

WIPO General Assembly

**Forty-Third (21st Ordinary) Session
Geneva, September 23 to October 2, 2013**

ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS 2012

prepared by the Secretariat

1. The present document contains the Annual Financial Report and Financial Statements 2012 (document WO/PBC/21/4), which is being submitted to the WIPO Program and Budget Committee (PBC) at its twenty-first session (September 9 to 13, 2013).
2. The recommendation of the PBC in respect of this document will be included in the "Summary of Decisions and Recommendations Made by the Program and Budget Committee at its Twenty-First Session (September 9 to 13, 2013)" (document A/51/14).

3. The WIPO General Assembly is invited to approve the Annual Financial Report and Financial Statements 2012, taking into consideration any recommendation of the Program and Budget Committee made in this respect as recorded in document A/51/14.

[Document WO/PBC/21/4 follows]

Program and Budget Committee

Twenty-First Session Geneva, September 9 to 13, 2013

ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS 2012

prepared by the Secretariat

1. The Financial Statements of the World Intellectual Property Organization (WIPO) for the year ended December 31, 2012 are transmitted to the Program and Budget Committee (PBC) in accordance with Regulation 8.11 of the Financial Regulations and Rules which requires that the PBC examines the financial statements and the audit reports thereon and forwards them to the General Assembly with comments and recommendations, as appropriate.
2. The 2012 Financial Statements have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS). At the forty-third session of the Assemblies from September 24 to October 3, 2007, the Member States agreed in principle to the adoption by WIPO of IPSAS by 2010 (A/43/5). The 2012 Financial Statements constitute the third set of financial statements to have been prepared in accordance with IPSAS.
3. The report of the External Auditor on the audit of the 2012 Financial Statements, together with his recommendations and the Secretariat's responses thereto, are contained in document WO/PBC/21/6.
4. *The Program and Budget Committee is invited to recommend to the WIPO General Assembly the approval of the 2012 Financial Statements contained in this document.*

[2012 Financial Statements follow]

World Intellectual Property Organization

Annual Financial Report and Financial Statements

Year to December 31, 2012

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ANNUAL FINANCIAL REPORT

INTRODUCTION

1. The financial statements of the World Intellectual Property Organization (WIPO) for the year ended December 31, 2012 are submitted to the Assemblies of the Member States of WIPO in accordance with Regulation 6.7 of the Financial Regulations and Rules. The financial statements have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS). This is the third set of financial statements that have been prepared under IPSAS, following their implementation at WIPO from January 1, 2010.
2. The report of the External Auditor on the audit of the 2012 financial statements, together with his opinion on the financial statements, are also submitted to the Assemblies of the Member States of WIPO as prescribed under Regulation 8.11 and Annex II of the Financial Regulations and Rules (FRR).
3. The financial statements, along with financial statement discussion and analysis, are presented in this annual financial report.

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

4. This section of WIPO's annual financial report presents discussion and analysis of the Organization's financial performance and position during the year ended December 31, 2012. This discussion and analysis is not part of WIPO's financial statements; however, it should be read together with WIPO's financial statements on pages 12 to 52.

The Move to IPSAS

5. On November 30, 2005, the High-Level Committee of Management (HLCM) recommended that all United Nations system organizations adopt IPSAS as their accounting standard for the preparation of financial statements effective no later than 2010. This recommendation was driven by a clearly identified need within the UN system to move to improved, independent and universally accepted accounting standards, with the aim of increasing quality and credibility in financial reporting. The IPSAS standards are developed by the International Public Sector Accounting Standards Board (IPSASB) which is part of the International Federation of Accountants (IFAC).
6. At the forty-third session of the Assemblies (September 24 to October 3, 2007), the Member States agreed in principle to the adoption by WIPO of IPSAS by 2010. The project to implement IPSAS at WIPO involved significant IT development and modifications, and the proposal for this work was approved by the forty-sixth session of the Assemblies in December 2008. Although many UN organizations pushed back the original IPSAS implementation deadline, WIPO maintained the 2010 target date. As WIPO received an unqualified audit opinion for its 2010 financial statements, it became one of only nine UN organizations to adopt IPSAS by the originally planned date of January 1, 2010.
7. Applying IPSAS requires the introduction of the full accrual basis of accounting. Accrual basis accounting involves the recognition of transactions and events when they occur, meaning that they are recorded in the accounting records and reported in the financial statements of the financial periods to which they relate, and not only when cash or its equivalent is received or paid.
8. The implementation of IPSAS does not currently impact the preparation of the WIPO Program and Budget, which is still presented on a modified accrual basis. As this basis differs from the full accrual basis applied to the financial statements, reconciliation between the budget and the financial statements is provided in accordance with the requirements of IPSAS.

Overview of the Financial Statements

9. The financial statements prepared in accordance with IPSAS consist of:
- A Statement of Financial Position - which details the net assets (the difference between total assets and total liabilities) of the Organization. This statement provides information about the financial strength of the Organization, and the resources which are available to support its future objectives;
 - A Statement of Financial Performance - which measures the net surplus or deficit (the difference between total revenue and total expenses) for the year. This statement provides information on the Organization's sources of revenue, and the cost of its activities. The annual surplus or deficit is presented on a full accrual basis of accounting, recognizing revenue in the period it is earned and expenses when incurred, regardless of when the associated cash is received or paid;
 - A Statement of Changes in Net Assets - which identifies the change in the net asset position during the year. This statement highlights the sources of changes in the Organization's overall financial position, including changes due to the surplus or deficit for the period;
 - A Statement of Cash Flow - which presents the movements of cash during the year resulting from operating, investing and financing activities. This statement provides information on how cash has been raised and used during the year, including borrowing and repayment of borrowing, and the acquisition and disposal of fixed assets. In contrast to the Statement of Financial Performance, the Organization's net cash flow measures the difference between cash coming into the Organization and cash going out;
 - A Statement of Comparison of Budget and Actual Amounts - which presents a comparison of the budget amounts under the Program and Budget, and the actual amounts for the year. This statement is prepared on the budgetary basis which is a modified accrual basis. It provides information on the extent to which resources were obtained and used in accordance with the approved budget;
 - Notes to the Financial Statements - which assist in understanding the principal financial statements. The Notes comprise a summary of significant accounting policies and other explanatory information. They also disclose information required by IPSAS which is not presented on the face of the principal financial statements.

Financial Statement Highlights

10. The 2012 WIPO financial statements prepared in accordance with IPSAS show a surplus for the year of 15.7 million Swiss francs, and a corresponding increase in net assets from 162.5 million Swiss francs in 2011 to 178.2 million Swiss francs as at December 31, 2012.

11. This surplus can be compared to a deficit of 32.2 million Swiss francs in 2011. Revenue in 2012 was up by 43.8 million Swiss francs on 2011, due principally to an increase in PCT activity. Total expenses fell by 4.1 million Swiss francs or 1.3 per cent compared to 2011, although personnel expenditure increased by 1.5 per cent.

12. The composition of WIPO's assets and liabilities remains broadly similar to 2011. Cash and cash equivalents total 408.1 million Swiss francs as at December 31, 2012, and represent 49.1 per cent of total assets. The Organization maintains significant investment in fixed assets, principally land, buildings, investment property and intangible assets with a total net book value of 373.0 million Swiss francs, accounting for 44.9 per cent of total assets.

13. The principal liabilities of the Organization as at December 31, 2012 are payables and advance receipts of 303.0 million Swiss francs (representing 46.4 per cent of total liabilities), employee benefit liabilities (21.7 per cent) and borrowings (22.9 per cent).

Financial Performance

14. The Organization's results for 2012 showed a surplus for the year of 15.7 million Swiss francs, with total revenue of 337.0 million Swiss francs and total expenses of 321.3 million Swiss francs. This can be compared to a deficit of 32.2 million Swiss francs in 2011, with total revenue of 293.2 million Swiss francs and total expenses of 325.4 million Swiss francs.

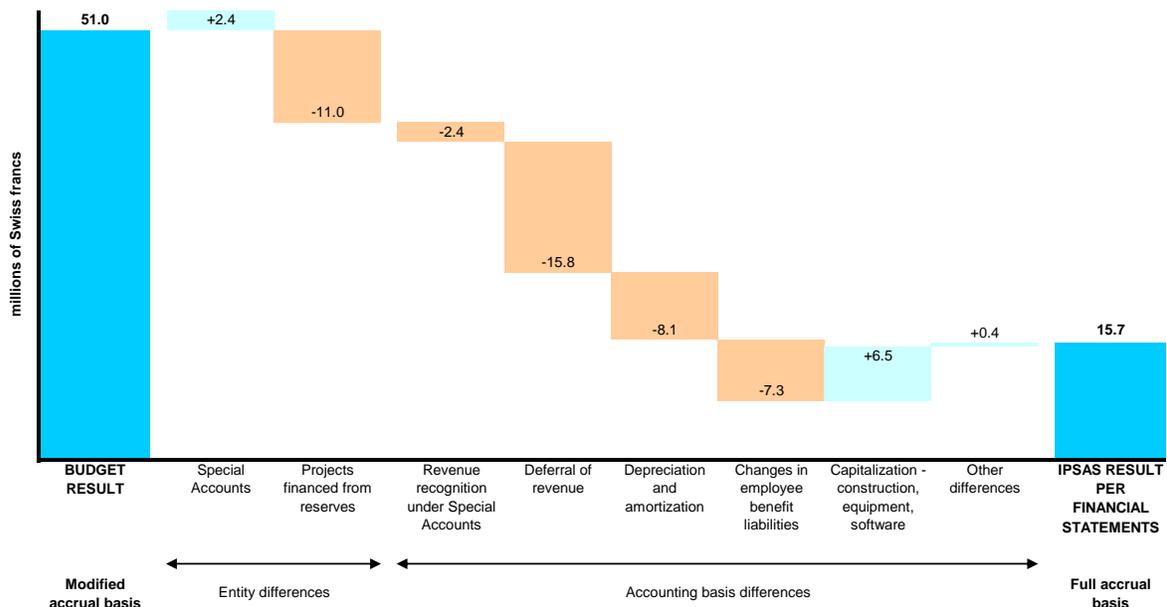
15. The Program and Budget result for 2012 prepared on a modified accrual basis (i.e. before the impact of IPSAS adjustments) was a surplus of 51.0 million Swiss francs. The 2012 result for the Organization under IPSAS includes Special Accounts, Projects financed from reserves, and the impact of adjustments related to full accrual accounting in accordance with IPSAS.

Summary of financial performance by business unit

	Program and Budget	Special Accounts	Projects Financed from Reserves	IPSAS Adjustments	Total	
	(in millions of Swiss francs)					
	2012	2012	2012	2012	2012	2011
Total revenue	341.1	10.2	3.8	-18.0	337.0	293.2
Total expenses	290.1	7.8	14.8	8.6	321.3	325.4
Net surplus/(deficit)	51.0	2.4	-11.0	-26.6	15.7	-32.2

16. The chart below summarizes the principal differences between the Program and Budget surplus of 51.0 million Swiss francs, and the surplus for the whole Organization prepared on an IPSAS basis of 15.7 million Swiss francs:

Movement from budget result to IPSAS result 2012



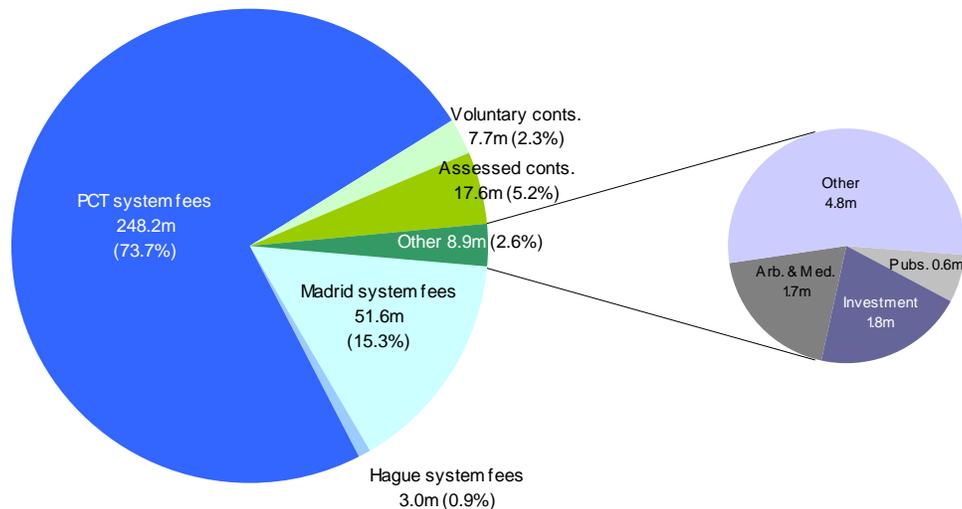
17. The WIPO financial statements as prepared in accordance with IPSAS include all areas and activities of the whole Organization. The inclusion of the results before IPSAS adjustments for Special Accounts (surplus of 2.4 million Swiss francs) and Projects financed from reserves (deficit 11.0 million Swiss francs) represent 'entity differences' between the budget result and the surplus per the financial statements.

18. The application of full accrual basis accounting in accordance with IPSAS leads to a number of 'accounting basis differences' which impact the result for the year. The net impact of these adjustments for the biennium as shown in the table above is a deficit of 26.6 million Swiss francs:

- Under IPSAS, revenue from voluntary contributions under Special Accounts is recognized as the conditions in the donor agreements are fulfilled and expense is incurred in line with the program of work. Where contributions received exceed the cost of work performed, the contributions are treated as deferred revenue liabilities, resulting in a reduction in the result for the year of 2.4 million Swiss francs.
- In applying IPSAS, revenue from fees is deferred until it is deemed to have been earned, which in the case of international applications is when final publication takes place. If the balance of the deferred revenue liability increases, the IPSAS impact is a reduction in revenue. The balance of deferred revenue from fees (PCT, Trademarks, Industrial Designs) increased from 156.3 million Swiss francs as at December 31, 2011 to 170.2 million Swiss francs as at December 31, 2012. Over the same period, receivables from PCT fees fell from 15.1 million Swiss francs to 13.9 million Swiss francs. The net impact is a reduction in revenue of 15.1 million Swiss francs. During 2012, deferred revenue of 0.7 million Swiss francs has also been recognized relating to the financing of security constructions by the Foundation for Buildings for International Organizations (FIPOI).
- The result for the year on an IPSAS basis includes the depreciation expense of buildings and equipment and the amortization expense of intangible assets, as the cost of these assets is spread over their useful lives. The total cost of depreciation and amortization for the year was 8.1 million Swiss francs.
- IPSAS requires that employee benefits earned by staff but not yet paid be recognized as liabilities of the Organization. As total employee benefit liabilities, including most significantly post-employment medical benefits, have increased there has been a corresponding expense for the Organization totaling 7.3 million Swiss francs.
- Under IPSAS, costs relating to the construction and improvement of buildings are capitalized. This reduces the expense for the year 2012 by 5.9 million Swiss francs. Similarly, the acquisition of certain equipment and software is capitalized under IPSAS, reducing the expense for the biennium by 0.6 million Swiss francs
- Other accounting basis differences concern principally the investment property owned by the Organization, which is recognized in the financial statements under IPSAS at its fair value. A revaluation of this property performed as at December 31, 2012 resulted in an increase in the fair value of 0.5 million Swiss francs, with a corresponding impact on the surplus for the year.

Revenue Analysis

Composition of revenue 2012 on an IPSAS basis



19. Total revenue of the Organization for 2012 was 337.0 million Swiss francs, representing an increase of 14.9 per cent compared to 2011 total revenue of 293.2 million Swiss francs.

20. The largest source of revenue during 2012 was PCT system fees, accounting for 73.7 per cent of total revenue. Revenue from PCT system fees increased by 20.1 per cent from 2011. The number of applications in 2012 totaled an estimated 194,400, compared to 181,500 in 2011. Note that in the IPSAS financial statements, revenue from applications is only recognized on publication of the application. WIPO also recognized significant exchange gains on payments of international fees, totaling 7.5 million Swiss francs. This can be compared to an exchange loss in 2011 of 13.8 million Swiss francs.

21. Madrid system fees represent the second largest source of revenue for the Organization, accounting for 15.3 per cent of total revenue. Revenue from Madrid system fees increased by 1.2 per cent compared to 2011. Again, in accordance with IPSAS, revenue from fees is only recognized in the financial statements upon publication. 2012 saw an increase in the number of applications and renewals, which totaled 63,790 compared to 62,455 in 2011. Hague system fees remained stable compared to 2011.

22. Revenue from assessed contributions of 17.6 million Swiss francs represents 5.2 per cent of total revenue, while revenue from voluntary contributions received under Special Accounts of 7.7 million Swiss francs represents 2.3 per cent of total revenue. Revenue from voluntary obligations is recognized as work is performed and expense incurred in line with the relevant agreement.

