

## Financial Statements 2011-2012

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## Provisional Financial Statement 2011-2012

### Key Points and Action Summary

#### Key Points

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

**Total Income** – will exceed budget by £448k due to large receipts of voluntary contributions. Other income is expected to be broadly in line with budget although a decrease in income from Contracting Government contributions of £28k is expected because of fourth year contributions being cancelled for 4 members.

**Expenditure** - Expenditure overall is projected to be above budget by £680k due to significant work being done with funding from voluntary contributions. Most core expenditure is expected to be in line with budget, however there is a net reduction in Secretariat costs of around £ 20k and Research Fund expenditure is below budget as limited by operational delays.

**Provisions**—are projected to be over budget for doubtful debts and over budget for severance pay. Countries with only debts for 2011-12 outstanding have for the most part been assumed to pay in the current financial year, but this treatment may be optimistic. Severance pay provision is above budget due to a timing difference in accounting for staff leaving the Secretariat as per our auditors.

**Result for the year** –a projected deficit of £ 250k before transfers between reserves and a projected deficit of £18k after transfers.

The balance on the General Fund is projected at about £ 936k at the end of the current financial year (31 August 2012). This represents about 99% of the target level (6 months expenditure:£ 1,880 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.

Table 1

## Provisional Financial Statement 2011-2012

Income and Expenditure Account				
	Approved Budget		Projected Out-turn	Note
Income	£	£	£	£
Contracting Government contributions		1,679,000	1,650,750	1
Interest on overdue financial contributions		0	9,100	2
Voluntary contributions		2,000	469,150	3
Sales of publications		15,000	15,000	4
Sales of sponsored publications		500	110	5
Observers' registration fees		51,500	51,400	6
UK taxes recoverable		26,300	26,200	7
Staff assessments		166,750	167,000	8
Interest receivable		3,000	3,000	9
Sundry income		0	500	
		1,944,050	2,392,210	
<b>Expenditure</b>				
Secretariat	1,105,500		1,085,430	Table 1A
Publications	31,750		39,350	10
Annual meetings	383,000		384,030	11+Tbl5
Other meetings	42,150		42,100	12
Research expenditure	324,950		255,530	13+Tbl4A
Small cetaceans	1,050		174,200	14+Tbl3A
Southern Ocean Research Partnership	0		124,420	Tbl 6A
Conservation Management Plan	0		2,810	Tbl 7
Operations	0		0	Tbl 8
Other work	0		68,770	Tbl 9
Grey Whale Tagging	0		392,140	Tbl 10
	1,888,400		2,568,760	
<b>Provisions</b>				
Unpaid interest & overdue contributions	59,700		62,330	15
Severance Pay Provision	-27,000		11,410	Tbl 5
Provn for other doubtful debts	22,950		0	16
		1,944,050	2,642,500	
<b>Surplus/Deficit (-) for the year <u>before</u> transfers</b>		0	-250,290	
Net Transfers to / (from) the Income & Expenditure Account				
Sponsored Publications Fund		(520)	7,480	Tbl 2
Research Fund		(1,660)	(69,470)	Tbl 4
Small Cetaceans Fund		(52)	109,510	Tbl 3
Annual Meeting Fund		0	1,030	Tbl 5
Southern Ocean Research Partnership		0	104,260	Tbl 6
Conservation Management Plan		0	2,760	Tbl 7
Operations Fund		0	0	Tbl 8
Other Work Fund		0	11,730	Tbl9
Gray Whale Tagging Fund		0	64,800	Tbl 10
<b>Surplus/Deficit (-) for the year <u>after</u> transfers</b>		-2,230	-18,180	Tbl 12

### Notes to Table 1

1. There is a decrease in Financial Contributions currently anticipated for 2011/12 of £ 28k due to the fourth year contribution being cancelled for 4 members (as per Financial Regulations) (Gambia £7k, Guatemala £8k, Kenya £ 8k and Senegal £ 5k).

2. The budget does not show any provision for interest on late contributions. The Commission's practice for many years has been that the budget should be developed on the basis that all Contracting Governments will pay in good time. Income of £ 9.1k is shown in the Forecast Out-turn. This relates to annual interest for debts outstanding for more than 12 months and applies to 14 countries. Penalty interest is no longer charged following the decision to stop the practice made at IWC62.

