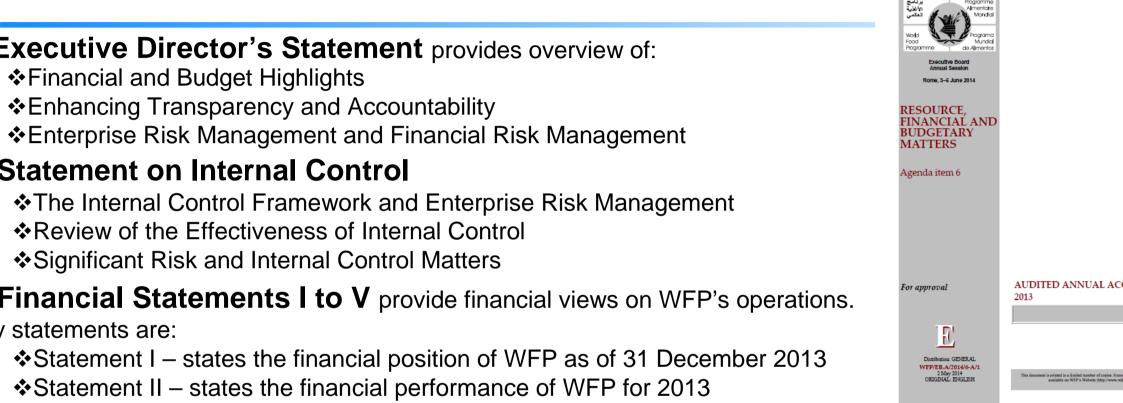
# 013 Financial Statements

**Executive Board Annual Session** 4 June 2014



**World Food Programme** 

# tructure of WFP Financial Statements



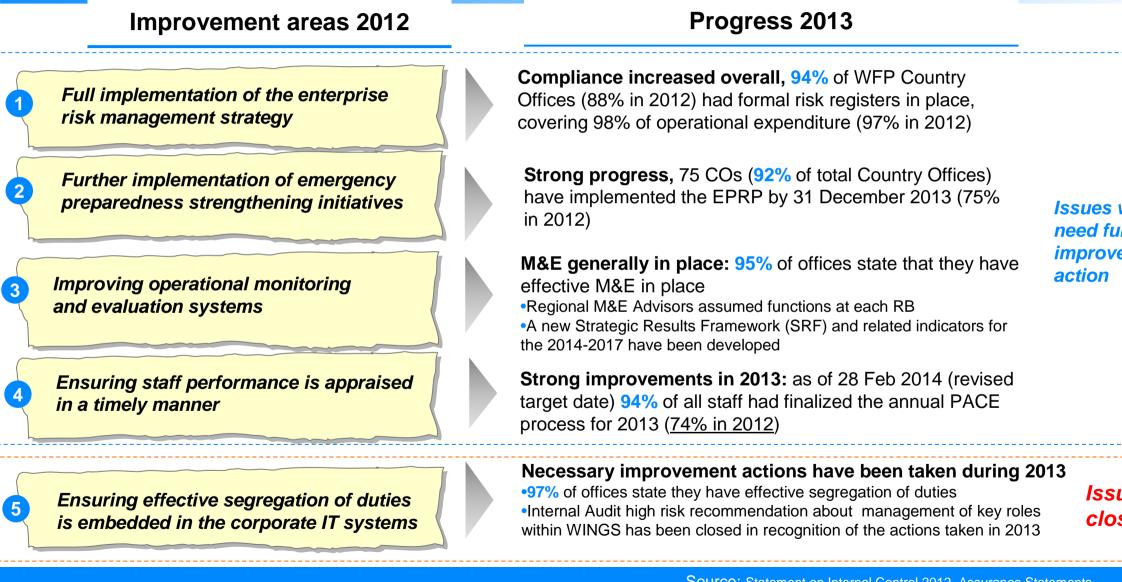
Statement V – compares WFP's Actual performance against Budget

### Notes to the Financial Statements

- Disclose WFP's accounting policies (Note 1)
- ✤Provide explanatory detail to elements of the Financial Statements (Notes 2 12)

## **External Audit Opinion and Report**

## provements across all internal control weaknesses identified ast year's Statement on Internal Control



Issu

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# eview of 2013 IPSAS Accounting Policies

- No new IPSAS standards were issued
- No changes to accounting policies only changes in disclosures
- Pursuant to CAG 2011 Audit recommendation #4, WFP reviewed and confirmed policy on expensing of aid. Additional wording included in expense policy to refigrowing use of cash and vouchers.

#### NOTE 1: ACCOUNTING POLICIES

New paragraph 4 in <u>Basis of Preparation</u> section: "Food commodities and cash and vouchers are expensed when distributed directly by WFP or once they are handed over to cooperating partners or service providers for distribution."

supersedes paragraph 15 in <u>Inventories</u> section in 2012 Accounts: "Food commodities are expensed when distributed directly by WFP or once they are handed over to cooperating partners for distribution."

