

Financial Statements

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Introduction

At its 54th Annual Meeting in Shimonoseki, Japan, May 2002, the Commission adopted a process, beginning with the year commencing 1 September 2002, to bring income and expenditure into better balance and to eliminate budget deficits as soon as possible by considering both increases in the level of Contracting Government and NGO contributions and short-and long-term reductions in the level of expenditure. This was combined with a requirement that individual contributions should increase no more than necessary to maintain approved budget levels. This is set against the agreement that the level of reserves in the General Fund be set at 6 months operating costs.

These requirements have for the most part been met.

Financial Contributions

Also at the 54th Annual Meeting, the Commission adopted the Interim Measure proposed by Argentina and Antigua and Barbuda for calculating the financial contributions from Contracting Governments beginning with the financial year commencing 1 September 2002. This has the effect of alleviating the financial burden of developing countries. Countries are divided into 4 groups depending on their 'capacity to pay'¹. The Interim Measure takes the 'old' pre-September 2002 formula for calculating contributions as its starting point and then modifies the resulting amounts for each Contracting Government by a factor relating to capacity to pay and a further factor for involvement in whaling. For the years 2002/03 and 2003/04, Group 1 and 2 countries were subject to reductions of 50% and 25% respectively. The shortfall was redistributed among whaling countries, and Group 3 and 4 countries by 10%, 30% and 60% respectively. In the third year, i.e. 2004/05, the Interim Measure provided for further reductions of 25% and 10% for Group 1 and 2 countries. Pending the conclusion of the work of the Financial Contributions Task Force, the formula as used in 2004-05 has been applied to 2007-08 and 2008-09.

¹ Group 1: GNI<US\$10,000 million and GDI per capita <US\$10,000
 Group 2: GNI>US\$10,000 million and GDI per capita <US\$10,000
 Group 3: GNI<US\$1,000,000,000,000 and GDI per capita >US\$10,000
 Group 4: GNI>US\$1,000,000,000,000 and GDI per capita >US\$10,000

Provisional Financial Statement 2006-2007**Key Points And Action Summary****Key Points****Income and Expenditure Account (Table 1)**

Income – exceeds budget by £78.5k the chief factors being: (1) Financial Contributions from new members; (2) interest on late contributions; and (3) increase in voluntary contributions.

Expenditure - is projected to exceed budget by £ 12k. Increases in Small Cetacean spending of £ 14k (to match the increased Voluntary Contributions received) and Secretarial Costs of £ 1k were offset by savings in Publication costs of £ 3k.

Provisions–are projected to be under budget by £2k.

Result for the year –a projected excess of expenditure over income of £ -4k which, after transfers between funds, translates into a deficit of £ -19k.

The balance on the General Fund is projected at about £ 1.257k at the end of the current financial year (31 August 2007). This represents about 144% of the target level (6 months expenditure: £1,738k x 50%).

Action

1. **Finance and Administration Committee** to receive the report of the Budgetary Sub-committee and, in the light of its conclusions, recommend approval (or otherwise) of the Provisional Financial Statement.
2. **Commission** to approve the Provisional Statement, subject to audit.

Proposed Budget 2007-2008 and *Forecast Budget 2008-2009*

Key Points And Action Summary

Key Points

Income and Expenditure Account (Table 7)

Income – is projected to increase overall by about 4.6% (from £ 1,656 k in the 2006-2007 Approved Budget to £ 1,732 in the proposed budget). This is due to increases in Financial Contributions (in total, with minimal increases per country), registration fees, staff assessments and bank interest receivable. For 2007-2008 UK inflation and Bank interest rates are projected to be higher than in previous years.

Contracting Government Contributions (Table 13) - the total contributions required from Contracting Governments is increased for 2007- 2008 to £ 1,407k (from £1,351k). This represents a total increase of 4.1% (just below the current level of UK inflation), but due to more Contracting Governments joining the IWC (and changes in the mix of countries per economic group) the majority of contribution changes per country are minimal (a 0.1% increase for most Group 1 & 2 countries, a decrease for Group 3 counties and an increase of up to 1.4% for Group 4 countries).

The forecast budget is increased for 2008-2009 in line with UK inflation.

Expenditure – 4.2% has generally been used to allow for cost increases for 2007–2008 (2.1% for 2008-2009) except where there are positive indications that different levels are required. This reflects current levels of inflation in the UK. Expenses are expected to be much the same as last year.

The forecast budget is intended to show the general trend in reserve levels where budget deficits are shown in both years

Projected result for the year(s) (see Table 7)

| | <u>2007-2008</u> | <u>2008-2009</u> |
|--|------------------|------------------|
| Balance of income and expenditure (deficit) | -87,800 | -109,300 |
| Surplus/ (Deficit) after transfers between Funds | -99,200 | -120,900 |

General Fund Reserves (see Table 12)

| | <u>2007-2008</u> | <u>2008-2009</u> |
|---|------------------|------------------|
| Projected balance on General Fund at year-end | 1,157,500 | 1,036,600 |
| Target level – approximately 6 months costs | 910,100 | 938,700 |
| % of Target level | 127 | 110 |

Reserves

Concern was expressed at IWC57 that the level of reserves should be brought more in line with the “target level” of 50% of operating expenditure in any year. The proposed budget as currently drafted produces an operating deficit. At this point it may be useful to briefly re-state the relationship between annual operating surpluses or deficits and the level of reserves.

It is recognised that the most prudent method to keep the General Fund at or above the “target level” is for income to match expenditure in any year. However because expenditure can be delayed or deferred to a later period, a surplus may result in one year when a break-even was expected. Timing differences can be dealt with by ensuring that the General Fund is maintained at or above the “target level”. This means that expenditure can exceed income in a given year but still maintain the General Fund at or above the “target level”. Unforeseen expenditure can obviously reduce the General Fund below the “target level” in a given year, which would then require higher Financial Contributions in the following year to bring the General Fund back to the “target level”.

The forecast budget shows an increase in Financial Contributions in line with the assumed rate of UK inflation at 2.1% to show the cumulative effect on reserves of prudently moving towards the” target level”.

A proposed deficit budget (before transfer from/to reserves) that still allows the General Fund to be maintained at or above target levels is sustainable. A deficit budget that allows the reserves to fall substantially below target levels is unsustainable. The latter would require larger increases in Financial Contributions in subsequent years to restore reserve levels. Reserves can be lowered if expenditure is lowered, but this must be judged in the context of the continued unimpaired running of the Commission.

The projected levels of the reserves at 127% and 110% may be considered satisfactory.

Action

Finance and Administration Committee

1. To receive the report of the Budgetary Sub-committee and, in the light of its conclusions;
2. To recommend the level of registration fee for observers (see Table 7, note 5);
3. To recommend the budget for 2007-2008, (as proposed in Table 7 or as amended by the Budgetary Sub-committee or Finance and Administration Committee), including the consequent level of financial contributions;
4. *To note/comment upon the Forecast Budget 2008-2009.*

Commission

1. To adopt the budget for 2007-2008 (as proposed in Table 7 or amended by the Finance and Administration Committee);
2. *To note/comment upon the Forecast Budget 2008-2009.*

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the table and explanatory notes on facing pages

Table 1

Provisional Financial Statement 2006 -2007

Income and Expenditure Account

| | Approved Budget | | Projected Out-turn | | Note |
|---|------------------|------------------|--------------------|------------------|----------|
| Income | £ | £ | £ | £ | |
| Contracting Government contributions | | 1,351,350 | | 1,393,800 | 1 |
| Recovery of Arrears | | 0 | | 0 | 2 |
| Interest on overdue financial contributions | | 0 | | 18,600 | 3 |
| Voluntary contributions | | 5,500 | | 24,300 | 4 |
| Sales of publications | | 17,500 | | 17,500 | 5 |
| Sales of sponsored publications | | 1,000 | | 1,000 | 6 |
| Observers' registration fees | | 44,950 | | 44,200 | 7 |
| UK taxes recoverable | | 29,800 | | 20,800 | 8 |
| Staff assessments | | 154,800 | | 154,800 | 9 |
| Interest receivable | | 50,150 | | 58,800 | 10 |
| Sundry income | | 1000 | | 1,000 | |
| | | <u>1,656,050</u> | | <u>1,734,800</u> | |
| Expenditure | | | | | |
| Secretariat | 1,023,480 | | 1,024,400 | | Table 1A |
| Publications | 43,350 | | 40,200 | | 11 |
| Annual meetings | 333,850 | | 333,900 | | 12 |
| Other meetings | 20,500 | | 20,500 | | 13 |
| Research expenditure | 274,000 | | 274,000 | | 14 |
| Small cetaceans | 4,550 | | 19,000 | | 15 |
| Sundry | 0 | | 0 | | |
| | <u>1,699,730</u> | | <u>1,712,000</u> | | |
| Provisions | | | | | |
| Unpaid interest on overdue contributions | 0 | | 0 | | 16 |
| Severance Pay Provision | 28500 | | 26,500 | | Table 5 |
| Provn for other doubtful debts | <u>0</u> | | <u>0</u> | | 17 |
| | | <u>1,728,230</u> | | <u>1,738,500</u> | |
| Excess of expenditure over income | | -72,180 | | -3,700 | |
| Net Transfers from or to (-): | | | | | |
| Sponsored Publications Fund | | -2,000 | | -1,800 | Table 2 |
| Small Cetaceans Fund | | -6,500 | | -18,900 | Table 3 |
| Research Fund | | <u>-50</u> | | <u>5,400</u> | Table 4 |
| Surplus/Deficit (-) for the year after transfers | | <u>-80,730</u> | | <u>-19000</u> | Table 6 |

Notes to Table 1

1. Budgeted (i.e. invoiceable contributions) were set at £ 1,351k. New members (Croatia, Cyprus and Slovenia) have provided additional contributions of £ 42k.

Total Financial Contributions per Out-turn £ 1,393k

2. A recovery of arrears is shown as a write-back of provision for doubtful debts.

3. The budget does not allow any provision for interest on late contributions. The Commission has determined that the budget should be developed on the basis that all Contracting Governments will pay in good time.

4. Voluntary Contributions. The budget shows £ 4.5k towards the Small Cetaceans Fund (a notional £1k for Small Cetacean Invited Participants, £ 3.5k towards the cost of the Bycatch Reduction programme from WWF). The out-turn projection shows total Voluntary Contributions of £ 24k which, includes £ 11k for the Research Fund towards Catch Data analysis (from Australia £ 5k) and Environmental Programmes (from Austria £ 6k) and £ 13k to the Small Cetacean Fund towards the cost of the Bycatch Reduction programme (from WWF £ 3k) and Invited Participants (from Ireland £ 10k).

5. The budget was set at a level consistent with previous years. The out-turn projection remains unchanged.

6. Conservative estimate.

7. Conservative estimate. Actual revenue is dependent upon the numbers of observers attending the 2007 Annual Meeting. Reliable information is not yet available.

8. Recoveries of primarily VAT but also Airport Departure Tax and Insurance Premium Tax. Conservative estimate for the out-turn projection.

9. Recoveries of Staff Assessments are broadly proportionate to salary costs.

10. Increases in the size of deposits and the rates offered thereon have led to an increase in the out-turn projection of interest receivable above the budget level.

11. There has been a gradual reduction in printing costs in recent years, which is reflected in the reduced figure in the projected out-turn.

12. Any costs additional to those budgeted will be met by the host government.

13. In the absence of inter-sessional meetings, the budget approved in the 06/07 may be allocated to meeting some of the costs of translation and interpretation at IWC59, as agreed by the Commission at IWC58.

14. Research expenditure in the out-turn projection agrees with the budget. (See Table 4A.)

15. Small Cetaceans expenditure anticipated to exceed budget (See Table 3.)

16. Where a country has long-term arrears (even as limited by decisions at IWC54) interest is still charged annually on balances outstanding.

