

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'. The Interim Measure takes the 'old' pre-September 2002 formula for calculating contributions as its starting point (stage 1) and then modifies the resulting amounts for each Contracting Government by factors relating to capacity to pay and a further factor for involvement in whaling (stage 2). 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.

Stage 1 involves the calculation of an initial amount per country according to shares allocated for membership, meeting attendance and whaling activity. Stage 2 involves the modification of the initial amount per country, by way of "capacity to pay" criteria based on data from the World Bank (Gross National Income (GNI) and Gross National Income per Capita (GNIPC)). Specific combinations of these two statistics are used to place countries into economic groups, with Group 1 paying the lowest level of Financial Contribution and Group 4 paying the highest. The World Bank data are published around April each year. The practice up to IWC59 was to use the April data to calculate the Financial Contributions to be agreed at the Annual Meeting one or two months later.

The "capacity to pay criteria" centre around specific levels of GNI and GNIPC. These levels or "cut-off points" were agreed at IWC54 and had been unchanged since that time. During IWC59, the then accepted procedure resulted in the sudden promotion of three countries to higher economic groups and therefore exposed them to a higher level of Financial Contribution for which they had very little notice and consequently no time in which to make budgetary allowance. Two proposals were made at IWC59 to avoid Contracting Governments being exposed to sudden large increases in Financial Contributions:

- (a) To use World Bank data that were available in the December prior to the Annual Meeting (to provide more time for governments to make sufficient budgetary provision, and avoid situations like that occurring at IWC59).
- (b) To update the specific levels of GNI and GNIPC used to determine the "cut-off points" defining capacity to pay groups that were agreed at IWC54 and that had not been changed since to take account of inflation.

Proposal (a) was accepted by the Commission at IWC59 and was used to calculate the Financial Contributions for 2007-2008. Regarding proposal (b), the Secretariat was asked to update the "cut-off" points and to report back to IWC60 with a view to decision making.

At IWC60, with regard to proposal (b), the Commission agreed that:

1. the existing "cut-off points" used to define "capacity to pay groups" be updated to 2005 levels using the index provided by the World Bank;
2. the updated "cut-off points" be used in the calculation of Financial Contributions for 2008-2009;
3. the Secretariat should update the "cut-off points" annually using the index provided by the World Bank prior to the calculation of the next year's Financial Contributions
4. that Contracting Governments should be allocated into the "capacity to pay groups" using the World Bank data on GNI and GNI per capita available on 31 December of the previous year.

The World Bank data for GNI and GNI per capita available in December 2009 (to be used in the calculation of Financial Contributions for 2010/11) were published in September 2009 and refer to 2008. For the current cut off points be consistent with the published World Bank data (i.e. to 2008) they should be adjusted from 2007 to 2008 levels.

The application of the inflation adjusted “cut-off points”, together with World Bank data published in September 2009 (and available for use in December 2009) result in some revised allocations to capacity to pay groups. Antigua & Barbuda moves from Group 1 to Group 2 and Croatia and the Slovak Republic move from Group 2 to Group 3.

The “cut-off points” defining “capacity to pay groups” are shown in Table A below.

Table A Economic data and 'Capacity to Pay' Groups

Economic data and 'Capacity to Pay' Groups (2002-03 to 2007-08)						Countries in group
Group 1	GNI	less than 10,000,000,000	and	GNI/capita	less than 10,000	
Group 2	GNI	greater than 10,000,000,000	and	GNI/capita	less than 10,000	
Group 3	GNI	less than 1,000,000,000,000	and	GNI/capita	greater than 10,000	
Group 4	GNI	greater than 1,000,000,000,000	and	GNI/capita	greater than 10,000	
					Total	
Economic data and 'Capacity to Pay' Groups (2008-09)						
Group 1	GNI	less than 11,850,000,000	and	GNI/capita	less than 11,850	28
Group 2	GNI	greater than 11,850,000,000	and	GNI/capita	less than 11,850	27
Group 3	GNI	less than 1,185,000,000,000	and	GNI/capita	greater than 11,850	20
Group 4	GNI	greater than 1,185,000,000,000	and	GNI/capita	greater than 11,850	6
					Total	81
Economic data and 'Capacity to Pay' Groups (2009-10)						
Group 1	GNI	less than 12,650,000,000	and	GNI/capita	less than 12,650	29
Group 2	GNI	greater than 12,650,000,000	and	GNI/capita	less than 12,650	27
Group 3	GNI	less than 1,265,000,000,000	and	GNI/capita	greater than 12,650	21
Group 4	GNI	greater than 1,265,000,000,000	and	GNI/capita	greater than 12,650	7
					Total	84
Economic data and 'Capacity to Pay' Groups (2010-11)						
Group 1	GNI	less than 13,150,000,000	and	GNI/capita	less than 13,150	28
Group 2	GNI	greater than 13,150,000,000	and	GNI/capita	less than 13,150	30
Group 3	GNI	less than 1,315,000,000,000	and	GNI/capita	greater than 13,150	23
Group 4	GNI	greater than 1,315,000,000,000	and	GNI/capita	greater than 13150	7
					Total	88

Provisional Financial Statement 2009-2010**Key Points and Action Summary****Key Points****Income and Expenditure Account (Table 1)**

Income – exceeds budget by £53k the chief factors being: (1) interest on late contributions; and (2) increase in voluntary contributions.

Expenditure - Expenditure is projected to exceed budget by £25k due to increases in Secretariat costs of £57k and Small Cetacean costs of £6k which were offset by a lower than budgeted Other Meetings costs (i.e. by £38k)

Provisions – are projected to be under budget by £ 97k due to significant changes to Secretariat Staff and a resulting decrease in the amount to be provided for severance pay.

Result for the year – a projected excess of expenditure over income of £ -165k which, after transfers between funds, translates into a deficit of £ -176k.

The balance on the General Fund is projected at about £ 997k at the end of the current financial year (31 August 2010). This represents about 98% of the target level (6 months expenditure: £ 2,034k-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 2010-2011 and *Forecast Budget 2011-2012*

Key Points And Action Summary

Key Points

Income and Expenditure Account (Table 7)

Income – is projected to increase overall by about 15% (from £1.869k in the 2009-2010 Forecast Out-turn to £ 2,159k in the proposed budget for 2010-2011). This is largely made up of increases in Financial Contributions, staff assessments and in bank interest receivable, offset by a reduction in other sources of income.

Contracting Government Contributions (Table 13) - the total contributions required from Contracting Governments is increased for 2010- 2011 to £ 1,869k (from £ 1,533k in the 09/10 Forecast Out-turn). This represents a total increase of around 21%.

The forecast budget is decreased for 2011-2012 by 5%.

Expenditure – 2.4% has generally been used to allow for cost increases for 2010–2011 (*and for 2011-2012*) except where there are positive indications that different levels are required. This reflects current levels of inflation in the UK. Expenses are generally expected to be much the same as last year, with the exception of a proposed allocation of £ 100k for intersessional meetings and activities relating to discussions on the future of the IWC plus the proposed recruitment of a new member of staff to provide support to the Head of Science (in view of the growing workload of the Scientific Committee) and the new Secretary (with costs in the order of £65k including salary and benefits). The Secretariat will provide further justification for this proposal prior to the meeting.

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)

	2010-2011	2011-2012
Balance of income and expenditure (deficit)	57,620	-8,140
Surplus/ (Deficit) after transfers between Funds	52,570	-13,200

General Fund Reserves (see Table 12)

	2010-2011	2011-2012
Projected balance on General Fund at year-end	1,049,740	1,036,600
Target level – approximately 6 months costs	1,051,175	1,038,000
% of Target level	99.8	99.8

Reserves

Concern was expressed at IWC57 in 2005 that the level of reserves should be brought more in line with the “target level” of 50% of operating expenditure in any year (at that time the reserves were well above the target level). This has resulted in the adoption by the Commission of deficit budgets since then. The proposed budget for 2010/11 as currently drafted produces a small operating surplus. 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”.

In recent years the reserves have been in excess of the target level due mainly to new governments adhering to the Convention each year after budgets have been agreed, interest received from late-paying governments, favourable levels of bank interest received and re-payments of old debts by existing members. Despite the

Commission adopting deficit budgets with the intention of reducing the reserves to the target level, the actual results for the past few years have continued to produce surpluses because of the factors mentioned above.

The Forecast Out-Turn for the current financial year 2009/10 predicts a lower deficit than planned with the approved budget. This has been due to increased income (mainly interest on late contributions) plus a large write back of provisions (mainly due to long serving staff leaving the Commission – principally the current Secretary) significantly exceeding cost increases (mainly due to changing staff e.g. recruitment). These changes result in a projected General Fund closing balance of 49% of operating expenses for 2009/10 (i.e. 98% of the target level).

The effect of the reserves in 2009/10 being reduced to near the target level of 50% of operating costs is that, expenditure for 2010/11 and 2011/12 will have to be mainly funded by Financial Contributions, i.e. if reserves are to be maintained, they will not be available to use to fund expenditures.

If the IWC is to hold further intersessional meetings or undertake other activities in 2010/11 in relation to the future of the organisation and other expenditure is expected to rise broadly with inflation, then Financial Contributions would have to rise significantly in 2010/11 (around 21%) followed by a reduction in 2011/12 (around -5%) to keep reserves at or near the target level of 50% of operating costs in each financial year¹.

