29. WFP was fully represented in the Inter-Agency Working Group on Resource Transfer Modalities, which developed the Harmonized Approach to Cash Transfers to Implementing Partners (HACT), launched in April 2005 and mandatory for all ExCom Agencies.

30. WFP was also part of the Task Force on Accounting Standards and played a major role in discussions leading to the decision by the High-Level Committee on Management (HLCM) for all United Nations organizations to adopt International Public Sector Accounting Standards (IPSAS) by 2010.

FINANCIAL HIGHLIGHTS

Income, expenditure and fund balances

⇒ *Summary of income and expenditure*

31. WFP's income for 2004–2005 was US$6.3 billion, an increase of US$0.5 billion (8.7 percent) over the previous biennium. Expenditures of US$6.2 billion during the biennium showed an increase of US$1.1 billion (21.6 percent) over the previous biennium. Expenditures in 2004–2005 represented 97.9 percent of income, which is an improvement over 2002–2003 when expenditures represented 87.6 percent of income levels.

TABLE 1: SUMMARY OF TOTAL INCOME AND EXPENDITURE OF WFP FUND		
(US$ million)		
	2004–2005	**2002–2003**	**% increase (decrease)**
INCOME			
Commodity and service in-kind contributions	1 039.3	1 139.1	(8.8)
Other contributions (including OIP*)	5 155.3	4 513.1	14.2
Other income (interest, currency gain, etc.)	115.5	151.3	(23.7)
TOTAL INCOME	**6 310.1**	**5 803.5**	**8.7**
EXPENDITURE			
Commodities in-kind and purchased	2 792.3	2 719.7	2.7
Direct operational costs	2 327.6	1 619.8	43.7
Direct support costs	672.1	509.9	31.8
Indirect support costs	385.1	232.2	65.8
TOTAL EXPENDITURE	**6 177.1**	**5 081.6**	**21.6**
EXCESS OF INCOME OVER EXPENDITURE	**133.0**	**721.9**	**(81.6)**

* Includes cash and commodity-in-kind contributions from OIP totalling US$17.0 million (US$913.1 million in 2002–2003).

⇒ *Expenditure by Programme Category*

32. The total expenditure of US$6.3 billion categorized by Programme Category Funds and Other Funds is shown in Table 2.