23. Investment revenue totaled 1.8 million Swiss francs in 2012, a decrease of 58.1 per cent compared to 2011. Interest income fell significantly, as the average rate of interest earned on interest bearing accounts and investments held with the Swiss National Bank was 0.375 per cent in 2012 compared to 1.24 per cent in 2011. This was offset slightly by an increase in the valuation of WIPO's investment property, resulting in investment revenue of 0.5 million Swiss francs.

24. Arbitration and mediation revenue in 2012 increased by 13.3 per cent to 1.7 million Swiss francs when compared to 2011. The increase concerned principally domain name administrative fees, where 115 more cases were dealt with compared to 2011. Revenue from publications fell

slightly from the 2011 figure of 0.7 million Swiss francs, totaling 0.6 million Swiss francs in 2012. Publications are increasingly being made available for free download over the internet.

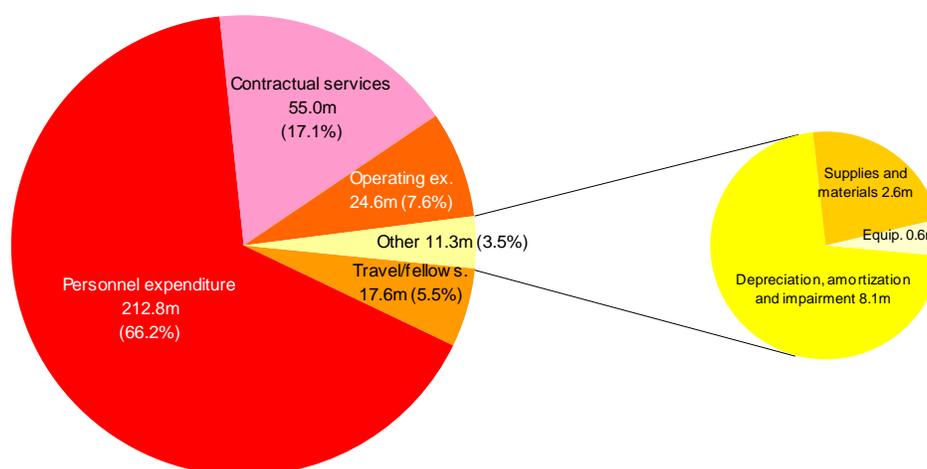
25. Other/miscellaneous revenue increased significantly from 0.1 million Swiss francs in 2011 to 4.8 million Swiss francs in 2012. During 2012, the Organization recognized 2.2 million Swiss francs of revenue for late delivery penalties relating to construction projects.

Change in revenue 2012 - 2011

	<u>2012</u>	<u>2011</u>	<u>Net Change</u>	<u>Net Change</u> %
	(in millions of Swiss francs)			
REVENUE				
Assessed contributions	17.6	17.4	0.2	1.1
Voluntary contributions	7.7	8.6	-0.9	-10.5
Publications revenue	0.6	0.7	-0.1	-14.3
Investment revenue	1.8	4.3	-2.5	-58.1
PCT system fees	248.2	206.6	41.6	20.1
Madrid system fees	51.6	51.0	0.6	1.2
Hague system fees	3.0	3.0	-	-
Sub-total fees	<u>302.8</u>	<u>260.6</u>	<u>42.2</u>	<u>16.2</u>
Arbitration and Mediation	1.7	1.5	0.2	13.3
Other/miscellaneous revenue	<u>4.8</u>	<u>0.1</u>	<u>4.7</u>	<u>4,700.0</u>
TOTAL REVENUE	<u>337.0</u>	<u>293.2</u>	<u>43.8</u>	<u>14.9</u>

Expense Analysis

Composition of expenses 2012 on an IPSAS basis



26. Total expenses of the Organization for 2012 were 321.3 million Swiss francs, representing a decrease of 1.3 per cent compared to 2011 total expenses of 325.4 million Swiss francs.

27. The largest expense for the Organization is personnel expenditure, representing 66.2 per cent of total expenses. Personnel expenditure has increased by 1.5 per cent compared to

2011. It is noted that during 2012, the Organization implemented a program of contractual reform, including the transition of short-term contracts into temporary staff contracts. In the 2010/11 biennium, the budget included a charge of 6 per cent of payroll costs, which was utilized to fund cash payments made to staff for separation benefits, including payments of unused annual leave, repatriation grants and repatriation travel. Remaining balances from this charge were available to reduce the IPSAS adjustments required to recognize the increase in employee benefit liabilities, principally post-employment medical benefits. As total employee benefit liabilities increase, there is a corresponding expense for the Organization. In the 2012/13 budget, the 6 per cent of payroll costs included in the budget has been reduced to 2 per cent due to financial constraints. As such, balances available to offset the impacts of IPSAS adjustments have been significantly reduced.

28. Contractual services were the second largest expense of the Organization in 2012 at 55.0 million Swiss francs, representing 17.1 per cent of total expenses. Contractual services expenses have increased by 9.8 per cent compared to 2011. Notably the Organization has seen an increase in the expense incurred for commercial translation services, and in services provided by the International Computing Centre (ICC).

29. Operating expenses in 2012 were 24.6 million Swiss francs, representing 7.6 per cent of total expenses. Operating costs have fallen by 20.1 per cent compared to 2011, with the most significant factor being a reduction in premises rental expense following the movement of operations to the New Building.

30. Travel and fellowships expenses total 17.6 million Swiss francs for 2012, and account for 5.5 per cent of total expenses. These expenses have fallen by 15.0 per cent compared to 2011. Expenses have been reduced for mission costs and conferences (participant and lecturer costs), whereas fellowship costs under Special Accounts have increased.

31. Expenses for supplies and materials of 2.6 million Swiss francs have increased by 13.0 per cent compared to 2011. Costs related to software licenses have grown, although some of these acquisitions have been capitalized as intangible assets in accordance with IPSAS. Furniture and equipment expenses have fallen significantly by 84.2 per cent to 0.6 million Swiss francs when compared to 2011. This is principally due to a large order for IT equipment which took place in 2011.

Change in Expenses 2012 - 2011

	<u>2012</u>	<u>2011</u>	<u>Net Change</u>	<u>Net Change</u> <u>%</u>
	(in millions of Swiss francs)			
EXPENSES				
Personnel expenditure	212.8	209.6	3.2	1.5
Travel and fellowships	17.6	20.7	-3.1	-15.0
Contractual services	55.0	50.1	4.9	9.8
Operating expenses	24.6	30.8	-6.2	-20.1
Supplies and materials	2.6	2.3	0.3	13.0
Furniture and equipment	0.6	3.8	-3.2	-84.2
Depreciation, amortization and impairment	8.1	8.1	-	-
TOTAL EXPENSES	<u>321.3</u>	<u>325.4</u>	<u>-4.1</u>	<u>-1.3</u>

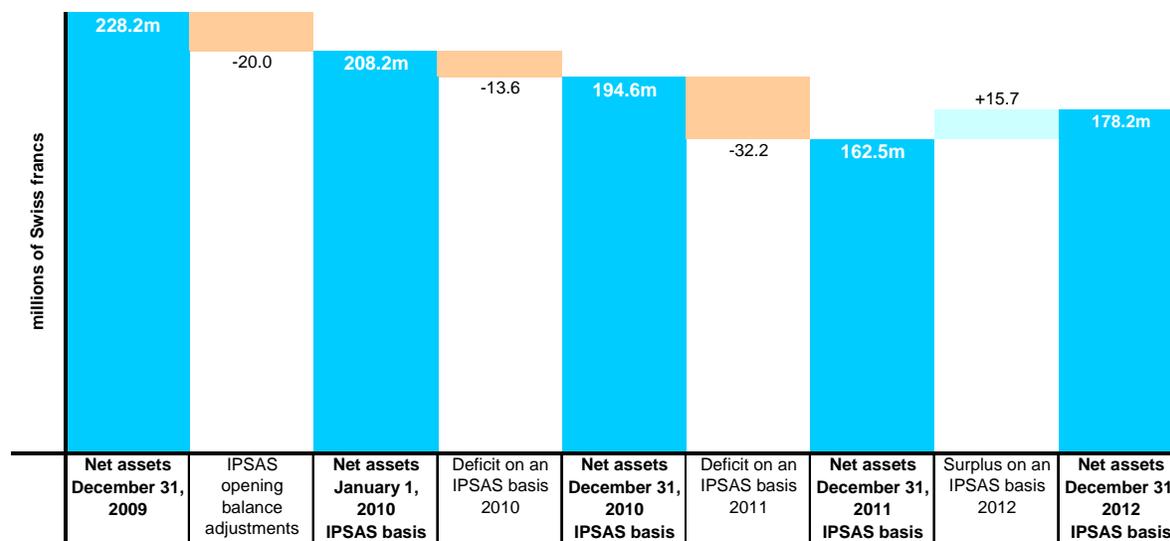
Financial Position

32. As at December 31, 2012, the Organization has net assets of 178.2 million Swiss francs, with total assets of 830.7 million Swiss francs and total liabilities of 652.5 million Swiss francs. As a result of the surplus for 2012 of 15.7 million Swiss francs, net assets have increased from 162.5 million Swiss francs as at December 31, 2011.

Movement in Net Assets

33. 2012 represents the first year since the introduction of IPSAS at WIPO that the Organization has seen an increase in net assets. In order to implement IPSAS for 2010, WIPO was required to prepare an IPSAS compliant opening statement of financial position as at January 1, 2010. This involved recognizing all assets and liabilities which would need to be included in the statement of financial position under IPSAS. The net impact of the recognition of these assets and liabilities was a reduction in net assets of 20.0 million Swiss francs. In both 2010 and 2011 the Organization recorded deficits in its IPSAS financial statements.

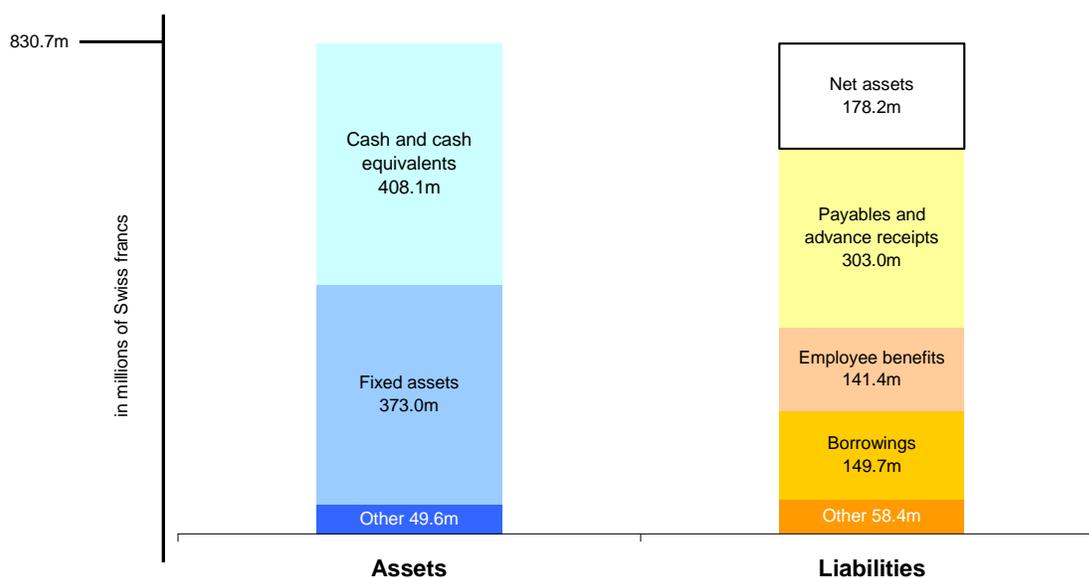
Movement in net assets 2009 to 2012



Summary of Assets and Liabilities

34. The chart below provides a summary of the Statement of Financial Position of WIPO as at December 31, 2012.

Summary of assets and liabilities December 31, 2012



35. The Organization has cash balances of 408.1 million Swiss francs, representing 49.1 per cent of total assets, although this includes amounts totaling 163.3 million Swiss francs which are classified as restricted under IPSAS. Total cash balances have increased compared to the balance of 379.7 million Swiss francs as at December 31, 2011, and are invested as applicable in line with WIPO's Policy on Investments.

36. The Organization holds significant fixed assets (land, buildings, investment property, intangible assets and equipment) with a total net book value of 373.0 million Swiss francs, compared to 374.1 million Swiss francs as at December 31, 2011. During 2012, the Organization has capitalized construction work on the New Conference Hall and Security Constructions, recognized acquisitions of equipment and software as fixed assets, and recorded an increase in the value of its investment property. However, these increases in total fixed assets have been exceeded by the total charge for depreciation and amortization for the year of 8.1 million Swiss francs, resulting in a net decrease in fixed assets compared to 2011. Other assets of the Organization totaling 49.6 million Swiss francs include accounts receivable, inventories and advance payments.

37. Payables (accounts payable and transfers payable) and advance receipts total 303.0 million Swiss francs, and principally include deferred revenue of 183.6 million Swiss francs. This can be compared to a total balance of payables and advance receipts of 289.0 million Swiss francs as at December 31, 2011.

38. Employee benefit liabilities of 141.4 million Swiss francs are mainly comprised of the After Service Health Insurance (ASHI) liability of 110.9 million Swiss francs, which represents 78.4 per cent of the total employee benefits liability as at December 31, 2012. The ASHI liability has increased by 7.5 million Swiss francs compared to 2011. The liability is calculated by an independent actuary, and reflects the total future cost of WIPO's share of health insurance premiums for both existing WIPO retirees and the projected number of active WIPO staff who will retire in the future. WIPO does not currently hold any accumulated funding specifically ring-fenced to finance this liability in the future.

Composition of employee benefits liabilities

	December 31, 2012 (in millions of Swiss francs)	Percentage of Liability
After Service Health Insurance (ASHI)	110.9	78.4
Accumulated leave	13.5	9.6
Repatriation and separation benefits	12.5	8.8
Closed pension fund	3.3	2.3
Accrued overtime	0.7	0.5
Home leave not taken	0.5	0.4
Total Employment Benefit liabilities	141.4	100.0

39. Borrowings represent the FIPOI loan (23.6 million Swiss francs) and the BCG/BCV New Building loan (126.1 million Swiss francs). Total annual repayments of the principal on these loans total 5.3 million Swiss francs. Other liabilities totaling 58.4 million Swiss francs include 55.6 million Swiss francs of current accounts held on behalf of applicants and contracting parties.

STATEMENT I
STATEMENT OF FINANCIAL POSITION
as at December 31, 2012
(in thousands of Swiss francs)

ASSETS	Note	December 31, 2012	December 31, 2011
Current assets			
Cash and cash equivalents	3	408,117	379,738
Accounts receivable (non-exchange transactions)	4	1,430	1,826
Accounts receivable (exchange transactions)	4	35,613	27,265
Inventories	5	2,298	2,437
		<u>447,458</u>	<u>411,266</u>
Non-current assets			
Equipment	6	2,517	3,730
Investment property	7	4,785	4,316
Intangible Assets	8	27,394	27,330
Land and buildings	9	338,347	338,765
Accounts receivable (non-exchange transactions)	4	421	481
Other non-current assets	10	9,811	10,000
		<u>383,275</u>	<u>384,622</u>
TOTAL ASSETS		<u>830,733</u>	<u>795,888</u>
LIABILITIES			
Current liabilities			
Accounts payable	11	21,089	28,234
Employee benefits	12	15,467	15,259
Transfers payable	13	65,886	64,200
Advance receipts	14	216,038	196,575
Borrowings due within one year	15	5,258	5,258
Provisions	16	2,793	2,422
Other current liabilities	17	55,572	52,071
		<u>382,103</u>	<u>364,019</u>
Non-current liabilities			
Employee benefits	12	125,896	119,587
Borrowings due after one year	15	144,495	149,753
		<u>270,391</u>	<u>269,340</u>
TOTAL LIABILITIES		<u>652,494</u>	<u>633,359</u>
Accumulated surplus	21	154,851	139,141
Working Capital Funds	21	8,342	8,342
Revaluation surplus	21	15,046	15,046
NET ASSETS		<u>178,239</u>	<u>162,529</u>

The accompanying notes form an integral part of these financial statements

Signed on original
Director General

STATEMENT II

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended December 31, 2012
(in thousands of Swiss francs)

	Note	<u>2012</u>	<u>2011</u>
REVENUE	23		
Assessed contributions		17,591	17,462
Voluntary contributions		7,737	8,532
Publications revenue		630	670
Investment revenue		1,804	4,293
PCT system fees		248,177	206,621
Madrid system fees		51,598	50,959
Hague system fees		3,036	2,996
Other fees		4	3
Sub-total fees		<u>302,815</u>	<u>260,579</u>
Arbitration and Mediation		1,643	1,480
Other/miscellaneous revenue		4,776	121
TOTAL REVENUE		<u>336,996</u>	<u>293,137</u>
EXPENSES	24		
Personnel expenditure		212,824	209,554
Travel and fellowships		17,586	20,745
Contractual services		54,975	50,103
Operating expenses		24,568	30,791
Supplies and materials		2,652	2,309
Furniture and equipment		577	3,753
Depreciation, amortization and impairment		8,104	8,091
TOTAL EXPENSES		<u>321,286</u>	<u>325,346</u>
SURPLUS/(DEFICIT) FOR THE YEAR		<u>15,710</u>	<u>-32,209</u>