Development of proposed and forecast budgets

The Secretariat believes that the current economic climate and uncertainty regarding requirements for intersessional meetings/activities on the future of the organisation make it difficult to develop proposed budgets for 2010/11 and 2011/12 prior to discussions at IWC62 in Agadir that will be acceptable to Contracting Governments without amendment. The proposed and forecast budgets in this document have therefore been developed to present a 'reasonable' proposal to use as a basis for discussions and to give Contracting Governments some indication of the level of financial contributions that may be required.

The assumptions used for expenditure were as follows:

- Expenditures are based on the forecast out-turn for 2009/10 in the first instance, with data included from the IMO (e.g. in relation to staff salaries) and other external sources where appropriate.
- UK inflation as at December 2009 (i.e.2.4%) assumed unless specific items require an alternative percentage to be used.
- It is assumed that there will be Annual Meetings as at present in 2011 and 2012.
- It is assumed that discussions relating to the future of the organisation will continue into 2010/11 and £100,000 has been included for such activities - no provision has been made for these discussions in following years.
- Negotiations on the renewal of the lease of the Secretariat's offices resulted in a reduction from £75k per annum to £ 60k per annum (a 20% reduction).

The assumptions used for income, besides Financial Contributions were:

- Other income is assumed to decline to midway between 08/09 and 09/10 levels (given the current reduced states of many economies).
- Financial Contributions have been calculated assuming for the most part the same level of delegates as at IWC61.

The proposed budget for 2010/11 and forecast budget for 2011/12

As stated above, the Commission has been fortunate in previous years in that despite setting deficit budgets to reduce reserves, surpluses have resulted mainly due to new governments adhering to the Convention each year after budgets have been agreed, interest received from late-paying governments, favourable levels of bank interest received and re-payments of old debts by existing members. For the 09/10 forecast out-turn, the predicted near attainment of the target level of General Fund (49% of operating expenses for 2009/10) has arisen in large part due to the write back of severance pay provision due to long serving staff leaving the Commission. The chance of further favorable and unplanned effects recurring in future years must be in doubt.

Given the wide variety of scenarios that are under consideration in discussions relating to the future of the organisation, the setting of a realistic budget is problematic. The proposed budget and forecast budget as

¹ Consideration to the evening out the increase in Financial Contributions over two years may be preferred. The Secretariat will work on this prior to IWC/62

presented seek to raise funds when they are needed (as favoured by some Contracting Governments) rather than allowing reserves to grow and act as a buffer so that future cost increases absorbed more easily.

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. This is clearly a matter that should be discussed at IWC/62 in Agadir.

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 2010-2011, (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 2011-2012.*

Commission

1. To adopt the budget for 2010-2011 (as proposed in Table 7 or amended by the Finance and Administration Committee);
2. *To note/comment upon the Forecast Budget 2011-2012.*

Table 1

Provisional Financial Statement 2009-2010

Income and Expenditure Account

	Approved Budget		Projected Out-turn		Note
Income	£	£	£	£	
Contracting Government contributions		1,533,000		1,533,000	1
Recovery of Arrears		0		0	2
Interest on overdue financial contributions		0		33,800	3
Voluntary contributions		2,000		15,750	4
Sales of publications		18,900		18,900	5
Sales of sponsored publications		1,000		1,000	6
Observers' registration fees		50,300		50,300	7
UK taxes recoverable		22,000		22,020	8
Staff assessments		172,500		186,800	9
Interest receivable		16,200		7,520	10
Sundry income		500		0	
		<u>1,816,400</u>		<u>1,869,090</u>	
Expenditure					
Secretariat	1,153,300		1,210,200		Table 1A
Publications	38,500		38,600		11
Annual meetings	365,700		365,700		12
Other meetings	198,000		159,800		13
Research expenditure	308,500		308,340		14
Small cetaceans	1,000		7,000		15
Sundry	0		0		
	<u>2,065,000</u>		<u>2,089,640</u>		
Provisions					
Unpaid interest & overdue contributions	0		11,730		16
Severance Pay Provision	41500		-67,500		Table 5
Provn for other doubtful debts	<u>0</u>		<u>0</u>		17
		<u>2,106,500</u>		<u>2,033,870</u>	
Excess of expenditure over income		-290,100		-164,780	
Net Transfers from or to (-):					
Sponsored Publications Fund		-1,700		1,160	Table 2
Research Fund		-4,600		7,220	Table 4
Small Cetaceans Fund		<u>-150</u>		<u>2,960</u>	Table 3
Surplus/Deficit (-) for the year after transfers		<u>-296,550</u>		<u>-176,120</u>	Table 6

Notes to Table 1

1. At budget level.
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. Income of £34k is shown in the Forecast Out-turn. £ 5k relates to annual interest for debts outstanding for more than 12 months and applies to 5 countries. £ 29k relates to penalty interest for the late payment of 09/10 Financial Contributions and applies to 37 countries.
4. Voluntary Contributions (VC). The out-turn figure includes £6k of contributions for the Research Fund (towards the “Ship-strike data base” and £9k of contributions for the Small Cetaceans Fund (£ 3k towards a climate change workshop to be held in Vienna and £ 6k for other programs).

VC’s of £500k (approx) were received from the Australian Government in late 08/09, towards the work of the Southern Ocean Research Partnership (£250k) and Conservation Management Plan (£250k). These VC’s were placed in dedicated interest bearing bank accounts. It should be noted that these VC’s are part of the General Fund. VC’s to the General Fund and associated expenditure are not shown in the income and expenditure account. VC’s are offset against matching expenditure and therefore have no effect on the surplus or deficit for the year.

Other General Fund VC’s have been received to fund the attendance of Developing Countries at intersessional meetings concerning the future of the IWC. As referred to above, these General Fund VC’s and associated expenditure are not shown in the income and expenditure account.

A VC of £250k (approx) was received from the Australian Government in late 08/09 for the Small Cetacean Fund and is referred to in Table 3 note 4.
5. The budget was set at a level consistent with previous years. The out-turn projection remains at the budget level.
6. Conservative estimate.
7. Maintained at budget level. Actual revenue is dependent upon the numbers of observers attending the 2010 Annual Meeting. Reliable information is not yet available.
8. Maintained at budget level. Recoveries of primarily VAT but also Airport Departure Tax and Insurance Premium Tax.
9. Recoveries of Staff Assessments are generally broadly proportionate to salary costs. However for 09/10 there will be a three month overlap between the new Secretary arriving and the current Secretary departing, leading to a temporary rise over the base level of Staff Assessments.
10. A significant decline in bank base rates has led to a decrease in the out-turn projection of interest receivable below the budget level.
11. For the out-turn, printing costs have been kept in line with the approved budget.
12. Any costs additional to those budgeted will be met by the host government.
13. The 2009-2010 Approved Budget allocation for “Other meetings” of £ 198k included £ 150k for intersessional meetings, £ 41k to meet translation and interpretation costs at IWC62 and 7k for a ‘welfare of entangled whale workshop’. The intersessional meetings (including the Small Working Group) held during 09/10 in Santiago (Chile), Seattle (USA), Hawaii (USA), Florida (USA) and a final meeting held in the USA concerning the future of the IWC, have a forecast total cost in the order of £112k.

Assistance was given by the Commission for the attendance of developing country members of the SWG at SWG meetings, funded by voluntary contributions. As this item should have no “net cost” to the IWC, it has not been included in the forecast Out-turn.

The total Forecast Out-turn for other meetings of £ 160k includes, £ 112k for intersessional meetings, £ 41k to meet translation and interpretation costs at IWC62 and a £7k contribution towards a “welfare of entangled whale workshop” .

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. A specific provision of £5k has been made for annual interest charged to Kenya on debts outstanding. A further provision of £ 7k has been made in the expectation that Kenya’s Financial Contribution for 2009/10 will be cancelled as per the Financial Regulations referring to long term debtors.

17. Review of provision for doubtful debts takes place periodically.

Table 1A
Analysis of Secretariat Costs 2009-2010

	Approved Budget	Projected Out- turn	Note
Salaries and allowances	730,230	771,110	1
Retirement and other benefit schemes	176,410	164,580	2
Travelling expenses	9,960	10,520	3
Office rent, heating and maintenance	119,410	103,650	4
Insurance	4,700	5,000	5
Postage and telecommunications	17,930	18,500	6
Office equipment and consumables	49,650	52,300	7
Professional fees	29,910	34,800	8
Training and Recruitment	6,310	42,500	9
Photocopying	4,550	3,000	10
Sundry	4,240	4,240	11
TOTAL	1,153,300	1,210,200	

Notes

1. There is a £41k increase over budget, mainly attributable to the three month overlap period between the new Secretary arriving and the current Secretary departing, leading to a temporary rise in the level of salaries and allowances.

2. Decreased insurance premiums (not known at the time the budget was prepared) of £ 12k due to alternative lower cost suppliers being sought or better (lower) terms being agreed with existing suppliers.

3. In line with budget.

4. £ 15k decrease when compared to budget, due mainly to a 20% reduction in office rent following the negotiation of a new lease for the Secretariat Office.

5. In line with budget.

6. In line with budget.

7. This item includes equipment-leasing costs and a general provision for replacement/upgrading of hardware and software. A 5% increase over budget has been included for the out-turn.

