

INTERNATIONAL
OIL POLLUTION
COMPENSATION
FUND

ASSEMBLY
8th session
Agenda item 8

FUND/A.8/6
1 August 1985

Original: ENGLISH

AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS

Note by the Director

1 In accordance with Article 29.2(f) of the Fund Convention, the Director has prepared the Financial Statements of the IOPC Fund for the Financial Year 1984. Pursuant to Financial Regulation 10.9, the External Auditor has submitted to the Assembly, through its Chairman, his Report on the audit of the financial statements of the IOPC Fund for the financial period ended 31 December 1984. The Director has prepared explanatory notes to the financial statements. These notes and the auditors' Report are at Annexes I and II respectively.

2 Under Financial Regulation 10.15 the External Auditor shall express an opinion on the financial statements on which he is reporting. This Opinion is at Annex III.

3 The certified financial statements for the financial period 1 January 1984 to 31 December 1984 are at Annex IV.

4 The Assembly is invited to consider and approve the accounts and the audit Report.

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ANNEX I

DIRECTOR'S EXPLANATORY NOTES TO THE
FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD
1 JANUARY TO 31 DECEMBER 1984

1 INTRODUCTION

1.1 Financial Regulation 9.3 provides that the financial statements to be prepared and submitted to the Assembly by the Director in accordance with Article 29.2(f) of the Fund Convention, and on which the External Auditor will report in accordance with Regulation 10.15 of the Financial Regulations, shall comprise:

- (a) (i) a statement of appropriations and obligations incurred;
 - (ii) Income and Expenditure Accounts for all funds;
 - (iii) a Balance Sheet;
- (b) such notes as may be necessary for a better understanding of the financial statements, including a statement of the significant accounting policies and details of contingent liabilities.

1.2 Staff Regulation 23(b) provides that the Director shall establish and operate a Provident Fund to which both the IOPC Fund and staff members shall contribute on such terms and conditions as may be approved by the Executive Committee. Under Staff Rule VIII.5(g), the auditing of the Provident Fund shall be carried out in conjunction with the annual auditing of the accounts of the IOPC Fund.

1.3 The following financial statements for the period 1984 are submitted herewith:

Statement I	-	Statement of Budget Appropriations and Obligations Incurred in respect of the General Fund for the Financial Period 1 January - 31 December 1984
Statement II	-	Income and Expenditure Account in respect of the General Fund for the Financial Period 1 January - 31 December 1984

Statement III	-	Income and Expenditure Account in respect of Major Claims Fund ONDINA/FUKUTOKU MARU N°8 for the period ended 31 December 1984
Statement IV	-	Income and Expenditure Account in respect of Major Claims Fund TANIO for the period ended 31 December 1984
Statement V	-	Provident Fund Account for the Financial Period 1 January - 31 December 1984
Statement VI	-	Balance Sheet of the IOPC Fund as at 31 December 1984

1.4 In addition to the financial statements submitted, the following reports are attached:

Schedule I	-	Report on Contributions during the Financial Period 1 January - 31 December 1984 and on Contributions outstanding for the previous financial periods
Schedule II	-	Report on Payment of Claims for the Financial Period 1 January - 31 December 1984
Schedule III	-	Details of Contingent Liabilities as at 31 December 1984

2 EXPLANATORY NOTES TO THE RESPECTIVE FINANCIAL STATEMENTS

2.1 Explanatory notes to the statement of budget appropriations and obligations incurred for the financial period 1984

The total obligations incurred amount to £287,420 as compared with the appropriations of £321,900, (including supplementary budget appropriations of £26,800). The savings amount accordingly to £34,480. Transfers were made between appropriations within chapters of the budget, in accordance with Financial Regulation 4.3, as shown in Statement I.

Expenses for running the Secretariat were made under the following heads.

I Personnel

The total expenditure on personnel was £176,534 as compared with the appropriation of £190,000, resulting in a saving of £13,466.

The saving was made out of the provision for post adjustment as well as from the provision for separation and recruitment.

The appropriation for staff benefits and allowances was exceeded by £635 which was met by the transfer of £635 from the provision for separation and recruitment.

The amount of £9,423 has been appropriated as an unliquidated obligation to meet the expenses for the previous director's separation.

II General Services

In respect of rent of office accommodation, payment was made during the financial year 1984 only for the outstanding costs relating to the period 1979-1981, as approved in the supplementary budget for 1984 (document Fund/A/7/8/1). As no bill was submitted by IMO during 1984 for rent in respect of the period 1982-84, the remaining budgetary estimate of £33,545 has been appropriated as an unliquidated obligation pending the submission of bills by IMO. The relevant invoices relating to the latter period were submitted in 1985 and have been paid.

Except for a transfer of £756 from the appropriation for furniture and other office equipment to the item of office machines, including maintenance, all items of expenditure in this chapter were within their respective budgetary limits.

III Meetings

An amount of £13,477 has been appropriated as an unliquidated obligation to meet the final bill for the 7th session of the Assembly and the 12th and 13th sessions of the Executive Committee, when this is presented by IMO.

Under item (b), an allotment of £6,200 was made for one further meeting (Assembly or Executive Committee) during 1984. No such meeting was held.

IV Conferences and Travel

(a) Conferences and Seminars

The Secretariat participated in various conferences and seminars, inter alia:

- (1) Hearing in the United States House of Representatives, Sub-Committee on Coastguard and Navigation, in Washington, USA;
- (2) Seminar on Insurance and Liability for Accidental Contamination due to Hydrocarbon Spillage, in Bogota, Colombia;

(3) "MARPOL 73/78" Seminar, held in Bahrain;

(4) MEDIPOL 84 Seminar, in Marseilles, France.

