

RESTRICTED

L/5478

1 July 1983

Limited Distribution

**GENERAL AGREEMENT ON
TARIFFS AND TRADE**

DIRECTOR-GENERAL'S FINANCIAL REPORT
ON THE 1982 ACCOUNTS

and

REPORT OF THE EXTERNAL AUDITOR THEREON

DIRECTOR-GENERAL'S FINANCIAL REPORT ON THE
1982 ACCOUNTS OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE

1. The Director-General hereby submits his report on the accounts of the General Agreement on Tariffs and Trade for the financial year ended 31 December 1982. Since 1 January 1973 the annual accounts have been presented in Swiss francs.

GENERAL FUND

Income and Expenditure Account

(Statements 1 and 2)

(i) Expenditure

2. Appropriations for the financial year 1982 were approved at a level of Sw F 45,501,000. As shown in Statement 1, obligations incurred during the year totalled Sw F 45,059,851, leaving an unencumbered balance of Sw F 441,149.

3. The Council approved transfers of Sw F 533,901 which were necessary in order to cover excess expenditure over approved appropriations incurred in Part I - Section 1 - Thirty-eighth Session of the CONTRACTING PARTIES, in Section 2 - Meetings of the Council and other meetings, in Part II - Section 7 - Representation and Hospitality and in Part V - Section 13 - Contribution to the International Trade Centre UNCTAD/GATT.

4. In connexion with the running of the staff canteen, subsidies in the form of free accommodation, electricity, heating, water supply, insurance premiums, etc., were charged to the relevant budget items in 1982. In addition expenditure of Sw F 5,230 was incurred for the purchase and maintenance of canteen equipment.

(ii) Income

(a) Contributions

5. At the adoption of the income budget, 1982 contributions were assessed on contracting parties in the amount of Sw F 44,310,000. Subsequently, contributions were assessed on Thailand (Sw F 22,430) and Zambia (Sw F 53,170) on their accession. Of the total amount of Sw F 44,385,600, collections as at 31 December 1982 amounted to Sw F 41,932,153.

(b) Miscellaneous income

6. For 1982, miscellaneous income amounted to Sw F 1,055,364 against an estimate of Sw F 1,095,264. The details, compared with those of 1981, are as follows:

	<u>1981</u> <u>Sw F</u>	<u>1982</u> <u>Sw F</u>
Interest on investments	829,001	206,406
Sale of publications	77,394	79,967
Profit or loss on exchange	(13,329)	(19,148)
Savings on previous year's outstanding obligations	87,949	148,466
Refund of the organizations' contribution to the United Nations Joint Staff Pension Fund in respect of withdrawals of participants	61,759	64,069
Refund of staff costs for staff employed at Centre William Rappard on behalf of other occupants	394,552	456,598
Overhead on trust fund for special training courses	-	30,396
Rental of meeting rooms and office space at Centre William Rappard to others	10,750	17,150
Other income	8,558	71,460
	<u>1,456,634</u>	<u>1,055,364</u>

7. Other income for 1982 comprises the following:

	<u>Swiss francs</u>
Interest on bank current accounts and other interest	5,495
Refund of prior year's expenditure	61,889
Work done for delegations and others	223
Miscellaneous items	3,853
	<u>71,460</u>

Surplus Account

(Statement 3)

8. In accordance with the decision of the CONTRACTING PARTIES (L/5196), the 1980 surplus of Sw F 95,736 was transferred to income in 1982. The excess of 1982 income over budgetary expenditure amounted to Sw F 476,849 and an amount of Sw F 8,255 was credited to the Surplus Account in respect of the revaluation of outstanding contributions assessed in US dollars. However, as Sw F 1,608,491 had been repaid to the Working Capital Fund in respect of the advance made in 1981 to cover the 1981 deficit and it was also necessary to

increase the provision for all contracting parties' contributions in arrears by Sw F 433,185 to cover the increased level of such arrears at 31 December 1982, a transfer of Sw F 1,556,572 from the Working Capital Fund was required to meet the Surplus Account deficit at 31 December 1982.

