

Program and Budget Committee

Twenty-Third Session
Geneva, July 13 to 17, 2015

FINANCIAL SITUATION AS OF END 2014: PRELIMINARY RESULTS

Document prepared by the Secretariat

1. The current document provides the preliminary end of 2014 figures, which are subject to audit and will be reported on formally at the September 2015 session of the Program and Budget Committee (PBC) as audited financial statements for 2014.
2. The document is intended to provide Member States with background information in relation to the Draft Proposed Program and Budget for the 2016/17 Biennium.
3. It is recalled that, since 2010, WIPO's financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) whilst the Organization's budget has continued to be prepared on a modified accrual basis ("budgetary basis"), in accordance with the Organization's Financial Regulations and Rules. Tables presented below show both income and expenditure¹ on a modified accrual basis, together with their corresponding IPSAS adjustments, where indicated.
4. Table 1 provides an overview of WIPO's preliminary results and financial parameters for the year ended December 31, 2014. The table also presents figures on the levels of registration activities undertaken under the PCT, Madrid and Hague systems. Charts 1 and 2 provide a breakdown of WIPO income and expenditure respectively, on a budgetary basis.
5. At the time of the preparation of the present document, the results pertaining to the first quarter of 2015 were not yet available. However, as *per* current practice, the results of the first quarter will be available on the WIPO Observatory on the internet.

¹ Figures exclude Funds-in-Trust.

Table 1 provides preliminary results and financial parameters as of end 2014.

Table 1. Preliminary Results and Financial Parameters as of end 2014 (Unaudited)				
<i>(in millions of Swiss francs)</i>			As of end December 2014	
	2014/15 Approved Budget	2014/15 Budget after Transfers¹	2014 Actual (Unaudited)	2014 Actual vs. Budget²
INCOME				
Contributions	35.2		17.6	50%
Fee Income				
PCT System	545.6		295.1	54%
Madrid System	114.6		55.6	48%
Hague System	8.6		3.2	37%
Lisbon System ³	0.0		0.0	-
<i>Total Fee Income</i>	<i>668.8</i>		<i>353.9</i>	<i>53%</i>
Other income	9.3		7.2	77%
Total, Income (budgetary basis)	713.3		378.7	53%
IPSAS adjustments to Income	(20.3)		(16.6)	82%
Total Income after IPSAS adjustments	693.0	n/a	362.1	52%
EXPENDITURE				
Personnel Expenditure	447.0	446.3	208.5	47%
Non-Personnel Expenditure	227.0	227.7	100.3	44%
Total, Expenditure (budgetary basis)	674.0	674.0	308.8	46%
IPSAS adjustments to Expenditure	17.0		10.3	60%
Total Expenditure after IPSAS adjustments	691.0		319.1	46%
Operating Result	2.0	n/a	43.1	n/a
Reserve expenditure			(35.2)	
IPSAS adjustments to Reserve expd.			29.1	
Reserve expenditure after IPSAS adjustments	n/a	n/a	(6.1)	n/a
Overall Result	n/a	n/a	37.0	n/a
REGISTRATION ACTIVITIES				
Number of PCT applications	422,500		214,100	51%
Number of Madrid Registrations and Renewals	141,500	n/a	68,159	48%
Number of Hague Registrations and Renewals	13,302		5,406	41%

¹ 2014/15 Budget after transfers refers to expenditure budget only. It reflects the adjusted budget of Programs, following transfers during the biennium in line with Financial Regulation 5.5.

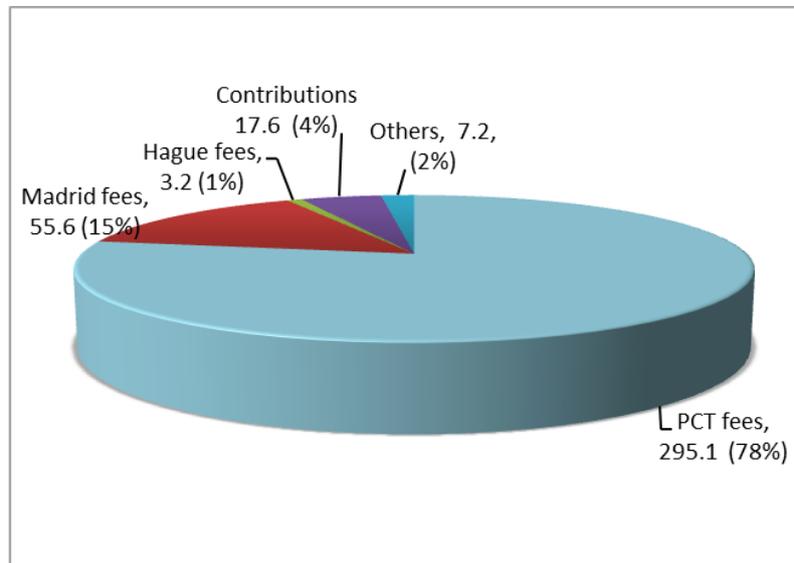
² The comparison for income and registration figures is against the estimates included in the approved P&B, while expenditure figures are compared to Budget after Transfers.

