

## Financial Statements

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## Introduction

At its 54<sup>th</sup> 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 54<sup>th</sup> 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 2008 (to be used in the calculation of Financial Contributions for 2009/10) were published in September 2008 and refer to 2007. For the current cut off points be consistent with the published World Bank data (i.e. to 2007) they should be adjusted from 2005 to 2007 levels.

The application of the inflation adjusted “cut-off points”, together with World Bank data published in September 2008 (and available for use in December 2008) result in some revised allocations to capacity to pay groups. Estonia and the Czech Republic move from Group 2 to Group 3 and Spain from Group 3 to Group 4.

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

**Table A Economic data and 'Capacity to Pay' Groups**

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

## Provisional Financial Statement 2008-2009

### Key Points and Action Summary

#### Key Points

##### **Income and Expenditure Account (Table 1)**

**Income** – exceeds budget by £41k the chief factors being: (1) Financial Contributions from new members; (2) interest on late contributions; and (3) increase in voluntary contributions.

Poland adhered to the International Convention for the Regulation of Whaling, effective 17 April 2009 and will provide an additional £ 3.5k in Financial Contributions for 2008-2009. Due to the very recent nature of this news, this amount could not be included in the Forecast Out-turn for 2008-2009 in time for circulation to the Commission.

**Expenditure** - is projected to exceed budget by £ 128k due to increases in Other Meeting Costs of £ 112k, Small Cetacean costs of £ 6k and Secretarial Costs of £ 10k.

**Provisions**—are projected to be under budget by £ 11k.

**Result for the year** —a projected excess of expenditure over income of £ -251k which, after transfers between funds, translates into a deficit of £ -283k.

The balance on the General Fund is projected at about £ 1,092k at the end of the current financial year (31 August 2009). This represents about 106% of the target level (6 months expenditure: £ 2,055k 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 2009-2010 and *Forecast Budget 2010-2011*

### Key Points And Action Summary

#### Key Points

#### Income and Expenditure Account (Table 7)

**Income** – is projected to increase overall by about 3% (from £ 1,764k in the 2008-2009 Approved Budget to £ 1,817k in the proposed budget for 2009-2010). This is largely made up of increases in Financial Contributions and staff assessments offset by a reduction in bank interest receivable.

Poland adhered to the International Convention for the Regulation of Whaling, effective 17 April 2009. Due to the very recent nature of this news, Poland's Financial Contributions for 2009-2010 could not be included in Table 13 in time for circulation to the Commission.

**Contracting Government Contributions (Table 13)** - the total contributions required from Contracting Governments is increased for 2009- 2010 to £ 1,533k (from £ 1,460k in the 08/09 Forecast Out-turn). This represents a total increase of 5.0%, but due to an increase in the number of member countries and movements of three countries to higher "capacity to pay groups", the majority of contribution changes per country will be less than this.

*The forecast budget is increased for 2010-2011 by 8 %.*

**Expenditure** – 1.0% has generally been used to allow for cost increases for 2009–2010 (*and for 2010-2011*) 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 £ 150k for intersessional meetings and activities relating to discussions on the future of the IWC.

*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)

|  | 2009-2010 | 2010-2011 |
|--|-----------|-----------|
| Balance of income and expenditure (deficit)      | -290,100  | -22,900   |
| Surplus/ (Deficit) after transfers between Funds | -296,550  | -29,150   |

#### General Fund Reserves (see Table 12)

|   | 2009-2010 | 2010-2011 |
|---|-----------|-----------|
| Projected balance on General Fund at year-end | 795,200   | 766,050   |
| Target level – approximately 6 months costs   | 1,053,200 | 982,800   |
| % of Target level                             | 76        | 78        |

#### 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 2009/10 as currently drafted again produces an operating deficit. At this point it may be useful to briefly re-state the relationship between annual operating surpluses or deficits and the level of reserves.

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

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.

However the Forecast Out-Turn for the current financial year 2008/09 predicts a larger deficit than planned in the approved budget, principally because of costs incurred by the discussions on the future of IWC. This will have the effect of bringing the reserves to near the target level for this financial year, i.e. a year earlier than anticipated. It should be noted that when developing the proposed budget for 2008/09, £60,000 was included in 'other meetings' to provide for the event that the Commission decided to hold an intersessional meeting prior to IWC/61 of a similar size and nature as that held in March 2008 in London, Heathrow. When the Commission agreed to establish the Small Working Group on the Future of IWC no further provision was made for associated costs (e.g. venue, interpreters, engagement of an outside facilitator, Secretariat costs) and the Commission agreed that these costs should be met from its reserves. The Secretariat predicted that if these costs were met from reserves, the reserves would be brought down to near target level at the end of 2008/09 (see Document IWC/60/26) – which seems to be the case. It warned that if the Commission wished to maintain the reserves at 50% operating costs (i.e. 100% of the target level) it would no longer be able to adopt deficit budgets and financial contributions would have to rise in 2009/10. It further warned that this increase would be higher if significant expenditure would required in 2009-2010, e.g. for meetings and activities associated with continuing work on the future of the organization.

The effect of the reserves in 2008/09 being reduced to near the target level of 50% of operating costs is that, as predicted, expenditure for 2009/10 and 2010/11 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 in 2009/10 to discuss the future of the organisation and other expenditure is expected to rise broadly with inflation, then Financial Contributions would have to rise significantly over the next two to three years to keep reserves at or near the target level of 50% of operating costs in a given financial year.

### **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 2009/10 and 2010/11 prior to discussions at IWC61 in Madeira 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.

In developing the proposals several budget scenarios were developed to simulate the effect of different levels of Financial Contributions for the years 2009/10, 2010/11 and in some cases also 2011/2012 on the level of reserves.

The assumptions used for expenditure were as follows:

- Expenditures are based on the forecast out-turn for 2008/09 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 2008 (i.e. 1%) assumed unless specific items require an alternative percentage to be used.
- It is assumed that Annual Meetings will continue.
- It is assumed that discussions relating to the future of the organisation will continue into 2009/10 and £150,000 has been included for such activities - no provision has been made for these discussions in following years.
- While it is expected that negotiations on the renewal of the lease of the Secretariat's offices will result in a (hopefully significantly) lower rent, the current level (i.e. £75,000/year) is used.

The assumptions used for income, besides Financial Contributions were:

- Other income is assumed to remain broadly at 2008-2009 levels.
- Financial Contributions have been calculated assuming for the most part the same level of delegates as at IWC60.

A scenario that continued to keep financial contributions of individual countries at 2008/09 levels resulted in reserves being reduced to 55% of the target level (i.e. 27.5% operating costs) within two years. Another scenario showed that reserves for 2009/10 (the year in which £ 150k has been allowed for further intersessional meetings on the future of the IWC) could be maintained at the target level by an increase in overall financial contributions in the order of 24% for 2009/10, followed by a reduction in the order of 10% for 2010/11 (when the level of expenditure is lower with no further intersessional meetings included). Another scenario set to allow a gradual recovery of reserves to the target level over 3 years (i.e. from 80-100% of target) required increases in total Financial Contributions in the order of 10% for 2009/10, 8% for 2010/11 and 5% for 2011/12. Recognising that governments would prefer either to maintain individual contributions at a constant level or gradual increases (which are easy for planning purposes), rather than an initial very large increase followed by small increases or even reductions, a further scenario assessing the effect on reserves of gradual increases in total financial contributions over a three-year period was explored. It is this scenario that has been used as the basis for developing the proposed and forecast budgets contained in this document.

### **The proposed budget for 2009/10 and forecast budget for 2010/11**

To try to strike a balance between affordability for member governments and viability for the IWC (i.e. maintaining adequate reserves), gradual increases in total financial contributions over a three year period have been included for the proposed and forecast budgets. Total Financial Contributions for 2009/10 are based on the 2008/09 Forecast Out-turn level plus 5%, with 2010/11 being increased by 8% and 2011/12 being increased by 10%. The predicted level of reserves based on these total financial contributions over the three years is 76%, 78% and 89% of the current target level. Note that this document shows details only for 2009/10 and 2010/11.

This three-year scenario would depart from the Commission's policy of setting the reserves at 50% of operating costs per financial year and significantly defers achieving this level. However, any decline in the level of reserves even of a temporary nature should be considered in the context of the effective running of the IWC and its ability to meet unplanned/unexpected expenditure.

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/61 in Madeira.

## **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 2009-2010, (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 2010-2011.*

### **Commission**

1. To adopt the budget for 2009-2010 (as proposed in Table 7 or amended by the Finance and Administration Committee);
2. *To note/comment upon the Forecast Budget 2010-2011.*

Table 1

## Provisional Financial Statement 2008-2009

## Income and Expenditure Account

|   | Approved Budget  |                  | Projected Out-turn |                  | Note     |
|---|------------------|------------------|--------------------|------------------|----------|
| Income  | £                | £                | £                  | £                |          |
| Contracting Government contributions                    |                  | 1,442,400        |                    | 1,460,100        | 1        |
| Recovery of Arrears                                     |                  | 0                |                    | 0                | 2        |
| Interest on overdue financial contributions             |                  | 0                |                    | 25,200           | 3        |
| Voluntary contributions                                 |                  | 2,000            |                    | 31,100           | 4        |
| Sales of publications                                   |                  | 18,750           |                    | 18,750           | 5        |
| Sales of sponsored publications                         |                  | 1,050            |                    | 1,050            | 6        |
| Observers' registration fees                            |                  | 49,800           |                    | 49,800           | 7        |
| UK taxes recoverable                                    |                  | 22,800           |                    | 26,400           | 8        |
| Staff assessments                                       |                  | 169,000          |                    | 165,650          | 9        |
| Interest receivable                                     |                  | 56,950           |                    | 26,500           | 10       |
| Sundry income   |                  | <u>1,000</u>     |                    | <u>0</u>         |          |
|   |                  | 1,763,750        |                    | 1,804,550        |          |
| <b>Expenditure</b>                                      |                  |                  |                    |                  |          |
| Secretariat   | 1,097,100        |                  | 1,107,050          |                  | Table 1A |
| Publications  | 38,000           |                  | 38,150             |                  | 11       |
| Annual meetings   | 362,100          |                  | 362,100            |                  | 12       |
| Other meetings  | 100,600          |                  | 213,000            |                  | 13       |
| Research expenditure                                    | 305,400          |                  | 305,400            |                  | 14       |
| Small cetaceans   | 1050             |                  | 6,500              |                  | 15       |
| Sundry  | 0                |                  | 0                  |                  |          |
|   | <u>1,904,250</u> |                  | <u>2,032,200</u>   |                  |          |
| <b>Provisions</b>                                       |                  |                  |                    |                  |          |
| Unpaid interest on overdue contributions                | 0                |                  | 5,400              |                  | 16       |
| Severance Pay Provision                                 | 33,600           |                  | 17,750             |                  | Table 5  |
| Provn for other doubtful debts                          | <u>0</u>         |                  | <u>0</u>           |                  | 17       |
|   |                  | <u>1,937,850</u> |                    | <u>2,055,350</u> |          |
| <b>Excess of expenditure over income</b>                |                  | -174,100         |                    | -250,800         |          |
| Net Transfers from or to (-):                           |                  |                  |                    |                  |          |
| Sponsored Publications Fund                             |                  | -2,050           |                    | -1,400           | Table 2  |
| Research Fund   |                  | -6,350           |                    | -30,500          | Table 4  |
| Small Cetaceans Fund                                    |                  | <u>-50</u>       |                    | <u>-800</u>      | Table 3  |
| <b>Surplus/Deficit (-) for the year after transfers</b> |                  | <u>-182,550</u>  |                    | <u>-283,500</u>  | Table 6  |



## Notes to Table 1

1. Budgeted (i.e. invoiceable contributions) were set at £ 1,442k. New members (Eritrea £4k, Estonia £ 7k and Lithuania £ 7k) have provided additional contributions of £ 18k

Total Financial Contributions per Out-turn £ 1,460k

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 £25k is shown in the Forecast Out-turn. £ 6.5k relates to annual interest for debts outstanding for more than 12 months and applies to 7 countries. £ 18.5k relates to penalty interest for the late payment of 08/09 Financial Contributions and applies to 25 countries.

