

**PROVISIONAL FINANCIAL STATEMENT 1997-98**  
**(Table 1)**

Details relating to individual budget items are given in the explanatory notes and tables. These are cross-referenced as appropriate from the text and the main table (Table 1).

**Income and expenditure**

Total income is 11.5% higher than in the budget. The greater part of this increase (more than three-quarters) comprises recoveries of arrears of contributions and interest and interest due on late contributions for the current year.

Expenditure is 8.8% greater than budgeted but of this, more than half is accounted for by the costs of the Administrative Review which the Commission decided at the 49<sup>th</sup> Annual Meeting would be met from reserves. Expenditure from the Sponsored Publications Fund and the Small Cetaceans Fund also contributed to this apparent overspend.

**General Fund (Table 7)**

The net difference between income and expenditure will produce a surplus for the year of £44,000. The balance on the General Fund at the end of the year is projected to be £956,000. (See section on 'Reserves' on page 9.

**Funds other than General Fund**

The Commission holds some funds designated for specific purposes and therefore not available for general expenditure. Details are given in Tables 3, 4 and 5.

**Table 1**  
**PROVISIONAL FINANCIAL STATEMENT 1997-98**  
**(Income and expenditure Account)**

	Budget		Projected out-turn		Notes
	£	£	£	£	
<b>Income</b>					
Contracting Government contributions					
Realisations required 1997-98 <i>(Assessed (961,880))</i>		894,600		894,600	1
Interest on late contributions		0		9,000	2
Recovery of arrears		0		99,466	3
Voluntary contributions		0		10,122	4
UK tax recoverable		38,000		21,300	5
Staff Assessments		94,300		93,800	
Annual Meeting attendance fees		48,000		50,900	
Sales		22,500		27,800	
Bank interest		57,300		80,000	6
<b>Total income</b>		<u>1,154,700</u>		<u>1,286,988</u>	
<b>Expenditure</b>					
Secretariat	-711,900		-708,560		7
Annual Meeting	-189,000		-189,000		
Other Meetings	-10,000		-3,790		8
Printing & copying	-37,500		-43,200		9
Sponsored publications	0		-34,000		Table 3
Research	-190,000		-193,291		Table 5
Small cetaceans	-2,300		-8,715		Table 4
Unallocated	-2,860		-2,860		10
Administrative Review	0		-58,750		11
Provision for Severance Pay	-24,000		-27,623		
<b>Total expenditure</b>		<u>-1,167,560</u>		<u>-1,269,789</u>	
Excess/deficit(-) income/exp.		<u>-12,860</u>		<u>17,199</u>	
Net Transfers from and to (-):					
Publications Fund		8,300		18,587	
Small Cetaceans Fund		2,060		-1,927	
Research Fund		2,500		10,566	
<b>SURPLUS/DEFICIT (-) FOR THE YEAR</b>		<u>0</u>		<u>44,425</u>	

## EXPLANATORY NOTES TO PROVISIONAL FINANCIAL STATEMENT 1997-98 (Table 1)

1. Realised contributions in the approved budget represent the amount required to balance the budget. At 14 March £201,161 in current year contributions remained outstanding. This statement assumes that the Contracting Governments with arrears for the current year only will pay by the end of the year.

The assessed contributions figure represents the amount upon which individual Contracting Government contributions are based. A full statement of contributions outstanding is given in Table 2 (page 4).

2. Penalty interest payable under Financial Regulation F.1. on contributions unpaid by the due date.

3. Arrears recovered from the Government of Venezuela which cleared all its debts to the Commission.

4. Contributions to Small Cetaceans Fund (see Table 4.)

5. The budget was developed according to the usual practice of estimating Annual Meeting Costs on the basis of a UK venue. The Commission has previously recognised that, when in the event a meeting is held elsewhere, the VAT recovery will be reduced.

6. When the budget was developed 2 years ago it could not take account of the significant recovery of arrears leading to substantial surpluses, hence greater balances available for deposit at higher rates. Additionally, interest rates generally have moved upwards.

7. Details of Secretariat costs are given in Table 15 (page 18)

8 This item provides for three elements associated with meetings of other organisations in which the IWC may participate and with IWC intersessional meetings if any. In 1997-98 these were:

A.	Budget		Projected Out-turn	
Meeting	Possible Observer	£	Observer	£
CCAMLR	Chairman Scientific Committee	1,500	Japan	0
FAO		1,500	Japan	0
UNEP/PCC		1,500		0
IUCN		1,500	(No meeting)	0
ICES	Existing attendee	0	Norway	0
NAMMCO		1,000	(No meeting)	0
IOC		1,000	(No meeting)	0
CITES		1,500	(No meeting)	0
		9,500		0
<b>B</b>				
Secretariat & IPs at intersessional meetings		0		0
<b>C</b>				
Unspecified		0	ASCOBANS ( 3 meetings)	1,350
		0	Chairman's consultation, Antigua	2,440
<b>TOTAL</b>		10,000		3,790

9. Includes balance of costs of 47<sup>th</sup> Annual Report as well as those for the 48<sup>th</sup>.

10. The budget for 1997-98, like that of that of the previous year, was constructed on the basis of no real increase in member contributions and the 'unallocated' item represented a balancing figure, of monies which could be expended without disrupting this process. In the event it was used to enhance the more extended use of notebook computers with a view to reducing weight and thus freight charges e.g. at meetings.

