands of United States dollars)

Ageing of other receivables: 2015	*Gross receivable*	*Allowance*
Neither past due nor impaired	–	–
Less than one year	1 146	–
One to two years	883	55
Over two years	116	71
Total	**2 145**	**126**

(Thousands of United States dollars)

Ageing of other receivables: 2014	*Gross receivable*	*Allowance*
Neither past due nor impaired	–	–
Less than one year	1 121	–
One to two years	115	25
Over two years	107	84
Total (restated)[a]	**1 343**	**109**

[a] Restated — see note 4.

Credit risk: cash and cash equivalents

151. At year-end the Tribunal held cash and cash equivalents of $7.3 million (2014: $9.5 million), which is the maximum credit exposure on these assets.

Credit risk: main pool

152. The Guidelines require that investments are not to be made in issuers whose credit ratings are below specifications, and also provide for maximum concentrations with given issuers. These requirements were met at the time the investments were made.

153. The credit ratings used are those determined by major credit-rating agencies; Standard & Poor's (S&P), Moody's and Fitch are used to rate bonds and discounted instruments, and the Fitch viability rating is used to rate bank term deposits. At year-end, the credit ratings were as shown below:

Investments of the main pool by credit ratings

Main pool	*Ratings as at 31 December 2015 (Percentage)*			*Ratings as at 31 December 2014 (Percentage)*			
Bonds (long-term ratings)							
	AAA	**AA+/AA/AA-**	**NR**	**AAA**	**AA+/AA/AA-**	**A+**	**NR**
S&P	37.7	54.2	8.1	31.2	59.8	1.3	7.7
Fitch	61.9	26.5	11.6	52.2	21.4	–	26.4
	Aaa	**Aa1/Aa2/Aa3**		**Aaa**	**Aa1/Aa2/Aa3**		
Moody's	65.8	34.2	–	69.3	30.7	–	–
Commercial papers (short-term ratings)							
	A-1+			**A-1+**			**NR**
S&P	100.0			100.0			–
	F1+			**F1+**			
Fitch	100.0			90.0			10.0
	P-1			**P-1**			
Moody's	100.0			70.0			30.0
Reverse repurchase agreement (short-term ratings)							
	A-1+			No reverse repurchase agreements were held as at 31 December 2014			
S&P	100.0						
	F1+						
Fitch	100.0						
	P-1						
Moody's	100.0						
Term deposits (Fitch viability ratings)							
	aaa	**aa/aa-**	**a+/a**	**aaa**	**aa/aa-**	**a+/a**	
Fitch	–	53.6	46.4	–	64.1	35.9	

154. The United Nations Treasury actively monitors credit ratings and given that the Tribunal has invested only in securities with high credit ratings, management does not expect any counterparty to fail to meet its obligations, except for any impaired investments.

Liquidity risk

155. Liquidity risk is the risk that the Tribunal might not have adequate funds to meet its obligations as they fall due. The Tribunal's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Tribunal's reputation.

156. The Financial Regulations and Rules require that expenses be incurred after receipt of funds from donors, thereby considerably reducing the liquidity risk with

regard to contributions, which are a largely stable annual cash flow. Exceptions to incurring expenses prior to the receipt of funds are permitted only if specified risk management criteria are adhered to with regard to the amounts receivable.

157. The Tribunal and the United Nations Treasury perform cash flow forecasting and monitor rolling forecasts of liquidity requirements to ensure they have sufficient cash to meet operational needs. Investments are made with due consideration to the cash requirements for operating purposes based on cash flow forecasting. The Tribunal maintains a large portion of its investments in cash equivalents and short-term investments sufficient to cover its commitments as and when they fall due.

Liquidity risk: main pool

158. The main pool is exposed to liquidity risk associated with the requirement of participants to make withdrawals on short notice. It maintains sufficient cash and marketable securities to meet participants' commitments as and when they fall due. The major portion of cash and cash equivalents and investments are available within one day's notice to support operational requirements. The main pool liquidity risk is therefore considered to be low.