Statement of Assets and Liabilities

(Statement 4)

(i) Assets

(a) Cash at banks

9. Cash at bank and postal cheque accounts amounted to Sw F 1,690,741 at 31 December 1982. The policy of the secretariat is to maintain in bank current accounts only sufficient funds to meet immediate needs, in order to maximize earnings from interest on investments. The relatively high level of funds available on current account at 31 December 1982 is due to the receipt during the year-end holiday, when the secretariat was closed, of substantial remittances of contracting parties' contributions.

(b) Investments

10. At 31 December 1982 investments held in interest-bearing deposit accounts and on 48-hour call totalled Sw F 674,683, the entirety of which related to the Working Capital Fund (Schedule A).

(c) Contributions receivable from contracting parties

11. Contributions receivable from contracting parties amounted to Sw F 6,442,106 at 31 December 1982 as shown in Schedule B. Contributions in respect of financial years 1969 to 1972 were assessed in US dollars and the amount still due was US\$ 22,312. This amount, recorded at 31 December 1982 at the internal accounting rate of Sw F 2.13 to US\$ 1, equalled Sw F 47,524. An amount of Sw F 6,394,582 was due at 31 December 1982 in respect of the financial years 1973 to 1982.

(d) Miscellaneous accounts receivable

12. Miscellaneous accounts receivable at 31 December 1982 totalled Sw F 1,537,766. This amount included outstanding invoices in respect of sales of publications and services rendered totalling Sw F 685,591 and advances to staff members in respect of salaries of Sw F 3,090, education grants of Sw F 247,650 and travel and subsistence allowance of Sw F 26,051. Miscellaneous items amounted to Sw F 575,384 which included advance payment of insurance premiums, recoverable Swiss Federal taxes, prepaid 1983 expenditure, recoverable deposits on accommodation for participants in GATT Commercial Policy Training Courses, etc.

(ii) Liabilities

(a) Miscellaneous accounts payable

13. Miscellaneous accounts payable at 31 December 1982 amounted to Sw F 103,757. This included amounts received for payment to staff members and their dependents in respect of insurance compensation (Sw F 21,743), for accommodation rented on behalf of participants in GATT Commercial Policy Training Courses (Sw F 44,598), for telephone bills (Sw F 11,197), for the purchase of microfiches (Sw F 20,000) and miscellaneous items (Sw F 6,219).

(b) Provision for losses and returns in respect of publications sales

14. Irrecoverable debts in respect of publications sales, amounting to Sw F 1,175, were written off in 1982 against this provision.

(c) Provision for contributions in arrears

15. Sw F 6,442,106 covered all contributions in arrears as at 31 December 1982. Contributions in arrears relating to financial years 1969 to 1972 are payable in US dollars (see paragraph 11) and provision has been made with respect to the arrears for these years at the rate of Sw F 2.13 to US\$ 1.

(d) Trainees' accommodation fund

16. An amount of Sw F 94,552, representing the unexpended balance of a trust fund covering a training course held in 1980, was held in miscellaneous accounts payable at 1 January 1982 as refundable to the donor governments. In 1982 these governments authorized the transfer of this balance to a trainees' accommodation fund to cover excess accommodation costs for participants in GATT training courses. Excess accommodation costs totalling Sw F 3,471 in respect of GATT training courses held in 1982 have been charged against this fund.

WORKING CAPITAL FUND

(Statement 5)

17. The principal of the Working Capital Fund stood at Sw F 2,677,637 at 31 December 1982. Sw F 1,309,298, of which Sw F 152,577 represented interest earned on investments in 1982, was held to the credit of GATT. Sw F 1,368,339 represented advances made by contracting parties and was held to their credit.

18. In addition, an amount of Sw F 54,546 resulting from the revised assessment in 1965 of advances to the Fund (document L/2482) remained to the credit of governments' accounts.

19. An amount of Sw F 1,556,572 was required to cover a deficit on the General Fund at 31 December 1982. The authority contained in document L/756, paragraph 10, of 27 November 1957, stipulates that subsequent receipts of outstanding contributions are to be credited to the Working Capital Fund to the extent necessary to reimburse the advance made.

