

# **XVIIth INTERNATIONAL HYDROGRAPHIC CONFERENCE**

**MONACO, 7-11 May 2007**



**FINANCE COMMITTEE**  
*5 May 2007*

**FINANCE REPORT OF THE  
INTERNATIONAL HYDROGRAPHIC  
ORGANIZATION  
2002 - 2006  
*Revised 1***

**Submitted to the XVIIth International Hydrographic Conference**

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# **IHO FINANCE REPORT 2002-2006**

## **Submitted by the IHB Directing Committee**

### **1. INTRODUCTION**

#### **1.1 Preparation of the Report**

This report on the administration of the finances of the International Hydrographic Organization for the period 1 January 2002 to 31 December 2006 has been prepared by the Directing Committee of the International Hydrographic Bureau for examination by the Finance Committee and their recommendation for approval by the Conference in accordance with Article 12(a)(i) of the IHO General Regulations.

#### **1.2 Audit of the accounts**

The Bureau's accounts for each calendar year have been audited by the Auditor appointed by the XVIth International Hydrographic Conference. The annual report of the Auditor has been included in each Annual Report, Part 2 – Finance.

#### **1.3 Currency**

In accordance with the IHO Financial Regulations, Article 2(a), the Euro was introduced on 1 January 2002, as the currency to be used for the accounting purposes of the Organization.

#### **1.4 Bank transfers**

Transfer of cash from the Bureau's various bank accounts in Monaco, the United Kingdom and the United States of America have been made as required and in conformity with the exchange control regulations. Bank accounts outside of Monaco have been maintained in order to facilitate payments abroad whenever needed.

#### **1.5 Annual Financial Statements**

Financial Statements have been forwarded annually to Members of the Finance Committee for comment. Upon review, comments of the Finance Committee have been forwarded with the report for approval by the Member States as the Annual Report, Part 2 – Finance.

### **2. INCOME 2002 TO 2006 -TABLE 1**

#### **2.1 Contributions**

##### **2.1.1 Number of shares**

In 1993 the Organization, based on a suggestion from France, ceased the projection of increased shares for pending Member States and has based budget projections on the known number of shares at the time of budget preparation. The five-year budget estimates (2003-2007) were prepared for the XVI IHC based on this principle with a number of 593 shares. Also during the five-year period there were small changes in the number of shares due to changes in the tonnage figures reported by Member States.

The number of shares of 598.5 in 2002 progressed to 612 in 2003, to 616 in 2004, to 621.5 in 2005 and to 629 in 2006 (note: half shares result from new Member States joining the Organization after July).

Six new Member States joined the IHO during the period making a total of seventy-six. These States are: Mexico, Slovenia and Kuwait in 2002, Myanmar in 2004, Latvia and Mauritius in 2005.

#### 2.1.2 Value of a share

There was no increase in the share value for 2002, 2003 and 2004. The XVIth International Hydrographic Conference in April 2002 had approved increases in the share value by 2.5% for 2005, 2.9% for 2006 and 3.0% for 2007. The Directing Committee in managing the finances of the Organization recommended an increase of 2.0% for 2005 (instead of 2.5%) and no increase for 2006 and 2007 resulting in the total increase of the share value of 2.0% instead of 8.4% for the period of 2003-2007.

#### 2.1.3 Suspension of rights and benefits

The Dominican Republic and the Democratic Republic of Congo (ex Zaire), in 1983, and Suriname, in 1991, had their rights suspended for failing to pay their contributions. These Member States remain suspended as they have not paid their outstanding contributions. Guatemala had its rights suspended in 1991 but was restored in June 2002 upon payment of its outstanding contributions.

#### 2.1.4 Payments of contributions

Payments of contributions generally have been good throughout the period. The status of contribution payments has been provided in each Annual Report, Part 2 – Finance. As a general observation it has to be noted that for the period 2002-2006, 50% of the contributions were paid by 50% of Member States by the end of April each year, while the final amount received at the end of the years has varied between 85.31% in 2003 and 92.37% in 2004 with an average over the five year period of 88.75%.

### **2.2 Sales of Publications**

The income from the sales of publications has remained at a reasonable level for the period 2003-2006 ranging between 8,843 Euros in 2005 and 13,133 in 2004. Substantially higher sales in 2002 of 20,300 Euros were associated with the Conference of the Organization.

It has to be noted that the publication and distribution of the International Hydrographic Review were contracted out to a commercial company in 2000.

### **2.3 Interest on the bank accounts**

The total interest earned for the period was 259,137 Euros or nearly triple that projected by the XVI Conference (82,734 Euros). This sharp increase in the interest earned was mainly due to the upward trend of global interest rates and the continuous negotiations with the local banks, in order to take advantage of the best interest rates offered by local banks.

