



**The North Atlantic Salmon
Conservation Organization**

**Report of the Thirty-Second Annual Meeting of the
Finance and Administration Committee
1 June 2015, Happy Valley – Goose Bay, Canada**

Chairman: Mr Raoul Bierach (Norway)

Vice-Chairman: Mr Doug Twining (Canada)

Secretary: Dr Peter Hutchinson

CNL(15)5

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Report of the Meeting of the Finance and Administration Committee of the North Atlantic Salmon Conservation Organization

Hotel North 2, Happy Valley - Goose Bay, Canada

Monday 1 June 2015

1. Opening of the Meeting

- 1.1 The Chairman, Mr Raoul Bierach (Norway), opened the meeting and welcomed members of the Committee to Happy Valley – Goose Bay.
- 1.2 A list of participants is contained in Annex 1.

2. Adoption of the Agenda

- 2.1 The Committee adopted its agenda, FAC(15)6 (Annex 2).

3. 2014 Audited Accounts

- 3.1 The Secretary introduced the audited accounts for 2014, FAC(15)2. In 2014, the Committee had recognised that the Organization's financial position was much more favourable than it had been at the start of 2013. This improvement continued during 2014. During the year an unbudgeted sum of approximately £61,000 had been credited to the Contractual Obligation Fund. The loan to NASCO of £25,000 from the International Atlantic Salmon Research Board had been repaid in full in 2014 and the Working Capital Fund, which had been rebuilt in 2013, remains at its ceiling of £200,000. The Contractual Obligation Fund continues to be rebuilt, in part due to a favourable dilapidations settlement of £38,000 from the outgoing tenants of the leased property. He indicated that although the Contractual Obligation Fund remains well below the ceiling of £250,000, it should reach this level by the end of 2017, given the sums budgeted in the five-year Spending Plan. However, the immediate obligations to staff have been met. The Recruitment Fund continues to be built and currently stands at £15,000 and will increase to £30,000 by the end of 2015. The Committee agreed that the Recruitment Fund should continue to be built and be reviewed annually.
- 3.2 The Committee recommended to the Council the adoption of the 2014 audited accounts.

4. Relationship with ICES

- 4.1 In 2007, the Council had entered into a Memorandum of Understanding (MoU) with ICES that is subject to review every three years. In 2013, on the recommendation of the Finance and Administration Committee, the Council had agreed to continue with the MoU with ICES on the understanding that there would be no increase in costs during this period above the rate of inflation in Denmark. Last year, the Secretary had raised with ICES the possibility of receiving the ACOM advice earlier than the date specified in the MoU (10 May) and the 2015 advice was received prior to this date. The Committee recognised that the relationship with

ICES was working well and agreed that the MoU should continue for a further three years from 2016.

4.2 Last year, the Committee had noted that one of the aims in moving to multi-annual advice had been that, in years when catch advice was not needed, broader questions of relevance to salmon conservation might be included in the request to ICES. However, it had been noted that because of the need to maintain the time-series of data, limited additional time might actually have been made available to ICES in years when there is no request for catch advice. As requested, the Secretary had consulted the Chairman of the WGNAS about the time available at its meetings in non-advice years. It was noted that:

- The annual data collation exercise and updating of time-series to provide annual feedback on the status of stocks is relatively time-consuming and since WGNAS continues to report on stock status the ‘savings’ in non-catch advice years are relatively modest;
- WGNAS has also had additional work to do in recent years in developing the Faroes risk framework and a number of *ad hoc* questions (e.g. reporting on impacts of exotic salmonids; by-catch; stock classification; reviewing management objectives; etc);
- issues under the ‘threats and opportunities’ question typically constitute a substantial component of the report in relation to salmon in the North Atlantic.

4.3 The Committee recognised that despite on-going work related to assessment of stock status, ICES had been able to address additional questions in the request from NASCO. The Secretary informed the Committee that ICES had asked for feedback on the format of the advice. The Committee did not have any substantive proposals for changes to the format, but, because answers are sometimes difficult to find, requested that consideration be given to presenting the responses to questions from NASCO in the same format as the request in future ACOM reports, i.e. responses to questions relating to a specific Commission area should be presented in that section of the ACOM report, rather than in the section relating to the North Atlantic area.