3. Voluntary Contributions (VC). The out-turn figure amounts to £ 469k and consists of the following funds received or receivable:

£ 19k from Australia re: supporting a fund raising professional.

£ 64k for Small Cetaceans ( Italy £29k, France £24k, WWF £1k, UK £10k)

£ 38k from USA for David Matilla's work on cetacean's interaction with human activity (£22k) + £15k to be allocated.

£ 327k from ENL and IUCN for North Pacific Gray Whale tagging work.

£ 20k from Australia for a "living whales symposium" as part of SORP.

£ 223k had been received by the end of February 2012.

VC's of £500k (approx) were received from the Australian Government in late 08/09, towards the work of the Southern Ocean Research Partnership (£250k) and Conservation Management Plan (£250k). These VC's were placed in dedicated interest bearing bank accounts.

A VC of £250k (approx) was received from the Australian Government in late 08/09 for the Small Cetacean Fund and is referred to in Table 3 note 4.

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

5. Conservative estimate for the out-turn projection.

6. Included in the out-turn for 11/12 at budget level. Actual revenue is dependent upon the numbers of observers attending the 2012 Annual Meeting. Reliable actual information is not yet available.

7. Essentially maintained at budget level. Recoveries primarily of VAT, but also Airport Departure Tax and Insurance Premium Tax. Actual recoveries are dependent on the source, type and mix of products and services purchased.

8. Recoveries of Staff Assessments are generally broadly proportionate to salary costs and the out-turn is expected to be in line with budget.

9. Included in the out-turn for 11/12 at budget level due to continuing low rates of interest offered by banks.

10. Included in the out-turn for 11/12 at budget level. Increased use of electronic production and distribution will lead to a reduction in print costs, offset by the cost of scanning historic documents for inclusion on the web site.

11. The annual meeting for 2011/12 will be held in Panama City. In line with previous years, the host government is provided with a contribution towards the total cost of running the meeting after deduction of Secretarial costs (see also Table 5).

12. The 2011/12 Approved Budget allocation for "Other meetings" included £ 42k to meet translation and interpretation costs at IWC64. No change is anticipated for the out-turn.

13. Research expenditure in the out-turn projection is estimated to be in the order of £ 255k. (See Table 4A)

14. Small Cetaceans expenditure is anticipated to be in the order of £174k. (See Table 3)

15. Where a country has long-term arrears (even as limited by decisions at IWC54) interest is still charged annually on balances outstanding. A provision of £ 62k has been included in the Forecast Out-turn for interest charged but unlikely to be recovered and for Financial Contributions still outstanding for up to 3 years.

16. The budget figure of £ 22,950 represents anticipated cancelled Financial Contributions. In the audited accounts this would be shown as a reduction in income. However, because of the formula used to calculate Financial Contributions, for budget purposes the income figure remains unchanged but the provision for other doubtful debts is increased, but the overall surplus or deficit remains the same.

**Table 1A**  
**Analysis of Secretariat Costs 2011-2012**

	Approved Budget	Projected Out- turn	Note
Salaries and allowances	722,900	712,430	1
Retirement and other benefit schemes	151,300	142,600	2
Travelling expenses	10,250	10,600	3
Office rent, heating and maintenance	102,300	102,300	4
Insurance	4,200	4,400	5
Postage and telecommunications	22,200	22,200	6
Office equipment and consumables	52,850	54,450	7
Professional fees	22,600	22,650	8
Training and Recruitment	7,800	7,800	9
Photocopying	2,950	3,000	10
Sundry	6,150	3,000	11
<b>TOTAL</b>	<b>1,105,500</b>	<b>1,085,430</b>	