³ Lisbon fee income: 2014/15 Budget (Sfr8 thousand), 2014 actual (Sfr40 thousand)

Note: Figures may not add up due to rounding.

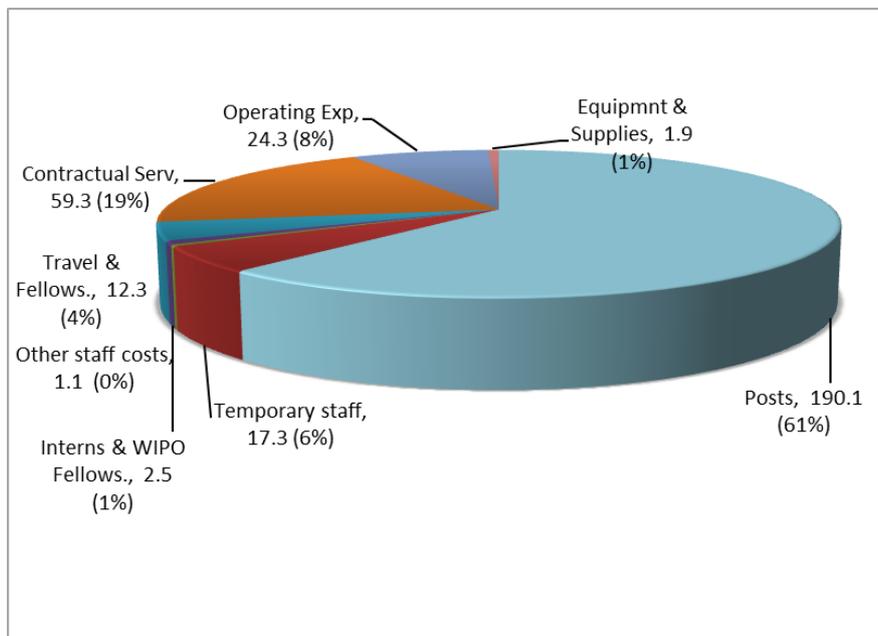
6. Chart 1 provides information on the breakdown of WIPO's income in 2014 (budgetary income not including FITs and IPSAS adjustments).

Chart 1: 2014 Income by Type
(in millions of Swiss francs)

