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Geneva, September 22 to 30, 2014

ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS 2013

prepared by the Secretariat

The present document contains the Annual Financial Report and Financial Statements 2013 (document WO/PBC/22/5), which is being submitted to the WIPO Program and Budget Committee (PBC) at its twenty-second session (September 1 to 5, 2014).

Any decisions of the PBC in respect of that document will appear in the List of Decisions Taken by the Program and Budget Committee at its Twenty-Second Session (September 1 to 5, 2014) (document A/54/5).

[Document WO/PBC/22/5 follows]

Program and Budget Committee

Twenty-Second Session
Geneva, September 1 to 5, 2014

ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS 2013

prepared by the Secretariat

1. The Financial Statements of the World Intellectual Property Organization (WIPO) for the year ended December 31, 2013 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 2013 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 2013 Financial Statements constitute the fourth set of financial statements to have been prepared in accordance with IPSAS.

3. The report of the External Auditor on the audit of the 2013 Financial Statements, together with his recommendations and the Secretariat's responses thereto, are contained in document WO/PBC/22/3.

4. The following decision paragraph is proposed.

5. The Program and Budget Committee recommended to the General Assembly and other Assemblies of the Member States of WIPO, to approve the Annual Financial Report and Financial Statements 2013 (document WO/PBC/22/5).

[2013 Financial Statements follow]

World Intellectual Property Organization

Annual Financial Report and Financial Statements

Year to December 31, 2013

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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, 2013 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 fourth 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 2013 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, 2013. 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 13 to 65.

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 Accounts (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 has required 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.

Overview of the Financial Statements

8. 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

9. The 2013 WIPO financial statements prepared in accordance with IPSAS show a surplus for the year of 15.1 million Swiss francs. The net assets of the Organization as at December 31, 2013, are 208.8 million Swiss francs.

10. For the preparation of the 2013 financial statements, the accounting policy relating to the recognition of revenue from international patent applications was changed, resulting in more reliable and relevant information in the financial statements. The effect of this change in accounting policy was recognized retrospectively, requiring restatement of the 2012 comparative numbers presented with these financial statements. As a result, the 2012 surplus increased from 15.7 million Swiss francs to 19.5 million Swiss francs. The restated net assets as at December 31, 2012 are 193.7 million Swiss francs, compared to the previously presented 178.2 million Swiss francs.

11. Revenue in 2013 was up by 10.6 million Swiss francs on the restated 2012 figure, due principally to an increase of 5.5 million Swiss francs in PCT system fees income and an increase of 3.8 million Swiss francs in Madrid system fees. Total expenses increased by 15.0 million Swiss francs compared to 2012, with the largest increase relating to contractual services, which rose by 10.0 million Swiss francs.

12. The composition of WIPO's assets and liabilities remains broadly similar to the restated 2012 statement of financial position. Cash and cash equivalents total 409.9 million Swiss francs as at December 31, 2013, and represent 45.5 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 396.4 million Swiss francs, accounting for 44.0 per cent of total assets.

13. The principal liabilities of the Organization as at December 31, 2013 are payables and advance receipts of 340.8 million Swiss francs (representing 49.3 per cent of total liabilities), employee benefit liabilities of 150.5 million Swiss francs (21.8 per cent) and borrowings of 144.5 million Swiss francs (20.9 per cent).

Financial Performance

14. The Organization's results for 2013 showed a surplus for the year of 15.1 million Swiss francs, with total revenue of 351.6 million Swiss francs and total expenses of 336.5 million Swiss francs. This can be compared to a restated surplus of 19.5 million Swiss francs in 2012, with total revenue of 341.0 million Swiss francs and total expenses of 321.5 million Swiss francs.

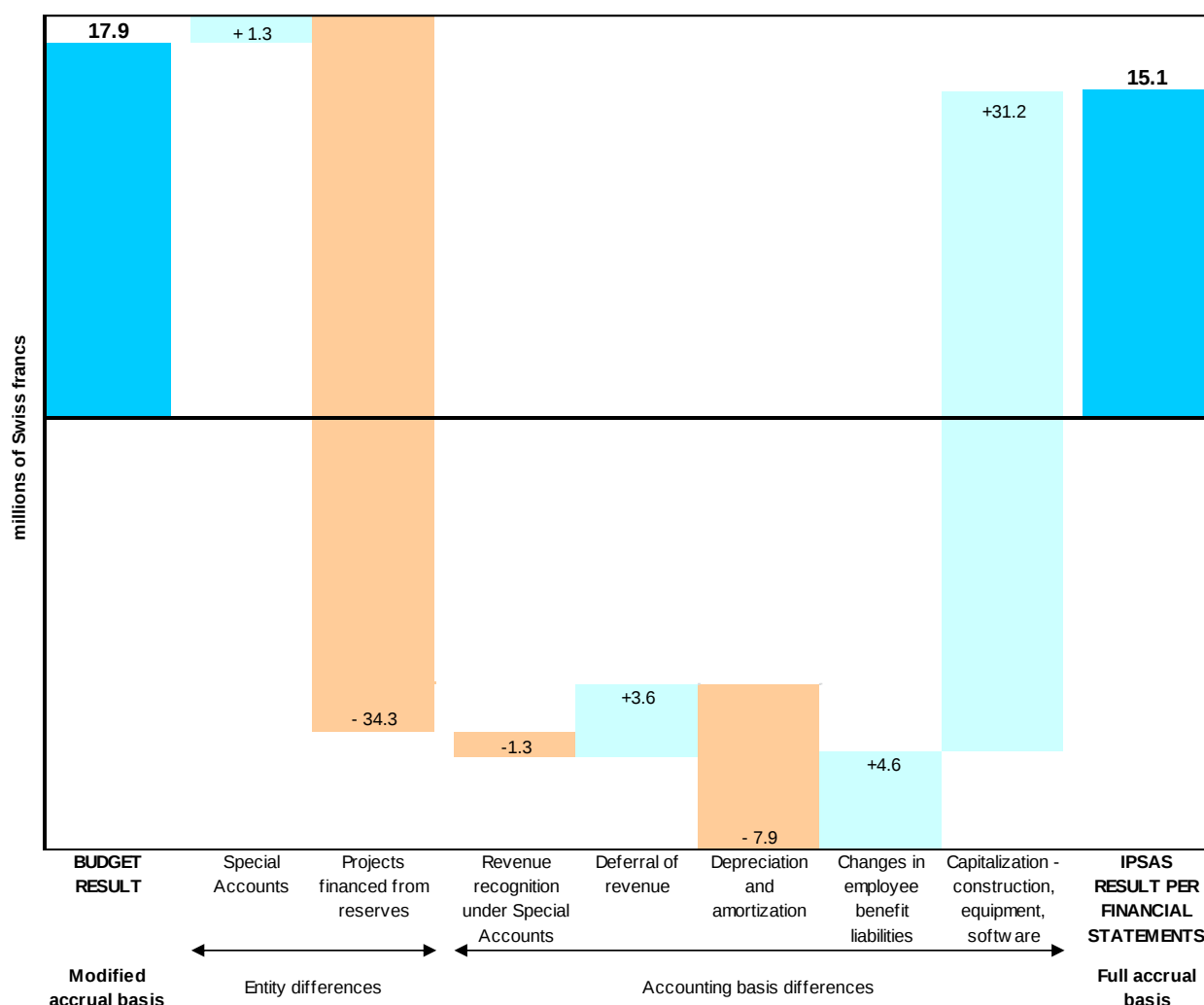
15. The Program and Budget result for 2013 prepared on a modified accrual basis (i.e. before the impact of IPSAS adjustments) was a surplus of 17.9 million Swiss francs. The 2013 result for the Organization under IPSAS includes Special Accounts, Projects financed from reserves, and the impact of adjustments related to full accrual accounting in accordance with IPSAS.

Summary of financial performance by source of funding

	Program and Budget	Special Accounts	Projects Financed from Reserves	IPSAS Adjustments	Total	
	2013	2013	2013	2013	2013	2012 restated
(in millions of Swiss francs)						
Total revenue	339.7	8.9	-	3.0	351.6	341.0
Total expenses	321.8	7.6	34.3	-27.2	336.5	321.5
Net surplus/(deficit)	17.9	1.3	-34.3	30.2	15.1	19.5

16. The chart below summarizes the principal differences between the Program and Budget surplus of 17.9 million Swiss francs, and the surplus for the whole Organization prepared on an IPSAS basis of 15.1 million Swiss francs:

Movement from budget result to IPSAS result 2013



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 1.3 million Swiss francs) and Projects financed from reserves (deficit of 34.3 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 surplus of 30.2 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 1.3 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. For PCT applications, a receivable is also recognized where an application has been filed but no fee has been received by the Organization. The balance of deferred revenue from fees (PCT, Trademarks, Industrial Designs) increased from 193.6 million Swiss francs as at December 31, 2012 to 198.5 million Swiss francs as at December 31, 2013. Over the

same period, receivables from PCT fees increased from 52.7 million Swiss francs to 62.4 million Swiss francs. The net impact is an increase in revenue of 4.8 million Swiss francs. During 2013, deferred revenue of 1.2 million Swiss francs has also been recognized relating to the financing of security constructions by the Foundation for Buildings for International Organizations (FIPOI). In summary, the 3.6 million Swiss francs adjustment for the deferral of revenue is made up as follows:

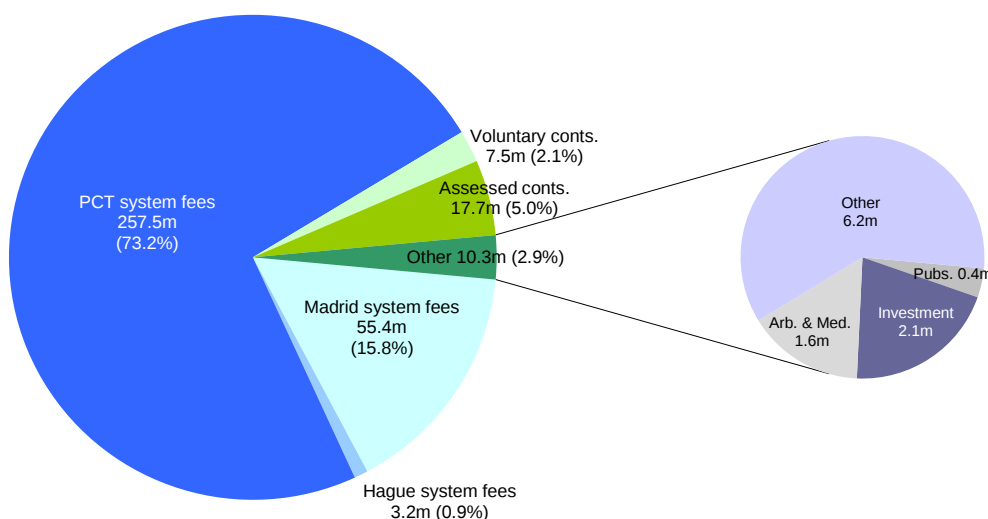
(in millions of Swiss francs)

Increase in PCT debtors	9.7
Increase in deferred revenue from fees	-4.9
Increase in FIPOI deferred revenue	-1.2
	3.6

- 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 7.9 million Swiss francs.
- IPSAS requires that employee benefits earned by staff but not yet paid be recognized as liabilities of the Organization. The IPSAS adjustments bring the total liabilities recognized in the financial statements into line with the IPSAS compliant calculations of these liabilities, including those prepared by external actuaries. In 2013, these IPSAS adjustments have reduced personnel expenditure by 4.6 million Swiss francs. This is principally due to the adjustment made to bring the liability for After Service Health Insurance down to 119.6 million Swiss francs (as calculated by the external actuary), after the budget charge against post costs had led to the build-up of a provision of 124.2 million Swiss francs at the end of 2013.
- Under IPSAS, costs relating to the construction and improvement of buildings are capitalized. This reduces the expense for the year 2013 by 28.1 million Swiss francs. Similarly, the acquisition of certain equipment and software is capitalized under IPSAS, reducing the expense for the year by 3.1 million Swiss francs.

Revenue Analysis

Composition of revenue 2013 on an IPSAS basis



19. Total revenue of the Organization for 2013 was 351.6 million Swiss francs, representing an increase of 3.1 per cent compared to the restated 2012 total revenue of 341.0 million Swiss francs.

20. The largest source of revenue during 2013 was PCT system fees, accounting for 73.2 per cent of total revenue. Revenue from PCT system fees increased by 2.2 per cent from 2012. PCT activity continued to increase, and the number of applications filed in 2013 totaled an estimated 204,700, compared to 194,400 in 2012 and 182,379 in 2011. Note that in the IPSAS financial statements, revenue from applications is only recognized on publication of the application. At the time of filing, a receivable balance is recognized until the Organization has received fee payment. The increase in revenue due to the growth in applications was offset to a significant extent by exchange losses on payments of international fees. In 2013, these losses totaled 6.9 million Swiss francs. This can be compared to an exchange gain in 2012 of 7.5 million Swiss francs.