#### Notes

1. There is a £ 10k decrease compared to budget, mainly attributable to changes in staffing.
2. There is a £ 9k decrease compared to budget, mainly attributable to changes in staffing.
3. Included in the out-turn for 11/12 at near budget level.
4. Included in the out-turn for 11/12 at budget level.
5. Included in the out-turn for 11/12 at near budget level.
6. Included in the out-turn for 11/12 at budget level . Spending mix is expected to change with more costs incurred in running the web-site and less on phone calls and postage.
7. This item includes equipment-leasing costs and a general provision for replacement/upgrading of hardware and software. A £ 1.6k increase over budget has been included for the out-turn to cover inflation rises by suppliers as per contract.
8. Included in the out-turn for 11/12 at budget level. Spending mix is expected to change with more costs incurred in developing the web-site. Some provision is made for Professional Advice or Consultancy on a contingent basis..
9. Included in the out-turn for 11/12 at budget level. Expenditure on recruitment, financial training and further web related training can be expected to reach budget level.
10. Result entirely dependent upon volume of copying required. In the absence of any indicators to the contrary, it is prudent to keep the forecast out-turn at the budget level.
11. The costs of bank charges, loss on exchange etc are included here. A reduction in foreign exchange losses to the General Fund of £3k looks reasonable given a loss to date of under £ 1k.

**Table 2**  
**Sponsored Publications Fund 2011-2012**  
**Income and Expenditure Account**

	Approved Budget		Projected Out-turn		Note
	£	£	£	£	
<b>Income</b>					
Voluntary contributions		0		0	
Sales		500		110	2
UK tax recoverable		0		0	
Bank Interest		20		10	3
Sundry income		<u>0</u>		<u>0</u>	
		520		120	
<b>Expenditure</b>					
Special Issues:	0		7,600		
Other (re-prints etc.)	<u>0</u>		<u>0</u>		4
		0		7,600	
Net transfer from or to (-) I&E Account		520		-7,480	
Opening Balance brought forward		<u>39,290</u>		<u>39,290</u>	5
Projected Closing Balance		<u>39,810</u>		<u>31,810</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 are reduced to a conservative level for the out-turn.

3 A nominal amount of bank interest is included for the projected out-turn.

4 This refers to Special Issue 3 – “Humpback Whales Status in the Southern Hemisphere”.

5 The Opening Balance in the Approved Budget column would normally represent the anticipated result based on the projections in last year’s Provisional Financial Statement. For this report, in both columns, the balance shown is that brought forward from the year ended 31 August 2011 as per the audited statements.

Table 3

## Small Cetaceans Fund 2011 – 2012 (Note 1)

Income and Expenditure Account					
	Approved Budget		Projected Out-turn		Note
Income	£	£	£	£	
Voluntary contributions		1,000		64,640	2
UK tax recoverable		0		0	
Bank Interest		100		40	
Sundry income		0		0	
		1,100		64,680	
<b>Expenditure</b>		1,050		174,200	3
Net transfer from or to (-) I&E Account		50		-109,520	
Opening Balance brought forward		240,640		240,640	4
Projected Closing Balance		240,690		131,120	

## 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: £29k received or receivable from Italy, £1k from WWF, £ 24k from France and £10k from the UK to support Small Cetacean Research.

3. The projected out-turn shows estimated expenditure by programme. (See Table 3A).

4. The Opening Balance in the Approved Budget column would normally represent the anticipated result based on the projections in last year's Provisional Financial Statement. For this report, in both columns, the balance shown is that brought forward from the year ended 31 August 2011 as per the audited statements. The opening balance is significantly higher than in previous years, due to a voluntary contribution of £250k (approx) from the Australian Government in late 08/09 which was placed in a dedicated interest bearing bank account.



**Table 3A**  
**Small Cetacean Expenditure 2011 – 2012**

Note	Small Cetacean expenditure 2011/12	Approved Budget £	Projected Out-turn £
(1)	Franciscanas Abundance Estimate		23,250
(2)	Conservation solutions for the Yangtze finless porpoise (Turvey; 1 year; £33,600)		25,200
(3)	Conservation of Coastal Indo-Pacific H'back and Bottlenose Dolphins on the W. Madagascar - (Cerchio; 3 years; £33,900)		11,190
(4)	Abundance and distribution of the Atlantic Humpback dolphin in Gabon and Congo (Collins; 1 year; £27,900)		20,920
(5)	Investigation population ID Indo-Pacific humpback- Nth Bay of Bengal, Bangladesh (Smith; 2 years; £31,700)		15,850
(6)	Photo-ID E. Taiwan Strait population of Indo-Pacific Humpback Dolphins [Sousa chinensis] - (Wang; 2 years; £32,500)		16,250
(7)	Assess genetics and demography- dolphins taken in traditional drive-hunt In the Solomon Islands		21,210
(8)	Assess threat re:coastal cetacean populations in Sarawak, Malaysia - (Minton; 1 year; £20,440)		15,350
(9)	Assess alternative fishing gears to avoid bycatch of Vaquita in the Upper Gulf of California, Mexico - (1 year; £33,270)		24,950
	Invited Participants	1,000	
	SMA Fund Bank Charges	50	30
		1,050	174,200