8. Provision is made for Professional Advice or Consultancy on a contingent basis. This line includes provision for legal and real estate advice to support the re-negotiation of the lease of the Secretariat Offices. The £5k overall increase when compared to budget is mainly attributable to late invoicing of legal fees relating to the lease renewal.

9. Provision is made for Training and Recruitment on a contingent basis. The £ 36k increase over budget is attributable to funding the unexpected recruitment of a new Secretary (Total cost £37k; including advertising £19k, selection panel costs £5k, candidate costs £8k and facilities costs £5k²).

10. Result entirely dependent upon volume of copying required. £ 1.5k reduction when compared to budget is based on low expenditure to date.

11. The costs of bank charges, loss on exchange etc are included here.

² The charge for facilities may be over-estimated. The Secretariat will check the figures.

Table 2
Sponsored Publications Fund 2009-2010 (Note 1)
Income and Expenditure Account

	Approved Budget		Projected Out-turn		Note
	£	£	£	£	
Income					
Voluntary contributions		0		0	
Sales		1,050		1,050	2
UK tax recoverable		0		0	
Bank Interest		650		110	3
Sundry income		<u>0</u>		<u>0</u>	
		1,700		1,160	
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		1,700		1,160	
Opening Balance brought forward		<u>39,560</u>		<u>38,710</u>	5
Projected Closing Balance		<u>41,260</u>		<u>39,870</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 Sales remain at the budget level for the out-turn.

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 2009-2010.

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 2009 – 2010 (Note 1)

Income and Expenditure Account				
	Approved Budget		Projected Out-turn	Note
Income	£	£	£	
Voluntary contributions		1,000	9,320	2
UK tax recoverable		0	0	
Bank Interest		150	640	
Sundry income		<u>0</u>	<u>0</u>	
		1,150	9,960	
Expenditure				
Invited participants	1,000		7,000	3
Bank Charges	0		0	
Sundry expenditure	<u>0</u>		<u>0</u>	
		<u>1,000</u>	<u>7,000</u>	
Net transfer from or to (-) I&E Account		150	2,960	
Opening Balance brought forward		<u>10,790</u>	<u>253,110</u>	4
Projected Closing Balance		<u>10,940</u>	<u>256,070</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: £ 9k of contributions have been received (£ 3k from WWF towards the cost of a Climate Change Workshop in Vienna and £ 6k from France for other programmes).

3. The projected out-turn shows estimated expenditure by programme.

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. The Projected out-turn closing balance is significantly higher than budget, due to a voluntary contribution of £250k (approx) from the Australian Government in late 08/09 which was placed in a dedicated interest bearing bank account.

Table 4**Research Fund 2009 – 2010** (Note 1)**Income and Expenditure Account**

	Approved Budget	Projected Out- turn	Note
Income	£	£	
Allocation	308,500	308,500	2
Voluntary contributions	1,000	6,420	3
UK tax recoverable	0	20	4
Bank Interest	3,580	620	5
Sundry income	<u>0</u>	<u>0</u>	
	313,080	315,560	
Expenditure	<u>-308,500</u>	<u>-308,340</u>	Table 4A
Net transfer from or to (-) I&E Account	4,580	7,220	
Opening Balance brought forward	<u>231,920</u>	<u>182,600</u>	6
Projected Closing Balance	<u>236,500</u>	<u>189,820</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.
- 3 A notional figure of £ 1k was included in the budget. The out-turn figure includes £ 6k from France towards the cost of setting up a "Ship-strike data base".
- 4 Recovery of VAT and Airport Departure Tax.
- 5 Estimates for the out-turn projection show Bank Interest receivable below budget due to a significant reduction in interest rates.
- 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.

Conservation Committee Work This Committee is advised by the Scientific Committee regarding research priorities. Voluntary Contributions towards Conservation Committee work (and any associated expenditure) are treated as part of the General Fund and are reported separately from funding specific to the work of the Scientific Committee.

In June 2007 a Voluntary Contribution of £ 12.3k was received from the Australian Government towards the IWC Conservation Committee work on the impact of ship strikes on cetaceans. This contribution has now been spent in full. In June 2008 a Voluntary Contribution of £ 9.3k was also received from the Italian Government for this work and is still available as at 31 March 2010.

Table 4A
Research Expenditure 2009 – 2010

Note	Research expenditure 2009/10	Approved Budget £	Projected Out- turn £
	RMP		
1	RMP MSY intersessional workshop.	17,500	17,500
2	computing support for North Pacific minke whale analyses	17,500	17,500
	AWMP		
3	Workshop to continue assessment of common minke whales off West Greenland.	10,000	10,000
4	AWMP developers fund.	8,000	8,000
	IA		
5	IDCR/SOWER biopsy and photo-identification records database.	12,000	12,000
6	Abundance estimates of Antarctic minke whales using SOWER data.	5,000	5,000
7	Import of 2008/09 SOWER data and assist abundance working group.	7,100	7,100
8	SOWER 2009/10 cruise and planning meeting; NP sighting survey meeting.	71,000	71,000
	IANP		
9	Intersessional workshop on North Pacific minke whales	20,000	20,000
10	Updated simulations of dispersal for western North Pacific minke whales.	10,000	10,000
	SH		
11	Modelling of Southern Hemisphere Humpback Populations.	3,500	3,500
12	Interchange analysis, migratory connections, and mixing in Antarctic Feeding Grounds for Southern Hemisphere humpback whales Breeding Stock B.	10,000	10,000
13	Antarctic humpback whale catalogue.	15,000	15,000
14	Estimating abundance of Oceania humpback whales.	8,200	8,200
15	IWC-SOWER blue whale photo-identification continuation of archival and analysis.	3,500	3,500
	BC		
16	Further development and maintenance of the IWC ship strike database	10,000	10,000
17	Progress with bycatches and the Fisheries Resource Monitoring System (FIRMS).	4,000	4,000
	E		
18	Modelling workshop: Pollution in the 21st century.	(*) 9,000	(*) 9,000
19	State of the Cetacean Environment Report (SOCER).	3,000	3,000
	ALL		
20	Invited Participants to the 2010 Annual Meeting.	(*) 64,200	(*) 64,200
		308,500	308,500

Note: A brief description of the items listed above can be found in the Report of the Scientific Committee (IWC/61/Rep1)

(*) These items have been rounded from the figures shown in IWC/61/Rep2

Table 4A Notes**Abbreviations**

AWMP	Sub-committees of the Scientific Committee	Aboriginal Subsistence Whaling Management Procedure	
BC		Bycatch and other human-induced mortality	
BRG		Bowhead, Right and Gray Whales	
DNA		Deoxyribo Nucleic Acid	
E		Environmental Concerns	
IA		In-depth Assessment	
RMP		Revised Management Procedure	
SH		Other Southern Hemisphere Whales	
IANP		In-depth Assessment of Western North Pacific Common Minke Whales, with a Focus on J Stock	
MSY	Maximum Sustainable Yield	SOWER	Southern Ocean Whale & Ecological Research
IDCR	International Decade of Cetacean Research		

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 2009-2010.

Revised Management Procedure**(1) MSYR Intersessional Workshop**

The Workshop is to enable the Committee to finalise its review of MSYR and decide whether the existing plausible range of (currently $MSYR_{(mat)}=1\%$ to 7%) for use in the RMP requires modification at the 2010 meeting.

(2) Computing Support For North Pacific Minke Whale Analyses

The ability to complete the programming work needed for any North Pacific minke whale analyses arising as a result of discussions under Item 20.2 in the Commission will be substantially enhanced by the extra computational support for the Secretariat that was funded last year for the North Atlantic fin whale.

Aboriginal Whaling Management Procedure**(3) Workshop To Continue Assessment Of Sex Ratio Methods For Common Minke Whales Off West Greenland**

The Committee has invested considerable effort in determining whether sex ratio methods can be used to assess common minke whales off West Greenland. Great progress has been made and holding this workshop should allow the Committee to finalise its discussions on this approach and focus on *SLA* development. This will primarily be a technical workshop to ensure that the simulation testing developed at this meeting is ready for consideration at the 2010 Annual Meeting so that a decision can be taken on whether the sex-ratio method can be used to provide management advice.

(4) AWMP Developers Fund

The developers fund has been invaluable in the work of *SLA* development and related essential tasks of the SWG. It has been agreed as a standing fund by the Commission. The primary development tasks facing the SWG are for the Greenlandic fisheries. These tasks are of high priority to the Committee and the Commission. The fund is essential to allow progress to be made.

In-depth assessments**(5) Develop Biopsy Sampling And Photo-ID IDCR/SOWER Databases To Complement IWC-DESS**

Several sub-committees have noted the value of the additional information to sightings data collected by the long series of IDCR/SOWER cruises. The biopsy samples and photo-identification analyses are underway but the value of the additional biopsy sampling and photo-identification work will be greatly enhanced if the associated

paper records can be coded and entered into a relational database that can be linked to the IWC-DESS database that contains the sightings and effort records. Donovan has begun work on this with respect to the biopsy samples but current Secretariat resources mean that the work will have to be done on an *ad hoc* basis. This item will provide the additional resources to ensure that the coding and database work can be undertaken in a timely fashion. It is hoped to have the major part of the work completed by the next Annual Meeting.