17. Review of provision for doubtful debts takes place periodically. No provision has been made at this stage.

Table 1A
Analysis of Secretariat Costs 2006-2007

| | Approved Budget | Projected Out- turn | Note |
|--------------------------------------|--------------------|------------------------|------|
| Salaries and allowances | 655,900 | 654,000 | 1 |
| Retirement and other benefit schemes | 134,450 | 138,100 | 2 |
| Travelling expenses | 5,700 | 6,000 | 3 |
| Office rent, heating and maintenance | 117,750 | 120,200 | 4 |
| Insurance | 5,600 | 6,100 | 5 |
| Postage and telecommunications | 20,000 | 17,700 | 6 |
| Office equipment and consumables | 57,980 | 57,100 | 7 |
| Professional fees | 12,450 | 12,500 | 8 |
| Training and Recruitment | 4,050 | 4,100 | 9 |
| Photocopying | 4,550 | 4,600 | 10 |
| Sundry | 5,050 | 4,000 | 11 |
| TOTAL | 1,023,480 | 1,024,400 | |

Notes

1. There is a reduction in the projected out-turn due to changes in entitlement to allowances.
2. Higher insurance premiums are shown in the increased out-turn projection.
3. Slight over-spend to budget expected due to higher than foreseen travel commitments.
4. Slight over-spend to budget expected mainly due to increased energy costs.
5. Higher premiums for "general insurance" are shown in the increased out-turn projection.
6. There has been a gradual reduction in telecom costs in recent years, which is reflected in the reduced figure in the projected out-turn.
7. This item includes equipment-leasing costs for which a reduction compared to budget is expected. The general provision for replacement/upgrading of hardware and software expected to be within budget.
8. Provision is made for Professional Advice or Consultancy on a contingent basis.
9. Provision is made for Training and Recruitment on a contingent basis.
10. Result entirely dependent upon volume of copying required.
11. The costs of bank charges, loss on exchange etc are included here.

Table 2
Sponsored Publications Fund 2006-2007 (Note 1)
Income and Expenditure Account

| | Approved Budget | | Projected Out-turn | | Note |
|---|-----------------|---------------|--------------------|---------------|------|
| | £ | £ | £ | £ | |
| Income | | | | | |
| Voluntary contributions | | 0 | | 0 | |
| Sales | | 1,000 | | 1,000 | 2 |
| UK tax recoverable | | 0 | | 0 | |
| Bank Interest | | 1,000 | | 800 | 3 |
| Sundry income | | <u>0</u> | | <u>0</u> | |
| | | 2,000 | | 1,800 | |
| Expenditure | | | | | |
| Special Issues: (None planned in year) | 0 | | 0 | | |
| Other (re-prints etc.) | <u>0</u> | | <u>0</u> | | 4 |
| | | <u>0</u> | | <u>0</u> | |
| Net transfer from or to (-) I&E Account | | 2,000 | | 1,800 | |
| Opening Balance brought forward | | <u>34,950</u> | | <u>35,400</u> | 5 |
| Projected Closing Balance | | <u>36,950</u> | | <u>37,200</u> | |

Notes

1 The Sponsored Publications Fund exists primarily to receive voluntary contributions towards publication of IWC Special Issues, contributors often specifying that the revenue from sales of publications funded by their donations should be used towards future publications and not for general expenditure. The Commission has also made allocations of money towards publication of some Special Issues. Proceeds of volumes for which the IWC has provided funds wholly or in part are allocated to the General Fund and the Sponsored Publications Fund in due proportion. No IWC funds are expended in the production of volumes relating to small cetaceans. These are funded solely from contributed funds and interest accrued thereon.

2 Expected to be in line with budget.

3 A conservative estimate shows a reduction in bank interest for the projected out-turn.

4 No re-prints etc are anticipated for the remainder of 2006-2007.

5 The Opening Balance in the Approved Budget column represents the anticipated result based on the projections in last year's Provisional Financial Statement. That in the Projected Out-turn column is the balance shown in the audited statements for the year taking account of transactions between the adoption of the Approved Budget and the end of the financial year.

Table 3

Small Cetaceans Fund 2006 – 2007 (Note 1)

Income and Expenditure Account

| | Approved Budget | | Projected Out-turn | | Note |
|---|-----------------|--------------|--------------------|---------------|------|
| | £ | £ | £ | £ | |
| Income | | | | | |
| Voluntary contributions | | 4,500 | | 13,300 | 2 |
| UK tax recoverable | | 0 | | 0 | |
| Bank Interest | | 100 | | 400 | |
| Sundry income | | <u>0</u> | | <u>0</u> | |
| | | 4,600 | | 13,700 | |
| Expenditure | | | | | |
| Invited participants | 1,000 | | 9,000 | | 3 |
| By Catch Reduction | 3,500 | | 9,900 | | |
| Common Dolphin in S America | 0 | | 0 | | |
| Bank Charges | 0 | | 0 | | |
| Sundry expenditure | <u>50</u> | | <u>100</u> | | |
| | | 4,550 | | 19,000 | |
| Net transfer from or to (-) I&E Account | | 50 | | -5,300 | |
| Opening Balance brought forward | | <u>6,800</u> | | <u>17,200</u> | 4 |
| Projected Closing Balance | | <u>6,850</u> | | <u>11,900</u> | |

Notes

1. The Commission established the IWC Voluntary Fund for Small Cetaceans in 1994 'to allow for the participation from developing countries in future small cetaceans work ...' and called upon 'Contracting Governments and non-Contracting Governments, intergovernmental organisations and other entities as appropriate, in particular those most interested in scientific research on small cetaceans to contribute ...'. (IWC Resolution 1994 - 2 *Rep. int. Whal. Commn* 45:41.)

2. Voluntary Contributions: This comprises of £ 3.5k from the World Wild Fund for Nature and £ 9.8k from Ireland. The £ 3.5k is to be used toward work identified by the Scientific Committee on by-catch reduction. This amount represents stage payments as part of the total programme being funded by an overall voluntary contribution of USD 75,000. Payments are made to projects in two stages, at commencement and when a final report is presented to the Scientific Committee. The £ 9.8k is to be used towards the cost of Invited Participants attending Small Cetacean meetings.

3. The projected out-turn assumes that the Voluntary Contribution from Ireland will match any costs incurred and will be spent during 2006-2007.

4. The Opening Balance in the Approved Budget column represents the anticipated result based on the projections in last year's Provisional Financial Statement. That in the Projected Out-turn column is the balance shown in the audited statements for the year taking account of transactions between the adoption of the Approved Budget and the end of the financial year.

Table 4**Research Fund 2006 – 2007 (Note 1)****Income and Expenditure Account**

| | Approved Budget | Projected Out-turn | Note |
|---|-----------------|--------------------|----------|
| Income | £ | £ | |
| Allocation | 274,000 | 274,000 | 2 |
| Voluntary contributions | 1,000 | 11,000 | 3 |
| UK tax recoverable | 0 | 2,100 | 4 |
| Bank Interest | 5,500 | 5,700 | 5 |
| Sundry income | <u>0</u> | <u>0</u> | |
| | 280,500 | 292,800 | |
| Expenditure | <u>274,000</u> | <u>274,000</u> | Table 4A |
| Net transfer from or to (-) I&E Account | 6,500 | 18,800 | |
| Opening Balance brought forward | <u>145,000</u> | <u>133,900</u> | 6 |
| Projected Closing Balance | <u>151,500</u> | <u>152,700</u> | |

Notes

1 The Research Fund exists to receive voluntary contributions and any such monies as the Commission may allocate for research and scientific investigation and is charged with expenditure of this nature.

2 The 'Allocation' comprises the allocation of new money for new or existing programmes. The original 06/07 budget allocation recommended by the F&A Committee at IWC58 was reduced in the Plenary by £5k to £274k with the removal of the item referring to Revised 1948/49-1971/72 catch data.

3 The out-turn projection includes £ 11k for the Research Fund towards Catch Data analysis (from Australia £ 5k) and Environmental Programmes (from Austria £ 6k).

4 Recovery of VAT and Airport Departure Tax.

5 Estimates for the out-turn projection show Bank Interest receivable above budget.

6 The Opening Balance in the Approved Budget column represents the anticipated result based on the projections in last year's Provisional Financial Statement. That in the Projected Out-turn column is the balance shown in the audited statements for the year taking account of transactions between the adoption of the Approved Budget and the end of the financial year.

A full analysis of research expenditure is given in Table 4A.

Table 4A

Research Expenditure 2006 - 2007

| | Approved Budget | Projected Out-turn | Note |
|--|-----------------|--------------------|------|
| RMP (Annex D) | | | |
| North Pacific Bryde's whales Implementation 2 nd inter-sessional workshop | 7,500 | 7,500 | (1) |
| AWMP (Annex E) | | | |
| AWMP Developer's fund | 9,000 | 9,000 | (2) |
| Greenland common minke whales: use of sex ratio data in assessments | 3,500 | 3,500 | (3) |
| Two intersessional workshops to allow completion of the <i>Implementation Review</i> in 2007 | 16,000 | 16,000 | (4) |
| IA (Annex G) | | | |
| SOWER circumpolar cruise 2006/2007 | 76,000 | 76,000 | (5) |
| Investigation of likely precision of future abundance estimates using a single SOWER vessel | 4,000 | 4,000 | (6) |
| Incorporation of 2005/2006 data into IWC-DESS | 2,000 | 2,000 | (7) |
| Analysis of previous data (BT mode) to <i>inter alia</i> allow finalisation of cruise planning | 6,000 | 6,000 | (8) |
| Maintenance of IWC-DESS | 2,000 | 2,000 | (9) |
| Further development of hazard probability method to estimate abundance of Antarctic minke whales | 1,700 | 1,700 | (10) |
| Investigation of the relationship between minke whales and sea ice | 700 | 700 | (11) |
| Antarctic minke whales: continuation of previous catch-at-age analysis study | 20,000 | 20,000 | (12) |
| Digitise, catalogue and analyse blue whale photographs from the IWC IDCR and SOWER cruises | 8,500 | 8,500 | (13) |
| SH (Annex H) | | | |
| Antarctic catalogue | 6,600 | 6,600 | (14) |
| Humpback whale population dynamics model | 2,000 | 2,000 | (15) |
| Forwarding the in-depth assessment of southern blue whales | 6,000 | 6,000 | (16) |
| SD (Annex I) | | | |
| TOSSM development: generation of datasets | 16,000 | 16,000 | (17) |
| BC (Annex J) | | | |
| Further simulations to investigate the performance of various sampling designs | 2,000 | 2,000 | (18) |
| Development of standardised reporting of collisions between whales and vessels | 1,000 | 1,000 | (19) |
| E (Annex K) | | | |
| CCAMLR-IWC steering group for joint workshop on the Antarctic ecosystem and krill predators | 3,000 | 3,000 | (20) |
| FAO expert consultation on modelling ecosystem interactions | 1,500 | 1,500 | (21) |
| Completion of The Southern Ocean Collaboration database | 15,000 | 15,000 | (22) |
| Continuation of analyses of high priority projects identified last year | 12,000 | 12,000 | (23) |
| Possible collaboration with CCAMLR for a joint cruise in 2008 | 1,000 | 1,000 | (24) |
| SP (Annex O) | | | |
| JARPA review workshop | 13,000 | 13,000 | (25) |
| Scientific Committee general | | | |
| Invited participants fund | 38,000 | 38,000 | (26) |
| TOTAL | £274,000 | £274,000 | |

Table 4A Notes

Abbreviations

| | | | |
|---------------|--|---|---|
| AWMP | Sub-committees of the Scientific Committee | Aboriginal Subsistence Whaling Management Procedure | |
| BC | | Bycatch | |
| E | | Environmental Concerns | |
| IA | | In-depth Assessment | |
| RMP | | Revised Management Procedure | |
| SH | | Other Southern Hemisphere Whales | |
| SD | | Stock Definition | |
| SP | | Scientific Permits | |
| BT | Buckland and Turnock | IDCR | International Decade of Cetacean Research |
| CCAMLR | Commission for the Conservation of Antarctic Marine Living Resources | JARPA | Japanese Whale Research Program under Special Permit in the Antarctic |
| DESS | (IWC) Database and Estimation Software System | SOWER | Southern Ocean Whale & Ecological Research |
| FAO | Fishing and Agriculture Organisation | TOSSM | Testing of Spatial Structure Model |

Insufficient information is available at the time of preparation of this statement to develop a more informed estimate of projected out-turns of the various projects, but there is no reason to assume any significant variation from budget.

