

Council**C/54/4****Fifty-Fourth Ordinary Session
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to be considered by correspondence

FINANCIAL MANAGEMENT REPORT FOR THE 2018-2019 BIENNIUM*Document prepared by the Office of the Union**Disclaimer: this document does not represent UPOV policies or guidance*

1. The Annex to this document contains the Financial Management Report (FMR) of the International Union for the Protection of New Varieties of Plants (UPOV) for the 2018-2019 Biennium, in accordance with Regulations 2.14 and 2.14*bis* of the Financial Regulations and Rules of UPOV (FRR) (see document UPOV/INF/4/5 "Financial Regulations and Rules of UPOV"), for approval by the Council.
2. The FMR is not subject to an external audit.
3. Regulation 2.14*bis* of the FRR states as follows:

Regulation 2.14*bis*

[...]

Rule 102.7

- (a) The Controller of WIPO shall prepare the program and financial management report [...]
- (b) Within eight months after the end of each financial period, the Secretary-General shall submit to the Council the program and financial management report prepared in accordance with Regulations 2.14 and 2.14*bis*.

4. The Council is invited to approve the Financial Management Report for the 2018-2019 Biennium.

[Annex follows]

INTERNATIONAL UNION FOR THE PROTECTION OF NEW VARIETIES OF PLANTS

Financial Management Report for the 2018-2019 Biennium

TABLE OF CONTENTS	PAGE
SUMMARY AND ANALYSIS OF BUDGET RESULT	2
<i>Table 1. 2018-2019 Income, Expenditure and Reserve and Working Capital Funds (RWCF)</i>	<i>2</i>
<i>Table 2. 2018-2019 Budgeted and Actual Income by Source</i>	<i>3</i>
<i>Table 3. 2018-2019 Approved Budget and Expenditure by Object of Expenditure</i>	<i>4</i>
<i>Table 4. 2018-2019 Approved Budget and Expenditure by Sub-Programs</i>	<i>4</i>
<i>Table 5. 2018-2019 Expenditure Details by Sub-Programs</i>	<i>6</i>
<i>Table 6. 2018-2019 Budgeted and Actual Posts</i>	<i>7</i>
<i>Table 7. Evolution of Actual Income and Expenditure during 2008-2019</i>	<i>7</i>
FINANCIAL STATEMENTS.....	8
<i>Statement I Statement of Financial Position.....</i>	<i>9</i>
<i>Statement II Statement of Financial Performance.....</i>	<i>10</i>
<i>Statement III Statement of Changes in Net Assets</i>	<i>11</i>
<i>Statement IV Statement of Cash Flow</i>	<i>12</i>
<i>Statement V Statement of Comparison of Budget and Actual Amounts.....</i>	<i>13</i>
<i>Analysis of the Statement of Financial Position.....</i>	<i>14</i>
<i>Analysis of Statement of Financial Performance.....</i>	<i>17</i>
WORKING CAPITAL FUND AND CONTRIBUTIONS.....	18
<i>Working Capital Fund as at December 31, 2019.....</i>	<i>18</i>
<i>Contributions of Members of the Union.....</i>	<i>19</i>
<i>Contribution Payments Received in Advance</i>	<i>21</i>
<i>Amounts of the Contributions Due and Unpaid Working Capital as at December 31, 2019.....</i>	<i>22</i>
EXTRABUDGETARY FUNDS (FUNDS IN TRUST).....	24

SUMMARY AND ANALYSIS OF BUDGET RESULT

Table 1 below presents the overall budgetary result for UPOV in the 2018-2019 Biennium as well as the Reserve and Working Capital Funds (RWCF) as at the end of 2019. The total income (before IPSAS adjustments) amounted to 6,930,932 Swiss francs, and the total budgetary expenditure amounted to 6,854,494 Swiss francs, resulting in a budgetary surplus of 76,438 Swiss francs for the 2018-2019 Biennium.

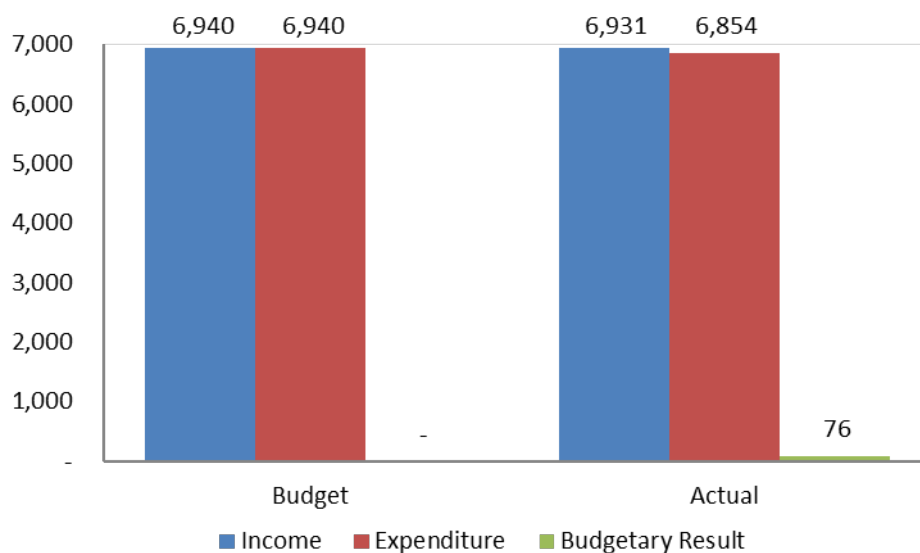
At the end of 2019, the total RWCF amounted to 896,605 Swiss francs, comprising 809,578 Swiss francs in the Reserve Fund, 560,845 Swiss francs in the Working Capital Fund and Actuarial losses through Net Assets of 473,818 Swiss francs.

Table 1. 2018-2019 Income, Expenditure and Reserve and Working Capital Funds (RWCF)
(in thousands of Swiss francs)

	2018/19 Budget	2018/19 Actual	Difference	
			Amount	Percent
1 Income	6,940	6,931	(9)	-0.1%
2 Expenditure	6,940	6,854	(85)	-1.2%
3 Budgetary Result	-	76	76	n/a

Reserve and Working Capital Funds (RWCF):

4 Reserve Fund	810
5 Special Project Fund	-
6 Working Capital Fund	561
7 Actuarial gains/(losses) through Net Assets	(474)
8 Total RWCF at end of period (4+5+6)	897



The actual budgetary income amounted to 6.9 million Swiss francs in the 2018-2019 Biennium, i.e. 8,894 Swiss francs lower than the budget (Table 2 below).

Income from contributions continued to be the single largest source of income representing 98.6 per cent of total income, in line with the approved 2018-2019 Program and Budget. In the 2018-2019 Biennium, actual contributions received were higher than budgeted, driven by an increase in the number of contribution units from the Russian Federation. The number of units increased from one-half (0.5) to two (2.0) units as of 2019.