### **2.4 GEBCO Grant**

The Government of the Principality of Monaco generously continues its annual contributions towards GEBCO expenses for a total of 37,600 Euros. In 2006 the annual contribution of 7,600 Euros was allocated to the GEBCO Fund.

## 2.5 Internal Tax

The Directors and all the Staff of the Bureau continue to pay a monthly Internal Tax, which is 10% of their gross salary.

## 2.6 Extraordinary income

### 2.6.1 Interest on overdue contributions

Extraordinary income of 108,965 Euros resulted from the interest on overdue contributions as required by Article 13 (c) of the Financial Regulations.

## 2.7 INCOME – Summary

The total estimated income for the period 2002-2006 was 12,694,282 Euros and the total income received during the period was 13,220,244 Euros. This increase was due to the increase of the number of shares as new States joined the Organization and in the increase of the other items of this Chapter as explained above.

## 3. EXPENDITURE 2002-2006-TABLE 2 EXPLANATORY NOTES

### 3.1 Chapter I – Personnel Costs

#### 3.1.1 Directors' and Staff salaries

Member States approved the recommendations of the Finance Committee Working Group which was established, following the Decision 21(a) of the XVI International Hydrographic Conference, to study the alignment of salaries of the IHB Directors and Staff with the UN system. These recommendations are as follows:

- Directors, Category A Staff and Translators should have their rates of pay aligned with UN pay scales. Directors were assimilated to level D-1 of the UN system (and not to D-2 as it was proposed by the UN Body), Category A Staff to P-4 (and not P-5) and Translators to P-1 (and not P-2);
- Average increase in net pay awards should be made to the above with effect from 1 January 2004 (this was implemented on 1 July 2004) as follows: Directors 25%, Category A Staff 22.4% and Translators 11.7%;
- The payment of the bonus representing one month's salary should cease to all Staff whose salary scales are aligned with the UN pay scales;
- The UN pay scales, including the Post Adjustment factor, should be used as a benchmark against which the IHB scales are determined for individuals at the time of initial appointment or re-appointment where the post is subjected to a process of external competition. The pay scale fixed upon appointment will be subject to increases in line with the average awards made to the Monaco Civil Service.

The details of this subject are included in Finance Committee Circular Letter 5/2003 dated 17 October 2003. To accommodate this alignment, Member States approved an increase in the Conference approved level of expenditures to 236,946 Euros in 2004, 271,993 Euros in 2005, 284,179 Euros in 2006, and 296,315 Euros in 2007.

In 2003 one Staff Member took early retirement without replacement and the Professional Assistant for Hydrography was replaced.

Directors and Staff whose salaries were aligned to the UN salary scheme, ceased to receive language allowance and the Monaco cost of living allowance, from 1 July 2004.

### 3.1.2 Annual Bonus

An annual bonus of one-month salary has been paid to the Directors and Staff; however, the bonus ceased for the Directors, Category A Staff and Translators from 1 July 2004 when their salaries were aligned with the UN system. The bonus is not taken into account for pension purposes.

### 3.1.3 Payment to the Retirement Fund

The retirement schemes of the Directors and Staff are as follows:

- Staff recruited before 31 August 1987 come under the Internal Retirement Fund (IRF). For these employees the Organization and the Staff pay a contribution of 15% and 7.5% of the basic salary, respectively;
- The Directors and Staff recruited after 31 August 1987 have Personalized Pension Plans (PPP), to which the Organization and the Staff contribute 15% and a minimum of 5% respectively.

Also the Bureau continues to pay the obligatory contributions to the Association Monégasque des Retraites par Repartition (AMRR), which is a Monegasque complementary retirement scheme for all Staff except Directors.

The IRF had suffered a loss of 150,000 Euros due to the investment of part of the Fund in Equities. The years 2000-2003 represented one of the worst investment climates in recent years. The details were reported to Member States in FCCL 2/2003 dated 4 April 2003. The Directing Committee took measures to reduce the amount of the IRF at risk to market volatility and at present 82% of the IRF is kept in Bank Accounts and 18% is invested in Mutual Funds. The developments of the IRF are examined during the meetings of the Directing Committee with the Chairman and Vice-Chairman of the Finance Committee that take place twice a year in accordance with Article 14 of the General Regulations.

### 3.1.4 Accident Insurance for the Personnel

The Bureau has continued with the compulsory insurance policy covering the risk of work accidents.

### 3.1.5 Family Allowance

Family Allowances were paid and adjusted in accordance with the regulations of Monaco. This item varies according to the number of eligible family members.

### 3.1.6 Education Grants

Education Grants were paid in accordance with the United Nations' system as was adopted by the XIV I.H. Conference. This item varies according to the number of eligible family members attending school.