The following notes are taken from the document prepared by the Chair of the Scientific Committee for the Finance & Administration Committee and were used to justify and explain the budget proposed for 2006-2007.

Revised Management Procedure**(1) North Pacific Bryde's Whale - Intersessional Workshop**

The Commission has endorsed the process recommended two years ago by the Committee with respect to the time schedule if an *Implementation* begins (IWC, 2005, pp.84-92); this requires two intersessional Workshops and this is the final Workshop required to allow completion of the *Implementation* at the 2007 annual meeting. The funding is required to cover the costs of invited participants; Japan has kindly offered to host the Workshop which will probably take place from 10-14 December 2006.

Aboriginal Whaling Management Procedure**(2) AWMP Developers Fund**

The developers fund has been invaluable in the work of the AWMP trials and other essential tasks of the Standing Working Group. It has been agreed as a standing fund by the Commission. The two primary developing tasks facing the SWG are the bowhead whale *Implementation Review* (a requirement of the Committee and Commission) and issues relating to the Greenlandic fisheries. The task facing the SWG with respect to the Greenlandic fisheries is a major one and of high priority to the Committee which has expressed its great concern at its inability to provide management advice on safe catch limits (see Items 8.1 and 9.4). The fund is essential to allow progress to be made.

(3) Greenland common minke whales – Steering group on the use of sex ratio data to provide management advice

The Committee is unable to provide satisfactory management advice on the effects of aboriginal subsistence whaling on the common minke whale stocks off West Greenland. A major problem in terms of its ability to give management advice is that the total geographical area occupied by common minke whales potentially available to be harvested off West Greenland during summer is largely unknown and thus surveys consequently cover an unknown fraction of the range of the stock. There has been a fundamental difficulty in the AWMP discussions as to whether sex ratio data alone are a sufficient basis for management advice and for the development of an *SLA* for common minke whales. Given our inability to provide satisfactory management advice and the potential for the use of sex ratio data (alone or in conjunction with other information), it is essential that this issue be resolved.

(4) Two intersessional workshops to allow completion of the Bowhead whale Implementation review

Last year, the Committee agreed that it would require two intersessional workshops to ensure completion of the Bowhead *Implementation Review* by the 2007 Annual Meeting. This is essential as the Commission will need management advice to set the forthcoming catch limits that run out after the 2007 season.

In-depth assessments**(5) SOWER circumpolar cruise**

The Committee and the Commission have both given high priority to obtaining agreed abundance estimates for Antarctic minke whales and for explaining the differences between CPII and CPIII. The high priority plans for this year's survey are directed at experiments to address these problems as well as continue work related to: (1) estimating fin whale abundance; (2) improving estimates of distance/angle estimation; (3) to continue research on blue whales and humpback whales which are the subject of a comprehensive assessment. The funding is for equipment and participation by international scientists. The vessels are generously provided by the Government of Japan.

(6) Investigation of likely precision of future abundance estimates using a single SOWER vessel

It is difficult to consider the future strategy of the SOWER cruises with respect to estimating abundance without a fuller investigation of the effect of having only one vessel. This proposal will provide partial funding for one (Hedley) of three scientists (the others are Bravington and Peel) to use the existing data to examine the likely effects of new survey design and techniques on the CV of abundance estimates. An initial report will be available by the time of the Planning Meeting in Tokyo (end of September 2006) and a full report will be presented to the 2007 Annual Meeting.

(7) Incorporation of the 2005/2006 survey data into IWC-DESS

Last year, a considerable amount of new experimental data was collected on the cruise (e.g. see item 8 below). It is essential that this is incorporated promptly into the IWC-DESS database so that appropriate analyses can be carried out, preferably before the Planning Meeting in Tokyo at end of September 2006. This work will be undertaken by the IWC Secretariat in conjunction with Burt.

(8) Analysis of the BT Mode data collected during the 2006/2006 Cruise

Last year, collection of BT mode data as part of a feasibility study was given high priority, since it can potentially incorporate estimates of $g(0)$ and incorporate reactive movement (if there is any) into abundance estimates of Antarctic minke whales. It is essential that these data are analysed in time to be considered at the Planning Meeting in Tokyo (end of September 2006). A full report will be presented (by Burt) to the 2007 Annual Meeting.

(9) Maintenance of IWC-DESS

The IWC's DESS is vital to the Committee's work on abundance estimation, both with respect to providing estimates of abundance for past cruises and for future work on the abundance of Antarctic minke whales.

(10) Abundance estimates of Antarctic minke whales: Method development

The Commission and the Committee has given high priority to obtaining agreed abundance estimates and trends for Antarctic minke whales. To maintain the progress expected by the Commission requires that this project and project 11 are funded. This project is to further develop the hazard probability method (e.g. see SC/58/1A9) and in particular to further the incorporation of measurement errors into the analysis. The funding is for one (Kitakado) of the two collaborators, the other being Okamura.

(11) Analysis of relationship between Antarctic Minke whales and pack ice extent.

The Commission and the Committee has also given high priority to explaining the differences between CPII and CPIII. This project could help interpret the differences between abundance estimates from CPII and CPIII. The reduced budget reflects only funding the requested computer program license for GIS software for Shimada.

(12) VPA analysis and catch-at-age analysis

This work has been recommended by the Committee in the past and is essential in furthering the work on exploring the reasons for differences in Antarctic minke whale abundance from CPII and CPIII and working towards an in depth assessment. The data have been generously been made available by the Institute of Cetacean Research (Tokyo) under the Data Availability Agreement.

(13) Analyses of the blue whale photographs from the sower cruises (WITH SH)

The Committee has agreed to begin an in-depth assessment of Southern Hemisphere blue whales. There is also considerable interest within the Commission with respect to the status of this species. The IWC IDCR and SOWER cruises have been taking photographs for individual identification for many years but, unlike the humpback whale photographs, these have not yet been catalogued. It is essential to the in-depth assessment that this work be undertaken. The money is for one researcher (Olsen) to digitise and catalogue the photographs, then analyse the available data. Database design will be undertaken in consultation with Donovan and the resultant catalogue and database will be publicly available. Initial priority will be given to photographs from Area III so that information can be made available to the Tokyo Planning Meeting at the end of September 2006.

Southern Hemisphere humpback and blue whales**(14) Antarctic humpback whale catalogue**

The Committee is already committed to funding this project, which represents only a partial cost of running the catalogue and is of great benefit to its in-depth assessment of Southern Hemisphere humpback whales (and see SC/58/Rep 5. The work required to *inter alia* make the IWC/SOWER photographs more accessible is being carried out. The funds are mainly required for database management.

(15) Humpback whale population dynamics model

The Committee has placed high priority on completing the Comprehensive Assessment of Southern Hemisphere humpback whales. A number of modelling issues were identified to facilitate this. The Marine Resource and Assessment Group at the University of Cape Town will undertake this work and report to the 2007 Annual meeting

(16) Forwarding the comprehensive assessment of southern blue whales (with IA)

The Committee has agreed to begin an in-depth assessment of Southern Hemisphere blue whales. There is also considerable interest within the Commission with respect to the status of this species. This project will allow progress to be made (by Branch and colleagues) interessionally for discussion at the next annual meeting. It will address: (1) blue whale distribution; (2) revised abundance estimates for the Antarctic using IDCR and SOWER cruise data; and (3) develop an abundance estimate for Chilean waters from the SOWER cruise in 1997/98.

Stock definition**(17) TOSSM development: specialist programmer**

Stock definition issues are critical to the work of many sub-committees, including AWMP, RMP, NPM, SH. In particular, there has been insufficient testing (in a management context) of many of the statistical methods for examining stock structure. The TOSSM project represents a major step forward in this regard and critical to its success is the generation of a sufficient number of datasets and adapting potential boundary setting methods such that they can be more easily investigated. adequate testing. This is a major programming challenge which existing resources cannot quickly meet. The funding here is matching funding to allow one year's dedicated work by an expert programmer at SWFSC, California.

Bycatch**(18) Further simulation studies to investigate the performance of various sampling designs to estimate numbers of bycaught animals**

Last year the Commission funded a study to investigate the ability or otherwise of mark-recapture/market sampling methods to estimate the number of bycaught animals for use in the RMP. This project expands on that work and will investigate the performance of different sampling designs and sensitivity to assumptions about market structure based on current knowledge. The simulations are needed before a decision can be made for the need for the planned 2nd stage Workshop. The funding is for ~ 4 weeks work including preparation of a report (by Leaper and Cooke).

(19) Standardised reporting of collisions between whales and vessels

The Committee recommends that the intersessional email group develops a process by which data provided from a range of sources could be stored in a database in a standardised way that clearly identifies the level of uncertainty in the data. The funding is for ~ 3 weeks work (Van Waerebeek) including preparation of a report.

Environment**(20) Joint IWC-CCAMLR workshop on modelling Antarctic krill predators and (21) FAO Consultation on modelling ecosystem interactions**

Ecosystem modelling is becoming more important to the Committee's work, particularly in attempting to understand what may have happened in the Antarctic as a result of intensive exploitation of whales and other marine mammals. The Committee agreed that a collaborative effort with CCAMLR would make an important contribution to its work. The funds are requested to enable IWC participation at the Steering Group meeting that will probably be held in Namibia in July 2006 and to progress IWC participation at the FAO consultation whose task is to review major ecosystem modelling approaches being applied to fishery-related topics and to provide advice on their use.

(22) Completion of the southern ocean collaboration database and (23) continuation of analyses of high priority projects identified last year

This work will contribute to high priority analyses outlined in the Sea Ice Symposium held last year and to ongoing collaboration with SO-GLOBEC. Research on Southern Ocean whales and their ecosystem is recommended by IWC Resolutions 1998-3 and 1998-6. Support for this activity complements the considerable in-kind support the IWC receives for the SO collaborative cruises. The SOC database comprises data for all IWC/ SO-GLOBEC/CCAMLR and other multidisciplinary survey data and sea-ice data under international collaborative programmes. Completion of the database (to be undertaken by Thiele) will contribute to high priority analyses, outlined in SC/57/Rep5. The funds for project 23 are to be used to allow Thiele to complete high priority items identified at last year's sea ice symposium and to represent IWC and forward collaboration with ICED (Integrated analyses of circumpolar Climate interactions and Ecosystem Dynamics in the Southern Ocean).

(24) Possible collaboration with CCAMLR for a joint cruise in 2008

CCAMLR has invited the IWC to place observers on board one or more of its ships as part of International Polar Year. The funds are for Hedley to co-ordinate this effort.

Scientific Permits**(25) JARPA**

The Committee agreed last year to hold a workshop to review the results of the first JARPA programme. The funds are for invited participants to attend the Workshop which will be hosted by Japan in Tokyo in early December 2006.

(26) Invited participants fund

The Committee **draws attention** to the essential contribution made to its work by the funded IPs. The IWC-funded IPs play an essential role in the Committee's work. They represent excellent value as they receive only travel and subsistence costs and thus donate their time, which is considerable. As was the case for previous meetings, where possible, effort will be made to accommodate scientists from developing countries.

