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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Forty-seventh Meeting
Montreal, 21-25 November 2005

FINAL 2004 ACCOUNTS

1. At its 46th Meeting, the Executive Committee considered the provisional accounts of the Multilateral Fund for the year 2004 (UNEP/OzL.Pro/ExCom/46/38 and Corr.1), which were presented by the Treasurer. The Executive Committee took note of the provisional accounts for the year 2004 and noted that the final 2004 accounts would be submitted to the Committee at its 47th Meeting.
2. Schedules 1.1 to 1.7 attached to this document constitute the final 2004 accounts of the Fund as recorded in the UNEP system. The 2004 accounts have been audited and are awaiting signature of the management letter by the UN Board of Auditors. The Treasurer will bring to the attention of the Executive Committee any observations and subsequent material changes in the final accounts, if any.
3. The attached 2004 final accounts are based on the following submissions from the implementing agencies:
 - (a) UNDP's provisional accounts were submitted to the Treasurer and are recorded as such in the final 2004 accounts. UNDP has submitted its 2004 final accounts after the closing of the UNEP accounts. Some minor adjustments are required in the UNDP 2004 schedule and will be recorded by the Treasurer in the 2005 year end accounts as a prior year adjustment.

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.

- (b) UNIDO's final accounts were submitted to the Treasurer prior to the closing of the UNEP 2004 final accounts and are recorded in them. UNIDO has also submitted their 2004 audited accounts. Some minor adjustments are required in the UNIDO 2004 schedule and will be made by the Treasurer in the 2005 year end accounts as a prior year adjustment.
- (c) UNEP's final accounts were submitted to the Treasurer prior to the closing of the UNEP final accounts and are recorded in these accounts pending the UNEP management letter.
- (d) The World Bank submitted to the Treasurer audited accounts together with the letter of the board of auditors and are recorded in the UNEP 2004 final accounts.

2004 Multilateral Fund Final Accounts
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 first year of the biennium 2004-2005 ended 31 December 2004

(Thousands of United States dollars)

	Reference	2004	2002
Income	Sch 6.1		
Voluntary contributions		140.668	124.234
Interest income		4.663	11.093
Miscellaneous income		4.161	8.734
Total Income		149.492	144.061
Expenditure			
Staff and other personnel costs		2.939	2.400
Contractual services		770	556
Travel		292	203
Operating expenses		312	368
Acquisitions		446	325
Programme support costs	Statement X	276	220
UNEP managed activities		12.766	7.184
UNDP managed activities	See note (a) below	41.858	45.977
UNIDO managed activities		42.048	34.114
World Bank managed activities		64.026	64.926
Total Expenditure		165.733	156.273
Excess/(shortfall) of income over expenditure		(16.241)	(12.213)
Prior period adjustments		(92)	(248)
Net excess/(shortfall) of income over expenditure		(16.333)	(12.461)
Reserves and fund balances, beginning of period		562.689	546.337
Reserves and fund balances, end of period		546.356	533.876

Statement of assets, liabilities, reserves and fund balances
as at 31 December 2004

Assets			
Cash and term deposits	Sch 3.1	67.553	83.245
Advances provided to implementing agencies		216.259	194.391
Accounts receivable			
Voluntary contributions receivable	Sch 6.1	160.755	162.158
Inter-fund balances	Note 8	53	-
Other		217	277
Promissory notes	See note (b) below	107.345	97.885
Other assets		19	58
Total assets		552.201	538.014
Liabilities			
Payments or contributions received in advance		5.276	800
Advances provided by implementing agencies		-	5
Unliquidated obligations		396	368
Accounts payable			
Inter-fund balances	Note 8	-	2.161
Other		173	802
Total liabilities		5.845	4.136
Reserves and fund balances			
Cumulative surplus		546.356	533.877
Total reserves and fund balances		546.356	533.877
Total liabilities, reserves and fund balances		552.201	538.014

Statement of cash flow
for the first year of the biennium 2004-2005 ended 31 December 2004