4. Voluntary Contributions. The out-turn figure includes £ 24k of contributions for the Rersearch Fund (towards the climate change workshop held in Siena Italy) and £ 7k of contributions for the Small Cetaceans Fund (£ 4k from WWF to sponsor by-catch research and £ 3k for other programs).

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. Conservative estimate. Actual revenue is dependent upon the numbers of observers attending the 2009 Annual Meeting. Reliable information is not yet available.

8. Recoveries of primarily VAT but also Airport Departure Tax and Insurance Premium Tax. An increase of £ 3.6k is shown for the out-turn projection due to delayed invoicing from suppliers and the tax reclaimable .

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

10. Decreases in the size of deposits and the rates offered thereon have 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 2008-2009 Approved Budget allocation for "Other meetings" of £ 100k included £ 60k for inter-sessional meetings and £ 40k to meet translation and interpretation costs at IWC61. The inter-sessional meetings (including the Small Working Group) held during 08/09 in Florida (USA), Cambridge (UK), Hawaii (USA), Rome (Italy) and a final meeting to be held in the USA concerning the future of the IWC, have a forecast total cost in the order of £ 190k. Voluntary contributions of £ 18k donated to support these meetings will result in a net cost for the inter-sessional meetings of around £ 172k.

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 £ 213k includes £ 0.6k for IWC meetings held with the EU, £ 172k for inter-sessional meetings (net cost) and £ 40k to meet translation and interpretation costs at IWC61.

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.

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

**Table 1A**  
**Analysis of Secretariat Costs 2008-2009**

|                                      | Approved<br>Budget | Projected Out-<br>turn | Note |
|--------------------------------------|--------------------|------------------------|------|
| Salaries and allowances              | 695,300            | 694,650                | 1    |
| Retirement and other benefit schemes | 156,400            | 168,450                | 2    |
| Travelling expenses                  | 9,950              | 9,850                  | 3    |
| Office rent, heating and maintenance | 119,500            | 119,000                | 4    |
| Insurance                            | 4,500              | 4,650                  | 5    |
| Postage and telecommunications       | 17,750             | 17,750                 | 6    |
| Office equipment and consumables     | 49,150             | 49,150                 | 7    |
| Professional fees                    | 29,600             | 29,600                 | 8    |
| Training and Recruitment             | 6,250              | 6,250                  | 9    |
| Photocopying                         | 4,500              | 3,500                  | 10   |
| Sundry                               | 4,200              | 4,200                  | 11   |
| <b>TOTAL</b>                         | <b>1,097,100</b>   | <b>1,107,050</b>       |      |

**Notes**

1. In line with budget.

2. Increased insurance premiums (not known at the time the budget was prepared).

3. In line with budget.

4. In line with budget.

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. All are expected to be in line with budget.

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.

9. Provision is made for Training and Recruitment on a contingent basis.

10. Result entirely dependent upon volume of copying required.

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

**Table 2**  
**Sponsored Publications Fund 2008-2009** (Note 1)  
**Income and Expenditure Account**

|   | Approved Budget |               | Projected Out-turn |               | Note |
|---|-----------------|---------------|--------------------|---------------|------|
|   | £               | £             | £                  | £             |      |
| <b>Income</b>                           |                 |               |                    |               |      |
| Voluntary contributions                 |                 | 0             |                    | 0             |      |
| Sales                                   |                 | 1,000         |                    | 1,000         | 2    |
| UK tax recoverable                      |                 | 0             |                    | 0             |      |
| Bank Interest                           |                 | 1,050         |                    | 350           | 3    |
| Sundry income                           |                 | <u>0</u>      |                    | <u>0</u>      |      |
|   |                 | 2,050         |                    | 1,400         |      |
| <b>Expenditure</b>                      |                 |               |                    |               |      |
| Special Issues: ( None planned in year) | 0               |               | 0                  |               |      |
| Other (re-prints etc.)                  | <u>0</u>        |               | <u>0</u>           |               | 4    |
|   |                 | <u>0</u>      |                    | <u>0</u>      |      |
| Net transfer from or to (-) I&E Account |                 | 2,050         |                    | 1,400         |      |
| Opening Balance brought forward         |                 | <u>38,710</u> |                    | <u>38,220</u> | 5    |
| Projected Closing Balance               |                 | <u>40,760</u> |                    | <u>39,620</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 2008-2009.

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 2008 – 2009 (Note 1)

| Income and Expenditure Account          |                 |              |                    |      |
|---|-----------------|--------------|--------------------|------|
|   | Approved Budget |              | Projected Out-turn | Note |
| Income                                  | £               | £            | £                  |      |
| Voluntary contributions                 |                 | 1,000        | 7,250              | 2    |
| UK tax recoverable                      |                 | 0            | 0                  |      |
| Bank Interest                           |                 | 100          | 50                 |      |
| Sundry income                           |                 | <u>0</u>     | <u>0</u>           |      |
|   |                 | 1,100        | 7,300              |      |
| <b>Expenditure</b>                      |                 |              |                    |      |
| Invited participants                    | 1,000           |              | 2,150              | 3    |
| By Catch Reduction                      |                 |              | 4,250              |      |
| Common Dolphin in S America             | 0               |              | 0                  |      |
| Bank Charges                            | 0               |              | 100                |      |
| Sundry expenditure                      | <u>50</u>       |              | <u>0</u>           |      |
|   |                 | <u>1,050</u> | <u>6,500</u>       |      |
| Net transfer from or to (-) I&E Account |                 | 50           | 800                |      |
| Opening Balance brought forward         |                 | <u>6,530</u> | <u>10,015</u>      | 4    |
| Projected Closing Balance               |                 | <u>6,580</u> | <u>10,815</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: £ 7k of contributions have been received or are receivable (£ 4k from WWF to sponsor by-catch research and £ 3k for other programmes).

3. The projected out-turn shows expenditure to date 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.

**Table 4****Research Fund 2008 – 2009** (Note 1)**Income and Expenditure Account**

|   | Approved Budget | Projected Out-turn | Note     |
|---|-----------------|--------------------|----------|
| <b>Income</b>                           | <b>£</b>        | <b>£</b>           |          |
| Allocation                              | 305,400         | 305,400            | 2        |
| Voluntary contributions                 | 1,000           | 23,850             | 3        |
| UK tax recoverable                      | 0               | 3,600              | 4        |
| Bank Interest                           | 5,350           | 3,100              | 5        |
| Sundry income                           | <u>0</u>        | <u>0</u>           |          |
|   | 311,750         | 335,950            |          |
| <b>Expenditure</b>                      | <u>-305,400</u> | <u>-305,400</u>    | Table 4A |
| Net transfer from or to (-) I&E Account | 6,350           | 30,550             |          |
| Opening Balance brought forward         | <u>151,450</u>  | <u>201,372</u>     | 6        |
| Projected Closing Balance               | <u>157,800</u>  | <u>231,922</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 £ 24k of contributions towards the climate change workshop held in Siena Italy in February 2009.

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. In June 2008 a Voluntary Contribution of £ 9.3k was also received from the Italian Government. £ 11.5k of the combined contributions of £ 21.6k has been spent to date with approximately £ 10.1k left as the balance as at 31 March 2009.

Table 4A

| Research Expenditure 2008 - 2009 |  |                    |
|----------------------------------|--|--------------------|
| Note                             | Approved Budget  | Projected Out-turn |
| <b>RMP</b>                       |  |                    |
| 1                                | RMP MSYR intersessional meeting  | 3,000              |
| 2                                | Second Intersessional Workshop for the North Atlantic fin whale implementation                               | 8,000              |
| 3                                | Continue augmentation of the committee's computing capabilities with respect to RMP and AWMP implementations | 20,000             |
| 4                                | Investigate the apparent anomalies between the results of allozyme analyses and DNA-based analyses           | 14,500             |
| <b>AWMP</b>                      |  |                    |
| 5                                | Workshop on Greenland Fisheries  | 8,000              |
| <b>IA</b>                        |  |                    |
| 6                                | Continue development of statistical catch-at-age estimators for Antarctic minke whales                       | 2,000              |
| 7                                | Independent reading of Antarctic minke whale earplugs  | 10,000             |
| 8                                | Workshop to complete abundance estimates for Antarctic minke whales using the IWC/SOWER data                 | 8,000              |
| 9                                | Import and analysis of 2007/08 SOWER data  | 10,000             |
| 10                               | SOWER 2008/09 cruise and planning meeting  | 67,700             |
| <b>SH</b>                        |  |                    |
| 11                               | Workshop on modelling methodologies for mixing and substructure of humpback whale populations                | 10,000             |
| 12                               | Development of additional humpback whale assessment models   | 2,000              |
| 13                               | Antarctic humpback whale catalogue   | 6,600              |
| 14                               | SH blue whale photo-ID catalogue   | 7,800              |
| <b>SD</b>                        |  |                    |
| 15                               | Progress on the TOSSM project  | 17,000             |
| <b>BC</b>                        |  |                    |
| 16                               | Develop web based system for data entry into IWC global ship strike database                                 | 2,000              |
| <b>E</b>                         |  |                    |
| 17                               | Workshop on Climate Change Implications for Cetaceans  | 22,500             |
| 18                               | Pollution Modelling Workshop: Development of Phase II of Pollution 2000+                                     | 1,000              |
| 19                               | State of the Cetacean Environment Report (SOCER)   | 2,000              |
| <b>SP</b>                        |  |                    |
| 20                               | JARPN II review Workshop   | 15,000             |
| <b>WW</b>                        |  |                    |
| 21                               | LaWE Steering Group meeting  | 3,000              |
| <b>DNA</b>                       |  |                    |
| 22                               | Sequence assessment for species assignment for sequences deposited in GenBank in 2007                        | 2,500              |
| <b>OTHER</b>                     |  |                    |
| 23                               | Participation in conference on marine mammal protected areas   | 10,000             |
| <b>ALL</b>                       |  |                    |
| 24                               | Invited Participants to the 2009 Annual Meeting  | 52,800             |
| TOTAL                            |  | 305,400            |

Table 4A Notes

**Abbreviations**

|                 |   |   |   |
|-----------------|---|---|---|
| <b>AWMP</b>     | Sub-committees of the Scientific Committee                                  | Aboriginal Subsistence Whaling Management Procedure |   |
| <b>BC</b>       |   | Bycatch and other human-induced mortality           |   |
| <b>BRG</b>      |   | Bowhead, Right and Gray Whales                      |   |
| <b>DNA</b>      |   | Deoxyribo Nucleic Acid                              |   |
| <b>E</b>        |   | Environmental Concerns                              |   |
| <b>IA</b>       |   | In-depth Assessment                                 |   |
| <b>RMP</b>      |   | Revised Management Procedure                        |   |
| <b>SH</b>       |   | Other Southern Hemisphere Whales                    |   |
| <b>SD</b>       |   | Stock Definition                                    |   |
| <b>SP</b>       |   |   |   |
| <b>WW</b>       |   | Whale Watching                                      |   |
| <b>BT</b>       | Buckland and Turnock  | <b>MSY</b>  | Maximum Sustainable Yield                             |
| <b>CCAMLR</b>   | Commission for the Conservation of Antarctic Marine Living Resources        | <b>NA</b>   | North Atlantic  |
| <b>CPII/III</b> | Circumpolar Survey II / III   | <b>SLA</b>  | Strike Limit Algorithm                                |
| <b>DESS</b>     | (IWC) Database and Estimation Software System                               | <b>SOWER</b>  | <b>Southern Ocean Whale &amp; Ecological Research</b> |
| <b>JARPA</b>    | Japanese Whale Research Programme under Special Permit in the Antarctic     | <b>TOSSM</b>  | Testing of Spatial Structure Model                    |
| <b>JARPN</b>    | Japanese Whale Research Programme under Special Permit in the North Pacific |   |   |

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 2008-2009.*

**Revised Management Procedure****(1) Workshop to review MSY Rates**

The workshop is to enable sufficient progress to be made to be able to have a thorough review of and if necessary revise the range of plausible MSY rates (currently  $MSYR_{(mat)} = 1\%$  to  $7\%$ ) for use in RMP trials by the 2009 meeting

**(2) - (3) Second intersessional workshop for the North Atlantic Fin Whale implementation**

The Commission has endorsed the process recommended four years ago by the Committee with respect to the time schedule if an *Implementation* begins. In 2007, the Committee began the North Atlantic fin whale *Implementation*. The ability to complete the programming work needed to implement and condition the *Implementation Simulation Trials* was substantially enhanced by the extra computational support for the Secretariat that was funded last year. A continuation of this support is requested (3) in order for the Committee to meet the strict timetable agreed in the Requirements and Guidelines for *Implementations*. The Committee should be in a position to complete the *Implementation* at next year's meeting and funding is required for invited participants at the second Intersessional Workshop in spring 2009.