TRUST FUND

(Statement 6)

20. A special training course for officials of Spanish-speaking developing countries was held in 1982 under the financial sponsorship of the Swiss Government. Expenditure of Sw F 264,214, including overheads of Sw F 30,396, was incurred against funds received totalling Sw F 270,000. The unexpended balance of Sw F 5,786 was refunded to the Swiss authorities.

NON-EXPENDABLE EQUIPMENT

21. The value at cost at the time of acquisition through the GATT budget of furniture, equipment (other than minor items) and vehicles still in use amounted to Sw F 5,313,026 at 31 December 1982, as noted on the Statement of Assets and Liabilities (Statement 4).

(Signed)

Arthur Dunkel
Director-General

(Signed)

E. von Holzen
Director
Administrative and Financial Division

REPORT OF THE EXTERNAL AUDITOR ON THE ACCOUNTS OF
THE GENERAL AGREEMENT ON TARIFFS AND TRADE
FOR THE YEAR ENDED 31 DECEMBER 1982

General

1. In accordance with decisions of the CONTRACTING PARTIES, the Financial Regulations and Rules of the United Nations are, as far as appropriate and for the time being, applied to the financial administration of the secretariat to the General Agreement on Tariffs and Trade. My examination has been carried out in accordance with those regulations and rules and with the financial Resolutions and Decisions of the CONTRACTING PARTIES.

Outturn in 1982

2. The CONTRACTING PARTIES authorized for 1982 appropriations amounting to Sw F 45,501,000, to be financed by contributions of Sw F 44,310,000, estimated miscellaneous income of Sw F 1,095,264 and the transfer of the 1980 surplus of Sw F 95,736.

3. Total expenditure in 1982 amounted to Sw F 45,059,851, leaving an unobligated balance of appropriations of Sw F 441,149 (Statement 1). Excess expenditure of Sw F 533,901 incurred under Sections 1, 2, 7 and 13 of the budget was met by authorized transfers of savings under Sections 3, 4, 5, 6, 8, 9 and 12. The appropriation of Sw F 200,000 for unforeseen expenditure under Part III of the budget was not drawn upon.

4. Actual miscellaneous income for 1982 fell short of the estimate by Sw F 39,900. However, with the budgetary saving of Sw F 441,149 and contributions of Sw F 75,600 assessed on two new contracting parties, there was an excess of income over expenditure in the year of Sw F 476,849 (Statement 2). This was transferred to the Surplus Account (Statement 3).

5. As shown in Statement 3, after transferring the 1980 surplus of Sw F 95,736 to 1982 income, increasing the provision for contributions in arrears by Sw F 433,185, and taking credit for a small gain of Sw F 8,255 on revaluation of outstanding dollar contributions, the accumulated deficit carried forward at the end of the year amounted to Sw F 1,556,572. As shown in Statement 5 this deficit, which is an increase of Sw F 43,817 over the deficit carried forward from 1981, was met by an advance from the Working Capital Fund.

Outstanding Contributions

6. Contributions outstanding at 31 December 1982 totalled Sw F 6,442,106. This was Sw F 433,185 more than at 31 December 1981 and the provision against non-payment of contributions (shown in Statement 4) was increased correspondingly.

Trust Funds

7. The special training course for officials from Spanish-speaking developing countries to which I referred last year has been completed. Statement 6 shows that funds received totalled Sw F 270,000. After meeting expenditure, including overheads, of Sw F 264,214 the balance of Sw F 5,786 was refunded to the donor.

8. I also referred last year to the unexpended balance amounting to Sw F 94,552 of the trust fund covering training courses completed in 1980. With the consent of the donors this sum has been appropriated to a new trainees' accommodation fund which is intended to meet the excess accommodation costs for participants in GATT training courses. After meeting excess accommodation of Sw F 3,471 during 1982 a balance of Sw F 91,081 was carried forward at the end of the year as shown in Statement 4.

Losses

9. I have examined the circumstances of the write-off of irrecoverable debts totalling Sw F 1,175 referred to in paragraph 14 of the Director-General's Financial Report. I am satisfied with the information and explanations which I have obtained about them.

