

## 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 2010 (to be used in the calculation of Financial Contributions for 2011/12) were published in September 2010 and refer to 2009. For the current cut off points be consistent with the published World Bank data (i.e. to 2009) they should be adjusted from 2008 to 2009 levels.

The application of the inflation adjusted “cut-off points”, together with World Bank data published in September 2010 (and available for use in December 2010) result in no changes to capacity to pay groups for 2011/12.

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

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

Economic data and 'Capacity to Pay' Groups (2008-09)						Countries in group
<b>Group 1</b>	GNI	less than 11,850,000,000	<b>and</b>	GNI/capita	less than 11,850	28
<b>Group 2</b>	GNI	greater than 11,850,000,000	<b>and</b>	GNI/capita	less than 11,850	27
<b>Group 3</b>	GNI	less than 1,185,000,000,000	<b>and</b>	GNI/capita	greater than 11,850	20
<b>Group 4</b>	GNI	greater than 1,185,000,000,000	<b>and</b>	GNI/capita	greater than 11,850	6
					Total	81
Economic data and 'Capacity to Pay' Groups (2009-10)						
<b>Group 1</b>	GNI	less than 12,650,000,000	<b>and</b>	GNI/capita	less than 12,650	29
<b>Group 2</b>	GNI	greater than 12,650,000,000	<b>and</b>	GNI/capita	less than 12,650	27
<b>Group 3</b>	GNI	less than 1,265,000,000,000	<b>and</b>	GNI/capita	greater than 12,650	21
<b>Group 4</b>	GNI	greater than 1,265,000,000,000	<b>and</b>	GNI/capita	greater than 12,650	7
					Total	84
Economic data and 'Capacity to Pay' Groups (2010-11)						
<b>Group 1</b>	GNI	less than 13,150,000,000	<b>and</b>	GNI/capita	less than 13,150	28
<b>Group 2</b>	GNI	greater than 13,150,000,000	<b>and</b>	GNI/capita	less than 13,150	30
<b>Group 3</b>	GNI	less than 1,315,000,000,000	<b>and</b>	GNI/capita	greater than 13,150	23
<b>Group 4</b>	GNI	greater than 1,315,000,000,000	<b>and</b>	GNI/capita	greater than 13150	7
					Total	88
Economic data and 'Capacity to Pay' Groups (2011-12)						
<b>Group 1</b>	GNI	less than 13,460,000,000	<b>and</b>	GNI/capita	less than 13,460	28
<b>Group 2</b>	GNI	greater than 13,460,000,000	<b>and</b>	GNI/capita	less than 13,460	31
<b>Group 3</b>	GNI	less than 1,346,000,000,000	<b>and</b>	GNI/capita	greater than 13,460	23
<b>Group 4</b>	GNI	greater than 1,346,000,000,000	<b>and</b>	GNI/capita	greater than 13460	7
					Total	89

## Provisional Financial Statement 2010-2011

### Key Points and Action Summary

#### Key Points

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

**Income** – matches budget. Increases in (1) one new country joining the Commission; (2) interest on late contributions; (3) increase in voluntary contributions are matched by (4) a reduction in staff assessments and (5) a reduction in interest receivable.

**Expenditure** - Expenditure is projected to be below budget by £ 22k (net) due to reductions in Secretariat costs of £ 33k, Publishing costs by £9k and Other Meeting Costs by £ 2k, offset by increases in Small Cetacean costs of £ 22k.

**Provisions**–are projected to be under budget by £ 6k due to small changes to Secretariat Staff and a resulting decrease in the amount to be provided for severance pay.

**Result for the year** –a projected surplus of £ 5k before transfers between reserves and a projected surplus of £ 22k after transfers.

The balance on the General Fund is projected at about £ 974k at the end of the current financial year (31 August 2011). This represents about 102% of the target level (6 months expenditure: £ 1,910k 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 2011-2012 and *Forecast Budget 2012-2013*

### Key Points And Action Summary

#### Key Points

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

**Income** – is projected to increase overall by about 5% (from £ 1,914k in the 2010-2011 Forecast Out-turn to £ 2,006 k in the proposed budget for 2011-2012). This is largely made up of increases in Financial Contributions, staff assessments, Observer Registration Fees and UK taxes recoverable, offset by no change or a reduction in other sources of income.

**Contracting Government Contributions (Table 13)** - the total contributions required from Contracting Governments is increased for 2011- 2012 to £ 1,729k (from £ 1,637k in the 10/11 Forecast Out-turn). This represents a total increase of around 5.6%.

*The forecast budget is increased for 2012-2013 by 6.6%*

**Expenditure** – 5.1% has generally been used to allow for cost increases for 2011–2012 (*and for 2012-2013*) 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, but an exception is introduced with respect to proposed allocations for Research and Annual Meetings in 2011-2012. These two items have been increased by 3% in 2011-2012 (proposed budget) and 5.1% in 2012-2013. This has been done to strike a balance between moderating Financial Contribution increases as far as possible, allowing for realistic costs without impairing operations, while still returning the General Fund to its target level of 50% of operating expenses within 2 years.

*The revised forecast budget is intended to show the general trend in reserve levels where a modest surplus for the revised proposed budget in 2011-2012 is followed by a small surplus in 2012-2013 (forecast budget).*

**Provisions** – After the distribution of IWC/63/5 two long serving members of the Secretariat staff indicated that they want to retire in 2011/12. This has a significant effect on the Provision for Severance Pay (money set aside in case a post is made redundant) which can now be returned to the General Fund (in effect giving a one off reduction in cost in the order of £ 65k).

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

	2011-2012	2012-2013
Balance of income and expenditure (deficit)	67,550	62,350
Surplus/ (Deficit) after transfers between Funds	65,300	60,100

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

	2011-2012	2012-2013
Projected balance on General Fund at year-end	1,039,100	1,099,100
Target level – approximately 6 months costs	969,200	1,037,100
% of Target level	107.2	106.0

#### **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 2011/12 as revised in this document, produces an operating surplus of £ 67k. At this point it may be useful to briefly re-state the relationship between annual operating surpluses or deficits and the level of reserves.

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

In recent years the reserves have been in excess of the target level due mainly to new governments adhering to the Convention each year after budgets have been agreed, interest received from late-paying governments, favourable levels of bank interest received and re-payments of old debts by existing members. Despite the Commission adopting deficit budgets with the intention of reducing the reserves to the target level, the actual results for the past few years have continued to produce surpluses because of the factors mentioned above.

The Forecast Out-Turn for the current financial year 2010/11 predicts a small surplus rather than the deficit planned with the approved budget. This has been due to modest increased income (mainly interest on late contributions plus the Financial Contribution from a new member) plus moderate net reductions in cost (savings in Secretarial costs exceeded increases in Small Cetacean costs) plus a small write back of provisions (mainly due to changes in staff work patterns). These changes result in a projected General Fund closing balance of just over 50% of operating expenses for 2010/11 (i.e. 102% of the target level).

The effect of the reserves in 2010/11 being reduced to near the target level of 50% of operating costs is that, expenditure for 2011/12 and 2012/13 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.

### **Development of proposed and forecast budgets**

The Secretariat believes that the current economic climate and on-going discussions regarding future activities of the organisation, make it difficult to develop proposed budgets for 2011/12 and 2012/13 prior to discussions at IWC63 in Jersey that will be acceptable to Contracting Governments without amendment. The proposed and forecast budgets in this document have been developed to present a 'reasonable' proposal to use as a basis for discussions and to give Contracting Governments some indication of the level of financial contributions that may be required.

The assumptions used for expenditure were as follows:

- Expenditures are based on the forecast out-turn for 2010/11 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 January 2010 (i.e.5.1%) assumed unless specific items require an alternative percentage to be used.
- It is assumed that there will be Annual Meetings as at present in 2012, but the form of the meeting in 2013 may be subject to change
- The proposed allocation for both the Annual Meeting and Research have been increased by 3% in 2011-2012 (proposed budget) and 5.1% in 2012-2013. This has been done to strike a balance between moderating Financial Contribution increases as far as possible, allowing for realistic costs without impairing operations while still returning the General Fund to its target level of 50% of operating expenses within 2 years.

The assumptions used for income, besides Financial Contributions were:

- Other income is assumed to remain static or increased only by the rate of inflation applicable per annum. .
- Financial Contributions have been calculated assuming for the most part the same level of delegates as at IWC62.

The decline in other sources of income (e.g.penalty interest and bank interest) and the reduction in reserves to the target level mean that if the real value of the budget is to be maintained (i.e. to purchase / provide goods and services at current levels) then the Financial Contributions need to be increased broadly in line with UK inflation. The effect on individual Contracting Governments will vary from year to year depending on the exchange rate between their own currencies and the British Pound. Any real increases in IWC activity (i.e. purchasing / providing goods and services at higher than current levels) will demand real increases in Financial Contributions (i.e. at rates in excess of UK inflation).

As with most organisations some costs are variable and can be cut in the short term and then reversed without lasting effects. An example of this is shown in the proposed budget for 2011/12, where there is a below inflation increase for Research and the Annual Meeting Budget, but a full inflation rise is applied in the forecast budget for 2012/13. If major short-term cuts are made in fixed or semi-fixed costs e.g. property costs, equipment rentals or staff , then the operational viability of the organisation could be put at risk.

The Secretariat will work with the Budgetary Sub-committee in advance of IWC63 to examine alternative budget scenarios to facilitate wider discussion in Jersey.