5. MoU with the OSPAR Commission

5.1 The Secretary introduced document FAC(15)3. The MoU between NASCO and the OSPAR Commission came into effect on 5 August 2013. It requires that: the OSPAR Commission and NASCO are invited to attend each other’s meetings of mutual interest; there is an exchange of information and coordination on matters relating to salmon conservation and protection of the marine environment in the North-East Atlantic; and the Secretariats will report to their organisations on actions taken pursuant to the MoU. Since August 2013, NASCO had sent reports to the OSPAR Commission Secretariat and invited them to attend NASCO meetings. In 2014 the Committee had underscored that relevant information should flow to and from both organisations. On 7 May 2015, the Secretary of the OSPAR Commission sent NASCO a link to the OSPAR Commission reports and invited NASCO to attend the Annual Meeting of the OSPAR Commission. This was welcomed by the Committee. This correspondence also included a Draft Recommendation relating to salmon developed by OSPAR’s Biodiversity Committee. NASCO had not been consulted on this Draft Recommendation.

5.2 The Committee noted that in its present form, the Draft Recommendation fails to recognise the measures, agreements and practices developed and implemented by NASCO. The Committee therefore recommends to the Council that the Acting President be requested to write to the Chairman of the OSPAR Commission indicating that NASCO, as the RFMO charged with

conserving, managing and restoring salmon in the North Atlantic, would appreciate an opportunity for proper consultation and comment before the Draft Recommendation is adopted.

6. Review of the NASCO Tag Return Incentive Scheme

- 6.1 At its 2014 Annual Meeting, the Committee recognised that the Tag Return Incentive Scheme had brought benefits in terms of publicity for the work of the Organization and the need to return tags. The Secretary was asked to prepare a brief review of the operation of the Scheme for consideration at the 2015 Annual Meeting. The Secretary presented paper FAC(15)4.
- 6.2 The Committee decided not to make changes to the operation of the Scheme but undertake a further review of its operation at the 2018 Annual Meeting.

7. Headquarters Property

- 7.1 The Secretary advised the Committee that a lease had been agreed with new tenants which entered into force on 5 January 2015 at an initial rent of £40,000 per annum, with service charges payable in addition. The lease is for all the available accommodation that is not required by NASCO and is for a ten year period, with a tenant-only break option after three years and a mutual break option after 5 years. Over the period of the lease, there should be income from the property of around £550,000. There was a four-month rent-free period that ended at the start of May 2015. The new tenants had accepted the property in its present condition and a dilapidations settlement of £38,000 was negotiated from the outgoing tenants, which was credited to the Contractual Obligation Fund. The Committee welcomed the successful negotiation of this new lease.

8. Consideration of the 2016 Draft Budget, Schedule of Contributions and five-year Budgeting Plan

- 8.1 The Secretary introduced the Draft 2016 Budget, FAC(15)5. The 2016 budgeted expenditure represents a reduction compared to the five-year spending plan agreed in 2014, and the main reason for the increase in 2016 compared to the 2015 budget is the increased contribution to the Contractual Obligation Fund from £66,000 to £94,000. If that increased contribution is excluded, the budget represents a reduction in real terms of approximately 2.5% compared to 2015.
- 8.2 The Secretary was asked to explain why the 2015 budget provision for 'Meetings' had increased from £8,000 in the 2015 Draft Budget to £36,000 in the budget adopted by the Council. He indicated that this was because there had been uncertainty about whether there would be an invitation to host the 2015 Annual Meeting at the time the budget was agreed. Funds had, therefore, been included in the budget to cover the cost of an Annual Meeting in Edinburgh but subsequently Canada agreed to host the meeting. The Secretary indicated that because of the loss of income from the property and other unanticipated costs, he had not recruited a fourth, locally recruited Secretariat Member but that funds had been included in the 2016 Budget to allow for such an appointment.
- 8.3 The Committee agreed to recommend to the Council the adoption of the 2016 Draft Budget and 2017 Forecast, FAC(15)7. The Budget as adopted by the Council, CNL(15)19, is included in Annex 3. A five-year Budgeting Plan (2016 – 2020) was also provided for information.

9. Appointment of Auditors

- 9.1 The Committee noted that the Council had previously appointed Chiene + Tait of Dublin Street, Edinburgh, as auditors for the 2012, 2013 and 2014 audited accounts. The Committee agreed to recommend to the Council the appointment of Chiene + Tait for the 2015, 2016 and 2017 audits, or such other company as may be agreed by the Secretary in consultation with the President and Chairman of the Finance and Administration Committee. The Secretary indicated that he would seek three quotes for the audit work for the coming three year period.