21. Madrid system fees represent the second largest source of revenue for the Organization, accounting for 15.8 per cent of total revenue. Revenue from Madrid system fees increased by 7.4 per cent compared to 2012. Again, in accordance with IPSAS, revenue from fees is only recognized in the financial statements upon publication. 2013 saw an increase in the number of registrations and renewals, which totaled 67,428 compared to 63,813 in 2012. Hague system fees remained relatively stable compared to the prior year, increasing by 0.2 million Swiss francs.

22. Revenue from assessed contributions of 17.7 million Swiss francs represents 5.0 per cent of total revenue, while revenue from voluntary contributions received under Special Accounts of 7.5 million Swiss francs represents 2.1 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 2.1 million Swiss francs in 2013, an increase of 16.7 per cent compared to 2012. Interest income grew as the average rate of interest earned on interest bearing accounts and investments held with the Swiss National Bank was 0.558 per cent in 2013 compared to 0.375 per cent in 2012. Note that in 2012 investment revenue also included 0.5 million Swiss francs as a result of the increase in the valuation of WIPO's investment property.

24. Arbitration and mediation revenue of 1.6 million Swiss francs for 2013 was in line with the prior year, while lower sales of publications resulted in a 0.2 million Swiss franc decrease in revenue compared to 2012.

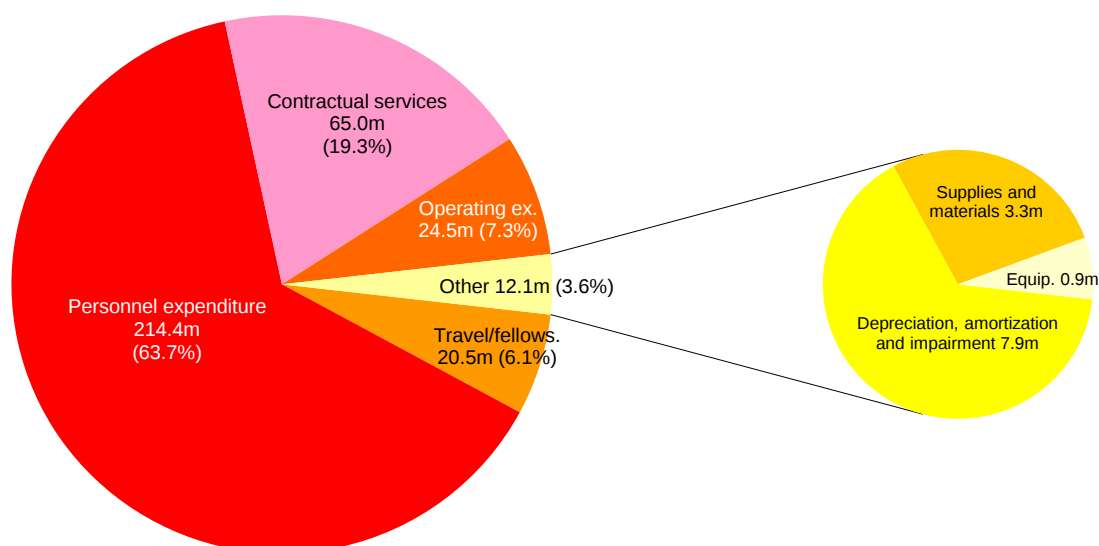
25. Other/miscellaneous revenue increased from 5.0 million Swiss francs in 2012 to 6.2 million Swiss francs in 2013. In 2013 the Organization received 4.3 million Swiss francs of credit notes, nearly entirely from the International Computing Centre (ICC).

Change in revenue 2013 - 2012

	2013	2012 restated	Net Change	Net Change %
	(in millions of Swiss francs)			
REVENUE				
Assessed contributions	17.7	17.6	0.1	0.6
Voluntary contributions	7.5	7.7	-0.2	-2.6
Publications revenue	0.4	0.6	-0.2	-33.3
Investment revenue	2.1	1.8	0.3	16.7
PCT system fees	257.5	252.0	5.5	2.2
Madrid system fees	55.4	51.6	3.8	7.4
Hague system fees	3.2	3.0	0.2	6.7
Sub-total fees	316.1	306.6	9.5	3.1
Arbitration and Mediation	1.6	1.7	-0.1	-5.9
Other/miscellaneous revenue	6.2	5.0	1.2	24.0
TOTAL REVENUE	351.6	341.0	10.6	3.1

Expense Analysis

Composition of expenses 2013 on an IPSAS basis



26. Total expenses of the Organization for 2013 were 336.5 million Swiss francs, representing an increase of 4.7 per cent compared to 2012 total expenses of 321.5 million Swiss francs.

27. The largest expense for the Organization is personnel expenditure of 214.4 million Swiss francs, representing 63.7 per cent of total expenses. Personnel expenditure has increased by 0.8 per cent compared to 2012. Most notably post costs (net base salary, post adjustment and associated benefits) have increased as a result of the program of contractual harmonization.

28. Contractual services were the second largest expense of the Organization in 2013 at 65.0 million Swiss francs, representing 19.3 per cent of total expenses. Contractual services expenses have increased by 18.2 per cent compared to 2012. 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 2013 were 24.5 million Swiss francs, representing 7.3 per cent of total expenses. Operating costs have fallen only slightly by 0.8 per cent compared to 2012. One notable area of expense reduction has been postage costs, which have fallen by 0.5 million Swiss francs due to fewer physical mailings.

30. Travel and fellowships expenses total 20.5 million Swiss francs for 2013, and account for 6.1 per cent of total expenses. These expenses have increased by 16.5 per cent compared to 2012. The cost of conference participants has increased by 0.9 million Swiss francs and fellowships by 1.6 million Swiss francs when compared to 2012.

31. Expenses for supplies and materials of 3.3 million Swiss francs have increased by 22.2 per cent compared to 2012. This increase concerns principally supplies purchased for projects financed from reserves. Furniture and equipment expenses have increased by 50.0 per cent to 0.9 million Swiss francs when compared to 2012. This is mainly due to large IT equipment purchases in 2013.

Change in Expenses 2013 - 2012

	2013	2012	Net Change	Net Change %
	(in millions of Swiss francs)			
EXPENSES				
Personnel expenditure	214.4	212.8	1.6	0.8
Travel and fellowships	20.5	17.6	2.9	16.5
Contractual services	65.0	55.0	10.0	18.2
Operating expenses	24.5	24.7	-0.2	-0.8
Supplies and materials	3.3	2.7	0.6	22.2
Furniture and equipment	0.9	0.6	0.3	50.0
Depreciation, amortization and impairment	7.9	8.1	-0.2	-2.5
TOTAL EXPENSES	336.5	321.5	15.0	4.7

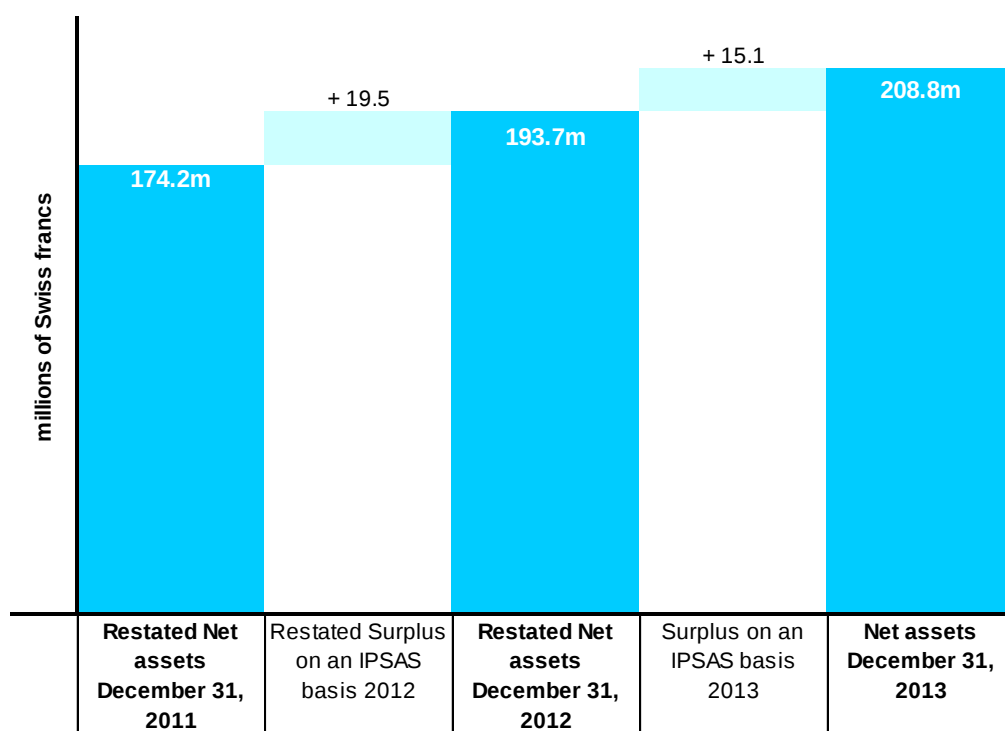
Financial Position

32. As at December 31, 2013, the Organization has net assets of 208.8 million Swiss francs, with total assets of 900.5 million Swiss francs and total liabilities of 691.7 million Swiss francs. Net assets have increased to 208.8 million Swiss francs at the end of 2013 from the restated balance of 193.7 million at the end of 2012 as a result of the surplus for 2013 of 15.1 million Swiss francs.

Movement in Net Assets

33. Following a change in accounting policy concerning the recognition of revenue from international patent applications, WIPO was required to restate its net assets at both December 31, 2011 and December 31, 2012. At the end of 2011, restated net assets were 174.2 million Swiss francs (compared to the previously stated 162.5 million Swiss francs), and at the end of 2012 restated net assets were 193.7 million Swiss francs (compared to the previously stated 178.2 million Swiss francs). In both 2012 and 2013 the Organization recorded a surplus in its IPSAS financial statements.

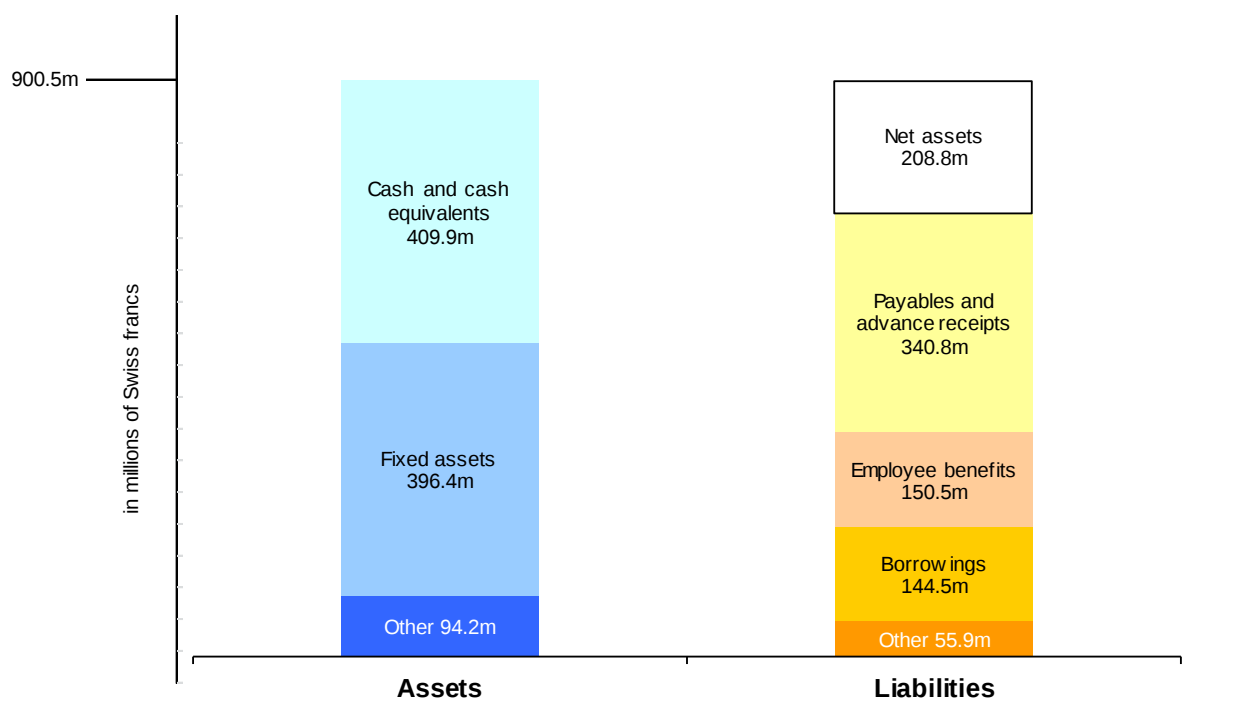
Movement in net assets 2011 to 2013



Summary of Assets and Liabilities

34. The chart below provides a summary of the Statement of Financial Position of WIPO as at December 31, 2013.

Summary of assets and liabilities December 31, 2013



35. The Organization has cash balances of 409.9 million Swiss francs, representing 45.5 per cent of total assets, although this includes amounts totaling 149.5 million Swiss francs which are classified as restricted under IPSAS. Total cash balances have increased compared to the

balance of 408.1 million Swiss francs as at December 31, 2012, 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 396.4 million Swiss francs, compared to 373.0 million Swiss francs as at December 31, 2012. During 2013, the Organization has capitalized significant costs as work in progress concerning the New Conference Hall (21.3 million Swiss francs in 2013) and Security Constructions (4.3 million Swiss francs in 2013), capitalized additions to existing occupied buildings (2.4 million Swiss francs in 2013), and recognized acquisitions of equipment and software as fixed assets. These increases in total fixed assets are partly offset by the total charge for depreciation and amortization for the year of 7.9 million Swiss francs.