## **The proposed budget for 2011/12 and forecast budget for 2012/13**

As stated above, the Commission has been fortunate in previous years in that despite setting deficit budgets to reduce reserves, surpluses have resulted mainly due to new governments adhering to the Convention each year after budgets have been agreed, interest received from late-paying governments, favourable levels of bank interest received and re-payments of old debts by existing members. For the 09/10 the write back of severance pay provision due to long serving staff leaving the Commission helped bring reserves back to near target levels. The chance of further favorable and unplanned effects recurring in future years must be in doubt.

Given the wide variety of scenarios that are available for further consideration relating to the future of the organisation, the setting of a realistic budget is problematic. This matter is further compounded by discussions concerning the possible separation of the Scientific Committee and the Plenary in the same year as one option or annual (but separate) Scientific Committee Meetings being linked to bi-annual Plenary meetings as a second option. The proposed budget and forecast budget as presented seek to raise funds when they are needed (as favoured by some Contracting Governments) rather than allowing reserves to grow and act as a buffer so that future cost increases absorbed more easily. When the organisation can be more certain about its future, the possibility of spreading developments over several years might be more realistic and bring greater certainty to the Financial Contributions being requested from Contracting Governments.

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/63 in Jersey.

### **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 2011-2012, (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 2012-2013.*

#### **Commission**

1. To adopt the budget for 2011-2012 (as proposed in Table 7 or amended by the Finance and Administration Committee);
2. *To note/comment upon the Forecast Budget 2012-2013.*

Table 1

## Provisional Financial Statement 2010-2011

## Income and Expenditure Account

	Approved Budget		Projected Out-turn		Note
	£	£	£	£	
<b>Income</b>					
Contracting Government contributions		1,633,100		1,637,000	1
Recovery of Arrears		0		0	2
Interest on overdue financial contributions		0		8,100	3
Voluntary contributions		2,000		5,000	4
Sales of publications		15,000		15,000	5
Sales of sponsored publications		500		500	6
Observers' registration fees		45,300		49,000	7
UK taxes recoverable		22,000		22,300	8
Staff assessments		182,300		174,000	9
Interest receivable		13,600		3,000	10
Sundry income		0		0	
		<u>1,913,800</u>		<u>1,913,900</u>	
<b>Expenditure</b>					
Secretariat	1,137,600		1,104,800		Table 1A
Publications	39,500		30,000		11
Annual meetings	374,500		374,500		12
Other meetings	42,000		40,000		13
Research expenditure	315,800		315,800		14
Small cetaceans	1,000		23,300		15
Sundry	0		0		
	<u>1,910,400</u>		<u>1,888,400</u>		
<b>Provisions</b>					
Unpaid interest & overdue contributions	0		0		16
Severance Pay Provision	26,900		20,700		Table 5
Provn for other doubtful debts	<u>0</u>		<u>0</u>		17
		<u>1,937,300</u>		<u>1,909,100</u>	
<b>Surplus/Deficit (-) for the year <i>before</i> transfers</b>		-23,500		4,800	
Net Transfers from or to (-):					
Sponsored Publications Fund		-600		-500	Table 2
Research Fund		-4,000		-700	Table 4
Small Cetaceans Fund		<u>-500</u>		<u>18,200</u>	Table 3
<b>Surplus/Deficit (-) for the year <i>after</i> transfers</b>		<u>-28,600</u>		<u>21,800</u>	Table 6



## Notes to Table 1

1. There is an increase in Financial Contributions of £ 4k, due to the adherence of Colombia in 2010/11.
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 £ 8k is shown in the Forecast Out-turn. This relates to annual interest for debts outstanding for more than 12 months and applies to 13 countries. Penalty interest is no longer charged following the decision to stop the practice made at IWC62.
4. Voluntary Contributions (VC). The out-turn figure includes a £5k contribution from Italy for the Small Cetaceans Fund ( towards the assisting of Invited Participants to attend Annual Meetings).  
  
VC's of £500k (approx) were received from the Australian Government in late 08/09, towards the work of the Southern Ocean Research Partnership (£250k) and Conservation Management Plan (£250k). These VC's were placed in dedicated interest bearing bank accounts. It should be noted that these VC's are part of the General Fund. VC's to the General Fund and associated expenditure are not shown in the income and expenditure account. VC's are offset against matching expenditure and therefore have no effect on the surplus or deficit for the year.  
  
A VC of £250k (approx) was received from the Australian Government in late 08/09 for the Small Cetacean Fund and is referred to in Table 3 note 4.
5. The budget was set at a level consistent with previous years. The out-turn projection remains at the budget level.
6. Conservative estimate.
7. Included in the out-turn for 10/11 at actual level achieved in 2009/10 in recognition of the good communication and relatively low cost of reaching the 2010/11 meeting venue in Jersey, Channel Islands. Actual revenue is dependent upon the numbers of observers attending the 2011 Annual Meeting. Reliable actual information is not yet available.
8. Essentially maintained at budget level, with a modest increase to reflect the higher level standard rate of VAT effective in the UK in the latter half of the 2010/11 (from 17.5% to 20%). Recoveries primarily of VAT, but also Airport Departure Tax and Insurance Premium Tax.
9. Recoveries of Staff Assessments are generally broadly proportionate to salary costs. However for 10/11 there will be a reduction due to staff entitlement to maternity leave, leading to a temporary fall below the "normal" level of Staff Assessments.
10. A significant decline in bank base rates has led to a decrease in the out-turn projection of interest receivable below the budget level.
11. For the out-turn, printing costs have been reduced in recognition of the lower levels of sales recently achieved.
12. The annual meeting for 2010/11 will be split between two locations, Tromso in Norway for the Scientific Committee and Jersey, Channel Islands. The cost of running the meeting in Tromso will largely be met by way of a grant from the Norwegian Government of NOK 1.5m. Current indications are that the combined cost of the two venues will not exceed the sum of the Norwegian Grant and the 10/11 approved budget allocation. Any costs in excess of the grant plus allocation will be met by the Commission by way of a reduction in the General Fund.
13. The 2010/11 Approved Budget allocation for "Other meetings" included £ 42k to meet translation and interpretation costs at IWC63 and of important Commission documents. This has been reduced to £ 40k for the 10/11 forecast out-turn in recognition of the lower actual cost in 2009/10.
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 in the order of £5k is likely to be made for annual interest charged to Kenya on debts outstanding in the Financial Accounts at the end of 2010/11. There is the expectation that Kenya's Financial Contribution for 2010/11 will be cancelled as per the Financial Regulations referring to long term debtors.

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

**Table 1A**  
**Analysis of Secretariat Costs 2010-2011**

	Approved Budget	Projected Out- turn	Note
Salaries and allowances	750,300	725,700	1
Retirement and other benefit schemes	154,200	152,100	2
Travelling expenses	10,800	9,700	3
Office rent, heating and maintenance	104,800	101,600	4
Insurance	5,000	4,000	5
Postage and telecommunications	19,000	20,500	6
Office equipment and consumables	53,600	54,100	7
Professional fees	25,000	23,000	8
Training and Recruitment	6,000	6,000	9
Photocopying	3,100	3,100	10
Sundry	5,800	5,000	11
<b>TOTAL</b>	<b>1,137,600</b>	<b>1,104,800</b>	

#### Notes

1. There is a £ 25k decrease compared to budget, mainly attributable to changes in work patterns and not recruiting a temporary replacement for Maternity Leave cover.

2. Increases in retirement benefit costs offset by decreases in medical insurance, long term sick leave insurance sickness and life assurance. Net saving of £ 2k overall.

3. A decrease of £ 1.1k forecast compared to budget, due to a reduction in travel insurance.

4. Modest reductions compared to budget of £ 3k for repairs, maintenance and health / safety can reasonably be expected.

5. A decrease of £ 1k of actual premium compared to budget figure prepared in previous year.

6. An increase of around £ 1.5k above budget anticipated. BT costs for telecomms infrastructure expected to rise + increased running costs from greater use of external web services.

7. This item includes equipment-leasing costs and a general provision for replacement/upgrading of hardware and software. A £ 0.5k increase over budget has been included for the out-turn.

8. Provision is made for Professional Advice or Consultancy on a contingent basis. A modest reduction in provision for legal fees by £ 2k is reasonable to include in the out-turn forecast.

9. Provision is made for Training and Recruitment on a contingent basis. Training may be undertaken in the use of more advanced web application later in the year, so the forecast out-turn should remain at the 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 modest reduction in provision for charges of £ 0.8k is reasonable to include in the out-turn forecast.

**Table 2**  
**Sponsored Publications Fund 2010-2011** (Note 1)  
**Income and Expenditure Account**

	Approved Budget		Projected Out-turn		Note
	£	£	£	£	
<b>Income</b>					
Voluntary contributions		0		0	
Sales		500		500	2
UK tax recoverable		0		0	
Bank Interest		100		20	3
Sundry income		<u>0</u>		<u>0</u>	
		600		520	
<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		600		520	
Opening Balance brought forward		<u>39,870</u>		<u>38,970</u>	5
Projected Closing Balance		<u>40,470</u>		<u>39,490</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 2010-2011.