**Table 4****Research Fund 2011 – 2012 (Note 1)****Income and Expenditure Account**

	Approved Budget	Projected Out- turn	Note
<b>Income</b>	<b>£</b>	<b>£</b>	
Allocation	324,950	324,950	2
Voluntary contributions	1,000	0	3
UK tax recoverable	0	0	4
Bank Interest	660	50	5
Sundry income	<u>0</u>	<u>0</u>	
	326,610	325,000	
<b>Expenditure</b>	<u>324,950</u>	<u>255,530</u>	Table 4A
Net transfer from or to (-) I&E Account	1,660	69,470	
Transfers between funds	0	-7260	6
Opening Balance brought forward	<u>290,220</u>	<u>290,220</u>	7
Projected Closing Balance	<u>291,880</u>	<u>352,430</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.

4 Recovery of VAT and Airport Departure Tax.

5 A notional amount has been included in the Forecast Out-turn. Interest rates continue to remain at very low levels and do not currently contribute material amounts to the Research Fund.

6 A voluntary contribution from WWF received in 2010-11 re: Arctic Anthropogenic Workshop was wrongly included in the Research Fund. This has now been transferred to the Other Works Fund.

7 The Opening Balance in the Approved Budget column would normally represent the anticipated result based on the projections in last year's Provisional Financial Statement. For this report, in both columns, the balance shown is that brought forward from the year ended 31 August 2011 as per the audited statements..

A full analysis of research expenditure is given in Table 4A. Please note that there can be significant delays between the approval of funding and work being done due to the availability of scientists, poor weather conditions, compliance with local laws, logistics etc.

**Table 4A**  
**Research Expenditure 2011 – 2012**

Item	Research expenditure 2011/12	Approved Budget £	Projected Out- turn £
	<b>AWMP</b>		
(1)	AWMP Workshop	12,000	8,549
(2)	Developer funds for AWMP	6,000	0
	<b>BRG</b>		
(3)	Continuation of funding for Southern ocean right whale catalogue	3,000	3,000
(4)	Southern Right Whale Assessment Workshop	24,000	20,300
(5)	Pacific wide study on population structure and movements patterns	6,200	3,500
	<b>E</b>		
(6)	POLLUTION2000- Phase II - Risk Assessment Modelling	41,250	19,500
	Website and Listserv and Communication Tool for the Coordination of the		
(7)	Cetacean Emerging and Resurging Diseases	3,500	0
(8)	Pre-meeting: Marine Renewable Energy Developments and Cetaceans	3,000	3,000
	<b>IA</b>		
(9)	Intersessional process for resolving differences in minke whale abundance (including a workshop proposal)	9,000	6,000
(10)	Preparatory work for considering survey coverage issues relative to changes in minke whale abundance estimates between CPU and C'PIII	4,000	4,000
(11)	Proposal to explore aspects of statistical catch-at-age estimators for Antarctic minke whales	4,000	4,000
(12)	2011 IWC NP sighting cruise and medium to long-term planning	57,000	19,410
	<b>NPM</b>		
(13)	Workshop for Implementation Review for western North Pacific common minke whales.	15,000	13,405
	<b>RMP</b>		
(14)	Funds to enable essential computing work to continue in RMP and NPM	26,000	21,300
	<b>SD</b>		
(15)	Intersessional Workshop proposal: Finalisation of 'Guidelines for the analysis of population genetic data' and 'Guidelines for genetic data quality control'	5,000	4,000
	<b>SH</b>		
(16)	Modelling of Southern Hemisphere Humpback whale populations: Ei. Eii. Eiii and F	4,000	
(17)	Modelling of Southern Hemisphere Humpback whale populations	2,000	6,631
(18)	Antarctic Humpback Whale Catalogue	11,000	11,000
(19)	Southern Hemisphere Blue Whale Catalogue 2011/2012	10,000	10,000
	<b>SP</b>		
(20)	Review Panel: modified JARPN II proposal	15,000	0
	<b>ALL</b>		
(21)	IP's	64,000	82,331
	<i>Work done in 2011-12 from budgets approved in prior years</i>		
	Catch data		698
	RMP Investigate DNA/allozyme anomalies		1,000
	RMP (SC) Inter sessional		5,682
	WW Data compilation & power analyses for LaWE		4,000
	AWMP Genetic Simulation Studie		3,500
	Other including exchange differences		722
		324,950	255,530