Cash flows from operating activities			
Net excess/(shortfall) of income over expenditure		(16.333)	(12.460)
(Increase)/decrease in contributions receivable		2.811	(22.394)
(Increase)/decrease in net advances provided to implementing		(23.259)	22.688
(Increase)/decrease in other accounts receivable		(48)	201
(Increase) decrease in other assets		-	(53)
Increase/(decrease) in payments or contributions received in advance		4.041	(607)
Increase/ (decrease) in unliquidated obligations		42	199
Increase/ (decrease) other accounts payable		(63)	280
Increase/(decrease) in interfund balances payable		7.224	1.887
Less: interest income		(4.663)	(11.093)
Net cash flows from operating activities		(30.248)	(45.320)
Cash flows from investing activities			
Increase in promissory notes		19.600	(2.701)
Plus: interest income		4.663	11.093
Net cash flow from investing activities		24.263	32.360
Cash flows from financing activities			
Net increase/(decrease) in cash and term deposits		(5.985)	(12.960)
Cash and term deposits, beginning of period		73.538	96.205
Cash and term deposits, end of period		67.553	83.245

a)The reported expenditure includes the changes in prior period expenditures as reported by the implementing agencies and treated as part of the current year expenditures.

For easy monitoring of the expenditures reported by the major implementing agencies, (UNDP, UNEP, UNIDO and WB-IBRD), the Treasurer has adopted the practice of recording any changes reported by these agencies against previous period(s) expenditures, as pa

In this regard, the total expenditures reflected in the current accounts include an amount of US\$10,316,604 relating to previous periods but reported in the current period.

b)The

promissory note stock includes notes amounting to US\$31 150 013 assigned to UNDP

SCHEDULE 1.1 MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL FINAL 2004 STATEMENT OF INCOME AND EXPENDITURE (in US\$) (Thousands of United States dollars)			
INCOME	2004	2003	1991- 2004
Agreed contributions	140.668	159.588	1.802.843
Interest income	4.663	7.227	144.348
Miscellaneous income	4.161	3.692	21.134
TOTAL INCOME	149.492	170.507	1.968.325
EXPENDITURE			
UNEP Managed Activities	12.766	10.648	76.550
UNDP Managed Activities	41.858	21.690	374.008
UNIDO Managed Activities	42.048	34.766	337.825
World Bank Managed Activities	64.026	70.867	590.886
Secretariat	5.035	4.169	43.045
TOTAL EXPENDITURE	165.733	142.140	1.422.314
Excess of income over expenditure	(16.241)	28.367	546.011
Prior period adjustments	(92)	445	345
Net excess of income over expenditure	(16.333)	28.812	546.356
Fund balance, beginning of period	562.689	533.877	0
Fund balance, end of period	546.356	562.689	546.356

Changes to Previous years expenditures as reported by the major implementing agencies.

The reported expenditures includes the changes in prior period expenditures as reported by the implementing agencies and treated as part of the current year expenditures

For easy monitoring of the expenditures reported by the major implementing agencies, (UNDP, UNEP, UNIDO and WEIBRD), the Treasurer has adopted the practice of recording any changes reported by these agencies against previous period (s) expenditures, as part of the current period transactions

In this regard, the total expenditures reflected in the current accounts include an amount of US\$10,316,604 relating to previous periods but reported in the current period

SCHEDULE 1.2		
MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL		
FINAL		
2004 STATEMENT OF ASSETS AND LIABILITIES		
(Thousands of United States dollars)		
ASSETS	31.12.2004	31.12.2003
Cash and term deposits	67.553	73.537
Voluntary pledges receivable	160.755	163.567
Inter-fund balance receivable	53	7.277
Other accounts receivable	217	169
Other assets - deferred charges	19	19
Promissory notes	107.345	126.945
Operating funds provided to implementing agencies	216.259	193.001
TOTAL ASSETS	552.201	564.515
LIABILITIES		
Deferred credits	5.276	1.235
Reserve for obligations	396	355
Inter-fund balance payable	0	0
Other accounts payable	173	236
Advances provided by implementing agencies	0	0
TOTAL LIABILITIES	5.845	1.826
RESERVES AND FUND BALANCES		
Cumulative surplus	546.356	562.689
TOTAL RESERVES AND FUND BALANCES	546.356	562.689
TOTAL LIABILITIES, RESERVES AND FUND BALANCES	552.201	564.515