**(4) Investigate the apparent anomalies between the results of allozyme analyses and DNA-based analyses**

In the case of North Atlantic fin whales and North Atlantic minke whales, different genetic methodologies have revealed highly contrasting results. Allozyme analyses conducted in the early 1990s estimated large very high degrees of genetic divergence between samples from western, Central and eastern North Atlantic fin whales and minke whales at several loci. These results are in sharp contrast to the DNA-based analyses (mtDNA and microsatellite loci) which so far has revealed low levels population genetic structure among the North Atlantic regions. The lack of congruence among different genetic analyses has important consequences for the Implementation Simulation Trials for North Atlantic fin whales which have to include stock hypotheses covering the full range of these contrasting genetic analyses. This funding will be used 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. Genomic DNA extractions from ~50 of the fin whale samples used in the original allozyme study by Danielsdottir and co-workers are already available. This work will be undertaken by Pasbøll and Bérubé.

**Aboriginal Whaling Management Procedure****(5) Workshop on management of greenlandic fisheries**

The Committee has been unable to provide satisfactory management advice on common minke whales off West Greenland. However, it has made considerable progress in developing an assessment method for common minke whales using sex ratio data and established an ambitious work plan to complete this work by the 2009 Annual Meeting. Although a safe method for providing interim advice has been developed for fin, bowhead and humpback whales, it is important that work on developing an SLA for fin whales begins immediately. An intersessional Workshop is essential to maintain momentum on both these important tasks.

**In-depth assessments****(6) Catch-at-age analysis**

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

**(7) Independent reading of Antarctic minke whale earplugs**

Analyses of the combined commercial and JARPA catch-at-age data have provided robust indication of trends in minke whale recruitment which have important implications for understanding of the population's dynamics. However, this result is dependent on ageing having been carried out consistently over time, as a drift in reader performance could produce the trend in question as an artefact. The Committee has agreed a process to investigate this and the funding will be used to cover travel, subsistence and salary costs for an independent expert (Lockyer) to visit Tokyo, as well as preparation of the sample materials.

**(8) Antarctic minke whale abundance estimation workshop**

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 in-depth assessment of Southern Hemisphere minke whales has already taken much longer than anticipated and if the Committee is going to finish this soon, then an intersessional technical Workshop to develop abundance estimates using the three proposed methods is essential. After such a Workshop (and some associated intersessional email correspondence), the Committee in 2009 should be able to quickly reach agreement on best available estimates, leaving enough time during the 2009 meeting for discussion of interpretation.

**(9) Analysis of the BT mode data and importation of 2007/08 SOWER data into DESS**

BT-option 2 mode survey data from 2007/08 needs to be incorporated promptly into the IWC-DESS database so that appropriate analyses can be carried out, preferably before the Planning Meeting in Tokyo at the end of September. This would then complete the analyses of the trials of both BT mode and BT-option 2 mode that have been conducted since the 2005/06 cruise. This work will be undertaken by the IWC Secretariat in conjunction with Burt.



**(10) SOWER circumpolar cruise**

The Committee and the Commission have both given high priority to obtaining agreed abundance estimates for Antarctic minke whales and for explaining the differences between CPII and CPIII. The high priority plans for this year's survey are directed at experiments to address these problems including a cooperative study with an Australian aerial survey over the ice. In addition there will be continued work related to: (1) improving estimates of distance/angle estimation; (2) research on blue whales and humpback whales which are the subject of a comprehensive assessment. The funding is for planning, equipment and participation by international scientists. The vessel is generously provided by the Government of Japan.

**Southern Hemisphere humpback and blue whales****(11) – (12) Intersessional workshop on assessment methodology for Humpback Whale Populations**

It has become evident that advances are required in the 'isolated stock' methodology that has been used to assess Breeding Stocks A and G of Southern Hemisphere humpback whales in order for it handle the complexities of the mixing and sub-stock structure, which are associated with Breeding Stocks B and C, and D, E and F. Funding is required for an expert (Holloway) to further develop such methodology. This work will be reviewed at an intersessional Workshop, for which funds are required for the attendance of Invited Participants. Agreement of an appropriate methodology at the Workshop should enable more rapid completion of the Comprehensive Assessment of Southern Hemisphere humpback whales.

**(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 mainly required for database management and incorporation of IWC photographs from the SOWER cruises.

**(14) SH Blue Whale photo-ID catalogue**

Funding is requested to establish a central web-based system by which Southern Hemisphere blue whale photo-ID matching can take place. The system will be developed so that photo-ID and associated regional and institutional data will be accessible to users for uploading, updating, and managing their data within a data-base with advanced and multiple search capabilities for matching. The project will result in a report of comparisons and resulting matches made across the three regions. An important component in the incorporation of IWC photographs from the SOWER cruises.

**Stock definition****(15) Progress on the TOSSM project**

Prior to this year, no population genetic method tested in TOSSM had shown much ability to detect the need for separate management when the dispersal rate between subpopulations is high. However, this year several methods have shown promise even at fairly high dispersal rates. Now that there is evidence that some methods might work in certain scenarios, it has become worthwhile to expand the range of scenarios tested, both towards general archetypes of population structure and towards more specific scenarios related to issues of immediate concern to the Committee. Progress on the TOSSM project has been greatly accelerated over the last 18 months because of the employment of a full-time technical assistant (part-funded by IWC). Funding is requested to extend the position by a further six months. Continuity in the technical assistant position is crucial to making efficient progress with TOSSM and bringing forward the results into the Committee's work.

**Bycatch and other human-induced mortality****(16) Web based system for data entry into IWC global ship strike database**

The need for a global database of incidents involving collisions between vessels and whales has been recognised by the Committee, as well as other bodies such as the International Maritime Organization (IMO) and ACCOBAMS (Agreement on the Conservation of Cetaceans in the Black Sea, Mediterranean Sea).

A web based system including a dedicated section of the IWC website will assist in data entry and also help to ensure that governments, industry and other relevant bodies are made fully aware of the database. Funding is requested to pay a commercial contractor to work closely with the IWC website manager in order to develop this.

**Environment****(17) Climate change workshop**

The IWC last convened a Workshop focused on impacts of climate change on cetaceans in 1995. Since then, much has been learnt about both how climate change is manifesting its impacts in the oceans and how to extrapolate those impacts at temporal and spatial scales relevant to cetaceans. Following endorsement of the proposal by the Commission last year, a Scoping Group met in February 2008 to develop the agenda for the Workshop. The primary aim of the Workshop is to determine how climate change is/may already be affecting cetaceans and how best to determine these effects. Funding is required for Invited Participants at the Workshop, which is expected to be held in spring 2009 in Siena.

**(18) Pollution modelling workshop: development of phase II of Pollution 2000+**

The Committee has agreed that it will be valuable to begin Phase II of POLLUTION 2000+. The initial work will concentrate on developing: (1) an integrated modelling framework for examining the effects of pollutants on cetacean populations; and (2) a protocol for validating the use biopsy samples in pollution related studies. An important component of this work will be to identify suitable focal populations for future work. 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 is scheduled for spring 2009. Further funding is required for Invited Participants at the Workshop.

**(19) State of the cetacean environment report (SOCER)**

The Scientific Committee regards SOCER to be a useful document that provides a 'snapshot' of environmental developments potentially relevant to cetaceans for scientists and non-scientists alike. A token amount of money is requested to show the support of the IWC for the report and thus enable the authors to seek alternative sources of funding.

**Scientific Permits****(20) JARPN II Workshop**

The Committee has finalised a new process for the evaluation of scientific permits (new and ongoing). The funds are requested for Invited Experts to attend a review Workshop which will be hosted by Japan in Spring 2009.

**Whalewatching****(21) Workshop for strategic planning of large-scale whalewatching research**

A successful Workshop on large-scale whalewatching experiments (LaWE) was held 30 March to 4 April 2008 in Bunbury, Australia. Due to unforeseen circumstances, the Steering Group was unable to finalise its proposal for future work at this year's Scientific Committee meeting. Therefore funding is required for the group to meet intersessionally in Aberdeen.

**DNA****(22) Genbank sequence assessment for species assignment**

In 2006, the Committee agreed to continue with the development of plans for sequence validation in GenBank. This funding is for the second year of the project and will provide a contract to Dr Ross of New Zealand. Validation will take the form of a report with the following provisions: (1) List the GenBank accession number and species identity of each mysticete control region sequence published in GenBank during 2007 with the species identity as determined using the most recent version of the Witness for the Whale reference sequence alignments (see Baker et al., 2007a) and the DNA Surveillance software engine; (2) the above list to be supported by phylogenetic trees, one per sequence, showing the placement of the GenBank sequence in relation to the reference sequence; and (3) an evaluation of the types of inconsistencies/errors (quality of submitted sequences, accuracy of species identification and accuracy of geographical location).

**Other****(23) Participation in the first international conference on marine mammal protected area**

In March 2009, the National Oceanic and Atmospheric Administration (NOAA), along with several international partners, will host the first International Conference on Marine Mammal Protected Areas (ICMMPA). Some of the topics that will be included in both invited presentations and workshops include: scientific criteria for determining critical habitat; developing management plans; performance measures and monitoring programmes; and reviewing issues such as bycatch, ship strikes, anthropogenic sound and emerging diseases. The Scientific Committee includes a number of these issues within its current remit and therefore supports the proposal. Funding is required to cover only a small percentage of the estimated costs of the workshop.

**(24) Invited Participants (IP's) 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 2008 – 2009** (Note 1)

|                                  | Approved Budget |                | Projected Out-turn |                | Note |
|----------------------------------|-----------------|----------------|--------------------|----------------|------|
|                                  | £               | £              | £                  | £              |      |
| Opening Balance 1 September 2008 |                 | 405,700        |                    | 412,000        | 2    |
| Provision for year               |                 | <u>33,600</u>  |                    | <u>17,700</u>  |      |
| Projected Closing Balance        |                 | <u>439,300</u> |                    | <u>429,700</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 a reduction in working hours and changes in conditions of employment of some staff members.