Note: A brief description of the items listed above can be found in the Report of the Scientific Committee (IWC/63/Rep1)

**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>		DNA
<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>NPM</b>		Western North Pacific Common Minke Whales

Table 5

**Meeting Fund (Commission and Scientific Committee ) 2011 – 2012 (Note 1)****Income and Expenditure Account**

	Approved Budget		Projected Out-turn		Note
	£	£	£	£	
<b>Income</b>					
Allocation for meetings		383,000		383,000	
Voluntary contributions		0		0	2
UK tax recoverable		0		0	
Bank Interest		0		0	
		<u>383,000</u>		<u>383,000</u>	
<b>Expenditure</b>		<u>383,000</u>		<u>384,030</u>	3
Net transfer from or to (-) I&E Account		0		-1,030	
Opening Balance brought forward		4,095		4,095	4
Projected Closing Balance		<u>4,095</u>		<u>3,065</u>	

**Notes**

(1) This fund was introduced in 2010-11 as an entity to be separately accounted for. It is intended to provide the Commission with a view as to how gains and losses may be fairly shared between the Commission and host countries in the light of the biennial meeting arrangements currently being considered by the Commission.

(2) Voluntary Contributions: By way of example NOK 1.5m was provided by the Government of Norway in 2010-11 to support the holding of the Scientific Committee in the City of Tromsø.

(3) The annual meeting for 2011/12 will be held in Panama City. In line with previous years, the host government is provided with a contribution towards the total cost of running the meeting after deduction of Secretarial costs. Meetings after 2011/12 may be split between two locations. A loss on foreign exchange of £1k has been added to the budget for the out-turn.

(4) The Opening Balance in the Approved Budget column would normally represent the anticipated result based on the projections in last year's Provisional Financial Statement. For this report, in both columns, the balance shown is that brought forward from the year ended 31 August 2011 as per the audited statements.

Table 6

## Southern Ocean Research Partnership Fund (SORP) 2011 – 2012 (Note 1)

Income and Expenditure Account					
	Approved Budget		Projected Out-turn		Note
Income	£	£	£	£	
Voluntary contributions		0		20,130	2
UK tax recoverable		0		0	
Bank Interest		0		30	
Sundry income		0		0	
		0		20,160	
<b>Expenditure</b>		0		124,420	3
Net transfer from or to (-) I&E Account		0		-104,260	
Transfers between funds				16,000	4
Opening Balance brought forward		205,850		205,850	5
Projected Closing Balance		205,850		117,590	

## Notes

(1) In March 2009 a Southern Ocean Research Partnership (SORP) was established to enhance cetacean conservation and the delivery of non-lethal whale research to the IWC, funded initially by a £ 250k voluntary contribution from Australia. The SORP Fund was introduced in 2010-11 as an entity to be separately accounted for. No specific regulations were introduced as for the IWC Voluntary Fund for Small Cetaceans in 1994. There was no specific budget for 2011-12 and activity can only be funded within the limits of voluntary contributions received

(2). Voluntary Contributions: £20k contribution received from Australia to fund a “Living Whale Symposium” within the ambit of the SORP.

(3) The projected out-turn shows estimated expenditure by programme (Please see Table 6A for details).

(4) A transfer between funds arises when the original purpose of the voluntary contribution is changed by the donor. The USA requested that funds originally intended to support attendance at inter-sessional meetings be re-directed towards SORP.

