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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Fiftieth Meeting
New Delhi, 6 – 10 November 2006

FINAL 2005 ACCOUNTS

1. At its 49th Meeting, the Executive Committee considered the provisional accounts of the Multilateral Fund for the year 2005 (UNEP/OzL.Pro/ExCom/49/41), which were presented by the Treasurer. The Executive Committee took note of the provisional accounts for the year 2005 and noted that the final 2005 accounts would be submitted to the Committee at its 50th Meeting.
2. Attached is the audited financial statement of the Fund as at 31 December 2005. The Report of the Board of Auditors thereon has been received. The following are the issues raised by the Auditors in their report relating to the Multilateral Fund:
 - (a) US \$82 million of the Voluntary contributions receivable had been outstanding for more than five years, (between 1992 and 1999). The Auditors have recommended that the attention of the Meeting of Parties should be drawn to the need to act on writing off this amount.
 - (b) Unaudited expenditure reports are accepted from the implementing agencies and used as basis for recording their expenditures. The Board saw the need for the reconciliation of the recorded figures as soon as the audited financial statements are available.

RECOMMENDATION:

3. The Executive Committee may wish to:
 - (a) Note the audited financial statement of the Fund as at 31 December 2005.
 - (b) Note the Auditors' request that the attention of the Meeting of Parties be drawn to the need to act on writing off long-outstanding receivables.
 - (c) Note the Auditors' observation of the need for the reconciliation of the recorded figures as soon as the audited financial statements are available.

Pre-session documents of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol are without prejudice to any decision that the Executive Committee might take following issue of the document.

For reasons of economy, this document is printed in a limited number. Delegates are kindly requested to bring their copies to the meeting and not to request additional copies.

**Trust Fund for the Multilateral Fund for the Implementation of the Montreal Protocol on Substances
that Deplete the Ozone Layer**

**Statement of Income and expenditure and changes in reserves and fund balances
for the biennium 2004-2005 ended 31 December 2005**
(Thousands of United States dollars)

	2005	2003
Income		
Voluntary contributions	264 606	283 822
Interest income	12 670	18 321
Miscellaneous income	17 203	12 426
Total Income	294 479	314 569
Expenditure		
Staff and other personnel costs	5 944	5 064
Contractual services	1 635	976
Travel	477	362
Operating expenses	955	672
Acquisitions	936	683
Programme support costs	591	485
UNEP managed activities	26 140	17 832
UNDP managed activities	69 761	67 666
UNIDO managed activities	81 012	68 880
World Bank managed activities	151 656	135 794
Total Expenditure	339 107	298 414
Excess/(shortfall) of income over expenditure	(44 628)	16 155
Prior period adjustments	(2 863)	197
Net excess/(shortfall) of income over expenditure	(47 491)	16 352
Reserves and fund balances, beginning of period	562 689	546 337
Reserves and fund balances, end of period	515 198	562 689

**Statement of assets, liabilities, reserves and fund balances
as at 31 December 2005**

Assets		
Cash and term deposits	864	951
Cash pool - US dollar	9 926	72 586
Advances provided to implementing agencies	252 961	193 001
Accounts receivable		
Voluntary contributions receivable	165 179	163 567
Inter-fund balances	3 750	7 277
Other	-	169
Promissory notes	90 929	126 945
Other assets	3	19
Total assets	523 612	564 515
Liabilities		
Payments or contributions received in advance	4 465	1 235
Unliquidated obligations	437	354
Accounts payable		
Other	3 512	237
Total liabilities	8 414	1 826
Reserves and fund balances		
Cumulative surplus	515 198	562 689
Total reserves and fund balances	515 198	562 689
Total liabilities, reserves and fund balances	523 612	564 515