**Table 6**  
**General Fund 2008 – 2009** (Note 1)

|  | Approved Budget  | Projected Out-turn | Note |
|--|------------------|--------------------|------|
|  |                  |                    |      |
| Opening Balance 1 September 2008                 | 1,309,310        | 1,375,240          | 2    |
| Surplus/Deficit (-) transferred from I&E Account | <u>-182,550</u>  | <u>-283,500</u>    |      |
| Projected Closing Balance                        | <u>1,126,760</u> | <u>1,091,750</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 2009 - 2010; Forecast 2010 - 2011****Income and Expenditure Account**

|   | Proposed Budget<br>2009-2010 |                  | Forecast Budget<br>2010-2011 |                  | Note      |
|---|------------------------------|------------------|------------------------------|------------------|-----------|
| <b>Income</b>   | £                            | £                | £                            | £                |           |
| Contracting Government contributions                    |                              | 1,533,000        |                              | 1,655,600        | 1         |
| Recovery of Arrears                                     |                              | 0                |                              | 0                |           |
| Interest on late financial contributions                |                              | 0                |                              | 0                | 2         |
| Voluntary contributions                                 |                              | 2,000            |                              | 2,000            | 3         |
| Sales of publications                                   |                              | 18,900           |                              | 19,100           | 4         |
| Sales of sponsored publications                         |                              | 1,000            |                              | 1,100            |           |
| Observers' registration fees                            |                              | 50,300           |                              | 50,800           | 5         |
| UK taxes recoverable                                    |                              | 22,000           |                              | 22,200           | 6         |
| Staff assessments                                       |                              | 172,500          |                              | 176,600          | 7         |
| Interest receivable                                     |                              | 16,200           |                              | 14,800           | 8         |
| Sundry income   |                              | 500              |                              | 500              | 9         |
|   |                              | <u>1,816,400</u> |                              | <u>1,942,700</u> |           |
| <b>Expenditure</b>                                      |                              |                  |                              |                  |           |
| Secretariat   | 1,153,300                    |                  | 1,176,300                    |                  | Table 7A  |
| Publications  | 38,500                       |                  | 38,900                       |                  | 10        |
| Annual meetings   | 365,700                      |                  | 369,400                      |                  | 11        |
| Other meetings  | 198,000                      |                  | 41,400                       |                  | 12        |
| Research expenditure                                    | 308,500                      |                  | 311,500                      |                  | Table 10A |
| Small cetaceans   | 1,000                        |                  | 1,000                        |                  | Table 9   |
| Sundry  | <u>0</u>                     |                  | <u>0</u>                     |                  |           |
|   | 2,065,000                    |                  | 1,938,500                    |                  |           |
| <b>Provisions</b>                                       |                              |                  |                              |                  |           |
| Unpaid interest on overdue contributions                | 0                            |                  | 0                            |                  |           |
| Severance Pay Provision                                 | 41,500                       |                  | 27,100                       |                  | Table 11  |
| Provn for other doubtful debts                          | <u>0</u>                     |                  | <u>0</u>                     |                  |           |
|   |                              | 2,106,500        |                              | 1,965,600        |           |
| Excess of expenditure over income                       |                              | -290,100         |                              | -22,900          |           |
| <b>Net Transfers from or to (-):</b>                    |                              |                  |                              |                  |           |
| Sponsored Publications Fund                             |                              | -1,700           |                              | -1,700           | Table 8   |
| Research Fund   |                              | -4,600           |                              | -4,400           | Table 10  |
| Small Cetaceans Fund                                    |                              | -150             |                              | -150             | Table 9   |
| <b>Surplus/Deficit (-) for the year after transfers</b> |                              | <u>-296,550</u>  |                              | <u>-29,150</u>   | Table 12  |

### Notes To Table 7

(Notes refer primarily to the proposed budget for 2009-2010 although many apply equally to both years. Any which have specific application to the Forecast for 2010-2011 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 £ 5,214 (£ 1,533,000 divided by 294 shares). This is based on attendance at IWC60 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 2004/05 to 2009/10.

(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 09/10 it is proposed that NGO fees again increase in line with UK inflation set at 1%. Thus the NGO registration fee for 2009/10 would be set at

- £ 505 for the first observer, and
- £ 253 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 £ 55 to **£60**.

It may be worthwhile to note that NGO fees are proposed to increase by 1% for 09/10, while the Financial Contributions for the same year are proposed to increase overall by 5%.

(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 1.0 % to produce an estimate of interest receivable. *Deficit budgets for 2009/10 and 2010/11 lead to an expected reduction of bank balances and therefore a reduction in interest receivable.*

(9) A small budget provision. This line item provides *inter alia* for gains on exchange in foreign currency transactions. Although such gains, if any, are unintended, the policy when invoicing in currencies other than sterling is to ensure that, as far as possible, the Commission does not sustain any loss.

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

(11) The cost to the Commission of the 62<sup>nd</sup> Annual Meeting in 2010. The budget provision represents a 1.0% increase over that for IWC/61. 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 2010, 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 £ 198k includes £ 150k for 09/10 intersessional meetings (including facilities hire, translation and interpretation), £ 7k for a "welfare of entangled whale workshop" and £ 41k for "other costs" associated with provision of document translation and simultaneous interpreters for IWC/62. The £ 150k for intersessional meetings during 09/10 has been included to provide for the event that at IWC/61 the Commission agrees to hold intersessional meetings similar to those held during 2008/09. If there is no decision to hold intersessional meetings, the £ 150k provision can be deducted from the proposed budget. *No provision for intersessional meetings has been included in the forecast budget for 2010/11.*

**Table 7A**  
**Proposed Budget 2009 - 2010; Forecast 2010 - 2011**  
**Analysis of Secretariat Costs**

|                                      | Proposed<br>Budget<br>2009-2010 | Forecast<br>Budget<br>2010-2011 | Note |
|--------------------------------------|---------------------------------|---------------------------------|------|
| Salaries and allowances              | 730,200                         | 748,200                         | 1    |
| Retirement and other benefit schemes | 176,400                         | 179,700                         | 2    |
| Travelling expenses                  | 10,000                          | 10,100                          | 3    |
| Office rent, heating and maintenance | 119,400                         | 119,800                         | 4    |
| Insurance                            | 4,700                           | 4,800                           | 5    |
| Postage and telecommunications       | 17,900                          | 18,100                          | 6    |
| Office equipment and consumables     | 49,700                          | 50,100                          | 7    |
| Professional fees                    | 29,900                          | 30,200                          | 8    |
| Training and Recruitment             | 6,300                           | 6,400                           | 9    |
| Photocopying                         | 4,500                           | 4,600                           | 10   |
| Sundry                               | 4,300                           | 4,300                           | 11   |
| <b>Total</b>                         | <u>1,153,300</u>                | <u>1,176,300</u>                |      |

#### Notes

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

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

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

4. The lease on the Red House was due for renewal in March 2009. The proposed budget is based on the “working assumption” that the lease is renewed at the current level of rent (£ 75,000 per annum – this is above the level suggested by Real Estate Consultants because of changes in the local property rental market). Repairs and renewals have been included at 08/09 budget levels to continue to allow for “delapidations” (the law allows for repairs to a property, that the owner can insist on being done at the time a lease is renewed). In the context of volatile energy prices, the 20% increase in costs included in the 08/09 approved budget are assumed to have stabilized at that higher level for 09/10 and 10/11 (no fall in energy costs has been anticipated). Other costs are assumed to increase by the rate of inflation. *The provision for 2010/11 includes costs associated with lease renewal as a contingency against protracted negotiations.*

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 2008-2009 provision for equipment and supplies is £49k. Approximately £27k relates to the rental / running costs of scanning / photocopying equipment. The balance relates to the replacement/upgrading of hardware and software and the purchase of office stationery and consumables.

8. Mainly audit fees £6k with a specific provision of £ 13k for property advice to support the renewal of the lease of the Red House and a general provision of £ 11k for legal advice (for pensions), property advice, I.T. consultancy, H.R. (Human Resources) consultancy and H&S (Health & Safety) consultancy. *The provision for 2010/11 includes costs associated with lease renewal as a contingency against protracted negotiations.*

9. Minimal provision for training in 2009-2010 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.

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<br>2009-2010 |               | <i>Forecast Budget</i><br><i>2010-2011</i> |               | Note |
|---|------------------------------|---------------|--|---------------|------|
|   | £                            | £             | £  | £             |      |
| <b>Income</b>                           |                              |               |  |               |      |
| Voluntary contributions                 |                              | 0             |  | 0             |      |
| Sales                                   |                              | 1,000         |  | 1,100         | 2    |
| UK tax recoverable                      |                              | 0             |  | 0             |      |
| Bank Interest                           |                              | 600           |  | 600           | 3    |
| Sundry income                           |                              | 0             |  | 0             |      |
|   |                              | <u>1,600</u>  |  | <u>1,700</u>  |      |
| <b>Expenditure</b>                      |                              |               |  |               |      |
| 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 |                              | 1,600         |  | 1,700         |      |
| Opening Balance brought forward         |                              | 39,600        |  | 41,200        | 4    |
| <b>Projected Closing balance</b>        |                              | <u>41,200</u> |  | <u>42,900</u> |      |

#### Notes

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

2 Conservative estimate of sales.

3 A realistic amount of interest has been included.

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



Table 9

**Small Cetaceans Fund (Note 1)**  
**Income and Expenditure Account**

|   | Proposed budget<br>2009-2010 |               | Forecast Budget<br>2010-2011 |               | Note  |
|---|------------------------------|---------------|------------------------------|---------------|-------|
|   | £                            | £             | £                            | £             |       |
| <b>Income</b>                                     |                              |               |                              |               |       |
| Voluntary contributions                           |                              | 1,000         |                              | 1,000         | 2     |
| UK tax recoverable                                |                              | 0             |                              | 0             |       |
| Bank Interest                                     |                              | 150           |                              | 150           | 3     |
| Sundry income                                     |                              | <u>0</u>      |                              | <u>0</u>      |       |
|   |                              | 1,150         |                              | 1,150         |       |
| <b>Expenditure</b>                                |                              |               |                              |               |       |
| Invited participants                              | 1,000                        |               | 1,000                        |               | 4     |
| Expenditure of designated funds:                  |                              |               |                              |               |       |
| By-catch reduction                                | 0                            |               | 0                            |               | 5 & 2 |
| Cooperative Research – Recovery of the<br>Vaquita | 0                            |               | 0                            |               | 5     |
| Sundry expenditure                                | <u>50</u>                    |               | <u>50</u>                    |               | 6     |
|   |                              | 1,050         |                              | 1,050         |       |
| Net transfer from or to (-) I&E Account           |                              | 100           |                              | 100           |       |
| Opening Balance brought forward                   |                              | <u>10,800</u> |                              | <u>10,900</u> | 7     |
| <b>Projected Closing Balance</b>                  |                              | <u>10,900</u> |                              | <u>11,000</u> |       |

**Notes**

1. The Commission established the IWC Voluntary Fund for Small Cetaceans in 1994 'to allow for the participation from developing countries in future small cetaceans work ...' and called upon 'Contracting Governments and non-Contracting Governments, intergovernmental organisations and other entities as appropriate, in particular those most interested in scientific research on small cetaceans to contribute ...'. (IWC Resolution 1994 - 2 *Rep. int. Whal. Commn 45:41.*)
2. Voluntary contributions can reasonably be expected. The budget shows a notional £1k for Small Cetacean Invited Participants.
3. A realistic amount of interest has been included.
4. In 2009-2010, unless the Fund receives further contributions, support for this activity will be minimal. (*The same applies for 2010/11.*)
5. The Fund previously received voluntary contributions specifically designated to support these projects.
6. Includes bank charges, loss on exchange etc.
7. The Opening Balance in the Proposed Budget column represents the anticipated result based on the projections in last year's Provisional Financial Statement.