Table 5
Severance Pay Provision 2006 – 2007 (Note 1)

| | Approved Budget | | Projected Out-turn | | Note |
|----------------------------------|-----------------|----------------|--------------------|----------------|------|
| | £ | £ | £ | £ | |
| Opening Balance 1 September 2006 | | 359,500 | | 364,300 | 2 |
| Provision for year | | <u>28,500</u> | | <u>26,500</u> | |
| Projected Closing Balance | | <u>388,000</u> | | <u>390,800</u> | 3 |

Notes

1 In accordance with the practice of other intergovernmental organisations the Commission provides an indemnity to staff in the event of their appointments being terminated upon the abolition of their posts. The indemnity increases according to length of service and therefore an annual provision is made to bring the total provision to the level of the maximum contractual liability.

2 The Opening Balance in the Approved Budget column represents the anticipated result based on the projections in last year's Provisional Financial Statement. That in the Projected Out-turn column is the balance shown in the audited statements for the year taking account of transactions between the adoption of the Approved Budget and the end of the financial year.

3 The Projected Closing Balance is equal to the maximum projected liability.

Table 6
General Fund 2006 – 2007 (Note 1)

| | Approved Budget | Projected Out-turn | Note |
|--|------------------|--------------------|------|
| | | | |
| Opening Balance 1 September 2006 | 1,147,750 | 1,275,700 | 2 |
| Surplus/Deficit (-) transferred from I&E Account | <u>-80,730</u> | <u>-19,000</u> | |
| Projected Closing Balance | <u>1,067,020</u> | <u>1,256,700</u> | 3 |

Notes

1 The Commission's Financial Regulation C.1 requires that the General Fund shall be credited or debited with the balance of the Income and Expenditure Account at the end of each financial year.

2 The Opening Balance in the Approved Budget column represents the anticipated result based on the projections in last year's Provisional Financial Statement. That in the Projected Out-turn column is the balance shown in the audited statements for the year taking account of transactions between the adoption of the Approved Budget and the end of the financial year.

3 The projected closing balance will be increased if any arrears of contributions are received, if there are other improvements in revenue or if actual expenditure to the year-end is less than that projected.

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Table 7

Proposed Budget 2007 - 2008; Forecast 2008 - 2009**Income and Expenditure Account**

| | Proposed Budget 2007-2008 | | Forecast Budget 2008-2009 | | Note |
|---|------------------------------|------------------|------------------------------|------------------|-----------|
| Income | £ | £ | £ | £ | |
| Contracting Government contributions | | 1,407,000 | | 1,436,600 | 1 |
| Recovery of Arrears | | 0 | | 0 | |
| Interest on late financial contributions | | 0 | | 0 | 2 |
| Voluntary contributions | | 2,000 | | 2,000 | 3 |
| Sales of publications | | 17,500 | | 17,600 | 4 |
| Sales of sponsored publications | | 1,500 | | 1,600 | |
| Observers' registration fees | | 48,400 | | 49,400 | 5 |
| UK taxes recoverable | | 24,700 | | 25,300 | 6 |
| Staff assessments | | 162,800 | | 169,600 | 7 |
| Interest receivable | | 67,600 | | 64,900 | 8 |
| Sundry income | | 1,000 | | 1,100 | 9 |
| | | <u>1,732,500</u> | | <u>1,768,100</u> | |
| Expenditure | | | | | |
| Secretariat | 1,041,900 | | 1,074,400 | | Table 7A |
| Publications | 37,700 | | 38,500 | | 10 |
| Annual meetings | 347,900 | | 355,200 | | 11 |
| Other meetings | 79,800 | | 81,400 | | 12 |
| Research expenditure | 290,700 | | 296,900 | | Table 10A |
| Small cetaceans | 1,000 | | 1,000 | | Table 9 |
| Sundry | <u>0</u> | | <u>0</u> | | |
| | 1,799,000 | | 1,847,400 | | |
| Provisions | | | | | |
| Unpaid interest on overdue contributions | 0 | | 0 | | |
| Severance Pay Provision | 21,300 | | 30,000 | | Table 11 |
| Provn for other doubtful debts | <u>0</u> | | <u>0</u> | | |
| | | <u>1,820,300</u> | | <u>1,877,400</u> | |
| Excess of expenditure over income | | -87,800 | | -109,300 | |
| Net Transfers from or to (-): | | | | | |
| Sponsored Publications Fund | | -2,800 | | -3,000 | Table 8 |
| Research Fund | | -8,000 | | -8,000 | Table 10 |
| Small Cetaceans Fund | | <u>-600</u> | | <u>-600</u> | Table 9 |
| Surplus/Deficit (-) for the year after transfers | | <u>-99,200</u> | | <u>-120,900</u> | Table 12 |

Notes To Table 7

(Notes refer primarily to the proposed budget for 2007-2008 although many apply equally to both years.
Any which have specific application to the Forecast for 2008-2009 are in italic type)

(1) The total amount required from Contracting Governments to 'balance' the budget. 'Balance' does not necessarily mean a zero deficit or surplus for the year, rather that the resulting deficit or surplus is in line with the Commission's decisions.

The proposed budget for 2007-2008 aims to balance the preference of Contracting Governments for no or minimal increases in Financial Contributions with increased expenditure and allowing reserves to move smoothly towards the "target level". The total contributions required from Contracting Governments is increased for 2007-2008 to £ 1,407k (from £1,351k). This represents a total increase of 4.1%, but due to more Contracting Governments joining the IWC (and changes in the mix of countries per economic group) the majority of contribution changes per country are minimal (a 0.1% increase for most Group 1 & 2 countries, a decrease for Group 3 countries and an increase of up to 1.4% for Group 4 countries). This results in the General Fund Reserves being at 127% of the "target level" (6 months operating costs).

Concern was expressed at IWC57 that the level of reserves should be brought more in line with the "target level" of 50% of operating expenditure in any year. The proposed budget as currently drafted produces an operating deficit. At this point it may be useful to briefly re-state the relationship between annual operating surpluses or deficits and the level of reserves.

It is recognised that the most prudent method to keep the General Fund at or above the "target level" is for income to match expenditure in any year. However because expenditure can be delayed or deferred to a later period, a surplus may result in one year when a break-even was expected. Timing differences can be dealt with by ensuring that the General Fund is maintained at or above the "target level". This means that expenditure can exceed income in a given year but still maintain the General Fund at or above the "target level". Unforeseen expenditure can obviously reduce the General Fund below the "target level" in a given year, which would then require higher Financial Contributions in the following year to bring the General Fund back to the "target level".

The forecast budget shows an increase in Financial Contributions in line with assumed UK inflation of 2.1% to balance increased expenditure and to allow reserves to move smoothly towards the "target level".

Individual Contracting Government contributions are shown in Table 13. The contribution per share (before re-distribution which takes account of ability to pay) for the proposed budget *and the forecast budget* is approximately £5,432 (£ 1,407,000 divided by 259 shares). This is based on attendance at IWC58 which is assumed to apply to the proposed budget *and the forecast budget* for planning purposes.

(2) No provision. The Commission has determined that the budget is developed on the basis that all Contracting Governments will pay their contributions in good time. However, it should be noted that the audited financial statements have had to include interest on late contributions and provide against non-payment of some of that interest in each of the last 20 years.

(3) Voluntary contributions can reasonably be expected. The budget shows a notional £1k for Small Cetacean Invited Participants and a notional £ 1k for the Research Fund. (See Tables 9 & 10).

(4) Sales of the *Annual Report of the International Whaling Commission*, the *Journal of Cetacean Research and Management* and reports in its *Special Issue* series.

(5) The Commission decided in 1992 that fees for Observers from non-member Governments and intergovernmental organisations should be held constant at £800 while the fee for NGO observers should increase annually. The proposed budget for NGO observers allows for an increase from £625 to **£650** (+ 4.2% - rounded) at the Annual Meeting in 2008. The nominal Press fee increases from £45 to **£50**.

(6) Recoveries of Insurance Premium, Airport Departure and, primarily, Value-Added Taxes.

(7) Recoveries of Staff Assessment are broadly proportionate to salary costs. See Table 7A

(8) Bank interest depends upon the extent of balances brought forward, the level of income from financial contributions, the timing of major expenditures and the level of interest rates. The latter are assumed to remain around current levels of 4.5% to 5.0 %. A conservative estimate of interest receivable has been included.

(9) No budget provision but this line item provides *inter alia* for gains on exchange in foreign currency transactions. Although such gains, if any, are unintended, the policy when invoicing in currencies other than sterling is to ensure that, as far as possible, the Commission does not sustain any loss.

(10) Costs of sponsored publications are given in Table 8. The balance covers publication of the Annual Report of the International Whaling Commission, the Journal of Cetacean Research and Management and reports in its *Special Issue* series.

(11) The cost to the Commission of the 60th Annual Meeting in 2008. The budget provision represents a 4.2% increase over that for IWC/59. IWC/60 will be in Chile but in accordance with the Commission's usual practice, the budget is developed on the basis of a 'generic UK venue'. It should be noted however that the current budget level is inadequate to run a meeting at the Commission's expense in the UK, particularly in relation to the provisions for conference accommodation, security and audio-visual components.

The Commission's long-standing practice is that when a meeting is held other than in the UK, by invitation of a Contracting Government, that Government undertakes to meet any costs in excess of those provided in the IWC budget, unless the Commission has specifically agreed some other arrangement or the host government's invitation includes meeting all or a very substantial portion of the costs.

The level of IWC annual meeting provision was discussed at IWC58, but no consensus could be found as to how any increases to the UK level might be implemented.

(12) The proposed budget of £ 79.8 k includes £ 40k for 07/08 intersessional meetings (including facilities hire, translation and interpretation) and £ 39.7k for "other costs" associated with provision of document translation and simultaneous interpreters for IWC/60 in Chile. The £ 40k for intersessional meetings during 07/08 has been included to provide for the event that at IWC/59 the Commission agrees to hold an intersessional meeting. If there is no decision to hold an intersessional meeting, the £40k provision can be deducted from the proposed budget. With respect to the £39.7k for 'other costs', at IWC/58, the Commission agreed to provide for (together with some voluntary contributions): (1) simultaneous interpreters for French and Spanish for the Plenary and private meetings of Commissioners at IWC/59; and (2) translation of summary reports of Commission sub-groups, Schedule amendments and Resolutions (see IWC/58/28 and section 20.1.2.2 of the Chair's Report of IWC/58). At IWC/58 the Commission also adopted Resolution 2006-3 on French and Spanish as working languages of the Commission. This Resolution *inter alia* requested the Secretariat to 'develop options for the implementation of French and Spanish at future meetings of the Commission, including possible time frame and cost implications for a final decision to be taken at the 2007 Annual Meeting'. A separate document will be developed by the Secretariat on this matter for review by the F&A Committee and the Commission. However, the Secretariat believed it prudent to already include in the proposed budget, costs associated with interpreters and translation of documents. The £39.7k would provide for an increased level of these services at IWC/60 over those being provided for IWC/59, namely provision of interpreters for the Commission Sub-groups (but not including the Scientific Committee). If the Commission decides against increasing the provision for interpretation and translation, then the budget will be adjusted accordingly.

The provision for translation and interpretation as described above represents a significant change from previous IWC meeting budgets. Until the scope and scale of these new activities becomes more definite, it is prudent to continue to deal separately with the general annual meeting provision (to meet the costs of the Secretariat servicing the meeting and a contribution towards the general meeting costs incurred by a host government) and significant "other costs" such as translation and interpretation.

Table 7A

Proposed Budget 2007 - 2008; Forecast 2008 - 2009
Analysis of Secretariat Costs

| | Proposed Budget 2007-2008 | Forecast Budget 2008-2009 | Note |
|--------------------------------------|---------------------------------|---------------------------------|------|
| Salaries and allowances | 671,900 | 696,700 | 1 |
| Retirement and other benefit schemes | 144,300 | 148,700 | 2 |
| Travelling expenses | 5,800 | 5,900 | 3 |
| Office rent, heating and maintenance | 113,200 | 114,000 | 4 |
| Insurance | 6,300 | 6,500 | 5 |
| Postage and telecommunications | 17,000 | 17,400 | 6 |
| Office equipment and consumables | 51,700 | 53,000 | 7 |
| Professional fees | 15,000 | 15,300 | 8 |
| Training and Recruitment | 7,000 | 7,100 | 9 |
| Photocopying | 5,500 | 5,600 | 10 |
| Sundry | 4,200 | 4,200 | 11 |
| Total | <u>1,041,900</u> | <u>1,074,400</u> | |

Notes

1. These figures represent gross pay and related costs. IWC pay scales are derived from those of IMO and reflect incremental progression and cost-of-living adjustments.