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 2010 – 2011 (Note 1)

	Approved Budget		Projected Out-turn		Note
	£	£	£	£	
<b>Income</b>					
Voluntary contributions		1,000		5,000	2
UK tax recoverable		0		0	
Bank Interest		500		100	
Sundry income		<u>0</u>		<u>0</u>	
		1,500		5,100	
<b>Expenditure</b>					
Invited participants	1,050		0		3
Bank Charges	0		0		
Climate Change Workshop Vienna	0		6,100		
Franciscana Abundance Estimate	<u>0</u>		<u>17,100</u>		
		1,050		23,200	
Net transfer from or to (-) I&E Account		450		-18,100	
Opening Balance brought forward		<u>256,070</u>		<u>260,520</u>	4
Projected Closing Balance		<u>256,520</u>		<u>242,420</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: £5k contribution received from Italy to fund Invited Participants.

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

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

## Research Fund 2010 – 2011 (Note 1)

## Income and Expenditure Account

	Approved Budget	Projected Out- turn	Note
	£	£	
<b>Income</b>			
Allocation	315,800	315,800	2
Voluntary contributions	1,000	0	3
UK tax recoverable	0	0	4
Bank Interest	3,000	650	5
Sundry income	<u>0</u>	<u>0</u>	
	319,800	316,450	
<b>Expenditure</b>	<u>-315,800</u>	<u>-315,800</u>	Table 4A
Net transfer from or to (-) I&E Account	4,000	650	
Opening Balance brought forward	<u>189,820</u>	<u>217,600</u>	6
Projected Closing Balance	<u>193,820</u>	<u>218,250</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 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 Autumn 2009 a Voluntary Contribution of £ 17k was received from the Belgian Government towards the IWC Conservation Committee work on the impact of ship strikes on cetaceans. This contribution has mostly now been spent on a Ship-strike workshop in Monaco in Autumn 2010.

**Table 4A**  
**Research Expenditure 2010 – 2011**

Note	Research expenditure 2010/11	Approved Budget £	Projected Out- turn £
	<b>RMP</b>		
(1)	Analysis and use of time-series of data on calving rates and intervals for use in the MSYR review	7,000	7,000
	<b>NPM</b>		
(2)	Pre-meeting and 1st Intersessional workshop towards <i>Implementation Review</i> for WNP common minke whales	25,000	25,000
	<b>AWMP</b>		
(3)	AWMP Workshop on Greenlandic fisheries and preparing for gray whale <i>Implementation Review</i>	12,000	12,000
(4)	AWMP developers fund	8,000	8,000
	<b>BRG</b>		
(5)	Southern Ocean right whale photo-identification catalogue	3,800	3,800
	<b>IA</b>		
(6)	Investigate the relationship between sea ice characteristics and Antarctic minke whale abundance estimates	5,000	5,000
(7)*	Resolving differences in minke whale abundance estimates	14,900	14,900
(8)	Import of 2009/10 SOWER data and assist abundance working group	3,000	3,000
(9)*	North Pacific sighting cruise	57,800	57,800
(10)	Workshop to plan medium-long term North Pacific sighting survey programme	7,000	7,000
(11)	Statistical catch-at-age estimators for Antarctic minke whales	2,500	2,500
	<b>SH</b>		
(12)*	Southern Hemisphere Blue Whale Catalogue Project	18,800	18,800
(13)	Modelling of Southern Hemisphere humpback whale populations	3,000	3,000
(14)*	Antarctic humpback whale catalogue	14,900	14,900
	<b>BC</b>		
(15)	Further development and maintenance of the IWC ship strike database	5,000	5,000
(16)	Development of an online submission database for Progress Reports	5,000	5,000
	<b>E</b>		
(17)*	Risk assessment modelling to determine the impact of pollutants on cetacean populations	52,300	52,300
(18)	State of the Cetacean Environment Report (SOCER).	3,000	3,000
	<b>WW</b>		
(19)	Data compilation and power analyses for the LaWE	4,000	4,000
	<b>ALL</b>		
(20)*	Invited Participants to the 2011 Annual Meeting.	63,800	63,800
		315,800	315,800

Note: A brief description of the items listed above can be found in the Report of the Scientific Committee (IWC/62/Rep1)

(\*) These items have been rounded from the figures shown in IWC/62/Rep2

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	
<b>ACCOBAMS</b>	Agreement on the conservation of cetaceans of the Black Sea, Mediterranean Sea & contiguous Atlantic area	<b>CPIII</b>	Circumpolar cruise III
<b>CPII</b>	Circumpolar cruise II	<b>DESS</b>	Database and Estimation Software System
<b>ENP</b>	Eastern North Pacific	<b>IDCR</b>	International Decade of Cetacean Research
<b>IMO</b>	International Maritime Organisation	<b>IP</b>	Invited Participant
<b>LaWE</b>	Large scale whale watching experiment	<b>MSY</b>	Maximum Sustainable Yield
<b>NPM</b>	North Pacific Minke Whales	<b>SCAA</b>	Statistical Catch at Age
<b>SLA</b>	Strike limit algorithm	<b>SOCER</b>	State of the Cetacean Environment Report
<b>SOWER</b>	Southern Ocean Whale & Ecological Research	<b>SWG</b>	Standing Working Group
<b>WW</b>	Whale watching		

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 2010-2011.*

### **Revised Management Procedure**

#### **(1) ANALYSIS AND USE OF TIME-SERIES OF DATA ON CALVING RATES AND INTERVALS FOR USE IN THE MSYR REVIEW**

The Committee is conducting a review of the range of MSYR values to include in simulation trials when selecting among variants of the RMP. The third intersessional workshop on the review of MSYR assembled a number of data sets on calving rates and calving intervals for baleen whales. Efforts were made following the workshop to fit models which accounted for both process and observation error to the data on calving rates and calving intervals. However, numerical problems were encountered when implementing these models. Funding is required to for researchers overcome these problems to provide the inputs needed to apply the Bayesian hierarchical method adopted by the sub-committee for computing a posterior distribution for  $r_0$ .

### **North Pacific minke whales**

#### **(2) PREPARATORY MEETING AND FIRST INTERSESSIONAL WORKSHOP TOWARDS THE IMPLEMENTATION REVIEW FOR WESTERN NORTH PACIFIC COMMON MINKE WHALES**

The schedule for an *Implementation Review* specifies that between the finalisation of the pre-implementation assessment and the following annual meeting of the Scientific Committee, an intersessional workshop shall be held to address a number of issues (see (JCRM 7 (Suppl.) 86). Given the complexity of this *Implementation Review*, it is important to hold a preparatory meeting before the First Intersessional Workshop.

### **Aboriginal Whaling Management Procedure**

#### **(3) WORKSHOP ON GREENLANDIC FISHERIES AND PREPARATION FOR GRAY WHALE IMPLEMENTATION REVIEW**

The Committee has a number of priority areas related to Greenlandic fisheries and an intersessional Workshop is required to address: (1) progress on developing *SLAs* for West Greenland fin and common minke whales; (2) progress on the development of the sex-ratio method; and (3) preparation for the *Implementation Review* for ENP gray whales.



**(4) AWMP DEVELOPERS FUND**

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

**Bow head, right and gray whales****(5) SOUTHERN OCEAN RIGHT WHALE PHOTO-IDENTIFICATION CATALOGUE**

For several decades, extensive photo-identification surveys have been carried out for southern right whales in the coastal waters of South America, southern Africa and Australia during winter and spring, and much valuable data on the demographics of these populations collected. Together with genetic information, these data also provide the opportunity to investigate interchange and mixing between the coastal populations. However, because of their geographic limitations they are uninformative about the links between these populations and those found (generally at higher latitudes) in summer where extensive catches were taken in pelagic whaling. Funding is requested to address this gap by compiling images of southern right whales taken away from coastal waters of the continents, in a catalogue and associated database.

**In-depth assessments****(6) INVESTIGATE THE RELATIONSHIP BETWEEN SEA ICE CHARACTERISTICS AND ANTARCTIC MINKE WHALE ABUNDANCE ESTIMATES**

No conclusions have yet been reached on the reasons for the appreciable decline in abundance estimates from CPU and CPIII. Changes in sea ice characteristics, such as its extent and configuration, have been considered as one of the most likely influential factors. In order to investigate this carefully, funding is required to enable the preparation of the following sea ice related data sets: (1) timing of the ice melt index for the entire time series of CPU and CPIII; and (2) sea ice characteristics (e.g. area of sea-ice-field) in the south of ice edge for the entire time series of CPU and CPIII.

**(7) RESOLVING DIFFERENCES IN MINKE WHALE ABUNDANCE ESTIMATES**

Over the past two years, two methods have been presented to estimate abundance from the CPU and CPIII IDC/SOWER cruise data. However, there are large differences between the estimates. These differences are much greater than statistical uncertainty, and than generally seen in the simulated datasets. Following intersessional work by correspondence a workshop is required to attempt to finally resolve the difference between the two approaches.

**(8) IMPORT OF 2009/10 SOWER DATA AND ASSIST ABUNDANCE WORKING GROUP**

Funds are required to enable the 2009/10 IWC/SOWER data to be incorporated into DESS and to provide general support to the IWC Secretariat regarding DESS. Errors will be corrected in the 'standard' and DESS datasets before the 2010 SC meeting.

**(9) AND (10) 2011 NORTH PACIFIC SIGHTING CRUISE AND ASSOCIATED MEETINGS**

A new medium- to long-term research programme involving sighting surveys to provide annual information for cetacean stock management in the North Pacific is scheduled to commence in 2011. The cruise will last a total of about 60 days between July and August and the vessel *Kaiko Maru* will generously be provided by the Japanese Government. A two-day planning meeting for the 2011 cruise will be held in Tokyo. It will be preceded by a three-day workshop to the medium to long term objectives of the research programme and associated fieldwork.