### 3.1.7 Home rental

A small expense was foreseen under this item for one of the Staff members who was eligible for House Rent Allowance in accordance with Staff Regulations paragraph IV.2.2.2. This allowance ceased in July 2004, as no Staff member is any longer eligible to receive it.

### 3.1.8 Medical Expenses

Medical Expenses were high during the period due to the number of personnel, active and retired, requiring medical care and the rising costs of medical care. The Bureau carries an insurance plan to guard against major medical claims and the recovery of funds from the plan has been indicated separately. Due to the big difference in what was paid and what was received back, the Directing Committee renegotiated the contract with the company, with better terms for the Bureau and an immediate profit of about 40,000 Euros for 2006. This insurance contract includes the obligation to have an extra policy covering disability and death.

### 3.1.9 Home leave

Directors and Category A Staff recruited on an international basis and their dependents are eligible for Home Leave every two years in accordance with the decision of the XIIIth I.H. Conference. Home Leave has been granted in accordance with IHB Staff Regulations VI.4.

### 3.1.10 Pensions paid to retired Staff members (only IRF)

As noted in the FCCL 5/2003 dated 17 October 2003, from 1 January 2005 the pensions to retired Staff are paid from the IRF, as was the case before 2000.

### 3.1.11 Salaries – Temporary Staff

With this item the Bureau covers the need to employ temporary Staff. In 2005 two of the Staff members were on maternity leave for six months and approximately 50,000 Euros were paid for the employment of Temporary Staff to cover these posts.

### 3.1.12 Training

Training was concentrated on three items: language tuition in English/French and Spanish for those wishing to improve their level of knowledge, training in information technologies required by the Bureau and training in the performance of actuarial studies required for the monitoring of the IRF.

### 3.1.13 Personnel Expenses – Summary

Total expenditure in this Chapter was 8,933,418 Euros compared to an approved expenditure of 9,176,627 for the five year period.

The expenditures of this Chapter represent 80.34% of the total operating costs and should be considered as "inelastic" expenses that slowly increase year after year due to the increase in cost of living and the provision of services.

## **3.2 Chapter II – Current Operating Cost**

### 3.2.1 Maintenance

The cost of maintenance contracts remained stable throughout the period. A new alarm and security system was installed at the Bureau by the Government of Monaco.

### 3.2.2 Office Stationery

Expenditure to cover the needs under this item remained within normal limits.

### 3.2.3 Post, telephone and telefax

The expenditure for all the telecommunication costs of the Bureau has remained constant through the five-year period. This was mainly due to the use of the IHO web site by Member States to download different documents and the use of e-mails by the Bureau to send Circular Letters and other documents.

### 3.2.4 Consultancy Expenses

During the five-year period approximately 123,000 Euros were paid in consultancy fees. This amount represents 35% of the amount approved by Member States.

### 3.2.5 Public Relations

The funds available were used to cover expenses related to receptions, to invitations, and to the requirements to support visiting officials of Member States and other Organizations to the Bureau and for celebrating the World Hydrographic Day.

### 3.2.6 Travel (Technical Assistance and long distance travel)

The expenditure for the five-year period on this item was approximately 930,000 Euros compared to 887,000 Euros (an increase of approximately 7%) approved by Member States during the annual approval of the Budget and to 773,000 Euros (an increase of approximately 20%) that the Conference approved in 2002. This increase was due to several reasons not foreseen during the budget preparation and approval in 2002:

- Strategic Planning Working Group (SPWG). The IHB provided Executive Official and Secretary for the several SPWG and SPWG Chair-Group meetings held during the period.
- Capacity Building Committee. The IHB provided the Chairman and Secretary for the Capacity Building Committee that was established in 2003.
- Extraordinary meetings. Numerous Regional Hydrographic Commissions held extraordinary meetings during the period and exigent circumstances, such as the 2004 Indian Ocean Tsunami, generated unplanned meetings that required the participation of the IHB.
- Changes in long distance travel criteria. In 2005, Article VIII.1.3 of the Staff Regulations was more clearly interpreted as it relates to the class of long distance travel for IHB Staff.

### 3.2.7 **Publications**

This item covers the cost of producing publications. The expenditures after 2002 have decreased due to moving from print to digital form. Hard copy publications and printing support for different meetings and other obligations will continue as necessary.

The cost involved in the publishing and distribution of the I.H. Review is now a fixed fee paid to the commercial publisher.

### **3.3 Chapter III – Capital Expenditure**

Expenditures for office equipment principally have been to improve automation within the Bureau and purchase of furniture.

### **3.4 Total Operating Costs**

The total Operating Costs during the period were 11,119,331 Euros. These were 799,147 Euros less than the approved 11,918,478 Euros.

### **3.5 Chapter IV – Printing Fund**

The five-year budget made provision for a total of 35,063 Euros to be added to the Printing Fund during the period. The fund is used to purchase new photocopiers, printers and other printing material that are needed. In 2004 a new colour printer was purchased to cover publication and other requirements. A total of 23,716 Euros were expended leaving the Printing Fund with a balance of 67,693 Euros.