(5). The Opening Balance in the Approved Budget column would normally represent the anticipated result based on the projections in last year's Provisional Financial Statement. For this report, in both columns, the balance shown is that brought forward from the year ended 31 August 2011 as per the audited statements.

**Table 6A**  
**Southern Ocean Research Partnership Fund (SORP) Expenditure 2011 – 2012**

Note	SORP expenditure 2010/11	Approved Budget £	Projected Out- turn £
1	Foraging ecology and predator-prey interactions  baleen whales and krill: study across Antarctica (Dr Ari Friedlaender)		3770
2	Assess migration and mixing of SH humpback whales around Antarctica? Phase 1: E.Australia and Oceania (R Constantine & A . Segedin)		15030
3	Study distribution, abundance, migration and foraging ecology of 3 ecotypes of killer whales in Antarctica (R.Pitman)		1770
4	Study distribution, abundance, migration and foraging ecology of 3 ecotypes of killer whales in Antarctica (C.Guinet & P.Tixier		910
5	Study distribution, abundance, migration and foraging ecology of 3 ecotypes of killer whales in Antarctica (L.Dalla Rosa)		900
6	Foraging ecology and predator-prey interactions  baleen whales and krill: study across Antarctica (Part 2 - Coordinator's salary) - (Dr Ari Friedlaender)		11720
7	Assess migration and mixing of SH humpback whales around Antarctica. (R Constantine & A . Segedin) - (Part 2 - Coordinator's salary)		3900
8	Study distribution, abundance, migration and foraging ecology of 3 ecotypes of killer whales in Antarctica (R.Pitman) (Part 2 - Coordinator's salary)		5870
9	Study distribution, relative abundance, migration patterns and foraging ecology of 3 ecotypes of killer whales in Antarctic and adjacent waters (L.Dalla Rosa) (Part 2 - Coordinator's salary)		3130
10	Living whales in the Southern Ocean: Workshop on methods for non-lethal cetacean research (Co-ordinator's salary) - B.Galetti		5260
11	Acoustic trends in abundance, distribution, & seasonal presence of blue & fin whales in the S.Ocean: data analysis (for analysis salary) - Pr O.Adams		2500
12	Acoustic trends in abundance, distribution, & seasonal presence of blue & fin whales in the S.Ocean: data analysis (for analysis salary) - S.Mussolini & L.Shulman		7390
13	Acoustic trends in abundance, distribution, & seasonal presence of blue & fin whales in the S.Ocean - Coordinator and analysis salary - (K.Stafford)		14520
14	Acoustic trends in abundance, distribution, & seasonal presence of blue & fin whales in the S.Ocean - £7,800 (steering group meeting) + £8,125 (Coordinator and salary for analysis) -F.Samaran		15940
15	Liv.Whole.Symp-Chile Mar2012-SORP funded		31800
			124,420

Note: A brief description of the items listed above can be found in the Report of the Scientific Committee (IWC/63/Rep1)

Table 7

## Conservation Management Plan Fund 2011 – 2012 (Note 1)

Income and Expenditure Account					
	Approved Budget		Projected Out-turn		Note
Income	£	£	£	£	
Voluntary contributions		0		0	2
UK tax recoverable		0		0	
Bank Interest		0		40	
Sundry income		<u>0</u>		<u>0</u>	
		0		40	
Expenditure					
Southern Right Whale workshop (B.Aires)	0		2,800		3
Bank Charges	<u>0</u>		<u>0</u>		
		<u>0</u>		<u>2,800</u>	
Net transfer from or to (-) I&E Account		0		-2,760	
Opening Balance brought forward		<u>244,660</u>		<u>244,660</u>	4
Projected Closing Balance		244,660		241,900	

## Notes

1. At IWC61 Australia proposed the concept of a Conservation Management Plan (CMP). Conservation management plans are intended to provide the Commission with a tailored management tool to be applied to improve conservation outcomes for cetacean populations through targeted management of human activities. These are to be funded initially by a voluntary contribution of £ 250k from Australia. The projects to which these funds will apply will be decided in part at IWC64, following a review by the Conservation Committee. The CMP Fund was introduced in 2010-11 as an entity to be separately accounted for. There was no specific budget for 2011-12 and activity can only be funded within the limits of voluntary contributions received

2. Voluntary Contributions: None are currently expected

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

4. The Opening Balance in the Approved Budget column would normally represent the anticipated result based on the projections in last year's Provisional Financial Statement. For this report, in both columns, the balance shown is that brought forward from the year ended 31 August 2011 as per the audited statements.