Supplies, Equipment and Stock Records

10. Test examinations of the supplies, equipment and stock records maintained by the Organization have been carried out by my staff with generally satisfactory results.

11. I wish to record my appreciation of the willing co-operation given by the officers of the Organization during my audit.

(Signed)

Gordon Downey
(Comptroller and Auditor General, United Kingdom)
External Auditor

CERTIFICATE OF THE EXTERNAL AUDITOR ON THE ACCOUNTS
OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 1982

I have examined the appended financial statements, numbered 1 to 6, of the General Agreement on Tariffs and Trade for the year ended 31 December 1982. I have obtained all the information and explanations that I have required, and I certify, as a result of the audit, that, in my opinion, the financial statements are correct.

(Signed)

Gordon Downey
(Comptroller and Auditor General, United Kingdom)
External Auditor

GENERAL AGREEMENT ON TARIFFS AND TRADE

Statement of Budgetary Expenditure 1982

(in Swiss francs)

	Original Appropriations (L/5196)	Authorized Transfers	Revised Appropriations	Expenditure	Balances
PART I - MEETINGS					
Section 1. Thirty-eighth session of the CONTRACTING PARTIES	20,000	78,634	98,634	98,634	-
2. Meetings of the Council and other meetings	151,000 <u>171,000</u>	77,036 <u>155,670</u>	228,036 <u>326,670</u>	228,036 <u>326,670</u>	- -
TOTAL PART I					
PART II - SECRETARIAT					
Section 3. Salaries and wages and official missions	25,065,000	(234,957)	24,830,043	24,588,894	241,149
4. Common staff costs	6,397,000	(35,065)	6,361,935	6,361,935	-
5. Common services	4,497,000	(176,353)	4,320,647	4,320,647	-
6. Printing	400,000	(80,024)	319,976	319,976	-
7. Representation and hospitality	105,000	4,104	109,104	109,104	-
8. Public information	5,000	(2,190)	2,810	2,810	-
9. Permanent equipment	175,000	(7)	174,993	174,993	-
10. Contribution to a staff assistance fund	20,000	-	20,000	20,000	-
TOTAL PART II	36,664,000	(524,492)	36,139,508	35,898,359	241,149
PART III - UNFORESEEN EXPENDITURE					
Section 11. Unforeseen expenditure	200,000	-	200,000	-	200,000
PART IV - COMMERCIAL POLICY TRAINING COURSES					
Section 12. Commercial Policy Training Courses	580,000	(5,305)	574,695	574,695	-
PART V - INTERNATIONAL TRADE CENTRE UNCTAD/GATT					
Section 13. Contribution to the International Trade Centre UNCTAD/GATT	7,886,000 <u>45,501,000</u>	374,127 -	8,260,127 <u>45,501,000</u>	8,260,127 <u>45,059,851</u>	- <u>441,149</u>
GRAND TOTAL					

(Signed)

Arthur Dunkel
Director-General

(Signed)

E. von Holzen
Director

Administrative and Financial Division

STATEMENT 2

GENERAL AGREEMENT ON TARIFFS AND TRADE

Income and Expenditure Account for the Year ended 31 December 1982
(in Swiss francs)

<u>EXPENDITURE</u>	<u>INCOME</u>
1982 budget expenditure (Statement 1)	44,310,000
Excess of income over expenditure (Statement 3)	75,600
Miscellaneous:	
Interest on investments	206,406
Sale of publications	79,967
Loss on exchange	(19,148)
Savings on previous year's outstanding obligations	148,466
Refund of the organization's contribution to the United Nations Joint Staff Pension Fund in respect of participants withdrawals	64,069
Refund of staff costs for staff employed at Centre William Rappard on behalf of other occupants	456,598
Rental of meeting rooms and office space at Centre William Rappard to others	17,150
Overhead for trust fund	30,396
Other income	<u>71,460</u>
Transfer of 1980 surplus to 1982 income (Document L/5196)	1,055,364
	95,736

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45,536,700
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45,536,700
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(Signed)

Arthur Dunkel
Director-General

(Signed)

E. von Hohen
Director
Administrative and Financial Division

STATEMENT 3

GENERAL AGREEMENT ON TARIFFS AND TRADE

Surplus Account for the Year ended 31 December 1982
(in Swiss francs)