### **3.6 Renovation Fund**

The five-year budget made provision for a total of 23,716 Euros to be added to the Renovation Fund during the period. After having occupied the new premises for 10 years some work was needed. A total of 7,666 Euros was expended with 10,000 Euros remaining in the Renovation Fund.

### **3.7 I.H. Conference Fund**

At the end of 2002 the I.H. Conference Fund had an 88,000 Euros balance with the five-year budget allocating the addition of 399,300 Euros over the period to support the 2005 EIHC and the 2007 IHC. For the 2005 EIHC a total of 120,265 Euros were spent in planning and execution. At the end of 2006, 288,763 Euros are available in the I.H. Conference Fund for the planning and execution of the XVII IHC and subsequent Conferences.

### **3.8 Removal Fund Allocation**

The five-year budget made provision for a total of 166,000 Euros to be added to the Removal Fund during the period. This Fund covers all the obligations for the removal of the Directors and Professional Assistants (furniture, tickets, etc) and their dependents when they join or leave the Bureau. A total of 173,400 Euros were expended during the period and at the end of 2006, 87,000 Euros are available in the Removal Fund.

### **3.9 Capacity Building Fund**

This Fund was established at the end of 2004 to cover Capacity Building requirements of the Organization. For the three-year period the Fund has received 120,000 Euros from the Budget, 96,000 Euros were transferred from the budget surplus, 100,000 USD (80,000 Euros) were donated by the Republic of Korea and 3,100 Euros by Chile. To date expenditures have amounted to 110,000 Euros and at the end of 2006 196,000 Euros are available in the Capacity Building Fund.

### **3.10 Emergency Reserve Fund**

In accordance with Article 18 of the Financial Regulations, the emergency reserve fund, the amount of which shall be not less than one-twelfth of the total annual operating budget of the Organization, is exclusively designed to enable the Organization to meet extraordinary expenditures. At the end of 2006 the Emergency Reserve Fund was valued at 219,708 Euros and this amount is held in reserve by the IHB

### **3.11 Operating Cash Reserve**

The Operating Cash Reserve has been established to ensure the financial stability of the Bureau and to avoid any treasury difficulties. The amount that the IHB shall have at its disposal, on 31st December of each year, shall not be less than three-twelfths of the total annual operating budget of the Organization. At the end 2006, the IHB has more than the required minimal Operating Cash Reserve of 659,125 euros.

### **3.12 Internal Retirement Fund**

The amount of the Internal Retirement Fund on 1 January 2002 was 2,662,061 Euros and on 31 December 2006 was 3,045,078 Euros. As reported in FCCL 2/2003 dated 4 April 2003 there was a loss in the fund of approximately 150,000 Euros due to losses on the investments of the Fund, but this situation has now been stabilized. Following an updated actuarial study conducted by the Bureau and a transfer of funds from the budget surplus (263,713 Euros in the 5 year period), the investment losses reported in FCCL 2/2003 dated 4 April 2003 have been absorbed and the Fund is now in a position to cover the Organization's long-term obligation.

As reported in FCCL 5/2003 dated 17 October 2003 the Bureau started paying the pensions to the retired Staff from 1 January 2005 from the Internal Retirement Fund, as was the case before 2000. There are twelve pensioners and two Staff members under the Internal Retirement Fund.

### **3.13 Internal Retirement Reserve fund**

This reserve fund was created in the past from transfers of unexpended budget surplus during the period 1990-1992, in order to cover the requirements of the Fund. Following a decision after a meeting with the Finance Committee Officers, this reserve was combined in 2006 with the Internal Retirement Fund.

### **3.14 Expenditure – Summary**

The total expenditure, including Total Operating Costs of 11,119,331 Euros and the actual expenditure in the operational Funds (see 3.5, 3.6, 3.7, 3.8, and 3.9) totalled 11,863,580 Euros over the 5-year period which was less than the 12,662,727 Euros approved for the 2002 -2006 budgets and was below the approved expenditure level in each year of the period. Also, during the period, there were limited transfers of credit between Chapters of the budget as provided in Article 10 of the Financial Regulations, and transfers of more than the allowed 10% transfer between chapters were not required.

## **4. CONCLUSIONS**

Throughout the five-year budget period, Total Income has exceeded Total Expenditures in all years. The Bureau has strived to contain costs and has had funds remaining in each year which have variously been applied to maintain Funds of the Organization, to increase the Operating Cash Reserve or to increase the Internal Retirement Fund. In the period 2003-2007 the increase in the share value is 2% compared to the 8.4% approved by the XVIth I. H. Conference. Overall the Organization is in a satisfactory financial position.

