

2012 Financial Statements



Financial Statements, 2012 presented and discussed in detail in the following forum

5th year IPSAS-compliant Financial Statements

Clean external audit opinion

Thorough review process consisting of:-

- WFP Audit Committee**
- Executive Board Finance Seminar**
- UN ACABQ**
- FAO Finance Committee**

Statement I - Statement of Financial Position

(Financial Statements 2012, Statement I, page 21)

US\$ million	31.12.2012	31.12.2011
Cash and cash equivalents	438.5	659.6
Short-term investments	835.5	996.3
Contributions receivable	1,723.9	1,625.7
Inventories	709.9	776.6
Other receivables	147.9	122.0
TOTAL Current Assets	3,855.7	4,180.2
Contributions receivable	202.4	199.4
Long-term investments	352.7	281.1
Property, plant and equipment	110.5	100.9
Intangible assets	24.1	30.8
TOTAL Non-current Assets	689.7	612.2
TOTAL Assets	4,545.4	4,792.4
Payables and accruals	415.2	535.2
Provisions	14.3	7.8
Employee benefits	19.5	19.9
Current portion of long-term loan	5.8	5.8
Total Current Liabilities	454.8	568.7
Employee benefits	365.1	329.1
Long-term loan	101.2	107.1
Total Non-current Liabilities	466.3	436.2
Total Liabilities	921.1	1,004.9
TOTAL NET ASSETS	3,624.3	3,787.5
Fund Balances	3,351.2	3,550.2
Reserves	273.1	237.3
TOTAL FUND BALANCES AND RESERVES	3,624.3	3,787.5

Decrease of \$382m due to:

- 1) use in operational activities
- 2) transfer of cash into long-term investments
- 3) purchase of capital assets

Increase of \$72m due to:

- 1) increased value of invested assets
- 2) cash set aside for amounts charged for employee benefit liabilities

Increase of \$101m due to increase in contribution revenue

Decrease of US\$64m in food inventory due to lower tonnage held

Increase of \$36m primarily due to the increase in earned benefit entitlement.

Funding status – 60%

Statement II - Statement of Financial Performance

(Financial Statements 2012, Statement II, page 22)

(US\$ million)	01.01.2012 to 31.12.2012	01.01.2011 to 31.12.2011
REVENUE		
Monetary contributions	3,338.0	2,979.0
In-Kind contributions	706.3	617.5
Other revenue	167.1	139.6
TOTAL REVENUE	4,211.4	3,736.1
EXPENSES		
Cash and vouchers distributed	191.8	120.7
Food commodities distributed	2,264.6	2,061.2
Distribution and related services	602.5	532.9
Wages, salaries, employee benefits and other staff costs	691.4	680.4
Supplies, consumables and other running costs	156.7	148.1
Contracted and other services	389.7	387.2
Finance Costs	2.6	2.7
Depreciation and amortization	43.8	37.1
Other expenses	52.6	46.5
TOTAL EXPENSES	4,395.7	4,016.8
DEFICIT FOR THE YEAR	(184.3)	(280.7)

Contribution revenue increased by 12%

Total expenses increased by 9%

Cash and vouchers distributed increased by 59% - reflects increased use of this food assistance tool

Cost of food commodities distributed increased by 10% - reflects increase in price of some food commodities in cereal (sorghum, maize and mixed corn-soya blend) and increased distribution of more expensive foods.

Surplus (Deficit) 2008-2012

2008-2011 Fund Balances and Reserves (US\$ million)	2008	2009	2010	2011	2012
Opening fund balance and reserves	2,516.0	3,900.1	4,058.1	4,094.1	3,787.5
Revenue	5,114.7	4,373.3	4,266.2	3,736.1	4,211.4
Expenses	3,725.0	4,228.1	4,237.7	4,016.8	4,395.7
Surplus (Deficit)	1,389.7	145.2	28.5	(280.7)	(184.3)
Other movements during the period	(5.6)	12.8	7.5	(25.9)	21.1
Closing fund balance and reserves	3,900.1	4,058.1	4,094.1	3,787.5	3,624.3

After the surplus in periods 2008-2010, WFP had a deficit in 2011-2012

Improvements across all internal control weaknesses identified in last year's Statement on Internal Control

Improvement areas 2011

- 1 *Full implementation of the enterprise risk management strategy*
- 2 *Further implementation of emergency preparedness strengthening initiatives*
- 3 *Improving operational monitoring and evaluation systems*
- 4 *Ensuring staff performance is appraised in a timely manner*
- 5 *Ensuring effective segregation of duties in the corporate IT systems*

Progress 2012

Good progress made: ~80% of offices/divisions worldwide state that they have a risk register in place (66% in 2011). 88% of Country Offices state they have a risk register in place representing 97% of offices by volume

Strong progress and approaching 80% implementation rate (20% in 2011). 56 COs (~75% of total Country Offices) have implemented the EPRP (Feb 2013)

M&E generally in place: 96% of offices state that they have effective M&E in place and many comment that improvements have been taken place in 2012

- Several COs indicate improvement needs
- COMET implementation will further improve M&E

Strong improvements in 2012: as of 31 Jan 2013 74% of all staff had finalized the annual PACE process for 2012 (50% in 2011). Corresponding percentage as of 22 March 2013 was 86%.

An action plan for solution has been prepared

- Implementation throughout 2013 is expected

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THANK YOU