(6) Abundance Estimates Of Antarctic Minke Whales Using Sower Data

To facilitate the completion of the abundance estimates for Antarctic minke whales from the circumpolar II and III series of IDCR/SOWER data, it is likely that the developers of the OK and SPLINTR methods will need to meet in person. This request is to support travel for the SPLINTR team to work with the OK team in Japan.

(7) Import Of 2008/09 SOWER Data And Assist Abundance Working Group

Funds are required to enable the 2008/09 IWC/SOWER data to be incorporated into DESS. Data summaries of the standard dataset will be provided to the intersessional correspondence group and errors will be corrected in the 'standard' and DESS datasets for the 2010 SC meeting.

(8) SOWER 2009/10 Cruise and Planning Meeting and Informal North Pacific Sighting sSurvey Meeting

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 2009/10 SOWER cruise will investigate the relationship between Antarctic minke whale abundance estimates and sea ice conditions by cooperating with the Australian aerial survey that will be conducting line transects in the sea ice. This cooperative cruise could provide valuable information to help explain the difference in the abundance estimates from CPII and CPIII. The vessel is generously provided by the Government of Japan.

A small amount of funding is required to allow scientists to stay in Japan for two days after the SOWER planning meeting in order to review progress of intersessional work relating to the new North Pacific Sighting Survey programme, discussed under Item 10. As noted, the development of a full programme will assist the work of several sub-committees. The group will also examine plans for an initial survey in 2010.

North Pacific minke whales

(9) Intersessional Workshop On North Pacific Minke Whales

Discussions under Item 10.2 and Item 20 show that western North Pacific minke whales are a high priority item for the Commission. Whatever decision is taken by the Commission at the Annual Meeting in 2010 on future priorities will require an intersessional workshop.

(10) Update Simulations Of Dispersal For Western North Pacific Minke Whales

Estimates of dispersal are required for undertaking a full *Implementation Review* of WNP minke whales and to examine effects of scientific permit catches on stocks. The current management paradigm for WNP minke whales is based in part on simulations conducted in 2003 (Taylor and Martien, 2004) using mtDNA data available at that time. Recently, Japanese scientists have collected a great deal of new genetic information for WNP minke whales, and it is necessary to redo the simulations to incorporate the new data. Funding is required to accomplish this and the work will be probably carried out by either Gaggiotti or Kalinowski.

Southern Hemisphere humpback whales

(11) Modelling Of Southern Hemisphere Humpback Populations

Development of additional population dynamic models are a high priority for the completion of the assessment of breeding stock B. Funds are required to: (1) modify interchange models considered for breeding stock C; (2) simultaneously analyse all seven breeding stocks using the current age-aggregated model. This is desirable so the catch allocation uncertainty is taken into account in a consistent and even-handed manner; and (3) extend models to take account of catch sex- and length-distribution information.

(12) Interchange Analysis, Migratory Connections, And Mixing In Antarctic Feeding Grounds For Southern Hemisphere Humpback Whales Breeding Stock B

In order to complete the assessment for breeding stock B at next year's Annual Meeting there is a need for further analysis of data 'in hand' for interchange analysis, migratory connections and mixing in Antarctic feeding grounds. Funds are required to assess the degree of interchange between sub-stocks in B1 and B2 using

genetic and photographic information, and to inform about migratory connections, and mixing in Antarctic feeding grounds.

(13) 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. The work required to *inter alia* make the IWC/SOWER photographs more accessible is being carried out. The funds are required for database management and to further develop and enhance the system for online access. In addition, there are a large number of photographs awaiting processing and the money will facilitate this process. The work will be carried out by Carlson and Allen and is also relevant to project (5) above.

(14) Estimating Abundance Of Oceania Humpback Whales

This project will review data quality and finalise photo-ID and genotype catalogues for humpback whales in Oceania (breeding stocks E2, E3 and F), for the purposes of capture-recapture analysis. The work will build on the work of the South Pacific Whale Research Consortium, members of which have coordinated research into humpback whale interchange and abundance across the Oceania region.

(15) IWC-SOWER Blue Whale Photo-Identification Continuation Of Archival And Analysis

To date over 22,000 images of blue whales from the IWC-SOWER circumpolar cruises have been archived. From these, 207 individual blue whales have been identified. Recently a set of 'missing' images (B/W negatives and prints) from SOWER 2001/02, 2002/03 (and possibly 2003/04) were re-discovered at the IWC Secretariat. These images will be transferred to South West Fisheries Science Center (SWFSC) shortly. Funds are required in order that the approximately 600 photos (representing an estimated 50 individual whales) to be digitised, processed and incorporated into the IWC-SOWER blue whale catalogue. Matches between years and Antarctic Areas will be made. This work will be conducted by Olson and is relevant to project (5) above.

Bycatch and other human-induced mortality

(16) Further Development And Maintenance Of The IWC Ship Strike Database

The IWC ship strikes database has been developed intersessionally. Funding is required for: (1) database refinement, improvements to front end tools and for an email notification system; and (2) annual ongoing work by the data review group. The need for a global database of incidents involving collisions between vessels and whales has previously been recognised by the Committee, as well as other bodies such as the International Maritime Organization (IMO) and ACCOBAMS.

(17) Progress Joining The Fisheries Resource Monitoring System (Firms)

Collation and formatting of part of the IWC data on catches and bycatches for integrations into FIRMS has been completed. Funds are required for Simon Northridge to travel to FAO, Rome later this year to coordinate integration of the data and develop links between FAO and IWC.

Environment

(18) Modelling Workshop: Pollution In The 21ST Century

The Committee has agreed that it will be valuable to begin Phase II of POLLUTION 2000+. The initial work will concentrate on: (1) developing an integrated modelling/risk assessment framework for evaluating the cause and effect relationships between pollutant exposure and cetacean populations; (2) evaluating existing models that could be tested; (3) assessing the model characteristics needed; (4) developing a prioritisation framework to evaluate the broad number of environmental pollutants; and (5) identify data needs and available datasets or case studies. The importance of this Workshop was established last year when the Committee received funding towards it. It was not possible to convene the Workshop intersessionally, but it is scheduled for February 2010. Further funding is required for Invited Participants at the Workshop.

(19) State Of The Cetacean Environment Report (SOCER)

The Committee regards SOCER to be useful document that provides a 'snapshot' of environmental developments relevant to cetaceans for scientists and non-scientists alike. Money is requested to support the production of this report.

Other**(20) Invited Participants (IPs) 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, including the critically important roles of Chairs and rapporteurs. 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 2009 – 2010 (Note 1)

	Approved Budget		Projected Out-turn		Note
	£	£	£	£	
Opening Balance 1 September 2009		429,740		450,400	2
Provision for year		<u>41,500</u>		<u>-67,500</u>	
Projected Closing Balance		<u>471,240</u>		<u>382,900</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 (by way of the process described in note 1). The reduction in the provision for the year and therefore the projected closing balance has arisen due to the departure of long-serving members of staff (with large accumulated indemnities) and their replacement by new staff (with no accumulated indemnities).

Table 6
General Fund 2009 – 2010 (Note 1)

	Approved Budget	Projected Out-turn	Note
Opening Balance 1 September 2009	1,091,880	1,173,290	2
Surplus/Deficit (-) transferred from I&E Account	<u>-296,550</u>	<u>-176,120</u>	
Projected Closing Balance	<u>795,330</u>	<u>997,170</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.

Table 7

Proposed Budget 2010 - 2011; Forecast 2011 - 2012**Income and Expenditure Account**

	Proposed Budget 2010-2011		Forecast Budget 2011-2012		Note
Income	£	£	£	£	
Contracting Government contributions		1,869,250		1,768,800	1
Recovery of Arrears		0		0	
Interest on late financial contributions		0		0	2
Voluntary contributions		2,000		2,000	3
Sales of publications		15,000		15,000	4
Sales of sponsored publications		500		500	
Observers' registration fees		45,300		45,300	5
UK taxes recoverable		22,000		22,000	6
Staff assessments		192,320		200,650	7
Interest receivable		13,600		13,600	8
Sundry income		0		0	9
		<u>2,159,970</u>		<u>2,067,850</u>	
Expenditure					
Secretariat	1,202,600		1,245,800		Table 7A
Publications	39,550		40,500		10
Annual meetings	374,500		383,500		11
Other meetings	142,000		43,000		12
Research expenditure	315,750		323,300		Table 10A
Small cetaceans	1,050		1,050		Table 9
Sundry	0		0		
	<u>2,075,450</u>		<u>2,037,150</u>		
Provisions					
Unpaid interest on overdue contributions	0		0		
Severance Pay Provision	26,900		38,850		Table 11
Provn for other doubtful debts	0		0		
		<u>2,102,350</u>		<u>2,076,000</u>	
Excess of expenditure over income		57,620		-8,150	
Net Transfers from or to (-):					
Sponsored Publications Fund		600		600	Table 8
Research Fund		4,000		4,000	Table 10
Small Cetaceans Fund		450		450	Table 9
Surplus/Deficit (-) for the year after transfers		<u>52,570</u>		<u>-13,200</u>	Table 12

Notes To Table 7

(Notes refer primarily to the proposed budget for 2010-2011 although many apply equally to both years.
Any which have specific application to the Forecast for 2011-2012 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. Notes on the level of Financial Contributions and the effect on reserves can be found on page 5 under "Key Points".