2. These costs are largely but not exclusively salary-related.

3. Provision for unspecified travel.

4. This shows a decrease on the 2006-2007 budget which was £ 117.8k. and included the periodic cost of redecorating the inside and outside of the Red House (a condition of the lease). Other items have been increased in line with inflation.

5. Essential insurance cover maintained but no provision allowed to meet any insurance excesses in the event of a claim.

6. This shows a decrease on the 2006-2007 budget which was £ 20k. Postage and telecommunications have shown a steady decline over recent years and this trend is reflected in the budget.

7. The 2007-2008 provision for equipment and supplies is £51.7k. Approximately £31k relates to the rental / running costs of scanning / photocopying equipment. The balance relates to the replacement/upgrading of hardware and software and the purchase of office stationery and consumables.

8. Mainly audit fees £5.5k with a general provision of £ 9.5k for legal advice (for pensions), property advice, I.T. consultancy, H.R. (Human Resources) consultancy and H&S (Health & Safety) consultancy.

9. Minimal provision for training in 2007-2008 of £ 5k (£2k for recruitment). This represents £ 294 per person per annum. In previous years training has been based on 1.5 days training per year for each staff member (daily rate £400) which would give a budget of £ 10,200. Two days per year is regarded as a more realistic allowance which would give a budget of £13,600.

10. Result entirely dependent upon volume of copying required.

11. Covers bank charges, loss on exchange etc.

Table 8
Sponsored Publications Funds (Note 1)
Income and Expenditure Account

| | Proposed budget 2007-2008 | | <i>Forecast Budget</i> <i>2008-2009</i> | | Note |
|---|------------------------------|---------------|--|---------------|------|
| | £ | £ | £ | £ | |
| Income | | | | | |
| Voluntary contributions | | 0 | | 0 | |
| Sales | | 1,500 | | 1,500 | 2 |
| UK tax recoverable | | 0 | | 0 | |
| Bank Interest | | 1,300 | | 1,500 | 3 |
| Sundry income | | 0 | | 0 | |
| | | <u>2,800</u> | | <u>3,000</u> | |
| Expenditure | | | | | |
| Special Issues: (None planned in year) | 0 | | 0 | | |
| Other (re-prints etc.) | 0 | | 0 | | |
| | | <u>0</u> | | <u>0</u> | |
| Net transfer from or to (-) I&E Account | | 2,800 | | 3,000 | |
| Opening Balance brought forward | | 37,100 | | 39,900 | 4 |
| Projected Closing balance | | <u>39,900</u> | | <u>42,900</u> | |

Notes

1 The Sponsored Publications Fund exists primarily to receive voluntary contributions towards publication of IWC Special Issues, contributors often specifying that the revenue from sales of publications funded by their donations should be used towards future publications and not for general expenditure. The Commission has also made allocations of money towards publication of some Special Issues. Proceeds of volumes for which the IWC has provided funds wholly or in part are allocated to the General Fund and the Sponsored Publications Fund in due proportion. No IWC funds are expended in the production of volumes relating to small cetaceans. These are funded solely from contributed funds and interest accrued thereon.

2 Conservative estimate of sales.

3 A realistic amount of interest has been included.

4 The Opening Balance in the Proposed Budget column represents the anticipated result based on the projections in last year's Provisional Financial Statement.

Table 9

Small Cetaceans Fund (Note 1)
Income and Expenditure Account

| | Proposed budget 2007-2008 | | Forecast Budget 2008-2009 | | Note |
|---|------------------------------|---------------|------------------------------|---------------|-------|
| Income | £ | £ | £ | £ | |
| Voluntary contributions | | 1,000 | | 1,000 | 2 |
| UK tax recoverable | | 0 | | 0 | |
| Bank Interest | | 700 | | 700 | 3 |
| Sundry income | | <u>0</u> | | <u>0</u> | |
| | | 1,700 | | 1,700 | |
| Expenditure | | | | | |
| Invited participants | 1,000 | | 1,000 | | 4 |
| Expenditure of designated funds: | | | | | |
| By-catch reduction | 0 | | 0 | | 5 & 2 |
| Cooperative Research – Recovery of the Vaquita | 0 | | 0 | | 5 |
| Sundry expenditure | <u>100</u> | | <u>100</u> | | 6 |
| | | 1,100 | | 1,100 | |
| Net transfer from or to (-) I&E Account | | 600 | | 600 | |
| Opening Balance brought forward | | <u>11,900</u> | | <u>12,500</u> | 7 |
| Projected Closing Balance | | <u>12,500</u> | | <u>13,100</u> | |

Notes

1. The Commission established the IWC Voluntary Fund for Small Cetaceans in 1994 'to allow for the participation from developing countries in future small cetaceans work ...' and called upon 'Contracting Governments and non-Contracting Governments, intergovernmental organisations and other entities as appropriate, in particular those most interested in scientific research on small cetaceans to contribute ...'. (IWC Resolution 1994 - 2 *Rep. int. Whal. Commn* 45:41.)

2. Voluntary contributions can reasonably be expected. The budget shows a notional £1k for Small Cetacean Invited Participants.

3. A realistic amount of interest has been included.

4. In 2007-2008, unless the Fund receives further contributions, support for this activity will be minimal. (*The same applies for 2008/09*).

5. The Fund previously received voluntary contributions specifically designated to support these projects.

6. Includes bank charges, loss on exchange etc.

7. The Opening Balance in the Proposed Budget column represents the anticipated result based on the projections in last year's Provisional Financial Statement.

Table 10
Research Fund (Note 1)

| | Proposed Budget 2007-2008 | | <i>Forecast budget 2008-2009</i> | | Note |
|---|---------------------------------|-----------------------|--|-----------------------|------|
| | £ | £ | £ | £ | |
| Income | | | | | |
| Allocation | | 290,700 | | 296,900 | 2 |
| Voluntary contributions | | 1,000 | | 1,000 | |
| UK tax recoverable | | 0 | | 0 | 3 |
| Bank Interest | | 7,000 | | 7,000 | 4 |
| Sundry income | | 0 | | 0 | |
| | | <u>298,700</u> | | <u>304,900</u> | |
| Expenditure | | | | | |
| | | <u>290,700</u> | | <u>296,900</u> | |
| Net transfer from or to (-) I&E Account | | 8,000 | | 8,000 | |
| Opening Balance brought forward | | <u>152,700</u> | | <u>160,600</u> | 5 |
| Projected Closing Balance | | <u><u>160,700</u></u> | | <u><u>168,600</u></u> | |

Notes to Table 10

1 The Research Fund exists to receive voluntary contributions and any such monies as the Commission may allocate for research and scientific investigation and is charged with expenditure of this nature. Although expenditure may be authorised to be spent within a specific period, problems in the field may cause current programs to be delayed or projects yet to be started to be deferred until a later period. The result of this deferred expenditure is for balances to be carried forward on the Research Fund until such time as the money can be spent as authorised on the appropriate projects.

During the period that budget proposals are being considered, the funds requested for the next financial year cannot be allocated. An initial simplifying assumption has been made that all funds requested for 2007-2008 will be spent during 2007-2008 and that any funds brought forward at 01 September 2007 will be carried forward at 31 August 2008. In reality some of the funds brought forward at 01 September 2007 will be spent during 2007-2008 and some of the new expenditure authorised to be spent in 2007-2008 will be deferred and carried forward to 2008-2009. In each of the years since 2000 substantial balances have been held on the Research Fund as follows:

1999/2000 £ 123,864 , **2000/2001** £ 153,044 , **2001/2002** £ 146,516 **2002/2003** £ 102,013, **2003/2004** £ 148,847, **2004/2005** £ 138,812 , **2005/2006** £ 133,914

Therefore the above simplifying assumption is realistic for planning purposes as the projected closing balances of £ 160,700 for 2007-2008 and £ 168,600 for 2008-2009 are within the range recorded for the financial years since 1999-2000.

2 The 'Allocation' comprises the allocation of new money for new or existing programs.

3 Recovery of VAT and Airport Departure Tax.

4. Interest rates are assumed to remain at current levels. A conservative estimate of interest receivable has been included.

5. The Opening Balance in the Proposed Budget column represents the anticipated result based on the projections in last year's Provisional Financial Statement.

A full analysis of research expenditure is given in Table 10A.

The proposed funding for research has been set at £ 290.7k This amount is based on the initial 06/07 approved budget increased by the current UK rate of inflation (4.2% for 07/08, 2.1% for 08/09).

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Table 10A. Research Fund – Preliminary Movement of Funds 2007-2008

| Note | Program Description | Balance B/Fwd (A) | Proposed Budget 2007-2008 Pre- Allo'n (B) | Total Funds Available (C) | Receipts (D) | Expenditure (E) | Balance C/Fwd (F) |
|------|---|----------------------|---|------------------------------|--------------|-----------------|----------------------|
| - | Continuing Projects and Contracts | - | - | - | - | - | - |
| 1 | Invited participants | 1,013 | | 1,013 | | | 1,013 |
| 2 | Pollution 2000+ | 7,026 | | 7,026 | | | 7,026 |
| 3 | FAO fisheries statistics | 2,237 | | 2,237 | | | 2,237 |
| 4 | Workshop on the use of mkt sampling to est' bi-catch | 9,973 | | 9,973 | | | 9,973 |
| 5 | Habitat Degradation Workshop | 4,771 | | 4,771 | | | 4,771 |
| 6 | AS - Developer's Fund (AWMP fund for developers) | 6,472 | | 6,472 | | | 6,472 |
| 7 | SO-GLOBEC - Deakin Univ. SOC database completion. | 1,963 | | 1,963 | | | 1,963 |
| 8 | AWMP Intersessional Workshop | 7,663 | | 7,663 | | | 7,663 |
| 9 | SOS review | 254 | | 254 | | | 254 |
| 10 | Sea Ice and Whale Habitat (E/IA/BRG) | 597 | | 597 | | | 597 |
| 11 | SOWER cruise 06/07 | 33,969 | | 33,969 | | | 33,969 |
| 12 | RMP Inter-sessional (Brydes Whales) | 3,307 | | 3,307 | | | 3,307 |
| 13 | Integrated Model Analysis | 2,000 | | 2,000 | | | 2,000 |
| 14 | Estimation of bycatch. Data collection and market pathways | 2,355 | | 2,355 | | | 2,355 |
| 15 | Genetic Simulation Studies | 3,500 | | 3,500 | | | 3,500 |
| 16 | Arctic Sea ice - pop'l'n dynamics (incl. dev std. rpt. coll'n . whales+ships) | 14,500 | | 14,500 | | | 14,500 |
| 17 | Whales and shelf break krill distribution | 1,000 | | 1,000 | | | 1,000 |
| 18 | Minke abundance estimates (IA development support) | 786 | | 786 | | | 786 |
| 19 | Symposium on infections+non infec diseases | 13,466 | | 13,466 | | | 13,466 |
| 20 | SH Blue Whales. Initiate comprehensive assessment | 1,500 | | 1,500 | | | 1,500 |
| 21 | N.Atlantic Fin Whale workshop | 26 | | 26 | | | 26 |
| 22 | TOSSM International workshop with non-SC developer of genetic methods. | 1,815 | | 1,815 | | | 1,815 |
| | New Work – Commencing 01/09/2007 - unallocated | | 290,700 | 290,700 | | 290,700 | |
| | Sundry Expenditure - Sundry expenditure & Bank Charges | | | | | | |
| | | 0 | 0 | 0 | 0 | 0 | 0 |
| | Sundry Income – Bank Interest (£6.9k) + Vol. Contribution (£1k) | | 0 | 0 | 8,000 | 0 | 8,000 |
| | Provision against oceruns | 32,508 | | 32,508 | | | 32,508 |
| | Total | 152,700 | 290,700 | 443,400 | 8,000 | 290,700 | 160,700 |