As in previous years, the expenses of participating in these conferences were, in some cases, greatly reduced, since the conference organisers reimbursed either air fares or hotel accommodation, or both.

(b) Mission

The Director went on missions to China, Japan, the Maldives and Sri Lanka.

V Miscellaneous Expenditure

(a) The budget estimate of £7,500 for the external audit has been appropriated as an unliquidated obligation for the 1984 audit fee.

(b) Pending an agreement with IMO concerning the amount to be paid for general services rendered by IMO to the IOPC Fund, an appropriation of £5,000 was approved for the 1984 budget. It has been agreed between IMO and the IOPC Fund that an annual payment of £4,000, fixed for ten years, would be made to cover these general services. A saving of £1,000 has, therefore, been made.

Only a small amount was used for consultants' fees, and there was a saving of £3,680 out of £4,000.

2.2 Explanatory notes to the Income and Expenditure Account in respect of the General Fund for the financial period 1984

I Contributions

Total contributions receivable amount to £1,003,016. This is arrived at as follows:

Annual Contributions 1983	1,003,849
Less duplicated entry on Initial Contributions (Netherlands)	833
	<hr/>
	1,003,016

Details of contributions receivable as at 31 December 1984 are given in Schedule I.

II Miscellaneous

The major part of the income under this head consists of interest earned on the investment of the IOPC Fund's assets.

As at 31 December 1984 the IOPC Fund's portfolio of investments, comprising IOPC Fund assets (including the Major Claims Funds) of £4,902,312 and the Provident Fund's assets of £63,297 was distributed as follows:

Banque Nationale de Paris PLC	1,200,000
Barclays Bank PLC	610,000
Hessische Landesbank	975,609
Italian International Bank Limited	680,000
P K Christiania Bank (UK) Limited	500,000
Smith St Aubyn & Co Limited	1,000,000
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	4,965,609

Interest due in 1984 on the investments amounted to £629,375. Of this amount, £12,237 belonged to the Provident Fund Account, £219,480 was earned on the investment of the assets in the General Fund, £302,006 on the Major Claims Fund TANIO and £95,652 on the Major Claims Fund ONDINA/FUKUTOKU MARU N°8.

A further amount of £9,727 represents interest receivable on overdue General Fund annual contributions.

The item miscellaneous income, £36,920, consists mainly of £31,956 profit from the translation into pounds sterling of ¥267,337 held in Tokyo and FFr5,421,515 held in London. In addition, there was an amount of £4,952, being savings in respect of 1982 obligations unliquidated at 31 December 1984.

III Expenditure

The figure of £1,805,996 comprises:

- (a) £287,420 expenses of running the IOPC Fund's Secretariat (Statement I);
- (b) £489 in bad debts written off; and
- (c) £1,518,087 expenses on claims (Schedule II).

The expenses on claims include £378,824 and £619,216, being the remainder of the first 15 million (gold) francs charged to the General Fund in respect of the TANIO and ONDINA incidents, respectively.

IV Excess of Expenditure over Income

A deficit of £536,853 was recorded for the financial period ended 31 December 1984.

2.3 Explanatory notes to the Income and Expenditure Account in respect of the Major Claims Fund ONDINA/FUKUTOKU MARU N°8 for the period ended 31 December 1984

I Contributions

Total contributions receivable amounted to £3,109,816, with no adjustment to the assessment.

Details of contributions receivable as at 31 December 1984 are given in Schedule I.

II Miscellaneous Income

This consists of an amount of £3,495, representing interest receivable on overdue contributions, and £95,652 realised from the investment of monies received in respect of the Major Claims Fund ONDINA/FUKUTOKU MARU N°8.

III Expenditure

The figure of £2,498,306 comprises:

- (a) £111,211, being the remainder of the compensation for claimants reimbursed to the Japan P & I Club in respect of the FUKUTOKU MARU N°8 incident;
- (b) £2,386,880, being part of the total expenditure of £3,006,096 in respect of the ONDINA incident in 1984; and
- (c) £215 in bad debts written off.

An amount of £619,216 was paid out of the General Fund in respect of the ONDINA incident.

IV Excess of Income over Expenditure

A surplus of £710,657 was recorded for the financial period ended 31 December 1984.

2.4 Explanatory notes to the Income and Expenditure Account in respect of the Major Claims Fund TANIO for the period ended 31 December 1984

I Contributions

Total contributions receivable amounted to £20,087,296, with no adjustment to the assessment.

Details of contributions receivable as at 31 December 1984 are given in Schedule I.

II Miscellaneous Income

This item consists of an amount of £18,168, representing interest receivable on overdue contributions, and £302,006 realised from the investment of monies received in respect of the TANIO incident.

III Expenditure

The figure of £17,879,289 is part of the total expenditure of £18,258,113 in respect of the TANIO incident in 1984. An amount of £378,824 was paid out of the general fund.

In connection with the TANIO payments, it should be mentioned that the expenditure was reduced by £257,655 by the purchase of French Francs in six stages of staggered forward contracts spread between Banque Nationale de Paris PLC, Barclays Bank PLC and P K Christiania Bank (UK) Ltd.

IV Excess of Income over Expenditure

A surplus of £2,528,181 was recorded for the financial period ended 31 December 1984.

2.5 Explanatory notes to the Provident Fund Account for the financial period 1 January - 31 December 1984

I During the period 1984 the total contributions to the Provident Fund, according to Staff Regulation 23(b) and Staff Rule VIII.5, amounted to £35,262 of which £11,754 was the participants' share. Interest earned on the total Provident Fund was £12,237.

The basis of calculation of interest is the one laid down by the Executive Committee at its 2nd session (Record of Decisions, document FUND/EXC.2/6, item 6).