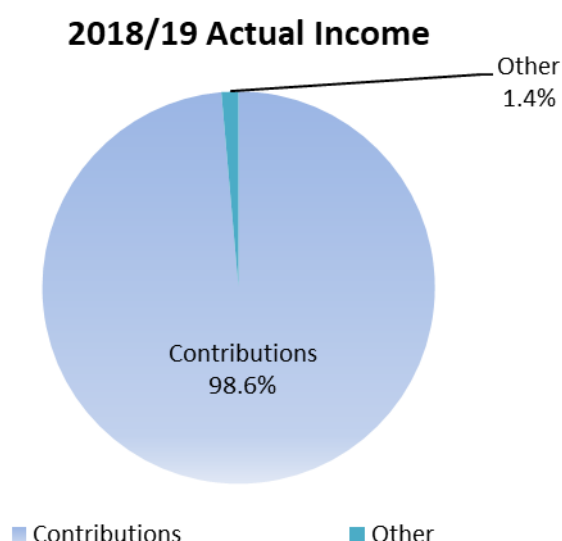
No income was generated from publications in the 2018-2019 Biennium because all publications are available free of charge.

Other income amounted to 97,090 Swiss francs, i.e. 78,627 Swiss francs lower than the budget. Other income included: (i) revenue generated from program support costs related to Funds-in-Trusts (FITs) which, at 58,223 Swiss francs, was slightly lower than the budget of 69,717 Swiss francs; and (ii) fee income from participants in the UPOV distance learning program which, at 40,000 Swiss francs, was significantly higher than the budget of 16,000 Swiss francs.

Also within other income, 90,000 Swiss francs was budgeted for UPOV PRISMA fees in the 2018-2019 Biennium but no income was received as a result of a decision to make the use of UPOV PRISMA free of charge until the end of 2019.

Table 2. 2018-2019 Budgeted and Actual Income by Source
(in thousands of Swiss francs)

	2018/19 Budgeted Income	2018/19 Actual Income	Difference	
			Amount	Percent
Contributions	6,764	6,834	70	1.0%
Other	176	97	(79)	-44.7%
GRAND TOTAL	6,940	6,931	(9)	-0.1%



Actual expenditure in 2018-2019 compared to the approved 2018-2019 Program and Budget is presented below by cost categories in Table 3 and by sub-programs in Table 4.

Table 3. 2018-2019 Approved Budget and Expenditure by Object of Expenditure
(in thousands of Swiss francs)

	2018/19 Budget	2018/19 Actual	Difference	
			Amount	Percent
A. Personnel Resources				
Posts	4,233	4,281	48	1.1%
Temporary staff	539	88	(452)	-83.7%
Other Staff costs	-	2	2	n/a
Total, Personnel Resources	4,772	4,370	(402)	-8.4%
B. Non-Personnel Resources				
Interns				
Sub-total, Interns	40	70	30	75.8%
Travel				
Staff Missions	380	441	61	16.1%
Third Party Travel	40	4	(36)	-89.0%
Sub-total, Travel	420	446	26	6.1%
Contractual Services				
Conferences	140	139	(1)	-0.6%
Publishing	10	1	(9)	-86.3%
Individual Contractual Services	20	6	(14)	-71.5%
Other Contractual Services	265	580	315	119.0%
Sub-total, Contractual Services	435	726	291	67.0%
Operating Expenses				
Sub-total, Operating Expenses	1,253	1,239	(14)	-1.1%
Equipment and Supplies				
Furniture and Equipment	10	1	(9)	-85.9%
Supplies and Materials	10	2	(8)	-84.2%
Sub-total, Equipment and Supplies	20	3	(17)	-85.1%
Total, Non-Personnel Resources	2,168	2,484	316	14.6%
GRAND TOTAL	6,940	6,854	(85)	-1.2%

* Any differences in numbers between this table and subsequent tables from the Financial Statements are due to rounding.

Table 4. 2018-2019 Approved Budget and Expenditure by Sub-Programs
(in thousands of Swiss francs)

	2018/19 Budget	2018/19 Actual	Difference	
			Amount	Percent
UV.1 Overall Policy on Plant Variety Protection	776	715	(61)	-7.9%
UV.2 Services to the Union for Enhancing the Effectiveness of the UPOV System	4,099	4,035	(64)	-1.6%
UV.3 Assistance in the Introduction and Implementation of the UPOV System	1,437	1,387	(50)	-3.5%
UV.4 External Relations	628	717	89	14.2%
GRAND TOTAL	6,940	6,854	(85)	-1.2%

Personnel Resources

Personnel expenditure (before IPSAS adjustments) amounted to 4.4 million Swiss francs in 2018-2019, i.e. 401,577 Swiss francs (8.4 per cent) lower than the approved 2018-2019 Program and Budget.

Expenditure on posts was in line with the budget as a result of the following: expenditure on two posts in the professional staff category was higher than projected because the posts were occupied several months earlier than planned. This was offset by two posts in the general service staff category being occupied at 80 per cent.

Expenditure on temporary staff reached 16.3 per cent of the budgeted costs for 2018-2019 due to the fact that two posts in the professional staff category, which were initially covered by temporary staff, were occupied earlier than planned (see (i) above) and no temporary administrative staff was recruited because work was instead performed by agency workers.

Non-Personnel Resources

Non-personnel expenditure (before IPSAS adjustments) amounted to 2.5 million Swiss francs in 2018-2019, 316,171 Swiss francs, or 14.6 per cent higher than budgeted. Explanations by cost categories are provided below.

Interns

For the Biennium 2018-2019, expenditure on Internships and Fellowships, of 70,321 Swiss francs, was significantly higher than the budget (40,000 Swiss francs), resulting from the recruitment of an IT intern for UPOV PRISMA and higher than budgeted expenditure on travel for fellows.

Travel

Total expenditure on Travel amounted to 445,548 Swiss francs, i.e. 25,548 Swiss francs (or 6.1 per cent) higher than the budget. However, this represented a reduction of 9.3 per cent on travel expenditure as compared to the 2016/17 Biennium (491,226 Swiss francs). The higher than budgeted costs in 2018-2019 reflect a higher number of staff missions, which were made possible following the decision to change to a single set of UPOV sessions in Geneva.

Contractual Services

Total Contractual Services amounted to 726,475 Swiss francs, i.e. 291,475 Swiss francs higher than the budget, due to higher than budgeted expenditure for Other Contractual Services.

Expenditure on Conferences of 139,090 Swiss francs was in line with the budget (140,000 Swiss francs). As a result of moving to a single set of UPOV sessions in Geneva, the cost for Conferences decreased by 24.4 per cent (44,821 Swiss francs) as compared to the 2016/17 Biennium.

Expenditure on Publishing and Individual Contractual Services was minimal and broadly in line with the budget.

Higher expenditure on Other Contractual Services (580,314 Swiss francs as compared to the budget of 265,000 Swiss francs) was due to:

- Additional expenditure on agency workers (324,014 Swiss francs as compared to the budget of 110,000 Swiss francs) to provide coverage for: (i) the two general service staff members working part-time (80%); and (ii) the vacant temporary position in the administrative staff category (see "Personnel Resources").
- Higher than budgeted IT development costs (232,001 Swiss francs as compared to the budget of 135,000 Swiss francs), which were required for the development of machine to machine interfaces with PVP offices for UPOV PRISMA and for the implementation of improvements to the user interface.
- Expenditure on social media tools and external staff training.