<u>DEBITS</u>	<u>CREDITS</u>
Balance at 1 January 1982:	
Deficit for 1981	476,849
Less: 1980 surplus to be transferred to 1982 income (document L/5196)	8,255
	<u>1,556,572</u>
Transfer to budget income	1,512,755
	95,736
Increase of provision for all contributions in arrears	<u>433,185</u>
	<u>2,041,676</u>
	=====
	<u>2,041,676</u>
	=====

(Signed)
Arthur Dunkel
Director-General

(Signed)
E. von Holzen
Director
Administrative and Financial Division

GENERAL AGREEMENT ON TARIFFS AND TRADE

Statement of Assets and Liabilities as at 31 December 1982
(in Swiss francs)

<u>ASSETS</u>			<u>LIABILITIES</u>	
Cash in hand	5,000		Miscellaneous accounts payable	103,757
Cash at bank and postal cheque accounts	1,690,741		Contributions paid in advance	1,966,278
Contributions receivable from contracting parties (Schedule B)	6,442,106		Reserve for 1982 obligations outstanding as at 31 December 1982	1,057,391
Miscellaneous accounts receivable	1,537,766		Provisions for losses and returns in respect of publications sales	15,000
Deficit on surplus account (Statement 3)	1,556,572		Provision for contributions in arrears	6,442,106
			Trainees Accommodation Fund	91,081
			Due to Working Capital Fund	1,556,572
		<u>11,232,185</u>		<u>11,232,185</u>

Notes:

- (1) Furniture, equipment and vehicles are charged to the budget at time of purchase; the value at cost of items still held at 31 December 1982 was Swf 5,313,026
- (2) Stocks of publications, for sale and free distribution, and of other expendable stores were also held.

(Signed)

Arthur Dunkel
Director-General

(Signed)

E. von Holzen
Director
Administrative and Financial Division

GENERAL AGREEMENT ON TARIFFS AND TRADE

Statement of Assets and Liabilities as at 31 December 1982
(in Swiss francs)

WORKING CAPITAL FUND

ASSETS

Cash at bank
 Investments (Schedule A)
 Receivable from contracting parties
 Advance to cover 1982 deficit

478,222
 674,683
 22,706
 1,556,572

LIABILITIES

Principal of Fund:
 Sums held to the credit of GATT
 Balance at 1 January 1982 1,156,721
 Interest on investments
 during 1982 152,577
 Advances made by contracting
 parties 1,368,339

1,309,298
 2,677,637

Accounts payable:

Due to contracting parties
 (Document L/2482)

54,546
 2,732,183
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(Signed)

Arthur Dunkel
 Director-General

(Signed)

E. von Holzen
 Director
 Administrative and Financial Division

STATEMENT 6

GENERAL AGREEMENT ON TARIFFS AND TRADE
TRUST FUND FOR SPECIAL COURSES FOR OFFICIALS OF SPANISH-SPEAKING DEVELOPING COUNTRIES

Statement of Account as at 31 December 1982
(in Swiss francs)

<u>SWITZERLAND</u>		
Funds received		270,000
<u>Less: Expenditure</u>		
Prior year	2,480	
1982	<u>231,338</u>	
Overheads:		
1982	<u>30,396</u>	
Balance refunded to Swiss Authorities		<u>264,214</u>
		<u>5,786</u>
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(Signed)
Arthur Dunkel
Director-General

(Signed)
E. von Holzen
Director
Administrative and Financial Division

Schedule A

GENERAL AGREEMENT ON TARIFFS AND TRADE

Investments held on 31 December 1982

Swiss francs

Deposit accounts with
Scandinavian Bank in
Switzerland, Geneva: 669,877 5% due 3 January 1983

Call account with
Scandinavian Bank in
Switzerland, Geneva: 4,806 2% 48-hour call

674,683^{1/}

^{1/} of which entire amount against Working Capital Fund

(Signed)

Arthur Dunkel
Director-General

(Signed)