STATEMENT III

STATEMENT OF CHANGES IN NET ASSETS

for the year ended December 31, 2012
(in thousands of Swiss francs)

	Note	Accumulated Surplus	Working Capital	Revaluation Surplus	Net Assets Total
Net Assets at December 31, 2010		171,350	8,342	15,046	194,738
Deficit for the year 2011		-32,209	-	-	-32,209
Net Assets at December 31, 2011	21	139,141	8,342	15,046	162,529
Items recognized directly in net assets		-	-	-	-
Total of items recognized directly in Net Assets in 2012		-	-	-	-
Surplus for the current year 2012		15,710	-	-	15,710
Net Assets at December 31, 2012	21	154,851	8,342	15,046	178,239

STATEMENT IV

STATEMENT OF CASH FLOW

for the year ended December 31, 2012
(in thousands of Swiss francs)

	Note	2012	2011
Cash flows from operating activities			
Surplus (deficit) for the period (1)	Statement II	17,689	-33,007
Interest earned		1,335	4,293
Interest paid on borrowings		-3,314	-3,495
Depreciation, amortization and impairment	6, 8 & 9	8,104	8,091
Increase (decrease) in employee benefits	12	6,517	12,186
(Increase) decrease in inventories	5	139	143
(Increase) decrease in receivables	4	-7,892	-2,372
(Increase) decrease in other assets	10	189	-
Increase (decrease) in advance receipts	14	19,463	18,538
Increase (decrease) in accounts payable	11	-7,145	-1,179
Increase (decrease) in transfers payable	13	1,686	96
Increase (decrease) in provisions	16	371	-190
Increase (decrease) in other liabilities	17	3,501	-1,647
Net cash flows from operating activities		40,643	1,457
Cash flows from investing activities			
Acquisition of plant, property and equipment	6 & 9	-5,988	-20,065
Disposal of plant, property and equipment	6	11	219
Increase in intangible assets	8	-560	-
Increase in investment property	7	-469	-
Net cash flows from investing activities		-7,006	-19,846
Cash flows from financing activities			
Proceeds from borrowings	15	-	16,000
Repayment of borrowings	15	-5,258	-1,358
Net cash flows from financing activities		-5,258	14,642
Net increase (decrease) in cash and cash equivalents		28,379	-3,747
Cash and cash equivalents at beginning of year	3	379,738	383,485
Cash and cash equivalents at end of year	3	408,117	379,738

(1) – Excluding interest earned and interest paid on borrowings. Interest earned is included in investment revenue (see Note 23). For detail of interest paid on borrowings, see Note 15.

STATEMENT V

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS – REVENUE

for the year ended December 31, 2012
(in thousands of Swiss francs)

	Original Budget 2012 (1)	"Final" Budget 2012 (1)	Actual Revenue on comparable basis December 2012	Difference 2012 (2)
Contributions	17,434	17,434	17,549	115
Fees				
PCT system	236,508	236,508	262,011	25,503
Madrid system	51,350	51,350	52,756	1,406
Hague system	4,857	4,857	3,083	-1,774
Other fees	5	5	4	
Sub-total fees	292,720	292,720	317,854	25,135
Arbitration and Mediation	1,365	1,365	1,643	278
Publications	500	500	630	130
Interest	4,025	4,025	1,326	-2,699
Other/miscellaneous	2,290	2,290	2,060	-230
TOTAL	318,334	318,334	341,062	22,729

(1) - columns Original Budget and "Final" Budget represent the first year of the approved 2012/13 biennial budget.

(2) - represents the difference between the "Final" Budget 2012 and actual revenue on a comparable basis for the year 2012.

STATEMENT V

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS - EXPENSE

for the year ended December 31, 2012
(in thousands of Swiss francs)

Program	Program Title	Original Budget 2012 (1)	"Final" Budget 2012 (1)	Actual Expense on comparable basis 2012	Difference 2012 (2)
1	Patent Law	2,422	2,422	2,151	271
2	Trademarks, Industrial Design & Geographic Indications	3,027	3,027	2,690	337
3	Copyright and Related Rights	9,297	9,297	8,545	752
4	Traditional Knowledge, Traditional Cultural Expressions & Genetic Resources	3,990	3,990	2,933	1,057
5	The PCT System	89,300	89,643	83,533	6,110
6	Madrid and Lisbon Systems	26,047	26,047	23,851	2,196
7	Arbitration, Mediation and Domain Names	5,292	5,292	4,710	582
8	Development Agenda Coordination	2,394	2,394	1,757	637
9	Africa, Arab, Asia and the Pacific, Latin America and the Caribbean Countries, Least Developed Countries	17,551	17,551	15,153	2,398
10	Cooperation with Certain Countries in Europe and Asia	3,219	3,219	2,815	404
11	The WIPO Academy	5,166	5,166	5,751	-585
12	International Classifications and Standards	3,466	3,466	3,361	105
13	Global Databases	2,252	2,252	1,969	283
14	Services for Access to Information and Knowledge	3,519	3,519	3,444	75
15	Business Solutions for IP Offices	3,906	3,906	3,911	-5
16	Economics and Statistics	2,293	2,293	2,221	72
17	Building Respect for IP	1,496	1,496	1,248	248
18	IP and Global Challenges	3,384	3,384	3,516	-132
19	Communications	8,300	8,300	7,686	614
20	External Relations, Partnerships and External Offices	5,456	5,456	4,245	1,211
21	Executive Management	9,474	9,474	8,703	771
22	Program and Resource Management	9,451	9,451	8,987	464
23	Human Resource Management and Development	10,746	10,746	9,998	748
24	General Support Services	23,135	23,135	17,792	5,343
25	Information and Communication Technology	25,204	25,204	23,133	2,071
26	Internal Oversight	2,525	2,525	2,306	219
27	Conference and Language Services	18,620	18,620	18,207	413
28	Safety and Security	6,080	6,080	5,212	868
29	Construction Projects	3,837	3,837	3,518	319
30	Small and Medium Size Enterprises and Innovation	5,630	5,630	3,439	2,191
31	The Hague System	3,485	3,485	3,293	192
UN	Unallocated	3,751	3,751	-	3,751
TOTAL		323,715	324,058	290,078	33,980
Net surplus/(deficit)		-5,381	-5,724	50,984	56,709
IPSAS adjustments to surplus (3)				-26,643	
Projects financed from reserves				-11,015	
Special Accounts financed from donor contributions				2,384	
Adjusted net surplus per IPSAS				15,710	

(1) - columns Original Budget and "Final" Budget represent the first year of the approved 2012/13 biennial budget. The Original Budget is based on the biennial budget of 647.4 million Swiss francs, which was approved by the Assemblies of the Member States of WIPO on September 29, 2011, subject to:

"Efforts by the Secretariat to reduce expenditure through cost efficiency measures by 10.2 million Swiss francs, from 647.4 million Swiss francs to 637.2 million Swiss francs, through, inter alia, travel policies for staff and third parties, premises management, policies for payments of SSAs and honoraria for experts and lecturers, internship programs, receptions and rental of premises and equipment during conferences and a reduction of personnel costs through improved organizational design."

The "Final" Budget reflects the increase for Program 5 (The PCT System) by 344 thousand Swiss francs related to the creation of 5 posts, due to the higher-than-budgeted number of PCT International Applications in 2012 (Financial Regulation 5.6 on Flexibility Adjustments).

(2) - represents the difference between the "Final" Budget 2012 and actual expense on a comparable basis for the year 2012.

(3) - the IPSAS adjustments to the surplus are detailed in Note 22 of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: OBJECTIVES AND BUDGET OF THE ORGANIZATION

The World Intellectual Property Organization (WIPO) was established in 1967, replacing the Bureau for the Protection of Intellectual Property (BIRPI) which had been established in 1893 (BIRPI in its French acronym, meaning *Bureaux Internationaux Réunis pour la Protection de la Propriété Intellectuelle*) to administer the Paris Convention for the Protection of Industrial Property (1883) and the Berne Convention for the Protection of Literary and Artistic Works (1886). In 1974, WIPO was recognized as a specialized agency of the United Nations.

WIPO carries out a wide variety of tasks related to the protection of IP rights including: assisting governments and organizations to develop the policies, structures and skills needed to harness the potential of IP for economic development; working with Member States to develop international IP law; administering treaties; managing global registration systems for trademarks, industrial designs and appellations of origin and a filing system for patents; providing dispute resolution services; and acting as a forum for informed debate and for the exchange of expertise.

The Organization functions in accordance with the WIPO convention signed in Stockholm on July 14, 1967 and amended on September 28, 1979. WIPO currently has 185 member countries. WIPO is based in Geneva, Switzerland with representation offices in New York, Rio de Janeiro, Singapore and Tokyo. The Organization enjoys privileges and immunities as granted under the 1947 Convention on Privileges and Immunities of Specialized Agencies of the United Nations and the 1970 Headquarters Agreement with the Swiss Federal Council, notably being exempt from paying most forms of direct and indirect taxation.

WIPO is governed by the following constituent bodies, established by the WIPO Convention, that meet at least every second year in ordinary session and may meet in extraordinary session in alternate years:

The General Assembly, consisting of States party to the WIPO Convention which are members of any of the Unions, is responsible for appointing the Director General for a fixed term of not less than six years, for the adoption of the budget for expenses common to all Unions, adoption of the Financial Regulations, inviting States to become members and other functions specified by the Convention.

The Conference consists of all Member States whether or not they are members of any of the Unions. The Conference adopts its budget, adopts amendments to the Convention and other functions as appropriate.

The Coordination Committee consists of members of the Executive Committees of the Paris or the Berne Unions. The Coordination Committee nominates candidates for Director General and drafts the agendas for the General Assembly and the program and budget of the Conference and performs other duties allocated to it under the WIPO Convention.

The Assemblies of the Berne, Hague, Nice, Lisbon, Locarno, Vienna, Budapest International Patent Classification and Paris Unions meet under the authority of the individual treaties creating each Union administered by WIPO and adopt those portions of the WIPO budget that relate to revenue and expense exclusively attributable to each of them and determine the level of the fees payable to WIPO for services rendered pursuant to each treaty.

WIPO is funded from fees derived from services provided by the Organization, assessed contributions paid by its Member States and voluntary contributions from Member States and

other donors. The Organization operates within the framework of a biennial program and budget which provides the appropriations that constitute the budgetary expenditure authorizations approved by the General Assembly for each financial period. The approval of the appropriations provides the authority for the Director General to commit and authorize expenses and to make payments for the purposes assigned within the limits of the appropriations.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These financial statements have been prepared on an accrual and going-concern basis and the accounting policies have been applied consistently throughout the period. The statements comply with the requirements of IPSAS.

In accordance with the effective date of IPSAS 31 Intangible Assets, WIPO has fully applied this standard for the first time in its 2012 financial statements. As such, externally acquired software and internally developed software costs have been capitalized as assets of the Organization during 2012. In the previous WIPO financial statements prepared in accordance with IPSAS, IPSAS 31 was applied on an exceptional basis to land surface rights held by the Organization. The Organization does not retrospectively apply IPSAS 31 to other intangible assets as this is considered impracticable.

Borrowing Costs

All of the costs incurred in connection with borrowing are treated as expenses in the period in which they are incurred. Borrowing costs (interest and fees) relating to the construction of the New Building were capitalized as work in progress during the construction phase (see Note 9). Borrowing costs (interest and fees) which relate to the acquisition from the World Meteorological Organization (WMO) of the land rights (*droits de superficie*) to the site on which the PCT building has been constructed have been capitalized as part of the asset value and amortized over the remaining life of the land rights (see Note 8).

Cash, Investments and Other Financial Assets

Cash and cash equivalents include cash in hand, deposits held at call with banks, deposits held up to 90 days and other short-term highly liquid investments that are readily convertible to cash and subject to insignificant risk of changes in value.

Employee Benefits

Liabilities are established for After Service Health Insurance (ASHI) and separation benefits payable (repatriation grants and travel) as determined by an independent actuary on an annual basis utilizing the projected unit credit methodology of valuation. Actuarial gains and losses are recognized utilizing the corridor approach and amortized over the average years of future service of active staff. In addition, liabilities are established for the value of accumulated leave, home leave deferred and overtime earned but unpaid at the reporting date and for education grants payable at the reporting date that have not been included in current expenditure.

WIPO is a member organization participating in the United Nations Joint Staff Pension Fund (UNJSPF), which was established by the United Nations 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 Fund, membership in 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.

The plan exposes participating organizations to actuarial risks associated with the current and former employees of other organizations participating in the Fund, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets, and costs to individual organizations participating in the plan. WIPO and the UNJSPF, in line with the other participating organizations in the Fund, are not in a position to identify WIPO'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 WIPO has treated this plan as if it were a defined contribution plan in line with the requirements of IPSAS 25. WIPO's contributions to the plan during the financial period are recognized as expenses in the statement of financial performance.

Expense Recognition

Expenses are recognized as goods are received and services delivered.

Financial Risks

The Organization is exposed to certain foreign currency exchange, credit, interest rate and liquidity risks. The Organization receives revenue from fees and voluntary contributions in currencies and incurs expenses in currencies other than its functional currency, the Swiss franc and is exposed to foreign currency exchange risk arising from fluctuations of currency exchange rates.

The Organization is also exposed to exchange risk arising from the currency differences between amounts payable to International Searching Authorities (ISA) pursuant to the *Regulations under the Patent Co-operation Treaty* and amounts received by national patent offices for international search fees from applicants for international patents.

The Organization has a further exposure to exchange risk in connection with the cost of pensions for staff previously enrolled in the Closed Pension Fund who are now members of the UNJSPF. In addition, the Organization has representation offices in Brazil, Japan, Singapore and the United States of America with limited assets in local currency.

The Organization makes only limited use of financial instruments to hedge exchange risks, specifically for short term investments under which Swiss francs are converted to Euros for a period of up to one month.

The Organization does not have significant exposure to liquidity risk as it has substantial unrestricted cash resources which are replenished from the results of its operations. The Organization's investment policy has been developed to ensure that its investments are held primarily in liquid short-term deposits.

The Organization is to a limited extent exposed to the risk of falling interest rates, since only 1.26 per cent of its operating budget is financed from revenue derived from investment income. The Organization does not use financial instruments to hedge interest rate risk.

The Organization's accounts receivable are almost exclusively from its Member States representing sovereign governments, and therefore risks related to credit are considered minor. Investments are held in banks with sovereign risk or with credit ratings of AA- or higher. An allowance has been established against the asset value of accounts receivable to reflect receivables for which payment is not anticipated in the short-term.

Foreign Currency Transactions

The functional currency of WIPO is the Swiss franc and these financial statements are presented in that currency. All transactions occurring in other currencies are translated into Swiss francs using the UN exchange rates which represent those prevailing at the date of the transactions. Both realized and unrealized gains and losses resulting from the settlement of such transactions and from the translation at the reporting date of assets and liabilities denominated in currencies other than WIPO's functional currency are recognized in the Statement of Financial Performance.

Fixed Assets

Equipment is valued at cost less accumulated depreciation and impairment. Equipment is recognized as an asset if it has a cost of 5,000 Swiss francs or more per unit. Land and investment property are shown at fair value as determined by an independent valuation in accordance with International Valuation Standards. Occupied buildings are valued at the cost of construction when new plus the cost of subsequent improvements, as determined by an independent expert, less accumulated depreciation. For the initial recognition of buildings occupied at January 1, 2010, the date of transition to IPSAS, the value when new is determined by reference to a deemed cost calculated by an external consultant and representing the value of each component at construction plus improvements existing at the initial recognition, less accumulated depreciation based upon the remaining useful life of each component. Subsequent costs of major renovations and improvements to fixed assets that increase or extend the future economic benefits or service potential are valued at cost. Gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the asset and are included in the Statement of Financial Performance. Heritage assets including donated works of art are not valued in the financial statements.

Depreciation is charged so as to write off the full cost of fixed assets, other than land and properties under construction, over their estimated useful lives using the straight-line method. Where fixed assets are only in use for part of the year (due to acquisition, disposal or retirement during the year), depreciation is charged only for the months during which the asset was in use. The following useful lives are applied to the different classes of fixed assets:

Class	Component	Estimated useful life
Communications and IT equipment		5 years
Vehicles		5 years
Furniture and fixtures		10 years
Buildings:	Structure and foundations	100 years
	Façade	50 years
	Land Improvements	50 years
	Roof	60 years
	Floors, walls, stairways	50 years
	Flooring, wall coverings	40 years
	Kitchen equipment	40 years
	Conference rooms	40 years
	Heating, ventilation	30 years
	Sanitary facilities	40 years
	Electrical installation	50 years
	Elevators	40 years
	Exterior cleaning equipment	45 years

The carrying values of fixed assets are reviewed for impairment if events or changes in circumstances indicate that the book value of the asset may not be recoverable. If such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss, if any. Any impairment loss is recognized in the Statement of Financial Performance.