**(11) STATISTICAL CATCH-AT-AGE ESTIMATORS FOR ANTARCTIC MINKE WHALES**

The Committee is trying to understand the reasons for the apparent large declines in abundance indicated by estimates produced from these surveys. Several of these reasons can be explored by population dynamics modelling. In 2005, Punt and Polacheck developed the statistical catch-at-age (SCAA) model, which has been refined over the last few years and is considered the most appropriate modelling framework for addressing these issues. Funding is requested for Committee's researchers to implement the recommendations so that in 2011 it will be in a position to apply the SCAA model to the most recent data sets.

**Southern Hemisphere humpback whales****(12) SOUTHERN HEMISPHERE BLUE WHALE CATALOGUE PROJECT**

Little is known about the present-day migration of blue whales, population structure and abundance or the level of interchange among populations. In 2008, the IWC supported the creation of a Southern Hemisphere blue whale catalogue and Centro de Conservacion Cetacea in Chile was tasked with developing a central web-based system by which Southern Hemisphere blue whale photo-identification matching could take place. Matching will be conducted during next two years through this platform by researchers from three Southern Hemisphere regions. Comparisons of blue whale photo-identification and the significant number of individuals catalogued will be time consuming and researchers will not have enough free time to dedicate to the matching process. Therefore funding is required to ensure the matching process is completed. This will be a two-year project and a further request for funding (£11,200) will be submitted next year.

**(13) MODELLING OF SOUTHERN HEMISPHERE HUMPBACK WHALE POPULATIONS**

(i) Deliberations at the 2010 Annual Meeting have led to a number of variants of stock-structure models for breeding stock B being proposed. Computer software needs to be developed to implement these models to take account of tag-recapture data, (ii) Simultaneous analysis of all seven breeding stocks using the current age-aggregated model is desirable so that: (a) the catch allocation uncertainty is taken into account in a consistent and even-handed manner; (b) uncertainties in the boundaries for such allocations can be properly included in the analysis; and (c) likely similarities in intrinsic growth rate parameters for the different stocks can be properly factored into the analyses. Development of this model has commenced, still needs further development. A contribution towards the salaries of researchers is requested to enable progress to be made with (i) and (ii).

**(14) ANTARCTIC HUMPBACK WHALE CATALOGUE**

The Committee is already committed to funding this project, which represents only a partial cost of running the catalogue and is of great benefit to its in-depth assessment of Southern Hemisphere humpback whales. The funds are required to continue the cataloguing of submitted photographs and further develop and enhance the system for on-line access. The work will be carried out by Carlson and Allen.

**Bycatch and other human-induced mortality****(15) FURTHER DEVELOPMENT AND MAINTENANCE OF THE IWC SHIP STRIKE DATABASE**

Development of the IWC ship strikes database has continued intersessionally. Funding is required for: (1) completing work on public summaries; (2) the development of a handbook; (3) data entry and validation; and (4) annual ongoing work by the data review group. The need for a global database of incidents involving collisions between vessels and whales has previously been recognised by the Committee, as well as other bodies such as the International Maritime Organization (IMO) and ACCOBAMS.

**(16) DEVELOPMENT OF AN ONLINE SUBMISSION DATABASE FOR PROGRESS REPORTS**

In 2009 the possibility of developing an online form/database for submission of national Progress Reports was discussed as part of work on bycatches and small cetaceans, in addition to the general work of the Committee. Due to time constraints it was not possible to progress this further. A small group met this year to design an initial template and the Committee is now in the position to start trialling such a database. Funding is required for an expert to work with the IWC Secretariat to create this database and an initial version will be available at the next Annual Meeting.

**Environment****(17) RISK ASSESSMENT MODELING TO DETERMINE THE IMPACT OF POLLUTANTS ON CETACEAN POPULATIONS**

The report of the Phase II Intersessional IWC Pollution 2000+ Workshop (SC/62/Rep4) recommends that a number of modelling exercises be undertaken. This will involve the development and implementation of two demonstration projects, using the risk assessment framework (based on an individual based model approach). Funding is required to employ a post-doctoral research assistant to conduct this work under the direct supervision of Schwacke and Hall, with input and guidance from the Pollution 2000+ Steering Committee. This will be a two-year project and a further request for funding (£70,750) will be submitted next year.

**(18) STATE OF THE CETACEAN ENVIRONMENT REPORT (SOCER)**

The Committee regards SOCER to be useful document that provides a 'snapshot' of environmental developments relevant to cetaceans that was requested by the Commission. Money is requested to support the production of this report.

**Whalewatching****(19) DATA COMPILATION AND POWER ANALYSES FOR THE LAWE**

The La WE initiative aims to understand the possible effects of whalewatching on the demographic parameters of cetacean populations. In order to develop procedural mechanisms to centralise relevant data and to commence power analysis for key parameters, funding is required to employ a research assistant for 6 weeks.

**Other****(20) INVITED PARTICIPANTS (IPS) FUND**

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

**Table 5**  
**Severance Pay Provision 2010 – 2011** (Note 1)

	Approved Budget		Projected Out-turn		Note
	£	£	£	£	
Opening Balance 1 September 2010		382,900		385,100	2
Provision for year		<u>26,900</u>		<u>20,700</u>	
Projected Closing Balance		<u>409,800</u>		<u>405,800</u>	3

### Notes

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

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

3 The Projected Closing Balance is equal to the maximum projected liability (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 changes in working practice and a reduction in hours worked.

**Table 6**  
**General Fund 2010 – 2011** (Note 1)

	Approved Budget	Projected Out-turn	Note
Opening Balance 1 September 2010	997,200	952,050	2
Surplus/Deficit (-) transferred from I&E Account	<u>-28,600</u>	<u>21,700</u>	
Projected Closing Balance	<u>968,600</u>	<u>973,750</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 2011 - 2012; Forecast 2012 - 2013

## Income and Expenditure Account

	Proposed Budget 2011-2012		Forecast Budget 2012-2013		Note
	£	£	£	£	
<b>Income</b>					
Contracting Government contributions		1,728,650		1,842,750	1
Recovery of Arrears		0		0	
Interest on late financial contributions		0		0	2
Voluntary contributions		2,000		2,000	3
Sales of publications		15,000		15,000	4
Sales of sponsored publications		500		500	
Observers' registration fees		51,500		56,950	5
UK taxes recoverable		26,300		27,600	6
Staff assessments		178,950		188,700	7
Interest receivable		3,000		3,000	8
Sundry income		0		0	9
		<u>2,005,900</u>		<u>2,136,500</u>	
<b>Expenditure</b>					
Secretariat	1,179,500		1,204,900		Table 7A
Publications	31,750		33,350		10
Annual meetings	385,700		405,400		11
Other meetings	42,150		44,400		12
Research expenditure	325,200		341,800		Table 10A
Small cetaceans	1,050		1,050		Table 9
Sundry	0		0		
	<u>1,965,350</u>		<u>2,030,900</u>		
<b>Provisions</b>					
Unpaid interest on overdue contributions	0		0		
Severance Pay Provision	-27,000		43,250		Table 11
Provn for other doubtful debts	0		0		
		<u>1,938,350</u>		<u>2,074,150</u>	
Excess of expenditure over income		67,550		62,350	
<b>Net Transfers from or to (-):</b>					
Sponsored Publications Fund		-550		-550	Table 8
Research Fund		-1,650		-1,650	Table 10
Small Cetaceans Fund		-50		-50	Table 9
<b>Surplus/Deficit (-) for the year after transfers</b>		<u>65,300</u>		<u>60,100</u>	Table 12

### Notes To Table 7

(Notes refer primarily to the proposed budget for 2011-2012 although many apply equally to both years.

*Any which have specific application to the Forecast for 2012-2013-are in italic type)*

(1) The total amount required from Contracting Governments to ‘balance’ the budget. ‘Balance’ does not necessarily mean a zero deficit or surplus for the year, rather that the resulting deficit or surplus is in line with the Commission’s decisions. Notes on the level of Financial Contributions and the effect on reserves can be found on page 5 under “Key Points”.

Notes on how Financial Contributions are calculated can be found on pages 2 and 3 under the headings “Introduction – Financial Contributions”. Individual Contracting Government contributions are shown in Table 13. The contribution per share (before re-distribution which takes account of ability to pay) for the proposed budget is approximately £ 6,002 (£ 1,728,650 divided by 288 shares). This is based on attendance at IWC62 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 2006/07 to 2011/12.

(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 11/12 it is proposed that NGO fees again increase in line with UK inflation set at 5.1% Thus the NGO registration fee for 2011/12 would be set at

- £ 550 for the first observer, and
- £ 275 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 £ 65 to **£ 70**.

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

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

(8) Bank interest depends upon the extent of balances brought forward, the level of income from financial contributions, the timing of major expenditures and the level of bank deposit interest rates. The latter are assumed to remain at a conservative level of 0.2 % to produce an estimate of interest receivable.

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

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

(11) The cost to the Commission of the 64<sup>th</sup> Annual Meeting in 2012 . The budget provision represents a 3.0% increase over that for IWC/63. 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 “traditional” 4 week a meeting at the Commission’s expense in the UK, particularly in relation to the provisions for conference accommodation, security and audio-visual components.