37. Other assets of the Organization totaling 94.2 million Swiss francs include accounts receivable, inventories and advance payments. Within this, the most significant balance is PCT debtors totaling 62.4 million Swiss francs. At any given time, a significant number of PCT applications have been filed with receiving offices and possibly received by WIPO, for which no corresponding fee payment has been received by the Organization. As at December 31, 2013, for applications with a 2012 or 2013 filing date, it is estimated that in approximately 51,000 cases the Organization had yet to receive payment.

38. Payables (accounts payable and transfers payable) and advance receipts total 340.8 million Swiss francs, and principally include deferred revenue of 215.8 million Swiss francs. This deferred revenue balance principally concerns PCT fees of 194.9 million Swiss francs. Revenue from fees relating to the processing of international applications is deferred until the related application is published. At any given time, a significant number of PCT applications will have been filed with either receiving offices or WIPO which have yet to be published. As at December 31, 2013, for applications with a 2012 or 2013 filing date it is estimated that approximately 145,700 applications had been filed which were awaiting publication.

39. Employee benefit liabilities of 150.5 million Swiss francs are mainly comprised of the After Service Health Insurance (ASHI) liability of 119.6 million Swiss francs, which represents 79.5 per cent of the total employee benefits liability as at December 31, 2013. The ASHI liability has increased by 8.6 million Swiss francs compared to 2012. 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.

Composition of employee benefits liabilities

	December 31, 2013 (in millions of Swiss francs)	Percentage of Liability
After Service Health Insurance (ASHI)	119.6	79.5
Accumulated leave	12.2	8.1
Repatriation and separation benefits	12.5	8.3
Closed pension fund	3.1	2.1
Education grant	1.8	1.2
Accrued overtime	0.8	0.5
Home leave not taken	0.5	0.3
Total Employment Benefit liabilities	150.5	100.0

40. Borrowings represent the FIPOI loan (22.3 million Swiss francs) and the BCG/BCV New Building loan (122.2 million Swiss francs). Total annual repayments of the principal on these

loans total 5.3 million Swiss francs. Other liabilities totaling 55.9 million Swiss francs includes mainly 54.9 million Swiss francs of current accounts held on behalf of applicants and contracting parties, and also 1.0 million Swiss francs of provisions for legal costs.

STATEMENT I
STATEMENT OF FINANCIAL POSITION
as at December 31, 2013
(in thousands of Swiss francs)

		December 31, 2013	December 31, 2012 (restated)
ASSETS	Note		
Current assets			
Cash and cash equivalents	3	409,916	408,117
Accounts receivable (non-exchange transactions)	4	2,677	1,430
Accounts receivable (exchange transactions)	4	79,749	74,711
Inventories	5	2,141	2,298
		<u>494,483</u>	<u>486,556</u>
Non-current assets			
Equipment	6	2,324	2,517
Investment property	7	4,785	4,785
Intangible Assets	8	29,161	27,394
Land and buildings	9	360,107	338,347
Accounts receivable (non-exchange transactions)	4	359	421
Other non-current assets	10	9,315	9,505
		<u>406,051</u>	<u>382,969</u>
TOTAL ASSETS		<u>900,534</u>	<u>869,525</u>
LIABILITIES			
Current liabilities			
Accounts payable	11	31,285	21,089
Employee benefits	12	17,538	17,672
Transfers payable	13	78,617	83,434
Advance receipts	14	229,101	221,100
Borrowings due within one year	15	5,258	5,258
Provisions	16	1,009	1,032
Other current liabilities	17	54,862	55,572
		<u>417,670</u>	<u>405,157</u>
Non-current liabilities			
Employee benefits	12	132,927	125,452
Borrowings due after one year	15	139,237	144,495
Advance receipts	14	1,881	734
		<u>274,045</u>	<u>270,681</u>
TOTAL LIABILITIES		<u>691,715</u>	<u>675,838</u>
Accumulated surplus	21	185,431	170,299
Working Capital Funds	21	8,342	8,342
Revaluation surplus	21	15,046	15,046
NET ASSETS		<u>208,819</u>	<u>193,687</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, 2013
(in thousands of Swiss francs)

	Note	2013	2012 (restated)
REVENUE	23		
Assessed contributions		17,714	17,591
Voluntary contributions		7,550	7,737
Publications revenue		405	630
Investment revenue		2,080	1,804
PCT system fees		257,462	251,954
Madrid system fees		55,401	51,598
Hague system fees		3,202	3,036
Other fees		8	4
Sub-total fees		316,073	306,592
Arbitration and Mediation		1,629	1,643
Other/miscellaneous revenue		6,160	4,997
TOTAL REVENUE		351,611	340,994
EXPENSES	24		
Personnel expenditure		214,457	212,824
Travel and fellowships		20,500	17,586
Contractual services		65,017	54,975
Operating expenses		24,488	24,789
Supplies and materials		3,265	2,652
Furniture and equipment		859	577
Depreciation, amortization and impairment		7,893	8,104
TOTAL EXPENSES		336,479	321,507
SURPLUS/(DEFICIT) FOR THE YEAR		15,132	19,487

STATEMENT III

STATEMENT OF CHANGES IN NET ASSETS

for the year ended December 31, 2013
(in thousands of Swiss francs)

	Note	Accumulated Surplus	Working Capital	Revaluation Surplus	Net Assets Total
Net Assets at December 31, 2011 (restated)		150,812	8,342	15,046	174,200
Surplus/(deficit) for the year 2012 (restated)		19,487	-	-	19,487
Net Assets at December 31, 2012 (restated)	21	170,299	8,342	15,046	193,687
Items recognized directly in net assets		-	-	-	-
Total of items recognized directly in Net Assets in 2013		-	-	-	-
Surplus for the year 2013		15,132	-	-	15,132
Net Assets at December 31, 2013	21	185,431	8,342	15,046	208,819

STATEMENT IV

STATEMENT OF CASH FLOW

for the year ended December 31, 2013
(in thousands of Swiss francs)

	Note	2013	2012 (restated)
Cash flows from operating activities			
Surplus (deficit) for the period (1)	Statement II	16,401	21,466
Interest earned		2,080	1,335
Interest paid on borrowings		-3,349	-3,314
Depreciation, amortization and impairment	6, 8 & 9	7,893	8,104
Increase (decrease) in employee benefits	12	7,341	8,278
(Increase) decrease in inventories	5	157	139
(Increase) decrease in receivables	4	-6,223	-5,826
(Increase) decrease in other assets	10	190	495
Increase (decrease) in advance receipts	14	9,148	-4,234
Increase (decrease) in accounts payable	11	10,196	-7,145
Increase (decrease) in transfers payable	13	-4,817	19,234
Increase (decrease) in provisions	16	-23	-1,390
Increase (decrease) in other liabilities	17	-710	3,501
Net cash flows from operating activities		38,284	40,643
Cash flows from investing activities			
Acquisition of plant, property and equipment	6 & 9	-28,885	-5,988
Disposal of plant, property and equipment	6	-	11
Increase in intangible assets	8	-2,342	-560
Increase in investment property	7	-	-469
Net cash flows from investing activities		-31,227	-7,006
Cash flows from financing activities			
Proceeds from borrowings	15	-	-
Repayment of borrowings	15	-5,258	-5,258
Net cash flows from financing activities		-5,258	-5,258
Net increase (decrease) in cash and cash equivalents		1,799	28,379
Cash and cash equivalents at beginning of year	3	408,117	379,738
Cash and cash equivalents at end of year	3	409,916	408,117

(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, 2013
(in thousands of Swiss francs)

	Original Budget 2013 (1)	"Final" Budget 2013 (1)	Actual Revenue on comparable basis December 2013	Difference 2013 (2)
Contributions	17,434	17,434	17,551	117
Fees				
PCT system	244,122	244,122	252,936	8,814
Madrid system	53,050	53,050	55,200	2,150
Hague system	6,300	6,300	3,215	-3,085
Other fees	5	5	8	3
Sub-total fees	303,477	303,477	311,359	7,882
Arbitration and Mediation	1,370	1,370	1,629	259
Publications	500	500	405	-95
Interest	4,025	4,025	2,075	-1,950
Other/miscellaneous	2,290	2,290	6,650	4,360
TOTAL	329,096	329,096	339,669	10,573

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

(2) - represents the difference between the "Final" Budget 2013 and actual revenue on a comparable basis for the year ended December 31, 2013.

STATEMENT V

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS - EXPENSE

for the year ended December 31, 2013
(in thousands of Swiss francs)

Program	Program Title	Original Budget 2013 (1)	"Final" Budget 2013 (1)	Actual Expense on comparable basis December 2013	Difference 2013 (2)
1	Patent Law	2,422	2,422	2,669	-247
2	Trademarks, Industrial Design & Geographic Indications	3,027	3,027	2,622	405
3	Copyright and Related Rights	9,297	9,297	9,796	-499
4	Traditional Knowledge, Traditional Cultural Expressions & Genetic Resources	3,990	3,990	3,409	581
5	The PCT System	89,300	89,938	90,622	-684
6	Madrid and Lisbon Systems	26,047	26,047	25,601	446
7	Arbitration, Mediation and Domain Names	5,292	5,292	5,105	187
8	Development Agenda Coordination	2,394	2,394	1,584	810
9	Africa, Arab, Asia and the Pacific, Latin America and the Caribbean Countries, Least Developed Countries	17,551	17,551	17,319	232
10	Cooperation with Certain Countries in Europe and Asia	3,219	3,219	3,365	-146
11	The WIPO Academy	5,166	5,166	5,789	-623
12	International Classifications and Standards	3,466	3,466	3,835	-369
13	Global Databases	2,252	2,252	2,213	39
14	Services for Access to Information and Knowledge	3,519	3,519	4,312	-793
15	Business Solutions for IP Offices	3,906	3,906	4,131	-225
16	Economics and Statistics	2,293	2,293	2,769	-476
17	Building Respect for IP	1,496	1,496	1,555	-59
18	IP and Global Challenges	3,384	3,384	3,570	-186
19	Communications	8,300	8,300	8,423	-123
20	External Relations, Partnerships and External Offices	5,456	5,456	5,412	44
21	Executive Management	9,474	9,474	9,555	-81
22	Program and Resource Management	9,451	9,451	10,327	-876
23	Human Resource Management and Development	10,746	10,746	11,389	-643
24	General Support Services	23,135	23,135	20,873	2,262
25	Information and Communication Technology	25,204	25,204	27,447	-2,243
26	Internal Oversight	2,525	2,525	2,381	144
27	Conference and Language Services	18,620	18,620	18,872	-252
28	Safety and Security	6,080	6,080	5,814	266
29	Construction Projects	3,837	3,837	3,566	271
30	Small and Medium Size Enterprises and Innovation	5,630	5,630	3,752	1,878
31	The Hague System	3,485	3,485	3,656	-171
UN	Unallocated	3,751	3,751	-	3,751
TOTAL		323,715	324,353	321,733	2,620
Net surplus/(deficit)		5,381	4,743	17,936	13,193
IPSAS adjustments to surplus (3)				30,205	
Projects financed from reserves				-34,330	
Special Accounts financed from donor contributions				1,321	
Adjusted net surplus per IPSAS				15,132	

(1) - columns Original Budget and "Final" Budget represent the second year of the approved 2012/13 biennial budget. As WIPO has a biennial budget cycle, the budgetary transfers across programs, which have taken place during the 2012/13 biennium within the limits described in the Financial Regulations and Rules (regulation 5.5), are reflected in the biennial budget figures for the 2012/13 biennium under the heading "Final Budget after Transfers 2012/13". Please refer in this regard to Statement V for 2012/13 for the comparison of the 2012/13 Final Budget after Transfers with the 2012/13 original approved 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 638 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 2013 and actual expense on a comparable basis for the year 2013.