SCHEDULE 1.3					
A. <u>2004 Expenditures for Account MFL 2336-2211-2661: (Secretariat's Main Account)</u>					
			Approved Budget	Actual Expenditure	Savings/ (Deficit)
10	PROJECT PERSONNEL COMPONENT				
	<i>1100</i>	<i>Project Personnel</i>			
	1101	Chief Officer (D-2)	190.864	165.974	24.890
	1102	Deputy Chief Officer (Economic Cooperation) (P-5)	150.180	151.761	(1.581)
	1103	Deputy Chief Officer (Technical Cooperation) (P-5)	153.190	149.366	3.824
	1104	Economic Affairs Officer (P-5)	145.950	133.583	12.367
	1105	Environmental Affairs Officer (P-5)	145.950	133.076	12.874
	1106	Project Management Officer (P-5)	145.950	230.999	(85.049)
	1107	Project Management Officer (P-5)	145.950	141.197	4.753
	1108	Information Management Officer (P-3)	129.051	137.512	(8.461)
	1109	Administrative and Fund Management Officer (P-4)	130.948	122.824	8.124
	1110	Senior Monitoring and Evaluation Officer (P-5)	145.950	147.794	(1.844)
	1111	Executive Assistant to Chief Officer (P-2)	68.000	72.762	(4.762)
	1188	Prior Year's Adjustment			
	<i>1199</i>	<i>Sub-total</i>	<i>1.551.983</i>	<i>1.586.848</i>	<i>(34.865)</i>
	<i>1200</i>	<i>Consultants</i>			
	1201	Projects and technical reviews etc	45.000	35.530	9.470
	<i>1299</i>	<i>Sub-total</i>	<i>45.000</i>	<i>35.530</i>	<i>9.470</i>
	<i>1300</i>	<i>Administrative Support Staff costs</i>			
	1301	Admin Assistant (G-8)	56.700	61.025	(4.325)
	1302	Meetings Services Assistant (G-7)	53.650	61.512	(7.862)
	1303	Programme Assistant (G-8)	56.700	25.407	31.293
	1304	Senior Secretary (Deputy Chief, Economic Cooperation) (G-6)	42.000	47.825	(5.825)
	1305	Senior Secretary (Deputy Chief, Technical Cooperation) (G-6)	42.000	39.128	2.872
	1306	Computer Operations Assistant (G-8)	56.700	78.221	(21.521)
	1307	Secretary (to 2 Programme Officers) (G-6)	44.390	51.191	(6.801)
	1308	Secretary/Clerk, Administration (G-5)	35.700	39.606	(3.906)
	1309	Registry Clerk (G-4)	34.537	46.126	(11.589)
	1310	Database Assistant (G-8)	56.700	53.322	3.378
	1311	Secretary, Monitoring and Evaluation, (G-6)	42.000	31.682	10.318
	<i>1301-11</i>	<i>Sub-total (support staff costs)</i>	<i>521.077</i>	<i>535.045</i>	<i>(13.968)</i>
	1333	Executive Committee -(ExCom 42-44)	750.000	769.902	(19.902)
	<i>1333</i>	<i>Sub-total (conference servicing)</i>	<i>750.000</i>	<i>769.902</i>	<i>(19.902)</i>
	1335	Tempory Assistant	50.000	47.263	2.737
	<i>1335</i>	<i>Sub-total (temporary assistant)</i>	<i>50.000</i>	<i>47.263</i>	<i>2.737</i>
	1388	Prior Year's Adjustment	-	-	0
	<i>1388</i>	<i>Sub-total</i>	<i>-</i>	<i>0</i>	<i>0</i>
	<i>1399</i>	<i>Sub-total</i>	<i>1.321.077</i>	<i>1.352.210</i>	<i>(31.133)</i>

