

**Convention on Wetlands
of International Importance especially
as Waterfowl Habitat (Ramsar, 1971)**

**Report of Auditors
to the Contracting Parties**

Financial Statements 1999

Bureau of the Convention on Wetlands of International Importance especially as Waterfowl Habitat (Ramsar, 1971)

Notes to the financial statements 1999

Note 1 – Activity

The “Convention on Wetlands of International Importance especially as Waterfowl Habitat (Ramsar, 1971)” (the Convention) is an intergovernmental treaty for the conservation and wise use of wetlands. Under the treaty the Contracting Parties agree, inter alia, to:

- promote the conservation and wise use of wetlands through international co-operation
- implement the conservation and wise use of wetlands within their territory
- encourage research and exchange of data regarding wetlands
- endeavor to establish and manage reserves for wetlands and to increase waterfowl populations on wetlands
- promote training of competent personnel in the field of wetlands research, management and wardening.

The Convention’s Bureau (secretariat), which is not a separate legal entity, is constituted under Article 8 of the convention and administered as an independent unit by and from the offices of IUCN (The World Conservation Union), Gland, Switzerland. The Bureau’s functions include the provision of administrative, technical and scientific support to the Contracting Parties, maintaining a List of Wetlands of International Importance and notifying Contracting Parties of additions to that List.

Note 2 – Summary of significant accounting principles

Contributions from Contracting Parties

These contributions are accounted for on an accrual basis.

Voluntary contributions and other income

Voluntary contributions and other income are accounted for on a cash basis.

Expenditure

The Bureau accounts for expenditure on an accrual basis.

Unrestricted Funds

Unrestricted funds are funds that are not subject to any externally imposed restrictions upon their use. The Secretary General is empowered by the Standing Committee of the Convention to designate certain of these funds for project purposes.

Restricted use Funds

Restricted use funds are donated funds subject to externally imposed restrictions as to their use.

Currency transaction

The Bureau's accounting records are maintained in Swiss Francs. Assets and liabilities in other currencies are translated at exchange rates ruling at the year-end. Items of income and expenditure in other currencies are included in the financial statements at the exchange rate prevailing at the transaction date.

Membership Receivables – Bad Debts Calculation

The method of calculating the provision for bad debts was unchanged in comparison with last year; "probable" debtors were calculated at 50%, "possible" debtors were calculated at 25% and all other unpaid contributions were calculated at 5%. Two debtors (Armenia and Yugoslavia) were calculated at 90%.

Fixed assets

Fixed assets, comprising office furniture and computer equipment, are depreciated over their estimated useful lives, as follows:

-	Office furniture	7 years
-	Office equipment	4 years
-	Computer hardware/software	3 years.

Reserve fund

In accordance with the decision of the 6th meeting of the Conference of the Parties establishing the reserve fund, the entirety of the core funds balance is attributed to the reserve fund. Contributions relating to periods prior to 1994 are accounted for through the reserve fund.

Note 4 – Exchange gain/(loss)

The exchange gain between the US\$ and the Swiss Franc during the year (1.5582 at 31.12.1999 versus 1.375 at 31.12.1998) resulted in an unrealized net exchange gain of SFR 355,155, attributable to the value of the short term deposits held in US\$. Exchange gains/losses directly attributable to projects are dealt with under project expenditure.