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

STATEMENT V

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS – REVENUE

for the biennium ended December 31, 2013
(in thousands of Swiss francs)

	Original Budget 2012/13	Final Budget after Transfers 2012/13	Actual Revenue on comparable basis to December 31, 2013	Difference 2012/13
	(1)	(2)		(3)
Contributions	34,868	34,868	35,100	232
Fees				
PCT system	480,630	480,630	514,947	34,317
Madrid system	104,400	104,400	107,956	3,556
Hague system	11,157	11,157	6,298	-4,859
Other fees	10	10	12	2
Sub-total fees	596,197	596,197	629,213	33,016
Arbitration and Mediation	2,735	2,735	3,272	537
Publications	1,000	1,000	1,035	35
Interest	8,050	8,050	3,401	-4,649
Other/miscellaneous	4,580	4,580	8,710	4,130
TOTAL	647,430	647,430	680,731	33,301

(1) – represents the approved 2012/13 biennial budget.

(2) – represents the 2012/13 Final Budget after Transfers.

(3) - represents the difference between the 2012/13 Final Budget after Transfers and actual revenue on a comparable basis up to December 31, 2013.

STATEMENT V

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS – EXPENSE

for the biennium ended December 31, 2013
(in thousands of Swiss francs)

		Original Budget 2012/13	Final Budget after Transfers 2012/13	Actual Expense on comparable basis 2012/13	Difference 2012/13
		(1)	(2)		(3)
Program	Program Title				
1	Patent Law	4,843	5,428	4,820	608
2	Trademarks, Industrial Design & Geographic Indications	6,053	5,394	5,312	82
3	Copyright and Related Rights	18,593	19,700	18,341	1,359
4	Traditional Knowledge, Traditional Cultural Expressions & Genetic Resources	7,980	6,677	6,342	335
5	The PCT System	178,600	179,215	174,155	5,060
6	Madrid and Lisbon Systems	52,094	51,154	49,452	1,702
7	Arbitration, Mediation and Domain Names	10,585	10,164	9,815	349
8	Development Agenda Coordination	4,788	3,934	3,341	593
9	Africa, Arab, Asia and the Pacific, Latin America and the Caribbean Countries, Least Developed Countries	35,102	34,562	32,472	2,090
10	Cooperation with Certain Countries in Europe and Asia	6,439	6,532	6,180	352
11	The WIPO Academy	10,332	11,912	11,540	372
12	International Classifications and Standards	6,932	7,291	7,196	95
13	Global Databases	4,503	4,316	4,182	134
14	Services for Access to Information and Knowledge	7,038	7,855	7,756	99
15	Business Solutions for IP Offices	7,813	8,269	8,042	227
16	Economics and Statistics	4,585	5,183	4,990	193
17	Building Respect for IP	2,992	2,833	2,803	30
18	IP and Global Challenges	6,768	7,139	7,086	53
19	Communications	16,599	16,576	16,109	467
20	External Relations, Partnerships and External Offices	10,912	10,510	9,657	853
21	Executive Management	18,948	18,838	18,258	580
22	Program and Resource Management	18,901	19,794	19,314	480
23	Human Resource Management and Development	21,493	21,754	21,387	367
24	General Support Services	46,271	40,688	38,665	2,023
25	Information and Communication Technology	50,408	50,623	50,580	43
26	Internal Oversight	5,050	4,792	4,687	105
27	Conference and Language Services	37,240	37,706	37,079	627
28	Safety and Security	12,159	11,385	11,026	359
29	Construction Projects	7,675	7,237	7,084	153
30	Small and Medium Size Enterprises and Innovation	11,261	9,342	7,191	2,151
31	The Hague System	6,970	7,251	6,949	302
UN	Unallocated	7,503	14,357	-	14,357
	TOTAL	647,430	648,411	611,811	36,600
	Net surplus/(deficit)	-	-981	68,920	69,901
	Restated IPSAS adjustments to surplus (4)			7,339	
	Projects financed from reserves			-45,345	
	Special Accounts financed from donor contributions			3,705	
	Adjusted net surplus per IPSAS			34,619	

(1) – represents the approved 2012/13 biennial budget. The biennial budget of 647.4 million Swiss francs 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."

(2) – represents the 2012/13 Final Budget after Transfers. The Final Budget after Transfers reflects the increase for Program 5 (The PCT System) by 981 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).

(3) - represents the difference between the 2012/13 Final Budget after Transfers and actual expense on a comparable basis up to December 31, 2013.

(4) – 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 dates of IPSAS 28-30 Financial Instruments, WIPO has fully applied these standards for the first time in its 2013 financial statements.

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 (commission on undrawn loan amounts) relating to the construction of the New Conference Hall are being 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 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 Instruments

Financial Assets

Initial recognition and measurement:

Financial assets within the scope of IPSAS 29 *Financial Instruments: Recognition and Measurement* are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Organization determines the classification of its financial assets at initial recognition. The Organization's financial assets include cash and short-term deposits, loans, and receivables.

Subsequent measurement:

The subsequent measurement of financial assets depends on their classification.

Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading and financial assets designated upon initial recognition at fair value through surplus or deficit. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through surplus or deficit are carried in the statement of financial position at fair value with changes in fair value recognized in surplus or deficit.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in surplus or deficit.

Derecognition:

The Organization derecognizes a financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets when the rights to receive cash flows from the asset have expired or are waived.

Impairment of financial assets:

The Organization assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a

result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Financial Liabilities

Initial recognition and measurement:

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Organization determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs. The Organization's financial liabilities include trade and other payables and loans and borrowings.

Subsequent measurement:

The measurement of financial liabilities depends on their classification.

Financial liabilities at fair value through surplus or deficit

Financial liabilities at fair value through surplus or deficit include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through surplus or deficit. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. Gains or losses on liabilities held for trading are recognized in surplus or deficit.

Loans and borrowings

After initial recognition, loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

Derecognition:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in surplus or deficit.

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. Software or software licenses purchased externally are recognized as an asset if they have a cost of 5,000 Swiss francs or more per unit. 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. Internally developed software is recognized as an asset if it has a cost of 100,000 Swiss francs or more.

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, 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 28).

Change in Accounting Policies and Estimates

The Organization recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

Application of IPSAS 28-30 Financial Instruments

The Organization has applied IPSAS 28-30 Financial Instruments for the first time in its financial statements for 2013, in accordance with the effective dates of these Standards. These Standards require retrospective application, including adjustment of the opening balance of accumulated surplus or deficit for the earliest prior period presented where applicable.

Application of IPSAS 28-30 has not resulted in the adjustment of the Organization's accumulated surplus for the prior periods presented in the 2013 financial statements. Application of these standards has resulted in some presentation changes in the financial statements, and these have been reflected in the 2012 comparative Statement of Financial Position.

Presentation changes concern a loan provided by WIPO to the International Centre of Geneva Foundation (FCIG), which is treated as a concessionary loan in accordance with IPSAS 28-30. Elements of the total balance have been reclassified from other non-current assets to the current portion of accounts receivable. A more detailed explanation is provided in Note 10 of the financial statements.

Recognition of Revenue from International Patent Applications

Following developments in the payment patterns for international patent applications, a new model has been developed to calculate the balances of debtors and deferred revenue related to this activity. Also under the new model, the fees for extra pages for all formats of applications are now deferred until publication. The detailed changes to the model include:

- Incorporation of available data by individual application, including separate filing date, date of receipt by WIPO, payment date and publication date;
- Reference to the applicable foreign currency exchange rates;
- Revenue from the fees for extra pages deferred until publication for all formats of applications;
- Inclusion of all fee reductions, including developing country reductions.

The change in the model for calculating these adjustments represents a change in the treatment and measurement of this revenue under the accrual basis of accounting, and will result in reliable and more relevant information in the financial statements. Notably, the new model provides more relevant data concerning the status of individual applications, including separate identification of the date of filing, reception by WIPO, payment and publication, allowing a more reliable calculation of the balances of debtors and deferred revenue at the reporting date. As such the change in the model constitutes a change in accounting policy in accordance with IPSAS 3.

The amount of the adjustment relating to prior periods before those presented (prior to 2012) is 11.7 million Swiss francs. This results in a change to the previously presented brought forward net assets as at December 31, 2011 as follows:

Nets Assets	
(in thousands of Swiss francs)	
As audited 31/12/2011	162,529
Adjustment	<u>11,671</u>
Restated 31/12/2011	<u>174,200</u>

For the current period (2013), and the prior period presented (2012), the following table shows the PCT debtor and deferred revenue balances under both the previous model and the new model:

	2013 Balances under New Accounting Policy	2013 Balances under Previous Accounting Policy	2012 Balances under New Accounting Policy	2012 Balances under Previous Accounting Policy
(in thousands of Swiss francs)				
PCT Debtors	62,399	17,286	52,729	13,937
PCT Deferred revenue	(194,943)	(175,924)	(189,799)	(166,455)
Net balance	(132,544)	(158,638)	(137,070)	(152,518)

In 2012, WIPO reported a surplus of 15.7 million Swiss francs. With the application of the new accounting policy, the restated surplus for 2012 is 19.5 million Swiss francs.

Presentation Changes

Certain prior year comparatives have been reclassified in order to conform to the current year's presentation. These reclassifications had no impact on the Organization's reported surplus for 2012. These reclassifications include the following:

- Reclassification of a portion of Madrid Union deposits from advance receipts to transfers payable;
- Reclassification of deferred revenue relating to the construction project to upgrade the safety and security standards of existing WIPO buildings from current advance receipts to non-current advance receipts;
- Reclassification of part of accumulated leave from non-current employee benefits to current employee benefits;
- Reclassification of education grants payable from provision to employee benefits;
- Separate disclosure of the gross rental income and operational expenses from the Madrid Union Building.

Summary of Changes to 2012 Statement of Financial Position

The table below summarizes the changes to the 2012 Statement of Financial Position as a result of the application of IPSAS 28-30, the change in accounting policy concerning the recognition of revenue from international patent applications, and other presentation changes made to conform to the current year's presentation:

	December 31, 2012 (as previously stated)	Change in Accounting Policy for International Patent Applications	Reclassification due to Implementation of IPSAS 28-30	Other Reclassifications to Conform to Current Year Presentation	December 31, 2012 (restated)
ASSETS					
Current assets					
Cash and cash equivalents	408,117	-	-	-	408,117
Accounts receivable (non-exchange transactions)	1,430	-	-	-	1,430
Accounts receivable (exchange transactions)	35,613	38,792	306	-	74,711
Inventories	2,298	-	-	-	2,298
	<u>447,458</u>	<u>38,792</u>	<u>306</u>	<u>-</u>	<u>486,556</u>
Non-current assets					
Equipment	2,517	-	-	-	2,517
Investment property	4,785	-	-	-	4,785
Intangible Assets	27,394	-	-	-	27,394
Land and buildings	338,347	-	-	-	338,347
Accounts receivable (non-exchange transactions)	421	-	-	-	421
Other non-current assets	9,811	-	-306	-	9,505
	<u>383,275</u>	<u>-</u>	<u>-306</u>	<u>-</u>	<u>382,969</u>
TOTAL ASSETS	<u>830,733</u>	<u>38,792</u>	<u>-</u>	<u>-</u>	<u>869,525</u>
LIABILITIES					
Current liabilities					
Accounts payable	21,089	-	-	-	21,089
Employee benefits	15,467	-	-	2,205	17,672
Transfers payable	65,886	-	-	17,548	83,434
Advance receipts	216,038	23,344	-	-18,282	221,100
Borrowings due within one year	5,258	-	-	-	5,258
Provisions	2,793	-	-	-1,761	1,032
Other current liabilities	55,572	-	-	-	55,572
	<u>382,103</u>	<u>23,344</u>	<u>-</u>	<u>-290</u>	<u>405,157</u>
Non-current liabilities					
Employee benefits	125,896	-	-	-444	125,452
Borrowings due after one year	144,495	-	-	-	144,495
Advance receipts	-	-	-	734	734
	<u>270,391</u>	<u>-</u>	<u>-</u>	<u>290</u>	<u>270,681</u>
TOTAL LIABILITIES	<u>652,494</u>	<u>23,344</u>	<u>-</u>	<u>-</u>	<u>675,838</u>
Accumulated surplus	154,851	15,448	-	-	170,299
Working Capital Funds	8,342	-	-	-	8,342
Revaluation surplus	15,046	-	-	-	15,046
NET ASSETS	<u>178,239</u>	<u>15,448</u>	<u>-</u>	<u>-</u>	<u>193,687</u>

Summary of Changes to 2012 Statement of Financial Performance

The table below summarizes the changes to the 2012 Statement of Financial Performance as a result of the application of IPSAS 28-30, the change in accounting policy concerning the recognition of revenue from international patent applications, and other presentation changes made to conform to the current year's presentation:

	2012 (as previously stated)	Change in Accounting Policy for International Patent Applications	Reclassification due to Implementation of IPSAS 28-30	Other Reclassifications to Conform to Current Year Presentation	2012 (restated)
REVENUE					
Assessed contributions	17,591	-	-	-	17,591
Voluntary contributions	7,737	-	-	-	7,737
Publications revenue	630	-	-	-	630
Investment revenue	1,804	-	-	-	1,804
PCT system fees	248,177	3,777	-	-	251,954
Madrid system fees	51,598	-	-	-	51,598
Hague system fees	3,036	-	-	-	3,036
Other fees	4	-	-	-	4
Sub-total fees	302,815	3,777	-	-	306,592
Arbitration and Mediation	1,643	-	-	-	1,643
Other/miscellaneous revenue	4,776	-	-	221	4,997
TOTAL REVENUE	336,996	3,777	-	221	340,994
EXPENSES					
Personnel expenditure	212,824	-	-	-	212,824
Travel and fellowships	17,586	-	-	-	17,586
Contractual services	54,975	-	-	-	54,975
Operating expenses	24,568	-	-	221	24,789
Supplies and materials	2,652	-	-	-	2,652
Furniture and equipment	577	-	-	-	577
Depreciation, amortization and impairment	8,104	-	-	-	8,104
TOTAL EXPENSES	321,286	-	-	221	321,507
SURPLUS/(DEFICIT) FOR THE YEAR	15,710	3,777	-	-	19,487

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, 2013	December 31, 2012 (restated)
	(in thousands of Swiss francs)	
Cash on hand	19	14
Deposits with banks - Swiss francs	22,157	28,473
Deposits with banks - other currencies	4,896	10,422
Funds invested with BNS - Swiss francs	233,081	216,407
Other short-term investments - Swiss francs	227	-
Total unrestricted cash	260,380	255,316
Current accounts held for third parties - Swiss francs	48,265	50,731
Current accounts held for third parties - other currencies	6,597	4,841
Fees collected on behalf of contracting parties - Swiss francs	78,617	83,434
Total restricted cash - funds held on behalf of 3rd parties	133,479	139,006
Deposits with banks restricted Special Accounts - Swiss francs	14,845	12,359
Deposits with banks restricted Special Accounts - other currencies	1,212	1,436
Total restricted cash - Special Accounts	16,057	13,795
Total cash and cash equivalents	409,916	408,117

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 0.558 per cent for 2013. [0.375 per cent in 2012].