II There were two withdrawals of £81,781 and £1,525, respectively, by two staff members who left the IOPC Fund in 1984.

2.6 Explanatory notes to the Balance Sheet as at 31 December 1984

I Cash at banks and in hand

Banque Nationale de Paris PLC £ Deposit a/c	1,200,000
Banque Nationale de Paris PLC FF Call Deposit a/c	23,321
Banque Nationale de Paris PLC FF Escrow a/c	462,044
Barclays Bank PLC - £ deposit account	610,000
Barclays Bank PLC - £ current account	8,226
Mitsubishi Bank Ltd - £ current account	890
Mitsui Trust & Banking Co Ltd - ¥ current a/c	917
Hessische Landesbank - £ deposit account	975,609
Smith St Aubyn & Co Ltd - £ deposit account	1,000,000
P K Christiania Bank (UK) Ltd - £ deposit account	500,000
Italian International Bank Ltd - £ deposit account	680,000
Petty cash - balance of imprest account	28
	<hr/>
	5,461,035

The amount of £5,461,035 includes a balance of £63,297 on the Staff Provident Fund.

II Contributions receivable

An amount of £14,593 represents the outstanding balances of annual contribution assessments in respect of the General Fund. The break-down of these figures appears in Schedule I.

In addition, an amount of £26,143 is outstanding on the Major Claims Fund ONDINA/FUKUTOKU MARU N°8, and an amount of £237,604 on the Major Claims Fund TANIO; reference is made to Schedule I.

III VAT recoverable

The amount of £9,091 represents VAT for the calendar year 1984 to be refunded by the United Kingdom Government. Claims were submitted within the stipulated one year period and the amount was recovered early in 1985.

IV Miscellaneous

The amount of £1,837 consists mainly of £1,238 paid to BUPA for 1985 subscriptions to the health insurance scheme, 50% of which will be reimbursed by the staff members of the IOPC Fund and 50% from the 1985 Expenditure Account of the IOPC Fund.

V Interest on overdue annual contributions

The amount of £7,125 represents interest outstanding on only that portion of the overdue annual contributions paid by 31 December 1984 (cf Significant Accounting Policies (b)).

VI Surplus

The figure of £1,917,975 represents the excess of Income over Expenditure in respect of the General Fund for the first six financial periods ended 31 December 1984.

VII Staff Provident Fund

The amount of £63,297 is the balance on the Staff Provident Fund Account after the addition of interest earned, and the deduction of the withdrawals by two members.

VIII Accounts Payable

The major item is an amount of £81,781 in respect of Provident Fund withdrawal. The balance consists of various small amounts of outstanding expenditure.

IX Unliquidated Obligations

The amount of £88,325 consists of outstanding expenditure of £17,979 (being balance of £37,969 unliquidated at 31 December 1983) and the 1984 expenditure of £70,346 outstanding at 31 December 1984 (cf Significant Accounting Policies (a)).


X Due to Major Claims Funds

There is an amount of £640,945 due to Major Claims Fund ONDINA Contributors, after the deduction of the 1983 deficit of £69,712 from the 1984 surplus of £710,657. This amount will be refunded to the ONDINA contributors as, and when, decided by the Assembly in accordance with Internal Regulation 4.4.2.

There is also an amount of £2,528,181, being the balance due to the Major Claims Fund TANIO.

XI Reserve for disputed claims

The amount of £432,505 represents the amount held in an escrow account as explained in note 1 in the balance sheet.


M Jacobsson
Director

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ANNEX II

REPORT OF THE EXTERNAL AUDITOR ON THE ACCOUNTS OF THE
INTERNATIONAL OIL POLLUTION COMPENSATION FUND FOR THE
FINANCIAL PERIOD 1 JANUARY TO 31 DECEMBER 1984

1. The accounts relate to the sixth financial period of the International Oil Pollution Compensation Fund. My examination has been carried out with due regard to the provisions of the Fund Convention and to the Financial and Internal Regulations of the Fund. My examination of claims and contributions has necessarily been restricted as explained in paragraphs 2 and 3 below.

Claims

2. Payments were made from the General Fund and the Major Claims Funds in respect of claims for damage suffered, and to meet associated expenses, as a result of pollution incidents involving various vessels. In the case of claims for damage, the Fund and the tanker owners' insurance companies had joint surveys made by marine surveyors who also examined and reported on the reasonableness of the claims presented. These reports were examined by the Fund's staff and settlements were negotiated, in some instances by lawyers representing the Fund. As in previous years, my examination of these settlements was limited to seeing that satisfactory procedures were followed and proper accounts drawn up.

Contributions

3. Contributions to the General and Major Claims Funds were assessed on the basis of reports from the Contracting States of oil tonnages received in their territories. As in previous years, I have accepted these reports for the purposes of my audit and have not sought access to local records nor confirmation from National Audit Offices of the countries concerned.

Supplies Equipment and Stock Records

4. My staff carried out a test examination of the Fund's records of supplies, equipment and stock with satisfactory results.

5. I wish to record my appreciation of the willing co-operation of the officers of the Fund during my audit.

Gordon Downey

Comptroller and Auditor General

United Kingdom


External Auditor

24 June 1985

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ANNEX IIIINTERNATIONAL OIL POLLUTION COMPENSATION FUND
OPINION OF EXTERNAL AUDITOR

I have examined the appended financial statements, comprising Statements I to VI, Schedules I to III and Notes, of the International Oil Pollution Compensation Fund for the financial period ended 31 December 1984. As a result of this examination, which was subject to the restrictions referred to in my Report, in my opinion the financial statements present fairly the financial position of the Fund as at the end of the period and the results of its operations for the period then ended; the statements were prepared in accordance with the accounting policies described in the Notes which were applied on a basis consistent with that of the preceding financial period; and the transactions were in accordance with the Financial Regulations and legislative authority.