Inventories

Inventories include the value of publications held for sale and publications distributed free of charge, the value of supplies and materials utilized in the production of publications and the value of merchandise held in the retail shop. The total value of finished publications is determined by using an average cost per printed page (excluding costs of marketing and distribution) multiplied by the number of pages of publications held in the publications inventory, adjusted to reflect the lower of cost or net realizable value. The value of publications that are withdrawn from sale or free distribution is written off during the year in which they become obsolete.

An annual physical inventory is conducted of all stocks of publication supplies and items for sale in the retail shop. A perpetual inventory is maintained of the publications for sale and sample physical counts are undertaken throughout the year to verify inventory balances. At the end of each year items removed from the catalogue of publications for sale or free distribution, along with items for which it is anticipated that there will be no further free distribution or anticipated sales, are taken out of the inventory and their value is written down to zero.

The cost of paper and other supplies used in the production process has been valued using the first-in, first-out (FIFO) method. Items held in the retail shop are valued at cost to the Organization, and are marked down to reflect net realizable value if damaged or obsolete. No inventories are pledged as security for liabilities.

Intangible Assets

Intangible assets are carried at cost less accumulated amortization and impairment. Amortization is provided on a straight-line basis on all intangible assets of finite life, at rates that will write off the cost or value of the assets over their useful lives. The useful lives of major classes of intangible assets have been estimated as follows:

Class	Estimated useful life
Software acquired externally	5 years
Software internally developed	5 years
Licenses and rights	Period of license/right

Acquired computer software licenses are capitalized based on costs incurred to acquire and bring to use the specific software. Costs that are directly associated with the development of software for use by WIPO are capitalized as intangible assets. Direct costs include the software development employee costs.

The rights to use property in the Canton of Geneva acquired by the Organization through purchase have been recognized at historic cost and are amortized over the remaining period of the grant. The rights to use property granted by the Canton of Geneva acquired without cost, that revert back to the Canton at the end of the grant, are not valued in the financial statements.

Provisions

Provisions are recognized when the Organization has a legal or constructive obligation as a result of a past event, whereby it is probable that an outflow of resources will be required to settle the obligation and where a reliable estimate of the amount of the obligation can be made.

Receivables

Receivables from exchange transactions, which include the fees charged for international patents, international registration of trademarks and industrial designs and other services and publications, are measured at the fair value of the consideration received or receivable for trademarks and PCT fees once registration of the international application has taken place and when cash is received for other revenue.

Assessed contributions are recognized as revenue at the beginning of the financial year. An allowance for non-recoverable receivables is recorded equal to the assessed contributions frozen by action of the General Assembly plus contributions receivable from Member States that have lost the right to vote in accordance with Article 11 of the Convention establishing the World Intellectual Property Organization.

For all other receivables, an allowance for non-recovery is established based on a review of the outstanding amounts at the reporting date.

Revenue Recognition

Revenue from exchange transactions comprising the fees charged for applications for international patents, including fees for additional pages for applications submitted in paper or easy format, the international registration of trademarks and the international registration of industrial designs is recognized at the date of publication. Revenue from fees received for applications not published at the reporting date is deferred until publication has been completed. The portion of the patent application fee covering the costs of translation of non-English language patentability reports received after publication is also deferred until the translation is completed. All other fees related to patent, trademark and industrial design applications, including renewals, are recognized when the services covered by the fee have been provided. Revenue from publications and Arbitration and Mediation services is recognized upon full delivery of the goods or services.

Revenue from non-exchange transactions such as voluntary contributions to Special Accounts supported by enforceable agreements is recognized as revenue at the time the agreement becomes binding unless the agreement includes conditions related to specific performance or the return of unexpended balances. Such agreements require initial recognition of a liability to defer revenue recognition and then revenue is recognized as the liability is discharged through performance of the specific conditions included in the agreement.

Assessed contributions are recognized as revenue at the beginning of each year of the budget period to which the assessment relates.

Segment Reporting

Segment reporting is based upon the Unions that form the World Intellectual Property Organization. Revenue and expense incurred by the Organization is allocated among the Unions in accordance with an allocation methodology approved by the WIPO Assembly [Revised Program and Budget 2012/13, Annex III]. The methodology allocates revenue and expense to each program and then to each Union based on a combination of direct revenue and expense,

staff head count and each Union's ability to pay which is itself determined according to a combination of current revenue and reserves. WIPO's assets and liabilities are not allocated to individual segments, since ownership rests with the Organization as a whole, however, each Union's share of the Organization's net assets including accumulated fund balances, revaluation surplus and working capital funds is recognized by segment (see Note 27).

Use of Estimates

The financial statements necessarily include amounts based on estimates and assumptions by management. Estimates include, but are not limited to: defined benefit medical insurance and other post-employment benefit obligations (the value of which is calculated by an independent actuary), amounts for litigation, valuation of publications inventory, financial risk on accounts receivable, accrued charges and the degree of impairment of fixed assets. Actual results could differ from these estimates. Changes in estimates are reflected in the period in which they become known.

All balances are presented in thousands of Swiss francs, as a result small rounding differences may occur.

NOTE 3: CASH AND CASH EQUIVALENTS

	December 31, 2012	December 31, 2011
	(in thousands of Swiss francs)	
Cash on hand	14	10
Deposits with banks - Swiss francs	28,473	30,042
Deposits with banks - other currencies	10,422	9,426
Funds invested with BNS - Swiss francs	<u>205,868</u>	<u>185,950</u>
Total unrestricted cash	<u>244,777</u>	<u>225,428</u>
Current accounts held for third parties - Swiss francs	50,731	45,246
Current accounts held for third parties - other currencies	4,841	6,825
Trademark deposits - estimated amount payable to 3rd parties	28,087	26,662
Fees collected on behalf of contracting parties - Swiss francs	<u>65,886</u>	<u>64,199</u>
Total restricted cash - funds held on behalf of 3rd parties	<u>149,545</u>	<u>142,932</u>
Deposits with banks restricted Special Accounts - Swiss francs	12,359	9,430
Deposits with banks restricted Special Accounts - other currencies	<u>1,436</u>	<u>1,948</u>
Total restricted cash - Special Accounts	<u>13,795</u>	<u>11,378</u>
Total cash and cash equivalents	<u>408,117</u>	<u>379,738</u>

Cash deposits are generally held in instant access bank accounts and interest-bearing accounts. The average rate of interest earned on interest bearing accounts and investments held with the Swiss National Bank was 0.375 per cent in 2012 [1.24 per cent in 2011].

Restricted funds include funds held on behalf of third parties for the registration of trademarks or industrial designs, subscriptions to WIPO periodicals, etc. Also included are fees collected on behalf of contracting parties to the Madrid Agreement and Protocol, Hague Agreement and on behalf of PCT ISAs by the WIPO International Bureau Receiving Office. In addition, the deposits received in connection with pending procedures related to trademarks, other than the portion estimated to represent advance receipts to the Organization, represent funds collected on behalf of third parties and are considered restricted funds. All such funds are held in Swiss francs.

The Organization minimizes the credit risk involved by holding the vast majority of its funds in banks with high or upper medium grade credit ratings. However in certain cases funds are held in lower medium grade rated banks for specific operational purposes:

	AAA	A+	A	BBB+	Unrated (cash on hand)	Total
	(in thousands of Swiss francs)					
December 31, 2012						
Cash and Cash Equivalents	351,560	36,896	19,444	203	14	408,117
Percent	86.1%	9.0%	4.8%	0.0%	0.0%	100.0%

Special Accounts held on behalf of donors of voluntary contributions are deposited in the currency in which expenditures will be reported, based upon agreements with donors. The Organization maintains limited and informal overdraft arrangements with banks with which it has funds on deposit. These arrangements may be withdrawn by the banks at any time.

NOTE 4: ACCOUNTS RECEIVABLE, ADVANCES AND PREPAYMENTS

	December 31, 2012	December 31, 2011
	(in thousands of Swiss francs)	
Receivable non-exchange transactions - Contributions		
Unitary contributions	1,298	1,783
Voluntary contributions	132	43
	<u>1,430</u>	<u>1,826</u>
Receivable exchange transactions		
Publication debtors	147	153
PCT debtors	13,937	15,109
Madrid debtors	720	1,231
Hague debtors	1	4
Other debtors	2,872	2,332
Prepaid expenditure	9,367	170
Swiss taxes reimbursable	25	30
USA taxes reimbursable	2,520	1,863
Advances:		
Staff advances for education grants	4,357	4,031
Other funds advanced to staff	955	718
Funds advanced to UPOV	160	439
Funds advanced to UNDP	552	1,185
	<u>35,613</u>	<u>27,265</u>
Total current accounts receivable	<u>37,043</u>	<u>29,091</u>
Receivable non-exchange transactions - Contributions		
Paris Union	145	168
Berne Union	260	295
Nice Union	14	16
Locarno Union	2	2
Total non-current accounts receivable	<u>421</u>	<u>481</u>
Total accounts receivable	<u>37,464</u>	<u>29,572</u>

Assessed contributions represent uncollected revenue related to the WIPO unitary contribution system approved by the Assemblies of the Member States and the Unions administered by WIPO. The Assemblies fix the value of a contribution unit in Swiss francs together with the Budget for a biennial financial period. Contribution classes are each required to contribute a specific number of contribution units. Member States are free to choose the class determining the basis under which they will contribute, other than certain developing countries that automatically belong to one of three special classes. Working capital contributions relate to amounts established by several Unions.

PCT debtors include an estimate of those international patent applications received by national receiving offices prior to the reporting date but not transferred to the Organization's PCT International Bureau by the reporting date.

An allowance has been established to offset both the value of receivables due from assessed contributions and the working capital fund contributions due from Unions which relate to periods prior to the introduction of unitary contributions in 1994. The allowance covers amounts due from

Member States that have lost the right to vote under Article 11, paragraph 5 of the WIPO Convention and contributions from least developed countries (LDCs) which have been frozen by action of the Assemblies.

International staff, other than those living in their home country, are eligible to receive a grant covering 75 per cent of the costs of education for dependent children until the end of the school year in which the child reaches the age of 25. Maximum grants are established for each country. International staff are eligible to receive an advance equal to the estimated amount of the education grant for each child at the beginning of the scholastic year. Staff advances for education grants represent the portion of grants advanced for the 2012-2013 year scholastic year which remain outstanding at December 31, 2012.

Funds advanced to the United Nations Development Program (UNDP) are utilized to make payments on behalf of the Organization. The total debtor amount shown includes amounts for requests made to UNDP for payments for which confirmation has not yet been received or for which the confirmation is in the process of being verified. Funds advanced to the International Union for the Protection of New Varieties of Plants (UPOV) represent payments made on behalf of UPOV by the Organization for which reimbursement has not yet been received.

The United States of America taxes receivable represents amounts advanced to members of staff to reimburse them for the payment of income taxes to the United States of America. Under agreements between the Organization and the United States of America, these amounts are reimbursable to the Organization. Swiss taxes reimbursable include payments for VAT, stamp tax and Swiss Federal withholding tax for which the Organization is eligible for reimbursement under its headquarters agreement with the Government of Switzerland.

NOTE 5: INVENTORIES

	December 31, 2012	December 31, 2011
	(in thousands of Swiss francs)	
Finished publications	2,089	2,236
Paper supplies	122	102
Retail Shop	87	99
Total inventory	2,298	2,437

The write-down of finished publications inventories to net realizable value amounted to 0.2 million Swiss francs (0.4 million Swiss francs in 2011). There have been no reversals of write-downs.

NOTE 6: EQUIPMENT

Movement 2012	Equipment	Furniture & Furnishings	Total
	(in thousands of Swiss francs)		
January 1, 2012			
Gross carrying amount	15,698	2,877	18,575
Accumulated depreciation	-12,688	-2,157	-14,845
Net carrying amount	3,010	720	3,730
Movements in 2012:			
Additions	125	-	125
Disposals	-903	-41	-944
Disposals depreciation	893	40	933
Depreciation	-1,220	-107	-1,327
Total movements in 2012	-1,105	-108	-1,213
December 31, 2012			
Gross carrying amount	14,920	2,836	17,756
Accumulated depreciation	-13,015	-2,224	-15,239
Net carrying amount	1,905	612	2,517
Movement 2011			
	(in thousands of Swiss francs)		
January 1, 2011			
Gross carrying amount	15,290	2,363	17,653
Accumulated depreciation	-11,817	-2,175	-13,992
Net carrying amount	3,473	188	3,661
Movements in 2011:			
Additions	905	624	1,529
Disposals	-497	-110	-607
Disposals depreciation	284	104	388
Depreciation	-1,155	-86	-1,241
Total movements in 2011	-463	532	69
December 31, 2011			
Gross carrying amount	15,698	2,877	18,575
Accumulated depreciation	-12,688	-2,157	-14,845
Net carrying amount	3,010	720	3,730

All equipment in the inventory is valued at cost less depreciation based upon the straight-line basis. Furniture and furnishings are depreciated over a ten year useful life. All other equipment is depreciated over a five year useful life. Heritage assets including donated works of art are not recognized as assets on the Statement of Financial Position.

NOTE 7: INVESTMENT PROPERTY - WIPO AS LESSOR

Madrid Union Building, Rue de la Prulay 40, Meyrin Fair Value	December 31, 2012	December 31, 2011
	(in thousands of Swiss francs)	
Opening balance	<u>4,316</u>	<u>4,316</u>
Fair value gains/(losses) on valuation	469	-
Closing balance	<u>4,785</u>	<u>4,316</u>

The Organization acquired in 1974 the Madrid Union Building, an investment property in Meyrin, Canton of Geneva, Switzerland. The building had first been brought into service in 1964. The property is held at fair value based on a valuation at December 31, 2012, carried out by an independent expert holding recognized and relevant professional qualifications with recent experience in property valuation in the Canton of Geneva. Fair value was determined on an investment based valuation, whereby the future income stream from the property is capitalized at an appropriate investment yield. The yield was selected by reference to the perceived quality and duration of the income and the potential for further rental growth and was cross-referenced by the evidence provided by comparable sales. The valuation as at December 31, 2012, resulted in an increase in the fair value of the building of 0.5 million Swiss francs. This increase is recognized in 2012 as investment revenue in the statement of financial performance.

The leasing of apartments, parking and other facilities in the Madrid Union Building is managed by a leasing agent responsible for collecting all rental income and paying for all expenditures incurred in the operation of the building. Leases are generally for periods of two years and are based on the form of lease approved by the Canton of Geneva. All leases are non-cancellable during the period of the lease. The managing agent receives 3.9 per cent of the gross rental income as compensation for its services. The value of non-cancellable leases at December 31, 2012 is as follows:

Madrid Union Building, Rue de la Prulay 40, Meyrin Non-cancellable leases	December 31, 2012	December 31, 2011
	(in thousands of Swiss francs)	
Not later than one year	312	319
Later than one year and not later than five years	195	342
Later than five years	-	-
Total non-cancellable operating leases	<u>507</u>	<u>661</u>

The income from rentals of 364 thousand Swiss francs and the operating expenditures of the building of 221 thousand Swiss francs are not recorded separately in WIPO's accounts. Only the net amount of income received from the managing agent totaling 142,860 Swiss francs is recorded as rental income in the Statement of Financial Performance. The Organization is not aware of any restrictions on the realizability or remittance of revenue from the investment property.

The expenses netted from income by the managing agent do not include depreciation of the building. At the reporting date there are no contractual obligations to purchase, construct or develop investment property nor for the repairs, maintenance or enhancement of the existing property.

NOTE 8: INTANGIBLE ASSETS

Movement 2012	Land surface rights	Software externally acquired	Software internally developed	Intangible assets under development	Total
(in thousands of Swiss francs)					
January 1, 2012					
Gross carrying amount	34,290	-	-	-	34,290
Accumulated amortization	-6,960	-	-	-	-6,960
Net carrying amount	27,330	-	-	-	27,330
Movements in 2012:					
Additions	-	516	-	44	560
Disposals	-	-	-	-	-
Disposals amortization	-	-	-	-	-
Amortization	-440	-56	-	-	-496
Total movements in 2012	-440	460	-	44	64
December 31, 2012					
Gross carrying amount	34,290	516	-	44	34,850
Accumulated amortization	-7,400	-56	-	-	-7,456
Net carrying amount	26,890	460	-	44	27,394
Movement 2011					
(in thousands of Swiss francs)					
January 1, 2011					
Gross carrying amount	34,290	-	-	-	34,290
Accumulated amortization	-6,521	-	-	-	-6,521
Net carrying amount	27,769	-	-	-	27,769
Movements in 2011:					
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Disposals amortization	-	-	-	-	-
Amortization	-439	-	-	-	-439
Total movements in 2011	-439	-	-	-	-439
December 31, 2011					
Gross carrying amount	34,290	-	-	-	34,290
Accumulated amortization	-6,960	-	-	-	-6,960
Net carrying amount	27,330	-	-	-	27,330

In 1996, the Organization acquired from WMO the land surface rights to parcel 4008 in Petit-Saconnex in the City of Geneva that had been granted to WMO by the Republic and Canton of Geneva at a cost of 34.3 million Swiss francs including interest and fees. At the date of purchase the original rights had a remaining period of 78 years under Swiss law expiring in

2073, unless renewed by the Canton. The historic cost is being amortized over the remaining useful life.

