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**Item No. 7 on the Agenda : Final modifications to the Budget, and approval of the
Accounts for the 2006 financial year**

(prepared by the UNIDROIT Secretariat)

<i>Summary</i>	<i>See below</i>
<i>Action to be taken</i>	<i>See below</i>
<i>Related document</i>	<i>Accounts 2006</i>

1. The Budget for the 2006 financial year, approved by the General Assembly at its 59th session on 1 December 2005, provided for actual expenditure of € 2,020,850.00 to be met by receipts of € 1,990,850.00 and an estimated surplus from 2005 of € 30,000.00. The Budget also provided for receipts and expenditure in the special accounts to balance at € 6,000.00.
2. During the 2006 financial year, receipts and expenditure have shown increases in comparison with the budget approved by the General Assembly at its 59th session, and accordingly the General Assembly at its 60th session (1 December 2006) approved adjustments to the Chapters and Articles of the budget.
2. The Accounts for the 2006 financial year indicate that actual receipts (including the 2005 surplus amounting to € 74,110.49) totalled € 2,211,521.46 and actual expenditure € 2,158,921.94, yielding a surplus for the year as a whole of € 52,599.52 (as opposed to the € 30,000.00 estimated by the Secretariat). Receipts and expenditures in the special accounts, amounting to € 8,215.60, show a balance.
3. The variations in receipts, which show an overall increase of € 195,070.82 as against the original estimates, are illustrated analytically in the Accounts 2006. In particular:
 - ❖ the Government of Italy increased its contribution for 2006 on a voluntary basis;
 - ❖ the amount of the contributions of other members States is less than expected due to arrears (see Appendix B to the 2006 Accounts);
 - ❖ the Government of United Kingdom offered an extra-statutory contribution earmarked for the salary of the Deputy Secretary-General acting as Chief Administrator;

- ❖ the Government of the People's Republic of China increased its contribution for 2006 on a voluntary basis;
- ❖ the contribution of a new member State is that of Latvia;
- ❖ the private donation allocated to the project Capital Markets funded the salary of the officer hors cadre in charge of the project;
- ❖ the contribution to general expenses is less than expected because an agreement with an organisation which should have used part of the premises of the Institute did not take place.

We will indicate here, to facilitate the reading of the Accounts, a summary of the receipts (in euro):

	Estimate for 2006	Receipts received 2006
Balance on 1 January 2006	30,000.00	74,110.49
Ordinary receipts		
Italian Government	250,000.00	270,000.00
Other member States	1,650,380.00	1,616,271.53
Extra-statutory contribution United Kingdom		72,475.00
Extra-statutory contribution China		15,105.80
Contributions from new member States	11,525.00	11,525.00
Private donation (project Capital Markets)		77,488.00
Interest	5,000.00	6,381.36
Contribution to overhead expenses	16,500.00	8,420.00
Sale of publications	<u>57,445.00</u>	<u>58,546.01</u>
Total ordinary receipts	1,990,850.00 =====	2,136,212.70 =====
Extraordinary receipts		
Various receipts	_____ p.m.	_____ <u>1,198.27</u>
Total actual receipts + balance on 1 January 2006	2,020,850.00 =====	2,211,521.46 =====
Special accounts		
Revolving funds	<u>6,000.00</u>	<u>8,215.60</u>
Total receipts	2,026,850.00 =====	2,219,737.06 =====

4. The variations in expenditure for 2006, which shows overall increased expenditure of € 138,071.94, are illustrated analytically in the Accounts 2006.

5. The surplus may be explained as follows (in euro):

Total actual expenditure	-	€ 2,158,921.94
Total actual receipts + balance on 1 January 2006	+	€ 2,211,521.46
Credit balance on 31 December 2006	+	€ 52,599.52

6. As the General Assembly will certainly recall, on the basis of the Accounts available for the previous financial year, the partial accounts available for that financial year as well as of other modifications due to circumstances arisen during the financial year, the Secretariat proposed adjustments to the budget, which were approved by the General Assembly at its 60th session.

7. At its 62nd session, the Finance Committee gave its positive opinion on the approval of the 2006 Accounts.

8. In the light of the foregoing, *the General Assembly is invited at its 61st session to approve the Accounts for the 2006 financial year.*