Liquidity risk: financial liabilities

159. The exposure to liquidity risk is based on the notion that the entity may encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely owing to receivables, cash and investments available to the entity and internal policies and procedures put in place to ensure that there were appropriate resources to meet its financial obligations. At the reporting date, the Tribunal has not pledged any collateral for any liabilities or contingent liabilities and in the year no accounts payable or other liabilities were forgiven by third parties. Maturities for financial liabilities based on the earliest date at which the Tribunal can be required to settle each financial liability are:

Maturities for financial liabilities as at 31 December 2015

(Undiscounted thousands of United States dollars)

	Within 3 months	*3 to 12 months*	*>1 year*	*Total*
Accounts payable and accrued liabilities	3 243	–	–	3 243
Total	**3 243**	**–**	**–**	**3 243**

Maturities for financial liabilities as at 31 December 2014

(Undiscounted thousands of United States dollars)

	Within 3 months	*3 to 12 months*	*>1 year*	*Total*
Accounts payable and accrued liabilities	1 116	–	–	1 116
Total	**1 116**	**–**	**–**	**1 116**

Market risk

160. Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and prices of investment securities will affect the Tribunal's income or the value of its financial assets and liabilities. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the Tribunal's fiscal position.

Market risk: currency risk

161. Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate owing to changes in foreign exchange rates. The Tribunal has transactions, assets and liabilities in currencies other than in its functional currency and is exposed to limited currency risk arising from fluctuations in exchange rates. Management policies and the Guidelines require the Tribunal to manage its currency risk exposure. Given the fact that the main pool is predominantly denominated in United States dollars, and in light of the Tribunal's share in the pool, the Tribunal has limited currency risk relating to main pool assets. Therefore, in conjunction with the low risk for other financial instruments, the Tribunal considers currency risk to be low.

Market risk: interest rate risk

162. Interest rate risk is the risk of variability in financial instruments' fair values or future cash flows because of changes in interest rates. In general, as interest rates rise, the price of fixed-rate securities falls, and vice versa. Interest-rate risk is commonly measured by the fixed-rate security's duration, with duration being a number expressed in years. The longer the duration, the greater the interest-rate risk.

163. The main pool comprises the Tribunal's main exposure to interest rate risk with fixed-rate cash and cash equivalents and investments being interest-bearing financial instruments. As at the reporting date, the main pool had invested primarily in securities with shorter terms to maturity, with the maximum being less than five years (2014: five years). The average duration of the main pool was 0.86 years (2014: 1.10 years), which is considered to be an indicator of low risk.

Market risk: Main pool interest rate risk sensitivity analysis

164. This analysis shows how the fair value of the main pool as at the reporting date would increase or decrease should the overall yield curve shift in response to changes in interest rates. Given that the investments are accounted for at fair value through surplus or deficit, the change in fair value represents the increase or decrease in the surplus or deficit and net assets. The impact of a shift up or down of up to 200 basis points in the yield curve is shown (100 basis points equals 1 per cent). These basis point shifts are illustrative.

Main pool interest rate risk sensitivity analysis as at 31 December 2015

Shift in yield curve: basis points	-200	-150	-100	-50	0	+50	+100	+150	+200
Increase/(decrease) in fair value (in millions of United States dollars)									
Main pool total	**128.99**	**96.74**	**64.48**	**32.24**	**–**	**(32.23)**	**(64.46)**	**(96.69)**	**(128.91)**

Main pool interest rate risk sensitivity analysis as at 31 December 2014

Shift in yield curve: basis points	-200	-150	-100	-50	0	+50	+100	+150	+200
Increase/(decrease) in fair value (in millions of United States dollars)									
Main pool total	**205.45**	**154.08**	**102.71**	**51.35**	**–**	**(51.34)**	**(102.67)**	**(154.00)**	**(205.31)**

Market risk: other

165. The main pool is not exposed to other significant price risks because it does not sell short, borrow securities or purchase securities on margin, which limits the potential loss of capital. The Tribunal is not exposed to other significant price risks as it has limited exposure to price-related risks related to expected purchases of certain commodities regularly used in operations. A change in those prices may alter cash flows by an immaterial amount.

Accounting classifications and fair value hierarchy

166. All investments are reported at fair value through surplus and deficit. Cash and cash equivalents carried at nominal value are deemed to be an approximation of fair value.

167. The levels are defined as:

- 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 (that is, as prices) or indirectly (i.e., derived from prices)
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

168. The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date and is determined by the independent custodian based on valuation of securities sourced from third parties. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held in the main pool is the current bid price.

169. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques that maximize the use of observable market data. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in level 2.

170. The following fair value hierarchy presents the main pool assets that are measured at fair value at the reporting date. There were no level 3 financial assets nor any liabilities carried at fair value or any significant transfers of financial assets between fair value hierarchy classifications.