10. Any Other Business

- 10.1 In 2012, the Council agreed to contribute a sum of £5,000 towards the cost of filming at West Greenland for the film, 'Atlantic Salmon – Lost at Sea'. The film is being produced by Deirdre Brennan, an Emmy nominated director for film and television. The Secretary reported that filming has taken place in seven countries and during the SALSEA-Merge research surveys. The film will be an excellent way of raising awareness of the challenges facing the salmon around the North Atlantic, the research programmes being undertaken and the wide range of measures that have been taken to conserve and restore them, including the international work of NASCO. The Secretary reported that to date, funding of US\$427,000 has been raised for the film, but due to a delay and uncertainty with one sponsor, a further sum of around US\$50,000 (£30,000) is now being sought to complete the post-production work. The Committee agreed that the Secretary should be authorised, subject to budgetary considerations and conditional on the remaining funding being found from other sources, to make an additional contribution of up to £10,000 from the 2015 budget. The Secretary will consult Castletown Productions with regard to seeking confirmation of the remaining work to be completed before the film can be released, the timelines for completion of this post-production work and on progress with the 'Kickstart' fund-raising campaign and what is foreseen in case the fund raising campaign fails.
- 10.2 The Committee was advised that the current Vice-Chairman of the Committee (Mr Doug Twining (Canada)) is no longer involved in NASCO matters. The Committee elected Mr Cal Wenghofer (Canada) as Vice-Chairman to serve the remainder of Mr Twining's term (until 2016).

11. Report of the Meeting

- 11.1 The Committee agreed a report of its meeting.
- 11.2 The Chairman thanked the members of the Committee for their contributions and closed the meeting.
- 11.3 A list of Finance and Administration Committee papers is given in Annex 4.

List of Participants

Canada

Richard Nadeau
Cal Wenghofer

Denmark (in respect of the Faroe Islands and Greenland)

Sigga Jacobsen

European Union

Cathal Gallagher
Stamatis Varsamos

Norway

Raoul Bierach (Chairman)
Roy Langåker

Russian Federation

Konstantin Drevetnyak

US

Kim Blankenbeker
Rebecca Dorsey
Patrick Pearsall

Secretariat

Peter Hutchinson

FAC(15)6

Agenda

1. Opening of the Meeting
2. Adoption of the Agenda
3. 2014 Audited Accounts
4. Relationship with ICES
5. MoU with the OSPAR Commission
6. Review of the NASCO Tag Return Incentive Scheme
7. Headquarters Property
8. Consideration of the 2016 Draft Budget, Schedule of Contributions and five-year budgeting plan
9. Appointment of Auditors
10. Any Other Business
11. Report of the Meeting

CNL(15)19***North Atlantic Salmon Conservation Organization
2016 Budget and 2017 Forecast Budget (Pounds Sterling)***

	Budget 2016	Forecast 2017
Expenditure		
1. Staff-related costs	322,700	332,500
2. Travel and subsistence	28,000	22,000
3. Research and advice	60,000	62,000
4. Contribution to Working Capital Fund	0	0
5. Meetings	9,000	35,000
6. Office supplies, printing and translation	23,500	26,000
7. Communications	16,000	17,500
8. Headquarters Property	40,000	42,000
9. Office furniture and equipment	6,500	6,500
10. Audit and other expenses	9,000	10,000
11. Tag Return Incentive Scheme	4,500	4,800
12. International Atlantic Salmon Research Fund	0	0
13. Contribution to Contractual Obligation Fund	94,000	103,000
14. Contribution to Recruitment Fund	15,000	15,000
Total Expenditure	628,200	676,300
Income		
15. Contributions - Contracting Parties	571,200	619,300
16. General Fund – Interest	2,000	2,000
17. Income from Headquarters Property	55,000	55,000
18. Surplus or Deficit (-) from 2014	0	0
Total Income	628,200	676,300

2016 Budget & 2017 Forecast Budget (Pounds Sterling) - Expenditure by Sub-section

	Budget 2016	Forecast 2017
1. Staff-related costs		
1.1 Secretariat members	235,600	243,000
1.2 Support staff	1,500	1,500
1.3 Staff Fund contributions, allowances, & other staff costs	85,600	88,000
Total	322,700	332,500
2. Travel and subsistence		
2.1 Travel to post and Annual Meeting	7,000	0
2.2 Official travel and subsistence	21,000	22,000
Total	28,000	22,000
3. Research and advice		
3.1 Annual contribution to ICES	60,000	62,000
3.2 Other research and advice	0	0
Total	60,000	62,000
4. Contribution to Working Capital Fund	0	0
5. Meetings		
5.1 Costs of Annual Meeting	4,000	30,000
5.2 Costs of other meetings	5,000	5,000
Total	9,000	35,000
6. Office supplies, printing and translation		
6.1 Office supplies	17,000	19,000
6.2 Printing	4,500	5,000
6.3 Translations	2,000	2,000
Total	23,500	26,000
7. Communications		
7.1 Telecommunications	5,000	6,000
7.2 Postage and courier services	3,000	3,000
7.3 IT support & website	8,000	8,500
7.4 Communications, professional support and design	0	0
Total	16,000	17,500
8. Headquarters Property		
8.1 Capital and interest payments	0	0
8.2 Maintenance, services and other building-related costs	40,000	42,000
Total	40,000	42,000
9. Office furniture and equipment		
9.1 Furniture	0	1,500
9.2 Equipment	6,500	5,000
Total	6,500	6,500
10. Audit and other expenses		
10.1 Audit and accountancy fees	4,500	5,000
10.2 Bank charges and insurances	1,000	1,000
10.3 Miscellaneous	3,500	4,000
Total	9,000	10,000
11. Tag Return Incentive Scheme	4,500	4,800
12. Contribution to IASRF	0	0
13. Contribution to Contractual Obligation Fund	94,000	103,000
14. Contribution to Recruitment Fund	15,000	15,000
Total Expenditure	628,200	676,300