11. The 49<sup>th</sup> Annual Meeting decided to have an external administrative review conducted during the current year. No provision was made for the costs in the budget for the year but the Commission determined that the balance on the General Fund was such that the costs could be met from the reserves.

**Table 2**  
**FINANCIAL CONTRIBUTIONS OUTSTANDING at 14 March 1998**

<b>Contracting Governments</b>	<b>1997/98</b>	<b>Previous Years</b>	<b>Interest</b>	<b>Bank Charges</b>	<b>TOTAL</b>	<b>Notes</b>
Antigua & Barbuda	22,182	82,715	48,157	0	-153,054	*
Argentina	14,636	0	1,464	0	-16,100	I
Australia	0	0	0	6	-6	
China, P. R. of.	0	0	0	10	-10	
Costa Rica	14,788	152,406	174,116	0	-341,310	I D V
Dominica	14,788	0	1,479	0	-16,267	I
Grenada	22,182	0	2,218	6	-24,406	I
India	14,788	0	1,436	12	-16,236	I
Italy	22,182	0	0	0	-22,182	#
Kenya	14,788	160,763	180,811	0	-356,362	I D V
Oman	0	0	0	6	-6	
Peru	14,788	173,708	218,822	0	-407,318	I D V
St Kitts & Nevis	14,788	27,746	8,926	0	-51,460	I D V
St Vincent & Grenadines	8,363	0	836	0	-9,199	I
Senegal	14,788	183,629	201,578	0	-399,995	I D V
Solomon Islands	22,182	0	2,218	12	-24,412	I
<i>Sub-total</i>	<i>215,243</i>	<i>780,967</i>	<i>842,061</i>	<i>52</i>	<i>-1,838,323</i>	
<b>Former Members</b>						
Belize	0	33,558	6,086	0	-39,644	
Ecuador	0	35,721	9,700	0	-45,421	
Egypt	0	9,876	988	0	-10,864	
Philippines	0	24,640	2,179	0	-26,819	
Seychelles	0	31,852	5,244	0	-37,096	
Uruguay	0	68,634	22,607	0	-91,241	
<i>Sub-total</i>	<i>0</i>	<i>204,281</i>	<i>46,804</i>	<i>0</i>	<i>-251,085</i>	
<b>Total</b>	<b>215,243</b>	<b>985,248</b>	<b>888,865</b>	<b>52</b>	<b>-2,089,408</b>	

**Notes:**

I = 10% interest added, compounding each 1 March.

D = IWC documentation withheld.

V = Right to vote suspended.

\* = Repayment schedule in effect

# = The due date for Italy as a new member is not until August 1998.

**Table 3**  
**SPONSORED PUBLICATIONS FUND 1997-98** (Note 1)

	Budget		Projected Out-turn		Notes
	£	£	£	£	
<b>Income:</b>					
Voluntary contributions		0		0	
Bank Interest		300		2,413	
Receipts from sales		8,000		13,000	
		<u>8,300</u>		<u>15,413</u>	
<b>Expenditure:</b>					
Special Issues:					
Chemical Pollution	0		-15,000		
Gray Whales	0		-18,500		
Other	<u>0</u>		<u>-500</u>		
		0		-34,000	
Net transfer from/to (-) I&E Account		<u>8,300</u>		<u>-18,587</u>	
Opening balance brought forward		<u>2,138</u>		<u>67,179</u>	
<b>Projected closing balance</b>		<u>10,438</u>		<u>48,592</u>	

**Notes**

1. The Sponsored Publications Fund exists primarily to receive voluntary contributions towards publication of IWC Special Issues. Contributors often specify that the revenue from sales of publications funded by donations should be used towards future publications and not for general expenditure. The Commission has also made allocations of money for publications of Special Issues. Proceeds of sales of volumes for which the IWC has provided funds wholly or in part are allocated to Sales of IWC Publications and Sales of Sponsored Publications in the appropriate proportions.

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.