Fair value hierarchy for investments as at 31 December: main pool

(Thousands of United States dollars)

	31 December 2015			*31 December 2014*		
	Level 1	*Level 2*	*Total*	*Level 1*	*Level 2*	*Total*
Financial assets at fair value through surplus or deficit						
Bonds — corporate	149 682	–	149 682	–	–	–
Bonds — non-United States agencies	2 190 965	–	2 190 965	2 154 956	–	2 154 956
Bonds — non-United States sovereign States	124 612	–	124 612	691 489	–	691 489
Bonds — supranational	139 828	–	139 828	440 169	–	440 169
Bonds — United States Treasury	1 092 139	–	1 092 139	1 297 290	–	1 297 290
Main pool — commercial papers	949 112	–	949 112	999 234	–	999 234
Main pool — term deposits	–	1 860 000	1 860 000	–	1 830 000	1 830 000
Main pool total	**4 646 338**	**1 860 000**	**6 506 338**	**5 583 138**	**1 830 000**	**7 413 138**

Note 20
Related parties

Key management personnel

171. Key management personnel are those with the ability to exercise significant influence over financial and operating decisions. For the Tribunal, key management personnel comprise four people: the President and the Prosecutor, at the Under-Secretary-General level; the Registrar, at the Assistant Secretary-General level (who together constitute the Coordination Council of the Tribunal); and the Tribunal Registry's Chief of Administration. They all have the relevant authority and responsibility for planning, directing and controlling the Tribunal's activities.

172. The aggregate remuneration paid by the Tribunal includes net salaries, post adjustment, entitlements such as allowances, ex gratia payments, grants and subsidies and employer pension and health insurance contributions.

(Thousands of United States dollars)

Key management personnel	*31 December 2015*	*31 December 2014*
Number of positions (full-time equivalents)	**4**	**4**
Aggregate remuneration	1 147	1 064
Non-monetary benefits	–	–
Total remuneration for the year	**1 147**	**1 064**

173. No close family members of key management personnel were employed by the Tribunal at the management level. Advances made to key management personnel are those made against entitlements in accordance with staff rules and regulations: such advances against entitlements are widely available to all staff of the Tribunal.

Related entity transactions

174. In the ordinary course of business, in order to achieve economies in executing transactions, financial transactions are often executed by one financial reporting entity on behalf of another and then subsequently settled.

Trust fund activities

175. The following fund, which supports the activities of the Tribunal, is structured as a trust fund and accordingly appears in volume I of the United Nations financial statements. The reserves and fund balances of the trust fund as at 31 December 2015 are:

(Thousands of United States dollars)

Activities related to the Tribunal funded by Trust Funds	*Reserves and fund balance as at 31 December 2015*	*Reserves and fund balance as at 31 December 2014*
Trust Fund for the International Criminal Tribunal for Rwanda	113	211

Balances reflected in the Tax Equalization Fund

176. These financial statements report employee benefits expenses on a net of tax basis. The tax liabilities relating to operations are reported separately as part of the Tax Equalization Fund in volume I of the financial statements of the United Nations, which also has a financial reporting date of 31 December.

177. The Tax Equalization Fund was established under the provisions of General Assembly resolution 973 (X) of 15 December 1955 to equalize the net pay of all staff members whatever their national tax obligations. The Fund operationally reports as income staff assessment with respect to staff members financed under the regular budget of the International Criminal Tribunal for Rwanda, the International Tribunal for the Former Yugoslavia, the International Residual Mechanism for Criminal Tribunals and assessed peacekeeping operations.

178. The Fund includes as expenditure the credits against the regular budget, the Tribunals and peacekeeping assessments of Member States that do not levy taxes on the United Nations income of their nationals. Member States that do levy income taxes on their nationals working for the United Nations do not receive this credit in full. Instead, their share is utilized in the first instance to reimburse staff members for taxes paid on their United Nations income. Such reimbursements for taxes paid are partially reported as expenditure by the Tax Equalization Fund. Staff members financed by extrabudgetary funds who are required to pay income tax are reimbursed directly from the resources of those funds.

179. As at 31 December 2015, as reflected in the latest unaudited financial statements for the United Nations, volume I, the cumulative surplus of the Tax Equalization Fund payable to the United States of America was $30.4 million and to other Member States the amount was $37.2 million (2014: $27.6 million and $36.8 million, respectively). In addition, the Tax Equalization Fund had an estimated tax liability of $28.2 million (2014: $23.3 million) relating to the 2015 and prior tax years.

Note 21
Leases and commitments

Operating leases

180. The Tribunal enters into operating leases for the use of premises and equipment. The total operating lease payments recognized under expenditures for 2015 were $0.851 million (2014: $0.945 million). The total for 2014 included $0.09 million towards donated right-to-use arrangements up until July 2014 when all the arrangements were officially transferred to the Residual Mechanism. As the Tribunal is expected to cease all operations in 2016, management has made arrangements to terminate lease arrangements at a time appropriate to the scheduled closure of the Tribunal. The total operating lease commitment until closure of the Tribunal in 2016 is $0.038 million.