The details of Income, Expenditures, Net Effect on Capital, Liabilities and the Internal Retirement Fund are presented in the attached Tables.

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**TABLE 1**  
**INCOME 2002-2006 (Euros)**

	2002	2003	2004	2005	Unaudited 2006	Total of period
Number of shares of contribution	598.5	612.0	616.0	621.5	629.0	
Percentage of Evolution of the share value	0,00	0,00	0,00	2,00	0,00	
Yearly Unit value of the share of contribution	3,906.35	3,906.35	3,906.35	3,984.48	3,984.48	
<b>CONTRIBUTION OF THE YEAR</b>						
(a) Received	2,015,141	2,039,503	2,222,714	2,202,389	2,275,138	10,754,885
(b) Remaining due at end of year	322,809	351,183	183,598	273,965	231,100	1,362,656
	2,337,950	2,390,686	2,406,312	2,476,354	2,506,238	12,117,541
<b>SALES OF PUBLICATIONS</b>						
	20,306	11,337	13,133	8,843	6,390	60,010
<b>INTERIES ON MONIES IN BANKS</b>						
	48,984	36,595	41,845	53,389	78,323	259,137
GEBCO Grant from Monegasque Government	7,400	7,500	7,500	7,600	0 (*)	30,000
<b>INTERNAL FAX</b>						
	115,107	120,585	125,681	137,649	142,390	641,411
<b>TOTAL INCLUDING CONTRIBUTIONS DUE</b>						
	2,529,748	2,566,704	2,594,470	2,683,835	2,733,340	13,108,098
<b>Annual budget presented</b>						
	2,402,674	2,456,215	2,536,843	2,626,523	2,672,027	12,694,282
<b>EXTRAORDINARY INCOME</b>						
Interest on overdue contributions (**)	19,586	27,045	23,739	16,499	22,095	108,965
Cheques not cashed	96					96
Bill Burgess Rental contract		2,516				2,516
Royalties	479	40	14	38	0	570
	2,549,908	2,596,305	2,618,223	2,700,372	2,755,435	13,220,244
<b>(*) Transfert to GEBCO Fund</b>						
					15,459	
<b>(**) Interest presently remaining due</b>						

**TABLE 2**  
**EXPENDITURE 2002-2006 (Euros)**

	2002	2003	2004	2005	Unaudited 2006	Total of period
<b>I – PERSONNEL COSTS</b>						
a) Salaries - Directing Committee	211,208	257,061	307,627	370,587	388,580	1,535,062
b) Salaries - Category A	337,874	339,722	402,015	477,290	496,725	2,053,625
- Translators			94,591	109,757	113,346	317,694
- Categories B & C	490,134	455,771	351,691	368,156	381,907	2,047,659
- Overtime	0	9,497	3,477	8,177	9,457	30,608
c) Annual Bonus	87,286	84,150	55,079	28,913	29,842	285,270
d) Payment to Retirement Funds	202,755	205,161	230,365	274,624	286,469	1,199,375
e) Insurances based on staff wages	8,560	9,883	11,130	11,116	13,190	53,879
Medical GAN premiums	57,921	68,527	75,713	76,007	38,232	316,400
f) Family Allowances	22,020	23,079	23,301	33,004	31,427	132,831
g) Education Grants	40,053	61,166	50,343	21,920	16,683	190,165
h) Medical claims paid	67,897	73,866	56,362	65,162	57,662	320,949
Medical claims – refunds from GAN	-17,396	-24,544	-14,789	-11,838	-26,846	-95,413
Home Rental	4,228	3,822	1,836	0	0	9,887
i) Home Leave	6,583	5,875	9,413	9,174	4,376	35,421
j) Pensions to retired staff	117,326	132,334	146,908	0	0	396,568
k) Miscellaneous Personnel Expenses	6,915	4,770	618	545	669	13,517
l) Salaries - Temporary staff	2,398	0	0	47,172	5,060	54,630
m) Training	10,659	12,523	5,368	3,928	2,814	35,293
Total Actual Chapter I	1,656,422	1,722,663	1,811,049	1,893,693	1,849,592	8,933,418
Total approved Budget for Chapter I	1,691,748	1,705,613	1,906,566	1,929,400	1,943,300	9,176,627
<b>II – CURRENT OPERATING COSTS</b>						
a) Maintenance of Building	43,089	54,835	44,179	57,227	52,199	251,528
Multirisk Insurance	1,262	1,439	1,582	1,665	1,684	7,631
Maintenance of IT equipments	15,287	28,488	26,179	26,054	31,584	127,592
b) Office Stationery	13,994	14,456	12,218	11,121	15,322	67,111
c) Postage, telephone, telex, telefax	41,824	35,235	36,737	36,977	39,197	189,971
d) Local Travel	2,445	2,414	2,350	3,098	2,993	13,299
e) Bank Charges	4,437	4,476	3,886	5,596	4,981	23,377