			Approved	Actual	Savings/ (Deficit)
			Budget	Expenditure	
	1600	Travel on Official Missions			
	1601	Mission costs	260.000	260.563	(563)
	1699	Sub-total	260.000	260.563	(563)
1999	COMPONENT TOTAL		3.178.060	3.235.151	(57.091)
20	SUB-CONTRACTS COMPONENT				
	2100	Sub-Contracts with UN Agencies:			
	2101	Information materials	8.000	3.356	4.644
	2102	Treasury services	450.000	450.250	(250)
	2199	Sub-total	458.000	453.606	4.394
	2300	Sub-Contracts with Profit Making Institutions			0
	2301	Corporate Consultancies	0	0	0
	2399	Sub-total	0	0	0
2999	COMPONENT TOTAL		458.000	453.606	4.394
30	MEETINGS PARTICIPATION COMPONENT				
	3300	Assistance to Participants from Developing Countries			
	3301	Travel of Chairman / Vice-Chairman	30.000	18.114	11.886
	3302	Executive Committee meetings - 2004	150.000	155.343	(5.343)
	3303	Informal Sub-group meetings	0	0	0
	3399	Sub-total	180.000	173.457	6.543
3999	COMPONENT TOTAL		180.000	173.457	6.543
40	EQUIPMENT COMPONENT				
	4100	Expendables			
	4101	Office stationery etc	15.000	14.920	80
	4102	Software & Computer expendables	9.000	9.189	(189)
	4199	Sub-total	24.000	24.109	(109)
	4200	Non-expendable Equipment			
	4201	Computer, printers etc.	10.000	9.890	110
	4202		5.000	3.851	1.149
	4299	Sub-total	15.000	13.741	1.259
	4300	Rental of premises			
	4301	Rental of office premises	327.000	374.954	(47.954)
	4399	Sub-total	327.000	374.954	(47.954)
4999	COMPONENT TOTAL		366.000	412.804	(46.804)
50	MISCELLANEOUS COMPONENT				
	5100	Operations and Maintenance			
	5101	Computers, printers etc	9.000	6.847	2.153
	5102	Office premises	9.000	3.422	5.578
	5103	Rental of Photocopiers	15.000	14.559	441
	5104	Telecommunications equipment	9.000	6.312	2.688
	5105	Miscellaneous equipment rentals	12.000	1.187	10.813
	5199	Sub-total	54.000	32.327	21.673
	5200	Reporting Costs			

		Approved	Actual	Savings/
		Budget	Expenditure	(Deficit)
	5201			
	5202			
	5299	20.000	9.660	10.340
	5300	20.000	9.660	10.340
	5301			
	5302	40.000	39.743	257
	5303	25.000	24.489	511
	5304	5.000	608	4.392
	5305	6.000	2.979	3.021
	5399	10.000	1.334	8.666
	5400	86.000	69.153	16.847
	5401			
	5499	10.000	13.326	(3.326)
5999	COMPONENT TOTAL	170.000	124.466	45.534
99	PROJECT TOTAL	4.352.060	4.399.484	(47.424)
	<i>Programme Support Costs</i>	269.498	275.846	(6.348)
	GRAND TOTAL	4.621.558	4.675.330	(53.772)
B. 2004 Expenditures for Account MFL 2336-2212-2661: (Monitoring and Evaluation)				
		Approved	Actual	Savings/
		Budget	Expenditure	(Deficit)
	1201	20.000	7.318	12.682
	1202	70.204	70.083	121
	1203	80.000	75.348	4.652
	1204	50.000	44.373	5.627
	1205	10.000	9.875	125
	1601	50.000	31.621	18.379
	4101	0	0	0
	4201	4.000	4.382	(382)
	5105	0	0	0
	5201	0	0	0
	5301	2.000	1.934	66
	ACCOUNT TOTAL	286.204	244.934	41.270
C. 2004 Expenditures for Account MFL 2336-2213-2661: (Technical Audits: Production Sector)				
	2300			
	2301	56.154	50.000	6.154
	ACCOUNT TOTAL	56.154	50.000	6.154
D. 2004 Expenditures for Account MFL 2336-2720-2661: (Information Strategy)				
		Approved	Actual	Savings/
		Budget	Expenditure	(Deficit)
	1201	23.874	23.874	0
	4102	10.353	10.353	0
	4201	18.850	18.850	0
	5105	12.500	12.500	0
	ACCOUNT TOTAL	65.577	65.577	0
	TOTAL FOR ALL ACCOUNTS	5.029.493	5.035.841	(6.348)