Notes on how Financial Contributions are calculated can be found on pages 2 and 3 under the headings "Introduction – Financial Contributions". 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 is approximately £ 6,380 (£ 1,869,250 divided by 293 shares). This is based on attendance at IWC61 which is assumed to apply to the proposed budget *and the forecast budget* for planning purposes.

Table 13A shows a comparison of Financial Contributions per country for the years 2005/06 to 2010/11.

(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 most 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. A new procedure for setting NGO registration fees was agreed at IWC59 (i.e. per individual observer rather than per organization), and it was accepted that the level of fees set for IWC60 be used also for 2008/09. In previous years NGO fees were increased in line with UK inflation. For 10/11 it is proposed that NGO fees again increase in line with UK inflation set at 2.4%. Thus the NGO registration fee for 2010/11 would be set at

- £ 520 for the first observer, and
- £ 260 for each additional observer.

There will be no charge for interpreters (each NGO will normally be restricted to one interpreter per organization). The nominal Press fee increases from £ 60 to **£65**.

It may be worthwhile to note that NGO fees are proposed to increase by 2.4% for 10/11, while the Financial Contributions for the same year are proposed to increase in the order of 21%.

(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 bank deposit interest rates. The latter are assumed to remain at a conservative level of 0.2 % to produce an estimate of interest receivable.

(9). 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. No gains have been included.

(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 63rd Annual Meeting in 2011. The budget provision represents a 2.4% increase over that for IWC/62. 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. If a meeting is to be held in the UK in 2011, then this will have to be on a significantly smaller scale than in previous years if the Commission is to remain within the proposed budget.

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 £ 142k includes £ 100k for 10/11 intersessional meetings (including facilities hire, translation and interpretation) and £ 42k for "other costs" associated with provision of document translation and simultaneous interpreters for IWC/63. The £ 100k for intersessional meetings during 10/11 has been included to provide for the event that at IWC/62 the Commission agrees to hold intersessional meetings similar to those held during 2009/10. If there is no decision to hold intersessional meetings, the £ 100k provision can be deducted from the proposed budget. *No provision for intersessional meetings has been included in the forecast budget for 2011/12.*

Table 7A
Proposed Budget 2010 - 2011; Forecast 2011 - 2012
Analysis of Secretariat Costs

	Proposed Budget 2010-2011	Forecast Budget 2011-2012	Note
Salaries and allowances	805,350	835,000	1
Retirement and other benefit schemes	164,150	172,800	2
Travelling expenses	10,750	11,000	3
Office rent, heating and maintenance	104,800	106,600	4
Insurance	5,100	5,250	5
Postage and telecommunications	18,950	19,400	6
Office equipment and consumables	53,550	54,850	7
Professional fees	25,000	25,600	8
Training and Recruitment	6,000	6,150	9
Photocopying	3,100	3,200	10
Sundry	5,850	5,950	11
Total	<u>1,202,600</u>	<u>1,245,800</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. A provision of £55k has been included for the possible recruitment of a member of staff to support the Head of Science (in view of the growing workload of the Scientific Committee) and the new Secretary.

2. These costs are largely but not exclusively salary-related. A provision of £10k has been included for benefits related to the possible new member of staff referred to in note 1.

3. Provision for unspecified travel (includes travel insurance).

4. The re-negotiated rent on the Red House of £60k per annum (previously £ 75k per-annum) is now fixed for 5 years. Most other costs have been assumed to rise with inflation of 2.4%. Energy costs have been assumed to increase by 10%. The overall effect of the reduced rent is to give an increase of 1.1% over the 09/10 forecast out-turn.

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

6. Costs have been assumed to rise with inflation.

7. The 2010-2011 provision for equipment and supplies is £53k. Approximately £28k 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. Consists of audit fees £6k and a general provision of £19k for legal advice, property advice, I.T. consultancy, H.R. (Human Resources) consultancy and H&S (Health & Safety) consultancy.

9. Minimal provision for training in 2010-2011 of £ 6k (£1k 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. If the training component of this budget line is unused, the joint provision might be applied to the possible recruitment of the new scientist referred to in note 1. Should international recruitment be considered appropriate, the cost is likely to be much higher.

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 2010-2011		<i>Forecast Budget</i> <i>2011-2012</i>		Note
	£	£	£	£	
Income					
Voluntary contributions		0		0	
Sales		500		500	2
UK tax recoverable		0		0	
Bank Interest		100		100	3
Sundry income		0		0	
		<u>600</u>		<u>600</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		600		600	
Opening Balance brought forward		39,870		40,470	4
Projected Closing balance		<u>40,470</u>		<u>41,070</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 2010-2011		<i>Forecast Budget</i> <i>2011-2012</i>		Note
	£	£	£	£	
Income					
Voluntary contributions		1,000		1,000	2
UK tax recoverable		0		0	
Bank Interest		500		500	3
Sundry income		<u>0</u>		<u>0</u>	
		1,500		1,500	
Expenditure					
Invited participants	1,000		1,000		4
Sundry expenditure	<u>50</u>		<u>50</u>		5
		1,050		1,050	
Net transfer from or to (-) I&E Account		450		450	
Opening Balance brought forward		<u>256,070</u>		<u>256,520</u>	6
Projected Closing Balance		<u>256,520</u>		<u>256,970</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. The figure included is notional.

5. Includes bank charges, loss on exchange etc.

6. The Opening Balance in the Proposed Budget column represents the anticipated result based on the projections in last year's Provisional Financial Statement. The opening balance is significantly higher than in previous years due to a voluntary contribution from the Australian Government in late 08/09, which has been placed in a dedicated interest bearing bank account.

Table 10
Research Fund (Note 1)

	Proposed Budget 2010-2011		<i>Forecast budget 2011-2012</i>		Note
	£	£	£	£	
Income					
Allocation		315,750		323,300	2
Voluntary contributions		1,000		1,000	
UK tax recoverable		0		0	3
Bank Interest		3,000		3,000	4
Sundry income		<u>0</u>		<u>0</u>	
		319,750		327,300	
Expenditure					
		<u>315,750</u>		<u>323,300</u>	
Net transfer from or to (-) I&E Account		4,000		4,000	
Opening Balance brought forward		<u>189,820</u>		<u>193,820</u>	5
Projected Closing Balance		<u><u>193,820</u></u>		<u><u>197,820</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 2010-2011 will be spent during 2010-2011 and that any funds brought forward at 01 September 2010 will be carried forward at 31 August 2011. In reality some of the funds brought forward at 01 September 2010 will be spent during 2010-2011 and some of the new expenditure authorised to be spent in 2010-2011 will be deferred and carried forward to 2011-2012. In each of the years since 2004 substantial balances have been held on the Research Fund as follows:

2004/2005 £ 138,812 , **2005/2006** £ 133,914, **2006/2007** £ 143,397; **2007/08** £ 201,372, **2008/09** £ 182,604

Therefore the above simplifying assumption is realistic for planning purposes as the projected closing balances of £ 193.8k for 2010-2011 and £ 197.8k for 2011-2012 are in range of those recorded for the financial years since 2004-2009.

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 a conservative level of 0.2%. 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 £ 315.7k. This amount is based on the initial 09/10 approved budget increased by the current UK rate of inflation (2.4 % for 10/11 and for 11/12).

Table 10A. Research Fund – Preliminary Movement of Funds 2010-2011

Note	Continuing Projects and Contracts	Balance B/Fwd (A)	Proposed Budget 2010-2011 Pre-Allo'n (B)	Total Funds Available (C)	Receipts (D)	Expenditure (E)	Balance C/Fwd (F)
1	Invited participants	1,986		1,986			1,986
2	Integrated Model Analysis	2,000		2,000			2,000
3	SH Blue Whales - photo-ID catalogue	1,950		1,950			1,950
4	Finalise assessment of humpback whale Breeding Stocks C and D.	22,000		22,000			22,000
5	Catch data	3,681		3,681			3,681
6	Genetic Simulation Studies	3,500		3,500			3,500
7	G'land Common Minke Wh.: use of sex ratio data in assmnts.	3,500		3,500			3,500
8	AWMP Intersessional Workshop	3,150		3,150			3,150
9	RMP Inter-sessional (Brydes Whales)	5,681		5,681			5,681
10	Audit western NP Bryde's whale survey data	2000		2,000			2,000
11	Investigate anomalies . allozyme and DNA-based analysis results	1,000		1,000			1,000
12	Workshop to review MSY rates	624		624			624
13	Computing support for Implementations	17,910		17,910			17,910
14	Travel for earplug ageing expert in calibration experiment	9,761		9,761			9,761
15	SOWER (other incl. digitiz'n accoustic records)	4036		4,036			4,036
16	SOWER abundance estimate workshop	1,627		1,627			1,627
17	SOWER 2008/09 cruise and planning meeting	48,943		48,943			48,943
18	Minke abundance estimates (IA development support)	1,882		1,882			1,882
19	Pollution 2000+	2,499		2,499			2,499
20	Scoping meeting for POLLUTION 2000+ Workshop	5,000		5,000			5,000
21	FAO expert consultation on modelling ecosys interaction	1,500		1,500			1,500
22	CCAMLR/IWC Workshop in July 2008	6,980		6,980			6,980
23	W. North Pacific gray whale telemetry, contingent on meeting the requirements in Annex F.	661		661			661
24	TOSSM project	433		433			433
25	FAO fisheries statistics	3,778		3,778			3,778
26	Workshop on the use of mkt sampling to est' bi-catch	9,973		9,973			9,973