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 International Searching Authorities (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.

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, 2013	December 31, 2012 (restated)
	(in thousands of Swiss francs)	
Receivable non-exchange transactions - Contributions		
Unitary contributions	1,339	1,298
Voluntary contributions	1,338	132
	<u>2,677</u>	<u>1,430</u>
Receivable exchange transactions		
Publication debtors	151	147
PCT debtors	62,399	52,729
Madrid debtors	1,033	720
Hague debtors	2	1
Other debtors	1,223	2,872
Prepaid expenditure	4,902	9,367
Swiss taxes reimbursable	38	25
USA taxes reimbursable	3,667	2,520
Advances:		
Staff advances for education grants	4,488	4,357
Other funds advanced to staff	492	955
Funds advanced to UPOV	542	160
Funds advanced to UNDP	504	552
Advance for FCIG concessionary loan	119	117
FCIG loan amortization	189	189
	<u>79,749</u>	<u>74,711</u>
Total current accounts receivable	<u>82,426</u>	<u>76,141</u>
Receivable non-exchange transactions - Contributions		
Paris Union	118	145
Berne Union	227	260
Nice Union	12	14
Locarno Union	2	2
Total non-current accounts receivable	<u>359</u>	<u>421</u>
Total accounts receivable	<u>82,785</u>	<u>76,562</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 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 total grants advanced for the 2013-2014 scholastic year.

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 USA 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 USA, 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, 2013	December 31, 2012
	(in thousands of Swiss francs)	
Finished publications	1,938	2,089
Paper supplies	128	122
Retail Shop	75	87
Total inventory	2,141	2,298

The write-down of finished publications inventories to net realizable value amounted to 0.4 million Swiss francs (0.2 million Swiss francs in 2012). There have been no reversals of write-downs.

NOTE 6: EQUIPMENT

Movement 2013	Equipment	Furniture & Furnishings	Total
	(in thousands of Swiss francs)		
January 1, 2013			
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
Movements in 2013:			
Additions	743	79	822
Disposals	-441	-9	-450
Disposals depreciation	441	9	450
Depreciation	-927	-88	-1,015
Total movements in 2013	-184	-9	-193
December 31, 2013			
Gross carrying amount	15,222	2,906	18,128
Accumulated depreciation	-13,501	-2,303	-15,804
Net carrying amount	1,721	603	2,324
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

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, 2013 (in thousands of Swiss francs)	December 31, 2012
Opening balance	4'785	4'316
Fair value gains/(losses) on valuation	-	469
Closing balance	4'785	4'785

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 was 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, 2013 is as follows:

Madrid Union Building, Rue de la Prulay 40, Meyrin Non-cancellable leases	December 31, 2013 (in thousands of Swiss francs)	December 31, 2012
Not later than one year	337	312
Later than one year and not later than five years	302	195
Later than five years	7	-
Total non-cancellable operating leases	646	507

In 2013 the income from rental of the building totaled 370 thousand Swiss francs, and the operating expenditures of the building totaled 208 thousand Swiss francs. The Organization is not aware of any restrictions on the realizability or remittance of revenue from the investment property.

The operating expenditures 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 2013	Land surface rights	Software externally acquired	Software internally developed	Intangible assets under development	Total
(in thousands of Swiss francs)					
January 1, 2013					
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
Movements in 2013:					
Additions	-	193	-	2,149	2,342
Disposals	-	-	-	-	-
Disposals amortization	-	-	-	-	-
Amortization	-440	-135	-	-	-575
Total movements in 2013	-440	58	-	2,149	1,767
December 31, 2013					
Gross carrying amount	34,290	709	-	2,193	37,192
Accumulated amortization	-7,840	-191	-	-	-8,031
Net carrying amount	26,450	518	-	2,193	29,161
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

In 1996, the Organization acquired from the World Meteorological Organization (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. An updated valuation of the land was performed by an independent appraiser at December 31, 2013. This valuation indicated no change in the fair value of the land from the 28.6 million Swiss francs previously estimated. 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.

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 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 2013. 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 (see Note 14).

Movements for land and buildings in 2013:

Movement 2013	Land	Work in Progress		Occupied Buildings					Total Land and Buildings
	New Building Site	Security Construction	New Conference Hall	New Building	A. Bogsch Building	G. Bodenhause Building I	G. Bodenhause Building II	PCT Building	
Year in Service	1998	N/A	N/A	2011	1978	1960	1987	2003	
	(in thousands of Swiss francs)								
January 1, 2013									
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 in 2013									
Additions	-	4,091	21,569	1,158	697	256	221	71	28,063
Transfers	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-3,054	-1,453	-334	-119	-1,343	-6,303
Total movements in 2013	-	4,091	21,569	-1,896	-756	-78	102	-1,272	21,760
December 31, 2013									
Cost/valuation	28,600	6,360	51,308	164,936	48,507	10,809	4,523	67,408	382,451
Accumulated depreciation and impairment charges	-	-	-	-7,627	-7,579	-1,307	-462	-5,369	-22,344
Net carrying amount	28,600	6,360	51,308	157,309	40,928	9,502	4,061	62,039	360,107

Movements for land and buildings in the prior year 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. Bodenhause Building I	G. Bodenhause 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

NOTE 10: OTHER NON-CURRENT ASSETS

	December 31, 2013	December 31, 2012
	(in thousands of Swiss francs)	
Loan to FCIG	8,065	7,947
Advance for FCIG concessionary loan	495	615
FCIG loan amortization	755	943
Total other non-current assets	9,315	9,505

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 2013 totaled 235,709 Swiss francs (216,422 Swiss francs during 2012). 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.

For presentation in the financial statements, the total value of the loan amortization is treated as a rental advance, and is split into both its current portion (see Note 4) and non-current portion. The total value of this advance as at December 31, 2013 is 0.9 million Swiss francs. The remainder of the loan balance is treated as a concessionary loan in accordance with IPSAS, and is measured at amortized cost. The interest-free element of the loan is recognized as an advance, and is split into both its current portion (see Note 4) and non-current portion. The advance is reduced over the period of rental agreement. The total value of this advance as at December 31, 2013 is 0.6 million Swiss francs.

NOTE 11: ACCOUNTS PAYABLE

	December 31, 2013	December 31, 2012
	(in thousands of Swiss francs)	
Trade creditors - Accounts payable	24,856	16,198
Miscellaneous transitory liabilities	4,342	2,935
Other trade creditors	2,087	1,956
Total accounts payable	31,285	21,089

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, 2013	December 31, 2012 (restated)
	(in thousands of Swiss francs)	
Accumulated leave - fixed term	1,409	1,651
Accumulated leave - temporary	600	928
Separation benefits - Special Accounts	240	235
Closed pension fund	328	334
Repatriation grant and travel	1,374	1,158
Home leave not taken	479	489
Accrued overtime	755	695
Education grant	1,783	1,761
Performance rewards	125	-
After Service Medical Insurance	10,445	10,421
Total current employee benefit liabilities	17,538	17,672
Closed pension fund	2,758	2,917
Accumulated leave	10,167	10,962
Repatriation grant and travel	10,877	11,057
After Service Medical Insurance	109,125	100,516
Total non-current employee benefit liabilities	132,927	125,452
Total employee benefit liabilities	150,465	143,124

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 12.2 million Swiss francs [13.5 million Swiss francs at December 31, 2012].

- 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, 2012].
- 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 0.8 million Swiss francs [0.7 million Swiss francs at December 31, 2012].
- Education grant - 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. 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, 2013 for which fees are therefore due. The total provision at the reporting date is 1.8 million Swiss francs [1.8 million Swiss francs at December 31, 2012].
- Performance rewards – in 2013 WIPO launched a rewards and recognition program under which staff achieving a performance rating of outstanding may be considered for payment of a lump sum cash reward of either 2,500 Swiss francs or 5,000 Swiss francs. Based on decisions taken during the year, the total amount of performance rewards payable to staff as at December 31, 2013 totaled 125,000 Swiss francs.

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 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 31, 2013, the estimated liability as at December 31, 2013 is 47 thousand Swiss francs [120 thousand Swiss francs in 2012].
- 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 31, 2013, is estimated at 3.0 million Swiss francs as at December 31, 2013 [3.1 million Swiss francs in 2012].

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 31, 2013, by an independent actuary, the obligation was estimated as follows at the reporting date:

	December 31, 2013	December 31, 2012
	(in thousands of Swiss francs)	
Liability for repatriation grant and travel	12,251	12,215

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, 2013). 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 2013 by an independent office, this liability was estimated as follows at the reporting date:

	December 31, 2013	December 31, 2012
	(in thousands of Swiss francs)	
After Service Health Insurance (ASHI)	119,570	110,937

The actuarial assumptions and calculations applicable to the ASHI liability as at December 31, 2013 are disclosed in the following table:

	December 31, 2013	December 31, 2012
	(in thousands of Swiss francs)	
Change in benefit obligation		
Benefit obligation at beginning of year	131,320	113,439
Current service cost	7,556	6,613
Interest cost	2,864	3,089
Benefits paid from plan/company	-2,341	-2,130
Past service cost	-	-
Actuarial (gain) / loss	-1,729	10,309
Benefit obligation at end of year	137,670	131,320
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	137,670	131,320
Actuarial gain (loss) unrecognized	-18,100	-20,383
	119,570	110,937
<i>Amounts in the statement of financial position</i>		
Liabilities	119,570	110,937
Components of pension cost		
Amounts recognized as personnel expenditure on statement of Financial Performance		
Current service cost	7,556	6,613
Interest cost	2,864	3,089
Past service cost (short-term employees)	-	-
Amortization of net (gain) / loss	554	1
Total pension cost recognized in Statement of Financial Performance	10,974	9,702
Policy for amortizing actuarial (gains) losses	Corridor Method	
Actuarial gain (loss)		
Unrecognized balance at beginning of reporting period	-20,383	-10,074
Movement in reporting period	2,283	-10,309
Unrecognized gain (loss) at end of reporting period	-18,100	-20,383
History of experience (gain) loss		
Experience (gain) loss on plan liabilities	1,606	-6,704
(Gain) loss on plan liabilities due to assumptions changes	-3,889	17,013
	-2,283	10,309
Principal actuarial assumptions		
<i>Weighted-average assumptions to determine benefit obligations</i>		
Discount rate	2.50%	2.20%
Rate of compensation increase	3.36%	3.44%
Rate of sickness premium increase	3.00% as of 2013	3.00% as of 2012
	2.50% as of 2018	2.50% as of 2017
	2.50% as of 2028	2.00% as of 2027
<i>Weighted-average assumptions to determine net cost</i>		
Discount rate	2.20%	2.75%
Rate of compensation increase	3.44%	3.80%
Rate of sickness premium increase	2.50% as of 2013	3.00% as of 2012
	2.00% as of 2018	2.50% as of 2017
	2.00% as of 2028	2.00% as of 2027
Components of projected pension expense		
Projected plan contributions for 2013	2,543	

The unrecognized actuarial gain for the year is 1.7 million Swiss francs. This represented the net impact of an actuarial gain of 3.8 million Swiss francs resulting from an increase in the discount rate and the updating of demographic tables, a loss of 1.6 million Swiss francs resulting from experience adjustments, and amortization of net actuarial losses of 0.6 million Swiss francs. 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 percentage 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, 2013	114,351	137,670	167,727
Per cent variation	-16.9%		21.8%
Service and interest cost for the year to December 31, 2013	8,320	10,420	13,201
Per cent variation	-20.2%		26.7%

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 United Nations 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 actuarial valuation performed as of December 31, 2011 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. The next actuarial valuation will be conducted as of December 31, 2013.

