



Agreement on the Conservation of Albatrosses and Petrels

Third Meeting of the Parties

Bergen, Norway, 27 April – 1 May 2009

Title: 2008 Financial Statements and Auditor's Report

Author: Secretariat

MoP3 Doc 10
Agenda Item No.7.8

2008 Financial Statements and Auditor's Report

The attached Financial Statements for the 2008 financial year (Attachment A) have been prepared by the Secretariat in accordance with Regulation 10.2 of the Agreement's Financial Regulations. They are accompanied by an independent audit report (Attachment B) prepared by the Department of Economic Development, who was appointed at the Second Session of the Meeting of the Parties, in accordance with Finance Regulation 11.1.

The 2008 Financial Statements should be read in conjunction with the 'Summary of Budget Provisions for the 2008 Financial Year' (Attachment C), the 'Reconciliation of the Special Fund – 2005 to 2009' (Attachment D) and MoP3 Doc 24, 'Draft Agreement Budget 2010-2012'. Collectively, these documents show details of:

- (a) income and expenditure relating to all funds and accounts (Attachment A);
- (b) budget provisions, including:
 - (i) the original budget provisions (Attachment C);
 - (ii) the approved expenditure in excess of the original budget provisions (Attachment C);
 - (iii) any other income (Attachment A);
 - (iv) the amounts charged against these provisions and other income (Attachment A);
- (c) the financial assets and liabilities of the Secretariat, including those related to the Advisory Committee, (Attachments A and D); and
- (d) details of investments (refer note 5.1 (d) in Attachment A).

Attachments C and D do not form part of the audited Financial Statement for 2008, but have been provided by the Secretariat to provide the additional detail required by Financial Regulation 10.2.

There have been no losses of assets and no proposals to write off bad debts in accordance with Regulation 9.3.

The significant over-expenditure that occurred against Appropriation No 3 was primarily caused by an increased requirement for interpretation and translation services for the Advisory Committee and its Working Groups. The over-expenditure was met through the re-allocation of funds from Appropriation No. 1 and through the use of a cash surplus in the General Fund.

As financial commitments in the Special Fund often span a number of financial years a full reconciliation of this fund has been provided in Attachment D. The reconciliation covers the period from the first Meeting of the Parties to the end of the current triennial budget period (2007-2009).

A number of efficiencies have been identified to improve the financial management of the Agreement's funds. These are put forward for consideration by the Meeting of the Parties in MoP3 Doc 15, 'Amendments to the Financial Regulations'.

Action by the Meeting of Parties

The Meeting of Parties is requested to:

1. Urge Parties that have not yet paid their outstanding contributions to facilitate payment as a matter of urgency; and
2. Give consideration to the measures proposed in MoP3 Doc 15 to improve the financial management of the Agreement Budget.



**AGREEMENT ON THE CONSERVATION OF ALBATROSSES
AND PETRELS**

FINANCIAL STATEMENTS

2008

PREPARED BY THE SECRETARIAT

In my opinion, the attached financial statements for the year ended 31 December 2008 are based on properly maintained financial records and accounts and give a true and fair view of the matters as required by the Financial Regulations within the Agreement for the Conservation of Albatrosses and Petrels.

A handwritten signature in black ink, appearing to read 'W. Papworth', with a large, sweeping flourish at the end.

Signed.....
Warren Papworth
Secretariat
18 February 2009

AGREEMENT ON THE CONSERVATION OF ALBATROSSES AND PETRELS

INCOME STATEMENT

for the year ended 31 December 2008

	Notes	2008 \$'000	2007 \$'000
Revenue			
Contributions from Parties	3.1	460	449
Other Income	3.2	118	322
Total Revenues		578	771
Expenses			
Appropriation 1 Secretariat	4.1	337	279
Appropriation 2 Meeting of Parties	4.1	-	21
Appropriation 3 Advisory Committee	4.1	255	103
Appropriation 4 Advisory Committee Work Programme	4.2	67	47
Total Expenses		659	450
Net Surplus / (Loss)		(81)	321

The above statement should be read in conjunction with the accompanying notes.