TABLE 2 (continuation)

	2002	2003	2004	2005	Unaudited 2006	Total of period
f) Consultancy Expenses (other than auditor)	40,705	43,021	14,399	19,542	5,495	123,161
g) Auditor's fees	7,249	3,850	2,000	3,900	3,000	19,999
h) Public Relations	24,931	16,753	18,287	10,721	17,186	87,878
i) Miscellaneous Operating Expenses	2,164	949	766	568	945	5,392
j) Technical Assistance	41,805	38,929	46,813	25,126	25,888	178,561
k) Long Distance Travel	96,010	113,812	133,453	202,416	202,392	748,082
l) GEBCO & Int. Bathymetric Charts	5,889	0	3,574	8,781	5,271	23,516
m) I.H. Review	8,282	8,417	3,633	10,944	11,079	42,355
n) Other publications	14,423	3,185	9,183	8,600	7,816	43,207
Total Chapter II	363,794	370,260	359,239	432,334	427,032	1,952,660
Total approved Budget for Chapter II	470,335	483,484	464,608	463,900	534,500	2,416,827
<b>III – CAPITAL EXPENDITURE</b>						
a) Purchase of IT equipments	9,685	5,557	7,594	9,377	11,240	43,453
Purchase of furniture & other equipments	2,012	1,824	2,656	1,856	4,721	13,069
Depreciation of fixed assets	35,504	51,086	37,763	27,841	17,171	169,366
b) Purchase Publications & binding	2,123	2,777	977	704	785	7,366
c) GEBCO	0			0		0
Total Chapter III	49,324	61,245	48,990	39,778	33,918	233,253
Total approved Budget for Chapter III	53,661	78,817	65,924	63,902	62,720	325,024
Total Operating Costs	2,069,539	2,154,168	2,219,277	2,365,805	2,310,541	11,119,331
Total approved Budget for Operating Costs	2,215,744	2,267,914	2,437,098	2,457,202	2,540,520	11,918,478
<b>IV – PRINTING FUND ALLOCATION</b>	10,671	6,098	6,098	6,098	6,098	35,063
<b>V - RENOVATION FUND ALLOCATION</b>	7,622	1,522	1,524	1,524	11,524	23,716
<b>VI – I.H. CONFERENCE FUND</b>	60,980	115,913	94,504	81,225	46,678	399,300
<b>VII – REMOVAL OF DIRECTORS ALLO- CATION</b>	48,784	30,490	29,728	28,965	28,203	166,170
<b>VIII- CAPACITY BUILDING ALLOCATION</b>	0	0	0	50 000	70,000 *	120,000
	2,197,596	2,308,191	2,351,131	2,523,617	2,473,044	11,863,580
Total approved Budget per year	2,343,801	2,421,937	2,568,952	2,625,014	2,703,023	12,662,727

\* In addition, external donation from the Republic of Korea

TABLE 2 (continuation)

	2002	2003	2004	2005	Unaudited 2006	Total of period
<b>EXTRA EXPENDITURES AND LOSES</b>						
Rappel cotisations AMRR			6,371			6,371
Exceptional Director's allowance (Leech)	6,347					6,347
Bill Burgess Rental contract				2,516		2,516
Tax litigation					389	389
Unrecoverable VAT	1,765					1,765
Unrecoverable invoices	3,541			20		3,561
<b>GRAND TOTAL</b>	<b>2,209,249</b>	<b>2,308,191</b>	<b>2,357,502</b>	<b>2,536,152</b>	<b>2,473,433</b>	<b>11,884,528</b>

**TABLE 3**  
**NET EFFECT ON CAPITAL 2002-2006 (Euros)**

	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>Unaudited 2006</b>	<b>Total of period</b>
Approved Expenditure Level	2,343,801	2,421,937	2,568,952	2,625,014	2,703,023	12,662,727
<b>TOTAL EXPENDITURE</b>	-2,209,249	-2,308,191	-2,357,502	-2,536,152	-2,473,433	-11,884,528
<b>TOTAL INCOME</b>	2,549,908	2,596,305	2,618,223	2,700,372	2,755,435	13,220,244
Surplus on yearly Budget	340,659	288,114	260,721	164,220	282,002	1,335,716
<u>Currencies</u>						
Net Gains on Change Operations	6,337	10,131	2,304	4,564	9,638	32,974
Net Losses on Change Operations	-4,588	-4,301	-2,809	-3,284	-2,456	-17,438
Net Gains on Valuation of Holdings	2	7	1	32,547	271	32,828
Net Losses on Valuation of Holdings	-21,131	-31,880	-19,102	0	-43,011	-115,123
<b>NET RESULT (Income/Expenditure/Currencies)</b>	321,280	262,071	241,115	198,047	246,444	1,268,956
<b>OTHER OPERATIONS</b>						
Provision for Staff Retirement Rights	0	86,394	93,441	-106,878	-156,835	-83,878
Transfer at destination of CBF	0			-50 000	-46,000	-96,000
<b>NET BALANCE (Total income less expenditure)</b>	321,280	348,465	334,556	41,169	43,609	1,089,078
<b>WORKING CAPITAL AT YEAR'S END</b>	1,129,903	1,397,886	1,716,132	1,750,800	1,799,952	
<b>EMERGENCY RESERVE FUND</b>	121,959	202,441	218,751	225,252	219,708	
<b>TOTAL FUNDING AT YEAR'S END</b>	1,251,862	1,600,327	1,934,883	1,976,052	2,019,660	