**Table 10**  
**Research Fund (Note 1)**

|   | Proposed<br>Budget<br>2009-2010 |                       | <i>Forecast<br/>budget<br/>2010-2011</i> |                       | Note |
|---|---------------------------------|-----------------------|--|-----------------------|------|
|   | £                               | £                     | £  | £                     |      |
| <b>Income</b>                           |                                 |                       |  |                       |      |
| Allocation                              |                                 | 308,500               |  | 311,500               | 2    |
| Voluntary contributions                 |                                 | 1,000                 |  | 1,000                 |      |
| UK tax recoverable                      |                                 | 0                     |  | 0                     | 3    |
| Bank Interest                           |                                 | 3,600                 |  | 3,400                 | 4    |
| Sundry income                           |                                 | <u>0</u>              |  | <u>0</u>              |      |
|   |                                 | 311,750               |  | 315,900               |      |
| <b>Expenditure</b>                      |                                 |                       |  |                       |      |
|   |                                 | <u>-308,500</u>       |  | <u>-311,500</u>       |      |
| Net transfer from or to (-) I&E Account |                                 | 4,600                 |  | 4,400                 |      |
| Opening Balance brought forward         |                                 | <u>231,900</u>        |  | <u>236,500</u>        | 5    |
| <b>Projected Closing Balance</b>        |                                 | <u><u>236,500</u></u> |  | <u><u>240,900</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 2009-2010 will be spent during 2009-2010 and that any funds brought forward at 01 September 2009 will be carried forward at 31 August 2010. In reality some of the funds brought forward at 01 September 2009 will be spent during 2009-2010 and some of the new expenditure authorised to be spent in 2009-2010 will be deferred and carried forward to 2010-2011. In each of the years since 2003 substantial balances have been held on the Research Fund as follows:

**2003/2004** £ 148,847, **2004/2005** £ 138,812, **2005/2006** £ 133,914, **2006/2007** £ 143,397; **2007/08** £ 201,372

Therefore the above simplifying assumption is realistic for planning purposes as the projected closing balances of £ 236.5k for 2009-2010 and £ 240.9k for 2010-2011 are in range of those recorded for the financial years since 2003-2008.

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 1.0%. 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 £ 308.5k. This amount is based on the initial 08/09 approved budget increased by the current UK rate of inflation (1.0 % for 09/10 and for 10/11).

**Table 10A. Research Fund – Preliminary Movement of Funds 2009-2010**

| Note | Continuing Projects and Contracts  | Balance<br>B/Fwd (A) | Proposed<br>Budget<br>2009-2010<br>Pre-Allo'n (B) | Total Funds<br>Available (C) | Receipts (D) | Expenditure (E) | Balance C/Fwd<br>(F) |
|------|--|----------------------|---|------------------------------|--------------|-----------------|----------------------|
| 1    | Invited participants   | 3,713                |   | 3,713                        |              |                 | 3,713                |
| 2    | AS - Developer's Fund (AWMP fund for developers)                                       | 9,497                |   | 9,497                        |              |                 | 9,497                |
| 3    | AWMP Intersessional Workshop   | 3,150                |   | 3,150                        |              |                 | 3,150                |
| 4    | Genetic Simulation Studies   | 3,500                |   | 3,500                        |              |                 | 3,500                |
| 5    | Greenland Common Minke Whales.: use of sex ratio data in assessments.                  | 3,500                |   | 3,500                        |              |                 | 3,500                |
| 6    | FAO fisheries statistics   | 3,778                |   | 3,778                        |              |                 | 3,778                |
| 7    | Workshop on the use of market sampling to estimate bycatch                             | 9,973                |   | 9,973                        |              |                 | 9,973                |
| 8    | Estimation of bycatch. Data collection and market pathways                             | 3,355                |   | 3,355                        |              |                 | 3,355                |
| 9    | Pollution 2000+  | 1,499                |   | 1,499                        |              |                 | 1,499                |
| 10   | FAO expert consultation on modelling ecosystem interaction                             | 1500                 |   | 1500                         |              |                 | 1500                 |
| 11   | Arctic Sea ice - population dynamics (incl. dev std. rpt. coll'n between whales+ships) | 14,492               |   | 14,492                       |              |                 | 14,492               |
| 12   | SOWER cruise 07/08   | 42,998               |   | 42,998                       |              |                 | 42,998               |
| 13   | Integrated Model Analysis  | 2,000                |   | 2,000                        |              |                 | 2,000                |
| 14   | Minke abundance estimates (IA development support)                                     | 4,382                |   | 4,382                        |              |                 | 4,382                |
| 15   | Standard analysis methods and data entry into DESS                                     | 20000                |   | 20000                        |              |                 | 20000                |
| 16   | SOWER (other incl. digitisation of accoustic records)                                  | 4,036                |   | 4,036                        |              |                 | 4,036                |
| 17   | RMP Inter-sessional (Brydes Whales)  | 5,681                |   | 5,681                        |              |                 | 5,681                |
| 18   | Catch data   | 3,681                |   | 3,681                        |              |                 | 3,681                |
| 19   | Contract 16 - SH Humpback catalogue  | 2,200                |   | 2,200                        |              |                 | 2,200                |
| 20   | Finalise assessment of humpback whale Breeding Stocks C and D.                         | 22,000               |   | 22,000                       |              |                 | 22,000               |
| 21   | Workshop on Greenland fisheries.   | 3,584                |   | 3,584                        |              |                 | 3,584                |
| 22   | Audit western NP Bryde's whale survey data   | 2,000                |   | 2,000                        |              |                 | 2,000                |
| 23   | Workshop to review MSY rates   | 1,217                |   | 1,217                        |              |                 | 1,217                |
| 24   | Computing support for Implementations  | 2,740                |   | 2,740                        |              |                 | 2,740                |
| 25   | Travel for earplug ageing expert in calibration experiment                             | 2,000                |   | 2,000                        |              |                 | 2,000                |
| 26   | SOWER abundance estimate workshop  | 889                  |   | 889                          |              |                 | 889                  |

| Note | Continuing Projects and Contracts                               | Balance<br>B/Fwd (A) | Proposed<br>Budget<br>2009-2010<br>Pre-Allo'n (B) | Total Funds<br>Available (C) | Receipts (D) | Expenditure (E) | Balance C/Fwd<br>(F) |
|------|---|----------------------|---|------------------------------|--------------|-----------------|----------------------|
| 27   | Scoping meeting for POLLUTION 2000+ Workshop                    | 5,000                |   | 5,000                        |              |                 | 5,000                |
| 28   | Scoping meeting for Climate Change Workshop                     | 2,232                |   | 2,232                        |              |                 | 2,232                |
| 29   | CCAMLR/IWC Workshop in July 2008                                | 7,912                |   | 7,912                        |              |                 | 7,912                |
| 30   | W. North Pacific gray whale telemetry.                          | 661                  |   | 661                          |              |                 | 661                  |
|      |   |                      |   |                              |              |                 |                      |
|      | Provision against overruns                                      | 38,730               |   | 38,730                       |              |                 | 38,730               |
|      | New Work – Commencing 01/09/2009 - unallocated                  |                      | 308,500   | 308,500                      |              | 308,500         |                      |
|      |   |                      |   |                              |              |                 |                      |
|      | Sundry Expenditure - Sundry expenditure & Bank Charges          |                      |   |                              |              |                 |                      |
|      | Sundry Income – Bank Interest (£3.6k) + Vol. Contribution (£1k) |                      | 0   | 0                            | 4600         | 0               | 4600                 |
|      |   |                      |   |                              |              |                 |                      |
|      | Total   | 231,900              | 308,500   | 540,400                      | 4,600        | 308,500         | 236,500              |

## Notes to Table 10A

**Abbreviations**

|                 |  |   |
|-----------------|--|---|
| <b>AWMP</b>     | Sub-committees of the Scientific Committee                           | Aboriginal Subsistence Whaling Management Procedure |
| <b>BRG</b>      |  | Bowhead, Right and Gray whales                      |
| <b>E</b>        |  | Environmental Concerns                              |
| <b>IA</b>       |  | In-depth Assessment                                 |
| <b>AS</b>       | Aboriginal Subsistence   |   |
| <b>CCAMLR</b>   | Commission for the Conservation of Antarctic Marine Living Resources |   |
| <b>CPII/III</b> | Circumpolar Survey II / III  |   |
| <b>DESS</b>     | (IWC) Database and Estimation Software System                        |   |
| <b>FAO</b>      | Fishing and Agriculture Organisation                                 |   |
| <b>MSY</b>      | Minimum sustainable yield  |   |
| <b>NP</b>       | North Pacific  |   |
| <b>NAMMCO</b>   | North Atlantic Marine Mammal Commission                              |   |
| <b>RMP</b>      | Revised Management Procedure   |   |
| <b>SC</b>       | Scientific Committee   |   |
| <b>SH</b>       | Southern Hemisphere  |   |
| <b>SO</b>       | Southern Ocean   |   |
| <b>SOS</b>      | Southern Ocean Sanctuary   |   |
| <b>SOWER</b>    | Southern Ocean Whale & Ecological Research                           |   |
| <b>TOSSM</b>    | 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 2009-2010 Pre-Allocation” – represents the funding requested by the Scientific Committee for 2009-2010 before any allocation has been made to specific projects.
- C) “Total Funds Available” - for 2009-2010 when funds brought forward from previous periods are added to funds authorised and then allocated to specific projects for 2009-2010.
- D) “Receipts” – additional income from voluntary contributions, interest receivable or taxes recoverable.
- E) “Expenditure” amounts expended within 2009-2010 on specific projects.
- F) “Balance carried forward” – represents unspent money within 2009-2010 (due to delay or deferral of project work) to be carried forward to 2010-2011.

**Table Contents**

1. Funds brought forward from previous periods to meet the costs of scientists invited to participate in the Annual Meeting of the Scientific Committee whose attendance is funded fully or in part by the Commission.
2. Residual funds from previous years. The Developer's Fund was established to provide scientists developing the Aboriginal Subsistence Whaling Management Procedure (AWMP) with appropriate facilities (hardware, software, communications, travel support etc.) to promote the most effective and expeditious progress. SCRep 2004 8.6 and 21.
3. Residual funds from previous years, used to support participants at AWMP intersessional workshops. SCRep 2006 Item 21.
4. Funds from 2005-2006 to obtain abundance estimates for West Greenland common minke whales using genetic data SCRep 2006 Item 8.
5. 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.
6. 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.
7. 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.

8. 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
9. Residual funds from previous years from the Pollution 2000+ project. SCRep 2007, Annex K Appendix
10. Funds from the 2006-2007 budget. To fund IWC participation at a Steering Group meeting. Aim to progress IWC participation at the FAO consultation whose task is to review major ecosystem modelling approaches being applied to fishery-related topics and to provide advice on their use.
11. Funds from 2005-2006 to fund a student to work with a sea-ice specialist to derive regional analysis of changes in sea ice since 1979 and undertake projection into the future. SCRep 2006 Item 12.1. This project commenced in July 2007 and is due to be completed by 31 March 2009.
12. Residual funds from previous years to allow continued support of SOWER cruises.
13. Funds from 2005-2006 to further the work on exploring the reasons for differences in Antarctic minke whale abundance from CPII and CPIII and working towards an In-Depth Assessment. This will include use of the IWC-DESS software. SCRep 2006 Item 10.2.3.
14. Residual funds from previous years for ongoing work to continue development of statistical catch-at-age estimators for Antarctic minke whales.
15. Funds from 2007-2008 for analysis and import of 2006-07 SOWER data into DESS.
16. 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).
17. 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.
18. 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).
19. Residual Funds from previous years for the ongoing Antarctic Humpback Whale Catalogue project. The funds are used for database management and incorporation of IWC photographs from the SOWER cruises. SCRep 2008 item 10.5.
20. 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.
21. Residual funds from the 2007-2008 workshop to facilitate the Scientific Committee in providing satisfactory management advice on the effects of aboriginal subsistence whaling off West Greenland. SCRep 2008 items 8, 9.4, 9.6.
22. 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.
23. Residual funds from 2007-2008 used to enable MSYR rates to be reviewed and revised for use in RMP trials. SCRep 2008 item 5.2.
24. Residual funds from 2007-2008 to ensure appropriate programming assistance is available for the North Atlantic fin whale *Implementation* to be conducted. SCRep 2008 item 6.
25. Funds from 2007-2008 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.
26. Residual funds from the 2007-2008 workshop focused on obtaining agreed abundance estimates for Antarctic minke whales and for explaining the differences between CPII and CPIII. SCRep 2008 item 10.2.1.
27. Funds from 2007-2008 to hold a scoping meeting on a second phase of the POLLUTION 200 project to ensure that preparatory analyses and key papers are produced prior to a full workshop. SC Rep 2008 item 12.2.
28. Residual funds from the 2007-2008 scoping meeting for a Climate Change Workshop. The meeting was held to ensure that preparatory analyses and key papers were produced in good time and to ensure that the full multidisciplinary workshop was carefully planned for. SC Rep 2008 item 12.6.1.
29. Residual funds from 2007-2008 for the Joint IWC-CCAMLR workshop on modelling Antarctic krill predators. SC Rep 2008 item 13.1.
30. 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