AGREEMENT ON THE CONSERVATION OF ALBATROSSES AND PETRELS

BALANCE SHEET

as at 31 December 2008

	Notes	2008 \$'000	2007 \$'000
ASSETS			
Current Assets			
Cash and Cash Equivalents	5.1	608	549
Trade and Other Receivables	5.2	54	86
Total Current Assets		662	635
Total Assets		662	635
LIABILITIES			
Current Liabilities			
Trade and Other Payables	6.1	33	43
Revenue Received in Advance	6.2	176	58
Total Current Liabilities		209	101
Total Liabilities		209	101
NET ASSETS		453	534
EQUITY			
Accumulated Funds		453	534
Total Equity	7.1	453	534

The above statement should be read in conjunction with the accompanying notes.

AGREEMENT ON THE CONSERVATION OF ALBATROSSES AND PETRELS

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial reporting framework

The entity is not a reporting entity because in the opinion of the Secretariat there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, this 'special purpose financial report' has been prepared to satisfy the secretariat's reporting requirements under the Financial Regulations for the Agreement on the Conservation of Albatrosses and Petrels ("Financial Regulations") ("ACAP").

Statement of compliance

The financial report has been prepared in accordance with the Financial Regulations, the basis of accounting specified by all Accounting Standards and Urgent Issues Group Interpretations, but not the disclosure requirements. Accounting Standards include Australian equivalents to International Financial Reporting Standards ("A-IFRS"). This report has been prepared on an accrual accounting basis.

Significant accounting policies

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

Basis of preparation

The financial report has been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. Unless otherwise indicated, all amounts are presented in Australian dollars.

In the application of the basis of accounting specified by A-IFRS, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of the basis of accounting specified by A-IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

The accounting policies set out below have been applied in preparing the financial statements for the period ended 31 December 2008, and the comparative information presented in these financial statements for the period ended 31 December 2007.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

a) Presentation Currency

The presentation currency of the financial statements is Australian Dollars. Amounts presented have been rounded to the nearest thousand dollar.

b) Revenue Recognition

Contributions from Parties

Contributions from parties are recognised when agreement between the parties has been achieved as to the amount and payment date and appropriate invoices have been prepared accordingly. Invoices for annual contributions were sent to parties in \$AUD.

Other Income

Voluntary contributions are received in \$AUD. These contributions are designated as Special Funds, in accordance with Regulation 7 of the Financial Regulations.

c) Goods and Services Tax

Revenues, expenses, assets and liabilities are recognised inclusive of the amount of Goods and Services Tax (GST).

GST is not collected on contributions and donations from the parties. The entity is classified as GST exempt.

d) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, cash at bank and travel advances.

e) Trade and Other Receivables

Trade receivables and other receivables are recorded at amounts due less any allowance for doubtful debts.

f) Non-current Assets

Non-current assets are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

g) Trade and Other Payables

Trade payables and other accounts payable are recognised when the entity becomes obliged to make future payments resulting from the purchase of goods and services.

h) Foreign Currency

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of transaction. Associated gains and losses are not material and are recognised in the Income Statement at the date of the transaction.

AGREEMENT ON THE CONSERVATION OF ALBATROSSES AND PETRELS

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

NOTE 2 EVENTS OCCURRING AFTER BALANCE DATE

No events occurred after balance date which would materially impact these financial statements.

