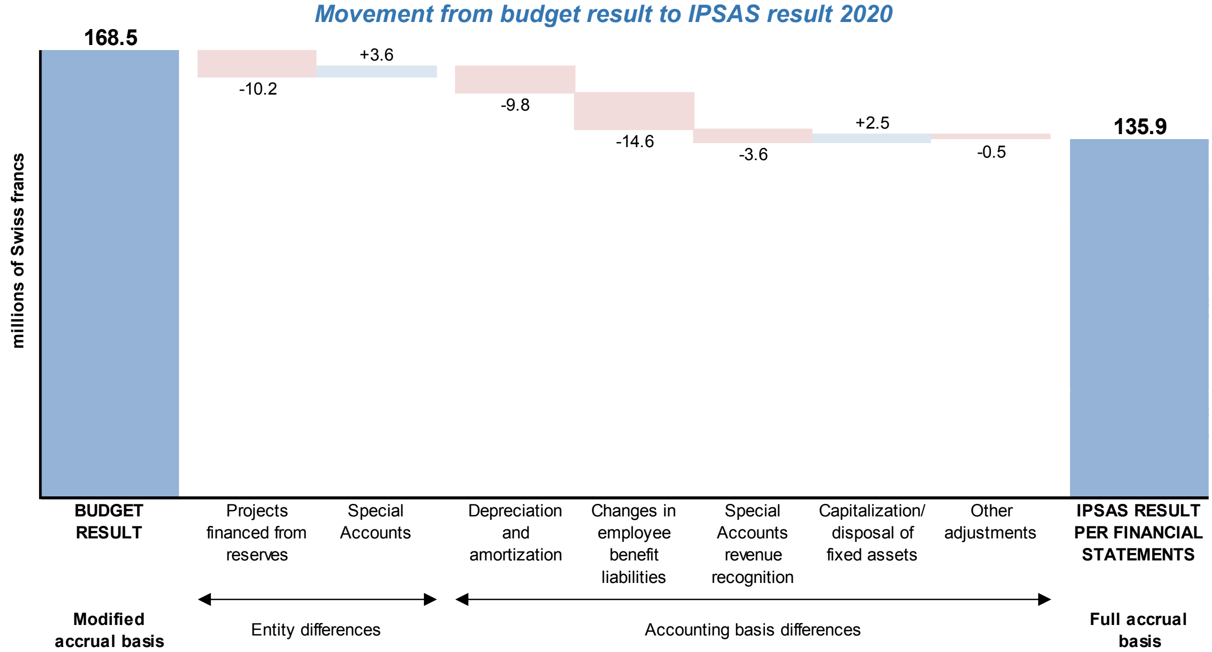
Financial Performance 2020

The Organization's results for 2020 showed a surplus for the year of 135.9 million Swiss francs, with total revenue of 468.3 million Swiss francs, total expenses of 365.8 million Swiss francs, and investment gains of 33.4 million Swiss francs. This can be compared to a surplus of 97.7 million Swiss francs in 2019, with total revenue of 457.0 million Swiss francs, total expenses of 401.4 million Swiss francs, and investment gains of 42.1 million Swiss francs. The Program and Budget result for 2020 prepared on a modified accrual basis (i.e. not including all IPSAS adjustments) was a surplus of 168.5 million Swiss francs. The 2020 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:

	Program and Budget 2020	Special Accounts 2020	Projects Financed from Reserves 2020	IPSAS Adjustments 2020	Total 2020	Total 2019
			(in millions of Swiss francs)			
Total revenue	463.0	9.5	-	-4.2	468.3	457.0
Total expenses	-327.9	-5.9	-10.2	-21.8	-365.8	-401.4
Investment gains/(losses)	33.4	-	-	-	33.4	42.1
Net surplus/(deficit)	**168.5**	**3.6**	**-10.2**	**-26.0**	**135.9**	**97.7**

The chart below summarizes the principal differences between the Program and Budget surplus of 168.5 million Swiss francs, and the surplus for the whole Organization prepared on an IPSAS basis of 135.9 million Swiss francs:



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 of Projects financed from reserves (deficit of 10.2 million Swiss francs) and Special Accounts (surplus of 3.6 million Swiss francs) represent 'entity differences' between the budget result and the surplus per the IPSAS financial statements. 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 is a 26.0 million Swiss francs reduction in the surplus. The principal accounting differences include:

- 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;
- adjustments to reflect movements in employee benefit liabilities based on IPSAS compliant calculations, including those prepared by external actuaries;
- the capitalization of costs relating to the improvement of buildings and the acquisition of equipment, along with losses from the disposal or demolition of fixed assets.