Operating Expenses

Operating Expenses of 1.2 million Swiss francs were slightly lower than the budget due to the containment of the costs of services provided by the World Intellectual Property Organization (WIPO) to UPOV.

Equipment and Supplies

Equipment and Supplies amounted to 2,984 Swiss francs, i.e. 17,016 Swiss francs lower than the budget.

The breakdown of 2018-2019 expenditure by sub-programs and cost categories is shown below in Table 5.

Table 5. 2018-2019 Expenditure Details by Sub-Programs
(in thousands of Swiss francs)

	Sub-programs				Total
	UV.1	UV.2	UV.3	UV.4	
A. Personnel Resources					
Posts	642	2,140	1,070	428	4,281
Temporary staff	13	44	22	9	88
Other Staff cost	-	2	-	-	2
Total, Personnel Resources	655	2,186	1,092	437	4,370
B. Non-Personnel Resources					
Interns					
<i>Sub-total, Interns</i>	-	70	-	-	70
Travel					
Staff Missions	-	110	176	154	441
Third Party Travel	-	-	4	-	4
<i>Sub-total, Travel</i>	-	110	181	154	446
Contractual Services					
Conferences	35	104	-	-	139
Publishing	-	1	-	-	1
Individual Contractual Services	-	-	6	-	6
Other Contractual Services	25	321	109	126	580
<i>Sub-total, Contractual Services</i>	59	427	114	126	726
Operating Expenses					
<i>Sub-total, Operating Expenses</i>	-	1,239	-	-	1,239
Equipment and Supplies					
Furniture and Equipment	-	1	-	-	1
Supplies and Materials	-	2	-	-	2
<i>Sub-total, Equipment and Supplies</i>	-	3	-	-	3
Total, Non-Personnel Resources	59	1,849	295	280	2,484
GRAND TOTAL	715	4,035	1,387	717	6,854

* Any differences in numbers between this table and subsequent tables from the financial statements are due to rounding.

Table 6 below provides a summary of the number of posts by category.

Table 6. 2018-2019 Budgeted and Actual Posts

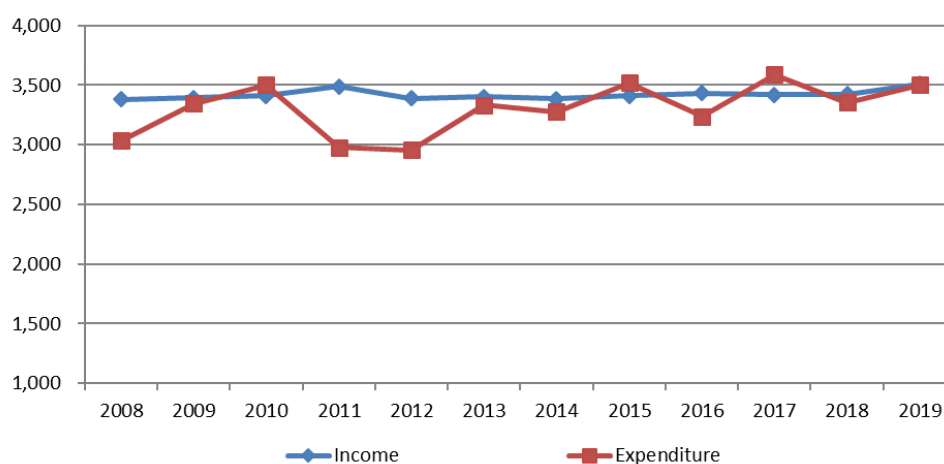
<i>Post Category</i>	<i>2018/19 Budgeted Posts</i>	<i>2018/19 Actual Posts</i>	<i>Difference</i>
Directors	3	3	-
Professionals	5	4	-1
General Service	4	5	1
TOTAL	12	12	-

As indicated in Table 6, there was no change in the biennium in the total number of posts. The higher number of posts in the General Service category was due to a delay in the reclassification of a post from General Service to Professional not being completed during the biennium. The post of the Secretary-General is included within the post count, but at no cost, because the current Director General of WIPO has declined any salary or allowance from his functions as Secretary-General of UPOV.

The overall evolution of actual income and expenditure (before IPSAS adjustments) for the period from 2008 to 2019 is shown below in Table 7.

Table 7. Evolution of Actual Income and Expenditure during 2008-2019
(in thousands of Swiss francs)

	<i>Actual</i>												
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	
Income	3,378	3,393	3,412	3,489	3,388	3,403	3,384	3,409	3,431	3,420	3,422	3,509	
Expenditure	3,034	3,347	3,501	2,978	2,954	3,331	3,275	3,517	3,239	3,586	3,355	3,500	
<i>Budgetary Result</i>	344	46	-89	511	434	72	109	-109	192	-166	67	9	



FINANCIAL STATEMENTS

For each of the two years of the 2018-2019 Biennium, the annual financial statements of UPOV have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS).

Accrual Accounting under IPSAS

Under IPSAS the financial statements are prepared applying the full accrual basis of accounting. Accrual basis accounting means the recognition of transactions and events when they occur. As such 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.

IPSAS requires that revenue for both contributions and extrabudgetary funds (funds in trust) is recognized when UPOV has a right to receive the contribution. Where contributions are due to UPOV, a receivable balance is recognized. Extrabudgetary fund arrangements are analyzed to see if UPOV needs to meet performance conditions, and if these are present, revenue is only recognized when the conditions are fulfilled.

The value of future employee benefits (including accumulated annual leave, repatriation grants and After-Service Health Insurance (ASHI)) that UPOV staff have earned but not yet received is recorded to capture the full cost of employing staff.

The UPOV Program and Budget is established on a modified accrual basis, which differs from the full accrual basis applied to the financial statements. Other differences between the budgetary result and the result per the financial statements are due to the inclusion in the financial statements of funds in trust and the Special Project Fund, which are not included in UPOV's Program and Budget. A reconciliation between the budgetary result and the principal financial statements is provided in UPOV's financial statements in accordance with the requirements of IPSAS.

Presentation of Financial Information under IPSAS

As IPSAS requires the preparation of annual financial statements, UPOV financial statements are prepared individually for each calendar year of the biennium. These annual financial statements are presented separately from the Financial Management Report, and for complete financial information of UPOV prepared in accordance with IPSAS requirements, reference should be made to the UPOV annual financial statements.

Under IPSAS, the financial statements include the following elements:

- Statement I - Statement of Financial Position
- Statement II - Statement of Financial Performance
- Statement III - Statement of Changes in Net Assets
- Statement IV - Statement of Cash Flow
- Statement V - Statement of Comparison of Budget and Actual Amounts
- Notes to the Financial Statements

In the Financial Management Report, Statements I-V are presented for the 2018-2019 Biennium. Financial information is provided to give an understanding of the differences between the result of UPOV on a budgetary basis and the result according to the IPSAS financial statements. Other extracts from the annual financial statements provide further details of UPOV's assets and liabilities.