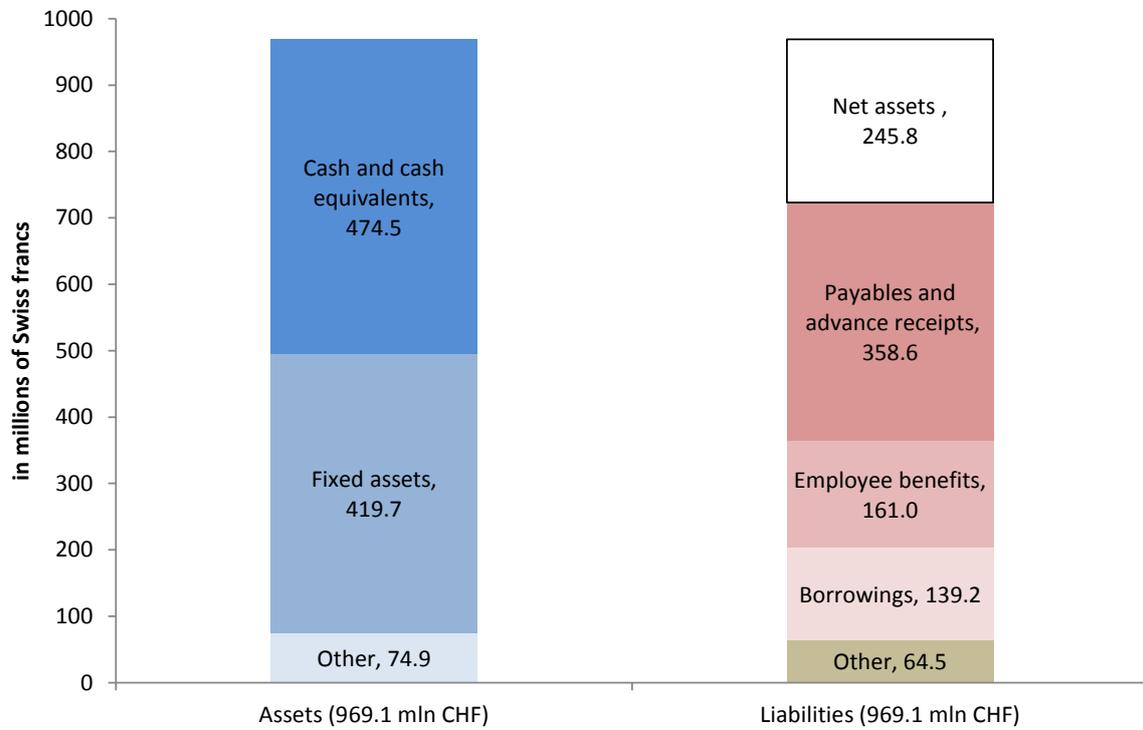


7. Chart 2 provides information on the breakdown of expenditure by type in 2014 (not including reserves, FITs and IPSAS adjustment).

Chart 2: 2014 Expenditure by Type
(in millions of Swiss francs)



8. Chart 3 provides information on the total assets, total liabilities and net assets (reserves) of the Organization at the end of 2014.



9. Table 2 presents budget utilization figures by Program for 2014.

Table 2. 2014 Expenditure by Programs
(in thousands of Swiss francs) As of end December 2014

	2014/15 Approved Budget	2014/15 Budget after Transfers	2014 Expenditure	% of 2014 expd against 2014/15 Budget aft. Transfers
1 Patent Law	4,950	5,155	2,601	50%
2 Trademarks, Industrial Designs and Geographical Indications	6,162	5,539	2,444	44%
3 Copyright and Related Rights	16,430	16,805	7,676	46%
4 Traditional Knowledge, Traditional Cultural Expressions and Genetic Resources	7,864	6,372	3,152	49%
5 The PCT System	197,973	196,964	90,688	46%
6 Madrid and Lisbon Systems	55,245	55,274	25,733	47%
7 WIPO Arbitration and Mediation Center	11,175	11,221	4,737	42%
8 Development Agenda Coordination	4,341	3,677	1,450	39%
9 Africa, Arab, Asia and the Pacific, Latin America and the Caribbean Countries, Least Developed Countries	32,325	32,383	13,592	42%
10 Cooperation with Certain Countries in Europe and Asia	8,443	8,349	3,803	46%
11 The WIPO Academy	11,883	11,484	5,684	49%
12 International Classifications and Standards	7,317	7,197	3,552	49%
13 Global Databases	4,692	4,810	2,124	44%
14 Services for Access to Information and Knowledge	7,539	7,049	3,250	46%
15 Business Solutions for IP Offices	11,628	11,995	5,152	43%
16 Economics and Statistics	5,336	4,893	2,339	48%
17 Building Respect for IP	3,989	4,207	1,872	44%
18 IP and Global Challenges	6,938	6,576	3,085	47%
19 Communications	17,257	16,539	8,013	48%
20 External Relations, Partnerships and External Offices	12,435	13,144	4,974	38%
21 Executive Management	18,945	20,306	9,097	45%
22 Program and Resource Management	28,032	28,181	13,681	49%
23 Human Resources Management and Development	23,561	24,633	12,191	49%
24 General Support Services	47,400	47,436	23,108	49%
25 Information and Communication Technology	45,269	46,345	22,957	50%
26 Internal Oversight	5,116	5,062	2,329	46%
27 Conference and Language Services	41,117	40,151	17,882	45%
28 Safety and Security	10,786	10,792	5,360	50%
29 New Conference Hall	834	823	350	43%
30 Small and Medium-sized Enterprises (SMEs) and Innovation	6,696	5,508	2,558	46%
31 The Hague System	7,587	7,704	3,357	44%
Unallocated	4,727	7,422	-	0%
TOTAL	673,993	673,993	308,791	46%