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

|   | Proposed Budget<br>2009-2010 |         | Forecast Budget<br>2010-2011 |         | Note |
|---|------------------------------|---------|------------------------------|---------|------|
|   | £                            | £       | £                            | £       |      |
| Opening Balance 1 September 2009 / 2010 |                              | 429,700 |                              | 471,200 | 2    |
| Provision for year                      |                              | 41,500  |                              | 27,100  |      |
| Projected Closing Balance               |                              | 471,200 |                              | 498,300 | 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 2009. *That in the Forecast Budget takes account of movements in the 2009-2010 proposed budget.*

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

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

|   | Proposed<br>Budget<br>2009-2010 | Forecast<br>Budget<br>2010-2011 | Note |
|---|---------------------------------|---------------------------------|------|
|   | £                               | £                               |      |
| Opening Balance 1 September 2009 (2010)                           | 1,091,750                       | 795,200                         | 2    |
| Surplus/Deficit (-) transferred from Income & Expenditure Account | -296,550                        | -29,150                         |      |
| Projected Closing Balance 31 August 2010 (2011)                   | 795,200                         | 766,050                         | 3    |

**Notes**

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

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

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

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

Table 13

## Provisional Estimate of Financial Contributions, year beginning 1 September 2009.

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

|    |                     | Current'<br>scheme | Capacity<br>to pay<br>Group | Red'n<br>Stage 1* | Red'n<br>Stage 2* | Red'n<br>£ | Add-on<br>Whaling | Add-on<br>Group 3<br>£ | Add-on<br>Group 4<br>£ | Total<br>£ |
|----|---------------------|--------------------|-----------------------------|-------------------|-------------------|------------|-------------------|------------------------|------------------------|------------|
| 1  | Antigua and Barbuda | 15,643             | 1                           | -7,821            | -1,955            | -9,777     | 0                 | 0                      | 0                      | 5,866      |
| 2  | Argentina           | 15,643             | 2                           | -3,911            | -1,173            | -5,084     | 0                 | 0                      | 0                      | 10,559     |
| 3  | Australia           | 26,071             | 3                           | 0                 | 0                 | 0          | 0                 | 6,175                  | 0                      | 32,247     |
| 4  | Austria             | 15,643             | 3                           | 0                 | 0                 | 0          | 0                 | 6,175                  | 0                      | 21,818     |
| 5  | Belgium             | 15,643             | 3                           | 0                 | 0                 | 0          | 0                 | 6,175                  | 0                      | 21,818     |
| 6  | Belize              | 15,643             | 1                           | -7,821            | -1,955            | -9,777     | 0                 | 0                      | 0                      | 5,866      |
| 7  | Benin               | 15,643             | 1                           | -7,821            | -1,955            | -9,777     | 0                 | 0                      | 0                      | 5,866      |
| 8  | Brazil              | 15,643             | 2                           | -3,911            | -1,173            | -5,084     | 0                 | 0                      | 0                      | 10,559     |
| 9  | Cambodia            | 15,643             | 1                           | -7,821            | -1,955            | -9,777     | 0                 | 0                      | 0                      | 5,866      |
| 10 | Cameroon            | 15,643             | 2                           | -3,911            | -1,173            | -5,084     | 0                 | 0                      | 0                      | 10,559     |
| 11 | Chile               | 15,643             | 2                           | -3,911            | -1,173            | -5,084     | 0                 | 0                      | 0                      | 10,559     |
| 12 | China, P.R of       | 15,643             | 2                           | -3,911            | -1,173            | -5,084     | 0                 | 0                      | 0                      | 10,559     |
| 13 | Congo, Rep          | 15,643             | 1                           | -7,821            | -1,955            | -9,777     | 0                 | 0                      | 0                      | 5,866      |
| 14 | Costa Rica          | 15,643             | 2                           | -3,911            | -1,173            | -5,084     | 0                 | 0                      | 0                      | 10,559     |
| 15 | Cote d'Ivoire       | 15,643             | 2                           | -3,911            | -1,173            | -5,084     | 0                 | 0                      | 0                      | 10,559     |
| 16 | Croatia             | 15,643             | 2                           | -3,911            | -1,173            | -5,084     | 0                 | 0                      | 0                      | 10,559     |
| 17 | Cyprus              | 15,643             | 3                           | 0                 | 0                 | 0          | 0                 | 6,175                  | 0                      | 21,818     |
| 18 | Czech Republic      | 15,643             | 3                           | 0                 | 0                 | 0          | 0                 | 6,175                  | 0                      | 21,818     |
| 19 | Denmark             | 36,500             | 3                           | 0                 | 0                 | 0          | 6,175             | 6,175                  | 0                      | 48,850     |
| 20 | Dominica            | 15,643             | 1                           | -7,821            | -1,955            | -9,777     | 0                 | 0                      | 0                      | 5,866      |
| 21 | Ecuador             | 15,643             | 2                           | -3,911            | -1,173            | -5,084     | 0                 | 0                      | 0                      | 10,559     |
| 22 | Eritrea             | 15,643             | 1                           | -7,821            | -1,955            | -9,777     | 0                 | 0                      | 0                      | 5,866      |
| 23 | Estonia             | 15,643             | 3                           | 0                 | 0                 | 0          | 0                 | 6,175                  | 0                      | 21,818     |
| 24 | Finland             | 15,643             | 3                           | 0                 | 0                 | 0          | 0                 | 6,175                  | 0                      | 21,818     |
| 25 | France              | 15,643             | 4                           | 0                 | 0                 | 0          | 0                 | 0                      | 37,051                 | 52,694     |
| 26 | Gabon               | 15,643             | 1                           | -7,821            | -1,955            | -9,777     | 0                 | 0                      | 0                      | 5,866      |
| 27 | Gambia, The         | 15,643             | 1                           | -7,821            | -1,955            | -9,777     | 0                 | 0                      | 0                      | 5,866      |
| 28 | Germany             | 20,857             | 4                           | 0                 | 0                 | 0          | 0                 | 0                      | 37,051                 | 57,908     |
| 29 | Greece              | 15,643             | 3                           | 0                 | 0                 | 0          | 0                 | 6,175                  | 0                      | 21,818     |
| 30 | Grenada             | 15,643             | 1                           | -7,821            | -1,955            | -9,777     | 0                 | 0                      | 0                      | 5,866      |
| 31 | Guatemala           | 15,643             | 2                           | -3,911            | -1,173            | -5,084     | 0                 | 0                      | 0                      | 10,559     |
| 32 | Guinea              | 15,643             | 1                           | -7,821            | -1,955            | -9,777     | 0                 | 0                      | 0                      | 5,866      |
| 33 | Guinea-Bissau       | 20,857             | 1                           | -10,429           | -2,607            | -13,036    | 0                 | 0                      | 0                      | 7,821      |
| 34 | Hungary             | 15,643             | 2                           | -3,911            | -1,173            | -5,084     | 0                 | 0                      | 0                      | 10,559     |
| 35 | Iceland             | 36,500             | 3                           | 0                 | 0                 | 0          | 6,175             | 6,175                  | 0                      | 48,850     |
| 36 | India               | 15,643             | 2                           | -3,911            | -1,173            | -5,084     | 0                 | 0                      | 0                      | 10,559     |
| 37 | Ireland             | 15,643             | 3                           | 0                 | 0                 | 0          | 0                 | 6,175                  | 0                      | 21,818     |
| 38 | Israel              | 15,643             | 3                           | 0                 | 0                 | 0          | 0                 | 6,175                  | 0                      | 21,818     |
| 39 | Italy               | 20,857             | 4                           | 0                 | 0                 | 0          | 0                 | 0                      | 37,051                 | 57,908     |
| 40 | Japan               | 73,000             | 4                           | 0                 | 0                 | 0          | 6,175             | 0                      | 37,051                 | 116,226    |
| 41 | Kenya               | 10,429             | 2                           | -2,607            | -782              | -3,389     | 0                 | 0                      | 0                      | 7,039      |
| 42 | Kiribati            | 15,643             | 1                           | -7,821            | -1,955            | -9,777     | 0                 | 0                      | 0                      | 5,866      |
| 43 | Korea, Rep of       | 20,857             | 3                           | 0                 | 0                 | 0          | 0                 | 6,175                  | 0                      | 27,032     |
| 44 | Lao PDR             | 15,643             | 1                           | -7,821            | -1,955            | -9,777     | 0                 | 0                      | 0                      | 5,866      |
| 45 | Lithuania           | 15,643             | 2                           | -3,911            | -1,173            | -5,084     | 0                 | 0                      | 0                      | 10,559     |
| 46 | Luxembourg          | 15,643             | 3                           | 0                 | 0                 | 0          | 0                 | 6,175                  | 0                      | 21,818     |
| 47 | Mali                | 15,643             | 1                           | -7,821            | -1,955            | -9,777     | 0                 | 0                      | 0                      | 5,866      |
| 48 | Marshall Islands    | 15,643             | 1                           | -7,821            | -1,955            | -9,777     | 0                 | 0                      | 0                      | 5,866      |
| 49 | Mauritania          | 15,643             | 1                           | -7,821            | -1,955            | -9,777     | 0                 | 0                      | 0                      | 5,866      |
| 50 | Mexico              | 15,643             | 2                           | -3,911            | -1,173            | -5,084     | 0                 | 0                      | 0                      | 10,559     |
| 51 | Monaco              | 15,643             | 2                           | -3,911            | -1,173            | -5,084     | 0                 | 0                      | 0                      | 10,559     |
| 52 | Mongolia            | 15,643             | 1                           | -7,821            | -1,955            | -9,777     | 0                 | 0                      | 0                      | 5,866      |
| 53 | Morocco             | 15,643             | 2                           | -3,911            | -1,173            | -5,084     | 0                 | 0                      | 0                      | 10,559     |
| 54 | Nauru               | 15,643             | 1                           | -7,821            | -1,955            | -9,777     | 0                 | 0                      | 0                      | 5,866      |