GORDON DOWNEY

(Comptroller and Auditor General
United Kingdom)
External Auditor

24 June 1985

ANNEX IV

FINANCIAL STATEMENTS
OF THE IOPC FUND
FOR THE FINANCIAL YEAR
ENDED 31 DECEMBER 1984

STATEMENT I

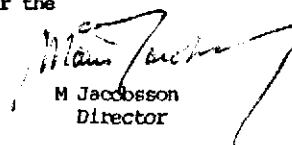
GENERAL FUND


STATEMENT OF BUDGET APPROPRIATIONS AND OBLIGATIONS INCURRED FOR THE FINANCIAL PERIOD 1 JANUARY - 31 DECEMBER 1984

CLASS OF EXPENDITURE	BUDGET APPROPRIATIONS £	TRANSFERS £	REVISED BUDGET APPROPRIATIONS £	OBLIGATIONS INCURRED		TOTAL £	BALANCE OF APPROPRIATIONS £
				LIQUIDATED £	UNLIQUIDATED £		
<u>SECRETARIAT</u>							
I <u>PERSONNEL</u>							
a Salaries	128,380	-	128,380	119,399	-	119,399	8,981
b Separation and recruitment	17,300	(635)	16,665	2,757	9,423	12,180	4,485
c Staff benefits and allowances	44,320	635	44,955	44,955	-	44,955	-
<u>TOTAL</u>	<u>190,000</u>	<u>-</u>	<u>190,000</u>	<u>167,111</u>	<u>9,423</u>	<u>176,534</u>	<u>13,466</u>
II <u>GENERAL SERVICES</u>							
a Rent of office accommodation (including common services, security services and rates)	41,800*	-	41,800	8,255	33,545	41,800	-
b Office machines, including maintenance	12,500	756	13,256	13,256	-	13,256	-
c Furniture and other office equipment	1,500	(756)	744	193	55	248	496
d Office stationery and supplies	2,500	-	2,500	2,349	-	2,349	151
e Communications (telex, telephone, postage)	6,000	-	6,000	3,582	55	3,637	2,363
f Other supplies	4,500	-	4,500	1,504	471	1,975	2,525
g Representation (hospitality)	6,000	-	6,000	2,017	3,648	5,665	335
h Printing and Publication	4,000	-	4,000	1,464	2,172	3,636	364
<u>TOTAL</u>	<u>78,800</u>	<u>-</u>	<u>78,800</u>	<u>32,620</u>	<u>39,946</u>	<u>72,566</u>	<u>6,234</u>
III <u>MEETINGS</u>							
a 7th Assembly and 12th and 13th Executive Committee in October 1984	15,400	-	15,400	1,923	13,477	15,400	-
b Assembly or Executive Committee	6,200	-	6,200	-	-	-	6,200
<u>TOTAL</u>	<u>21,600</u>	<u>-</u>	<u>21,600</u>	<u>1,923</u>	<u>13,477</u>	<u>15,400</u>	<u>6,200</u>
IV <u>CONFERENCES AND TRAVEL</u>							
a Conferences and seminars	8,000	-	8,000	5,564	-	5,564	2,436
b Mission	7,000	-	7,000	5,536	-	5,536	1,464
<u>TOTAL</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>	<u>11,100</u>	<u>-</u>	<u>11,100</u>	<u>3,900</u>
V <u>MISCELLANEOUS EXPENDITURE</u>							
a External audit	7,500	-	7,500	-	7,500	7,500	-
b Payment to IMO for general services	5,000	-	5,000	4,000	-	4,000	1,000
c Consultants' fees	4,000	-	4,000	320	-	320	3,680
<u>TOTAL</u>	<u>16,500</u>	<u>-</u>	<u>16,500</u>	<u>4,320</u>	<u>7,500</u>	<u>11,820</u>	<u>4,680</u>
<u>TOTAL EXPENDITURE I - IV</u>	<u>321,900</u>	<u>-</u>	<u>321,900</u>	<u>217,074</u>	<u>70,346</u>	<u>287,420</u>	<u>34,480</u>

* includes supplementary budget appropriation of £26,800

Note: This statement deals only with administrative expenditure. Expenditure in respect of claims is dealt with in Statement II for the General Fund, in Statement III for the Major Claims Fund ONDIHA/FUKUTOKU MARU N°8 and in Statement IV for the Major Claims Fund TANIO.


M Jacobsson
Director

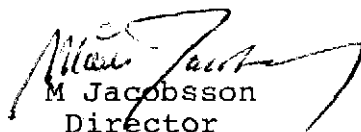

S O Nte
Finance Officer

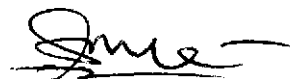
STATEMENT II

GENERAL FUND

INCOME AND EXPENDITURE ACCOUNT FOR THE
FINANCIAL PERIOD 1 JANUARY - 31 DECEMBER 1984

INCOME	£	£
<u>Contributions</u> (Schedule I)		
Initial Contributions		-
Annual Contributions 1983		1,003,849
		<hr/>
		1,003,849
Less adjustment to Prior Year's Assessments		833
		<hr/>
		1,003,016
 <u>Miscellaneous</u>		
Miscellaneous Income	36,920	
Interest on Overdue Contributions	9,727	
Interest on Investments	219,480	266,127
		<hr/>
		1,269,143
 EXPENDITURE		
<u>Secretariat Expenses</u> (Statement I)		
Unliquidated obligations	70,346	
Liquidated obligations	217,074	
	<hr/>	
	287,420	
Bad Debts written off	489	
 <u>Claims</u> (Schedule II)		
General Claims	1,518,087	1,805,996
	<hr/>	
Excess of Expenditure over Income		536,853
		<hr/>