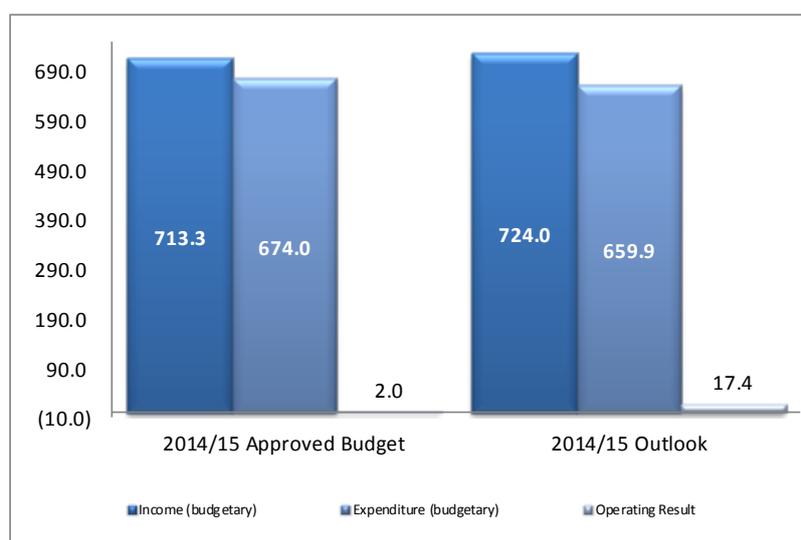
10. Table 3 provides the 2014 preliminary results by Unions (Contribution-financed Union, PCT Union, Hague Union and Lisbon Union).

Table 3. 2014 Results by Unions (Unaudited)						
<i>(in thousands of Swiss francs)</i>				As of end December 2014		
	Contribution-financed Unions	PCT Union	Madrid Union	Hague Union	Lisbon Union	Total
Income	18,507	297,958	57,554	3,925	752	378,696
IPSAS adjustments to Income	310	(16,640)	(269)	2	12	(16,585)
INCOME after IPSAS adjustments	18,817	281,318	57,285	3,927	764	362,111
EXPENDITURE	16,794	232,108	52,750	6,377	762	308,791
IPSAS adjustments to Expenditure	546	7,553	1,928	207	25	10,259
EXPENDITURE after IPSAS adjustments	17,340	239,661	54,678	6,584	787	319,050
Operating Result	1,477	41,657	2,607	(2,657)	(23)	43,061
Reserve Expenditure						
Reserve Expenditure	(3,768)	(23,412)	(7,245)	(766)	(33)	(35,224)
IPSAS adjustments to Reserve Expenditure	3,548	20,940	4,593	28	28	29,137
Reserve Expenditure after IPSAS adjustments	(220)	(2,472)	(2,652)	(738)	(5)	(6,087)
Overall Result	1,257	39,185	(45)	(3,395)	(28)	36,974

Note: This table is in line with the methodology of the allocation of income and expenditure by Unions as per Annex III of the Program and Budget document for 2014/15

11. Table 4 provides an outlook for the 2014/15 biennium taking into account the financial results for the year ended December 31, 2014.

Table 4. Current Financial Outlook for 2014/15					
<i>(in millions of Swiss francs)</i>			As of end December 2014		
	2014/15 Approved Budget	2014/15 Outlook			Outlook as % of Budget
		2014 Actual	2015 Forecast	Total	
1. Income (budgetary)	713.3	378.7	345.3	724.0	102%
2. Expenditure (budgetary)	674.0	308.8	351.1	659.9	98%
3. Result (budgetary)	39.3	69.9	(5.8)	64.1	163%
4. IPSAS adjust. to Reg Bud	(37.3)	(26.8)	(19.9)	(46.7)	
5. Operating Result	2.0	43.1	(25.7)	17.4	
6. Reserve expenditure		(35.2)	(10.3)	(45.5)	
7. IPSAS adjustments to Reserve expd.		29.1	8.1	37.3	
8. OVERALL RESULT		37.0	(27.8)	9.2	



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