<p style="text-align: center;">SCHEDULE 1.4</p> <p style="text-align: center;">MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL</p> <p style="text-align: center;">FINAL</p> <p style="text-align: center;">UNDP Managed Activities in 1991 - 2004</p> <p style="text-align: center;">(Thousands of United States dollars)</p>			
INCOME	2004	2003	1991-2004
Cash transferred from the Multilateral Fund	41.173	24.892	389.739
Promissory notes	0	0	31.150
Interest and miscellaneous income earned and retained	1.185	807	37.903
TOTAL INCOME	42.358	25.699	458.792
TOTAL EXPENDITURE	41.858	18.098	374.007
EXCESS OF INCOME OVER EXPENDITURE	500	7.601	84.785
Prior period adjustments		0	
NET EXCESS OF INCOME OVER EXPENDITURE	500	7.601	84.785
Fund balance, beginning of period	84.285	76.684	0
Add excess of income over expenditure	500	7.601	84.785
Fund balance, end of period	84.785	84.285	84.785

SCHEDULE 1.5			
MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL			
FINAL			
UNEP Managed Activities in 1991 - 2004			
(Thousands of United States dollars)			
INCOME	2004	2003	1991-2004
Cash transferred from the Multilateral Fund in 1998 recorded in 2002	0	0	0
Cash transferred from the Multilateral Fund in 2001 recorded in 2002	0	0	0
Cash transferred from other donors in prior periods posted to UNEP in error reversed in 2002	0	0	0
Cash transferred from the Multilateral Fund	12.592	7.936	82.743
Total transfers	12.592	7.936	82.743
Interest earned and retained	622	410	4.676
TOTAL INCOME	13.214	8.346	87.419
TOTAL EXPENDITURE	12.786	10.879	76.443
EXCESS OF INCOME OVER EXPENDITURE	428	(2.533)	10.976
Prior period adjustments	0	0	0
NET EXCESS OF INCOME OVER EXPENDITURE	428	(2.533)	10.976
Fund balance, beginning of period	10.548	13.081	0
Add excess of income over expenditure	428	(2.533)	10.976
Fund balance, end of period	10.976	10.548	10.976

Note: The figures presented take into account any prior period adjustments reported by Implementing agencies.

<p style="text-align: center;">SCHEDULE 1.6</p> <p style="text-align: center;">MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL</p> <p style="text-align: center;">FINAL</p> <p style="text-align: center;">UNIDO Managed Activities in 1991 - 2004</p> <p style="text-align: center;">(Thousands of United States dollars)</p>			
INCOME	2004	2003	1991-2004
Cash transferred from the Multilateral Fund	67.004	23.588	352.027
Interest and miscellaneous income earned and retained	1.081	588	24.947
TOTAL INCOME	68.085	24.176	376.974
TOTAL EXPENDITURE	42.048	37.879	338.091
EXCESS OF INCOME OVER EXPENDITURE	26.037	(13.703)	38.883
Prior period adjustment	0	0	267
NET EXCESS OF INCOME OVER EXPENDITURE	26.037	(13.703)	39.150
Fund balance, beginning of period	13.113	26.816	0
Add excess of income over expenditure	26.037	(13.703)	39.150
Fund balance, end of period	39.150	13.113	39.150

Note: The figures presented take into account any prior period adjustments reported by Implementing agencies.

SCHEDULE 1.7			
MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL			
FINAL			
World Bank Managed Activities in 1991 - 2004			
(Thousands of United States dollars)			
INCOME	2004	2003	1991-2004
Cash transferred from the Multilateral Fund	41.171	74.243	465.309
Promissory notes encashed*	11.515	3.619	176.194
Promissory notes transferred, net of encashments			0
Interest and miscellaneous income earned and retained (investment income)	2.138	3.893	57.703
TOTAL INCOME	54.824	81.755	699.206
TOTAL EXPENDITURE	64.026	70.867	590.831
EXCESS OF INCOME OVER EXPENDITURE	(9.202)	10.888	108.375
NET EXCESS OF INCOME OVER EXPENDITURE	(9.202)	10.888	108.375
Fund balance, beginning of period	117.577	106.689	0
Add excess of income over expenditure	(9.202)	10.888	108.375
Fund balance, end of period	108.375	117.577	108.375

*Promissory notes information provided by World Bank accounts.

Note: The figures presented take into account any prior period adjustments reported by Implementing agencies.