**TABLE 4**  
**COMPARISON OF BALANCE SHEETS**  
**(as of 31<sup>st</sup> December 2002-2006)**

**I- ASSETS (Euros)**

	2002	2003	2004	2005	Unaudited 2006	Total of period
<b>CASH INVESTED FOR RETIREMENT FUND</b>						
- Long term IRF investments	1,582,566	548,697	548,697	548,697	548,697	
- Latent result on long term investment	-210,125	-156,115	-130,000	-45,435	-28,740	
- Retirement Cash invested	1,068,957	2,142,307	2,164,332	2,350,238	2,312,486	
- Interest to be received	0	0	20,387	0	0	
- Long term guaranty from IHB funds	379,029	315,628	240,172	91,527	212,635	
	2,820,426	2,850,517	2,843,589	2,945,027	3,045,078	
<b>VARIOUS DEBTORS</b>						
- Purchase made in advance	3,621	9,430	16,211	21,855	16,163	
- Outstanding bills	3,619	1,622	1,740	1,220	3,448	
- Advance to staff	18,067	17,005	11,570	15,467	16,541	
- Expenses for GEBCO Centenary	20,519					
- Interest to be received	0	0	0	0	12,531	
- Claim for refunding of VAT	64,845	41,634	30,695	60,631	46,139	
	110,670	69,691	60,216	99,173	94,822	
<b>OUTSTANDING CONTRIBUTIONS</b>						
- Contribution for the year	322,809	351,183	183,598	273,965	231,100	
- Contribution for previous years	55,309	76,533	77,742	112,444	165,949	
- Contribution for suspended Member States	24,019	24,019	24,019	24,019	24,019	
- Interest due	8,895	12,874	16,695	23,914	18,250	
	411,032	464,609	302,055	434,343	439,318	
<b>FURNITURES AND INSTRUMENTS</b>						
Value of purchases	247,464	245,250	255,765	284,551	301,831	
Depreciation	-122,716	-173,803	-211,566	-239,407	-256,578	
<b>LIBRARY</b>	36,664	36,664	36,664	36,664	36,664	
<b>STOCKS OF PUBLICATIONS</b>	1	0	0	0	0	
	161,413	108,111	80,863	81,807	81,917	

## I – ASSETS (continuation)

	2002	2003	2004	2005	Unaudited 2006	Total of period
<b>CASH IN BANK AND ON HAND</b>						
- Bank current accounts	725,141	353,255	271,232	245,636	230,212	
- Bank deposit accounts	1,276,210	2,007,466	2,557,998	2,346,209	3,013,396	
- Petty cash	6,523	4,164	2,800	6,489	16,549	
	2,007,874	2,364,885	2,832,030	2,598,333	3,260,157	
<b>ASSETS GRAND TOTAL</b>	<b>5,511,415</b>	<b>5,857,812</b>	<b>6,118,753</b>	<b>6,158,684</b>	<b>6,921,292</b>	