The land on which the A. Bogsch and G. Bodenhausen buildings are located is the property of the Republic and Canton of Geneva which has granted the Organization surface rights including the right to construct buildings for a period of 60 years with an option exercisable solely by the Organization of an extension for an additional period of 30 years. These surface rights were acquired by the Organization at no cost and no value has been recognized, as the Organization does not have the right to dispose of the rights which revert to the Republic and Canton of Geneva unless renewed.

As from January 1, 2012, WIPO has been capitalizing the cost of externally acquired and internally developed software. Intangible assets under development relate to internally developed software which has not yet been brought into use.

NOTE 9: LAND AND BUILDINGS

The Organization's land and buildings comprise its headquarters at Place des Nations, Geneva, Switzerland and include land, buildings under construction and occupied buildings. Following the transition to International Public Sector Accounting Standards from January 1, 2010, buildings which were occupied at that date were valued at an amount determined independently by external consultants, which represents the estimated value of the building when new (deemed cost of construction) including the estimated value of renovations and major repairs made since original occupancy less accumulated depreciation and impairment. Buildings which are brought into use after January 1, 2010 are initially valued at cost. The New Building was brought into use as of July 1, 2011. All buildings are depreciated according to the straight-line method based upon the useful life of each major component of the building (see Note 2).

The land upon which the New Building was constructed was acquired by the Organization at a cost of 13.6 million Swiss francs in 1998 and was revalued to fair value based on International Valuation Standards as determined by an independent appraiser at December 31, 2009 at 28.6 million Swiss francs. The net result of the revaluation of 15.0 million Swiss francs is included in the revaluation surplus which forms part of WIPO's net assets. Market value was estimated by capitalizing at an appropriate investment yield the future potential income stream from the property. The potential income is based on comparable rentals in the market and takes into account the quality of the spaces as well as the location. The yield has been selected by reference to the perceived quality and duration of the income and the potential for further rental growth and is cross-referenced by the evidence provided by comparable sales. Prevailing market conditions do not indicate a need to perform a revaluation of the land as at December 31, 2012.

In October 2009, the General Assembly approved the construction of a New Conference Hall building, to be physically connected to the A. Bogsch Building. The project is expected to be completed in early 2014, and funds spent on work to date have been capitalized as work-in-progress. The Organization is also undertaking a project to upgrade the safety and security standards of existing WIPO buildings, in line with the implementation of the recommendations of the United Nations Security Management System. This involves upgrading to the United Nations Headquarters Minimum Operating Security Standards (H-MOSS). The project involves construction of a security perimeter and internal security measures. Costs relating to the construction project incurred by the Organization have been capitalized as work-in-progress during 2012. The construction project has been partly financed by the Foundation for Buildings for International Organizations (FIPOI). Construction work financed by the FIPOI has been capitalized within work-in-progress, and a corresponding amount recognized as deferred revenue.

Movements for land and buildings in 2012:

Movement 2012	Land	Work in Progress		Occupied Buildings					Total Land and Buildings
	New Building Site	Security Construction	New Conference Hall	New Building	A. Bogsch Building	G. Bodenhausen Building I	G. Bodenhausen Building II	PCT Building	
Year in Service	1998	N/A	N/A	2011	1978	1960	1987	2003	
(in thousands of Swiss francs)									
January 1, 2012									
Cost/valuation	28,600	272	26,062	163,778	47,743	10,431	4,302	67,337	348,525
Accumulated depreciation and impairment charges	-	-	-	-1,522	-4,679	-646	-229	-2,684	-9,760
Net carrying amount	28,600	272	26,062	162,256	43,064	9,785	4,073	64,653	338,765
Movements in 2012									
Additions	-	1,997	3,677	-	67	122	-	-	5,863
Transfers	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-3,051	-1,447	-327	-114	-1,342	-6,281
Total movements in 2012	-	1,997	3,677	-3,051	-1,380	-205	-114	-1,342	-418
December 31, 2012									
Cost/valuation	28,600	2,269	29,739	163,778	47,810	10,553	4,302	67,337	354,388
Accumulated depreciation and impairment charges	-	-	-	-4,573	-6,126	-973	-343	-4,026	-16,041
Net carrying amount	28,600	2,269	29,739	159,205	41,684	9,580	3,959	63,311	338,347

Movements for land and buildings in the prior year 2011:

Movement 2011	Land	Work in Progress			Occupied Buildings					Total Land and Buildings
	New Building Site	Security Construction	New Conference Hall	New Building	New Building	A. Bogsch Building	G. Bodenhausen Building I	G. Bodenhausen Building II	PCT Building	
Year in Service	1998	N/A	N/A	N/A	2011	1978	1960	1987	2003	
					(in thousands of Swiss francs)					
January 1, 2011										
Cost/valuation	28,600	-	6,654	155,172	-	47,644	10,381	4,302	67,337	320,090
Accumulated depreciation and impairment charges	-	-	-	-	-	-1,570	-323	-114	-1,342	-3,349
Net carrying amount	28,600	-	6,654	155,172	-	46,074	10,058	4,188	65,995	316,741
Movements in 2011										
Additions	-	272	19,408	8,606	-	99	50	-	-	28,435
Transfers	-	-	-	-163,778	163,778	-	-	-	-	-
Impairment	-	-	-	-	-	-1,713	-	-	-	-1,713
Depreciation	-	-	-	-	-1,522	-1,396	-323	-115	-1,342	-4,698
Total movements in 2011	-	272	19,408	-155,172	162,256	-3,010	-273	-115	-1,342	22,024
December 31, 2011										
Cost/valuation	28,600	272	26,062	-	163,778	47,743	10,431	4,302	67,337	348,525
Accumulated depreciation and impairment charges	-	-	-	-	-1,522	-4,679	-646	-229	-2,684	-9,760
Net carrying amount	28,600	272	26,062	-	162,256	43,064	9,785	4,073	64,653	338,765

NOTE 10: OTHER NON-CURRENT ASSETS

	December 31, 2012	December 31, 2011
	(in thousands of Swiss francs)	
Loan to FCIG	9,811	10,000
Total other non-current assets	9,811	10,000

In 1991 the Organization entered into an agreement with the International Centre of Geneva Foundation (FCIG) related to the construction of a building on rue des Morillons in Geneva, Switzerland at a total cost of 20.4 million Swiss francs. The agreement provided for the Organization to advance the sum of 11.0 million Swiss francs, with the balance of the construction cost covered by a mortgage between FCIG and the Cantonal Bank of Geneva. At that date the Organization also entered into an agreement to lease the building from FCIG. The lease agreement was renewed for a period of seven years from January 1, 2012.

Under the current lease agreement between the Organization and FCIG, both parties have the right to terminate the agreement at any point through mutual consent formalized in writing. The annual amount of rent payable by WIPO is equivalent to the annual repayments (interest plus repayments of the principal) on the mortgage between FCIG and the Cantonal Bank of Geneva. The rent paid by WIPO on this basis during 2012 totaled 216,422 Swiss francs. The current rate of interest, fixed through to December 31, 2018, is 1.48 per cent. From January 1, 2012, WIPO also recognizes an annual amortization charge of 188,679 Swiss francs against the 10.0 million Swiss francs of its 11.0 million Swiss francs loan to FCIG. Upon vacating the premises, WIPO is to be repaid the balance of the loan after amortization. FCIG will also retain 1.0 million Swiss francs of the 11.0 million Swiss francs loan for restoration of the building to its original condition.

NOTE 11: ACCOUNTS PAYABLE

	December 31, 2012	December 31, 2011
	(in thousands of Swiss francs)	
Trade creditors - Accounts payable	16,198	16,214
Miscellaneous transitory liabilities	2,935	11,752
Other trade creditors	1,956	268
Total accounts payable	21,089	28,234

Accounts payable includes invoices received from suppliers not yet settled including the revaluation of invoices payable in currencies other than the Swiss franc.

NOTE 12: EMPLOYEE BENEFITS

Employee benefits comprise:

Short-term employee benefits that include salary, allowances, grant on initial assignment, grants for the education of dependent children, paid annual leave, paid sick leave, accident and life insurance;

Post-employment benefits which include separation benefits consisting of grants upon repatriation, repatriation travel and shipping of personal effects and After Service Medical Insurance;

Termination benefits which include an indemnity payable to staff members holding a permanent or fixed term contract whose appointment is terminated by the Organization prior to the end of their contract.

	December 31, 2012	December 31, 2011
	(in thousands of Swiss francs)	
Accumulated leave - fixed term	1,207	1,360
Accumulated leave - temporary	928	1,212
Separation benefits - Special Accounts	235	152
Closed pension fund	334	319
Repatriation grant and travel	1,158	1,004
Home leave not taken	489	459
Voluntary separation program	-	451
Accrued overtime	695	600
After Service Medical Insurance	10,421	9,702
Total current employee benefit liabilities	15,467	15,259
Closed pension fund	2,917	6,830
Accumulated leave	11,406	11,189
Repatriation grant and travel	11,057	7,905
After Service Medical Insurance	100,516	93,663
Total non-current employee benefit liabilities	125,896	119,587
Total employee benefit liabilities	141,363	134,845

Short-Term Employee Benefits

The Organization has recognized liabilities for the following short-term benefits, the value of which is based on the amount payable to each staff member at the reporting date.

- Accumulated leave – staff members are eligible for 30 days annual leave. Under the Staff Regulations and Rules (SRR) in force until December 31, 2012, staff were able to accumulate up to 90 days leave of which up to 60 days is payable on separation from service. Under the revised SRR in force from January 1, 2013, staff members may accrue up to 15 days of annual leave in a given year, and a total accumulated balance of 60 days. The total outstanding liability at the reporting date is 13.5 million Swiss francs [13.8 million Swiss francs at December 31, 2011].
- Home Leave – internationally recruited staff members are eligible for home leave for themselves and their dependents to the country from which they were recruited every second year. The total outstanding liability for home leave earned but not taken at the

reporting date is 0.5 million Swiss francs [0.5 million Swiss francs at December 31, 2011].

- Overtime – staff members are eligible to be paid in cash for overtime accrued after the expiry of a period established in the Staff Regulations and Rules. The total amount payable at the reporting date is 0.7 million Swiss francs [0.6 million Swiss francs at December 31, 2011].

Post-Employment Benefits

Closed Pension Fund (CROMPI): Prior to becoming a participating organization in the UNJSPF, the WIPO's predecessor organization had its own pension fund established in 1955. This pension fund was closed to new members on 30 September 1975 and continues for those who were members at the time of closure under the management of a Foundation Council. In accordance with a convention between the Closed Pension Fund and the Organization and with a recent decision of the International Labour Organization (ILO) Administrative Tribunal, WIPO is responsible for financing costs incurred by the Closed Pension Fund related to foreign exchange differences and to differences in the retirement age as stipulated by the Closed Pension Fund and that of the UNJSPF. The Organization has several obligations related to participants in the closed pension fund including:

- the obligation to cover the cost of pensions paid to former staff participating in the closed pension fund before they reach the age of 65. Based upon an actuarial valuation performed in December 2012, the estimated liability is 0.1 million Swiss francs [0.6 million Swiss francs in 2011].
- the obligation, based upon a decision of the Administrative Tribunal of the International Labour Organization in 2006, to cover certain differences between the pension receivable of closed pension fund members under the closed pension fund and that receivable from the UNJSPF which, based upon actuarial valuations performed in December 2012, is estimated at 3.1 million Swiss francs (6.6 million Swiss francs in 2011).

Repatriation grant and travel: The Organization has a contractual obligation to provide benefits such as repatriation grants and travel for certain internationally recruited staff members at the time of their separation from service. On the basis of an actuarial valuation carried out in December 2012 by an independent actuary, the obligation was estimated as follows at the reporting date:

	December 31, 2012	December 31, 2011
	(in thousands of Swiss francs)	
Liability for repatriation grant and travel	12,215	8,909

After Service Health Insurance (ASHI): The Organization also has a contractual obligation to provide post-employment medical benefits for its staff members in the form of insurance premiums for the medical and accident insurance plan. Staff members (and their spouses, dependent children and survivors) retiring from service are eligible for ASHI coverage if they continue to participate in the ASHI scheme after separation from service.

In accordance with WIPO's Staff Regulations and Rules, a share of 65 per cent of the monthly medical insurance premium is paid by the organization. The current monthly medical premium amounts to 552 Swiss francs (as at December 31, 2012). The present value of the defined benefit obligations for post-employment medical benefits is determined using the projected unit credit method including discounting the estimated future cash outflows using a discount rate based upon both Swiss franc high grade corporate bonds and Swiss government bonds. The plan is unfunded and no plan assets are held in a long-term employee benefit fund. On the basis of an actuarial valuation carried out in December 2012 by an independent office, this liability was estimated as follows at the reporting date:

	December 31, 2012	December 31, 2011
	<hr style="width: 100%; border: 0.5px solid black;"/> (in thousands of Swiss francs)	
After Service Health Insurance (ASHI)	110,937	103,365

The actuarial assumptions and calculations applicable to the ASHI liability as at December 31, 2011 are disclosed in the following table:

	December 31, 2012	December 31, 2011
	(in thousands of Swiss francs)	
Change in benefit obligation		
Benefit obligation at beginning of year	113,439	106,603
Current service cost	6,613	6,191
Interest cost	3,089	3,165
Benefits paid from plan/company	-2,130	-1,924
Past service cost	-	-
Actuarial (gain) / loss	10,309	-596
Benefit obligation at end of year	131,320	113,439
Amounts recognized in the statement of financial position		
Plans that are wholly unfunded and plans that are wholly or partly funded		
Present value of unfunded obligations	131,320	113,439
Actuarial gain (loss) unrecognized	-20,383	-10,074
	110,937	103,365
<i>Amounts in the statement of financial position</i>		
Liabilities	110,937	103,365
Components of pension cost		
Amounts recognized as personnel expenditure on statement of Financial Performance		
Current service cost	6,613	6,191
Interest cost	3,089	3,165
Past service cost (short-term employees)	-	-
Amortization of net (gain) / loss	-	1
Total pension cost recognized in Statement of Financial Performance	9,702	9,357
Policy for amortizing actuarial (gains) losses		
Corridor Method		
Actuarial gain (loss)		
Unrecognized balance at beginning of reporting period	-10,074	-10,671
Movement in reporting period	-10,309	597
Unrecognized gain (loss) at end of reporting period	-20,383	-10,074
History of experience (gain) loss		
Experience (gain) loss on plan liabilities	-6,704	-5,706
(Gain) loss on plan liabilities due to assumptions changes	17,013	5,110
	10,309	-596
Principal actuarial assumptions		
<i>Weighted-average assumptions to determine benefit obligations</i>		
Discount rate	2.20%	2.75%
Rate of compensation increase	3.44%	3.80%
Rate of sickness premium increase	3.00% as of 2012	3.00% as of 2012
	2.50% as of 2017	2.50% as of 2017
	2.00% as of 2027	2.00% as of 2027
<i>Weighted-average assumptions to determine net cost</i>		
Discount rate	2.75%	3.00%
Rate of compensation increase	3.80%	3.70%
Rate of sickness premium increase	3.00% as of 2012	2.50%
	2.50% as of 2017	
	2.00% as of 2027	
Components of projected pension expense		
Projected plan contributions for 2013	2,198	

The unrecognized actuarial loss for the year is 10.3 million Swiss francs. This represents the net impact of an actuarial loss of 17.0 million Swiss francs resulting from the reduction in the discount rate and the updating of demographic tables, and a gain of 6.7 million Swiss francs resulting from experience adjustments. The cumulative actuarial loss is amortized over the estimated remaining working lives of the employees covered by after service health insurance. The portion of the liability recognized on the Statement of Financial Performance is the amount of the amortized actuarial loss or gain exceeding ten per cent of the present value of the defined benefit liability at the reporting date in accordance with the corridor method of recognition.