Open contractual commitments

181. At the reporting date, the commitments for property, plant and equipment and goods and services contracted but not delivered were:

(Thousands of United States dollars)

	31 December 2015	*31 December 2014*
Goods and services	396	1 119
Total	**396**	**1 119**

Note 22
Contingent liabilities and contingent assets

182. In the normal course of operations, the Tribunal is subject to claims that can be categorized as: corporate and commercial; administrative law; and other, such as

guarantees. As at the reporting date, the Tribunal had neither contingent liabilities nor contingent assets.

Note 23
Future operations

183. The Security Council decided, by its resolution 1966 (2010), to establish the International Residual Mechanism for Criminal Tribunals, with two branches in order to carry out a number of essential functions, such as the trial of fugitives, after the closure of the International Criminal Tribunal for Rwanda and the International Tribunal for the Former Yugoslavia. The Arusha branch of the Residual Mechanism commenced operations on 1 July 2012 for an initial period of four years. During the initial period of the work of the Mechanism, there will be a temporary overlap with the Tribunals as these institutions complete outstanding work on pending trial or appeal proceedings as of the commencement dates of the respective branches of the Mechanism. The Mechanism coexisted with both Tribunals during 2015 and shared resources and provided mutual support and coordination.

184. On 18 December 2014, the Security Council requested, in its resolutions 2194 (2014) and 2193 (2014), that both Tribunals take all possible measures to expeditiously complete their remaining work, prepare their closures and ensure a smooth transition to the Residual Mechanism.

185. The President of the International Criminal Tribunal for Rwanda submitted a letter to the Security Council on 17 November 2015 (S/2015/884) transmitting the final assessments of the President's and Prosecutor's implementation of the Tribunal's completion strategy. The President reported that, as at 15 November 2015, the Tribunal had completed its work at the trial level and concluded appellate proceedings, except for the Butare case, which was scheduled to be delivered on 14 December 2015. The delivery of the Butare judgement on 14 December 2015 marked the completion of the Tribunal's mandate.

186. The Tribunal was formally closed on 31 December 2015, with remaining liquidation activities to be completed during the first half of 2016. Any residual matters beyond the end of 2015, excluding those related to the liquidation of the Tribunal, will be handled by the Residual Mechanism since the Tribunal is to be fully merged with the Residual Mechanism by 2017.

Note 24
Events after the reporting date

187. As the Tribunal was formally closed, the workload during the liquidation phase includes the disposal of assets, the repatriation of staff members and their families, the processing of their final entitlements, the settlement of liabilities and the recovery of receivables and other administrative, financial and budgetary matters. This liquidation process is expected to be completed during the first half of 2016. Meanwhile, the Tribunal will continue to transfer assets to the Residual Mechanism at their carrying value as part of progressive amalgamation that is expected to be concluded by the end of 2016.

188. Since the reporting date, non-expendable and expendable items with a total net book value of approximately \$0.38 million has been sold (\$0.09 million), donated

($0.01 million) and/or transferred ($0.28 million) to the Residual Mechanism and approximately $1.1 million of annual leave and repatriation liabilities has been paid. In accordance with the disposal plan, the Tribunal will continue to dispose the remaining non-expendable and expendable items using methods such as transfer to the Residual Mechanism, sales, donations and destruction where appropriate.

189. Both administrative and technical liquidation of the Tribunal is governed by appropriate rules and regulations of the United Nations. It is also anticipated that some of the administrative liquidation activities such as settlement of remaining debts, the recovery of receivables and the repatriation of current active personnel will be undertaken by the Residual Mechanism.

Annex

Biennium budget and actual amounts for the year ended 31 December 2015

(Thousands of United States dollars)

	Publicly available budget[a]			
	Original biennium	*Final biennium*	*Actual biennium expenditure (budget basis)*	*Difference*[b] *(per cent)*
A. Chambers	6 098	6 599	6 526	(1.1)
B. Office of the Prosecutor	10 342	13 910	13 812	(0.7)
C. Registry	68 437	76 809	76 975	0.2
D. Records management and archives	8 719	8 750	8 030	(8.2)
Total	**93 596**	**106 068**	**105 343**	**(0.7)**

[a] The original budget for the biennium 2014-2015 is the appropriation approved by the General Assembly for the biennium in its resolution 68/255. The final budget reflects the original budget plus any adjustments reflected in the revised and final appropriations approved by the Assembly in its resolutions 69/254 and 70/241.

[b] Actual expenditure (budget basis) less final budget.

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