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.

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 and April 2013, the General Assembly authorized an increase to age 65 in the normal retirement age and in the mandatory age of separation respectively for new participants of the Fund, with effect not later than from January 1, 2014. The related change to the Pension Fund's Regulations was approved by the General Assembly in December 2013. The increase in the normal retirement age will be reflected in the actuarial valuation of the Fund as of December 31, 2013.

During 2013, WIPO contributions paid to UNJSPF amounted to 26.2 million Swiss francs [2012 24.9 million Swiss francs]. Expected contributions due in 2014 are 26.0 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, 2013	December 31, 2012 (restated)
	(in thousands of Swiss francs)	
Madrid Union Complementary Fees	38,842	38,084
Madrid Union Supplementary Fees	2,997	3,241
Madrid Union Individual Fees	11,443	12,875
Madrid Union Holding Fees	5	-
Madrid Union deposits	17,938	17,548
Hague Union Distribution	194	212
Madrid and Hague Union Repartition Fees	4,468	9,243
AMC deposits	1,088	660
PCT International Search Authorities	1,642	1,571
Total transfers payable	78,617	83,434

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.
- *Madrid Union deposits:* The Organization receives payments from applicants under the Madrid system which represent deposits in connection with pending procedures related to trademarks. The portion of these deposits which is estimated to represent funds collected by WIPO on behalf of third parties to be transferred later in accordance with the treaty is included within transfers payable in the financial statements. The portion of these deposits which is estimated to represent fees of the Organization received in advance is included within advance receipts in the financial statements (see Note 14).
- *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 International Searching Authorities designated by the Organization

pursuant to the Patent Cooperation Treaty (PCT). The amount shown above represents the amount to be transferred to International Searching Authorities at the reporting date.

NOTE 14: ADVANCE RECEIPTS

	December 31, 2013	December 31, 2012 (restated)
	(in thousands of Swiss francs)	
Madrid Union deposits	12,614	10,539
Industrial design deposits	167	211
PCT/IBRO deposits	489	504
Advance payment of contributions	1,933	3,602
PCT revenue deferred	194,943	189,799
Trademarks revenue deferred	3,344	3,545
Industrial design revenue deferred	224	212
Non exchange revenue deferred	15,144	12,471
Other deferred revenue	243	217
Total current advance receipts	229,101	221,100
FIPOI deferred revenue	1,881	734
Total non-current advance receipts	1,881	734
Total advance receipts	230,982	221,834

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 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.

The construction project to upgrade the safety and security standards of existing WIPO buildings 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. The balance of deferred revenue as at December 31, 2013 was 1.9 million Swiss francs (0.7 million Swiss francs as at December 31, 2012). This revenue will be recognized gradually as the security constructions are depreciated over their useful lives.

NOTE 15: BORROWINGS

	December 31, 2013	December 31, 2012
	(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	20,937	22,295
BCG/BCV New Building Loan Payable	118,300	122,200
Total non-current borrowings	139,237	144,495
Total borrowings	144,495	149,753

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.

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 2013 totaled 3.2 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, 2013 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, 2013	December 31, 2012 (restated)
	(in thousands of Swiss francs)	
Legal costs	1,009	1,032
Total provisions	1,009	1,032

As part of its normal activities, the Organization is subject to litigation. Events occurring prior to December 31, 2013 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	
(in thousands of Swiss francs)	
Balance as at December 31, 2011 (restated)	831
Movements in 2012:	
Additional provisions made	776
Amounts used	-146
Unused amounts reversed	-429
Total movements in 2012	201
Balance as at December 31, 2012 (restated)	1,032
Movements in 2013:	
Additional provisions made	702
Amounts used	-23
Unused amounts reversed	-702
Total movements in 2013	-23
Balance as at December 31, 2013	1,009

NOTE 17: OTHER LIABILITIES

	December 31, 2013	December 31, 2012 (restated)
	(in thousands of Swiss francs)	
PCT current accounts - Italy and Japan	6,597	4,841
Other current accounts	48,265	50,731
Total Other Current Liabilities	54,862	55,572

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 1,175,500 Swiss francs at the reporting date. Personnel also have cases 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 60,000 Swiss francs at the reporting date.

The Organization has no material unrecognized contractual commitments. As at December 31, 2013, outstanding contracts for the construction of the New Conference Hall totaled 18.0 million Swiss francs, and outstanding contracts for the Security Construction totaled 2.2 million Swiss francs.

WIPO is engaged in negotiations with the contractor previously involved with the construction of the New Building and the New Conference Hall regarding the implementation of the July 2012 amicable termination agreements for both contracts. It is in this context that the quantity of indemnities due to the Organization is being determined.

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

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, 2013	December 31, 2012
	(in thousands of Swiss francs)	
Not later than one year	184	191
Later than one year and not later than five years	168	318
Later than five years	-	-
Total non-cancellable operating leases	352	509

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 2.0 million Swiss francs [2.1 million Swiss francs in 2012].

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 contribute 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 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 2013.

Key management personnel and their aggregate remuneration were as follows:

	2013		2012	
	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	3,054,395	8.00	2,904,182
Senior Officers	13.25	3,905,569	13.33	3,954,229

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, 2012 (restated)	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, 2013
(in thousands of Swiss francs)							
Program and Budget surplus/(deficit) for the year	-	17,936	-	-	4,846	-22,782	-
Special Accounts surplus/(deficit) for the year	-	-	1,321	-	-1,321	-	-
Accumulated surpluses/(deficits)	170,299	-	-	-34,330	26,680	22,782	185,431
Working capital funds	8,342	-	-	-	-	-	8,342
Revaluation surplus	15,046	-	-	-	-	-	15,046
Net Assets	193,687	17,936	1,321	-34,330	30,205	-	208,819

The fund balance of the Organization represents the accumulated net result of operations in 2013 and prior periods.

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 Member 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 Reserves 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 percentage 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 Reserves established by WIPO's Assemblies.

As at December 31, 2013, the balance of accumulated surpluses includes funds which have been approved for use for special projects in compliance with this policy. Details of these projects and the funds that have been made available to them are included in the WIPO Financial Management Report for the 2012/13 biennium. The remaining balance on projects underway as at December 31, 2013 is 24.8 million Swiss francs, while a balance of 11.2 million Swiss francs has been approved for new projects starting in 2014. It is also noted that a balance of 23.3 million Swiss francs remains on building construction projects as at December 31, 2013. These construction projects are not expected to affect the level of net assets during the construction phase, as expenditure incurred will be capitalized as work in progress.

NOTE 22: RECONCILIATION OF STATEMENT OF BUDGETARY COMPARISON AND STATEMENT OF FINANCIAL PERFORMANCE

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 2013, the second year of the biennium, the original and final budget estimate for income was 329.1 million Swiss francs. The original budget for expense for the second year of the biennium was 323.7 million Swiss francs, which was based on the biennial budget. The final budget for expense for the second year was 324.4 million Swiss francs. Actual income on a modified accrual basis for the second year of the biennium was 339.7 million Swiss francs. Actual expense on a modified accrual basis for the second year of the biennium was 321.7 million Swiss francs.

The Program Performance Report for 2012/13 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 2013:

	2013			
	Operating	Investing	Financing	Total
	(in thousands of Swiss francs)			
Actual amount on comparable basis (Statement V)	17,936	-	-	17,936
Depreciation, amortization and impairment	-7,891	-	-	-7,891
Equipment acquisition and disposal	820	-	-	820
Capitalization of construction expense	28,064	-	-	28,064
Capitalization of intangible assets	2,342	-	-	2,342
Changes in employee benefit liabilities	4,619	-	-	4,619
Deferral of revenue from fees	4,714	-	-	4,714
Other deferred revenue	-1,147	-	-	-1,147
Change in provision for doubtful debts	163	-	-	163
Inventory recognition	-157	-	-	-157
Special Accounts revenue recognition	-1,322	-	-	-1,322
Total Basis differences	30,205	-	-	30,205
Projects financed from reserves	-34,330	-	-	-34,330
Special Accounts	1,321	-	-	1,321
Total Entity differences	-33,009	-	-	-33,009
Actual amount in the Statement of Financial Performance (Statement II)	15,132	-	-	15,132

Reconciliation for the biennium 2012/13:

	2012/13			
	Operating	Investing	Financing	Total
	(in thousands of Swiss francs)			
Actual amount on comparable basis (Statement V)	68,920	-	-	68,920
Depreciation, amortization and impairment	-15,992	-	-	-15,992
Equipment acquisition and disposal	934	-	-	934
Capitalization of construction expense	33,927	-	-	33,927
Capitalization of intangible assets	2,902	-	-	2,902
Revaluation investment property	-	469	-	469
Changes in employee benefit liabilities	-2,674	-	-	-2,674
Deferral of revenue from fees	-6,549	-	-	-6,549
Other deferred revenue	-1,881	-	-	-1,881
Change in provision for doubtful debts	205	-	-	205
Inventory recognition	-296	-	-	-296
Special Accounts revenue recognition	-3,706	-	-	-3,706
Total Basis differences	6,870	469	-	7,339
Projects financed from reserves	-45,345	-	-	-45,345
Special Accounts	3,705	-	-	3,705
Total Entity differences	-41,640	-	-	-41,640
Actual amount in the Statement of Financial Performance (Statement II)	34,150	469	-	34,619

NOTE 23: REVENUE

	Program and Budget	Special Accounts	Projects Financed from Reserves	IPSAS Adjustments	Total	
	(in thousands of Swiss francs)					
	2013	2013	2013	2013	2013	2012 restated
Assessed contributions	17,551	-	-	163	17,714	17,591
Voluntary contributions	-	8,910	-	-1,360	7,550	7,737
Publications revenue	405	-	-	-	405	630
Investment revenue	2,075	5	-	-	2,080	1,804
PCT System fees	252,936	-	-	4,526	257,462	251,954
Madrid System fees	55,200	-	-	201	55,401	51,598
Hague System fees	3,215	-	-	-13	3,202	3,036
Other fees	8	-	-	-	8	4
Sub-total fees	311,359	-	-	4,714	316,073	306,592
Arbitration and Mediation	1,629	-	-	-	1,629	1,643
					-	-
Exchange gain (loss)	-956	24	-	-	-932	-872
Program support charges	722	-	-	-722	-	-
Other/miscellaneous	6,884	-	-	208	7,092	5,869
Total revenue	339,669	8,939	-	3,003	351,611	340,994

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.

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	
	(in thousands of Swiss francs)					
	2013	2013	2013	2013	2013	2012
Personnel expenditure	214,228	2,064	4,132	-5,967	214,457	212,824
Travel and fellowships	16,821	3,131	555	-7	20,500	17,586
Contractual services	61,441	1,453	4,004	-1,881	65,017	54,975
Operating expenses	25,906	140	19,851	-21,409	24,488	24,789
Supplies and materials	2,455	45	856	-91	3,265	2,652
Furniture and equipment	871	63	712	-787	859	577
Construction	11	-	4,220	-4,231	-	-
Depreciation, amortization and impairment	-	-	-	7,893	7,893	8,104
Program support costs	-	722	-	-722	-	-
Total expenses	321,733	7,618	34,330	-27,202	336,479	321,507

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. During 2013, in accordance with paragraph 26 of the WIPO Program and Budget for the 2012/13 biennium, an additional charge against post costs was recognized to increase the provision for after service employee benefits. This additional charge brought personnel expenditure before IPSAS adjustments into line with the budgeted amount for the biennium, but fell short of what would have been recognized had a charge of 6 per cent of post costs been applied throughout the biennium. The amount shown as IPSAS adjustments includes principally changes in the provisions for employee benefit liabilities (4.6 million Swiss francs), and also transfers to work in progress of consultant services related to construction projects, personnel costs relating to software development, 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 (0.6 million Swiss francs) and equipment (1.0 million Swiss francs) are treated as IPSAS adjustments. The transfer to fixed assets of construction costs and additions to buildings (28.1 million Swiss francs) are also included within IPSAS adjustments.

NOTE 25: FINANCIAL INSTRUMENTS

The Organization is exposed to certain foreign currency exchange, credit, interest rate and liquidity risks which arise in the normal course of its operations. This note presents information about the Organization's exposure to each of the above risks and the policies and processes for measuring and managing risk.

Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Organization's financial instruments.