Assumed healthcare cost trends have a significant effect on the amounts calculated for the ASHI liability. A one per centage point change in assumed healthcare cost trends would have the following effects:

Sensitivity information for post-employment medical benefits (ASHI)	1 per cent decrease in assumed health care trend rate	Assumed health care trend rate as applied	1 per cent increase in assumed health care trend rate
(in thousands of Swiss francs)			
Defined benefit obligation as at December 31, 2012	108,405	131,320	160,999
Per cent variation	-17.4%		22.6%
Service and interest cost for the year to December 31, 2012	7,787	9,702	12,227
Per cent variation	-19.7%		26.0%

Termination Benefits

In 2009 the Coordination Committee approved a voluntary separation program providing additional benefits for staff members accepting early retirement. The total cost of the program was 22.0 million Swiss francs, with a balance of 0.5 million Swiss francs to be utilized to cover continuing costs of pension and after service health insurance costs for staff members covered by the program in 2012. This balance was fully utilized during 2012, and there is no remaining liability for the voluntary separation program as at December 31, 2012.

United Nations Joint Staff Pension Fund

The Pension Fund's Regulations state that the 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.

WIPO's financial obligation to the UNJSPF consists of its mandated contribution, at the rate established by the UN General Assembly (currently at 7.9 per cent for participants and 15.8 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 only payable if and when the United Nations General Assembly has invoked the provision of Article 26, following 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.

The latest actuarial valuation was performed as of December 31, 2011. The valuation revealed an actuarial deficit of 1.87 per cent (0.38 per cent in the 2009 valuation) of pensionable remuneration, implying that the theoretical contribution rate required to achieve balance as of December 31, 2011 was 25.57 per cent of pensionable remuneration, compared to the actual contribution rate of 23.7 per cent. The actuarial deficit was primarily attributable to the lower than expected investment experience in recent years.

At December 31, 2011, the funded ratio of actuarial assets to actuarial liabilities, assuming no future pension adjustments, was 130 per cent (140 per cent in the 2009 valuation). The funded ratio was 86 per cent (91 per cent in the 2009 valuation) when the current system of pension adjustments was taken into account.

After assessing the actuarial sufficiency of the Fund, the Consulting Actuary concluded that there was no requirement, as of December 31, 2011, 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 this report, the General Assembly has not invoked the provision of Article 26. The pensionable remuneration will be reviewed at the time of the next actuarial valuation as of December 31, 2013.

In July 2012, the Pension Board noted in its Report of the fifty-ninth session to the General Assembly that an increase in the normal age of retirement for new participants of the Fund to 65 is expected to significantly reduce the deficit and would potentially cover half of the current deficit of 1.87 per cent. In December 2012, the General Assembly authorized the United Nations Joint Staff Pension Board to increase the normal retirement age to 65 for new participants of the Fund, with effect not later than from January 1, 2014, unless the General Assembly has not decided on a corresponding increase in the mandatory age of separation.

During 2012, WIPO contributions paid to UNJSPF amounted to 24.9 million Swiss francs [22.5 million Swiss francs in 2011]. Expected contributions due in 2013 are 24.9 million Swiss francs.

The United Nations Board of Auditors carries out an annual audit of the UNJSPF and reports to the UNJSPF Pension Board on the audit every year. The UNJSPF publishes quarterly reports on its investments and these can be viewed by visiting the UNJSPF at www.unjspf.org.

NOTE 13: TRANSFERS PAYABLE

	December 31, 2012	December 31, 2011
	(in thousands of Swiss francs)	
Madrid Union Complementary Fees	38,084	38,752
Madrid Union Supplementary Fees	3,241	3,216
Madrid Union Individual Fees	12,875	10,153
Hague Union Distribution	212	154
Madrid and Hague Union Repartition Fees	9,243	9,501
AMC deposits	660	1,085
PCT International Search Authorities	1,571	1,339
Total transfers payable	65,886	64,200

The Organization collects fees on behalf of the contracting parties of the Madrid Agreement and Protocol and the Common Regulations of the Hague Agreement. In addition, the Organization's PCT International Bureau collects funds from applicants to cover the cost of payments of International Searching Authorities. The Organization holds these funds on a temporary basis until they are transferred to the final beneficiary in accordance with the various treaties and agreements administered by the Organization. The total fees collected by the Organization for the biennium and an explanation of each are as follows:

- *Madrid Union Complementary and Supplementary fees:* In accordance with the Madrid Agreement [Article 8(2) (b and c)] and the Madrid Protocol [Article 8(2) (ii and iii)] the Organization collects complementary and supplementary fees of 100 Swiss francs per application or renewal on behalf of the contracting parties. The amount due to each contracting party varies based upon the services provided by the party (examination undertaken). Funds are transferred annually in the first half of the year following the reporting date.
- *Madrid Union Individual and Continuation of Effects fees:* In accordance with Article 8(7) of the Madrid Protocol and Rule 38 of the Common Regulations contracting parties may establish fees which are collected by the Organization and payable to contracting parties within the month following the recording of the registration or designation of renewal for which the fee was paid. Contracting parties that have elected to establish individual fees are not eligible to receive the complementary and supplementary fees described above. The amounts shown as payable represent the fees to be transferred at the end of the reporting period.
- *Hague Union Distribution:* In accordance with Rules 13.2(a)(iii), 13.2(e) and 24.2 of the Common Regulations under the Hague Agreement, the Organization collects ordinary state fees, state renewal fees and novelty examination fees on behalf of contracting parties for international registrations or their renewals. These funds are payable to the contracting parties on a monthly basis. The amount shown as payable represents the amounts to be transferred at the end of the reporting period.
- *Madrid and Hague Union Repartition Fees:* The Organization holds funds payable to contracting parties when no clear payment instructions have been received or the contracting party requests that payment be held pending confirmation. The amount shown includes the sum of 7.3 million Swiss francs due to all of the countries making up the former Federal Republic of Yugoslavia, that is, Bosnia and Herzegovina, Croatia, Montenegro, Serbia, Slovenia and The former Yugoslav Republic of Macedonia. Negotiations are in progress to settle the amounts due to each country and payment will be effected as soon as a mutual agreement between the concerned Member States has been received by the International Bureau.
- *AMC Deposits:* The Organization collects fees for arbitrations undertaken through its Arbitration and Mediation Centre covering domain names and other issues related to intellectual property. In addition to the fee paid to the Organization, participants deposit an amount equal to the estimated fee of the arbitrator. If the arbitrator's fee exceeds the estimate, the Organization requires the participants to provide the additional funds required. The amount collected is paid directly to the arbitrator and is not recognized as income by the Organization. The amount shown in the prior table represents the net amount paid by participants but not paid to the arbitrator as of the reporting date.
- *PCT International Searching Authorities:* The International Bureau collects fees from applicants for international patents to cover the costs of the international searches which are performed by ISAs designated by the Organization pursuant to the (PCT). The

amount shown above represents the amount to be transferred to ISAs at the reporting date.

NOTE 14: ADVANCE RECEIPTS

	December 31, 2012	December 31, 2011
	(in thousands of Swiss francs)	
Madrid Union deposits payable to 3rd parties	28,087	26,662
Industrial design deposits	211	183
PCT/IBRO deposits	504	489
Advance payment of contributions	3,602	2,593
PCT revenue deferred	166,455	153,794
Trademarks revenue deferred	3,545	2,386
Industrial design revenue deferred	212	164
Non exchange revenue deferred	12,471	9,903
Other deferred revenue	951	401
Total advance receipts	216,038	196,575

In many cases, the Organization collects fees and charges for services before the services are performed completely, or before the fee is earned in accordance with the treaties, agreements, protocols and regulations administered by the Organization. Revenue from fees related to the processing of international applications (Trademark, Industrial Design, Patents) is recognized when the application has been published. Revenue for additional page fees related to international patent applications filed in paper or easy format is deferred until the related application is published. In addition, the part of the fees for international patent applications which covers the cost of translation of patentability reports not filed in the English language is deferred until the translation has been completed. All revenue from fees such as renewals, extracts, modifications, abandonment, transfers, confirmations and adjustments is recognized when the service has been performed.

Voluntary contributions from donors to Special Accounts containing conditions requiring the Organization to provide services to recipient governments or other third parties, are treated as deferred income until the services covered by the voluntary contributions are performed, whereupon income is recognized.

NOTE 15: BORROWINGS

	December 31, 2012	December 31, 2011
	(in thousands of Swiss francs)	
FIPOI Loan Payable	1,358	1,358
BCG/BCV New Building Loan Payable	3,900	3,900
Total current borrowings	5,258	5,258
FIPOI Loan Payable	22,295	23,653
BCG/BCV New Building Loan Payable	122,200	126,100
Total non-current borrowings	144,495	149,753
Total borrowings	149,753	155,011

The Organization has borrowed funds (50.8 million Swiss francs and 8.41 million Swiss francs approved in 1977 and 1987 respectively) from the Foundation for Buildings for International Organizations (FIPOI) for the purpose of constructing its headquarters buildings in Geneva, Switzerland. These loans were originally subject to interest payments. However, in 1996 the Swiss Federal Department of External Relations agreed to waive any further payments of interest and the loans currently require the reimbursement of principal only. The value of the interest waived in 2012 was 0.6 million Swiss francs and the value of interest to be waived until the final payment on the loans, due in 2039, is 5.6 million Swiss francs. After taking into consideration the value of the waiver of interest payments, the present value of the loans is recognized at the nominal value, since the value of the interest waiver is equal to the future value of the loan discount.

In February 2008, the Organization entered into a contract with the *Banque Cantonale de Genève* and the *Banque Cantonale Vaudoise* to borrow 114.0 million Swiss francs, plus a possible supplementary amount of 16.0 million Swiss francs, to be used to finance part of the cost of the construction of the New Building available for use until February 28, 2011. The supplementary amount of 16.0 million Swiss francs was drawn down on January 27, 2011. The interest rate has been fixed at the Swiss franc Swap LIBOR for up to 15 years, plus a margin of between 0.30 per cent to 0.70 per cent dependent on the length of the term as determined by the Organization. Interest payments in 2012 totaled 3.3 million Swiss francs. In addition to the payment of interest, the contract provides for an annual repayment of principal equal to 3.0 per cent of the total amount borrowed beginning on February 28, 2012 for the original loan of 114.0 million Swiss francs and the supplementary loan of 16.0 million Swiss francs.

In October 2010, an amendment to the loan agreement was approved by the *Banque Cantonale de Genève*, the *Banque Cantonale Vaudoise* and WIPO providing an additional amount of 40.0 million Swiss francs to be used to finance part of the cost of the construction of the New Conference Hall and available for use during the period March 31, 2011 to March 31, 2014. The interest rate has also been fixed at the Swiss franc Swap LIBOR for up to 15 years, plus a margin of between 0.30 per cent to 0.70 per cent dependent on the length of the term as determined by the Organization. The contract again provides for an annual repayment of principal equal to 3 per cent of the total amount borrowed, to begin on March 31, 2015 for the loan of 40.0 million Swiss francs. As at December 31, 2012 the Organization had not drawn down the additional amount of 40.0 million Swiss francs. It is noted that the Organization pays an annual commission of 0.15 per cent on undrawn loan amounts during the period of availability.

NOTE 16: PROVISIONS

	December 31, 2012	December 31, 2011
	(in thousands of Swiss francs)	
	<u> </u>	<u> </u>
Education grants payable	1,761	1,591
Legal costs	1,032	831
Total provisions	<u>2,793</u>	<u>2,422</u>

The provision for education grants payable relates to the number of months which have elapsed between the start of the school year/university year and December 31, 2012 for which fees are therefore due. As part of its normal activities, the Organization is subject to litigation. Events occurring prior to December 31, 2012 have created certain legal obligations at the reporting date. As it is probable that these obligations will require future settlement and as the settlement

amounts can be reliably estimated, a provision for legal costs has been established. The amount of the provision has been estimated as closely as possible on the basis of information available.

	Legal Costs	Education Grant	Total
	(in thousands of Swiss francs)		
Balance as at December 31, 2010	1,124	1,488	2,612
Movements in 2011:			
Additional provisions made	-	1,591	1,591
Amounts used	-148	-1,488	-1,636
Unused amounts reversed	-145	-	-145
Total movements in 2011	-293	103	-190
Balance as at December 31, 2011	831	1,591	2,422
Movements in 2012:			
Additional provisions made	776	1,761	2,537
Amounts used	-146	-1,591	-1,737
Unused amounts reversed	-429	-	-429
Total movements in 2012	201	170	371
Balance as at December 31, 2012	1,032	1,761	2,793

NOTE 17: OTHER CURRENT LIABILITIES - CURRENT ACCOUNTS

	December 31, 2012	December 31, 2011
	(in thousands of Swiss francs)	
PCT current accounts - Italy and Japan	4,841	6,825
Other current accounts	50,731	45,246
Total current accounts	55,572	52,071

The Organization provides facilities for applicants for Trademarks and Industrial Designs to deposit funds entitled "current accounts" for which the Organization acts as custodian pending the use of the funds to cover fees required to be paid in connection with individual applications and renewals. These funds are held until such time as specific applications are filed. On receipt of the application and authorization the current account balance is reduced and the funds are considered deposits until the application has been registered.

In addition, the Organization maintains bank accounts in its name to provide a mechanism for certain contracting parties to transfer funds which these parties have collected on behalf of the Organization. Until such time as the contracting party informs the Organization that funds held in these accounts represent income belonging to the Organization, the balance remaining in the accounts is not recognized as income.

NOTE 18: CONTINGENT ASSETS AND LIABILITIES

Several members of WIPO personnel are in dispute with the Organization. Cases before the WIPO Appeal Board (WAB) and the ILO Administrative Tribunal (ILOAT) for which provisions have been made are reflected in Note 16. No provision has been made for certain other cases before the WAB or the ILOAT where legal advice indicates it is not probable that a liability will

arise. The estimated value of contingent liabilities for possible payments by the Organization for claims arising from these cases is 1,155,000 Swiss francs at the reporting date. Personnel also have cases before the WIPO Joint Advisory Committee, the WIPO Joint Grievance Panel or which have the status of Requests for Review. For these cases the amount of any claim is yet to be confirmed, and therefore no provision is recognized. The estimated value of contingent liabilities for possible settlement payments by the Organization arising from these cases is 170,000 Swiss francs at the reporting date.

The Organization has no material unrecognized contractual commitments. As at December 31, 2012, outstanding contracts for the construction of the New Conference Hall totaled 26.3 million Swiss francs.

WIPO is engaged in negotiations with the principal contractor involved with the construction of the New Building and the New Conference Hall regarding the late delivery of parts of the buildings. It is as yet too early to quantify all indemnities to be paid to the Organization, although some payments have been agreed during 2012.

Following the break out of a fire in the A. Bogsch Building on October 27, 2011, the Organization suffered both direct costs related to repair, replacement and clean up expenses, and also costs related to the postponement of a meeting. The Organization received reimbursement for the direct costs during 2012. The Organization is in the process of claiming reimbursement for costs related to the postponement of a meeting. It is as yet too early to quantify the total reimbursement to be paid to the Organization.

WIPO is a Partner Organization in the International Computing Centre (ICC), the inter-organization facility created to provide information technology services. Under the terms of the ICC Mandate, Partner Organizations shall be responsible for their share of certain liabilities arising from ICC's operations.

WIPO has contractual commitments relating to non-cancellable lease arrangements. These are detailed in Note 19.

NOTE 19: LEASES – WIPO AS LESSEE

The Organization has a number of leases providing additional space, storage and specialized facilities in Geneva. In addition, the Organization leases space for its liaison offices in New York, Rio de Janeiro, Singapore and Tokyo. The majority of these leases are cancellable by the Organization subject to notification periods specified in the agreements. The Organization leases space for its New York liaison office under the terms of a non-cancellable lease agreement which has outstanding payments to the end of the lease period as follows:

	December 31, 2012	December 31, 2011
	(in thousands of Swiss francs)	
Not later than one year	191	192
Later than one year and not later than five years	318	513
Later than five years	-	-
Total non-cancellable operating leases	509	705

The Organization has no outstanding leases qualifying as finance leases at the reporting date. The total amount of lease payments recognized as an expense in the reporting period was 2.1 million Swiss francs [7.1 million Swiss francs in 2011].

NOTE 20: RELATED PARTY TRANSACTIONS

The Organization is governed by the WIPO Assembly composed of representatives of all member countries. They do not receive remuneration from the Organization. The Organization is managed by a Director General and by Deputy and Assistant Directors General and officers (key management personnel) who are remunerated by the Organization. The aggregate remuneration paid to key management personnel includes salaries, allowances, statutory travel and other entitlements paid in accordance with the Staff Rules and Regulations and applicable to all staff. In addition, the Director General, deputy directors general and assistant directors general receive representation allowances. Key management personnel are members of the UNJSPF to which the personnel and the Organization contributes and are also eligible for participation in the staff health insurance scheme including the ASHI if they meet the eligibility requirements.

The Organization has no ownership interest in associates or joint ventures and no controlled entities. WIPO is a member of the UNJSPF and certain of its current and former staff are members of WIPO's CROMPI. The relationship with these two funds is explained in detail in Note 12.