Statement I

Statement of Financial Position

as at December 31, 2019
(in Swiss francs)

	December 31, 2019	December 31, 2018	December 31, 2017
ASSETS			
Current assets			
Cash and cash equivalents	4,763,272	4,275,188	4,115,186
Accounts receivable (non-exchange transactions)	120,914	124,881	68,866
Accounts receivable (exchange transactions)	138	10,216	17,330
	<u>4,884,324</u>	<u>4,410,285</u>	<u>4,201,382</u>
Non-current assets			
	-	-	-
TOTAL ASSETS	<u>4,884,324</u>	<u>4,410,285</u>	<u>4,201,382</u>
LIABILITIES			
Current liabilities			
Accounts payable	-	2,597	1,209
Employee benefits	286,240	200,491	200,760
Transfers payable	544	1,352	-
Advance receipts	768,104	316,115	387,594
Other current liabilities	862,672	917,092	726,044
	<u>1,917,560</u>	<u>1,437,647</u>	<u>1,315,607</u>
Non-current liabilities			
Employee benefits	2,070,159	2,289,479	2,255,945
	<u>2,070,159</u>	<u>2,289,479</u>	<u>2,255,945</u>
TOTAL LIABILITIES	<u>3,987,719</u>	<u>3,727,126</u>	<u>3,571,552</u>
Reserve Fund	809,578	942,594	970,470
Special Project Fund	-	158	13,957
Actuarial gains/(losses) through Net Assets	-473,818	-807,939	-901,276
Working Capital Fund	560,845	548,346	546,679
NET ASSETS	<u>896,605</u>	<u>683,159</u>	<u>629,830</u>

Statement II

Statement of Financial Performance

for the Biennium ended December 31, 2019
(in Swiss francs)

	2019	2018	Total 2018- 2019
REVENUE			
Contributions	3,446,424	3,323,050	6,769,474
Extrabudgetary funds (funds in trust)	231,121	282,467	513,588
Other/miscellaneous revenue	16,485	22,356	38,841
TOTAL REVENUE	3,694,030	3,627,873	7,321,903
EXPENSES			
Personnel expenditure	2,332,654	2,210,760	4,543,414
Internships and Fellowships	41,429	28,892	70,321
Travel, Training and Grants	337,813	417,012	754,825
Contractual services	493,738	392,107	885,845
Operating expenses	620,008	619,355	1,239,363
Supplies and materials	1,562	17	1,579
Furniture and equipment	-	1,405	1,405
TOTAL EXPENSES	3,827,204	3,669,548	7,496,752
SURPLUS/(DEFICIT) FOR THE YEAR	-133,174	-41,675	-174,849

Statement III

Statement of Changes in Net Assets

for the Biennium ended December 31, 2019

(in Swiss francs)

	Reserve Fund	Special Project Fund	Actuarial gains/(losses) through Net Assets	Working Capital Fund	Net Assets Total
Net Assets at December 31, 2017	970,470	13,957	-901,276	546,679	629,830
Actuarial gains/(losses)	-	-	93,337	-	93,337
Working Capital fund contributions	-	-	-	1,667	1,667
Total of items recognized directly in Net Assets in 2018	-	-	93,337	1,667	95,004
Deficit for the year 2018	-27,876	-13,799	-	-	-41,675
Net Assets at December 31, 2018	942,594	158	-807,939	548,346	683,159
Actuarial gains/(losses)	-	-	334,121	-	334,121
Working Capital fund contributions	-	-	-	12,499	12,499
Transfer to Accumulated Surpluses	158	-158	-	-	-
Total of items recognized directly in Net Assets in 2019	158	-158	334,121	12,499	346,620
Deficit for the year 2019	-133,174	-	-	-	-133,174
Net Assets at December 31, 2019	809,578	-	-473,818	560,845	896,605

Statement IV

Statement of Cash Flow

for the Biennium ended December 31, 2019
(in Swiss francs)

	2019	2018	Total 2018-2019
Cash flows from operating activities			
Surplus/(deficit) for the year	-133,174	-41,675	-174,849
Increase (decrease) in employee benefits	-133,571	33,265	-100,306
(Increase) decrease in receivables	14,045	-48,901	-34,856
Increase (decrease) in advance receipts	451,989	-71,479	380,510
Increase (decrease) in other liabilities	-57,825	193,788	135,963
Net cash flows from operating activities	141,464	64,998	206,462
Cash flows from financing activities			
Contributions to Working Capital Fund	12,499	1,667	14,166
Net cash flows from financing activities	12,499	1,667	14,166
Effect of recognition of Actuarial gains/(losses) through Net Assets	334,121	93,337	427,458
Net increase (decrease) in cash and cash equivalents	488,084	160,002	648,086
Cash and cash equivalents at beginning of year	4,275,188	4,115,186	4,115,186
Cash and cash equivalents at end of year	4,763,272	4,275,188	4,763,272

Statement V

Statement of Comparison of Budget and Actual Amounts

for the Biennium ended December 31, 2019
(in thousands of Swiss francs)

	Original Budget 2018-2019 (1)	Final Budget 2018-2019 (1)	Actual Amounts on comparable basis 2018-2019	Difference 2018-2019 (2)
Income				
Contributions	6,764	6,764	6,834	70
Other	176	176	97	-79
Total income	6,940	6,940	6,931	-9
Expenditure				
Personnel resources	4,772	4,772	4,371	-401
Internships and Fellowships	40	40	70	30
Travel, Training and Grants	420	420	445	25
Contractual services	435	435	727	292
Operating expenses	1,253	1,253	1,239	-14
Supplies and materials	10	10	2	-8
Furniture and equipment	10	10	1	-9
Total expenditure	6,940	6,940	6,855	-85
Result	-	-	76	76
Funds in Trust (before IPSAS adjustments)			173	
Expenditures financed from Special Project Fund			-14	
IPSAS adjustments to Regular Program and Budget			-237	
IPSAS adjustments to Funds in Trust			-173	
Adjusted net deficit per IPSAS (Statement II)			-175	

(1) represents the approved 2018-2019 Program and Budget;