Notes to Table 10A

Abbreviations

| | | |
|---------------|--|---|
| AWMP | Sub-committees of the Scientific Committee | Aboriginal Subsistence Whaling Management Procedure |
| BRG | | Bowhead, Right and Gray whales |
| E | | Environmental Concerns |
| IA | | In-depth Assessment |
| FAO | Fishing and Agriculture Organisation | |
| GLOBEC | Global Ocean Ecosystem Dynamics | |
| RMP | Revised Management Procedure | |
| SO | Southern Ocean | |
| SOS | Southern Ocean Sanctuary | |
| SOWER | Southern Ocean Whale & Ecological Research | |
| TOSSM | Testing of Spatial Structure Model | |
| SOWER | Southern Ocean Whale & Ecological Research | |

Table Headings

- A) “Balance brought forward” - represents funds received for project expenditure authorised in previous periods. Where expenditure is deferred until a future period, the money is carried forward as part of the Research Fund balance.
- B) “Proposed Budget 2006-2007 Pre-Allocation” – represents the funding requested by the Scientific Committee for 2006-2007 before any allocation has been made to specific projects.
- C) “Total Funds Available” - for 2006-2007 when funds brought forward from previous periods are added to funds authorised and then allocated to specific projects for 2006-2007.
- D) “Receipts” – additional income from voluntary contributions, interest receivable or taxes recoverable.
- E) “Expenditure” amounts expended within 2006-2007 on specific projects.
- F) “Balance carried forward” – represents unspent money within 2006-2007 (due to delay or deferral of project work) to be carried forward to 2007-2008.

Table Contents

1. Funds brought forward from previous periods to meet the costs of scientists invited to participate in the Annual Meeting of the Scientific Committee whose attendance is funded fully or in part by the Commission.
2. Residual funds from previous years to be used for a Workshop to discuss a possible Phase II of the POLLUTION 2000+ programme. SCRep 2007, Annex K Appendix 2.
3. Residual funds from previous years to allow the IWC to continue working with FAO, particularly on: (1) FAO access to Taiwanese fisheries statistics; (2) exploring how best information on cetacean bycatch might best be held; and (3) exploring how the Inventory of Fisheries might best be used. SCRep 2005 Item 7.1.1.
4. Residual funds from 2004 –2005 budget to meet the costs of a workshop on use of market sampling to estimate bycatch. Hold methodological workshop with the following objectives: (1) review available methods that have been used to provide estimates of large cetacean bycatches via market samples, including a consideration of their associated confidence intervals in the context of the RMP; (2) provide advice as to whether market-sampling-based methods can be used to reliably estimate bycatch for use in addressing the Commission’s objectives regarding total removals over time and, if so, the requirements for such methods. SCRep 2004 items 7.2.1, 21 and Annex J item 6.1.
5. Habitat Degradation Workshop - Residue of funds originally received in 2003-2004, to be allocated to (1) the POLLUTION 2000: Phase II Workshop, and (2) the compilers of the SOCER report.
6. Residual funds from previous years .The Developer’s Fund was established to provide scientists developing the Aboriginal subsistence Whaling Management Procedure (AWMP) with appropriate facilities (hardware, software, communications, travel support etc) to promote the most effective and expeditious progress. SCRep 2004 8.6 and 21.
7. Residual funds from previous years to support various SO-GLOBEC programs including the SOC database. This comprises data for all IWC/ SO-GLOBEC/CCAMLR and other multidisciplinary survey data and sea-ice data under international collaborative programmes. This work will contribute to high priority analyses outlined in SCRep 2007 Item 12.3.2.
8. Residual funds from previous years, used to support participants at AWMP intersessional workshops. SCRep 2006 Item 21.
9. Residual funds from 2003-2004 budget to support invited participants to attend Southern Ocean Sanctuary review meeting in Sorrento (June). SCRep 2004 17.2.2 and 21.

10. Residual funds from 2004 –2005 budget, used to support participants at a mini-symposium jointly held by the IA, BRG and E sub-committees. SCRep 2005 item 21 and Annex K item 9, App 8.
11. Residual funds from previous years to allow continued support of SOWER cruises.
12. Residual funds from 2006-2007.budget, used to support participants at the Second Western North Pacific Bryde's whale Implementation workshop. SCRep 2007 Item 6.1.3.
13. Funds from 2005-2006 to further the work on exploring the reasons for differences in Antarctic minke whale abundance from CPII and CPIII and working towards an In-Depth Assessment. This will include use of the IWC-DESS software. SCRep 2006 Item 10.2.3.
14. Residual funds from 2005-2006 budget, used to support research into market pathways and data collection to determine if market sampling based on these methods can be used to provide estimates of the number of bycaught animals. SCRep 2006, Item 7.2.1
15. Funds from 2005-2006 to obtain abundance estimates for West Greenland common minke whales using genetic data SCRep 2006 Item 8.
16. Funds from 2005-2006 to fund a student to work with a sea-ice specialist to derive regional analysis of changes in sea ice since 1979 and undertake projection into the future. The student has not yet started on the project SCRep 2006 Item 12.1.
17. Funds from 2005-2006 to pay for the SOWER cruise leader to attend a collaborative meeting to discuss spatial and sea ice conditions on surveys. This meeting has not taken place yet. SCRep 2006, Item 21.
18. Residual funds from 2006-2007 budget to purchase software for use in investigating the relationship between minke whales and sea-ice. SCRep 2007 Item 21.
19. Funds to support participants at the symposium on infectious and non-infectious diseases to be held in Anchorage immediately prior to SC/59. SCRep 2007 Item 12.3.5.
20. Residual funds from 2005-2006 for computing tasks needed to done in order to initiate the Comprehensive Assessment of blue whales. The work requiring these funds will be completed during the next financial year. SCRep 2006 Item 10.3.3.
21. Residual funds used to support participants at the joint IWC/NAMMCO workshop on North Atlantic fin whales. SCRep 2006 item 6.2.2.
22. Residual funds used to support participants at the workshop to discuss the next stage of the TOSSM project. SCRep 2006 Item 11.4.

Table 11 (Note 1)**Severance Pay Provision** (Note 1)

| | Proposed Budget 2007-2008 | | Forecast Budget 2008-2009 | Note |
|---|------------------------------|----------------|------------------------------|------|
| | £ | £ | £ | |
| Opening Balance 1 September 2007 / 2008 | | 390,800 | 412,100 | 2 |
| Provision for year | | <u>21,300</u> | <u>30,000</u> | |
| Projected Closing Balance | | <u>412,100</u> | <u>442,100</u> | 3 |

Notes

1 In accordance with the practice of other intergovernmental organisations the Commission provides an indemnity to staff in the event of their appointments being terminated upon the abolition of their posts. The indemnity increases according to length of service and therefore an annual provision is made to bring the total provision to the level of the maximum contractual liability. The provision is effectively reduced by bank interest received on the invested funds.

2 The Opening Balance in the Proposed Budget column represents the anticipated result based on the projected out-turn as at 31 August 2007. *That in the Forecast Budget takes account of movements in the 2007-2008 proposed budget.*

3 The Projected Closing Balance is equal to the maximum projected liability.

Table 12**General Fund** (Note 1)

| | Proposed Budget 2007-2008 | Forecast Budget 2008-2009 | Note |
|---|---------------------------------|---------------------------------|------|
| | £ | £ | |
| Opening Balance 1 September 2007 (2008) | 1,256,700 | 1,157,500 | 2 |
| Surplus/Deficit (-) transferred from Income & Expenditure Account | <u>-99,200</u> | <u>-120,900</u> | |
| Projected Closing Balance 31 August 2008 (2009) | <u>1,157,500</u> | <u>1,036,600</u> | 3 |

Notes

1. The Commission's Financial Regulation C.1 requires that the General Fund shall be credited or debited with the balance of the Income and Expenditure Account at the end of each financial year.

2. The Opening Balance in the Proposed Budget column represents the anticipated result based on the projections in the previous year's Provisional Financial Statement. That in the Forecast Budget column is the balance brought forward from the proposed budget shown above.

3. The projected closing balance will be increased if any arrears of contributions are received, if there are other improvements in revenue or if actual expenditure to the year-end is less than that projected.

4. The proposed (*and forecast*) budget as currently drafted shows a deficit. A proposed deficit budget (before transfer from/to reserves) that still allows the General Fund to be maintained at target levels (50% of operating expenditure in any year) is sustainable. A deficit budget that allows the reserves to fall substantially below target levels is unsustainable. The latter would require larger increases in Financial Contributions in subsequent years to restore reserve levels. Reserves can be lowered if expenditure is lowered, but this must be judged in the context of the continued unimpaired running of the Commission.

Table 13

Provisional Estimate of Financial Contributions, year beginning 1 September 2007.

(* please refer to the Introduction – Financial Contributions pg 3)