**Table 4**  
**SMALL CETACEANS FUND 1997-98** (Note 1)

	Budget		Projected Out-turn		Notes
	£	£	£	£	
<b>Income:</b>					
Voluntary contributions		0		10,122	2
Bank Interest		240		520	
UK tax recovered		0		0	
		<u>240</u>		<u>10,642</u>	
<b>Expenditure:</b>					
Invited participants	-2,300		-8,700		
Other	<u>0</u>		<u>-15</u>		
		<u>-2,300</u>		<u>-8,715</u>	
Net transfer from/to (-) I&E Account		-2,060		1,927	
Opening balance brought forward		5,583		10,445	
<b>Projected closing balance</b>		<u>3,523</u>		<u>12,372</u>	3

**Notes**

1. The 46th Annual Meeting of the Commission in 1994 decided 'to establish an IWC Voluntary Fund 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 to the IWC Voluntary Fund for Small Cetaceans:' (IWC Resolution 1994-2: *Rep. int. Whal. Commn* 45: 41)

2. Swiss Coalition for the Protection of Whales	£ 2,088	
Government of Netherlands	£ 2,093	
Government of U.K	£ 3,941	(by transfer of the balance of previous donation to Research Fund)
EIA	<u>£ 2,000</u>	
	<u><b>£10,122</b></u>	

3. **Designated finds**

Conservation of marine mammals in S. or E. Asia	£ 950
Research & Training in Arafura & Timor Seas & adjacent waters	£ 9,125
Non-lethal research on beluga and narwhal	<u>£ 2,088</u>
	<u><b>£12,163</b></u>

**Table 5**

**RESEARCH FUND 1997-98** (Note 1)

	Budget		Projected Out-Turn		Notes
	£	£	£	£	
<b>Income:</b>					
Allocation		182,500		182,500	
Voluntary contributions		0		-3,941	2
Bank Interest		5,000		7,247	
UK Tax recovered		0		919	
		<u>187,500</u>		<u>186,725</u>	
<b>Expenditure:</b>					
<i>Commitments &amp; recurring activities:</i>					
Invited participants to Scientific Committee		-24,400		-26,800	
Southern Hemisphere Humpbacks		0		-4,000	3
		<u>-24,400</u>		<u>-30,800</u>	
<i>All other research activities:</i>					
<i>Comprehensive Assessment:</i>					
Abundance & distrib'n from IDCR/SOWER & JSV data		-4,000		-4,000	
Right Whale Workshop		-25,000		-25,000	
Genetic studies - parent/offspring (yr 1 of 3) ( Contract 9)		-22,000		-22,000	
<i>Data analyses:</i>					
DESS-software inc. training (Contract 10)		-10,000		-11,900	4
Development spatial modelling approach (Contract 11)		-8,000		-5,171	5
<i>Environmental concerns:</i>					
Pollution project planning meeting		-15,000		-220	6
Antarctic project - intersessional & planning meetings		-10,000		-3,300	7
<i>RMS/AWMP:</i>					
Improve program to calculate catches under CLA		-3,000		0	8
Training to use S+ package		-1,000		-900	
<i>SOWER:</i>					
Blue whale cruise		-32,900		-35,600	
Antarctic cruise		-53,500		-50,800	
Development of biopsy system (Contract 8)		-7,600		-7,600	
Antarctic cruise data analysis		-4,000		0	9
Bank charges including exchange losses) etc		0		-1000	
<b>Total expenditure</b>		<u>-220,400</u>		<u>-197,291</u>	
Net transfer from/to (-) I&E Account		-32,900		-10,566	
Opening balance brought forward		3,724		54,888	
<b>Projected closing balance</b>		<u><u>-29,176</u></u>		<u><u>44,322</u></u>	

**Notes**

1. The Research Funde exists to receive voluntary contributions and any such monies as the Commission may allocate for research and scientific investigation and is charged with any specific expenditure of this nature.
2. Transfer to Small Cetaceans Fund of balance of previous UK Government contribution.
3. Project started in 1996-97
- 4 & 5. Contract developed slightly differently from anticipated at SC/97. Overall costs slightly lower. See also note 9
6. Planning meeting now proposed for autumn 1998. Balance to be carried forward.
7. Insufficient time to complete planning in 1997-98. To be carried forward to 1998-99
8. Possible contract. Work still being specified.
9. This work largely incorporated into Contract 10. hence apparent overspend on that item.

**Table 6**  
**SEVERANCE PAY PROVISION 1997-88** (Note 1)

	Budget		Projected Out-Turn		Notes
	£	£	£	£	
Closing Balance 31 August 1997		282,000		276,814	
Transfer from I&E Account, being:					
Interest receivable	14,250		18,835		
Allocation	9,750		8,788		
Provision for year		24,000		27,623	
<b>Projected Closing balance 31 August 1998</b>		<u>306,000</u>		<u>304,437</u>	2

**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 on the abolition of their posts. The indemnity increases according to length of service and current salary and therefore an annual provision is made to bring the total provision up to the maximum liability.

The allocation is the amount required to meet the difference between the incremental increase in maximum liability and the income expected from bank interest.

2. Projected closing balance = maximum projected liability.

**Table 7**  
**GENERAL FUND** (Note 1)

	Budget	Projected Out-turn	Notes
	£	£	
Closing Balance 31 August 1997	684,312	912,601	
Surplus transferred from I&E Account	0	44,425	
<b>Projected Closing balance 31 August 1998</b>	<u>684,312</u>	<u>957,026</u>	2

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