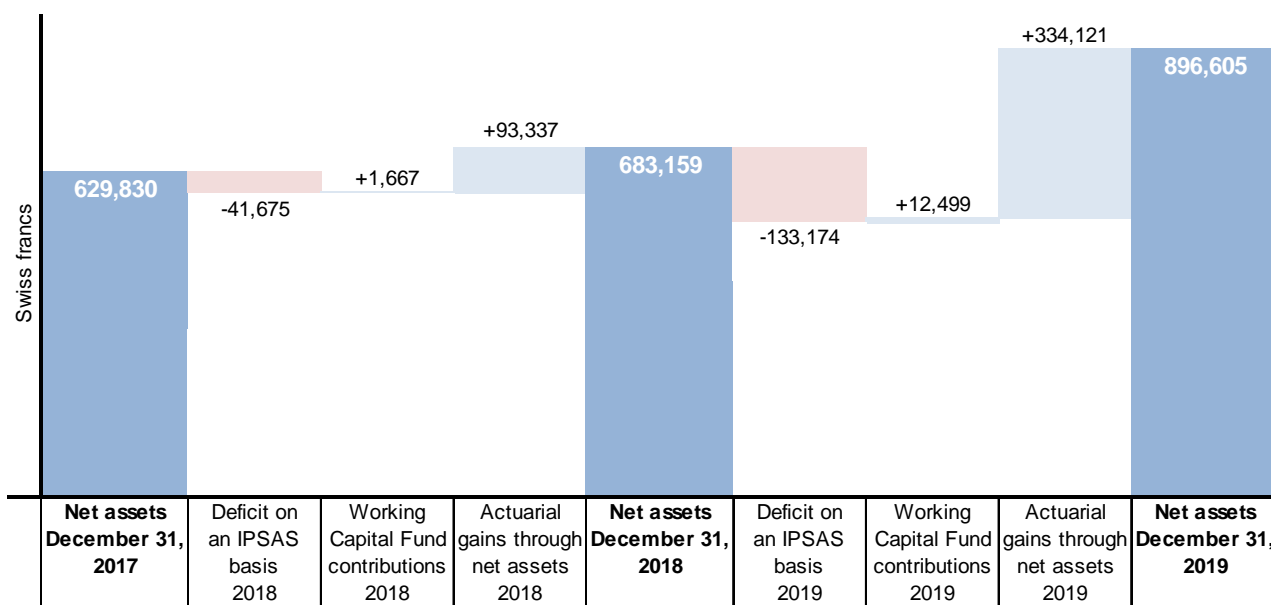
(2) represents the difference between the final (revised) budget and actual expense on a comparable basis (before IPSAS adjustments).

Analysis of the Statement of Financial Position

Movement in Net Assets

As at December 31, 2019, UPOV has net assets on an IPSAS basis of 896,830 Swiss francs. Between 2017 and 2019, net assets increased by 266,775 Swiss francs. This was mainly attributable to the impact of actuarial gains from the ASHI valuation, which were partly offset by deficits in both 2018 and 2019. In addition, contributions were made to the Working Capital Fund in both years. The table below summarizes the increase in net assets during the 2018-2019 Biennium:

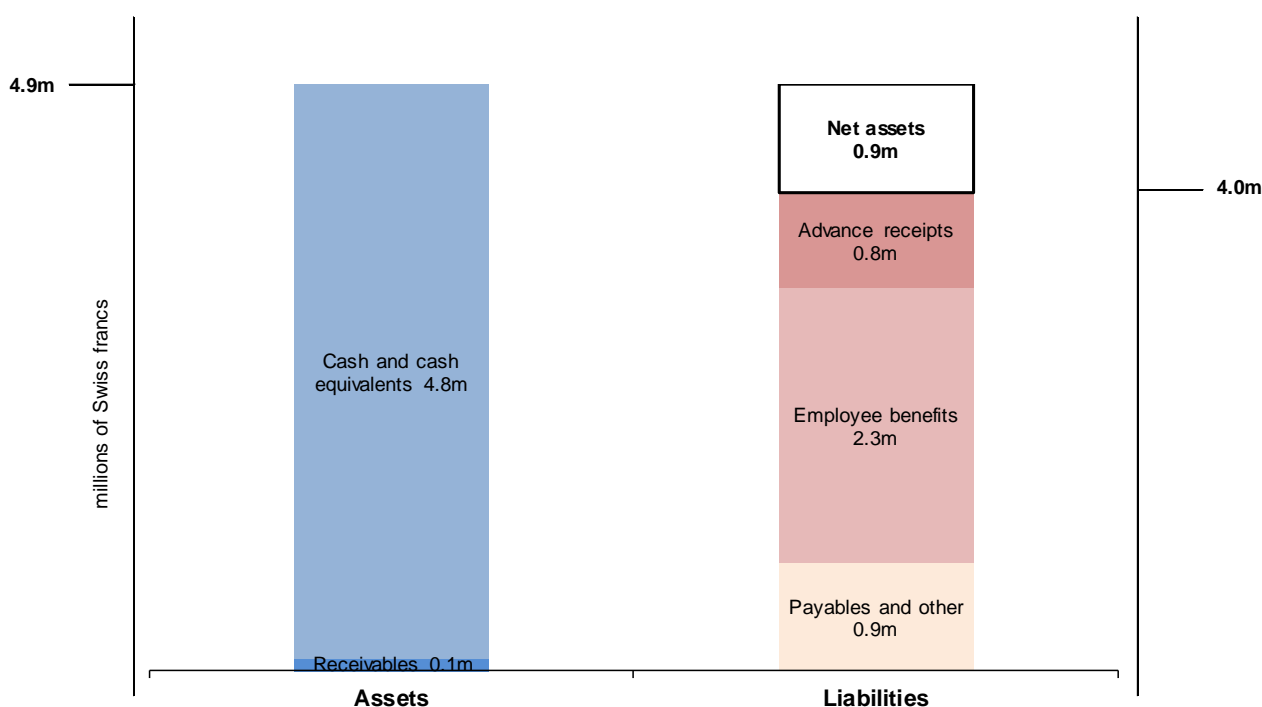
Movement in Net Assets 2017-2019



Summary of Assets and Liabilities

The chart below provides a summary of the Statement of Financial Position of UPOV as at December 31, 2019:

Summary of Assets and Liabilities December 31, 2019



As at December 31, 2019, UPOV had cash balances of 4,763,272 Swiss francs, representing 97.5 per cent of total assets. This balance includes amounts classified as restricted under IPSAS, and also strategic cash representing funds allocated for the future financing of UPOV's ASHI liability. The remaining assets are accounts receivable totaling 121,052 Swiss francs.

The most significant liability of UPOV is employee benefits of 2,356,399 Swiss francs, including primarily the ASHI liability of 2,026,390 Swiss francs. Advance receipts of 768,104 Swiss francs include contributions paid in advance (423,763 Swiss francs) and deferred revenue from extrabudgetary funds (344,341 Swiss francs). Payables and other liabilities (863,216 Swiss francs) are almost entirely comprised of the amount payable to WIPO.

Cash and Cash Equivalents

Cash and Cash Equivalents	December 31, 2019	December 31, 2018	December 31, 2017
	<i>(Swiss francs)</i>		
Total unrestricted cash	2,942,557	2,850,296	2,750,945
Total restricted cash	950,546	641,764	655,065
Total strategic cash	870,169	783,128	709,176
Total cash and cash equivalents	4,763,272	4,275,188	4,115,186

Total cash and cash equivalent balances have increased over the biennium by 15.7 per cent between December 31, 2017 and December 31, 2019. Cash deposits are generally held in instant access bank accounts. For the purposes of IPSAS presentation, cash balances are split between unrestricted, restricted and strategic. Working Capital Fund balances are considered as restricted, although interest received on Working Capital Fund balances is credited to the general fund of UPOV. Funds in trust held on behalf of donors of extrabudgetary funds are deposited in the currency in which expenditures will be reported, based upon agreements with donors.