2008	2007
\$'000	\$'000

NOTE 3 REVENUES

3.1 Contributions from Parties

Argentina	18	17
Australia	90	87
Chile	15	15
Ecuador	1	1
France	92	90
New Zealand	38	37
Peru	2	2
South Africa	20	20
Spain	92	90
United Kingdom	92	90
Total Contributions from Parties	460	449

AGREEMENT ON THE CONSERVATION OF ALBATROSSES AND PETRELS

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

	2008	2007
	\$'000	\$'000
3.2 Other Income		
Special Fund (Voluntary Contributions)		
New Zealand (Support Meetings of the Parties)	-	-
United Kingdom (Advisory Committee Work Programme)	-	125
Norway (New party funds to Advisory Committee Work Programme)	-	39
USA (Commonwealth Ocean Policy Program – Contribution to costs of the Waved Albatross Workshop)	-	3
United Kingdom (Employment of ACAP Coordinating Officer)	-	124
New Zealand (Capacity Building)	-	13
Special Fund (New Party Contributions)		
Norway	68	-
Brazil	3	-
General Fund (Other Income)		
Interest – (Department of Economic Development and Tourism)	39	18
New Zealand (Translation Costs)	8	-
Total Other Income	118	322
TOTAL REVENUES	578	771

AGREEMENT ON THE CONSERVATION OF ALBATROSSES AND PETRELS

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2008**

	2008	2007
	\$'000	\$'000
NOTE 4 EXPENSES		
4.1 General Fund		
Appropriation 1 Secretariat	337	279
Appropriation 2 Meetings of the Parties (including support costs)	-	21
Appropriation 3 Advisory Committee	255	103
<i>Total General Fund Expenses</i>	592	403
4.2 Special Fund		
Appropriation 4 Advisory Committee Work Programme	67	47
<i>Total Special Fund Expenses</i>	67	47
TOTAL EXPENSES	659	450

AGREEMENT ON THE CONSERVATION OF ALBATROSSES AND PETRELS

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

	2008	2007
	\$'000	\$'000
NOTE 5 CURRENT ASSETS		
5.1 Cash and Cash Equivalents		
Cash held with the Tasmanian Government – Department of Economic Development and Tourism		
General Fund ^(see notes a, b and d)	189	167
Special Fund ^(see note c and d)	316	282
Contingency Fund ^(see note d)	100	100
Travel Advances	3	-
<i>Total Cash and Cash Equivalents</i>	608	549

Notes

a. The General fund balance includes prepayment of 2009 contributions by Australia, New Zealand and Spain \$176,404.

b. The General fund balance includes the carry forward of an allocation for the recruitment of the Executive Secretary – \$10,000.

c. The Special fund balance includes uncommitted budgetary allocations made under the Advisory Committee Work Programme totalling \$264,000.

d. Funds held in the General, Special and Contingency funds were invested by the Department of Treasury and Finance on behalf of the Department of Economic Development and Tourism. Interest is calculated on daily balances.

AGREEMENT ON THE CONSERVATION OF ALBATROSSES AND PETRELS

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

	2008	2007
	\$'000	\$'000
5.2 Trade and Other Receivables		
Contributions Outstanding		
Argentina (Includes 2007 \$2,603 and 2008 \$17,701)	20	21
Chile	-	1
Ecuador (Includes 2007 \$472 and 2008 \$483)	1	1
Convention for Migratory Species (2008 \$2,525)	3	-
Peru (Includes 2006 \$3,800, 2007 \$2,286 and 2008 \$2,339)	8	6
	<hr/> 32	<hr/> 29
Other Receivables		
Brazil	3	-
Norway	-	39
Department of Economic Development and Tourism (Interest)	18	18
	<hr/> 21	<hr/> 57
Total Trade and Other Receivables	<hr/> 54	<hr/> 86
TOTAL CURRENT ASSETS	<hr/> 662	<hr/> 635