M Jacobsson
Director

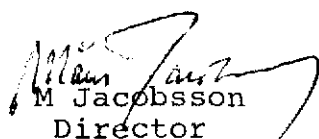

S O Nte
Finance Officer

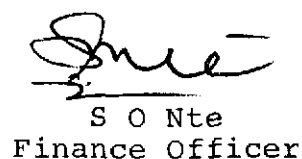
STATEMENT III

MAJOR CLAIMS FUND - ONDINA/FUKUTOKU MARU N°8

INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD ENDED 31 DECEMBER 1984

	£	£
INCOME		
<u>Contributions (Schedule I)</u>		
Annual Contributions 1983		3,109,816
<u>Miscellaneous</u>		
Interest on Overdue Contributions	3,495	
Interest on Investments	95,652	99,147
		<u>3,208,963</u>
EXPENDITURE		
Bad Debts written off	215	
Claims (Schedule II)	2,498,091	2,498,306
Excess of Income over Expenditure		<u>710,657</u>


M Jacobsson
Director


S O Nte
Finance Officer

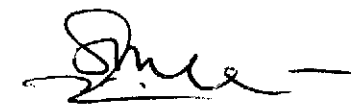
STATEMENT IV
MAJOR CLAIMS FUND - TANIO

INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD ENDED 31 DECEMBER 1984

	£	£
INCOME		
<u>Contributions</u> (Schedule I)		
Annual Contributions 1983		20,087,296
<u>Miscellaneous</u>		
Interest on Overdue Contributions	18,168	
Interest on Investments	302,006	320,174
		<hr/>
		20,407,470
EXPENDITURE		
<u>Claims</u> (Schedule II)		17,879,289*
Excess of Income over Expenditure		<hr/>
		2,528,181

- * Includes payment (£391,639) into joint deposit (escrow) account in respect of a claim, the amount of which has been agreed, but which is being disputed on the grounds that it may be time-barred.


M Jacobsson
Director

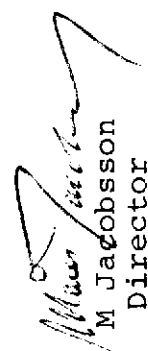

S O Nte
Finance Officer

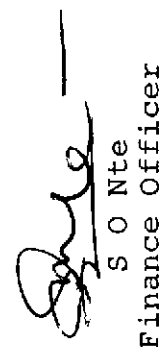
STATEMENT V

PROVIDENT FUND

ACCOUNT FOR THE FINANCIAL PERIOD 1 JANUARY - 31 DECEMBER 1984

	£	£
Balance B/f: Accounts of Staff Members as at 1 January 1984	99,104	83,306
Contributions of staff members	11,754	
Contributions of IOPC Fund	23,508	63,297
Interest received during period	12,237	
	<u>146,603</u>	<u>146,603</u>


M Jacobsson
Director


S O Nte
Finance Officer

STATEMENT VI

BALANCE SHEET OF THE IOPC FUND AS AT 31 DECEMBER 1984

<u>LIABILITIES</u>	£	£	<u>ASSETS</u>	£	£
Accumulated surplus			Cash at banks and in hand (note 2)		5,461,035
1978/1983	2,454,828		Accounts receivable		
Less deficit 1984	536,853	1,917,975	Contributions: Gen Fund 1981	882	
Due to Staff Provident Fund		63,297	Gen Fund 1982	1,740	
Accounts Payable		86,200	Gen Fund 1983	11,971	
Unliquidated Obligations			Ondina/Fukutoku Maru	26,143	
1983	17,979		Tanio	237,604	278,340
1984	70,346	88,325	VAT recoverable		9,091
Due to Major Claims Funds			Miscellaneous		1,837
Ondina/Fukutoku Maru			Interest on overdue contributions		
Deficit 1983	69,712		Gen Fund	754	
add Surplus 1984	710,657	640,945	Ondina/Fukutoku Maru	1,021	
Tanio		2,528,181	Tanio	5,350	7,125
Reserve for disputed Claims (note 1)					
Capital	391,639				
Interest	40,866	432,505			
		<u>5,757,428</u>			<u>5,757,428</u>

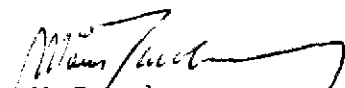
Note 1 An amount of FF4,687,703, relating to a disputed claim, has been paid into a joint deposit (escrow) account. This amount, plus the interest accruing, will be distributed when agreement has been reached or a judgement obtained. The capital sum has been shown in sterling at the rate at which the French Francs were purchased when the deposit was made.


Note 2 The capital sum and interest mentioned in note 1 are also recorded as Cash at Banks. Access to

the escrow account is restricted to joint signatures of the claimant and the IOPC Fund.

Note 3 There are contingent liabilities in respect of incidents which are estimated to amount to £6,580,538. Details of these are given in Schedule III.

Note 4 In addition to the assets shown in this statement, investment in equipment, furniture, office machines, supplies and library books as at 31 December 1984 amounted at cost price to £30,009 net of VAT.


M Jacobsson
Director


S O Nte
Finance Officer

SCHEDULE I

REPORT ON CONTRIBUTIONS DURING THE FINANCIAL
PERIOD 1 JANUARY - 31 DECEMBER 1984 AND
ON CONTRIBUTIONS OUTSTANDING FOR THE
PREVIOUS FINANCIAL PERIODS

1 Of the two States who became Members in 1984, neither was liable for initial contributions.

2 Following the decision of the Assembly at its 5th session to make the payment of annual contributions due on 15 January, a comprehensive but preliminary Report on Contributions as at 30 June 1984 was submitted to the Assembly at its 7th session (document FUND/A.7/5).