Table 8

## Operations Fund 2011 – 2012 (Note 1)

## Income and Expenditure Account

	Approved Budget		Projected Out-turn		Note
	£	£	£	£	
<b>Income</b>					
Voluntary contributions		0		0	2
UK tax recoverable		0		0	
Bank Interest		0		0	
Sundry income		0		0	
		<u>0</u>		<u>0</u>	
<b>Expenditure</b>		<u>0</u>		<u>0</u>	3
Net transfer from or to (-) I&E Account		0		0	
Transfers between Funds		0		-22,230	4
Opening Balance brought forward		48,170		48,170	5
Projected Closing Balance		<u>48,170</u>		<u>25,940</u>	

## Notes

1. The Operations Fund (OF) was created to show the receipt of voluntary contributions given to improve or facilitate changes in the workings of the Commission. It has been used to hold funds received to support developing country attendance during the 'Future of the IWC' process. The OF was introduced in 2010-11 as an entity to be separately accounted for. No specific regulations were introduced as for the IWC Voluntary Fund for Small Cetaceans in 1994. There was no specific budget for 2011-12 and activity can only be funded within the limits of voluntary contributions received.

2. Voluntary Contributions: None are expected at this time.

3. The projected out-turn shows no expected expenditure at this time.

4 A transfer between funds arises when the original purpose of the voluntary contribution is changed by the donor. The USA requested that funds originally intended to support inter-sessional meetings be diverted to SORP and other research work.

5. The Opening Balance in the Approved Budget column would normally represent the anticipated result based on the projections in last year's Provisional Financial Statement. For this report, in both columns, the balance shown is that brought forward from the year ended 31 August 2011 as per the audited statements.

Table 9

## IWC Other Work Fund - 2011 – 2012 (Note 1)

## Income and Expenditure Account

	Approved Budget		Projected Out-turn		Note
Income	£	£	£	£	
Voluntary contributions		0		57,050	2
UK tax recoverable		0		0	
Bank Interest		0		0	
Sundry income		0		0	
		0		57,050	
<b>Expenditure</b>					
Fund-raising expenses			19,000		
Standing Working Group Whale Watching (SWG-WW) - meeting Martinique	0		9,700		3
Reduction in conflict between human activity and cetaceans - Entanglement workshop			16,730		
Western Gray Whale photo-catalogue			2,350		
Stock Struct. WNP Minke Whales (OSU)			21,000		
Bank Charges	0		0		
		0		68,770	
Net transfer from or to (-) I&E Account		0		-11730	
Transfers between Funds				13,480	4
Opening Balance brought forward		95,100		95,100	5
Projected Closing Balance		95,100		96,860	

## Notes

1. The OWF was created to show the receipt of smaller voluntary contributions towards the cost of research programmes or work to be specified at a later date.

The OWF is divided into 4 sub-funds as follows: (i) Non-specific (where the VC is given with discretion in the hands of the Commission as to how it is allocated or where a donor may wish to defer a defined use until a later date). (ii) General Fund Research ( for areas of research related to cetaceans but not funded by the Commission). (iii) Conservation (for areas of work with a clear conservation objective that is related to cetaceans but not funded by the Commission.) (iv) Ship-strikes ( to support ship-strike work related to cetaceans that is not funded by the Commission).

The OWF was introduced in 2010-11 as an entity to be separately accounted for. No specific regulations were introduced as for the IWC Voluntary Fund for Small Cetaceans in 1994. There was no specific budget for 2011-12 and activity can only be funded within the limits of voluntary contributions received

2. Voluntary Contributions received as follows: USA £15k (non-specific) + £22k to fund technical support from David Mattila to the Secretariat re: human – cetacean inter-action (as announced at IWC63) and Australia £19k to support the work of a fund-raising professional in the area of Conservation projects.
3. The projected out-turn shows estimated expenditure by programme.