Note	Continuing Projects and Contracts	Balance B/Fwd (A)	Proposed Budget 2010-2011 Pre-Allo'n (B)	Total Funds Available (C)	Receipts (D)	Expenditure (E)	Balance C/Fwd (F)
27	Estimation of bycatch. Data collection and market pathways	3,355		3,355			3,355
28	Dev web-based system for data entry to IWC ship strike Dbse	-1,516		-1,516			-1,516
29	LaWE Steering Group Meeting	870		870			870
	Provision against overruns	21,054		21,054			21,054
	New Work – Commencing 01/09/2010 - unallocated		315,750	315,750		315,750	0
	Sundry Expenditure - Sundry expenditure & Bank Charges						
	Sundry Income – Bank Interest (£3k) + Vol. Contribution (£1k)		0	0	4000	0	4,000
	Total	189,820	315,750	505,570	4,000	315,750	193,820

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
CCAMLR	Commission for the Conservation of Antarctic Marine Living Resources	
FAO	Food and Agriculture Organisation	
LaWE	Large-Scale Whalewatching Experiment	
MSY	Minimum sustainable yield	
NP	North Pacific	
RMP	Revised Management Procedure	
SH	Southern Hemisphere	
SOWER	Southern Ocean Whale & Ecological Research	
TOSSM	Testing of Spatial Structure Model	

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 2010-2011 Pre-Allocation” – represents the funding requested by the Scientific Committee for 2010-2011 before any allocation has been made to specific projects.
- C) “Total Funds Available” - for 2010-2011 when funds brought forward from previous periods are added to funds authorised and then allocated to specific projects for 2010-2011.
- D) “Receipts” – additional income from voluntary contributions, interest receivable or taxes recoverable.
- E) “Expenditure” amounts expended within 2010-2011 on specific projects.
- F) “Balance carried forward” – represents unspent money within 2010-2011 (due to delay or deferral of project work) to be carried forward to 2011-2012.

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- 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.
- 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.
- Funds from 2008-2009 to establish a central web-based system by which Southern Hemisphere blue whale photo-ID matching can take place. SCRep 2009 item 22.
- Funds from 2007-2008 for addressing sub-stock structure questions, assessing the degree of interchange between sub-stocks B and C and revising abundance estimates. SCRep 2008 item 10.5.
- Residual funds from 2006-2007 to finalise the revised 1948/49 -1971/72 Catch Data. (Note: This is part of a £5k voluntary contribution from Australia in January 2007)
- Funds from 2005-2006 to obtain abundance estimates for West Greenland common minke whales using genetic data. SCRep 2006 item 8.
- Funds from the 2006-2007 budget. The total area occupied by common minke whales available to be harvested during summer is largely unknown. There are also questions as to whether sex ratio data alone are a sufficient basis for management advice and for the development of an *SLA*. Resolution of issues needed.
- Residual funds from previous years, used to support participants at AWMP intersessional workshops. SCRep 2006 item 21.
- 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.
- Funds from 2007-2008 to allow the Bryde's whale survey data, for use in the RMP, to be audited as required under the Committee's 'Requirements and Guidelines for Surveys'. SCRep 2008 item 6.1.
- Residual funds from 2008-2009 to determine the sequence of nucleotides at the exons encoding the most divergent allozymes identified in Danielsdottir et al.'s allozyme study of North Atlantic fin whales. SCRep 2009 item 22.
- Residual funds from 2008-2009 used to enable MSY rates to be reviewed and revised for use in RMP trials. SCRep 2009 item 22.
- Residual funds from 2008-2009 to ensure appropriate programming assistance is available for the completion of the North Atlantic fin whale *Implementation*. SCRep 2008 item 6.

14. Funds from 2008-2009 to cover travel and subsistence for an expert to travel to Tokyo to agree a process to investigate ageing errors between commercial and scientific catches. SCRep 2008 item 10.2.3 and SCRep 2009 item 22.
15. Residual funds from 2006-2007 to produce a CD based database of all acoustic data from the SOWER Antarctic cruises. (Note: This money is part of a Euro 10k voluntary contribution from Austria in January 2007).
16. Residual funds from 2008-2009 intersessional workshop to develop abundance estimates for Antarctic minke whales. SCRep 2009 item 22.
17. Residual funds from previous years to allow continued support of SOWER cruises.
18. Residual funds from previous years for ongoing work to continue development of statistical catch-at-age estimators for Antarctic minke whales.
19. Residual funds from previous years from the Pollution 2000+ project. SCRep 2007, Annex K Appendix
20. Funds from 2007-2008 to hold a scoping meeting on a second phase of the POLLUTION 2000 project to ensure that preparatory analyses and key papers are produced prior to a full workshop. SC Rep 2008 item 12.2.
21. 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.
22. Residual funds from 2007-2008 for the Joint IWC-CCAMLR workshop on modelling Antarctic krill predators. SC Rep 2008 item 13.1.
23. Residual funds from 2007-2008 to be used to obtain telemetry data on the critically endangered western Gray whales, which will provide information on its poorly known migratory routes and breeding grounds. The funds represent a token contribution to a project that may exceed over \$1M in cost
24. Residual funds used to support participants at the workshop to discuss the next stage of the TOSSM project. SCRep 2006 Item 11.4.
25. 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
26. 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.
27. 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
28. Funds from 2008-2009 used to develop a web-based system for data entry into the IWC ship strikes database. SCRep 2009 item 22.
29. Residual funds from 2008-2009 used to allow the Large-Scale Whalewatching Experiment (LaWE) steering group to meet intersessionally. SCRep 2009 item 22.

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

	Proposed Budget 2010-2011		Forecast Budget 2011-2012	Note
	£	£	£	
Opening Balance 1 September 2010 / 2011		382,900	409,800	2
Provision for year		<u>26,900</u>	<u>38,860</u>	
Projected Closing Balance		<u>409,800</u>	<u>448,660</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 2010. *That in the Forecast Budget takes account of movements in the 2010-2011 proposed budget.*

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

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

	Proposed Budget 2010-2011	Forecast Budget 2011-2012	Note
	£	£	
Opening Balance 1 September 2010 (2011)	997,170	1,049,740	2
Surplus/Deficit (-) transferred from Income & Expenditure Account	<u>52,570</u>	<u>-13,200</u>	
Projected Closing Balance 31 August 2011 (2012)	<u>1,049,740</u>	<u>1,036,540</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 budget as currently drafted shows a surplus. *The forecast budget shows a deficit.* A 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 2010.