| | | Current' scheme | Capacity to pay Group | Red'n | Red'n | Red'n | Add-on | Add-on | Add-on | Total |
|----|-------------------|--------------------|-----------------------------|----------|----------|---------|---------|---------|---------|---------|
| | | | | Stage 1* | Stage 2* | £ | Whaling | £ | £ | |
| | | | | | | | | Group 3 | Group 4 | £ |
| 1 | Antigua & Barbuda | 16,297 | 1 | -8,149 | -2,037 | -10,186 | 0 | 0 | 0 | 6,111 |
| 2 | Argentina | 16,297 | 2 | -4,074 | -1,222 | -5,297 | 0 | 0 | 0 | 11,001 |
| 3 | Australia | 21,730 | 3 | 0 | 0 | 0 | 0 | 6,105 | 0 | 27,835 |
| 4 | Austria | 16,297 | 3 | 0 | 0 | 0 | 0 | 6,105 | 0 | 22,402 |
| 5 | Belgium | 16,297 | 3 | 0 | 0 | 0 | 0 | 6,105 | 0 | 22,402 |
| 6 | Belize | 16,297 | 1 | -8,149 | -2,037 | -10,186 | 0 | 0 | 0 | 6,111 |
| 7 | Benin | 16,297 | 1 | -8,149 | -2,037 | -10,186 | 0 | 0 | 0 | 6,111 |
| 8 | Brazil | 16,297 | 2 | -4,074 | -1,222 | -5,297 | 0 | 0 | 0 | 11,001 |
| 9 | Cambodia | 16,297 | 1 | -8,149 | -2,037 | -10,186 | 0 | 0 | 0 | 6,111 |
| 10 | Cameroon | 16,297 | 2 | -4,074 | -1,222 | -5,297 | 0 | 0 | 0 | 11,001 |
| 11 | Chile | 16,297 | 2 | -4,074 | -1,222 | -5,297 | 0 | 0 | 0 | 11,001 |
| 12 | China, P.R of | 16,297 | 2 | -4,074 | -1,222 | -5,297 | 0 | 0 | 0 | 11,001 |
| 13 | Costa Rica | 10,865 | 2 | -2,716 | -815 | -3,531 | 0 | 0 | 0 | 7,334 |
| 14 | Cote d'Ivoire | 16,297 | 2 | -4,074 | -1,222 | -5,297 | 0 | 0 | 0 | 11,001 |
| 15 | Croatia | 16,297 | 2 | -4,074 | -1,222 | -5,297 | 0 | 0 | 0 | 11,001 |
| 16 | Cyprus | 16,297 | 3 | 0 | 0 | 0 | 0 | 6,105 | 0 | 22,402 |
| 17 | Czech Republic | 16,297 | 2 | -4,074 | -1,222 | -5,297 | 0 | 0 | 0 | 11,001 |
| 18 | Denmark | 38,027 | 3 | 0 | 0 | 0 | 5,524 | 6,105 | 0 | 49,656 |
| 19 | Dominica | 16,297 | 1 | -8,149 | -2,037 | -10,186 | 0 | 0 | 0 | 6,111 |
| 20 | Finland | 16,297 | 3 | 0 | 0 | 0 | 0 | 6,105 | 0 | 22,402 |
| 21 | France | 16,297 | 4 | 0 | 0 | 0 | 0 | 0 | 38,665 | 54,963 |
| 22 | Gabon | 16,297 | 1 | -8,149 | -2,037 | -10,186 | 0 | 0 | 0 | 6,111 |
| 23 | Gambia, The | 16,297 | 1 | -8,149 | -2,037 | -10,186 | 0 | 0 | 0 | 6,111 |
| 24 | Germany | 21,730 | 4 | 0 | 0 | 0 | 0 | 0 | 38,665 | 60,395 |
| 25 | Grenada | 16,297 | 1 | -8,149 | -2,037 | -10,186 | 0 | 0 | 0 | 6,111 |
| 26 | Guatemala | 16,297 | 2 | -4,074 | -1,222 | -5,297 | 0 | 0 | 0 | 11,001 |
| 27 | Guinea | 16,297 | 1 | -8,149 | -2,037 | -10,186 | 0 | 0 | 0 | 6,111 |
| 28 | Hungary | 16,297 | 2 | -4,074 | -1,222 | -5,297 | 0 | 0 | 0 | 11,001 |
| 29 | Iceland | 38,027 | 3 | 0 | 0 | 0 | 5,524 | 6,105 | 0 | 49,656 |
| 30 | India | 16,297 | 2 | -4,074 | -1,222 | -5,297 | 0 | 0 | 0 | 11,001 |
| 31 | Ireland | 16,297 | 3 | 0 | 0 | 0 | 0 | 6,105 | 0 | 22,402 |
| 32 | Israel | 16,297 | 3 | 0 | 0 | 0 | 0 | 6,105 | 0 | 22,402 |
| 33 | Italy | 21,730 | 4 | 0 | 0 | 0 | 0 | 0 | 38,665 | 60,395 |
| 34 | Japan | 76,054 | 4 | 0 | 0 | 0 | 5,524 | 0 | 38,665 | 120,243 |
| 35 | Kenya | 10,865 | 2 | -2,716 | -815 | -3,531 | 0 | 0 | 0 | 7,334 |
| 36 | Kiribati | 16,297 | 1 | -8,149 | -2,037 | -10,186 | 0 | 0 | 0 | 6,111 |
| 37 | Korea, Rep of | 21,730 | 3 | 0 | 0 | 0 | 0 | 6,105 | 0 | 27,835 |
| 38 | Luxembourg | 16,297 | 3 | 0 | 0 | 0 | 0 | 6,105 | 0 | 22,402 |
| 39 | Mali | 16,297 | 1 | -8,149 | -2,037 | -10,186 | 0 | 0 | 0 | 6,111 |
| 40 | Marshall Islands | 16,297 | 1 | -8,149 | -2,037 | -10,186 | 0 | 0 | 0 | 6,111 |
| 41 | Mauritania | 16,297 | 1 | -8,149 | -2,037 | -10,186 | 0 | 0 | 0 | 6,111 |
| 42 | Mexico | 16,297 | 2 | -4,074 | -1,222 | -5,297 | 0 | 0 | 0 | 11,001 |
| 43 | Monaco | 16,297 | 2 | -4,074 | -1,222 | -5,297 | 0 | 0 | 0 | 11,001 |
| 44 | Mongolia | 16,297 | 1 | -8,149 | -2,037 | -10,186 | 0 | 0 | 0 | 6,111 |
| 45 | Morocco | 16,297 | 2 | -4,074 | -1,222 | -5,297 | 0 | 0 | 0 | 11,001 |
| 46 | Nauru | 16,297 | 1 | -8,149 | -2,037 | -10,186 | 0 | 0 | 0 | 6,111 |
| 47 | Netherlands | 21,730 | 3 | 0 | 0 | 0 | 0 | 6,105 | 0 | 27,835 |
| 48 | New Zealand | 27,162 | 3 | 0 | 0 | 0 | 0 | 6,105 | 0 | 33,267 |
| 49 | Nicaragua | 16,297 | 1 | -8,149 | -2,037 | -10,186 | 0 | 0 | 0 | 6,111 |

| | | Current' scheme | Capacity to pay | Red'n | Red'n | Red'n | Add-on | Add-on | Add- on | |
|----|---------------------|--------------------|--------------------|----------|----------|---------|---------|---------|------------|---------|
| | | | Group | Stage 1* | Stage 2* | £ | Whaling | Group 3 | £ 4 £ | Total £ |
| 50 | Norway | 38,027 | 3 | 0 | 0 | 0 | 5,524 | 6,105 | 0 | 49,656 |
| 51 | Oman | 16,297 | 2 | -4,074 | -1,222 | -5,297 | 0 | 0 | 0 | 11,001 |
| 52 | Palau | 16,297 | 1 | -8,149 | -2,037 | -10,186 | 0 | 0 | 0 | 6,111 |
| 53 | Panama | 16,297 | 2 | -4,074 | -1,222 | -5,297 | 0 | 0 | 0 | 11,001 |
| 54 | Peru | 16,297 | 2 | -4,074 | -1,222 | -5,297 | 0 | 0 | 0 | 11,001 |
| 55 | Portugal | 16,297 | 3 | 0 | 0 | 0 | 0 | 6,105 | 0 | 22,402 |
| 56 | Russian Federation | 27,162 | 2 | -6,791 | -2,037 | -8,828 | 5,524 | 0 | 0 | 23,858 |
| 57 | San Marino | 16,297 | 2 | -4,074 | -1,222 | -5,297 | 0 | 0 | 0 | 11,001 |
| 58 | Senegal | 16,297 | 1 | -8,149 | -2,037 | -10,186 | 0 | 0 | 0 | 6,111 |
| 59 | Slovak Republic | 16,297 | 2 | -4,074 | -1,222 | -5,297 | 0 | 0 | 0 | 11,001 |
| 60 | Slovenia | 16,297 | 3 | 0 | 0 | 0 | 0 | 6,105 | 0 | 22,402 |
| 61 | Solomon Islands | 16,297 | 1 | -8,149 | -2,037 | -10,186 | 0 | 0 | 0 | 6,111 |
| 62 | South Africa | 16,297 | 2 | -4,074 | -1,222 | -5,297 | 0 | 0 | 0 | 11,001 |
| 63 | Spain | 16,297 | 3 | 0 | 0 | 0 | 0 | 6,105 | 0 | 22,402 |
| 64 | St Kitts and Nevis | 21,730 | 1 | -10,865 | -2,716 | -13,581 | 0 | 0 | 0 | 8,149 |
| 65 | St Vincent & The G. | 27,162 | 1 | -13,581 | -3,395 | -16,976 | 5,524 | 0 | 0 | 15,709 |
| 66 | St. Lucia | 16,297 | 1 | -8,149 | -2,037 | -10,186 | 0 | 0 | 0 | 6,111 |
| 67 | Suriname | 16,297 | 1 | -8,149 | -2,037 | -10,186 | 0 | 0 | 0 | 6,111 |
| 68 | Sweden | 21,730 | 3 | 0 | 0 | 0 | 0 | 6,105 | 0 | 27,835 |
| 69 | Switzerland | 16,297 | 3 | 0 | 0 | 0 | 0 | 6,105 | 0 | 22,402 |
| 70 | Togo | 16,297 | 1 | -8,149 | -2,037 | -10,186 | 0 | 0 | 0 | 6,111 |
| 71 | Tuvalu | 16,297 | 1 | -8,149 | -2,037 | -10,186 | 0 | 0 | 0 | 6,111 |
| 72 | United Kingdom | 27,162 | 4 | 0 | 0 | 0 | 0 | 0 | 38,665 | 65,828 |
| 73 | USA | 38,027 | 4 | 0 | 0 | 0 | 5,524 | 0 | 38,665 | 82,216 |
| | | | | | | | | | | |

Note 1

1,407,000

-305,574

-81,079

-386,653

38,665

115,996

231,992

1,407,000

| | | Shortfall for re- distribution | -386,653 |
|---------|----|-----------------------------------|----------|
| Group 1 | 25 | Whaling | 10% |
| Group 2 | 23 | Group 3 | 30% |
| Group 3 | 19 | Group 4 | 60% |
| Group 4 | 6 | | |
| | 73 | | |

Note 1: Totals in this table are rounded.

Table 13A Comparison of Financial Contributions per Country 2004/05 to 2008/09 (see note 1)

| | Country | Actual | Actual | Actual | Prop Bu | Fcst Bu |
|----|-------------------|---------|---------|---------|---------|---------|
| | | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 |
| 1 | Antigua & Barbuda | 7,126 | 8,750 | 6,105 | 6,111 | 6,240 |
| 2 | Argentina | 12,827 | 11,813 | 10,990 | 11,001 | 11,231 |
| 3 | Australia | 32,735 | 30,118 | 28,401 | 27,835 | 28,418 |
| 4 | Austria | 26,401 | 24,285 | 22,973 | 22,402 | 22,872 |
| 5 | Belgium | 26,401 | 24,285 | 22,973 | 22,402 | 22,872 |
| 6 | Belize | 7,126 | 4,375 | 6,105 | 6,111 | 6,240 |
| 7 | Benin | 7,126 | 6,563 | 6,105 | 6,111 | 6,240 |
| 8 | Brasil | 17,103 | 11,813 | 10,990 | 11,001 | 11,231 |
| 9 | Cambodia | 0 | 2,188 | 6,105 | 6,111 | 6,240 |
| 10 | Cameroon | 2,375 | 11,813 | 10,990 | 11,001 | 11,231 |
| 11 | Chile | 12,827 | 11,813 | 10,990 | 11,001 | 11,231 |
| 12 | China | 12,827 | 11,813 | 10,990 | 11,001 | 11,231 |
| 13 | Costa Rica | 8,551 | 7,875 | 7,327 | 7,334 | 7,488 |
| 14 | Cote D'Ivoire | 12,827 | 11,813 | 10,990 | 11,001 | 11,231 |
| 15 | Croatia | 0 | 0 | 7,327 | 11,001 | 11,231 |
| 16 | Cyprus | 0 | 0 | 17,546 | 22,402 | 22,872 |
| 17 | Czech Republic | 8,552 | 11,813 | 10,990 | 11,001 | 11,231 |
| 18 | Denmark | 56,671 | 53,649 | 50,099 | 49,656 | 50,697 |
| 19 | Dominica | 7,126 | 6,563 | 6,105 | 6,111 | 6,240 |
| 20 | Finland | 26,401 | 24,285 | 22,973 | 22,402 | 22,872 |
| 21 | France | 53,526 | 53,683 | 54,203 | 54,963 | 56,115 |
| 22 | Gabon | 7,126 | 6,563 | 6,105 | 6,111 | 6,240 |
| 23 | Gambia, the | 2,375 | 4,375 | 6,105 | 6,111 | 6,240 |
| 24 | Germany | 59,860 | 59,516 | 59,630 | 60,395 | 61,661 |
| 25 | Grenada | 7,126 | 6,563 | 6,105 | 6,111 | 6,240 |
| 26 | Guatemala | 0 | 3,938 | 7,327 | 11,001 | 11,231 |
| 27 | Guinea | 7126 | 6,563 | 6,105 | 6,111 | 6,240 |
| 28 | Hungary | 12,827 | 11,813 | 10,990 | 11,001 | 11,231 |
| 29 | Iceland | 56,671 | 53,649 | 50,099 | 49,656 | 50,697 |
| 30 | India | 12,827 | 11,813 | 10,990 | 11,001 | 11,231 |
| 31 | Ireland | 26,401 | 24,285 | 22,973 | 22,402 | 22,872 |
| 32 | Israel | 0 | 9,226 | 22,973 | 22,402 | 22,872 |
| 33 | Italy | 59,860 | 59,516 | 59,630 | 60,395 | 61,661 |
| 34 | Japan | 128,137 | 123,881 | 119,319 | 120,243 | 122,764 |
| 35 | Kenya | 12,827 | 7,875 | 7,327 | 7,334 | 7,488 |
| 36 | Kiribati | 4,750 | 6,563 | 6,105 | 6,111 | 6,240 |
| 37 | Korea | 17,103 | 35,952 | 28,401 | 27,835 | 28,418 |
| 38 | Luxembourg | 10,034 | 24,285 | 22,973 | 22,402 | 22,872 |
| 39 | Mali | 4,750 | 4,375 | 6,105 | 6,111 | 6,240 |
| 40 | Marshall Islands | 0 | 2,188 | 6,105 | 6,111 | 6,240 |
| 41 | Mauritania | 7,126 | 6,563 | 6,105 | 6,111 | 6,240 |
| 42 | Mexico | 12,827 | 11,813 | 10,990 | 11,001 | 11,231 |
| 43 | Monaco | 12,827 | 11,813 | 10,990 | 11,001 | 11,231 |
| 44 | Mongolia | 7,126 | 6,563 | 6,105 | 6,111 | 6,240 |
| 45 | Morocco | 12,827 | 11,813 | 10,990 | 11,001 | 11,231 |
| 46 | Nauru | 2,375 | 6,563 | 6,105 | 6,111 | 6,240 |
| 47 | Netherlands | 32,735 | 30,118 | 28,401 | 27,835 | 28,418 |
| 48 | New Zealand | 39,070 | 35,952 | 33,828 | 33,267 | 33,965 |
| 49 | Nicaragua | 7,126 | 6,563 | 6,105 | 6,111 | 6,240 |