At its thirty-third extraordinary session on March 17, 2016, the Council of UPOV decided to hold in a separate account the funds allocated for the future financing of UPOV's ASHI liability. As at December 31, 2019, the total balance of these funds is 870,169 Swiss francs (783,128 Swiss francs as at December 31, 2018). In accordance with the Council decision at the fifty-third ordinary session on November 1, 2019, the funds are held in one of UPOV's principal bank accounts, but are managed separately from operating funds through a blocking instruction currently in place with the bank. UPOV manages the ASHI funds in accordance with WIPO's Policy on Investments, under which they are classified as strategic cash.

Accounts Receivable

Accounts Receivable	December 31, 2019	December 31, 2018	December 31, 2017
	<i>(Swiss francs)</i>		
Contributions	77,038	114,587	68,866
Extrabudgetary funds (funds in trust)	43,876	10,294	-
Accounts receivable (non-exchange transactions)	120,914	124,881	68,866
Education grant advances	-	9,466	17,330
Other debtors	138	750	-
Accounts receivable (exchange transactions)	138	10,216	17,330
Total accounts receivable	121,052	135,097	86,196

Total accounts receivable at December 31, 2019 are 121,052 Swiss francs, compared to 86,196 Swiss francs as at December 31, 2017. The balance of receivables from extrabudgetary funds (funds in trust) at the end of 2019 totaled 43,876 Swiss francs, whereas at the end of 2017 there were no receivables from these funds.

Employee Benefits

Employee Benefits	December 31, 2019 <i>(Swiss francs)</i>	Percentage of Liability
After-Service Health Insurance (ASHI)	2,026,390	86.0%
Repatriation grant and travel	231,888	9.8%
Accumulated leave	94,116	4.0%
Overtime	4,005	0.2%
Total employment benefit liabilities	2,356,399	100.0%

As can be seen from the table above, by far the most significant employee benefit liability for UPOV is ASHI, which represents 86.0 per cent of the total employee benefit liability as at December 31, 2019. Over the period of the 2018-2019 Biennium the ASHI liability decreased by 183,071 Swiss francs, and this movement is detailed in the table below:

Movement in ASHI Liability	<i>(in Swiss francs)</i>
Liability as at December 31, 2017	2,209,461
Current service cost	283,481
Interest cost	35,285
Benefits paid from plan	-74,379
Actuarial (gain) / loss	-427,458
Movement 2018-2019	-183,071
Liability as at December 31, 2019	2,026,390

The liability is calculated by an independent actuary, and reflects the total future cost of UPOV's share of collective medical insurance premiums for both existing UPOV retirees and the projected number of active UPOV staff who will retire in the future. The current service cost in the table above is the net impact of employee service performed for the 2018-2019 Biennium. The interest cost is the result of each member of the active staff moving closer to the age of eligibility for ASHI participation. The benefits paid out by UPOV during the biennium are the monthly contributions (currently 65.0 per cent of premiums) that UPOV makes for retirees participating in ASHI. Actuarial gains and losses result from changes to actuarial assumptions, including the discount rate, medical cost trend rates, staff turnover rates and mortality rates. For the 2019 actuarial calculations, UPOV modified certain actuarial assumptions and methodologies to align more closely to the relevant provisions of the employee benefit. The 2019 discount rates were established with reference to the underlying currency of medical claims. In addition, the attribution of costs was modified to reflect the qualifying period of service and accrued benefit at the valuation date, as opposed to a linear attribution over the period of employment. These changes, combined with other movements in actuarial assumptions, largely explain the overall actuarial gain over the 2018-2019 Biennium.

Advance Receipts

Advance Receipts	December 31, 2019	December 31, 2018	December 31, 2017
	<i>(in Swiss francs)</i>		
Advance payment of contributions	423,763	229,701	260,063
Non-exchange revenue deferred	344,341	86,414	127,531
Total advance receipts	768,104	316,115	387,594

Contributions received in advance are recorded as advance receipt liabilities and are recognized as revenue in the year to which they relate. Extrabudgetary funds from donors to funds in trust containing conditions related to performance are treated as deferred revenue until the conditions are fulfilled, whereupon revenue is recognized.

Payables and Other Liabilities

Payables and Other Liabilities	December 31, 2019	December 31, 2018	December 31, 2017
	<i>(in Swiss francs)</i>		
Trade creditors - accounts payable	-	2,550	-
Miscellaneous creditors	-	47	1,209
Application fees due to PVP Offices	544	1,352	-
Amounts payable to WIPO	862,672	917,092	726,044
Total payables and other liabilities	863,216	921,041	727,253

Payables and other liabilities totaled 863,216 Swiss francs as at December 31, 2019. These are almost entirely comprised of amounts payable to WIPO.

Analysis of Statement of Financial Performance

Revenue

	Program and Budget	Funds in Trust	Special Project Fund	Inter- Segment Transactions	Total
	<i>(in Swiss francs)</i>				
	2018-2019	2018-2019	2018-2019	2018-2019	2018-2019
REVENUE					
Contributions	6,769,474	-	-	-	6,769,474
Extrabudgetary funds (funds in trust)	-	513,588	-	-	513,588
Other/miscellaneous revenue	38,838	3	-	-	38,841
Program support charges	58,222	-	-	-58,222	-
TOTAL REVENUE	6,866,534	513,591	-	-58,222	7,321,903

Contributions under the Program and Budget represent amounts payable at the start of each year of the biennium. Extrabudgetary funds under funds in trust represent revenue received in connection with contributions made by donors to individual projects not included in the Program and Budget. Revenue from extrabudgetary funds (funds in trust) is deferred until earned through the fulfillment of the performance conditions included in the donor agreement.

Expenses

	Program and Budget	Funds in Trust	Special Project Fund	Inter- Segment Transactions	Total
	<i>(in Swiss francs)</i>				
	2018-2019	2018-2019	2018-2019	2018-2019	2018-2019
EXPENSES					
Personnel expenditure	4,543,414	-	-	-	4,543,414
Internships and Fellowships	70,321	-	-	-	70,321
Travel, Training and Grants	445,548	295,478	13,799	-	754,825
Contractual services	726,474	159,371	-	-	885,845
Operating expenses	1,238,843	520	-	-	1,239,363
Supplies and materials	1,579	-	-	-	1,579
Furniture and equipment	1,405	-	-	-	1,405
Program support costs	-	58,222	-	-58,222	-
TOTAL EXPENSES	7,027,584	513,591	13,799	-58,222	7,496,752

Personnel expenditure includes employee benefits such as base salary, post adjustment, dependents' allowance, pension contributions, health and other insurance contributions, home leave and other entitlements. Under IPSAS, personnel expenditure also includes certain amounts for the movements in after-service employee benefit liabilities. Travel, training and grants includes the costs of airfare, daily subsistence

allowances, terminal allowances and other travel costs for staff on official business and travel for participants and lecturers in connection with training activities. Contractual services include translators, interpreters and other non-staff service agreements. Operating expenses include items such as premises rent, maintenance and bank charges.