AGREEMENT ON THE CONSERVATION OF ALBATROSSES AND PETRELS

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

	2008	2007
	\$'000	\$'000
NOTE 6 CURRENT LIABILITIES		
6.1 Trade and Other Payables		
General Fund		
Appropriation 1 Secretariat	6	5
Appropriation 2 Meeting of Parties	-	-
Appropriation 3 Advisory Committee	27	13
	<hr/> 33	<hr/> 18
Special Fund		
Appropriation 4 Advisory Committee Work Programme	-	25
	<hr/> -	<hr/> 25
<i>Total Trade and Other Payables</i>	<hr/> 33	<hr/> 43
6.2 Revenue Received in Advance		
General Fund		
Appropriation 1 Secretariat	136	20
Appropriation 2 Meeting of Parties	40	-
Appropriation 3 Advisory Committee	-	38
<i>Total Revenue Received in Advance</i>	<hr/> 176	<hr/> 58
TOTAL CURRENT LIABILITIES	<hr/> 209	<hr/> 101

AGREEMENT ON THE CONSERVATION OF ALBATROSSES AND PETRELS

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2008**

	2008	2007
	\$'000	\$'000
NOTE 7 EQUITY		
7.1 Equity		
General Fund		
Accumulated Results	120	73
Net surplus / (loss)	(85)	47
Retained Earnings	35	120
Special Fund		
Accumulated Results	414	140
Net surplus / (loss)	4	274
Retained Earnings	418	414
Closing balance at the end of the financial year	453	534

Independent audit report to the parties of the Agreement for the Conservation of Albatrosses and Petrels

18 February 2009

Chairman
Secretariat
Agreement for the Conservation of Albatrosses and Petrels

AGREEMENT FOR THE CONSERVATION OF ALBATROSSES AND PETRELS FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY 2008 TO 31 DECEMBER 2008

I have examined the attached Agreement for the Conservation of Albatrosses and Petrels (ACAP) financial records and accounts for the period 1 January 2008 to 31 December 2008 and confirm that the:

- stated revenue from the receipt of membership fees, other income and interest earned is correct;
- stated expenditure is correct and the funds were disbursed for the purposes listed in the financial report;
- stated assets and equity balances as at 31 December 2008 are correct; and
- ACAP funds are held in trust by the Department of Economic Development and Tourism and expended solely on the authority of the Executive Secretary of ACAP on the basis of appropriate invoices or written instructions.

Patty Johnson
FINANCE AND FACILITIES DIRECTOR
DEPARTMENT of ECONOMIC DEVELOPMENT and TOURISM

Summary of Budget Provisions for 2008 Financial Year

	\$'000	\$'000	\$'000
Description of Appropriation	Original Budget Provision	Approved Expenditure	Net Surplus / (Loss)
Appropriation 1 Secretariat	318	331 ¹	(13)
Appropriation 2 Meeting of Parties	-	-	-
Appropriation 3 Advisory Committee	142	228 ²	(86)
Appropriation 4 Advisory Committee Work Programme	0	67 ³	(67)
Total	460	626	(166)

¹ Funding of \$20,000 was carried forward from 2007 for the development of a database

² An additional allocation of \$41,000 was made for sponsorship of delegates (MoP2-\$30,000 and AC4-\$11,000)
Funding of \$5,000 for translation costs was carried forward from 2007.

Approval received from Parties to re-allocate funds remaining in Appropriation No. 1 and to use the cash surplus to off-set the remaining over-expenditure in Appropriation No. 3.

³ Funding for Appropriation No. 4 came from contributions received from new Parties and from cash carried forward from previous years.

Reconciliation of the Special Fund – 2005 to 2009

APPROPRIATION NO. 4 - SPECIAL FUND (Prepared on an accrual basis)