The report contained in this schedule is an up-date of the earlier report, showing the outstanding balances as at 31 December 1984 as well as the revised assessment, if any, caused by adjustments made during the financial period under review.

3 Outstanding contributions of less than £50 relate to bank charges which have been referred to contributors for settlement along with interest on overdue contributions.

REPORT ON ANNUAL CONTRIBUTIONS 1983 - GENERAL FUND AS AT 31.12.84

<u>State</u>	<u>Assessment</u>	<u>Receipt</u>	<u>Outstanding</u>	<u>% Paid</u>
	£	£	£	
Algeria	220.81	-	220.81	0.00
Bahamas	21 209.52	21 209.52	-	100.00
**Cameroon	-	-	-	
Denmark	9 699.42	9 699.42	-	100.00
*Fiji	-	-	-	
Finland	14 080.40	14 080.40	-	100.00
France	121 770.91	121 724.68	46.23	99.96
Gabon	424.62	424.62	-	100.00
Germany, Federal Republic of	31 517.77	31 517.77	-	100.00
Ghana	1 319.66	1319.66	-	100.00
*Iceland	-	-	-	
Indonesia	17 344.71	17 344.71	-	100.00
Italy	158 087.95	155 942.69	2 145.26	98.64
Japan	316 035.26	315 815.82	219.44	99.93
*Kuwait	-	-	-	
Liberia	419.76	-	419.76	0.00
*Maldives	-	-	-	
*Monaco	-	-	-	
Netherlands	105 573.56	105 573.56	-	100.00
Norway	9 227.87	9 227.87	-	100.00
Papua New Guinea	249.86	249.86	-	100.00
Spain	59 060.94	59 060.94	-	100.00
Sri Lanka	1 103.68	1 103.68	-	100.00
Sweden	21 777.25	21 039.03	738.22	96.61
Syrian Arab Republic	5 704.96	5 704.96	-	100.00
Tunisia	2 632.02	797.96	1 834.06	30.32
*Tuvalu	-	-	-	
**United Arab Emirates	-	-	-	
United Kingdom	90 294.86	90 294.86	-	100.00
Hong Kong	4 507.53	4 507.53	-	100.00
Yugoslavia	11 586.22	5 238.79	6 347.43	45.22
TOTALS	1 003 849.54	991 878.33	11 971.21	98.81

* No liability for contributions in 1983

** Not a Member State in 1983

REPORT ON ANNUAL CONTRIBUTIONS 1983 - MAJOR CLAIMS FUND
ONDINA/FUKUTOKU MARU N°8 AS AT 31.12.84

<u>State</u>	<u>Assessment</u>	<u>Receipt</u>	<u>Outstanding</u>	<u>% Paid</u>
	£	£	£	
Algeria	-	-	-	
Bahamas	75 687.69	75 687.69	-	100.00
**Cameroon	-	-	-	
Denmark	32 083.52	32 083.52	-	100.00
*Fiji	-	-	-	
Finland	50 151.17	50 151.17	-	100.00
France	429 117.70	429 117.70	-	100.00
Gabon	-	-	-	
Germany, Federal Republic of	182 763.56	182 763.56	-	100.00
Ghana	4 282.19	4 282.19	-	100.00
*Iceland	-	-	-	
Indonesia	55 568.99	55 568.99	-	100.00
Italy	534 021.54	528 476.83	5 544.71	98.96
Japan	1 080 440.02	1 079 672.71	767.31	99.93
*Kuwait	-	-	-	
Liberia	1 629.59	-	1 629.59	0.00
*Maldives	-	-	-	
*Monaco	-	-	-	
Netherlands	-	-	-	
Norway	28 871.54	28 871.54	-	100.00
Papua New Guinea	772.46	772.46	-	100.00
Spain	203 673.48	203 670.48	3.00	99.99
Sri Lanka	-	-	-	
Sweden	80 662.57	80 662.57	-	100.00
Syrian Arab Republic	5 090.09	5 090.09	-	100.00
Tunisia	8 575.52	8 575.52	-	100.00
*Tuvalu	-	-	-	
**United Arab Emirates	-	-	-	
United Kingdom	284 419.65	284 419.65	-	100.00
Hong Kong	15 232.86	15 232.86	-	100.00
Yugoslavia	36 772.26	18 830.22	17 942.04	51.21
TOTALS	3 109 816.40	3 083 929.75	25 886.65	99.17