WORKING CAPITAL FUND AND CONTRIBUTIONS

Working Capital Fund as at December 31, 2019

Under Regulation 4.2 of the Financial Regulations and Rules of UPOV (see document UPOV/INF/4/5), UPOV has a Working Capital Fund. According to the Statement of Financial Position as at December 31, 2019, the Working Capital Fund stands at 560,845 Swiss francs. The share of each member of the Union, calculated in accordance with the decision taken by the Council at its twenty-third extraordinary session, held in Geneva on April 7, 2006 (see document C(Extr.)/23/5 "Report", paragraph 12, Annex II and document UPOV/INF/13/2, Annex), is as follows:

Member of the Union	<i>Swiss francs</i>	Member of the Union	<i>Swiss francs</i>
African Intellectual Property Organization	1,667	Mexico	6,250
Albania	1,667	Montenegro	1,667
Argentina	4,167	Morocco	1,667
Australia	8,333	Netherlands	24,999
Austria	12,500	New Zealand	8,333
Azerbaijan	1,667	Nicaragua	1,667
Belarus	1,667	North Macedonia	1,667
Belgium	8,333	Norway	8,333
Bolivia (Plurinational State of)	1,667	Oman	8,333
Bosnia and Herzegovina	1,667	Panama	1,667
Brazil	2,083	Paraguay	1,667
Bulgaria	1,667	Peru	1,667
Canada	8,333	Poland	4,167
Chile	1,667	Portugal	4,167
China	4,167	Republic of Korea	12,500
Colombia	1,667	Republic of Moldova	1,667
Costa Rica	1,667	Romania	1,667
Croatia	1,667	Russian Federation	16,666
Czech Republic	4,167	Serbia	1,667
Denmark	8,333	Singapore	1,667
Dominican Republic	1,667	Slovakia	4,167
Ecuador	1,667	Slovenia	1,667
Estonia	1,667	South Africa	8,333
European Union	41,667	Spain	12,500
Finland	8,333	Sweden	8,333
France	41,667	Switzerland	8,333
Georgia	1,667	Trinidad and Tobago	1,667
Germany	41,667	Tunisia	1,667
Hungary	4,167	Turkey	4,167
Iceland	1,667	Ukraine	4,167
Ireland	8,333	United Kingdom	41,667
Israel	4,167	United Republic of Tanzania	1,667
Italy	16,666	United States of America	41,667
Japan	41,667	Uruguay	1,667
Jordan	1,667	Uzbekistan	1,667
Kenya	1,667	Viet Nam	1,667
Kyrgyzstan	1,667		
Latvia	1,667	Total	560,845
Lithuania	1,667		

Contributions of Members of the Union
(Swiss francs)

Members of the Union	Contribution units	Amounts payable	
		January 2018	January 2019
African Intellectual Property Organization	0.2	10,728	10,728
Albania	0.2	10,728	10,728
Argentina	0.5	26,820	26,820
Australia	1	53,641	53,641
Austria	0.75	40,231	40,231
Azerbaijan	0.2	10,728	10,728
Belarus	0.2	10,728	10,728
Belgium	1.5	80,462	80,462
Bolivia (Plurinational State of)	0.2	10,728	10,728
Bosnia and Herzegovina	0.2	10,728	10,728
Brazil	0.25	13,410	13,410
Bulgaria	0.2	10,728	10,728
Canada	1	53,641	53,641
Chile	0.2	10,728	10,728
China	0.5	26,820	26,820
Colombia	0.2	10,728	10,728
Costa Rica	0.2	10,728	10,728
Croatia	0.2	10,728	10,728
Czech Republic	0.5	26,820	26,820
Denmark	0.5	26,820	26,820
Dominican Republic	0.2	10,728	10,728
Ecuador	0.2	10,728	10,728
Estonia	0.2	10,728	10,728
European Union	5	268,205	268,205
Finland	1	53,641	53,641
France	5	268,205	268,205
Georgia	0.2	10,728	10,728
Germany	5	268,205	268,205
Hungary	0.5	26,820	26,820
Iceland	0.2	10,728	10,728
Ireland	1	53,641	53,641
Israel	0.5	26,820	26,820
Italy	2	107,282	107,282
Japan	5	268,205	268,205
Jordan	0.2	10,728	10,728
Kenya	0.2	10,728	10,728
Kyrgyzstan	0.2	10,728	10,728
Latvia	0.2	10,728	10,728
Lithuania	0.2	10,728	10,728
Mexico	0.75	40,231	40,231
Montenegro	0.2	10,728	10,728
Morocco	0.2	10,728	10,728

Members of the Union	Contribution units	Amounts payable	
		January 2018	January 2019
Netherlands	3	160,923	160,923
New Zealand	1	53,641	53,641
Nicaragua	0.2	10,728	10,728
North Macedonia	0.2	10,728	10,728
Norway	1	53,641	53,641
Oman	1	53,641	53,641
Panama	0.2	10,728	10,728
Paraguay	0.2	10,728	10,728
Peru	0.2	10,728	10,728
Poland	0.5	26,820	26,820
Portugal	0.2	10,728	10,728
Republic of Korea	1.5	80,462	80,462
Republic of Moldova	0.2	10,728	10,728
Romania	0.2	10,728	10,728
Russian Federation	0.5 / 2	26,820	107,282
Serbia	0.2	10,728	10,728
Singapore	0.2	10,728	10,728
Slovakia	0.5	26,820	26,820
Slovenia	0.2	10,728	10,728
South Africa	1	53,641	53,641
Spain	2	107,282	107,282
Sweden	1.5	80,462	80,462
Switzerland	1.5	80,462	80,462
Trinidad and Tobago	0.2	10,728	10,728
Tunisia	0.2	10,728	10,728
Turkey	0.5	26,820	26,820
Ukraine	0.2	10,728	10,728
United Kingdom	2	107,282	107,282
United Republic of Tanzania	0.2	10,728	10,728
United States of America	5	268,205	268,205
Uruguay	0.2	10,728	10,728
Uzbekistan	0.2	10,728	10,728
Viet Nam	0.2	10,728	10,728
Total		3,376,690	3,457,152

Contribution Payments Received in Advance

Contributions for 2020, already received by December 31, 2019	
Members of the Union	<i>Swiss francs</i>
Albania	10,728
Australia	53,641
Mexico	40,231
Montenegro	10,728
Netherlands	160,923
New Zealand	53,641
Poland	26,820
Slovakia	26,820
Total 2020	383,532

Contributions for 2021, already received by December 31, 2019	
Members of the Union	<i>Swiss francs</i>
Mexico	40,231
Total 2021	40,231

Total advance payment of contributions	423,763
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Amounts of the Contributions Due and Unpaid Working Capital as at December 31, 2019