|    |                     | Current'<br>scheme | Capacity<br>to pay<br>Group | Red'n<br>Stage 1* | Red'n<br>Stage 2* | Red'n<br>£ | Add-on<br>Whaling | Add-on<br>Group 3 £ | Add-on<br>Group 4 £ | Total £ |
|----|---------------------|--------------------|-----------------------------|-------------------|-------------------|------------|-------------------|---------------------|---------------------|---------|
| 55 | Netherlands         | 20,857             | 3                           | 0                 | 0                 | 0          | 0                 | 6,175               | 0                   | 27,032  |
| 56 | New Zealand         | 20,857             | 3                           | 0                 | 0                 | 0          | 0                 | 6,175               | 0                   | 27,032  |
| 57 | Nicaragua           | 15,643             | 1                           | -7,821            | -1,955            | -9,777     | 0                 | 0                   | 0                   | 5,866   |
| 58 | Norway              | 36,500             | 3                           | 0                 | 0                 | 0          | 6,175             | 6,175               | 0                   | 48,850  |
| 59 | Oman                | 15,643             | 2                           | -3,911            | -1,173            | -5,084     | 0                 | 0                   | 0                   | 10,559  |
| 60 | Palau               | 15,643             | 1                           | -7,821            | -1,955            | -9,777     | 0                 | 0                   | 0                   | 5,866   |
| 61 | Panama              | 15,643             | 2                           | -3,911            | -1,173            | -5,084     | 0                 | 0                   | 0                   | 10,559  |
| 62 | Peru                | 15,643             | 2                           | -3,911            | -1,173            | -5,084     | 0                 | 0                   | 0                   | 10,559  |
| 63 | Portugal            | 15,643             | 3                           | 0                 | 0                 | 0          | 0                 | 6,175               | 0                   | 21,818  |
| 64 | Romania             | 15,643             | 2                           | -3,911            | -1,173            | -5,084     | 0                 | 0                   | 0                   | 10,559  |
| 65 | Russian Federation  | 26,071             | 2                           | -6,518            | -1,955            | -8,473     | 6,175             | 0                   | 0                   | 23,773  |
| 66 | San Marino          | 15,643             | 2                           | -3,911            | -1,173            | -5,084     | 0                 | 0                   | 0                   | 10,559  |
| 67 | Senegal             | 15,643             | 1                           | -7,821            | -1,955            | -9,777     | 0                 | 0                   | 0                   | 5,866   |
| 68 | Slovak Republic     | 15,643             | 2                           | -3,911            | -1,173            | -5,084     | 0                 | 0                   | 0                   | 10,559  |
| 69 | Slovenia            | 20,857             | 3                           | 0                 | 0                 | 0          | 0                 | 6,175               | 0                   | 27,032  |
| 70 | Solomon Islands     | 15,643             | 1                           | -7,821            | -1,955            | -9,777     | 0                 | 0                   | 0                   | 5,866   |
| 71 | South Africa        | 15,643             | 2                           | -3,911            | -1,173            | -5,084     | 0                 | 0                   | 0                   | 10,559  |
| 72 | Spain               | 15,643             | 4                           | 0                 | 0                 | 0          | 0                 | 0                   | 37,051              | 52,694  |
| 73 | St Kitts and Nevis  | 15,643             | 1                           | -7,821            | -1,955            | -9,777     | 0                 | 0                   | 0                   | 5,866   |
| 74 | St Vincent & The G. | 26,071             | 1                           | -13,036           | -3,259            | -16,295    | 6,175             | 0                   | 0                   | 15,952  |
| 75 | St. Lucia           | 15,643             | 1                           | -7,821            | -1,955            | -9,777     | 0                 | 0                   | 0                   | 5,866   |
| 76 | Suriname            | 15,643             | 1                           | -7,821            | -1,955            | -9,777     | 0                 | 0                   | 0                   | 5,866   |
| 77 | Sweden              | 20,857             | 3                           | 0                 | 0                 | 0          | 0                 | 6,175               | 0                   | 27,032  |
| 78 | Switzerland         | 15,643             | 3                           | 0                 | 0                 | 0          | 0                 | 6,175               | 0                   | 21,818  |
| 79 | Tanzania            | 15,643             | 2                           | -3,911            | -1,173            | -5,084     | 0                 | 0                   | 0                   | 10,559  |
| 80 | Togo                | 15,643             | 1                           | -7,821            | -1,955            | -9,777     | 0                 | 0                   | 0                   | 5,866   |
| 81 | Tuvalu              | 15,643             | 1                           | -7,821            | -1,955            | -9,777     | 0                 | 0                   | 0                   | 5,866   |
| 82 | United Kingdom      | 26,071             | 4                           | 0                 | 0                 | 0          | 0                 | 0                   | 37,051              | 63,123  |
| 83 | Uruguay             | 15,643             | 2                           | -3,911            | -1,173            | -5,084     | 0                 | 0                   | 0                   | 10,559  |
| 84 | USA                 | 36,500             | 4                           | 0                 | 0                 | 0          | 6,175             | 0                   | 37,051              | 79,726  |
|    |                     |                    |                             |                   |                   |            |                   |                     |                     |         |

Note 1

1,533,000

-341,536

-90,729

-432,264

43,226

129,679

259,359

1,533,000

|         |          |                               |          |                |
|---------|----------|-------------------------------|----------|----------------|
|         |          | Shortfall for re-distribution | -432,264 |                |
| Group 1 | 29       | Whaling                       | 10%      | 43,226         |
| Group 2 | 27       | Group 3                       | 30%      | 129,679        |
| Group 3 | 21       | Group 4                       | 60%      | 259,359        |
| Group 4 | <u>7</u> |                               |          | <u>432,264</u> |
|         | 84       |                               |          |                |

Note 1: Totals in this table are rounded.

Table 13A Comparison of Financial Contributions per Country 2004/05 to 2009/10

|    | Country             | Actual<br>2004/05 | Actual<br>2005/06 | Actual<br>2006/07 | Actual<br>2007/08 | Actual<br>2008/09 | Proposed<br>2009/10 |
|----|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
| 1  | Antigua and Barbuda | 7,126             | 8,750             | 6,105             | 5,906             | 5,775             | 5,866               |
| 2  | Argentina           | 12,827            | 11,813            | 10,990            | 10,631            | 10,395            | 10,559              |
| 3  | Australia           | 32,735            | 30,118            | 28,401            | 26,855            | 31,735            | 32,247              |
| 4  | Austria             | 26,401            | 24,285            | 22,973            | 21,605            | 21,469            | 21,818              |
| 5  | Belgium             | 26,401            | 24,285            | 22,973            | 21,605            | 21,469            | 21,818              |
| 6  | Belize              | 7,126             | 4,375             | 6,105             | 5,906             | 3,850             | 5,866               |
| 7  | Benin               | 7,126             | 6,563             | 6,105             | 5,906             | 5,775             | 5,866               |
| 8  | Brazil              | 17,103            | 11,813            | 10,990            | 10,631            | 10,395            | 10,559              |
| 9  | Cambodia            |                   | 2,188             | 6,105             | 5,906             | 5,775             | 5,866               |
| 10 | Cameroon            | 2,375             | 11,813            | 10,990            | 7,088             | 10,395            | 10,559              |
| 11 | Chile               | 12,827            | 11,813            | 10,990            | 10,631            | 17,324            | 10,559              |
| 12 | China, P.R of       | 12,827            | 11,813            | 10,990            | 10,631            | 10,395            | 10,559              |
| 13 | Congo, Rep          |                   |                   |                   | 1,969             | 3,850             | 5,866               |
| 14 | Costa Rica          | 8,551             | 7,875             | 7,327             | 10,631            | 10,395            | 10,559              |
| 15 | Cote d'Ivoire       | 12,827            | 11,813            | 10,990            | 10,631            | 10,395            | 10,559              |
| 16 | Croatia             |                   |                   | 7,327             | 10,631            | 10,395            | 10,559              |
| 17 | Cyprus              |                   |                   | 17,546            | 21,605            | 21,469            | 21,818              |
| 18 | Czech Republic      | 8,552             | 11,813            | 10,990            | 10,631            | 10,395            | 21,818              |
| 19 | Denmark             | 56,671            | 53,649            | 50,099            | 48,181            | 47,781            | 48,850              |
| 20 | Dominica            | 7,126             | 6,563             | 6,105             | 5,906             | 3,850             | 5,866               |
| 21 | Ecuador             |                   |                   | 3,664             | 10,631            | 10,395            | 10,559              |
| 22 | Eritrea             |                   |                   |                   |                   | 3,850             | 5,866               |
| 23 | Estonia             |                   |                   |                   |                   | 6,930             | 21,818              |
| 24 | Finland             | 26,401            | 24,285            | 22,973            | 21,605            | 21,469            | 21,818              |
| 25 | France              | 53,526            | 53,683            | 54,203            | 54,784            | 55,861            | 52,694              |
| 26 | Gabon               | 7,126             | 6,563             | 6,105             | 5,906             | 5,775             | 5,866               |
| 27 | Gambia, The         | 2,375             | 4,375             | 6,105             | 5,906             | 5,775             | 5,866               |
| 28 | Germany             | 59,860            | 59,516            | 59,630            | 60,034            | 60,994            | 57,908              |
| 29 | Greece              |                   |                   | 8,773             | 21,605            | 21,469            | 21,818              |
| 30 | Grenada             | 7,126             | 6,563             | 6,105             | 5,906             | 5,775             | 5,866               |
| 31 | Guatemala           |                   | 3,938             | 7,327             | 10,631            | 6,930             | 10,559              |
| 32 | Guinea              | 7,126             | 6,563             | 6,105             | 5,906             | 5,775             | 5,866               |
| 33 | Guinea-Bissau       |                   |                   |                   | 5,906             | 7,700             | 7,821               |
| 34 | Hungary             | 12,827            | 11,813            | 10,990            | 10,631            | 10,395            | 10,559              |
| 35 | Iceland             | 56,671            | 53,649            | 50,099            | 48,181            | 47,781            | 48,850              |
| 36 | India               | 12,827            | 11,813            | 10,990            | 10,631            | 10,395            | 10,559              |
| 37 | Ireland             | 26,401            | 24,285            | 22,973            | 21,605            | 21,469            | 21,818              |
| 38 | Israel              |                   | 9,226             | 22,973            | 21,605            | 21,469            | 21,818              |
| 39 | Italy               | 59,860            | 59,516            | 59,630            | 60,034            | 60,994            | 57,908              |
| 40 | Japan               | 128,137           | 123,881           | 119,319           | 118,110           | 118,105           | 116,226             |
| 41 | Kenya               | 12,827            | 7,875             | 7,327             | 7,088             | 6,930             | 7,039               |
| 42 | Kiribati            | 4,750             | 6,563             | 6,105             | 5,906             | 5,775             | 5,866               |
| 43 | Korea, Rep of       | 17,103            | 35,952            | 28,401            | 26,855            | 26,602            | 27,032              |
| 44 | Lao PDR             |                   |                   | 2,035             | 5,906             | 5,775             | 5,866               |
| 45 | Lithuania           |                   |                   |                   |                   | 6,930             | 10,559              |
|    |                     |                   |                   |                   |                   |                   |                     |