* No liability for contributions in 1983
** Not a Member State in 1983

REPORT ON ANNUAL CONTRIBUTIONS 1983
MAJOR CLAIMS FUND TANIO AS AT 31.12.84

<u>State</u>	<u>Assessment</u>	<u>Receipt</u>	<u>Outstanding</u>	<u>% Paid</u>
	£	£	£	
Algeria	8 323.18	315.94	8 007.24	3.80
Bahamas	609 739.85	609 739.85	-	100.00
**Cameroon	-	-	-	
Denmark	276 327.29	276 327.29	-	100.00
*Fiji	-	-	-	
Finland	-	-	-	
France	3 134 797.21	3 134 752.54	44.67	99.99
Gabon	-	-	-	
Germany, Federal Republic of	1 320 757.96	1 309 106.35	11 651.61	99.12
Ghana	22 411.95	22 411.95	-	100.00
*Iceland	-	-	-	
Indonesia	272 587.21	272 587.21	-	100.00
Italy	3 508 825.73	3 464 145.42	44 680.31	98.73
Japan	7 658 504.48	7 622 935.36	35 569.12	99.54
*Kuwait	-	-	-	
Liberia	11 694.45	-	11 694.45	0.00
*Maldives	-	-	-	
*Monaco	-	-	-	
Netherlands	-	-	-	
Norway	183 869.30	183 869.30	-	100.00
Papua New Guinea	-	-	-	
Spain	-	-	-	
Sri Lanka	-	-	-	
Sweden	567 876.61	560 428.13	7 448.48	98.69
Syrian Arab Republic	-	-	-	
Tunisia	38 436.22	38 431.22	5.00	99.99
*Tuvalu	-	-	-	
**United Arab Emirates	-	-	-	
United Kingdom	2 160 226.15	2 160 226.15	-	100.00
Hong Kong	82 328.58	82 328.58	-	100.00
Yugoslavia	230 589.96	112 086.54	118 503.42	48.61
TOTALS	20 087 296.13	19 849 691.83	237 604.30	98.82

* No liability for contributions in 1983

** Not a Member State in 1983

Report on Annual Contributions Outstanding
for the Previous Financial Periods as at
31 December 1984

GENERAL FUND (GF) & MAJOR CLAIMS FUND FUKUTOKU MARU N°8 (FM8)

<u>State</u>	<u>Assessment</u>	<u>Receipt</u>	<u>Outstanding</u>
	£	£	£
Sweden (1981) GF	18 509	18 405	104*
Yugoslavia (1981) GF	5 974	5 196	778
Yugoslavia (1982) GF	7 006	5 266	1 740
Yugoslavia (1982) FM8	3 076	2 819	257
<hr/>			
TOTAL	34 565	31 686	2 879
<hr/>			

* Contributor has gone bankrupt. Claim has been registered in bankruptcy proceedings.

SCHEDULE II

REPORT ON PAYMENT OF CLAIMS FOR THE FINANCIAL
PERIOD 1 JANUARY - 31 DECEMBER 1984

1 Internal Regulation 4.5 requires the Director to maintain a running record of all expenses incurred by the IOPC Fund in respect of each incident giving rise to claims against the IOPC Fund.

2 Of the various incidents reported to the IOPC Fund to date, expenditure incurred by the IOPC Fund during 1984 amounted to £21,895,467.

In the TANIO incident, the 1984 expenditure of £18,258,113 consists of £17,879,289 which was paid out of the Major Claims Fund, while £378,824, being part of the first 15 million (gold) francs of which £202,152 had already been paid by the end of 1983, was paid out of the General Fund.

In the ONDINA incident, the 1984 expenditure of £3,006,096 consists of £2,386,880 which was paid out of the Major Claims Fund, while £619,216, being part of the first 15 million (gold) francs of which £1,373 had already been paid by the end of 1983, was paid out of the General Fund.

In general, the position as at 31 December 1984 was as follows:

	£
(a) <u>TANIO</u>	
Compensation	18,206,045
Fees	51,264
Miscellaneous	19
Travel	<u>785</u>
	18,258,113
1983 Expenditure b/f	180,585
1982 Expenditure b/f	18,806
1981 Expenditure b/f	1,334
1980 Expenditure b/f	<u>1,427</u>
Total Expenditure to date	<u>18,460,265</u>

£

(b) TARPENBEK

1983 Expenditure b/f	4,878
1982 Expenditure b/f	NIL
1981 Expenditure b/f	85
Total Expenditure to date	<u>4,963</u>

(c) GLOBE ASIMI

Compensation	326,509
Fees	554
Miscellaneous	9
	<u>327,072</u>
1983 Expenditure	NIL
1982 Expenditure b/f	1,511
Total Expenditure to date	<u>328,583</u>

(d) ONDINA

Compensation	3,004,900
Fees	1,140
Miscellaneous	56
	<u>3,006,096</u>
1983 Expenditure b/f	296
1982 Expenditure b/f	1,077
Total Expenditure to date	<u>3,007,469</u>

(e) FUKUTOKU MARU N°8

Compensation	111,204
Miscellaneous	7
	<u>111,211</u>
1983 Expenditure b/f	358,185
1982 Expenditure b/f	594,873
Total Expenditure to date	<u>1,064,269</u>

(f) SUMA MARU N°11

1983 Expenditure b/f	25,236
Total Expenditure to date	<u>25,236</u>

£

(g) <u>JOSE MARTI</u>	
Fees	2,919
Miscellaneous	<u>12</u>
	2,931
1983 Expenditure b/f	<u>521</u>
Total Expenditure to date	<u>3,452</u>
(h) <u>SHIOTA MARU</u>	
Compensation	14,134
Miscellaneous	<u>14</u>
	14,148
1983 Expenditure b/f	<u>220,579</u>
Total Expenditure to date	<u>234,727</u>
(i) <u>KIFUKU MARU N°35</u>	
1983 Expenditure b/f	<u>1,591</u>
Total Expenditure to date	<u>1,591</u>
(j) <u>EIKO MARU N°1</u>	
Compensation	81,447
Miscellaneous	<u>7</u>
Total Expenditure to date	<u>81,454</u>
(k) <u>KOEI MARU N°3</u>	
Compensation	89,233
Miscellaneous	<u>7</u>
Total Expenditure to date	<u>89,240</u>
(l) <u>SHINKAI MARU N°3</u>	
Compensation	4,836
Fees	359
Miscellaneous	<u>7</u>
Total Expenditure to date	<u>5,202</u>

SCHEDULE III

DETAILS OF CONTINGENT LIABILITIES AS AT 31 DECEMBER 1984

1 There are contingent liabilities with regard to seven incidents. The contingent liabilities arising out of these incidents are estimated at £6,580,538 as at 31 December 1984.