Income

Date	Authority	Description	Amount	AUD
	MoP1	Advisory Committee Fund 2005	USD43,500	56,985
	MoP1	Advisory Committee Fund 2006	USD43,500	56,985
	UK	UK voluntary contribution - Petrel census	£25,000	61,531
2005	UK	UK voluntary contribution - AC Work Programme	£10,000	25,300
2006	UK	UK voluntary contribution - AC Work Programme	£35,000	81,616
2006	UK	UK voluntary contribution - Support for MoP2	£10,000	24,774
2006	NZ	NZ voluntary contribution - support MoP2	NZD10,000	7,643
2006	NZ	NZ voluntary contribution - MoP2	NZD5,000	4,000
2006	MoP2	Allocation of 100k as Contingency Fund		100,000
2007	NZ	NZ voluntary contribution - secondment	NZD15,000	13,000
2007	UK	UK voluntary contribution - AC Work Programme		125,000
2007	UK	UK voluntary contribution - ACAP Officer		124,000
2007	MoP2	Norway's 2007 Contribution		38,885
2007	Common	Contribution towards cost of Waved Albatross Workshop		3,000
2008	MoP2	Norway's 2008 Contribution		68,211
2008	MoP2	Brazil - new Party contribution		2,936
2009	MoP2	Norway - new Party contribution		72,019
2009	MoP2	Brazil - new Party contribution		37,203
2009	MoP2	Uruguay - new Party contribution		1,285
Total Projected Income – Special Fund				904,373

Expenditure

Proj No.	Authority	Project Description	Allocation	Expenditure	Outstanding commitment
2005-1	AC1	Database development - AUD 20,000	-	-	0
2005-2	AC1	Analysis remote tracking data - BirdLife	25,000	19,808	5,192
2005-3	AC1	Travel costs AC meetings- Experts AUD 10,000	10,000	10,000	0
2005-4	AC1	Additional staffing of Secretariat - AUD 20,000	20,000	20,000	0
2005-5	MoP1	Capacity building fund - AUD 12,650	-	-	0
2005-6	AC1	Bibliographic database for taxonomic WG	2,000	2,000	0
2005-7	UK	UK petrel census	61,531	60,812	0
2006-1	AC2	Update of BLI tracking database	5,000	5,000	0
2006-2	AC2	Maps for species assessments - Frances Taylor	4,800	0	4,800
2006-3	AC2	Production of Waved Albatross Action Plan	17,000	17,000	0
2006-4	AC2	Draft species assessments	12,500	12,500	0
2006-5	AC2	Support delegates Waved Alb Workshop - Peru	15,000	15,000	0
2006-6	UK	ACAP Officer - UK voluntary contribution	124,000	0	124,000
2006-7	UK	Support delegates to MoP2	24,774	24,774	0
2006-8	NZ	Meeting support for MoP2 - DoC	7,643	7,643	0
2006-9	NZ	Meeting support for MoP2 - MoF	4,000	4,000	0
2007-1	AC3	Production of Species assessments	41,800	45,434	0
2007-2	AC3	Website design - species assessments	11,200	11,200	0
2007-3	AC3	Waved Albatross Workshop - Ecuador	33,000	28,085	0
2007-4	AC3	FAO Consult - NPOA Guidelines	13,000	10,686	0
2007-5	I/S	Translation of species assessments	3,000	1,500	1,500
2007-6	NZ	Support for secondment - T. Neves	13,000	13,000	0
2007-7	MoP2/AC3	Sponsorship of delegates to AC meetings	41,000	41,000	0
2008-1	AC4	Secretariat capacity - Science Officer	46,000	0	46,000

Proj No.	Authority	Project Description	Allocation	Expenditure	Outstanding commitment
2008-2	AC4	Bait pod development - BirdLife	20,000	0	20,000
2008-3	AC4	House mice eradication - Tristan Albatross Implementation Waved Albatross Action Plan -	4,750	0	4,750
2008-4	AC4	APECO Impl'n Waved Albatross Action Plan - Pro	20,000	0	20,000
2008-5	AC4	Delphinus	23,000	0	23,000
2008-6	AC4	Update of BLI tracking database	10,000	0	10,000
2008-7	AC4	Capacity building Ecuador-Argentina-BLI	5,000	0	5,000
Total Expenditure Special Fund			617,998	349,442	264,242