|    | Country             | Actual<br>2004/05 | Actual<br>2005/06 | Actual<br>2006/07 | Actual<br>2007/08 | Actual<br>2008/09 | Proposed<br>2009/10 |
|----|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
|    |                     |                   |                   |                   |                   |                   |                     |
| 46 | Luxembourg          | 10,034            | 24,285            | 22,973            | 21,605            | 21,469            | 21,818              |
| 47 | Mali                | 4,750             | 4,375             | 6,105             | 5,906             | 5,775             | 5,866               |
| 48 | Marshall Islands    |                   | 2,188             | 6,105             | 5,906             | 5,775             | 5,866               |
| 49 | Mauritania          | 7,126             | 6,563             | 6,105             | 5,906             | 5,775             | 5,866               |
| 50 | Mexico              | 12,827            | 11,813            | 10,990            | 10,631            | 10,395            | 10,559              |
| 51 | Monaco              | 12,827            | 11,813            | 10,990            | 10,631            | 10,395            | 10,559              |
| 52 | Mongolia            | 7,126             | 6,563             | 6,105             | 5,906             | 5,775             | 5,866               |
| 53 | Morocco             | 12,827            | 11,813            | 10,990            | 10,631            | 10,395            | 10,559              |
| 54 | Nauru               | 2,375             | 6,563             | 6,105             | 5,906             | 5,775             | 5,866               |
| 55 | Netherlands         | 32,735            | 30,118            | 28,401            | 26,855            | 26,602            | 27,032              |
| 56 | New Zealand         | 39,070            | 35,952            | 33,828            | 26,855            | 26,602            | 27,032              |
| 57 | Nicaragua           | 7,126             | 6,563             | 6,105             | 3,938             | 5,775             | 5,866               |
| 58 | Norway              | 56,671            | 53,649            | 50,099            | 48,181            | 47,781            | 48,850              |
| 59 | Oman                | 12,827            | 11,813            | 10,990            | 10,631            | 10,395            | 10,559              |
| 60 | Palau               | 7,126             | 6,563             | 6,105             | 5,906             | 5,775             | 5,866               |
| 61 | Panama              | 12,827            | 11,813            | 10,990            | 10,631            | 10,395            | 10,559              |
| 62 | Peru                | 12,827            | 7,875             | 10,990            | 10,631            | 10,395            | 10,559              |
| 63 | Portugal            | 26,401            | 24,285            | 22,973            | 21,605            | 21,469            | 21,818              |
| 64 | Romania             |                   |                   |                   | 3,544             | 6,930             | 10,559              |
| 65 | Russian Federation  | 26,311            | 25,718            | 23,734            | 23,295            | 23,104            | 23,773              |
| 66 | San Marino          | 12,827            | 11,813            | 10,990            | 10,631            | 10,395            | 10,559              |
| 67 | Senegal             | 7,126             | 6,563             | 6,105             | 5,906             | 5,775             | 5,866               |
| 68 | Slovak Republic     | 4,276             | 11,813            | 10,990            | 10,631            | 10,395            | 10,559              |
| 69 | Slovenia            |                   |                   | 17,546            | 21,605            | 26,602            | 27,032              |
| 70 | Solomon Islands     | 7,126             | 6,563             | 6,105             | 3,938             | 5,775             | 5,866               |
| 71 | South Africa        | 12,827            | 11,813            | 10,990            | 14,175            | 10,395            | 10,559              |
| 72 | Spain               | 26,401            | 24,285            | 22,973            | 21,605            | 21,469            | 52,694              |
| 73 | St Kitts and Nevis  | 7,126             | 8,750             | 8,141             | 5,906             | 5,775             | 5,866               |
| 74 | St Vincent & The G. | 16,809            | 6,563             | 15,593            | 15,420            | 15,405            | 15,952              |
| 75 | St. Lucia           | 7,126             | 6,563             | 6,105             | 5,906             | 5,775             | 5,866               |
| 76 | Suriname            | 7,126             | 6,563             | 6,105             | 5,906             | 5,775             | 5,866               |
| 77 | Sweden              | 32,735            | 30,118            | 28,401            | 21,605            | 26,602            | 27,032              |
| 78 | Switzerland         | 26,401            | 24,285            | 22,973            | 21,605            | 21,469            | 21,818              |
| 79 | Tanzania            |                   |                   |                   | 3,544             | 6,930             | 10,559              |
| 80 | Togo                | 2,375             | 4,375             | 6,105             | 5,906             | 5,775             | 5,866               |
| 81 | Tuvalu              | 7,126             | 6,563             | 6,105             | 5,906             | 5,775             | 5,866               |
| 82 | United Kingdom      | 66,195            | 65,350            | 65,057            | 65,284            | 66,127            | 63,123              |
| 83 | Uruguay             |                   |                   |                   | 7,087             | 10,395            | 10,559              |
| 84 | USA                 | 83,796            | 83,047            | 81,329            | 86,610            | 82,174            | 79,726              |
|    |                     |                   |                   |                   |                   |                   |                     |
|    |                     | 1,384,755         | 1,376,753         | 1,408,229         | 1,423,134         | 1,460,135         | 1,533,000           |

**Table 14: Summary and Comparisons 2006-2007 to 2010-2011**

|  | A         | B         | C         | D         | E         | F         | G                            | H      | I      | J      |
|--|-----------|-----------|-----------|-----------|-----------|-----------|------------------------------|--------|--------|--------|
|  | 2006/07   | 2007/08   | 2008/09   | 2008/09   | 2009/10   | 2010/11   | -----Percentage changes----- |        |        |        |
|  | Actual    | Actual    | Budget    | Projected | Proposed  | Forecast  | --                           |        |        |        |
|  |           |           |           |           | Bu        | Bu        | D/C                          | E/C    | E/D    | F/E    |
| Income   |           |           |           |           |           |           |                              |        |        |        |
| Members' Contributions                           | 1,402,937 | 1,416,046 | 1,442,400 | 1,460,100 | 1,533,000 | 1,655,600 | 101.2%                       | 106.3% | 105.0% | 108.0% |
| Recovery of arrears                              | 0         | 0         | 0         | 0         | 0         | 0         | 0.0%                         | 0.0%   | 0.0%   | 0.0%   |
| Interest on late contributions                   | 29,256    | 34,273    | 0         | 25,200    | 0         | 0         | 0.0%                         | 0.0%   | 0.0%   | 0.0%   |
| Voluntary contributions                          | 19,771    | 24,919    | 2,000     | 31,100    | 2,000     | 2,000     | 1555.0%                      | 100.0% | 6.4%   | 100.0% |
| Sales of Publications                            | 15,860    | 19,069    | 18,750    | 18,750    | 18,900    | 19,100    | 100.0%                       | 100.8% | 101.0% | 101.0% |
| Sales of sponsored publications                  | 661       | 651       | 1,050     | 1,050     | 1,000     | 1,100     | 100.0%                       | 95.2%  | 95.2%  | 101.0% |
| Annual Meeting fees                              | 56,642    | 59,332    | 49,800    | 49,800    | 50,300    | 50,800    | 100.0%                       | 101.0% | 101.0% | 101.0% |
| UK tax recoverable                               | 16,691    | 22,862    | 22,800    | 26,400    | 22,000    | 22,200    | 115.8%                       | 96.5%  | 83.3%  | 100.0% |
| Staff Assessments                                | 153,387   | 157,954   | 169,000   | 165,650   | 172,500   | 176,600   | 98.0%                        | 102.1% | 104.1% | 102.3% |
| Bank interest                                    | 92,782    | 106,919   | 56,950    | 26,500    | 16,200    | 14,800    | 46.5%                        | 28.4%  | 61.1%  | 91.5%  |
| Sundry income                                    | 128       | 219       | 1,000     | 0         | 500       | 500       | 0.0%                         | 50.0%  | 0.0%   | 100.0% |
| Total income                                     | 1,788,114 | 1,842,244 | 1,763,750 | 1,804,550 | 1,816,400 | 1,942,700 | 102.3%                       | 103.0% | 100.7% | 106.9% |
| Expenditure                                      |           |           |           |           |           |           |                              |        |        |        |
| Salaries, N.I., allowances                       | 651,992   | 664,112   | 695,300   | 694,650   | 730,200   | 748,200   | 99.9%                        | 105.0% | 105.1% | 102.5% |
| Pensions and other benefits                      | 139,673   | 145,878   | 156,400   | 168,450   | 176,400   | 179,700   | 107.7%                       | 112.8% | 104.7% | 101.9% |
| Travel   | 3,357     | 5,355     | 9,950     | 9,850     | 10,000    | 10,100    | 99.0%                        | 100.5% | 101.0% | 101.0% |
| Office rent and maintenance                      | 121,521   | 104,400   | 119,500   | 119,000   | 119,400   | 119,800   | 99.6%                        | 99.9%  | 100.4% | 100.4% |
| General Insurances                               | 5,101     | 5,292     | 4,500     | 4,650     | 4,700     | 4,800     | 103.3%                       | 104.4% | 101.0% | 101.0% |
| Postage & telecomms                              | 16,763    | 17,106    | 17,750    | 17,750    | 17,900    | 18,100    | 100.0%                       | 101.0% | 101.0% | 101.0% |
| Office equipment & supplies                      | 50,549    | 46,939    | 49,150    | 49,150    | 49,700    | 50,100    | 100.0%                       | 101.0% | 101.0% | 101.0% |
| Professional fees                                | 8,748     | 9,354     | 29,600    | 29,600    | 29,900    | 30,200    | 100.0%                       | 101.0% | 101.0% | 101.0% |
| Training and Recruitment                         | 1,159     | 794       | 6,250     | 6,250     | 6,300     | 6,400     | 100.0%                       | 101.0% | 101.0% | 101.0% |
| Photocopying etc.                                | 697       | 10,451    | 4,500     | 3,500     | 4,500     | 4,600     | 77.8%                        | 101.0% | 128.6% | 101.0% |
| Sundry expenditure                               | 4,848     | 6,308     | 4,200     | 4,200     | 4,300     | 4,300     | 100.0%                       | 101.0% | 101.0% | 101.0% |
| Total Secretariat                                | 1,004,409 | 1,015,988 | 1,097,100 | 1,107,050 | 1,153,300 | 1,176,300 | 100.9%                       | 105.1% | 104.2% | 102.0% |
| Publications costs                               | 35,495    | 35,567    | 38,000    | 38,150    | 38,500    | 38,900    | 100.4%                       | 101.0% | 100.9% | 101.0% |
| Annual Meetings                                  | 333,850   | 347,900   | 362,100   | 362,100   | 365,700   | 369,400   | 100.0%                       | 101.0% | 101.0% | 101.0% |
| Other Meetings                                   | 10,514    | 133,330   | 100,600   | 213,000   | 198,000   | 41,400    | 211.7%                       | 196.8% | 93.0%  | 20.9%  |
| Research   | 282,136   | 260,410   | 305,400   | 305,400   | 308,500   | 311,500   | 100.0%                       | 101.0% | 101.0% | 101.0% |
| Small cetaceans                                  | 16,882    | 10,179    | 1050      | 6,500     | 1,000     | 1,000     | 619.0%                       | 95.2%  | 15.4%  | 100.0% |
| Sundry   | 0         |           | 0         | 0         | 0         | 0         | 0.0%                         | 0.0%   | 0.0%   | 0.0%   |
| Total expenditure                                | 1,683,287 | 1,803,374 | 1,904,250 | 2,032,200 | 2,065,000 | 1,938,500 | 106.7%                       | 108.4% | 101.6% | 93.9%  |
| Provisions:                                      |           |           |           |           |           |           |                              |        |        |        |
| Unpaid contributions                             | -34,822   | 20,955    | 0         | 0         | 0         | 0         | 0.0%                         | 0.0%   | 0.0%   | 0.0%   |
| Unpaid interest                                  | 6,553     | -64,932   | 0         | 5,400     | 0         | 0         | 0.0%                         | 0.0%   | 0.0%   | 0.0%   |
| Severance Pay                                    | 27,400    | 20,300    | 33,600    | 17,750    | 41,500    | 27,100    | 52.8%                        | 123.5% | 233.8% | 65.3%  |
| Other doubtful debts                             | 753       | 4,880     | 0         | 0         | 0         | 0         | 0.0%                         | 0.0%   | 0.0%   | 0.0%   |
|  | -116      | -18,797   | 33,600    | 23,150    | 41,500    | 27,100    | 68.9%                        | 123.5% | 179.3% | 65.3%  |
| Excess/deficit (-) of income over expenditure    | 104,943   | 57,668    | -174,100  | -250,800  | -290,100  | -22,900   | 144.1%                       | 166.6% | 115.7% | 8.0%   |
| Net Transfers from or to (-):                    |           |           |           |           |           |           |                              |        |        |        |
| Publications Fund                                | -1,320    | -1,511    | -2,050    | -1,400    | -1,700    | -1,700    |                              |        |        |        |
| Small Cetaceans Fund                             | -9,483    | -57,975   | -6,350    | -30,500   | -4,600    | -4,400    |                              |        |        |        |
| Research Fund                                    | 7,919     | -716      | -50       | -800      | -150      | -150      |                              |        |        |        |
| Surplus/Deficit (-) for the year after transfers | 102,059   | -2,535    | -182,550  | -283,500  | -296,550  | -29,150   |                              |        |        |        |