2 Out of these contingent liabilities, the following amounts have been liquidated:

- ¥2,580,193 (equivalent to £9,142) in February 1985 as a result of the payment of compensation and consultants' fees in connection with the KOEI MARU N°3 incident;
- ¥16,610,200 (equivalent to £54,317) in April 1985 as compensation for damage resulting from the TSUNEHISA MARU N°8 incident; and
- ¥9,861,480 (equivalent to £32,018) in May 1985 as payment of indemnification in connection with the EIKO MARU N°1 incident.

3 The incidents which occurred from 1979 to 1984 in respect of which the IOPC Fund has been, or may be, held liable are contained in the IOPC Fund's "Annual Report 1984".

4 It should be noted that with respect to the TANIO incident, the amount of compensation paid by the IOPC Fund does not include the sum of FF4,687,703 (equivalent to £391,639), set aside in connection with the claim from the UK Club.

5 Details of the contingent liabilities as at 31 December 1984 are shown below.

£

(a) TARPENBEK

Shipowner's preventive measures	594,358
UK Government	982,620
Nature Conservancy Council	1,739
Isle of Wight County Council	9,666
South Wight Borough Council	1,196
Interest (from 1.6.80)	<u>530,000</u>
	2,119,579
<u>Minus</u>	
CLC limit	<u>64,356</u>
	2,055,223
<u>Plus</u>	
Indemnification	16,089
Legal fees	<u>50,000</u>
	<u>2,121,312</u>

(b) TANIO

Limit of Compensation (FFr244,746,000)	21,911,012
<u>Minus</u>	
Limitation fund, provisional payment (FFr19,147,973)	1,714,232
Limitation fund reserve as at 31.12.84 (FFr2,755,895)	246,723
Interest on reserve at average of 10% pa, 1.1.85 - 31.12.88 (FFr1,279,011)	114 504
Compensation already paid (FFr216,521,710)	<u>17,861,568</u>
	1,973,985
<u>Plus</u>	
Legal fees	500,000
Consultants' fees	<u>100,000</u>
	<u>2,573,985</u>

(c) JOSE MARTI

Swedish Government (SKr10,000,000)	961,076
2 Private Claimants (SKr850,000)	<u>81,691</u>
	1,042,767
<u>Plus</u>	
Legal fees (SKr100,000)	9,611
Surveyors' fees	<u>5,000</u>
	<u>1,057,378</u>

	£
(d) <u>EIKO MARU N°1</u>	
Indemnification (¥9,861,480)	33,830
Legal fees (¥2,000,000)	<u>6,861</u>
	<u>40,691</u>
 (e) <u>KOEI MARU N°3</u>	
Outstanding compensation (¥60,700)	208
Indemnification (¥772,915)	2,652
Legal fees (¥2,000,000)	6,861
Consultants' fees (¥2,519,493)	<u>8,643</u>
	<u>18,364</u>
 (f) <u>TSUNEHISA MARU N°8</u>	
Compensation (¥17,575,000)	60,292
<u>Minus</u>	
CLC limit (¥964,800)	<u>3,310</u>
	56,982
<u>Plus</u>	
Indemnification (¥241,200)	827
Surveyors' fees (¥1,596,030)	<u>5,745</u>
	<u>63,554</u>
 (g) <u>KOHO MARU N°3</u>	
Compensation (¥197,621,006)	677,945
<u>Minus</u>	
CLC limit (¥5,385,920)	<u>18,477</u>
	659,468
<u>Plus</u>	
Indemnification (¥1,346,480)	4,619
Legal fees (¥5,000,000)	17,153
Surveyors' fees (¥7,000,000)	<u>24,014</u>
	<u>705,254</u>

NOTES TO FINANCIAL STATEMENTS

Significant Accounting Policies

The principal accounting policies adopted in arriving at the financial information given in the respective statements are set out below.

(a) Unliquidated obligations

Unliquidated obligations are expenditures based on firm obligations entered into but not liquidated in the financial period. Following the revision of the Financial Regulations at the 6th session of the IOPC Fund's Assembly, unliquidated obligations remain available to discharge legal obligations for 24 months following the end of the financial period to which they relate.

The amounts are net of Value Added Tax.

(b) Income

Income is based on firm revenues due in 1984 and either received or receivable in this period. Hence, interest not due in 1984 on investments or on overdue annual contributions in this period is excluded from the 1984 Income and Expenditure Accounts.

(c) Investments

Investments of the IOPC Fund's assets include the assets of the Staff Provident Fund Account and Contributors' Account which are merged with the IOPC Fund's assets for investment purposes, in order to obtain the best interest rates which only the substantial amounts held by the IOPC Fund can attract.

(d) Claims arising out of incidents

Expenditure in respect of claims arising out of incidents is charged in the year of payment. There is no specific appropriation to meet any settlement of claims. With regard to major claims, expenses incurred up to 15 million (gold) francs are charged to the General Fund in accordance with Financial Regulation 5.1(c) (i).

Claims, the final amount of which cannot yet be assessed, are reported in Schedule III.

(e) Translation of currencies

Almost all the IOPC Fund's assets and liabilities at the end of the financial period 1984 were held in pounds sterling. Gains and losses arising from foreign currency exchange transactions during the relevant accounting period have been treated as normal items of operation.

For the translation of currencies, the rate applied is the rate of exchange for the pound against various currencies on 31 December 1984 as published in the Financial Times. These rates are as follows:

¥	291.50	= £1
SKr	10.405	= £1
FFr	11.17	= £1

These notes are an integral part of the Financial Statements.