## II – LIABILITIES (Euros)

	2002	2003	2004	2005	Unaudited 2006	Total of period
<b>STAFF INTERNAL RETIREMENT FUND</b>						
Internal Retirement Reserve fund	698,672	698,672	698,672	698,672	0	
Internal Retirement fund	428,440	544,924	631,437	625,997	1,267,885	
- Provision to ensure pensions to retired staff	1,693,315	1,606,921	1,513,480	1,620,358	1,777,193	
Net IRF Liability	2,820,426	2,850,517	2,843,589	2,945,027	3,045,078	
<b>VARIOUS CREDITORS</b>						
- Guaranty to the IRF	379,029	315,628	240,172	91,527	212,635	
- Provision for doubtful contributions	26,810	26,810	26,810	26,810	26,810	
- Personalized pension plans	0	32,218	51,431	0	0	
- A.M.R.R. Complementary Retirement Scheme	25,834	22,573	33,876	38,383	40,270	
- Accruals (outstanding bills....)	52,299	43,992	51,457	49,129	41,324	
- Travel claims & wages	2,818	0	0	0	0	
- Deposits received for Conference (stand)	0	0	6,820	0	13,390	
- Various creditors	0	1,769	1,800	1,814	1,820	
<b>I.H. CONFERENCE FUNDS</b>						
- Organization of IH Conferences	88,222	196,406	287,946	259,597	288,763	
- Removal of Directors	0	0	29,728	58,693	86,896	
- ABLOS Conference fund	474	6,939	6,668	10,864	8,884	
- GEBCO Centenary fund	12,000	9,979	9,149	0	6,564	
- Capacity Building fund			3,167	73,468	196,772	
<b>PRINTING EQUIPMENT FUND</b>	60,707	60,438	57,174	61,595	67,693	
<b>RENOVATION FUND</b>	7,519	9,041	10,565	8,578	19,564	
<b>PRESENTATION LIBRARY FUND</b>	36,487	32,952	44,813	63,863	70,846	
<b>CONTRIBUTIONS RECEIVED IN ADVANCE</b>						
- Received in advance or in excess	746,929	648,222	478,705	493,284	774,324	
	1,439,127	1,406,969	1,340,281	1,237,605	1,856,554	

## II – LIABILITIES (continuation)

	2002	2003	2004	2005	Unaudited 2006	Total of period
<b>CAPITAL</b>						
Emergency Reserve Fund	121,959	202,441	218,751	225,252	219,708	
Reserves for reevaluation						
- Financial holdings	410,589	410,589	0	0	0	
- Physical assets	46,092	46,092	46,092	46,092	46,092	
Provisions for risks (IRF & suspended MS)	-1,720,125	-1,633,731	-1,540,290	-1,647,168	-1,804,003	
Net yearly result	321,279	416,094	372,969	365,859	408,947	
Net Member States funds	2,072,068	2,158,842	2,837,361	2,986,017	3,148,917	
Permanent funding	1,251,862	1,600,327	1,934,883	1,976,052	2,019,661	
<b>LIABILITIES GRAND TOTAL</b>	<b>5,511,415</b>	<b>5,857,812</b>	<b>6,118,753</b>	<b>6,158,684</b>	<b>6,921,292</b>	
	0	0	0		0	
Cash reserve to continue operations (Fin.Reg. Art 18)						
IHB Cash balances less	2,007,874	2,364,885	2,832,030	2,598,333	3,260,157	
Advance contributions for next year	-746,929	-648,222	-478,705	-493,284	-774,324	
Emergency reserve fund	-121,959	-202,441	-218,751	-225,252	-219,708	
Special purpose reserves and funds	-205,409	-315,756	-449,209	-536,658	-745,981	
Guaranty to the IRF	-379,029	-315,628	-240,172	-91,527	-212,635	
Operating Cash Reserve	554,549	882,838	1,445,192	1,251,613	1,307,509	
Total Actual Operation costs	2,069,539	2,154,168	2,219,277	2,365,805	2,310,541	
Total Budget for future operations	2,267,914	2,437,098	2,457,202	2,540,520	2,636,500	
Number of weeks of operations	13,9	21,3	33,9	27,5	29,4	
Minimal Requirements (3 months – 13 weeks)	566,979	609,275	614,301	635,130	659,125	

**TABLE 5**  
**INTERNAL RETIREMENT FUND (IRF) EVOLUTION**

	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>Unaudited 2006</b>	<b>Total of period</b>
Situation of the fund on 1 <sup>st</sup> January	2,662,061	2,820,426	2,850,516	2,843,589	2,945,027	
Contributions received (Bureau & Staff)	30,101	23,960	17,585	18,224	18,825	
Interest received on investments	23,496	21,654	42,814	40,920	59,243	
Result on sale of investment	-146,154	16,860				
Pensions paid	0	0	0	-149,149	-151,548	
Lump sum paid	-90,064					
Sub-total	2,479,440	2,882,900	2,910,916	2,753,584	2,871,548	
<u>Provision for liability</u>						
- as 1 January of the year	-1,534,949	-1,693,315	-1,606,921	-1,513,480	-1,620,358	
- as 31 December of the year	1,693,315	1,606,921	1,513,480	1,620,358	1,777,193	
Net variation for the year	158,366	-86,394	-93,441	106,878	156,835	242,244
<u>Valuation of investment during the year</u>						
- as 31 December of the year	1,792,691	392,582	418,697	503,262	519,957	
- as 1 January of the year	-1,610,071	-338,572	-392,582	-418,697	-503,262	
Net variation for the year	182,620	54,010	26,115	84,565	16,695	
<b>Situation of the fund on 31 December</b>	<b>2,820,426</b>	<b>2,850,516</b>	<b>2,843,589</b>	<b>2,945,027</b>	<b>3,045,078</b>	