E. von Holzen
Director
Administrative and Financial Division

SCHEDULE B/EYAT B/CUADRO B

STATEMENT OF OUTSTANDING CONTRIBUTIONS AS AT 31 DECEMBER 1982/ETAT DES ARRIERES DE CONTRIBUTIONS AU 31 DECEMBRE 1982/
 CONTRIBUCIONES PENDIENTES AL 31 DE DICIEMBRE DE 1982

Country/Pays/Pais	US dollars/Dollars des Etats-Unis/Dólares EEUU 1965/1972	Swiss francs/Francia suíza/Franco suizo					Total 1973/1982
		1973/1978	1979	1980	1981	1982	
Argentina/Argentine						43,454	43,454
Bangladesh						53,170	53,170
Barbados/Barbade						8,379	8,379
Belgium/Belgique/Bélgica						90,181	90,181
Benin/Bénin						51,738	51,738
Burundi						53,170	264,945
Central African Republic/République centrafricaine/República Centroafricana						53,170	292,872
Chad/Tchad						53,170	407,150
Congo, People's Republic of the/ République populaire du Congo/ República Popular del Congo	1969/1972	15,815					
Dominican Republic/République Dominicaine/ República Dominicana	1971/1972	6,497					
Gabon							231,712
Gambia/Gambie							407,150
Ghana							53,170
Greece/Grece/Grecia							260,723
Haiti/Haïti							142,882
Ivory Coast/Côte d'Ivoire/ Costa de Marfil							1,481
Kampuchea, Democratic/Kampuchea démocratique/Kampuchea Democrática							233,322
Kampuchea, Democratic/Kampuchea démocratique/Kampuchea Democrática							44,355
Madagascar							393,756
Mauritania/Mauritanie							33,713
Nicaragua							307,169
Niger							372,788
Peru/Pérou/Perú							56,879
Poland/Pologne/Polenia							289,030
Senegal/Sénégal							66,470
Sierra Leone/Sierra Leona							545,020
Tanzania/Tanzanie/Tanzania							215,666
Thailand/Thaïlande/Thailandia							353,850
Togo							107,609
Tunisia/Tunisie/Túnez							22,430
Uganda/Ouganda							53,170
Upper Volta/Haute-Volta/ Alto Volta							120,303
Uruguay							13,144
Yugoslavia/Yougoslavie							243,120
Zaire/Zaire							53,170
Zambia							53,170
Total							6,394,582

(Signed)

Arthur Dunkel
 Director-General

(Signed)

E. von Holzen
 Director
 Administrative and Financial Division

US\$22,312 at SFr 2.13 to US\$1.- equivalent to / 22.312 dollars EU à 2,13 FS par dollar EU, équivalent à /
 22.312 dólares EE.UU a 2,13 FS por dólar, que equivale a

ANNEX

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1. Following decisions by the CONTRACTING PARTIES, the accounts of GATT are, as far as appropriate and for the time being, maintained in accordance with the Financial Regulations and Rules of the United Nations, as supplemented or modified by financial Resolutions and Decisions of the CONTRACTING PARTIES.
2. The accounts are maintained on a fund basis. A General Fund and Working Capital Fund, supplemented when appropriate by Trust Funds, have been established in accordance with Article VI of the Financial Regulations and Rules of the United Nations.
3. The financial period consists of one calendar year.
4. The accounts are maintained and contributions are assessed in Swiss francs. Assets or liabilities in other currencies are converted to Swiss francs at the official United Nations internal accounting rate of exchange.
5. Gains or losses on exchange are added to or deducted from miscellaneous income.
6. Income, including contributions assessed on contracting parties, and expenditure are accounted for on an accrual basis.
7. The surplus for the financial year is at the disposal of the CONTRACTING PARTIES.
8. Provisions are made for the entire amount of contributions receivable from contracting parties and for losses and returns in respect of publications sales. A reserve is maintained for all outstanding obligations at the end of the financial year.
9. Fixed assets purchased during the financial year are charged to the budget at the time of purchase. The value at cost of items still held in inventory is recorded in a note on the Statement of Assets and Liabilities.

(Signed)

(Signed)

Arthur Dunkel
Director-General

E. von Holzen
Director
Administrative and Financial Division