Financial assets	Carrying amount	Fair value
	(in thousands of Swiss francs)	
2013		
Receivables	76,451	76,451
Loans	8,065	8,065
Cash and cash equivalents	409,916	409,916
	494,432	494,432
2012 restated		
Receivables	70,232	70,232
Loans	7,947	7,947
Cash and cash equivalents	408,117	408,117
	486,296	486,296
Financial liabilities	Carrying amount	Fair value
	(in thousands of Swiss francs)	
2013		
Borrowings	144,495	144,495
Accounts payable	31,285	31,285
Transfers payable	78,617	78,617
Current accounts	54,862	54,862
	309,259	309,259
2012 restated		
Borrowings	149,753	149,753
Accounts payable	21,089	21,089
Transfers payable	83,434	83,434
Current accounts	55,572	55,572
	309,848	309,848

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation. The following methods and assumptions were used to estimate the fair values:

- Cash and short-term deposits, receivables from exchange transactions, accounts payable and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Long-term loans, receivables and borrowings are evaluated by the Organization based on parameters such as interest rates and risk characteristics. Allowances have been

established for receivables from non-exchange transactions which cover amounts due from Member States that have lost the right to vote under Article 11, paragraph 5 of the WIPO Convention and for contributions from least developed countries which have been frozen by action of the Assemblies. The concessionary loan to FCIG is recognized at amortized cost with values based on cash flows discounted using a discount rate of 1.48%.

Credit risk

Credit risk is the risk of financial loss to the Organization if counterparties to financial instruments fail to meet their contractual obligations, and it arises principally from the Organization's loans, receivables, and cash and cash equivalents. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at December 31, 2013 was:

	December 31, 2013	December 31, 2012 restated
	(in thousands of Swiss francs)	
Receivables	76,451	70,232
Loans	8,065	7,947
Cash and cash equivalents	409,916	408,117
Maximum exposure to credit risk	494,432	486,296

The Organization's receivables from non-exchange transactions are almost exclusively from its Member States representing sovereign governments, and therefore risks related to credit are considered minor. 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.

Investments are held in banks with sovereign risk or with credit ratings of AA- or higher. The Organization minimizes the credit risk to its cash and cash equivalents 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. Accordingly, the credit ratings attached to cash and cash equivalents is as follows:

	AAA	AA+	A+	A	BBB	Unrated (cash on hand)	Total
December 31, 2013	(in thousands of Swiss francs)						
Cash and Cash Equivalents	359,963	715	4,560	44,218	441	19	409,916
Percent	87.8%	0.2%	1.1%	10.8%	0.1%	0.0%	100.0%

Liquidity risk

Liquidity risk is the risk of the Organization not being able to meet its obligations as they fall due. 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 following is a maturity analysis of WIPO's borrowings:

	1-12 months	1-5 years	Later than 5 years	Total
December 31, 2013	(in thousands of Swiss francs)			
FIPOI Loan Payable	1,358	5,433	15,504	22,295
BCG/BCV New Building Loan Payable	3,900	15,600	102,700	122,200
Total borrowing	5,258	21,033	118,204	144,495

	3-12 months	1-5 years	Later than 5 years	Total
December 31, 2012	(in thousands of Swiss francs)			
FIPOI Loan Payable	1,358	5,433	16,862	23,653
BCG/BCV New Building Loan Payable	3,900	15,600	106,600	126,100
Total borrowing	5,258	21,033	123,462	149,753

Currency risk

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 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 USA 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 two months. There are no hedging contracts in place as at the reporting date.

Currency exchange rate sensitivity analysis

The foreign exchange rate sensitivity analysis is based on reasonable shifts in exchange rates calculated by applying historic volatility. These are applied to financial assets and financial liabilities held in currencies other than the Swiss franc to summarize the effect on surplus in the tables below:

December 31, 2013 Original currency:	USD	JPY	EUR
	(in thousands of Swiss francs)		
Total in the financial statements:			
Financial assets			
Cash and cash equivalents	3,605	4,505	3,359
PCT debtors	33,007	12,960	10,102
USA taxes reimbursable	3,667	-	-
Reasonable shift	7.8%	25.2%	1.4%
Total effect on surplus of +ve movements	3,142	4,401	188
Total effect on surplus of -ve movements	-3,142	-4,401	-188
Financial liabilities			
PCT current accounts	-	6,155	441
Reasonable shift	7.8%	25.2%	1.4%
Total effect on surplus of +ve movements	-	1,551	6
Total effect on surplus of -ve movements	-	-1,551	-6

Market risk

Market risk is the risk of changes in market prices, such as interest rates, affecting the Organization's income or the value of its financial instrument holdings. The Organization is to a limited extent exposed to the risk of falling interest rates, since only 1.24 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 weighted average interest rates and maturity profile on financial instruments are as follows:

	Weighted average interest rate	1 year or less	1-5 years	Later than 5 years	Total
December 31, 2013	%	(in thousands of Swiss francs)			
Financial assets					
Funds invested with BNS	0.558	233,081	-	-	233,081
Financial liabilities					
BCG/BCV New Building Loan Payable	2.602	3,900	15,600	102,700	122,200
	Weighted average interest rate	1 year or less	1-5 years	Later than 5 years	Total
December 31, 2012	%	(in thousands of Swiss francs)			
Financial assets					
Funds invested with BNS	0.375	216,407	-	-	216,407
Financial liabilities					
BCG/BCV New Building Loan Payable	2.628	3,900	15,600	106,600	126,100

Interest rate sensitivity analysis

If the weighted average interest rate at December 31, 2013 had been 50 basis points higher or lower, the interest income or interest expense would have been affected as follows:

	Increase (+) / decrease (-) in basis points	Effect on surplus (in thousands of Swiss francs)
2013		
Financial assets		
Funds invested with BNS	+50	1,165
	-50	-1,165
Financial liabilities		
BCG/BCV New Building Loan Payable	+50	611
	-50	-611
2012		
Financial assets		
Funds invested with BNS	+50	1,082
	-50	-812
Financial liabilities		
BCG/BCV New Building Loan Payable	+50	631
	-50	-631

NOTE 26: 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 International Searching Authorities (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 -9.5 million Swiss francs is recognized within revenue on the Statement of Financial Performance, principally within the line PCT System fees.

	Gain	Loss	Net Impact 2013
	(in thousands of Swiss francs)		
Accounts payable	1,821	-1,835	-14
Accounts receivable	93	-151	-58
PCT fees received	774	-7,673	-6,899
PCT International Searching Authority	80	-1,768	-1,688
Total realized gain/(loss)	2,768	-11,427	-8,659
Bank accounts	745	-1,135	-390
Special Account bank accounts	87	-73	14
PCT bank accounts	375	-443	-68
Arbitration and Mediation bank accounts	95	-110	-15
PCT current accounts	139	-137	2
Arbitration and Mediation other assets and liabilities	164	-136	28
Other assets and liabilities	2,223	-2,631	-408
Total unrealized gain/(loss)	3,828	-4,665	-837
Total exchange gain/(loss)	6,596	-16,092	-9,496

NOTE 27: EVENTS AFTER THE REPORTING DATE

WIPO's reporting date is December 31, 2013 and its financial statements were authorized for issuance on May 2, 2014. 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 28: 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 2013. 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, Expenses and Reserves by Segment

Program	Program Title	Contribution Financed	PCT	UNIONS			Special Accounts	Total
				Madrid	Hague	Lisbon		
(in thousands of Swiss francs)								
REVENUE								
	Contributions	17,551	-	-	-	-	8,910	26,461
	Fees	-	252,936	55,200	3,215	8	-	311,359
	Interest	131	1,091	853	-	-	5	2,080
	Publications	50	298	46	11	-	-	405
	Other Income+UPOV	1,297	1,298	1,460	1,298	1,297	24	6,674
	Arbitration	85	1,033	488	20	3	-	1,629
	Sub-total revenue on budgetary basis	19,114	256,656	58,047	4,544	1,308	8,939	348,608
	IPSAS Adjustments to revenue	163	4,525	409	-13	-	-2,081	3,003
	TOTAL REVENUE	19,277	261,181	58,456	4,531	1,308	6,858	351,611
EXPENSES								
01	Patent Law	180	2,388	101	-	-	-	2,669
02	Trademarks, Industrial Design & Geographic Indications	524	-	1,705	393	-	-	2,622
03	Copyright and Related Rights	7,854	1,753	189	-	-	-	9,796
04	Traditional Knowledge, Traditional Cultural Expressions & Genetic Resources	3,409	-	-	-	-	-	3,409
05	The PCT System	-	90,622	-	-	-	-	90,622
06	Madrid and Lisbon Systems	-	-	25,034	45	522	-	25,601
07	Arbitration, Mediation and Domain Names	265	3,237	1,531	61	11	-	5,105
08	Development Agenda Coordination	28	1,405	151	-	-	-	1,584
09	Africa, Arab, Asia and the Pacific, Latin America and the Caribbean Countries, Least Developed Countries	307	15,358	1,654	-	-	-	17,319
10	Cooperation with Certain Countries in Europe and Asia	60	2,984	321	-	-	-	3,365
11	The WIPO Academy	102	5,134	553	-	-	-	5,789
12	International Classifications and Standards	173	3,546	87	29	-	-	3,835
13	Global Databases	-	1,992	221	-	-	-	2,213
14	Services for Access to Information and Knowledge	71	3,406	770	60	5	-	4,312
15	Business Solutions for IP Offices	73	3,664	394	-	-	-	4,131
16	Economics and Statistics	49	2,455	265	-	-	-	2,769
17	Building Respect for IP	28	1,378	149	-	-	-	1,555
18	IP and Global Challenges	63	3,166	341	-	-	-	3,570
19	Communications	149	7,470	804	-	-	-	8,423
20	External Relations, Partnerships and External Offices	96	4,799	517	-	-	-	5,412
21	Executive Management	461	7,107	1,751	209	27	-	9,555
22	Program and Resource Management	499	7,680	1,893	226	29	-	10,327
23	Human Resource Management and Development	550	8,470	2,088	249	32	-	11,389
24	General Support Services	1,008	15,524	3,826	456	59	-	20,873
25	Information and Communication Technology	1,271	19,571	5,852	678	75	-	27,447
26	Internal Oversight	115	1,771	436	52	7	-	2,381
27	Conference and Language Services	911	14,036	3,459	412	54	-	18,872
28	Safety and Security	281	4,323	1,066	127	17	-	5,814
29	Construction Projects	172	2,652	654	78	10	-	3,566
30	Small and Medium Size Enterprises and Innovation	66	3,328	358	-	-	-	3,752
31	The Hague System	-	-	-	3,656	-	-	3,656
	Sub-total expenses on budgetary basis	18,765	239,219	56,170	6,731	848	-	321,733
	Financed from Reserves:							
	New Building and New Conference Hall	2,782	15,759	3,673	22	22	-	22,258
	IPSAS Adjustments to New Building and New Conference Hall	-2,763	-15,648	-3,647	-22	-22	-	-22,102
	Other Projects	742	6,491	3,940	891	8	-	12,072
	IPSAS Adjustments to Other Projects	-460	-3,495	-600	-20	-4	-	-4,579
	Special Accounts	-	-	-	-	-	7,618	7,618
	IPSAS Adjustments to expense	2	23	213	1	-	-760	-521
	TOTAL EXPENSES	19,068	242,349	59,749	7,603	852	6,858	336,479
	Restated reserves and working capital funds at December 31, 2012	21,756	128,839	48,306	-4,255	-959	-	193,687
	2013 result before IPSAS adjustments	-3,175	-4,813	-5,736	-3,100	430	1,321	-15,073
	IPSAS adjustments to result	3,384	23,645	4,443	28	26	-1,321	30,205
	Reserves and working capital funds at December 31, 2013	21,965	147,671	47,013	-7,327	-503	-	208,819

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 SOURCE OF FUNDING [UNAUDITED] as at December 31, 2013 (in thousands of Swiss francs)