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

The form and frequency of future meetings of the IWC will be the subject of separate discussions at IWC63. The running of a split meeting in a single year might be a stepping stone to annual meetings of the Scientific Committee linked to bi-annual meetings of the Commission. The costs of transition, as well as the costs of new infra-structure to support any of these new arrangements need careful scrutiny. So for now the organisation is left to reflect that the level of IWC annual meeting provision was discussed at IWC58, but at that time and since then, no consensus could be found as to how any increases to the UK level might be implemented.

(12) The proposed budget includes £ 42k for the provision of document translation and simultaneous interpreters for IWC/63.

**Table 7A**  
**Proposed Budget 2011 - 2012; Forecast 2012 - 2013**  
**Analysis of Secretariat Costs**

	Proposed Budget 2011-2012	<i>Forecast Budget 2012-2013</i>	Note
Salaries and allowances	778,350	798,350	1
Retirement and other benefit schemes	159,800	155,700	2
Travelling expenses	10,250	10,700	3
Office rent, heating and maintenance	105,300	109,600	4
Insurance	4,200	4,400	5
Postage, telecommunications & ICT	22,800	23,950	6
Office equipment and consumables	56,850	59,700	7
Professional fees	25,000	26,250	8
Training and Recruitment	7,800	6,600	9
Photocopying	2,950	3,200	10
Sundry	6,150	6,450	11
<b>Total</b>	<u>1,179,450</u>	<u>1,204,900</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 re-negotiated rent on the Red House of £60k per annum (previously £ 75k per-annum) is now fixed for 5 years. Most other costs have been assumed to rise with inflation of 5.1%. Energy costs have been assumed to increase by 20%.
5. Essential insurance cover maintained but no provision allowed to meet any insurance excesses in the event of a claim.
6. A step increase in costs is expected for 11/12 of around 11% is proposed to further utilize “Information Communication Technology” (ICT – mainly web enhancements to capture data from scientists, governments, the public etc and to better distribute data to the same groups). Costs have been assumed to rise with inflation for 12/13 .
7. The 2011-2012 provision for equipment and supplies is £ 57k. Approximately £28k relates to the rental / running costs of scanning / photocopying equipment. The balance relates to the replacement/upgrading of hardware and software and the purchase of office stationery and consumables. Costs have been assumed to rise with inflation..
8. Consists of audit fees £6k and a general provision of £19k for legal advice; property advice, I.T. consultancy, H.R. (Human Resources) consultancy and H&S (Health & Safety) consultancy.
9. Provision for training in 2011-2012 of £ 3k for ICT etc. £ 4.8k provided for recruitment in the event of staff nearing retirement wishing to finish their service with the Secretariat. This is based on the assumption that General Grade staff will be recruited as replacements and therefore will be hired locally. Should international recruitment be considered appropriate, the cost is likely to be much higher. For 12/13 the budget reverts to 10/11 level + inflation.
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 2011-2012		<i>Forecast Budget</i> <i>2012-2013</i>		Note
	£	£	£	£	
<b>Income</b>					
Voluntary contributions		0		0	
Sales		500		500	2
UK tax recoverable		0		0	
Bank Interest		50		50	3
Sundry income		0		0	
		<u>550</u>		<u>550</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		550		550	
Opening Balance brought forward		<u>39,495</u>		<u>40,045</u>	4
<b>Projected Closing balance</b>		<u>40,045</u>		<u>40,595</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 2011-2012		<i>Forecast Budget</i> <i>2012-2013</i>		Note
	£	£	£	£	
<b>Income</b>					
Voluntary contributions		1,000		1,000	2
UK tax recoverable		0		0	
Bank Interest		100		100	3
Sundry income		0		0	
		<u>1,100</u>		<u>1,100</u>	
<b>Expenditure</b>					
Invited participants	1,000		1,000		4
Sundry expenditure	<u>50</u>		<u>50</u>		5
		<u>1,050</u>		<u>1,050</u>	
Net transfer from or to (-) I&E Account		50		50	
Opening Balance brought forward		<u>242,311</u>		<u>242,361</u>	6
<b>Projected Closing Balance</b>		<u>242,361</u>		<u>242,411</u>	

**Notes**

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

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

3. A realistic amount of interest has been included.

4. The figure included is notional.

5. Includes bank charges, loss on exchange etc.

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

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

	Proposed Budget 2011-2012		Forecast budget 2012-2013		Note
	£	£	£	£	
<b>Income</b>					
Allocation		325,200		341,800	2
Voluntary contributions		1,000		1,000	
UK tax recoverable		0		0	3
Bank Interest		650		650	4
Sundry income		0		0	
		<u>326,850</u>		<u>343,450</u>	
		-325,200		-341,800	
<b>Expenditure</b>					
Net transfer from or to (-) I&E Account		1,650		1,650	
Opening Balance brought forward		<u>218,312</u>		<u>219,962</u>	5
<b>Projected Closing Balance</b>		<u><u>219,962</u></u>		<u><u>221,612</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 2011-2012 will be spent during 2011-2012 and that any funds brought forward at 01 September 2011 will be carried forward at 31 August 2012. In reality some of the funds brought forward at 01 September 2011 will be spent during 2011-2012 and some of the new expenditure authorised to be spent in 2011-2012 will be deferred and carried forward to 2012-2013. In each of the years since 2005 substantial balances have been held on the Research Fund as follows:

**2005/2006** £ 133,914, **2006/2007** £ 143,397; **2007/08** £ 201,372, **2008/09** £ 182,604, **2009/10** £ 217,590

Therefore the above simplifying assumption is realistic for planning purposes as the projected closing balances of £ 220k for 2011-2012 and £ 221.6k for 2012-2013 are in range of those recorded for the financial years since 2005-2010.

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

3 Recovery of VAT and Airport Departure Tax.

4. Interest rates are assumed to remain at a conservative level of 0.2%. A conservative estimate of interest receivable has been included.

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

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

The proposed funding for research has been set at £ 325.2k. This amount is based on the initial 10/11 approved budget increased by 3.0% for 11/12 and 5.1% for 12/13). In previous years the current UK rate of inflation would have been used (5.1% in this case) for both years, but has been reduced to 3% in 11/12 to strike a balance between moderating Financial Contribution increases as far as possible, allowing for realistic costs without impairing operations while still returning the General Fund to its target level of 50% of operating expenses within 2 years.

Table 10A. Research Fund – Preliminary Movement of Funds 2011-2012

Note	Continuing Projects and Contracts	Balance B/Fwd (A)	Proposed Budget 2011-2012 Pre-Allo'n (B)	Total Funds Available (C)	Receipts (D)	Expenditure (E)	Balance C/Fwd (F)
1	Invited participants	2,627		2,627			2,627
2	Integrated Model Analysis	2,000		2,000			2,000
3	Catch data	3,681		3,681			3,681
4	Genetic Simulation Studies	3,500		3,500			3,500
5	G'land Common Minke Wh.: use of sex ratio data in assmnts.	3,500		3,500			3,500
6	AWMP Intersessional Workshop	3,150		3,150			3,150
7	RMP Inter-sessional (Brydes Whales)	5,681		5,681			5,681
8	Audit western NP Bryde's whale survey data	2,000		2,000			2,000
9	Investigate anomalies  .  allozyme and DNA-based analysis results	1,000		1,000			1,000
10	Workshop to review MSY rates	6,221		6,221			6,221
11	Computing support for Implementations	25,241		25,241			25,241
12	Travel for earplug ageing expert in calibration experiment	1,573		1,573			1,573
13	SOWER (other incl. digiti'zn accoustic records)	4,036		4,036			4,036
14	SOWER 2008/09 cruise and planning meeting	36,402		36,402			36,402
15	Minke abundance estimates (IA development support)	1,882		1,882			1,882
16	Pollution 2000+	1,639		1,639			1,639
17	Scoping meeting for POLLUTION 2000+ Workshop	4,055		4,055			4,055
18	FAO expert consultation on modelling ecosys interaction	1,500		1,500			1,500
19	CCAMLR/IWC Workshop in July 2008	6,980		6,980			6,980
20	W. North Pacific gray whale telemetry, contingent on meeting the requirements in Annex F.	661		661			661
21	TOSSM project	433		433			433
22	FAO fisheries statistics	7,778		7,778			7,778
23	Workshop on the use of mkt sampling to est' bi-catch	9,973		9,973			9,973
24	Estimation of bycatch. Data collection and market pathways	3,355		3,355			3,355
25	Dev web-based system for data entry to IWC ship strike Dbse	12,905		12,905			12,905
26	LaWE Steering Group Meeting	870		870			870

Note	Continuing Projects and Contracts	Balance B/Fwd (A)	Proposed Budget 2011-2012 Pre-Allo'n (B)	Total Funds Available (C)	Receipts (D)	Expenditure (E)	Balance C/Fwd (F)
27	Standard analysis method	7,100		7,100			7,100
28	IDCR/SOWER biopsy and photo-identification records database.	11,805		11,805			11,805
29	Abundance estimates of Antarctic minke whales using SOWER data.	5,000		5,000			5,000
30	Estimating abundance of Oceania humpback whales.	2,902		2,902			2,902
31	Dev of add'n h'bck assessment models	483		483			483
32	Interchange analysis, migratory connections, and mixing in Antarctic Feeding Grounds for Southern Hemisphere humpback whales Breeding Stock B.	6,954		6,954			6,954
33	AS - Developer's Fund (AWMP fund for developers)	2,288		2,288			2,288
34	Workshop on Greenland fisheries.	-974		-974			-974
35	Intersessional workshop on North Pacific minke whales	15,139		15,139			15,139
36	Updated simulations of dispersal for western North Pacific minke whales.	665		665			665
	Provision against overruns	14,307		14,307			14,307
	New Work – Commencing 01/09/2011 - unallocated		325,200	325,200		325,200	0
	Sundry Expenditure - Sundry expenditure & Bank Charges						
	Sundry Income – Bank Interest (£0.65k) + Vol. Contribution (£1k)		0	0	1,650	0	1,650
	<b>Total</b>	<b>218,312</b>	<b>325,200</b>	<b>543,512</b>	<b>1,650</b>	<b>325,200</b>	<b>219,962</b>