| | Country | Actual | Actual | Actual | Prop bu | Fcst Bu |
|----|-----------------|---------|---------|---------|---------|---------|
| | | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 |
| 50 | Norway | 56,671 | 53,649 | 50,099 | 49,656 | 50,697 |
| 51 | Oman | 12,827 | 11,813 | 10,990 | 11,001 | 11,231 |
| 52 | Palau | 7,126 | 6,563 | 6,105 | 6,111 | 6,240 |
| 53 | Panama | 12,827 | 11,813 | 10,990 | 11,001 | 11,231 |
| 54 | Peru | 12,827 | 7,875 | 10,990 | 11,001 | 11,231 |
| 55 | Portugal | 26,401 | 24,285 | 22,973 | 22,402 | 22,872 |
| 56 | Russia | 26,311 | 25,718 | 23,734 | 23,858 | 24,358 |
| 57 | San Marino | 12,827 | 11,813 | 10,990 | 11,001 | 11,231 |
| 58 | Senegal | 7,126 | 6,563 | 6,105 | 6,111 | 6,240 |
| 59 | Slovak Republic | 4,276 | 11,813 | 10,990 | 11,001 | 11,231 |
| 60 | Slovenia | 0 | 0 | 17,546 | 22,402 | 22,872 |
| 61 | Solomon Is | 7,126 | 6,563 | 6,105 | 6,111 | 6,240 |
| 62 | South Africa | 12,827 | 11,813 | 10,990 | 11,001 | 11,231 |
| 63 | Spain | 26,401 | 24,285 | 22,973 | 22,402 | 22,872 |
| 64 | St Kitts | 7,126 | 8,750 | 8,141 | 8,149 | 8,319 |
| 65 | St Lucia | 7,126 | 6,563 | 6,105 | 6,111 | 6,240 |
| 66 | St Vincent | 16,809 | 6,563 | 15,593 | 15,709 | 16,039 |
| 67 | Suriname | 7,126 | 6,563 | 6,105 | 6,111 | 6,240 |
| 68 | Sweden | 32,735 | 30,118 | 28,401 | 27,835 | 28,418 |
| 69 | Switzerland | 26,401 | 24,285 | 22,973 | 22,402 | 22,872 |
| 70 | Togo | 2,375 | 4,375 | 6,105 | 6,111 | 6,240 |
| 71 | Tuvalu | 7,126 | 6,563 | 6,105 | 6,111 | 6,240 |
| 72 | UK | 66,195 | 65,350 | 65,057 | 65,828 | 67,208 |
| 73 | USA | 83,796 | 83,047 | 81,329 | 82,216 | 83,940 |
| | | | | | | |

1,384,755 1,376,753 1,393,757 1,406,994 1,436,501

Note 1: The totals shown here represent Financial Contributions invoiced to Contracting Governments. The totals shown in Table 14 represent Financial Contributions received or receivable from Contracting Governments.

Table 14: Summary and Comparisons 2004-2005 to 2008-2009

| | A | B | C | D | E | F | G | H | I | J |
|--|-----------|-----------|-----------|-----------|-----------|-----------|--------------------|--------|---------|--------|
| | 2004/05 | 2005/06 | 2006/07 | 2006/07 | 2007/08 | 2008/09 | Percentage changes | | | |
| | Actual | Actual | Budget | Projected | Proposed | Forecast | ----- | | | |
| | | | | | Bu | Bu | D/C | E/C | E/D | F/E |
| Income | | | | | | | | | | |
| Members' Contributions | 1,376,204 | 1,368,878 | 1,351,350 | 1,393,800 | 1,407,000 | 1,436,600 | 103.1% | 104.1% | 100.9% | 102.1% |
| Recovery of arrears | 0 | 0 | 0 | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0.0% |
| Interest on late contributions | 30,591 | 22,480 | 0 | 18600 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0.0% |
| Voluntary contributions | 6,539 | 42,893 | 5,500 | 24,300 | 2,000 | 2,000 | 441.8% | 36.4% | 8.2% | 100.0% |
| Sales of Publications | 14,483 | 17,909 | 17,500 | 17,500 | 17,500 | 17,600 | 100.0% | 100.0% | 100.0% | 100.6% |
| Sales of sponsored publications | 1,730 | 1,526 | 1,000 | 1,000 | 1,500 | 1,600 | 100.0% | 150.0% | 150.0% | 106.7% |
| Annual Meeting fees | 48,018 | 45,276 | 44,950 | 44,200 | 48,400 | 49,400 | 98.3% | 107.7% | 109.5% | 102.1% |
| UK tax recoverable | 20,957 | 23,513 | 29,800 | 20,800 | 24,700 | 25,300 | 69.8% | 82.9% | 118.8% | 102.4% |
| Staff Assessments | 140,183 | 145,866 | 154,800 | 154,800 | 162,800 | 169,600 | 100.0% | 105.2% | 105.2% | 104.2% |
| Bank interest | 66,842 | 74,882 | 50,150 | 58,800 | 67,600 | 64,900 | 117.2% | 134.8% | 115.0% | 96.0% |
| Sundry income | 433 | 964 | 1,000 | 1,000 | 1,000 | 1,100 | 100.0% | 100.0% | 100.0% | 110.0% |
| Total income | 1,705,981 | 1,744,186 | 1,656,050 | 1,734,800 | 1,732,500 | 1,768,100 | 104.8% | 104.6% | 99.9% | 102.1% |
| Expenditure | | | | | | | | | | |
| Salaries, N.I., allowances | 609,339 | 623,169 | 655,900 | 654,000 | 671,900 | 696,700 | 99.7% | 102.4% | 102.7% | 103.7% |
| Pensions and other benefits | 123,178 | 128,438 | 134,450 | 138,100 | 144,300 | 148,700 | 102.7% | 107.3% | 104.5% | 103.0% |
| Travel | 3,699 | 5,320 | 5,700 | 6,000 | 5,800 | 5,900 | 105.3% | 101.8% | 96.7% | 101.7% |
| Office rent and maintenance | 113,483 | 109,997 | 117,750 | 120,200 | 113,200 | 114,000 | 102.1% | 96.1% | 94.2% | 100.7% |
| General Insurances | 5,443 | 5,410 | 5,600 | 6,100 | 6,300 | 6,500 | 108.9% | 112.5% | 103.3% | 103.2% |
| Postage & telecomms | 18,926 | 15,092 | 20,000 | 17,700 | 17,000 | 17,400 | 88.5% | 85.0% | 96.0% | 102.4% |
| Office equipment & supplies | 54,272 | 48,883 | 57,980 | 57,100 | 51,700 | 53,000 | 98.5% | 89.2% | 90.5% | 102.5% |
| Professional fees | 7,797 | 11,066 | 12,450 | 12,500 | 15,000 | 15,300 | 100.4% | 120.5% | 120.0% | 102.0% |
| Training and Recruitment | 2,405 | 3,593 | 4,050 | 4,100 | 7,000 | 7,100 | 101.2% | 172.8% | 170.7% | 101.4% |
| Photocopying etc. | 3,058 | 6,040 | 4,550 | 4,600 | 5,500 | 5,600 | 101.1% | 120.9% | 119.6% | 101.8% |
| Sundry expenditure | 0 | 6,498 | 5,050 | 4,000 | 4,200 | 4,200 | 79.2% | 83.2% | 105.0% | 100.0% |
| Total Secretariat | 941,600 | 963,505 | 1,023,480 | 1,024,400 | 1,041,900 | 1,074,400 | 100.1% | 101.8% | 101.7% | 103.1% |
| Publications costs | 29,486 | 28,071 | 43,350 | 40,200 | 37,700 | 38,500 | 92.7% | 87.0% | 93.8% | 102.1% |
| Annual Meetings | 315,100 | 326,000 | 333,850 | 333,900 | 347,900 | 355,200 | 100.0% | 104.2% | 104.2% | 102.1% |
| Other Meetings | 13,268 | 18,643 | 20,500 | 20,500 | 79,800 | 81,400 | 100.0% | 389.3% | 389.3% | 102.0% |
| Research | 256,895 | 307,219 | 274,000 | 274,000 | 290,700 | 296,900 | 100.0% | 106.1% | 106.1% | 102.1% |
| Small cetaceans | 25,672 | 13,350 | 4,550 | 19,000 | 1,000 | 1,000 | 417.6% | 22.0% | 5.3% | 100.0% |
| Sundry | 2,445 | 0 | 0 | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0.0% |
| Total expenditure | 1,584,466 | 1,656,789 | 1,699,730 | 1,712,000 | 1,799,000 | 1,847,400 | 100.7% | 105.8% | 105.1% | 102.7% |
| Provisions: | | | | | | | | | | |
| Unpaid contributions | 23,885 | -23,814 | 0 | 0 | 0 | 0 | | | | |
| Unpaid interest | -55,464 | -57,409 | 0 | 0 | 0 | 0 | | | | |
| Severance Pay | 1,200 | 31,600 | 28,500 | 26,500 | 21,300 | 30,000 | 93.0% | 74.7% | 80.4% | 140.8% |
| Other doubtful debts | -1,796 | 1,816 | 0 | 0 | 0 | 0 | | | | |
| | -32,175 | -47,807 | 28,500 | 26,500 | 21,300 | 30,000 | 93.0% | 74.7% | 80.4% | 140.8% |
| Excess/deficit (-) of income over expenditure | 153,688 | 135,205 | -72,180 | -3,700 | -87,800 | -109,300 | 5.1% | 121.6% | 2373.0% | 124.5% |
| Net Transfers from or to (-): | | | | | | | | | | |
| Publications Fund | -2,152 | -2,027 | -2,000 | -1,800 | -2,800 | -3,000 | | | | |
| Small Cetaceans Fund | 18,762 | 4,898 | -6,500 | -18,900 | -8,000 | -8,000 | | | | |
| Research Fund | 10,035 | -2,325 | -50 | 5400 | -600 | -600 | | | | |
| Surplus/Deficit (-) for the year after transfers | 180,333 | 135,751 | -80,730 | -19,000 | -99,200 | -120,900 | | | | |