## eview of 2013 IPSAS Accounting Policies – Financial Instrument

- WFP applied the three IPSAS standards relating to Financial Instruments issued in 2010 effective from 1 January 2013
  - No change to accounting policies
  - Additional Disclosures in 2013 based on external professional advice
- **IPSAS 28 Financial Instruments: Presentation (replaces IPSAS 15)**

IMPACT: There are no substantial changes arising from the implementation of IPSAS 29.

#### **IPSAS 29** – Financial Instruments: Recognition and Measurement (replaces IAS 39)

IMPACT: There are no changes arising from the implementation of IPSAS 28.

#### **IPSAS 30 – Financial Instruments: Disclosures (replaces disclosure section of IPSAS 15)**

IMPACT - New Disclosures:

✓ Fair value hierarchy (para 142) – Disclosure of the level of the inputs used in determining fair value

- ✓Change in Level 3 (para 145) Disclosure of changes in Level 3 financial instruments.
- Sensitivity analysis (para 154-157) Disclosure of the market risk exposure dealing with each individual variable (sensitivity of interest rate, futures price, equity price, FX forwards)
- ✓ Other minor disclosures can be found in para 69, 78 and 140

# tement II - Statement of Financial Performance

ncial Statements 2013, Statement II, page 22)

· · · · · · · · · · · · · · · · · · ·	Contribution revenue			
(USD million)	2013	2012	increased by 8%, mainly a result of donors' respons	
ENUE	اا	<b></b>	to Syria crisis	
etary contributions	3,868.4	3,338.0		
nd contributions	511.2	706.3		
r revenue	156.2	167.1	Total expenses	
L REVENUE	4,535.8	4,211.4	increased by 3%	
INSES		ļ,	Cash and vouchers distrib	
and vouchers distributed	498.1	191.8		
commodities distributed	2,053.4	2,264.6	increased by 160% - refle	
bution and related services	578.6	602.5	increased use of this for	
es, salaries, employee benefits and other staff costs	718.1	691.4	assistance tool	
lies, consumables and other running costs	159.0	156.7		
racted and other services	405.3	389.7	Cost of food commodities	
nce Costs	2.5	2.6		
eciation and amortization	49.0	43.8	distributed decreased by	
r expenses	50.8	52.6	9% reflecting a decrease of 11% in food toppage	
L EXPENSES	4,514.8	4,395.7	11% in food tonnage distributed in 2013	
PLUS (DEFICIT) FOR THE YEAR	21.0	(184.3)		

# tement I - Statement of Financial Position

#### cial Statements 2013, Statement I, page 21)

USD million	31.12.2013	31.12.2012	Increase of \$162.2m mainly from
and cash equivalents	652.7	438.5	
term investments	783.5	835.5	operational activities (increase in
putions receivable	1,774.1	1,723.9	contribution revenue)
ories	664.9	709.9	
receivables	137.4	147.9	$-$ \\ Increase of \$74.8m due to:
L Current Assets	4,012.6	3,855.7	
putions receivable	165.7	202.4	<ol> <li>increased value of invested asse</li> </ol>
erm investments	427.5	352.7	1 \\ 2) cash set aside for amounts charged
ty, plant and equipment	110.7	110.5	for employee benefit liabilities
ble assets	15.9	24.1	
L Non-current Assets	719.8	689.7	Net increase of \$13.5m due to increase
L Assets	4,732.4	4,545.4	in contribution revenue
es and accruals	499.0	415.2	Decrease of LIS® 45 6m in food
ions	10.7	14.3	Decrease of US\$45.6m in food
vee benefits	23.7	19.5	Inventory due to minor change in valu
	32.8	5.8	of food held while tonnage held
Current Liabilities	566.2	454.8	remained same as in 2012
vee benefits	398.1	365.1	
erm loan	95.4	101.2	Increase of \$37.2m primarily due to
Non-current Liabilities	493.5	466.3	increase in earned benefit entitleme
Liabilities	1,059.7	921.1	Funding status – 82%
L NET ASSETS	3,672.7	3,624.3	_
Balances	3,400.2	3,351.2	Increase in total fund balances and
/es	272.5	273.1	reserves of \$48.4m
L FUND BALANCES AND RESERVES	3,672.7	3,624.3	
source Management and Accountab	ility Department, R	M	

# tatement V – Comparison of Budget and Actual Amounts

nancial Statements 2013, Statement V, page 25)

	Budget Amount			D://
USD million	Original	Final	Actual on comparable basis	Difference: final budget and actual
st components				
od and related direct operational costs (DOC)	3,543.6	4,286.5	2,528.8	1,757.7
sh and vouchers and related DOC	464.4	903.4	607.0	296.4
pacity augmentation	303.7	318.1	235.8	82.3
ect support costs	657.5	768.0	531.7	236.3
ototal direct project costs	4,969.2	6,276.0	3,903.3	2,372.7
gular PSA	249.1	249.1	247.4	1.7
pital and capacity funds	20.4	20.4	19.4	1.0
ototal indirect costs	269.5	269.5	266.8	2.7
TAL	5,238.7	6,545.5	4,170.1	2,375.4

Prepared on a Commitment basis – 'Actual' includes goods and services received and ommitments outstanding at year end

# **THANK YOU**

esource Management and Accountability Department, RM