The Organization has a relationship with the International Union for the Protection of New Varieties of Plants (UPOV) whereby the Director General of the Organization serves as Secretary General of UPOV. The Organization is responsible for providing space, personnel administration, financial administration, procurement services and other administrative support to UPOV in accordance with the terms of an agreement between the Organization and UPOV dated November 26, 1982. UPOV reimburses the Organization for the cost of such services in accordance with the terms of said agreement.

The Council of UPOV which serves as UPOV's governing body consists of the representatives of the contracting parties to the International Convention for the Protection of New Varieties of Plants of December 2, 1961, as revised. In accordance with the Rules and Regulations of UPOV, the office of UPOV, consisting of the UPOV Secretary General and staff, exercises its functions in complete independence of the Organization.

In addition to full reimbursement of all funds disbursed by the Organization on behalf of UPOV, the Organization receives 618 thousand Swiss francs per year from UPOV to cover the costs of services provided under the agreement between the two organizations. There were no other material transactions with related parties during 2012.

Key management personnel and their aggregate remuneration were as follows:

	2012		2011	
	Number of Individuals (as an average)	Aggregate remuneration (in Swiss francs)	Number of Individuals (as an average)	Aggregate remuneration (in Swiss francs)
Director-General, deputies and assistants	8.00	2,904,182	8.00	3,074,073
Senior Officers	13.33	3,954,229	14.02	4,403,484

There were no loans to key management personnel or to their close family members which were not available to other categories of staff. There was no other remuneration or compensation to key management personnel or to their close family members.

NOTE 21: RESERVES AND FUND BALANCE

	December 31, 2011	Program and Budget Surplus for the Year (before IPSAS adjustments)	Special Accounts Surplus for the Year (before IPSAS adjustments)	Projects Financed from Reserves (before IPSAS adjustments)	IPSAS adjustments for the year	Transfer to Accumulated surpluses	December 31, 2012
(in thousands of Swiss francs)							
Program and Budget surplus/(deficit) for the year	-	50,984	-	-	-28,867	-22,117	-
Special Accounts surplus/(deficit) for the year	-	-	2,384	-	-2,384	-	-
Accumulated surpluses/(deficits)	139,141	-	-	-11,015	4,608	22,117	154,851
Working capital funds	8,342	-	-	-	-	-	8,342
Revaluation surplus	15,046	-	-	-	-	-	15,046
Net Assets	162,529	50,984	2,384	-11,015	-26,643	-	178,239

The fund balance of the Organization represents the accumulated net result of operations in 2012 and prior periods. The fund balance includes the amount set aside to finance post employment benefits from a charge levied against net salary plus post adjustment. Prior to 2012 this charge was 6.0 per cent, which was reduced to 2.0 per cent as from January 2012.

The revaluation surplus reserves include the results of a revaluation (from historic cost to fair value) of the land owned by the Organization on which the new building is being constructed. The fair value has been determined by an independent valuation.

Reserves include the Working Capital Funds established by the Assemblies of Members States of each of the Unions to provide advance financing of appropriation should there be a temporary liquidity shortfall.

WIPO's capital consists of its accumulated surplus and working capital funds which form part of its net assets. The capital is managed in accordance with the Policy on Reserve Funds and principles applied in respect of the use of reserves adopted by the Assemblies of the Member States of WIPO at its 48th series of meetings in 2010 [A/48/9]. The policy establishes a target level for accumulated surplus equal to a per centage of estimated biennial expenditures for each of the Unions forming the Organization. In addition, each of the treaty agreements of the respective Unions establishes a level for the working capital funds. Funds equal to the target level for accumulated surplus and the working capital funds are set aside to maintain sufficient levels of liquidity and to cover operational deficits should they occur. Accumulated surplus funds in excess of the target may be made available by the Assemblies to finance capital improvements or other priorities in accordance with the policy on the Utilization of reserves established by WIPO's Assemblies.

NOTE 22: RECONCILIATION OF STATEMENT OF BUDGETARY COMPARISON (STATEMENT V) AND STATEMENT OF FINANCIAL PERFORMANCE (STATEMENT II)

The WIPO Program and Budget is established on a modified accrual basis in accordance with the Financial Regulations and Rules, and is approved by the Assemblies of the Member States. The Program and Budget for the 2012/13 Biennium established a budget estimate for the biennium of 647.4 million Swiss francs.

For 2012, the first year of the biennium, the original and final budget estimate for income was 318.3 million Swiss francs. The original budget for expense for the first year of the biennium was 323.7 million Swiss francs, which was based on the biennial budget. The final budget for expense for the first year was 324.1 million Swiss francs. Actual income on a modified accrual basis for the first year of the biennium was 341.1 million Swiss francs. Actual expense on a modified accrual basis for the first year of the biennium was 290.1 million Swiss francs.

The Program Performance Report for 2012 provides an explanation of both the changes between the original and final budget after transfers, and the material differences between the budget and the actual amounts. WIPO's budget and financial accounts are prepared using two different bases. The Statement of Financial Position, Statement of Financial Performance, Statement of Changes in Net Assets and Statement of Cash Flow are prepared on a full accrual basis, whereas the Statement of Comparison of Budget and Actual Amounts (Statement V) is prepared on a modified accrual basis.

As required by IPSAS-24, a reconciliation is provided between the actual amounts on a comparable basis as presented in Statement V and the actual amounts in the financial accounts identifying separately any basis, timing and entity differences. WIPO's budget is adopted by the Assemblies on a biennial basis, however, separate estimates are prepared for each of the two annual periods. Therefore, there are no timing differences to report. Basis differences occur when the approved budget is prepared on a basis other than the full accrual accounting basis. Basis differences include the depreciation of assets, full recognition of provisions and deferral of unearned revenue. Entity differences represent the inclusion in WIPO's financial accounts of Special Accounts and projects financed from reserves, which are not included in WIPO's published Program and Budget. Presentation differences represent the treatment of gains on investment property as investing activities in Statement IV.

Reconciliation for the year 2012:

	2012			
	Operating	Investing	Financing	Total
	(in thousands of Swiss francs)			
Actual amount on comparable basis (Statement V)	50,984	-	-	50,984
Depreciation, amortization and impairment	-8,101	-	-	-8,101
Equipment acquisition and disposal	114	-	-	114
Capitalization of construction expense	5,863	-	-	5,863
Capitalization of intangible assets	560	-	-	560
Revaluation investment property	-	469	-	469
Changes in employee benefit liabilities	-7,293	-	-	-7,293
Deferral of revenue from fees	-15,040	-	-	-15,040
Other deferred revenue	-734	-	-	-734
Change in provision for doubtful debts	42	-	-	42
Inventory recognition	-139	-	-	-139
Special Accounts revenue recognition	-2,384	-	-	-2,384
Total Basis differences	-27,112	469	-	-26,643
Projects financed from reserves	-11,015	-	-	-11,015
Special Accounts	2,384	-	-	2,384
Total Entity differences	-8,631	-	-	-8,631
Actual amount in the Statement of Financial Performance (Statement II)	15,241	469	-	15,710

NOTE 23: REVENUE

	Program and Budget	Special Accounts	Projects Financed from Reserves	IPSAS Adjustments	Total	
	(in thousands of Swiss francs)					
	2012	2012	2012	2012	2012	2011
Assessed contributions	17,549	-	-	42	17,591	17,462
Voluntary contributions	-	10,173	-	-2,436	7,737	8,532
Publications revenue	630	-	-	-	630	670
Investment revenue	1,326	9	-	469	1,804	4,293
PCT System fees	262,011	-	-	-13,834	248,177	206,621
Madrid System fees	52,756	-	-	-1,158	51,598	50,959
Hague System fees	3,083	-	-	-47	3,036	2,996
Other fees	4	-	-	-	4	3
Sub-total fees	317,854	-	-	-15,039	302,815	260,579
Arbitration and Mediation	1,643	-	-	-	1,643	1,480
Exchange gain (loss)	-851	-21	-	-	-872	-1,457
Program support charges	705	-	-	-705	-	-
Other/miscellaneous	2,206	-	3,803	-361	5,648	1,578
Total revenue	341,062	10,161	3,803	-18,030	336,996	293,137

Amounts shown for the Program and Budget represent actual revenue received related to the Organization's budget as adopted by the Assemblies. Voluntary contributions represent revenue received in connection with contributions made by donors to individual projects under Special Accounts not included in the Program and Budget.

IPSAS adjustments are related to the deferral of unearned revenue. Revenue from voluntary contributions is deferred until earned through the delivery of the specific services provided in the plan of work agreed with the donor. Voluntary contributions comprise 10.4 million Swiss francs of funds received less reimbursements to donors (see Annex III), with an IPSAS adjustment of 2.4 million Swiss francs for the movement in deferred revenue.

Revenue from PCT and Madrid fees is deferred until earned through the publication of the international application in accordance with the rules of each of the Unions.

NOTE 24: EXPENSES

	Program and Budget	Special Accounts	Projects Financed from Reserves	IPSAS Adjustments	Total	
	2012	2012	2012	2012	2012	2011
	(in thousands of Swiss francs)					
Personnel expenditure	199,165	2,479	4,046	7,134	212,824	209,554
Travel and fellowships	14,099	3,109	381	-3	17,586	20,745
Contractual services	49,620	1,036	4,320	-1	54,975	50,103
Operating expenses	24,052	201	1,023	-708	24,568	30,791
Supplies and materials	2,656	33	476	-513	2,652	2,309
Furniture and equipment	473	81	173	-150	577	3,753
Construction	13	-	4,399	-4,412	-	-
Depreciation, amortization and impairment	-	-	-	8,104	8,104	8,091
Program support costs	-	838	-	-838	-	-
Total expenses	290,078	7,777	14,818	8,613	321,286	325,346

Expenses in the Program and Budget, Special Accounts and Projects financed from reserves are reported on a modified accrual basis, recognizing expense when goods are received and services are rendered. However, before the impact of IPSAS adjustments, costs of the acquisition of equipment, expenses related to production of inventory and expenses related to construction are recorded as expensed when paid and provisions for post employment benefits are recognized only to the extent funded. In addition, changes to the provision for doubtful debts, depreciation of equipment and buildings and equipment disposal are not recognized as expense.

Personnel expenditure includes short-term employee benefits such as base salary, post adjustment, dependents' allowance, pension contribution, health and other insurance contributions, home leave and other entitlements for permanent and short-term staff and consultants. The amount shown as IPSAS adjustments includes principally changes in the provisions for employee benefit liabilities (7.3 million Swiss francs), and also transfers to work in progress of consultant services related to construction projects and costs related to publications inventory.

Travel includes the costs of airfare, daily subsistence allowances, terminal allowances and other travel costs for staff on official business and travel for participants, lecturers and fellows in connection with training activities. Contractual services include translators, interpreters and other non-staff or consultant service agreements. Operating expenses include items such as premises rent, maintenance and utilities, bank charges and the cost of communications.

The costs of depreciation of buildings (6.3 million Swiss francs), intangible assets (0.5 million Swiss francs) and equipment (1.3 million Swiss francs) are treated as IPSAS adjustments. The transfer to fixed assets of construction costs and additions to buildings (5.9 million Swiss francs) are also included within IPSAS adjustments.

NOTE 25: EXCHANGE GAIN AND LOSS

The Organization realizes exchange gains and losses on accounts payable and accounts receivable transactions incurred in currencies other than Swiss francs based on the exchange rate in effect on the date of the transaction. Exchange gains and losses are realized on international and handling fees under the Patent Cooperation Treaty where these are received by the Organization in currencies other than Swiss francs, and on payments made to ISA under

the PCT which are valued in the currency of the ISA but collected by WIPO in Swiss francs or by the national receiving office in its local currency. In addition, unrealized exchange gains and losses relating to the revaluation of bank accounts and other monetary assets and liabilities into Swiss francs at the exchange rate in effect on the reporting date are recognized on the financial statements. The net effect of all exchange gains and losses of 6.6 million Swiss francs is recognized as a component of revenue on the Statement of Financial Performance, principally within the lines PCT System fees (7.5 million Swiss francs) and Other/miscellaneous revenue (-0.9 million Swiss francs)

	Gain	Loss	Net Impact 2012
	(in thousands of Swiss francs)		
Accounts payable	1,298	-1,972	-674
Accounts receivable	296	-153	143
PCT fees received	7,609	-79	7,530
PCT International Searching Authority	63	-268	-205
Total realized gain/(loss)	9,266	-2,472	6,794
Bank accounts	711	-878	-167
Special account bank accounts	97	-111	-14
PCT bank accounts	212	-210	2
Arbitration and Mediation bank accounts	109	-137	-28
PCT current accounts	109	-76	33
Arbitration and Mediation other assets and liabilities	157	-155	2
Other assets and liabilities	1,793	-1,812	-19
Total unrealized gain/(loss)	3,188	-3,379	-191
Total exchange gain/(loss)	12,454	-5,851	6,603

NOTE 26: EVENTS AFTER THE REPORTING DATE

WIPO's reporting date is December 31, 2012, and its financial statements were authorized for issuance on May 3, 2013. No material events, favorable or unfavorable, which would have impacted upon the statements have been incurred between the reporting date and the date on which the financial statements were authorized for issue.

NOTE 27: SEGMENT REPORTING

Segment reporting is presented in a format which represents the various Unions as the segments that make up the World Intellectual Property Organization. The Unions were created by the various treaties administered by WIPO.

The WIPO contribution financed Unions have been consolidated for presentation purposes. These include the Paris, Berne, Locarno, Nice and IPC unions along with the functions covered by the WIPO Convention. The Patent Cooperation Treaty (PCT) Union, Madrid Union (Trademarks), Hague Union (Industrial Designs) and Lisbon Union (Appellations of Origin) are each governed by an Assembly which meets annually to adopt a budget and take such other actions as may be appropriate under the relevant treaties.

WIPO's assets and liabilities, other than the reserves representing net assets, are owned by or are the responsibility of the entire organization and not assets or liabilities of individual unions or segments. The assets and liabilities generally support a wide range of service delivery activities

across multiple Unions (segments). The only exception is the investment property in Meyrin which is owned by the Madrid Union. Therefore, individual assets and liabilities will not be reflected in the disclosure of information for individual segments or unions. Only the net assets/equity including the working capital funds and reserves are shown by individual segment.

Most revenue is accounted for by Union in WIPO's accounts. Revenue from interest earnings has been allocated among the Unions based upon total cash reserves and current revenue in 2012. Expenses are accounted for by program and then re-allocated to the various Unions based upon a methodology accepted by the WIPO General Assembly as part of the adoption of WIPO's 2012/13 Program and Budget.

A separate segment has been established for voluntary contributions representing amounts administered by WIPO on behalf of individual donors to carry out programs related to WIPO's mandate. Revenue and expense related to Voluntary Contributions (Special Accounts) are accounted for separately in the financial accounting system.

All expenses are allocated among the Unions making up the segments based upon the approved allocation methodology. Expenses for the Special Accounts segment relating to voluntary contributions to the Organization are recorded as actual cost. The only inter-segment charge represents the costs of program support incurred by the Unions in support of Special Accounts. Program support costs are charged to the Special Accounts based on a percentage of total direct expenditure specified in the agreement with the donor making the voluntary contribution.