2015 Budget Contributions (Pounds Sterling) Adjusted for Confirmed rather than Provisional 2013 Catches (tonnes)

Party	2013 catch (provisional)	2013 catch (confirmed)	2015 contribution (provisional)	2015 contribution (confirmed)	Adjustment
Canada	136	137	73,363	74,526	1163
Denmark (Faroe Islands and Greenland)	47	47	43,333	43,617	283
European Union	404	382	163,790	158,668	-5,121
Norway	475	476	187,746	190,951	3,205
Russian Federation	78	78	53,793	54,263	470
USA	0	0	27,475	27,475	0
Total	1,140	1,120	549,500	549,500	0

Note: A positive adjustment represents an underpayment in 2015.

NASCO Budget Contributions for 2016 and Forecast Budget Contributions for 2017(Pounds Sterling)

Party	2014 catch (provisional)	2016 contribution	Adjustment from 2015	2016 adjusted contribution	2017 forecast contribution
Canada	106	69,196	1163	70,359	75,023
Denmark (Faroe Islands and Greenland)	58	50,795	283	51,078	55,072
European Union	308	146,634	-5,121	141,512	158,981
Norway	490	216,404	3,205	219,610	234,627
Russian Federation	81	59,612	470	60,082	64,632
USA	0	28,560	0	28,560	30,965
Total	1,043	571,200	0	571,200	619,300

Column totals in both tables can be in error by a few pounds due to rounding.

Five-year NASCO Budgeted Expenditure and Income Projections 2016 - 2020

		2016	Forecast 2017	Forecast 2018	Forecast 2019	Forecast 2020
Expenditure						
1	Staff related costs	322,700	332,500	342,500	353,000	363,000
2	Travel & Subsistence	28,000	22,000	29,000	29,000	30,000
3	Research & advice	60,000	62,000	65,000	68,000	70,000
4	Contribution to Working Capital	0	0	0	0	0
5	Meetings	9,000	35,000	9,000	9,000	10,000
6	Office supplies, printing and translations	23,500	26,000	28,000	29,000	30,000
7	Communications	16,000	17,500	18,500	19,000	19,000
8	Headquarters Property	40,000	42,000	42,000	42,000	45,000
9	Office furniture & equipment	6,500	6,500	6,500	6,500	6,500
10	Audit & other expenses	9,000	10,000	11,000	12,000	12,000
11	Tag return incentive scheme	4,800	4,800	4,800	4,800	4,800
12	International Cooperative Research	0	0	0	0	0
13	Contribution to Contractual Obligation Fund	94,000	103,000	50,000	50,000	50,000
14	Contribution to Recruitment Fund	15,000	15,000	15,000	15,000	15,000
Total		628,200	676,300	621,300	637,300	655,300
Income						
15	Contributions of Contracting Parties	571,200	619,300	564,300	580,300	598,300
16	Interest Received on General Fund	2,000	2,000	2,000	2,000	2,000
17	Income from HQ property	55,000	55,000	55,000	55,000	55,000
Total		628,200	676,300	621,300	637,300	655,300

List of Papers

FAC(15)1	Draft Agenda
FAC(15)2	2014 Audited Accounts
FAC(15)3	MoU with the OSPAR Commission
FAC(15)4	Review of the NASCO Tag Return Incentive Scheme
FAC(15)5	2016 Draft Budget, 2017 Forecast Budget and Five-Year (2016-2020) Spending Plan
FAC(15)6	Agenda
FAC(15)7	2016 Draft Budget, 2017 Forecast Budget and Five-Year (2016-2020) Spending Plan
FAC(15)8	Draft Report of the Finance and Administration Committee of the North Atlantic Salmon Conservation Organization
FAC(15)9	Report of the Finance and Administration Committee of the North Atlantic Salmon Conservation Organization