4. A transfer between funds arises when the original purpose of the voluntary contribution is changed by the donor. The USA requested that funds originally intended to support inter-sessional meetings be diverted to SORP and other research work.
5. The Opening Balance in the Approved Budget column would normally represent the anticipated result based on the projections in last year's Provisional Financial Statement. For this report, in both columns, the balance shown is that brought forward from the year ended 31 August 2011 as per the audited statements.

Table 10

## Gray Whale Tagging Fund 2011 – 2012 (Note 1)

Income and Expenditure Account					
	Approved Budget		Projected Out-turn		Note
Income	£	£	£	£	
Voluntary contributions		0		327,350	2
UK tax recoverable		0		0	
Bank Interest		0		0	
Sundry income		0		0	
		<u>0</u>		<u>327,350</u>	
<b>Expenditure</b>		<u></u>		<u>392,130</u>	3
Net transfer from or to (-) I&E Account		0		-64,800	
Opening Balance brought forward		<u>134,030</u>		<u>134,030</u>	4
Projected Closing Balance		134,030		69,230	

## Notes

1. The GWTF is expected to have a limited life and is dedicated to the tracking the threatened population of Gray Whales that have a migratory path that passes the Russian island of Sakhalin in the north west Pacific. The main sponsors for this work are Exxon Nefgas Limited (ENL) and IUCN (on behalf of Sakhalin Energy). The main contractors to do this work are Oregon State University (USA) and IPEE-RAS (Russian Federation). The GWTF was introduced in 2010-11 as an entity to be separately accounted for. No specific regulations were introduced as for the IWC Voluntary Fund for Small Cetaceans in 1994. There was no specific budget for 2011-12 and activity can only be funded within the limits of voluntary contributions received.

2. Voluntary Contributions: £327k contribution received or receivable from ENL and IUCN.

3. The projected out-turn shows estimated expenditure at the project level only. Responsibility for day to day operations lies with OSU and IPEE-RAS.

4. The Opening Balance in the Approved Budget column would normally represent the anticipated result based on the projections in last year's Provisional Financial Statement. For this report, in both columns, the balance shown is that brought forward from the year ended 31 August 2011 as per the audited statements

**Table 11**  
**Severance Pay Provision 2011 – 2012** (Note 1)

	Approved Budget		Projected Out-turn		Note
	£	£	£	£	
Opening Balance 1 September 2011		353,100		353,100	2
Provision for year		<u>-27,000</u>		<u>11,410</u>	
Projected Closing Balance		<u>326,100</u>		<u>364,510</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 up to a maximum of ten years and therefore an annual provision is made to bring the total provision to the level of the maximum contractual liability. A negative provision is made in years when long serving members of staff retire or leave the organisation, as money held on their behalf is returned to the General Fund.

2 The Opening Balance in the Approved Budget column would normally represent the anticipated result based on the projections in last year's Provisional Financial Statement. For this report, in both columns, the balance shown is that brought forward from the year ended 31 August 2011 as per the audited statements.

3 The Projected Closing Balance is equal to the maximum projected liability (by way of the process described in note 1). The increase in the provision for the year and therefore the projected closing balance has arisen due to a timing difference related to staff leaving the IWC in 2010-11. The budget was based on staff leaving in 2011-12, with the write-back to the General Fund in that year. However, for audit purposes the write-back was taken in 2010-11, so for 2011-12 there is an increase in provision of £11k instead of a reduction of £ 27k because of this timing difference.

**Table 12**  
**General Fund 2011 – 2012** (Note 1)

	Approved Budget	Projected Out-turn	Note
Opening Balance 1 September 2011	953,880	953,880	2
Surplus/Deficit (-) transferred from I&E Account	<u>-2,230</u>	<u>-18,180</u>	
Projected Closing Balance	<u>951,650</u>	<u>935,700</u>	3

### Notes

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

2 The Opening Balance in the Approved Budget column would normally represent the anticipated result based on the projections in last year's Provisional Financial Statement. For this report, in both columns, the balance shown is that brought forward from the year ended 31 August 2011 as per the audited statements..

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.