## Notes to Table 10A

**Abbreviations**

<b>AWMP</b>		Aboriginal Subsistence Whaling Management Procedure
<b>BRG</b>	Sub-committees of the Scientific Committee	Bowhead, Right and Gray whales
<b>E</b>		Environmental Concerns
<b>IA</b>		In-depth Assessment
<b>CCAMLR</b>		Commission for the Conservation of Antarctic Marine Living Resources
<b>FAO</b>	Food and Agriculture Organisation	
<b>LaWE</b>	Large-Scale Whalewatching Experiment	
<b>MSY</b>	Minimum sustainable yield	
<b>NP</b>	North Pacific	
<b>RMP</b>	Revised Management Procedure	
<b>SH</b>	Southern Hemisphere	
<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 2011-2012 Pre-Allocation” – represents the funding requested by the Scientific Committee for 2011-2012 before any allocation has been made to specific projects.
- C) “Total Funds Available” - for 2011-2012 when funds brought forward from previous periods are added to funds authorised and then allocated to specific projects for 2011-2012.
- D) “Receipts” – additional income from voluntary contributions, interest receivable or taxes recoverable.
- E) “Expenditure” amounts expended within 2011-2012 on specific projects.
- F) “Balance carried forward” – represents unspent money within 2011-2012 (due to delay or deferral of project work) to be carried forward to 2012-2013.

**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.	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.
3.	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)
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, used to support participants at AWMP intersessional workshops. SCRep 2006 item 21.
7.	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.
8.	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.
9.	Residual funds from 2008-2009 to determine the sequence of nucleotides at the exons encoding the most divergent allozymes identified in Danielsdottir et al.'s allozyme study of North Atlantic fin whales. SCRep 2009 item 22.
10.	Residual funds from 2008-2009 used to enable MSY rates to be reviewed and revised for use in RMP trials. SCRep 2009 item 22.
11.	Residual funds from 2008-2009 to ensure appropriate programming assistance is available for the completion of the North Atlantic fin whale Implementation. SCRep 2008 item 6.
12.	Funds from 2008-2009 to cover travel and subsistence for an expert to travel to Tokyo to agree a process to investigate ageing errors between commercial and scientific catches. SCRep 2008 item 10.2.3 and SCRep 2009 item 22.
13.	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).

14. Residual funds from previous years to allow continued support of SOWER cruises.
15. Residual funds from previous years for ongoing work to continue development of statistical catch-at-age estimators for Antarctic minke whales.
16. Residual funds from previous years from the Pollution 2000+ project. SCRep 2007, Annex K Appendix
17. Funds from 2007-2008 to hold a scoping meeting on a second phase of the POLLUTION 2000 project to ensure that preparatory analyses and key papers are produced prior to a full workshop. SC Rep 2008 item 12.2.
18. 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.
19. Residual funds from 2007-2008 for the Joint IWC-CCAMLR workshop on modelling Antarctic krill predators. SC Rep 2008 item 13.1.
20. 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
21. Residual funds used to support participants at the workshop to discuss the next stage of the TOSSM project. SCRep 2006 Item 11.4.
22. 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
23. 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.
24. 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
25. Funds from 2008-2009 used to develop a web-based system for data entry into the IWC ship strikes database. SCRep 2009 item 22.
26. Residual funds from 2008-2009 used to allow the Large-Scale Whalewatching Experiment (LaWE) steering group to meet intersessionally. SCRep 2009 item 22.
27. Import of 2009/10 SOWER data and assist abundance working group
28. IDCR/SOWER biopsy and photo-identification records database.
29. Resolving differences in minke whale abundance estimates
30. Estimating abundance of Oceania humpback whales.
31. Modelling of Southern Hemisphere humpback whale populations
32. Interchange analysis, migratory connections, and mixing in Antarctic Feeding Grounds for Southern Hemisphere humpback whales Breeding Stock B.
33. AS - Developer's Fund (AWMP fund for developers)
34. Workshop on Greenland fisheries.
35. Pre-meeting and 1st Intersessional workshop towards Implementation Review for WNP common minke whales
36. Updated simulations of dispersal for western North Pacific minke whales.

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

	Proposed Budget 2011-2012		Forecast Budget 2012-2013		Note
	£	£	£	£	
Opening Balance 1 September 2010 / 2011		405,800		378,800	2
Provision for year		<u>-27,000</u>		<u>43,250</u>	
Projected Closing Balance		<u>378,800</u>		<u>422,050</u>	3

**Notes**

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

2 The Opening Balance in the Proposed Budget column represents the anticipated result based on the projected out-turn as at 31 August 2011. *That in the Forecast Budget takes account of movements in the 2011-2012 proposed budget.*

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

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

	Proposed Budget 2011-2012	Forecast Budget 2012-2013	Note
	£	£	
Opening Balance 1 September 2011 (2012)	973,770	1,039,070	2
Surplus/Deficit (-) transferred from Income & Expenditure Account	<u>65,300</u>	<u>60,100</u>	
Projected Closing Balance 31 August 2012 (2013)	<u>1,039,070</u>	<u>1,099,170</u>	3

**Notes**

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

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

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

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

**Table 13**  
**Provisional Estimate of Financial Contributions, year beginning 1 September 2011.**  
 (\* please refer to the Introduction – Financial Contributions pg 3)

		Current' scheme	Capacity to pay Group	Red'n	Red'n	Red'n	Add-on	Add-on	Add-on	Total £
				Stage 1*	Stage 2*	£	Whaling	Group 3 £	Group 4 £	
1	Antigua and	12,005	2	-3,001	-900	-3,901	0	0	0	8,103
2	Argentina	18,007	2	-4,502	-1,351	-5,852	0	0	0	12,155
3	Australia	30,011	3	0	0	0	0	6,028	0	36,040
4	Austria	18,007	3	0	0	0	0	6,028	0	24,035
5	Belgium	18,007	3	0	0	0	0	6,028	0	24,035
6	Belize	12,005	1	-6,002	-1,501	-7,503	0	0	0	4,502
7	Benin	18,007	1	-9,003	-2,251	-11,254	0	0	0	6,753
8	Brazil	18,007	2	-4,502	-1,351	-5,852	0	0	0	12,155
9	Bulgaria	12,005	2	-3,001	-900	-3,901	0	0	0	8,103
10	Cambodia	18,007	1	-9,003	-2,251	-11,254	0	0	0	6,753
11	Cameroon	18,007	2	-4,502	-1,351	-5,852	0	0	0	12,155
12	Chile	18,007	2	-4,502	-1,351	-5,852	0	0	0	12,155
13	China, P.R of	12,005	2	-3,001	-900	-3,901	0	0	0	8,103
14	Colombia	18,007	2	-4,502	-1,351	-5,852	0	0	0	12,155
15	Congo, Rep	18,007	1	-9,003	-2,251	-11,254	0	0	0	6,753
16	Costa Rica	18,007	2	-4,502	-1,351	-5,852	0	0	0	12,155
17	Cote d'Ivoire	18,007	2	-4,502	-1,351	-5,852	0	0	0	12,155
18	Croatia	12,005	3	0	0	0	0	6,028	0	18,033
19	Cyprus	18,007	3	0	0	0	0	6,028	0	24,035
20	Czech Republic	18,007	3	0	0	0	0	6,028	0	24,035
21	Denmark	36,014	3	0	0	0	7,703	6,028	0	49,745
22	Dominica	12,005	1	-6,002	-1,501	-7,503	0	0	0	4,502
23	Dominican Republic	12,005	2	-3,001	-900	-3,901	0	0	0	8,103
24	Ecuador	18,007	2	-4,502	-1,351	-5,852	0	0	0	12,155
25	Eritrea	12,005	1	-6,002	-1,501	-7,503	0	0	0	4,502
26	Estonia	18,007	3	0	0	0	0	6,028	0	24,035
27	Finland	18,007	3	0	0	0	0	6,028	0	24,035
28	France	18,007	4	0	0	0	0	0	39,615	57,622
29	Gabon	18,007	1	-9,003	-2,251	-11,254	0	0	0	6,753
30	Gambia, The	18,007	1	-9,003	-2,251	-11,254	0	0	0	6,753
31	Germany	24,009	4	0	0	0	0	0	39,615	63,624
32	Ghana	18,007	2	-4,502	-1,351	-5,852	0	0	0	12,155
33	Greece	18,007	3	0	0	0	0	6,028	0	24,035
34	Grenada	18,007	1	-9,003	-2,251	-11,254	0	0	0	6,753
35	Guatemala	12,005	2	-3,001	-900	-3,901	0	0	0	8,103
36	Guinea	18,007	1	-9,003	-2,251	-11,254	0	0	0	6,753
37	Guinea-Bissau	18,007	1	-9,003	-2,251	-11,254	0	0	0	6,753
38	Hungary	18,007	2	-4,502	-1,351	-5,852	0	0	0	12,155
39	Iceland	42,016	3	0	0	0	7,703	6,028	0	55,747
40	India	18,007	2	-4,502	-1,351	-5,852	0	0	0	12,155
41	Ireland	18,007	3	0	0	0	0	6,028	0	24,035
42	Israel	18,007	3	0	0	0	0	6,028	0	24,035
43	Italy	18,007	4	0	0	0	0	0	39,615	57,622
44	Japan	84,032	4	0	0	0	7,703	0	39,615	131,349
45	Kenya	12,005	2	-3,001	-900	-3,901	0	0	0	8,103
46	Kiribati	18,007	1	-9,003	-2,251	-11,254	0	0	0	6,753
47	Korea, Rep of	30,011	3	0	0	0	0	6,028	0	36,040
48	Lao PDR	18,007	1	-9,003	-2,251	-11,254	0	0	0	6,753
49	Lithuania	12,005	2	-3,001	-900	-3,901	0	0	0	8,103
50	Luxembourg	18,007	3	0	0	0	0	6,028	0	24,035
51	Mali	18,007	1	-9,003	-2,251	-11,254	0	0	0	6,753
52	Marshall Islands	18,007	1	-9,003	-2,251	-11,254	0	0	0	6,753
53	Mauritania	18,007	1	-9,003	-2,251	-11,254	0	0	0	6,753