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

		Current' scheme	Capacity to pay Group	Red'n Stage 1*	Red'n Stage 2*	Red'n £	Add-on Whaling	Add-on Group 3 £	Add-on Group 4 £	Total £
1	Antigua and Barbuda	19,139	2	-4,785	-1,435	-6,220	0	0	0	12,919
2	Argentina	19,139	2	-4,785	-1,435	-6,220	0	0	0	12,919
3	Australia	31,898	3	0	0	0	0	6,566	0	38,464
4	Austria	19,139	3	0	0	0	0	6,566	0	25,705
5	Belgium	19,139	3	0	0	0	0	6,566	0	25,705
6	Belize	12,759	1	-6,380	-1,595	-7,975	0	0	0	4,785
7	Benin	19,139	1	-9,570	-2,392	-11,962	0	0	0	7,177
8	Brazil	19,139	2	-4,785	-1,435	-6,220	0	0	0	12,919
9	Bulgaria	19,139	2	-4,785	-1,435	-6,220	0	0	0	12,919
10	Cambodia	19,139	1	-9,570	-2,392	-11,962	0	0	0	7,177
11	Cameroon	19,139	2	-4,785	-1,435	-6,220	0	0	0	12,919
12	Chile	25,519	2	-6,380	-1,914	-8,294	0	0	0	17,225
13	China, P.R of	12,759	2	-3,190	-957	-4,147	0	0	0	8,613
14	Congo, Rep	19,139	1	-9,570	-2,392	-11,962	0	0	0	7,177
15	Costa Rica	19,139	2	-4,785	-1,435	-6,220	0	0	0	12,919
16	Cote d'Ivoire	19,139	2	-4,785	-1,435	-6,220	0	0	0	12,919
17	Croatia	19,139	3	0	0	0	0	6,566	0	25,705
18	Cyprus	19,139	3	0	0	0	0	6,566	0	25,705
19	Czech Republic	25,519	3	0	0	0	0	6,566	0	32,084
20	Denmark	38,278	3	0	0	0	7,191	6,566	0	52,035
21	Dominica	12,759	1	-6,380	-1,595	-7,975	0	0	0	4,785
22	Dominican Republic	19,139	2	-4,785	-1,435	-6,220	0	0	0	12,919
23	Ecuador	19,139	2	-4,785	-1,435	-6,220	0	0	0	12,919
24	Eritrea	12,759	1	-6,380	-1,595	-7,975	0	0	0	4,785
25	Estonia	19,139	3	0	0	0	0	6,566	0	25,705
26	Finland	19,139	3	0	0	0	0	6,566	0	25,705
27	France	19,139	4	0	0	0	0	0	43,145	62,284
28	Gabon	19,139	1	-9,570	-2,392	-11,962	0	0	0	7,177
29	Gambia, The	19,139	1	-9,570	-2,392	-11,962	0	0	0	7,177
30	Germany	25,519	4	0	0	0	0	0	43,145	68,664
31	Ghana	19,139	2	-4,785	-1,435	-6,220	0	0	0	12,919
32	Greece	12,759	3	0	0	0	0	6,566	0	19,325
33	Grenada	19,139	1	-9,570	-2,392	-11,962	0	0	0	7,177
34	Guatemala	12,759	2	-3,190	-957	-4,147	0	0	0	8,613
35	Guinea	25,519	1	-12,759	-3,190	-15,949	0	0	0	9,570
36	Guinea-Bissau	19,139	1	-9,570	-2,392	-11,962	0	0	0	7,177
37	Hungary	19,139	2	-4,785	-1,435	-6,220	0	0	0	12,919
38	Iceland	38,278	3	0	0	0	7,191	6,566	0	52,035
39	India	19,139	2	-4,785	-1,435	-6,220	0	0	0	12,919
40	Ireland	19,139	3	0	0	0	0	6,566	0	25,705
41	Israel	19,139	3	0	0	0	0	6,566	0	25,705
42	Italy	25,519	4	0	0	0	0	0	43,145	68,664
43	Japan	89,316	4	0	0	0	7,191	0	43,145	139,651
44	Kenya	12,759	2	-3,190	-957	-4,147	0	0	0	8,613
45	Kiribati	19,139	1	-9,570	-2,392	-11,962	0	0	0	7,177
46	Korea, Rep of	31,898	3	0	0	0	0	6,566	0	38,464
47	Lao PDR	19,139	1	-9,570	-2,392	-11,962	0	0	0	7,177
48	Lithuania	12,759	2	-3,190	-957	-4,147	0	0	0	8,613
49	Luxembourg	19,139	3	0	0	0	0	6,566	0	25,705
50	Mali	19,139	1	-9,570	-2,392	-11,962	0	0	0	7,177
51	Marshall Islands	12,759	1	-6,380	-1,595	-7,975	0	0	0	4,785
52	Mauritania	19,139	1	-9,570	-2,392	-11,962	0	0	0	7,177
53	Mexico	19,139	2	-4,785	-1,435	-6,220	0	0	0	12,919
54	Monaco	19,139	2	-4,785	-1,435	-6,220	0	0	0	12,919

		Current' scheme	Capacity to pay Group	Red'n Stage 1*	Red'n Stage 2*	Red'n £	Add-on Whaling	Add-on Group 3 £	Add-on Group 4 £	Total £
55	Mongolia	19,139	1	-9,570	-2,392	-11,962	0	0	0	7,177
56	Morocco	19,139	2	-4,785	-1,435	-6,220	0	0	0	12,919
57	Nauru	19,139	1	-9,570	-2,392	-11,962	0	0	0	7,177
58	Netherlands	25,519	3	0	0	0	0	6,566	0	32,084
59	New Zealand	25,519	3	0	0	0	0	6,566	0	32,084
60	Nicaragua	12,759	1	-6,380	-1,595	-7,975	0	0	0	4,785
61	Norway	44,658	3	0	0	0	7,191	6,566	0	58,414
62	Oman	12,759	2	-3,190	-957	-4,147	0	0	0	8,613
63	Palau	19,139	1	-9,570	-2,392	-11,962	0	0	0	7,177
64	Panama	19,139	2	-4,785	-1,435	-6,220	0	0	0	12,919
65	Peru	19,139	2	-4,785	-1,435	-6,220	0	0	0	12,919
66	Poland	19,139	2	-4,785	-1,435	-6,220	0	0	0	12,919
67	Portugal	19,139	3	0	0	0	0	6,566	0	25,705
68	Romania	12,759	2	-3,190	-957	-4,147	0	0	0	8,613
69	Russian Federation	31,898	2	-7,975	-2,392	-10,367	7,191	0	0	28,722
70	San Marino	19,139	2	-4,785	-1,435	-6,220	0	0	0	12,919
71	Senegal	19,139	1	-9,570	-2,392	-11,962	0	0	0	7,177
72	Slovak Republic	12,759	3	0	0	0	0	6,566	0	19,325
73	Slovenia	19,139	3	0	0	0	0	6,566	0	25,705
74	Solomon Islands	12,759	1	-6,380	-1,595	-7,975	0	0	0	4,785
75	South Africa	19,139	2	-4,785	-1,435	-6,220	0	0	0	12,919
76	Spain	19,139	4	0	0	0	0	0	43,145	62,284
77	St Kitts and Nevis	19,139	1	-9,570	-2,392	-11,962	0	0	0	7,177
78	St Vincent & The G.	31,898	1	-15,949	-3,987	-19,937	7,191	0	0	19,153
79	St. Lucia	19,139	1	-9,570	-2,392	-11,962	0	0	0	7,177
80	Suriname	19,139	1	-9,570	-2,392	-11,962	0	0	0	7,177
81	Sweden	25,519	3	0	0	0	0	6,566	0	32,084
82	Switzerland	19,139	3	0	0	0	0	6,566	0	25,705
83	Tanzania	19,139	2	-4,785	-1,435	-6,220	0	0	0	12,919
84	Togo	19,139	1	-9,570	-2,392	-11,962	0	0	0	7,177
85	Tuvalu	19,139	1	-9,570	-2,392	-11,962	0	0	0	7,177
86	United Kingdom	31,898	4	0	0	0	0	0	43,145	75,043
87	Uruguay	19,139	2	-4,785	-1,435	-6,220	0	0	0	12,919
88	USA	44,658	4	0	0	0	7,191	0	43,145	94,994

Note 1	1,869,250	-397,136	-106,222	-503,358	50,336	151,007	302,015	1,869,250
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		Shortfall for re- distribution	
		-503,358	
Group 1	28	Whaling	10%
Group 2	30	Group 3	30%
Group 3	23	Group 4	60%
Group 4	7		
	88		

Note 1: Totals in this table are rounded.

Table 13A Comparison of Financial Contributions per Country 2005/ 06 to 2010/11

	Country	Actual 2005/06	Actual 2006/07	Actual 2007/08	Actual 2008/09	Actual 2009/10	Proposed 2010/11
1	Antigua and Barbuda	8,750	6,105	5,906	5,775	5,947	12,919
2	Argentina	11,813	10,990	10,631	10,395	10,705	12,919
3	Australia	30,118	28,401	26,855	31,735	32,506	38,464
4	Austria	24,285	22,973	21,605	21,469	21,934	25,705
5	Belgium	24,285	22,973	21,605	21,469	21,934	25,705
6	Belize	4,375	6,105	5,906	3,850	3,965	4,785
7	Benin	6,563	6,105	5,906	5,775	5,947	7,177
8	Brazil	11,813	10,990	10,631	10,395	10,705	12,919
9	Bulgaria					7,136	12,919
10	Cambodia	2,188	6,105	5,906	5,775	5,947	7,177
11	Cameroon	11,813	10,990	7,088	10,395	10,705	12,919
12	Chile	11,813	10,990	10,631	17,324	14,273	17,225
13	China, P.R of	11813	10990	10631	10,395	7,136	8,613
14	Congo, Rep			1,969	3,850	5,947	7,177
15	Costa Rica	7,875	7,327	10,631	10,395	10,705	12,919
16	Cote d'Ivoire	11813	10990	10,631	10395	10,705	12,919
17	Croatia		7327	10,631	10395	10,705	25,705
18	Cyprus		17,546	21,605	21,469	21,934	25,705
19	Czech Republic	11,813	10,990	10,631	10,395	27,220	32,084
20	Denmark	53,649	50,099	48,181	47,781	43,868	52,035
21	Dominica	6563	6105	5,906	3,850	3,965	4,785
22	Dominican Republic					7136	12,919
23	Ecuador		3664	10631	10395	10705	12,919
24	Eritrea				3,850	3,965	4,785
25	Estonia				6,930	21,934	25,705
26	Finland	24,285	22,973	21,605	21,469	21,934	25,705
27	France	53,683	54,203	54,784	55,861	52,311	62,284
28	Gabon	6,563	6,105	5,906	5,775	5,947	7,177
29	Gambia, The	4375	6105	5,906	5,775	5,947	7,177
30	Germany	59,516	59,630	60,034	60,994	57,597	68,664
31	Ghana					7,136	12,919
32	Greece		8,773	21,605	21,469	16,648	19,325
33	Grenada	6563	6105	5906	5,775	5,947	7,177
34	Guatemala	3,938	7,327	10,631	6,930	7,136	8,613
35	Guinea	6,563	6,105	5,906	5,775	7,929	9,570
36	Guinea-Bissau			5,906	7,700	5,947	7,177
37	Hungary	11,813	10,990	10,631	10,395	10,705	12,919
38	Iceland	53649	50,099	48,181	47,781	43,868	52,035
39	India	11,813	10,990	10,631	10,395	10,705	12,919
40	Ireland	24,285	22,973	21,605	21,469	21,934	25,705
41	Israel	9,226	22,973	21,605	21,469	21,934	25,705
42	Italy	59,516	59,630	60,034	60,994	57,597	68,664
43	Japan	123,881	119,319	118,110	118,105	116,534	139,651
44	Kenya	7875	7327	7,088	6,930	7,136	8,613
45	Kiribati	6563	6105	5906	5775	5947	7,177