	WIPO - Program and Budget (regular budget)		FTSW - Special Accounts (voluntary contributions)		WISP - Projects financed from reserves		IPSAS Adjustments		Consolidated	
	December 31, 2013	December 31, 2012 (restated)	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012 (restated)	December 31, 2013	December 31, 2012 (restated)
ASSETS										
Current Assets										
Cash and cash equivalents	393,859	394,323	16,057	13,794	-	-	-	-	409,916	408,117
Accounts receivable (non-exchange transactions)	2,266	2,260	-	-	-	-	411	-830	2,677	1,430
Accounts receivable (exchange transactions)	9,658	12,382	2	11	7,382	9,282	62,707	53,036	79,749	74,711
Inventories	-	-	-	-	-	-	2,141	2,298	2,141	2,298
Other current assets	170,531	151,656	-1,828	-987	-168,703	-150,669	-	-	-	-
Total Current Assets	576,314	560,621	14,231	12,818	-161,321	-141,387	65,259	54,504	494,483	486,556
Non-Current Assets										
Equipment	-	-	-	-	-	-	2,324	2,517	2,324	2,517
Investment Property	-	3,395	-	-	-	-	4,785	1,390	4,785	4,785
Intangible Assets	-	-	-	-	-	-	29,161	27,394	29,161	27,394
Land and Buildings	28,810	25,415	-	-	137,419	137,418	193,878	175,514	360,107	338,347
Accounts receivable (non-exchange transactions)	6,518	6,708	-	-	-	-	-6,159	-6,287	359	421
Other non-current assets	9,623	9,811	-	-	-	-	-308	-306	9,315	9,505
Total Non-Current Assets	44,951	45,329	-	-	137,419	137,418	223,681	200,222	406,051	382,969
TOTAL ASSETS	621,265	605,950	14,231	12,818	-23,902	-3,969	288,940	254,726	900,534	869,525
LIABILITIES										
Current Liabilities										
Accounts payable	20,678	13,888	88	92	10,482	7,072	37	37	31,285	21,089
Employee benefits	-19,835	-18,617	222	235	-54	-26	37,205	36,080	17,538	17,672
Transfers payable	60,679	65,886	-	-	-	-	17,938	17,548	78,617	83,434
Advance receipts	33,383	32,622	12,600	10,107	-	-	183,118	178,371	229,101	221,100
Borrowings due within one year	5,258	5,258	-	-	-	-	-	-	5,258	5,258
Provisions	1,009	1,032	-	-	-	-	-	-	1,009	1,032
Other current liabilities	54,862	55,572	-	-	-	-	-	-	54,862	55,572
Total Current Liabilities	156,034	155,641	12,910	10,434	10,428	7,046	238,298	232,036	417,670	405,157
Non-Current Liabilities										
Employee benefits	77,838	64,579	-	-	-	-	55,089	60,873	132,927	125,452
Borrowings due after one year	139,237	144,495	-	-	-	-	-	-	139,237	144,495
Advance receipts	-	-	-	-	-	-	1,881	734	1,881	734
Total Non-Current Liabilities	217,075	209,074	-	-	-	-	56,970	61,607	274,045	270,681
TOTAL LIABILITIES	373,109	364,715	12,910	10,434	10,428	7,046	295,268	293,643	691,715	675,838
Accumulated surpluses/(deficits) b/f (restated)	221,878	181,909	-	-	-	-	-51,579	-31,097	170,299	150,812
Working capital funds	8,342	8,342	-	-	-	-	-	-	8,342	8,342
Revaluation surplus	-	-	-	-	-	-	15,046	15,046	15,046	15,046
Surplus/(deficit) current period	17,936	50,984	1,321	2,384	-34,330	-11,015	30,205	-22,866	15,132	19,487
NET ASSETS	248,156	241,235	1,321	2,384	-34,330	-11,015	-6,328	-38,917	208,819	193,687

ANNEX II

STATEMENT OF FINANCIAL PERFORMANCE BY SOURCE OF FUNDING [UNAUDITED]
for the year ended December 31, 2013
(in thousands of Swiss francs)

	WIPO - Program and Budget (regular budget)		FTSW - Special Accounts (voluntary contributions)		WISP - Projects financed from reserves		IPSAS Adjustments		Consolidated	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012 (restated)	December 31, 2013	December 31, 2012 (restated)
REVENUE										
Assessed contributions	17,551	17,549	-	-	-	-	163	42	17,714	17,591
Voluntary contributions	-	-	8,910	10,173	-	-	-1,360	-2,436	7,550	7,737
Publications revenue	405	630	-	-	-	-	-	-	405	630
Investment revenue	2,075	1,326	5	9	-	-	-	469	2,080	1,804
PCT System fees	252,936	262,011	-	-	-	-	4,526	-10,057	257,462	251,954
Madrid System fees	55,200	52,756	-	-	-	-	201	-1,158	55,401	51,598
Hague System fees	3,215	3,083	-	-	-	-	-13	-47	3,202	3,036
Other fees	8	4	-	-	-	-	-	-	8	4
Sub-total fees	311,359	317,854	-	-	-	-	4,714	-11,262	316,073	306,592
Arbitration and Mediation	1,629	1,643	-	-	-	-	-	-	1,629	1,643
Exchange gains	-956	-851	24	-21	-	-	-	-	-932	-872
Program support charges	722	705	-	-	-	-	-722	-705	-	-
Other/miscellaneous revenue	6,884	2,206	-	-	-	3,803	208	-140	7,092	5,869
Sub-total miscellaneous	6,650	2,060	24	-21	-	3,803	-514	-845	6,160	4,997
TOTAL REVENUE	339,669	341,062	8,939	10,161	-	3,803	3,003	-14,032	351,611	340,994
EXPENSES										
Personnel expenditure	214,228	199,165	2,064	2,479	4,132	4,046	-5,967	7,134	214,457	212,824
Travel and fellow ships	16,821	14,099	3,131	3,109	555	381	-7	-3	20,500	17,586
Contractual services	61,441	49,620	1,453	1,036	4,004	4,320	-1,881	-1	65,017	54,975
Operating expenses	25,906	24,052	140	201	19,851	1,023	-21,409	-487	24,488	24,789
Supplies and materials	2,455	2,656	45	33	856	476	-91	-513	3,265	2,652
Furniture and equipment	871	473	63	81	712	173	-787	-150	859	577
Construction	11	13	-	-	4,220	4,399	-4,231	-4,412	-	-
Depreciation, amortization and impairment	-	-	-	-	-	-	7,893	8,104	7,893	8,104
Program support costs	-	-	722	838	-	-	-722	-838	-	-
TOTAL EXPENSES	321,733	290,078	7,618	7,777	34,330	14,818	-27,202	8,834	336,479	321,507
SURPLUS/(DEFICIT) FOR THE YEAR	17,936	50,984	1,321	2,384	-34,330	-11,015	30,205	-22,866	15,132	19,487

ANNEX III

SPECIAL ACCOUNTS BY DONOR CONTRIBUTIONS (in Swiss francs)

Fund-in-Trust Donor	Fund code	Balance as of December 31, 2012	Income 2013				Expenditure 2013				Reimbursements	Charged to WIPO	Balance as of December 31, 2013
			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	21,350.22	18,912.18	5.05	-	18,917.23	-	35,684.40	-	35,684.40	-	-	4,583.05
Australia	WAUS	1,841,406.96	-14,217.78	523.30	71.37	-13,623.11	-	614,428.10	80,045.60	694,473.70	-	-	1,133,310.15
Brazil CHF	WBRES	466,247.09	292,906.18	213.75	428.17	293,548.10	-	256,273.38	12,792.30	269,065.68	-	-	490,729.51
Brazil South	WBRST	-	181,605.25	33.45	-246.27	181,392.43	-	94,081.62	12,262.60	106,344.22	-	-	75,048.21
Costa Rica	WCORI	32,044.96	-	40.77	-874.54	-833.77	-	82.52	-	82.52	-	-	31,128.67
El Salvador	WELSA	51,094.59	-	64.56	-1,423.18	-1,358.62	-	82.52	-	82.52	-	-	49,653.45
European Union (Bangladesh Project)	WBGLD	344,672.98	-	-	-	-	-	-	-	-	366,798.44	22,125.46	-
European Union (Pakistan Project)	WPAKI	619,665.37	275,062.92	346.12	9,189.26	284,598.30	-	279,187.43	19,543.10	298,730.53	-	-	605,533.14
Finland/Copyright I	WFICR	15,201.50	-	9.01	200.36	209.37	-	82.31	10.00	92.31	-	-	15,318.56
Finland/Copyright II	WFILN	8,626.99	-	4.49	121.39	125.88	-	82.01	-	82.01	-	-	8,670.86
Finland/Copyright III	WFIMO	182,634.90	36,246.68	112.75	2,910.40	39,269.83	-	45,813.04	5,953.64	51,766.68	-	-	170,138.05
France/Industrial Property	WFRIP	547,287.78	300,462.00	178.75	564.97	301,205.72	-	85,038.04	10,981.50	96,019.54	-	-	752,473.96
Germany/ Junior Professional Officers	WDEJP	258,216.27	446,172.00	128.75	-	446,300.75	283,793.58	5,593.20	34,726.40	324,113.18	-	-	380,403.84
Ibero-American Program of Industrial Property	WIBER	44,600.20	64,287.50	26.20	-	64,313.70	-	80.20	5.60	85.80	-	-	108,828.10
Italy/Intellectual Property	WITIP	737,039.61	-	230.35	-	230.35	-	99,637.23	12,952.85	112,590.08	-	-	624,679.88
Italy/Junior Professional Officers	WITJP	22,281.01	127,164.99	14.15	-	127,179.14	54,554.85	80.00	6,556.15	61,191.00	-	-	88,269.15
Japan/Africa - LDCs	WJPAF	1,507,801.22	1,100,000.00	429.15	226.40	1,100,655.55	268,166.90	810,162.31	138,344.80	1,216,674.01	-	-	1,391,782.76
Japan/Copyright	WJPCR	282,946.49	468,646.00	98.65	535.86	469,280.51	186,217.42	235,067.05	53,540.55	474,825.02	-	-	277,401.98
Japan/Industrial Property	WJPIP	1,914,176.30	4,330,000.00	956.20	1,175.00	4,332,131.20	524,011.94	1,210,735.66	224,088.50	1,958,836.10	-	-	4,287,471.40
Japan/Junior Professional Officers	WJJPJ	8,649.18	-	6.60	8.10	14.70	-5,960.32	80.00	-706.60	-6,586.92	-	-	15,250.80
Libya	WLIBY	-20.15	-	-	-	-	-	-	-	-	-	20.15	-
Mexico	WMEX	25,335.60	137,931.03	12.75	-	137,943.78	-	80.00	5.60	85.60	-	-	163,193.78
Portugal	WPORT	97,677.40	-	48.92	1,957.27	2,006.19	-	23,633.68	3,072.45	26,706.13	-	-	72,977.46
Republic of Korea/Copyright	WKRCR	532,904.97	339,026.15	183.90	35.26	339,245.31	55,140.25	251,185.98	-	306,326.23	-	-	565,824.05
Republic of Korea/Copyright/Professional Officers	WKRPO	355,704.85	-	95.60	-	95.60	133,097.86	80.00	15,981.35	149,159.21	-	-	206,641.24
Republic of Korea/Intellectual Property	WKIPO	1,165,387.15	656,237.80	381.00	27.62	656,646.42	155,307.60	393,971.61	-	549,279.21	-	-	1,272,754.36
Republic of Korea/Professional Officers	WKRJP	787,471.31	186,756.00	233.80	-	186,989.80	409,720.98	80.00	49,176.10	458,977.08	-	-	515,484.03
Republic of Korea/Education	WKRED	229,820.08	164,039.15	86.00	8,496.44	172,621.59	-	143,354.94	11,598.20	154,953.14	-	-	247,488.53
Spain	WESPA	-64,474.49	-	-	-	-	-	-	-	-	9.53	64,484.02	-
Spain	WESCH	121,399.93	179,190.13	59.15	35.80	179,285.08	-	119,555.25	15,537.55	135,092.80	-	-	165,592.21
Trusted Intermediary Global Accessible Resources pilot project	WTIGA	4,481.52	-	1.40	-	1.40	-	80.00	10.40	90.40	-	-	4,392.52
United States of America/Copyright	W_USA	112,007.11	-	92.13	1,356.60	1,448.73	-	97,888.66	12,858.64	110,747.30	-	-	2,708.54
United States of America/Enforcement of Intellectual Property Rights	WUSEN	29,995.11	-30.17	26.50	1,378.20	1,374.53	-	18,257.83	2,374.01	20,631.84	13,417.62	-	-2,679.82
United States of America/Small- and Medium-sized Enterprises	WUSSM	94,845.79	-	105.31	-2,099.13	-1,993.82	-	106.93	14.22	121.15	-	-	92,730.82
Uruguay	WUGAY	-757.10	-	-	-	-	-	-	-	-	-	757.10	-
Uruguay	WUYCH	113,738.33	-	35.15	12.00	47.15	-	11,449.94	-	11,449.94	-	-	102,335.54
Miscellaneous closed trust funds		-20,077.95	-	-	253.71	253.71	-	-	-	-	-	20,425.46	601.22
TOTAL		12,491,383.08	9,290,398.01	4,783.66	24,341.06	9,319,522.73	2,064,051.06	4,831,995.84	721,725.51	7,617,772.41	380,225.59	107,812.19	13,920,720.00

This schedule is prepared in accordance with the requirements of donor reporting under UNSAS which does not include expenditure accruals. IPSAS adjustments to the closing balances (December 31, 2013) are not included in this schedule but are included in the figures shown in Note 14 Advance Receipts (see line 'Non exchange revenue deferred').

ANNEX IV

WIPO EX GRATIA PAYMENTS

Financial Regulation 5.10 states that a summary statement of ex gratia payments for the calendar year shall be included in the annual financial statements of the Organization.

During the year ended December 31, 2013, one ex gratia payment was made by the Organization. This payment was for the amount of 36,822.09 Swiss francs, and was made directly to the University Hospital of Geneva to cover medical costs incurred by a member state delegate who fell ill during participation at an intergovernmental committee held at WIPO in 2012. The Organization agreed to bear this amount, which represented the balance of medical costs remaining after amounts already paid by the member state of the delegate and by WIPO medical insurance.

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