		Current' scheme	Capacity to pay Group	Red'n Stage 1*	Red'n Stage 2*	Red'n £	Add-on Whaling	Add-on Group 3 £	Add-on Group 4 £	Total £
54	Mexico	18,007	2	-4,502	-1,351	-5,852	0	0	0	12,155
55	Monaco	18,007	2	-4,502	-1,351	-5,852	0	0	0	12,155
56	Mongolia	18,007	1	-9,003	-2,251	-11,254	0	0	0	6,753
57	Morocco	18,007	2	-4,502	-1,351	-5,852	0	0	0	12,155
58	Nauru	18,007	1	-9,003	-2,251	-11,254	0	0	0	6,753
59	Netherlands	24,009	3	0	0	0	0	6,028	0	30,037
60	New Zealand	24,009	3	0	0	0	0	6,028	0	30,037
61	Nicaragua	12,005	1	-6,002	-1,501	-7,503	0	0	0	4,502
62	Norway	48,018	3	0	0	0	7,703	6,028	0	61,749
63	Oman	18,007	2	-4,502	-1,351	-5,852	0	0	0	12,155
64	Palau	18,007	1	-9,003	-2,251	-11,254	0	0	0	6,753
65	Panama	18,007	2	-4,502	-1,351	-5,852	0	0	0	12,155
66	Peru	18,007	2	-4,502	-1,351	-5,852	0	0	0	12,155
67	Poland	12,005	2	-3,001	-900	-3,901	0	0	0	8,103
68	Portugal	18,007	3	0	0	0	0	6,028	0	24,035
69	Romania	12,005	2	-3,001	-900	-3,901	0	0	0	8,103
70	Russian Federation	30,011	2	-7,503	-2,251	-9,754	7,703	0	0	27,961
71	San Marino	12,005	2	-3,001	-900	-3,901	0	0	0	8,103
72	Senegal	18,007	1	-9,003	-2,251	-11,254	0	0	0	6,753
73	Slovak Republic	12,005	3	0	0	0	0	6,028	0	18,033
74	Slovenia	18,007	3	0	0	0	0	6,028	0	24,035
75	Solomon Islands	12,005	1	-6,002	-1,501	-7,503	0	0	0	4,502
76	South Africa	18,007	2	-4,502	-1,351	-5,852	0	0	0	12,155
77	Spain	18,007	4	0	0	0	0	0	39,615	57,622
78	St Kitts and Nevis	18,007	1	-9,003	-2,251	-11,254	0	0	0	6,753
79	St Vincent & The G.	18,007	1	-9,003	-2,251	-11,254	0	0	0	6,753
80	St. Lucia	18,007	1	-9,003	-2,251	-11,254	0	0	0	6,753
81	Suriname	18,007	1	-9,003	-2,251	-11,254	0	0	0	6,753
82	Sweden	18,007	3	0	0	0	0	6,028	0	24,035
83	Switzerland	18,007	3	0	0	0	0	6,028	0	24,035
84	Tanzania	18,007	2	-4,502	-1,351	-5,852	0	0	0	12,155
85	Togo	18,007	1	-9,003	-2,251	-11,254	0	0	0	6,753
86	Tuvalu	18,007	1	-9,003	-2,251	-11,254	0	0	0	6,753
87	United Kingdom	30,011	4	0	0	0	0	0	39,615	69,626
88	Uruguay	18,007	2	-4,502	-1,351	-5,852	0	0	0	12,155
89	USA	42,016	4	0	0	0	7,703	0	39,615	89,334
Note 1		<u>1,728,650</u>		<u>-364,637</u>	<u>-97,537</u>	<u>-462,174</u>	<u>46,217</u>	<u>138,652</u>	<u>277,304</u>	<u>1,728,650</u>

		Shortfall for re- distribution	
Group 1	28	Whaling	<b>10%</b> 46,217
Group 2	31	Group 3	<b>30%</b> 138,652
Group 3	23	Group 4	<b>60%</b> <u>277,304</u>
Group 4	<u>7</u>		462,174
	89		

Note 1: Totals in this table are rounded.

Table 13A Comparison of Financial Contributions per Country 2006/07 to 2011/12

	Country	Actual 2006/07	Actual 2007/08	Actual 2008/09	Actual 2009/10	Actual 2010/11	Proposed 2011/12
1	Antigua and Barbuda	6,105	5,906	5,775	5,947	7,736	8,103
2	Argentina	10,990	10,631	10,395	10,705	11,604	12,155
3	Australia	28,401	26,855	31,735	32,506	34,333	36,040
4	Austria	22,973	21,605	21,469	21,934	22,873	24,035
5	Belgium	22,973	21,605	21,469	21,934	22,873	24,035
6	Belize	6,105	5,906	3,850	3,965	4,298	4,502
7	Benin	6,105	5,906	5,775	5,947	6,446	6,753
8	Brazil	10,990	10,631	10,395	10,705	11,604	12,155
9	Bulgaria				7,136	7,736	8,103
10	Cambodia	6,105	5,906	5,775	5,947	6,446	6,753
11	Cameroon	10,990	7,088	10,395	10,705	11,604	12,155
12	Chile	10,990	10,631	17,324	14,273	11,604	12,155
13	China, P.R of	10990	10631	10,395	7,136	7,736	8,103
14	Colombia					3,868	12,155
15	Congo, Rep		1,969	3,850	5,947	6,446	6,753
16	Costa Rica	7,327	10,631	10,395	10,705	11,604	12,155
17	Cote d'Ivoire	10990	10,631	10395	10,705	11,604	12,155
18	Croatia	7327	10,631	10395	10,705	17,143	18,033
19	Cyprus	17,546	21,605	21,469	21,934	22,873	24,035
20	Czech Republic	10,990	10,631	10,395	27,220	22,873	24,035
21	Denmark	50,099	48,181	47,781	43,868	47,324	49,745
22	Dominica	6105	5,906	3,850	3,965	4,298	4,502
23	Dominican Republic				7136	7,736	8,103
24	Ecuador	3664	10631	10395	10705	11,604	12,155
25	Eritrea			3,850	3,965	4,298	4,502
26	Estonia			6,930	21,934	22,873	24,035
27	Finland	22,973	21,605	21,469	21,934	22,873	24,035
28	France	54,203	54,784	55,861	52,311	54,531	57,622
29	Gabon	6,105	5,906	5,775	5,947	6,446	6,753
30	Gambia, The	6105	5,906	5,775	5,947	6,446	6,753
31	Germany	59,630	60,034	60,994	57,597	60,261	63,624
32	Ghana				7,136	11,604	12,155
33	Greece	8,773	21,605	21,469	16,648	22,873	24,035
34	Grenada	6105	5906	5,775	5,947	6,446	6,753
35	Guatemala	7,327	10,631	6,930	7,136	7,736	8,103
36	Guinea	6,105	5,906	5,775	7,929	6,446	6,753
37	Guinea-Bissau		5,906	7,700	5,947	6,446	6,753
38	Hungary	10,990	10,631	10,395	10,705	11,604	12,155
39	Iceland	50,099	48,181	47,781	43,868	53,054	55,747
40	India	10,990	10,631	10,395	10,705	11,604	12,155
41	Ireland	22,973	21,605	21,469	21,934	22,873	24,035
42	Israel	22,973	21,605	21,469	21,934	22,873	24,035
43	Italy	59,630	60,034	60,994	57,597	54,531	57,622
44	Japan	119,319	118,110	118,105	116,534	124,823	131,349
45	Kenya	7327	7,088	6,930	7,136	7,736	8,103
46	Kiribati	6105	5906	5775	5947	6,446	6,753