	Country	Actual 2005/06	Actual 2006/07	Actual 2007/08	Actual 2008/09	Actual 2009/10	Proposed 2010/11
46	Korea, Rep of	35,952	28,401	26,855	26,602	32,506	38,464
47	Lao PDR		2,035	5,906	5,775	5,947	7,177
48	Lithuania				6,930	7,136	8,613
49	Luxembourg	24,285	22,973	21,605	21,469	21,934	25,705
50	Mali	4,375	6,105	5,906	5,775	5,947	7,177
51	Marshall Islands	2,188	6,105	5,906	5,775	3,965	4,785
52	Mauritania	6,563	6,105	5,906	5,775	5,947	7,177
53	Mexico	11,813	10,990	10,631	10,395	10,705	12,919
54	Monaco	11,813	10,990	10,631	10,395	10,705	12,919
55	Mongolia	6,563	6,105	5,906	5,775	5,947	7,177
56	Morocco	11,813	10,990	10,631	10,395	10,705	12,919
57	Nauru	6,563	6,105	5,906	5,775	5,947	7,177
58	Netherlands	30,118	28,401	26,855	26,602	27,220	32,084
59	New Zealand	35,952	33,828	26,855	26,602	27,220	32,084
60	Nicaragua	6,563	6,105	3,938	5,775	3,965	4,785
61	Norway	53,649	50,099	48,181	47,781	49,154	58,414
62	Oman	11,813	10,990	10,631	10,395	7,136	8,613
63	Palau	6,563	6,105	5,906	5,775	5,947	7,177
64	Panama	11,813	10,990	10,631	10,395	10,705	12,919
65	Peru	7,875	10,990	10,631	10,395	10,705	12,919
66	Poland					10,705	12,919
67	Portugal	24,285	22,973	21,605	21,469	21,934	25,705
68	Romania			3,544	6,930	7,136	8,613
69	Russian Federation	25,718	23,734	23,295	23,104	23,916	28,722
70	San Marino	11,813	10,990	10,631	10,395	10,705	12,919
71	Senegal	6,563	6,105	5,906	5,775	5,947	7,177
72	Slovak Republic	11,813	10,990	10,631	10,395	7,136	19,325
73	Slovenia		17,546	21,605	26,602	21,934	25,705
74	Solomon Islands	6,563	6,105	3,938	5,775	3,965	4,785
75	South Africa	11,813	10,990	14,175	10,395	10,705	12,919
76	Spain	24,285	22,973	21,605	21,469	52,311	62,284
77	St Kitts and Nevis	8,750	8,141	5,906	5,775	5,947	7,177
78	St Vincent & The G.	6,563	15,593	15,420	15,405	15,987	19,153
79	St. Lucia	6,563	6,105	5,906	5,775	5,947	7,177
80	Suriname	6,563	6,105	5,906	5,775	5,947	7,177
81	Sweden	30,118	28,401	21,605	26,602	27,220	32,084
82	Switzerland	24,285	22,973	21,605	21,469	21,934	25,705
83	Tanzania			3,544	6,930	10,705	12,919
84	Togo	4,375	6,105	5,906	5,775	5,947	7,177
85	Tuvalu	6,563	6,105	5,906	5,775	5,947	7,177
86	United Kingdom	65,350	65,057	65,284	66,127	62,883	75,043
87	Uruguay			7,087	10,395	10,705	12,919
88	USA	83,047	81,329	86,610	82,174	79,531	94,994
		1,376,753	1,408,229	1,423,134	1,460,135	1,533,005	1,869,250

Table 14: Summary and Comparisons 2007-2008 to 2011-2012

	A	B	C	D	E	F	G	H	I	J
	2007/08	2008/09	2009/10	2009/10	2010/11	2011/12	-----Percentage changes-----			
	Actual	Actual	Budget	Projected	Proposed	Forecast		--		
					Bu	Bu	D/C	E/C	E/D	F/E
Income										
Members' Contributions	1,416,046	1,465,525	1,533,000	1,533,000	1,869,250	1,768,800	100.00%	121.93%	121.93%	94.63%
Recovery of arrears	0	0	0	0	0	0	n/a	n/a	n/a	n/a
Interest on late contributions	34,273	26,776	0	33,800	0	0	n/a	n/a	0.00%	n/a
Voluntary contributions	24,919	278,497	2,000	15,750	2,000	2,000	787.50%	100.00%	12.70%	100.00%
Sales of Publications	19,069	13,493	18,900	18,900	15,000	15,000	100.00%	79.37%	79.37%	100.00%
Sales of sponsored publications	651	278	1,000	1,000	500	500	100.00%	50.00%	50.00%	100.00%
Annual Meeting fees	59,332	42,254	50,300	50,300	45,300	45,300	100.00%	90.06%	90.06%	100.00%
UK tax recoverable	22,862	31,555	22,000	22,020	22,000	22,000	100.09%	100.00%	99.91%	100.00%
Staff Assessments	157,954	165,322	172,500	186,800	192,320	200,650	108.29%	111.49%	102.96%	104.33%
Bank interest	106,919	27,597	16,200	7,520	13,600	13,600	46.42%	83.95%	180.85%	100.00%
Sundry income	219	174	500	0	0	0	0.00%	0.00%	n/a	n/a
Total income	1,842,244	2,051,471	1,816,400	1,869,090	2,159,970	2,067,850	102.90%	118.91%	115.56%	95.74%
Expenditure										
Salaries, N.I., allowances	664,112	703,301	730,230	771,110	805,350	835,000	105.60%	110.29%	104.44%	103.68%
Pensions and other benefits	145,878	169,493	176,410	164,580	164,150	172,800	93.29%	93.05%	99.74%	105.27%
Travel	5,355	6,056	9,960	10,520	10,750	11,000	105.62%	107.93%	102.19%	102.33%
Office rent and maintenance	104,400	97,321	119,410	103,650	104,800	106,600	86.80%	87.76%	101.11%	101.72%
General Insurances	5,292	5,682	4,700	5,000	5,100	5,250	106.38%	108.51%	102.00%	102.94%
Postage & telecomms	17,106	18,835	17,930	18,500	18,950	19,400	103.18%	105.69%	102.43%	102.37%
Office equipment & supplies	46,939	51,206	49,650	52,300	53,550	54,850	105.34%	107.85%	102.39%	102.43%
Professional fees	9,354	27,620	29,910	34,800	25,000	25,600	116.35%	83.58%	71.84%	102.40%
Training and Recruitment	794	1090	6,310	42,500	6,000	6,150	673.53%	95.09%	14.12%	102.50%
Photocopying etc.	10451	726	4,550	3,000	3,100	3,200	65.93%	68.13%	103.33%	103.23%
Sundry expenditure	6,308	-1,528	4,240	4,240	5,850	5,950	100.00%	137.97%	137.97%	101.71%
Total Secretariat	1,015,989	1,079,802	1,153,300	1,210,200	1,202,600	1,245,800	104.93%	104.27%	99.37%	103.59%
Publications costs	35,567	33,607	38,500	38,600	39,550	40,500	100.26%	102.73%	102.46%	102.40%
Annual Meetings	347,900	362,100	365,700	365,700	374,500	383,500	100.00%	102.41%	102.41%	102.40%
Other Meetings	133,330	218,394	198,000	159,800	142,000	43,000	80.71%	71.72%	88.86%	30.28%
Research	260,410	358,076	308,500	308,340	315,750	323,300	99.95%	102.35%	102.40%	102.39%
Small cetaceans	10,179	11,569	1000	7,000	1,050	1,050	700.00%	105.00%	15.00%	100.00%
Sundry	0	0	0	0	0	0	n/a	n/a	n/a	n/a
Total expenditure	1,803,375	2,063,547	2,065,000	2,089,640	2,075,450	2,037,150	101.19%	100.51%	99.32%	98.15%
Provisions:										
Unpaid contributions	20,955	-9,095	0	0	0	0	n/a	n/a	n/a	n/a
Unpaid interest	-64,932	-63,513	0	11,730	0	0	n/a	n/a	0.00%	n/a
Severance Pay	20,300	38,400	41,500	-67,500	26,900	38,850	-162.65%	64.82%	-39.85%	144.42%
Other doubtful debts	4880	-738	0	0	0	0	n/a	n/a	n/a	n/a
	-18797	-34,946	41,500	-55,770	26,900	38,850	-134.39%	64.82%	-48.23%	144.42%
Excess/deficit (-) of income over expenditure	57,666	22,870	-290,100	-164,780	57,620	-8,150	56.80%	-19.86%	-34.97%	-14.14%
Net Transfers from or to (-):										
Publications Fund	-1,511	-488	-1,700	1,160	600	600				
Small Cetaceans Fund	-57,975	18,768	-4,600	7,220	4,000	4,000				
Research Fund	-716	-243093	-150	2960	450	450				
Surplus/Deficit (-) for the year after transfers	-2,536	-201,943	-296,550	-176,120	52,570	-13,200				