Members of the Union	No arrears/year(s) of arrears	Amount of arrears in Swiss francs	
			Total
African Intellectual Property Organization	No arrears		
Albania	No arrears		
Argentina	No arrears		
Australia	No arrears		
Austria	No arrears		
Azerbaijan	No arrears		
Belarus	No arrears		
Belgium	No arrears		
Bolivia (Plurinational State of)	2018 contribution	10,728	
	2019 contribution	10,728	21,456
Bosnia and Herzegovina	No arrears		
Brazil	2019 contribution		13,410
Bulgaria	No arrears		
Canada	No arrears		
Chile	No arrears		
China	No arrears		
Colombia	No arrears		
Costa Rica	No arrears		
Croatia	No arrears		
Czech Republic	No arrears		
Denmark	No arrears		
Dominican Republic	No arrears		
Ecuador	No arrears		
Estonia	No arrears		
European Union	No arrears		
Finland	No arrears		
France	No arrears		
Georgia	No arrears		
Germany	No arrears		
Hungary	No arrears		
Iceland	No arrears		
Ireland	No arrears		
Israel	No arrears		
Italy	No arrears		
Japan	No arrears		
Jordan	2019 contribution		10,728
Kenya	No arrears		
Kyrgyzstan	No arrears		
Latvia	No arrears		
Lithuania	No arrears		
Mexico	No arrears		
Montenegro	No arrears		
Morocco	No arrears		

Members of the Union	No arrears/year(s) of arrears	Amount of arrears in Swiss francs	
			Total
Netherlands	No arrears		
New Zealand	No arrears		
Nicaragua	No arrears		
North Macedonia	No arrears		
Norway	No arrears		
Oman	No arrears		
Panama	No arrears		
Paraguay	No arrears		
Peru	No arrears		
Poland	No arrears		
Portugal	No arrears		
Republic of Korea	No arrears		
Republic of Moldova	No arrears		
Romania	No arrears		
Russian Federation	No arrears		
Serbia	No arrears		
Singapore	No arrears		
Slovakia	No arrears		
Slovenia	No arrears		
South Africa	No arrears		
Spain	No arrears		
Sweden	No arrears		
Switzerland	No arrears		
Trinidad and Tobago	No arrears		
Tunisia	No arrears		
Turkey	No arrears		
Ukraine	2014 contribution	10,728	
	2015 contribution	10,728	
	2016 contribution	10,728	
	2017 contribution	10,728	
	2018 contribution	10,728	
	2019 contribution	10,728	64,368
United Kingdom	No arrears		
United Republic of Tanzania	2018 contribution (balance)	9,988	
	2019 contribution	10,728	20,716
United States of America	No arrears		
Uruguay	No arrears		
Uzbekistan	No arrears		
Viet Nam	2019 contribution		10,728
Total			141,406

EXTRABUDGETARY FUNDS (FUNDS IN TRUST)

The extrabudgetary funds (including funds in trust) allocated by donor are presented below as independent accounts.

Fund-in-Trust Donor	Fund code	Balance as at December 31, 2017	Income 2018-2019				Expenditure 2018-2019				Reimbursements to donors	Balance as at December 31, 2019
			Funds received	Interest	Exch. Rate. difference	Total income	Staff expenditure	Other direct expenditure	Administrative support costs	Total expenditure		
<i>(in Swiss francs)</i>												
Japan	UJAPN	103,107	481,778	-	3	481,781	-	275,820	35,856	311,676	-	273,212
United States of America	U_USA	-2,216	200,730	-	-	200,730	-	146,688	22,319	169,007	33,451	-3,944
Netherlands	U_UNLD	4,142	-	-	-	-	-	360	47	407	-	3,735
Multi-donor UPOV PRISMA	U_EAF	22,500	26,755	-	-	26,755	-	32,500	-	32,500	-	16,755
Multi-donor UPOV PRISMA	U_PRI	-	10,711	-	-	10,711	-	-	-	-	-	10,711
TOTAL		127,533	719,974	-	3	719,977	-	455,368	58,222	513,590	33,451	300,469

Income and expenditure for the 2018-2019 Biennium

Japan <i>(in Swiss francs)</i>		
Balance, beginning of period		103,107
<i>Income</i>		
Funds received	481,778	
Interest	-	481,778
<i>Expenditure</i>		
Staff missions	88,235	
Third-party travel	83,359	
Conferences	-	
Other contractual services	104,066	
Bank charges	157	
Total direct expenditure	275,817	
Program support costs	35,856	(311,673)
Funds available, end of period		273,212

Note: Funds in trust in the form of an extrabudgetary fund from the Government of Japan intended for regional seminars and workshops on the protection of new plant varieties in the Asian region.

United States of America <i>(in Swiss francs)</i>		
Balance, beginning of period		(2,216)
<i>Income</i>		
Funds received	200,730	
Interest	-	200,730
<i>Expenditure</i>		
Staff missions	-	
Third-party travel	123,884	
Conferences	3,560	
Other contractual services	19,244	
Bank charges	-	
Total direct expenditure	146,688	
Program support costs	22,319	(169,007)
Reimbursement to the donor		(33,451)
Funds available, end of period		(3,944)

Note: Extrabudgetary fund from the Government of the United States of America, intended for education in intellectual property protection in the area of plant variety protection. The accounts and financial reports for this trust fund are kept in US dollars.

Netherlands		(in Swiss francs)
Balance, beginning of period		4,142
<i>Income</i>		
Funds received	-	
Interest	-	-
<i>Expenditure</i>		
Staff missions	-	
Third-party travel	-	
Conferences	-	
Other contractual services	-	
Bank charges	360	
Total direct expenditure	360	
Program support costs	47	(407)
Funds available, end of period		3,735

Note: Extrabudgetary fund from the Netherlands intended to provide and promote the UPOV system of plant variety protection.

UPOV EAF (former PRISMA)		(in Swiss francs)
Balance, beginning of period		22,500
<i>Income</i>		
Funds received	26,755	
Interest	-	26,755
<i>Expenditure</i>		
Staff missions	-	
Third-party travel	-	
Conferences	-	
Other contractual services	32,500	
Bank charges	-	
Total direct expenditure	-	(32,500)
Program support costs		-
Funds available, end of period		16,755

Note: Extrabudgetary fund from various organizations, communities and federations to promote the UPOV PRISMA PBR application tool. UPOV PRISMA is an on-line tool to assist in making plant variety protection (PVP) applications to PVP Offices of participating members of the Union.

UPOV PRISMA costs (new PRISMA)		(in Swiss francs)
Balance, beginning of period		-
<i>Income</i>		
Funds received	10,711	
Interest	-	10,711
<i>Expenditure</i>		
Staff missions	-	
Third-party travel	-	
Conferences	-	
Other contractual services	-	
Bank charges	-	
Total direct expenditure	-	
Program support costs		-
Funds available, end of period		10,711

Note: UPOV PRISMA is an on-line tool to assist in making plant variety protection (PVP) applications to PVP Offices of participating members of the Union. The UPOV PRISMA Fund is a contribution made by Naktuinbouw (Netherlands) to support the development of UPOV PRISMA.