	Country	Actual 2006/07	Actual 2007/08	Actual 2008/09	Actual 2009/10	Actual 2010/11	Proposed 2011/12
47	Korea, Rep of	28,401	26,855	26,602	32,506	34,333	36,040
48	Lao PDR	2,035	5,906	5,775	5,947	6,446	6,753
49	Lithuania			6,930	7,136	7,736	8,103
50	Luxembourg	22,973	21,605	21,469	21,934	22,873	24,035
51	Mali	6,105	5,906	5,775	5,947	6,446	6,753
52	Marshall Islands	6,105	5,906	5,775	3,965	6,446	6,753
53	Mauritania	6,105	5,906	5,775	5,947	6,446	6,753
54	Mexico	10,990	10,631	10,395	10,705	11,604	12,155
55	Monaco	10,990	10,631	10,395	10,705	11,604	12,155
56	Mongolia	6,105	5,906	5,775	5,947	6,446	6,753
57	Morocco	10,990	10,631	10,395	10,705	11,604	12,155
58	Nauru	6,105	5,906	5,775	5,947	6,446	6,753
59	Netherlands	28,401	26,855	26,602	27,220	28,603	30,037
60	New Zealand	33,828	26,855	26,602	27,220	28,603	30,037
61	Nicaragua	6,105	3,938	5,775	3,965	4,298	4,502
62	Norway	50,099	48,181	47,781	49,154	58,784	61,749
63	Oman	10,990	10,631	10,395	7,136	11,604	12,155
64	Palau	6,105	5,906	5,775	5,947	6,446	6,753
65	Panama	10990	10631	10,395	10,705	11,604	12,155
66	Peru	10,990	10,631	10,395	10,705	11,604	12,155
67	Poland				10,705	7,736	8,103
68	Portugal	22,973	21,605	21,469	21,934	22,873	24,035
69	Romania		3,544	6,930	7,136	7,736	8,103
70	Russian Federation	23734	23,295	23104	23,916	26,600	27,961
71	San Marino	10,990	10,631	10,395	10,705	7,736	8,103
72	Senegal	6,105	5,906	5,775	5,947	6,446	6,753
73	Slovak Republic	10,990	10,631	10,395	7,136	17,143	18,033
74	Slovenia	17,546	21,605	26,602	21,934	22,873	24,035
75	Solomon Islands	6,105	3,938	5,775	3,965	4,298	4,502
76	South Africa	10,990	14,175	10,395	10,705	11,604	12,155
77	Spain	22,973	21,605	21,469	52,311	54,531	57,622
78	St Kitts and Nevis	8,141	5,906	5,775	5,947	6,446	6,753
79	St Vincent & The G.	15,593	15,420	15,405	15,987	6,446	6,753
80	St. Lucia	6105	5906	5,775	5,947	6,446	6,753
81	Suriname	6,105	5,906	5,775	5,947	6,446	6,753
82	Sweden	28,401	21,605	26,602	27,220	22,873	24,035
83	Switzerland	22,973	21,605	21,469	21,934	22,873	24,035
84	Tanzania		3544	6,930	10,705	11,604	12,155
85	Togo	6105	5906	5,775	5,947	6,446	6,753
86	Tuvalu	6105	5906	5,775	5,947	6,446	6,753
87	United Kingdom	65057	65284	66,127	62,883	65,991	69,626
88	Uruguay		7087	10,395	10,705	11,604	12,155
89	USA	81,329	86,610	82,174	79,531	84,712	89,334
		1,408,229	1,423,134	1,460,135	1,533,005	1,636,974	1,728,650

Table 14: Summary and Comparisons 2008-2009 to 2012-2013

	A	B	C	D	E	F	G	H	I	J
	2008/09	2009/10	2010/11	2010/11	2011/12	2012/13	-----Percentage changes-----			
	Actual	Actual	Budget	Projected	Proposed	Forecast	--			
					Bu	Bu	D/C	E/C	E/D	F/E
Income										
Members' Contributions	1,465,525	1,525,869	1,633,100	1,637,000	1,728,650	1,842,750	100.24%	105.85%	105.60%	106.60%
Recovery of arrears	0		0	0	0	0	n/a	n/a	n/a	n/a
Interest on late contributions	26,776	35,542	0	8,100	0	0	n/a	n/a	0.00%	n/a
Voluntary contributions	278,497	23,956	2,000	5,000	2,000	2,000	250.00%	100.00%	40.00%	100.00%
Sales of Publications	13,493	6,953	15,000	15,000	15,000	15,000	100.00%	100.00%	100.00%	100.00%
Sales of sponsored publications	278	250	500	500	500	500	100.00%	100.00%	100.00%	100.00%
Annual Meeting fees	42,254	49,260	45,300	49,000	51,500	56,950	108.17%	113.69%	105.10%	110.58%
UK tax recoverable	31,555	23,234	22,000	22,300	26,300	27,600	101.36%	119.55%	117.94%	104.94%
Staff Assessments	165,322	187,502	182,300	174,000	178,950	188,700	95.45%	98.16%	102.84%	105.45%
Bank interest	27,597	3,048	13,600	3,000	3,000	3,000	22.06%	22.06%	100.00%	100.00%
Sundry income	174	0	0	0	0	0	0.00%	0.00%	n/a	n/a
<b>Total income</b>	<b>2,051,471</b>	<b>1,855,613</b>	<b>1,913,800</b>	<b>1,913,900</b>	<b>2,005,900</b>	<b>2,136,500</b>	<b>100.01%</b>	<b>104.81%</b>	<b>104.81%</b>	<b>106.51%</b>
Expenditure										
Salaries, N.I., allowances	703,301	778,060	750,350	725,700	778,350	798,350	96.71%	103.73%	107.25%	102.57%
Pensions and other benefits	169,493	159,860	154,150	152,100	159,800	155,700	98.67%	103.67%	105.06%	97.43%
Travel	6,056	6,131	10,750	9,700	10,250	10,700	90.23%	95.35%	105.67%	104.39%
Office rent and maintenance	97,321	95,925	104,800	101,600	105,300	109,600	96.95%	100.48%	103.64%	104.08%
General Insurances	5,682	5,342	5,100	4,000	4,200	4,400	78.43%	82.35%	105.00%	104.76%
Postage & telecomms	18,835	18,071	18,950	20,500	22,800	23,950	108.18%	120.32%	111.22%	105.04%
Office equipment & supplies	51,206	49,835	53,550	54,100	56,850	59,700	101.03%	106.16%	105.08%	105.01%
Professional fees	27,620	33,694	25,000	23,000	25,000	26,250	92.00%	100.00%	108.70%	105.00%
Training and Recruitment	1090	38,338	6,000	6,000	7,800	6,600	100.00%	130.00%	130.00%	84.62%
Photocopying etc.	726	3,691	3,100	3,100	2,950	3,200	100.00%	95.16%	95.16%	108.48%
Sundry expenditure	-1,528	5,360	5,850	5,000	6,150	6,450	85.47%	105.13%	123.00%	104.88%
<b>Total Secretariat</b>	<b>1,079,802</b>	<b>1,194,309</b>	<b>1,137,600</b>	<b>1,104,800</b>	<b>1,179,500</b>	<b>1,204,900</b>	<b>97.12%</b>	<b>103.68%</b>	<b>106.76%</b>	<b>102.15%</b>
Publications costs	33,607	15,466	39,500	30,000	31,750	33,350	75.95%	80.38%	105.83%	105.04%
Annual Meetings	362,100	365,700	374,500	374,500	385,700	405,400	100.00%	102.99%	102.99%	105.11%
Other Meetings	218,394	156,678	42,000	40,000	42,150	44,400	95.24%	100.36%	105.38%	105.34%
Research	358,076	280,181	315,800	315,800	325,200	341,800	100.00%	102.98%	102.98%	105.10%
Small cetaceans	11,569	10,254	1,000	23,300	1,050	1,050	2330.00%	105.00%	4.51%	100.00%
Sundry	0	0	0			0	n/a	n/a	n/a	n/a
<b>Total expenditure</b>	<b>2,063,547</b>	<b>2,022,588</b>	<b>1,910,400</b>	<b>1,888,400</b>	<b>1,965,350</b>	<b>2,030,900</b>	<b>98.85%</b>	<b>102.88%</b>	<b>104.07%</b>	<b>103.34%</b>
Provisions:										
Unpaid contributions	-9,095	15,400	0	0	0	0	n/a	n/a	n/a	n/a
Unpaid interest	-63,513	61,178	0	0	0	0	n/a	n/a	0.00%	n/a
Severance Pay	38,400	-65,300	26,900	20,700	-27,000	43,250	76.95%	-200.37%	-230.43%	260.18%
Other doubtful debts	-738	314	0	0	0	0	n/a	n/a	n/a	n/a
	<b>-34,946</b>	<b>11,592</b>	<b>26,900</b>	<b>20,700</b>	<b>-27,000</b>	<b>43,250</b>	<b>76.95%</b>	<b>-200.37%</b>	<b>-230.43%</b>	<b>260.18%</b>
Excess/deficit (-) of income over expenditure	22,870	-178,567	-23,500	4,800	67,550	62,350	-20.43%	387.44%	1307.29%	-7.69%
Net Transfers from or to (-):										
Publications Fund	-488	-265	-600	-500	-550	-550				
Small Cetaceans Fund	18,768	-34,986	-4,000	-700	-1,650	-1,650				
Research Fund	-243,093	-7,414	-500	18,200	-50	-50				
<b>Surplus/Deficit (-) for the year after transfers</b>	<b>-201,943</b>	<b>-221,231</b>	<b>-28,600</b>	<b>21,800</b>	<b>65,300</b>	<b>60,100</b>				