Revenue, Expense and Reserves by Segment

Program	Program Title	Contribution Financed	PCT	UNIONS			Special Accounts	Total
				Madrid	Hague	Lisbon		
(in thousands of Swiss francs)								
REVENUE								
	Contributions	17,549	-	-	-	-	10,173	27,722
	Fees	-	262,011	52,756	3,083	4	-	317,854
	Interest	89	649	585	3	-	9	1,335
	Publications	55	484	90	1	-	-	630
	Other Income+UPOV	383	383	528	383	383	-21	2,039
	Arbitration	85	1,042	493	20	3	-	1,643
	Sub-total revenue on budgetary basis	18,161	264,569	54,452	3,490	390	10,161	351,223
	Miscellaneous revenue projects financed from reserves	475	2,693	627	4	4	-	3,803
	IPSAS Adjustments to revenue	-5	-14,079	-750	-52	-4	-3,140	-18,030
	TOTAL REVENUE	18,631	253,183	54,329	3,442	390	7,021	336,996
EXPENSES								
01	Patent Law	161	1,924	66	-	-	-	2,151
02	Trademarks, Industrial Design & Geographic Indications	458	405	1,492	335	-	-	2,690
03	Copyright and Related Rights	6,522	1,835	188	-	-	-	8,545
04	Traditional Knowledge, Traditional Cultural Expressions & Genetic Resources	2,933	-	-	-	-	-	2,933
05	The PCT System	-	83,533	-	-	-	-	83,533
06	Madrid and Lisbon Systems	-	-	23,441	-	410	-	23,851
07	Arbitration, Mediation and Domain Names	245	2,986	1,413	57	9	-	4,710
08	Development Agenda Coordination	44	1,554	159	-	-	-	1,757
09	Africa, Arab, Asia and the Pacific, Latin America and the Caribbean Countries, Least Developed Countries	381	13,398	1,374	-	-	-	15,153
10	Cooperation with Certain Countries in Europe and Asia	71	2,489	255	-	-	-	2,815
11	The WIPO Academy	145	5,085	521	-	-	-	5,751
12	International Classifications and Standards	195	3,037	97	32	-	-	3,361
13	Global Databases	-	1,772	197	-	-	-	1,969
14	Services for Access to Information and Knowledge	50	2,783	573	37	1	-	3,444
15	Business Solutions for IP Offices	98	3,458	355	-	-	-	3,911
16	Economics and Statistics	56	1,964	201	-	-	-	2,221
17	Building Respect for IP	31	1,104	113	-	-	-	1,248
18	IP and Global Challenges	88	3,109	319	-	-	-	3,516
19	Communications	194	6,795	697	-	-	-	7,686
20	External Relations, Partnerships and External Offices	107	3,753	385	-	-	-	4,245
21	Executive Management	464	6,449	1,584	181	25	-	8,703
22	Program and Resource Management	480	6,659	1,636	187	25	-	8,987
23	Human Resource Management and Development	534	7,408	1,820	208	28	-	9,998
24	General Support Services	949	13,184	3,239	370	50	-	17,792
25	Information and Communication Technology	1,202	16,694	4,705	469	63	-	23,133
26	Internal Oversight	123	1,709	420	48	6	-	2,306
27	Conference and Language Services	972	13,491	3,314	379	51	-	18,207
28	Safety and Security	278	3,862	949	109	14	-	5,212
29	Construction Projects	188	2,607	640	73	10	-	3,518
30	Small and Medium Size Enterprises and Innovation	87	3,040	312	-	-	-	3,439
31	The Hague System	-	-	-	3,293	-	-	3,293
	Sub-total expenses on budgetary basis	17,056	216,087	50,465	5,778	692	-	290,078
	Financed from Reserves:							
	New Building and New Conference Hall	572	3,241	755	5	5	-	4,578
	IPSAS Adjustments to New Building and New Conference Hall	-457	-2,583	-602	-4	-4	-	-3,650
	Other Projects	576	5,670	3,216	770	8	-	10,240
	IPSAS Adjustments to Other Projects	-175	-977	-166	20	-1	-	-1,299
	Special Accounts	-	-	-	-	-	7,777	7,777
	IPSAS Adjustments to expense	842	10,666	2,491	285	34	-756	13,562
	TOTAL EXPENSES	18,414	232,104	56,159	6,854	734	7,021	321,286
	Reserves and working capital funds at December 31, 2011	21,539	92,312	50,136	-843	-615	-	162,529
	2012 result on budgetary basis	432	42,264	643	-3,059	-311	2,384	42,353
	IPSAS adjustments to result	-215	-21,185	-2,473	-353	-33	-2,384	-26,643
	Reserves and working capital funds at December 31, 2012	21,756	113,391	48,306	-4,255	-959	-	178,239

Note; The Madrid Union has assumed the financing of the Hague Union's contribution of 3 million Swiss francs to the IT Modernization Program of the Madrid and Hague international registration systems. The amount will be reimbursed by the Hague Union to the Madrid Union as soon as the level of reserves of the Hague Union Reserve Fund so allows.

ANNEX I

STATEMENT OF FINANCIAL POSITION BY BUSINESS UNIT [UNAUDITED]
as at December 31, 2012
(in thousands of Swiss francs)

	Notes	Program and Budget		Special Accounts		Projects financed from reserves		IPSAS Adjustments		Consolidated	
		December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
ASSETS											
Current Assets											
Cash and cash equivalents	3	394,323	368,360	13,794	11,378	-	-	-	-	408,117	379,738
Accounts receivable (non-exchange transactions)	4	2,260	2,754	-	-	-	-	-830	-928	1,430	1,826
Accounts receivable (exchange transactions)	4	12,382	11,992	11	26	9,282	137	13,938	15,110	35,613	27,265
Inventories	5	-	-	-	-	-	-	2,298	2,437	2,298	2,437
Other current assets		151,656	163,869	-987	-1,090	-150,669	-162,779	-	-	-	-
Total Current Assets		560,621	546,975	12,818	10,314	-141,387	-162,642	15,406	16,619	447,458	411,266
Non-Current Assets											
Equipment	6	-	-	-	-	-	-	2,517	3,730	2,517	3,730
Investment Property	7	3,395	3,395	-	-	-	-	1,390	921	4,785	4,316
Intangible Assets	8	-	-	-	-	-	-	27,394	27,330	27,394	27,330
Land and Buildings	9	25,415	25,415	-	-	137,418	137,418	175,514	175,932	338,347	338,765
Accounts receivable (non-exchange transactions)	4	6,708	6,801	-	-	-	-	-6,287	-6,320	421	481
Other non-current assets	10	9,811	10,000	-	-	-	-	-	-	9,811	10,000
Total Non-Current Assets		45,329	45,611	-	-	137,418	137,418	200,528	201,593	383,275	384,622
TOTAL ASSETS		605,950	592,586	12,818	10,314	-3,969	-25,224	215,934	218,212	830,733	795,888
LIABILITIES											
Current Liabilities											
Accounts payable	11	13,888	17,169	92	54	7,072	10,951	37	60	21,089	28,234
Employee benefits	12	-20,378	-19,482	235	152	-26	-	35,636	34,589	15,467	15,259
Transfers payable	13	65,886	64,200	-	-	-	-	-	-	65,886	64,200
Advance receipts	14	32,622	30,284	10,107	11,776	-	-	173,309	154,515	216,038	196,575
Borrowings due within one year	15	5,258	5,258	-	-	-	-	-	-	5,258	5,258
Provisions	16	2,793	2,422	-	-	-	-	-	-	2,793	2,422
Other current liabilities	17	55,572	52,071	-	-	-	-	-	-	55,572	52,071
Total Current Liabilities		155,641	151,922	10,434	11,982	7,046	10,951	208,982	189,164	382,103	364,019
Non-Current Liabilities											
Employee benefits	12	64,579	64,485	-	-	-	-	61,317	55,102	125,896	119,587
Borrowings due after one year	15	144,495	149,753	-	-	-	-	-	-	144,495	149,753
Total Non-Current Liabilities		209,074	214,238	-	-	-	-	61,317	55,102	270,391	269,340
TOTAL LIABILITIES		364,715	366,160	10,434	11,982	7,046	10,951	270,299	244,266	652,494	633,359
Accumulated surpluses/(deficits) b/f	21	181,909	217,251	-	-	-	-	-42,768	-45,901	139,141	171,350
Working capital funds	21	8,342	8,342	-	-	-	-	-	-	8,342	8,342
Revaluation surplus	21	-	-	-	-	-	-	15,046	15,046	15,046	15,046
Surplus/(deficit) current period		50,984	833	2,384	-1,668	-11,015	-36,175	-26,643	4,801	15,710	-32,209
NET ASSETS		241,235	226,426	2,384	-1,668	-11,015	-36,175	-54,365	-26,054	178,239	162,529

ANNEX II

STATEMENT OF FINANCIAL PERFORMANCE BY BUSINESS UNIT [UNAUDITED]
for the year ended December 31, 2012
(in thousands of Swiss francs)

	Notes	Program and Budget		Special Accounts		Projects financed from reserves		IPSAS Adjustments		Consolidated	
		December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
REVENUE											
Assessed contributions	23	17,549	17,434	-	-	-	-	42	28	17,591	17,462
Voluntary contributions	23	-	-	10,173	6,815	-	-	-2,436	1,717	7,737	8,532
Publications revenue	23	630	670	-	-	-	-	-	-	630	670
Investment revenue	23	1,326	4,271	9	22	-	-	469	-	1,804	4,293
PCT System fees	23	262,011	221,156	-	-	-	-	-13,834	-14,535	248,177	206,621
Madrid System fees	23	52,756	51,179	-	-	-	-	-1,158	-220	51,598	50,959
Hague System fees	23	3,083	2,954	-	-	-	-	-47	42	3,036	2,996
Other fees	23	4	3	-	-	-	-	-	-	4	3
Sub-total fees		317,854	275,292	-	-	-	-	-15,039	-14,713	302,815	260,579
Arbitration and Mediation	23	1,643	1,480	-	-	-	-	-	-	1,643	1,480
Exchange gains	23	-851	-1,236	-21	-204	-	-17	-	-	-872	-1,457
Program support charges	23	705	845	-	-	-	-	-705	-845	-	-
Other/miscellaneous revenue	23	2,206	1,578	-	-	3,803	-	-361	-	5,648	1,578
Sub-total miscellaneous		2,060	1,187	-21	-204	3,803	-17	-1,066	-845	4,776	121
TOTAL REVENUE		341,062	300,334	10,161	6,633	3,803	-17	-18,030	-13,813	336,996	293,137
EXPENSES											
Personnel expenditure	24	199,165	198,247	2,479	2,474	4,046	3,784	7,134	5,049	212,824	209,554
Travel and fellowships	24	14,099	17,636	3,109	2,376	381	731	-3	2	17,586	20,745
Contractual services	24	49,620	46,120	1,036	1,900	4,320	1,974	-1	109	54,975	50,103
Operating expenses	24	24,052	32,559	201	146	1,023	1,019	-708	-2,933	24,568	30,791
Supplies and materials	24	2,656	2,246	33	56	476	9	-513	-2	2,652	2,309
Furniture and equipment	24	473	2,164	81	116	173	2,784	-150	-1,311	577	3,753
Construction	24	13	529	-	-	4,399	25,857	-4,412	-26,386	-	-
Depreciation, amortization and impairment	24	-	-	-	-	-	-	8,104	8,091	8,104	8,091
Program support costs	24	-	-	838	1,233	-	-	-838	-1,233	-	-
TOTAL EXPENSES		290,078	299,501	7,777	8,301	14,818	36,158	8,613	-18,614	321,286	325,346
SURPLUS/(DEFICIT) FOR THE YEAR		50,984	833	2,384	-1,668	-11,015	-36,175	-26,643	4,801	15,710	-32,209

ANNEX III

SPECIAL ACCOUNTS BY DONOR CONTRIBUTIONS
for the year ended December 31, 2012
(in Swiss francs)

Fund-in-Trust Donor	Fund code	Balance as of December 31, 2011	Income 2012				Expenditure 2012				Reimbursements	Balance as of December 31, 2012
			Funds received	Interest	Exch. rate diff.	Total income	Staff expenditure	Other direct expenditure	Administrative support costs	Total expenditure		
Accredited indigenous and local communities	W_IGC	94,240.22	-	45.50	-	45.50	-	72,935.50	-	72,935.50	-	21,350.22
Australia	WAUS	-	1,861,000.00	475.10	-	1,861,475.10	-	17,917.99	2,150.15	20,068.14	-	1,841,406.96
Brazil CHF	WBRES	359,491.51	370,541.90	225.70	41.95	370,809.55	-	247,981.73	12,396.95	260,378.68	3,675.29	466,247.09
Costa Rica	WCORI	33,276.75	-	41.05	-1,190.85	-1,149.80	-	81.99	-	81.99	-	32,044.96
El Salvador	WELSA	53,125.43	-	65.03	-2,013.88	-1,948.85	-	81.99	-	81.99	-	51,094.59
European Union (Bangladesh Project)	WBGLD	344,672.98	-	-	-	-	-	-	-	-	-	344,672.98
European Union (Pakistan Project)	WPAKI	354,583.90	616,382.49	891.79	-3,306.00	613,968.28	-	326,062.41	22,824.40	348,886.81	-	619,665.37
Finland/Copyright I	WFICR	15,434.68	-	26.31	-167.27	-140.96	-	81.07	11.15	92.22	-	15,201.50
Finland/Copyright II	WFILN	11,837.32	-	20.29	-146.55	-126.26	-	3,084.07	-	3,084.07	-	8,626.99
Finland/Copyright III	WFIMO	167,092.68	42,732.56	369.67	-2,607.44	40,494.79	-	22,081.07	2,871.50	24,952.57	-	182,634.90
France/Copyright	WFRCR	403.16	-	-	-	-	-	79.99	7.80	87.79	315.37	-
France/Industrial Property	WFRIP	287,845.61	300,335.37	274.05	-	300,609.42	-	36,431.20	4,736.05	41,167.25	-	547,287.78
Germany/ Junior Professional Officers	WDEJP	398,822.48	451,364.00	322.60	-	451,686.60	498,197.15	17,624.80	61,898.65	577,720.60	14,572.21	258,216.27
Ibero-American Program of Industrial Property	WIBER	-	44,621.30	1.30	-	44,622.60	-	20.00	2.40	22.40	-	44,600.20
Italy/Intellectual Property	WITIP	141,817.46	600,384.00	390.90	6.06	600,780.96	-	4,920.01	638.80	5,558.81	-	737,038.61
Italy/Junior Professional Officers	WITJP	32,643.61	-	29.70	-	29.70	9,198.85	80.00	1,113.45	10,392.30	-	22,281.01
Japan/Africa - LDCs	WJPAP	1,518,458.74	1,100,000.00	921.50	-2,475.66	1,098,445.84	238,374.14	743,388.97	127,340.25	1,109,103.36	-	1,507,801.22
Japan/Copyright	WJPCR	504,045.89	468,646.00	377.80	208.57	469,232.37	248,744.92	363,659.36	77,927.49	690,331.77	-	282,946.49
Japan/Industrial Property	WJPIP	1,916,603.05	1,830,300.00	1,348.35	-832.40	1,830,815.95	540,243.63	1,083,143.13	209,855.94	1,833,242.70	-	1,914,176.30
Japan/Junior Professional Officers	WJPJP	94,386.85	38,719.00	59.45	68.85	38,847.30	110,047.92	1,196.00	13,341.05	124,584.97	-	8,649.18
Libya	WLIBY	-20.15	-	-	-	-	-	-	-	-	-	-20.15
Mexico	WMEX	125,330.98	-	65.40	-0.01	65.39	-	93,514.72	6,546.05	100,060.77	-	25,335.60
Portugal	WPORT	168,520.95	-	277.04	-2,029.13	-1,752.09	-	61,146.21	7,945.25	69,091.46	-	97,677.40
Republic of Korea/Copyright	WKRCR	453,452.58	341,192.13	295.35	216.51	341,703.99	56,812.40	205,439.20	262,251.60	262,251.60	-	532,904.97
Republic of Korea/Copyright/Professional Officers	WKRPO	100,305.78	329,178.00	60.25	-	329,238.25	65,847.63	80.20	7,911.35	73,839.18	-	355,704.85
Republic of Korea/Intellectual Property	WKIPO	1,241,673.42	663,729.82	857.10	-88.39	664,498.53	145,677.97	461,833.80	133,273.03	740,784.80	-	1,165,387.15
Republic of Korea/Professional Officers	WKRJP	739,480.48	675,045.00	482.35	-	675,527.35	560,220.27	80.20	67,236.05	627,536.52	-	787,471.31
Republic of Korea/Education	WKRED	160,858.95	165,911.92	135.90	1,399.67	167,447.49	98,486.36	-	98,486.36	-	-	229,820.08
Spain	WESPA	29,318.26	-	90.62	-2,047.58	-1,956.96	-	40.59	41.65	82.24	91,753.55	-64,474.49
Spain	WESCH	-	293,208.31	61.20	47.93	293,317.44	-	152,144.91	19,772.60	171,917.51	-	121,399.93
Trusted Intermediary Global Accessible Resources pilot project	WTIGA	4,568.22	-	3.70	-	3.70	-	80.00	10.40	90.40	-	4,481.52
United States of America/Copyright	W_USA	427,414.36	-	474.25	-5,724.47	-5,250.22	-	274,322.13	35,834.90	310,157.03	-	112,007.11
United States of America/Enforcement of Intellectual Property Rights	WUSEN	46,932.96	89,697.76	134.75	2,333.50	92,166.01	-	96,549.46	12,554.40	109,103.86	-	29,995.11
United States of America/Small- and Medium-sized Enterprises	WUSSM	180,732.38	-	193.49	-1,410.28	-1,216.79	5,820.80	69,107.55	9,741.45	84,669.80	-	94,845.79
Uruguay	WUGAY	118,043.36	-	63.74	1,003.44	1,067.18	-	2,952.28	-	2,952.28	116,915.36	-757.10
Uruguay	WUYCH	-	116,915.36	33.25	-	116,948.61	-	3,210.28	-	3,210.28	-	113,738.33
Miscellaneous closed trust funds		-17,891.55	-	-	-2,186.40	-2,186.40	-	-	-	-	-	-20,077.95
TOTAL		10,107,503.30	10,399,904.92	9,114.48	-20,899.83	10,388,119.57	2,479,185.68	4,459,839.17	837,983.16	7,777,008.01	227,231.78	12,491,383.08

This schedule is prepared in accordance with the requirements of donor reporting under UNASAS which does not include expenditure accruals. IPSAS adjustments to the closing balances (December 31, 2012) are not included in this schedule but are included in the figures shown in Note 14 Advance Receipts (see line 'Non exchange revenue deferred').